Newspaper of the Year

FINANCIAL TIMES

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WORLD BUSINESS NEWSPAPER

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Argentina's woes are a reminder of global weakness — OPINION, PAGE 11

Property barons
Hong Kong tycoons face pressure to spread their wealth — BIG READ, PAGE 9

Portrait of a PM
The strange case of Theresa May's photo — ROBERT SHRIMSLEY, PAGE 10

Trump makes date with Kim in Singapore

Donald Trump said he would meet North Korean leader Kim Jong Un in Singapore next month in a high-stakes summit aimed by the US at ending Pyongyang's nuclear arms programme.

The US president tweeted the meeting would take place on June 12. "We will both try to make it a very special moment for World Peace!" he said.

The announcement came hours after Mr Trump welcomed home three American prisoners held in North Korea, right. Mr Trump, who this week pulled the US out of an international deal freezing Iran's nuclear ambitions, said the prisoners' release was a sign of Mr Kim's good intentions.

Mideast tensions page 6
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Michael Reynolds/EPA

Briefing

▸ RBS settlement opens way for sale
The bank has agreed to pay $4.9bn to settle a long-running US mortgage investigation, clearing the way for a transformation including a government share sale.— PAGE 13; LEX, PAGE 12; 'BIGGIE', PAGE 16

▸ Mahathir takes office in Malaysia
Mahathir Mohamad has been sworn in as prime minister, pledging economic reform after sealing a historic general election victory.— PAGE 5; EDITORIAL COMMENT, PAGE 10; RINGGIT JOLTED, PAGE 25

▸ May apologises to Libyan torture victim
The prime minister has apologised for "appalling" treatment suffered by a Libyan politician who was tortured after MI6 helped Muammer Gaddafi's regime to detain him in 2004.— PAGE 2

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The sports media group owned by Len Blavatnik's Access Industries has struck a $1bn deal with Eddie Hearn's Matchroom Boxing to stream fights on a US service.— PAGE 14

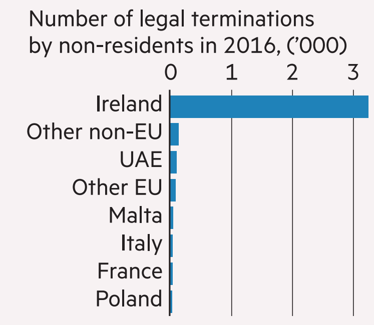
▸ Melrose and Direct Line in pay vote blow
Almost a quarter of shareholders in the turnround group that is behind the £8bn hostile takeover of GKN, and of those in the insurer, have voted against executive pay at their annual meetings. — PAGE 18

▸ SoftBank tech fund reaches $100bn goal
Daimler is among a group of new investors that are committed to backing SoftBank's $100bn Vision Fund, allowing Masayoshi Son to close the biggest technology investment vehicle.— PAGE 16

▸ AA says potholes cost insurers £4.2m
The motoring organisation has warned of a pothole epidemic, with about 4,200 related claims between January and April, a 171 per cent rise on last year, leading to a £4.2m bill for insurers.— PAGE 3

Datawatch

UK abortions
Number of legal terminations by non-residents in 2016, ('000)



Source : UK Department of Health

Ireland accounts for just under 68 per cent of all non-resident abortions in the UK. In 2016, 3,265 Irish women and girls had legal terminations, far more than other non-residents. The next single country is the UAE, with 110

BT slashes 13,000 jobs in drive to free up cash for fibre and 5G

● Plan to quit City headquarters ● Managerial and admin cuts ● Investors grow impatient

NIC FILDES — TELECOMS CORRESPONDENT

BT Group has triggered its most significant overhaul in a decade, announcing 13,000 managerial and administrative job cuts and a plan to leave its historic home in the heart of the City, close to St Paul's Cathedral.

The lay-offs are part of an effort to strip £1.5bn in costs from the biggest UK telecoms group, which has struggled through an accounting scandal in Italy and missed targets over the past year, allowing it to free up cash for investment in full-fibre and 5G networks.

The company said it would hire 6,000 engineers to speed up its rollout of faster broadband, and revealed it had reached a deal with trustees to tackle a pension deficit that had widened to £11.3bn.

Despite the shake-up, Gavin Patterson, chief executive, said BT was still two years from a return to profit growth and would not see revenue growth for three. Its shares, which have halved in the past two years, closed 7 per cent lower, with investors showing new displeasure with the pace of the turnround.

Mr Patterson, who has been under fire after a difficult 2017, said he recognised that the restructuring would be painful for staff, but insisted he needed to act because the company's structure was "complex and overweight".

"I make no bones about it, it's probably the most significant reorganisation in 10 years," he said. "The shares might be down at the beginning of the day but it doesn't mean that it isn't the right thing to do."

BT kicked off a major review of its business called Project Novator after the Italian accounting scandal hit in January last year. That forced BT to halt its strategy of growing by spending heavily on sports rights and mobile phone networks, and into a retrenchment which had led to 4,000 jobs cut last year.

Although BT will remain in London, it will move from the building it has occupied since 1984. The former telephone exchange was bombed in the second world war. BT will also cut the number of offices across the country from 50 to about 30, Mr Patterson said.

BT hopes to reassure investors by holding dividend payments at the same level for another two years, when it expects the cost savings to kick in.

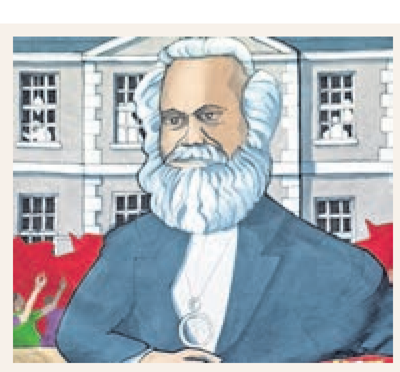
The pension deficit of £11.3bn was lower than some analysts had expected. BT will pump £4.5bn into the scheme by 2020 as part of a new funding plan agreed with trustees that also includes a new £2bn bond to be held by the BT Pension Scheme. Balancing the demands of investment with its pension and dividend liabilities has been a concern for BT's management.

It reported a 3 per cent fall in revenue in the fourth quarter and 1 per cent for the year to £23.7bn. Pre-tax profit rose 98 per cent in the quarter but this was because of weak comparative figures rather than strong performance.

BT expects its revenue to fall 2 per cent in the next financial year, with adjusted cash flow of about £7.4bn.

Gavin Patterson, chief executive, said BT was still two years from a return to profit growth. Its shares closed down 7 per cent

BT pulls plug page 15
Lombard page 18



Workers of Clerkenwell unite behind Corbyn

Its members may number no more than 1,000 but the Communist Party of Britain has found new life. Treasured policies such as public ownership are suddenly in vogue and it has friends at the highest levels of Jeremy Corbyn's Labour party. Still fond of leaflets and loud hailers, it is almost quaint to hear leader Robert Griffiths, at the Marx Memorial Library in Clerkenwell, label the Financial Times a 'mouthpiece of the enemy class'. He reads it every day.
Analysis ▸ PAGE 3

Bank of England makes light of weak first quarter but keeps rates on hold

CHRIS GILES AND DELPHINE STRAUSS

The Bank of England played down signs of weakness in the UK economy yesterday but voted to hold interest rates at 0.5 per cent in case activity failed to pick up in the second half of the year.

With inflation projected to return to the central bank's 2 per cent target within two years and remain on track, Mark Carney, governor, agreed with financial markets that it was more likely than not that one interest rate rise was needed this year and that rates would increase gradually to 1.25 per cent by mid-2021.

The bank's Monetary Policy Committee voted 7-2 against raising interest rates immediately. The majority said there was a need "to see how the data unfolded over coming months to discern whether the softness in the first quarter might persist", leaving the path open for a rate rise in August or November.

In its assessment of the current state of the economy, the MPC contradicted the Office for National Statistics' assessment that the weakness was largely unrelated to snowy weather, saying it thought the statistical office would soon revise higher the 0.1 per cent estimate of the growth rate.

The weak first quarter forced the BoE to cut its growth forecast for 2018 from 1.8 per cent to 1.4 per cent, but the majority of the committee thought poor data reflected just a temporary soft patch. Mr Carney said: "The overall economic climate in the UK looks little changed thus far."

The two hawkish members, Michael Saunders and Ian McCafferty, who voted for an immediate rate rise, judged the recent data to be "temporary or erratic [and] heavily affected by adverse weather".

Despite ignoring most of the weakness in the data, the MPC's projections for inflation over the next three years were lower than in February because import prices have not grown as fast the committee previously expected.

In the medium term, the committee judged, the economy would grow at an average pace of about 1.7 per cent a year, almost exactly the same as its forecast in February, slightly faster than the UK economy can sustain without generating inflationary pressure.

With such an outlook, "any future increases in [interest rates] are likely to be at a gradual pace and to a limited extent", Mr Carney said.

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World Markets

STOCK MARKETS

	May 10	prev	%chg
S&P 500	2718.88	2697.79	0.78
Nasdaq Composite	7393.92	7339.91	0.74
Dow Jones Ind	24736.53	24542.54	0.79
FTSEurofirst 300	1537.57	1539.61	-0.13
Euro Stoxx 50	3569.02	3569.74	-0.02
FTSE 100	7700.97	7662.52	0.50
FTSE All-Share	4228.42	4210.60	0.42
CAC 40	5545.95	5534.62	0.20
Xetra Dax	13022.87	12943.06	0.62
Nikkei	22497.18	22408.88	0.39
Hang Seng	30809.22	30536.14	0.89
MSCI World $	2109.84	2095.07	0.70
MSCI EM $	1143.76	1142.66	0.10
MSCI ACWI $	513.62	510.39	0.63

CURRENCIES

	May 10	prev		May 10	prev
$ per €	1.188	1.186	€ per $	0.842	0.844
$ per £	1.347	1.358	£ per $	0.743	0.736
£ per €	0.882	0.873	€ per £	1.134	1.145
¥ per $	109.585	109.690	¥ per €	130.181	130.043
¥ per £	147.599	148.948	£ index	79.305	79.009
€ index	94.809	94.959	$ index	99.371	99.515
SFr per €	1.193	1.191	SFr per £	1.352	1.364

COMMODITIES

	May 10	prev	%chg
Oil WTI $	70.96	71.14	-0.25
Oil Brent $	77.03	77.21	-0.23
Gold $	1313.85	1306.60	0.55

INTEREST RATES

	price	yield	chg
US Gov 10 yr	93.77	2.98	-0.02
UK Gov 10 yr	97.82	1.43	-0.03
Ger Gov 10 yr	100.05	0.55	0.00
Jpn Gov 10 yr	100.63	0.05	0.00
US Gov 30 yr	92.21	3.14	0.00
Ger Gov 2 yr	101.85	-0.59	-0.01

	price	prev	chg
Fed Funds Eff	1.70	1.69	0.01
US 3m Bills	1.88	1.87	0.01
Euro Libor 3m	-0.35	-0.35	0.00
UK 3m	0.68	0.67	0.01

Prices are latest for edition — Data provided by Morningstar

A Nikkei Company

NATIONAL

Belhaj case

May apologises to Libyan torture victim

MI6 alleged to have tipped off Gaddafi before rendition of politician and his wife

HENRY MANCE

The UK yesterday apologised for the "appalling" treatment of a Libyan politician who was tortured after the Secret Intelligence Service helped Muammer Gaddafi's regime to detain him in 2004.

The move settles a groundbreaking legal claim brought by Abdul-Hakim Belhaj and his wife, Fatima Boudchar, which raised questions about the conduct of British ministers and MI6 during the war against terror.

Britain will pay £500,000 in compensation to Mrs Boudchar, who was held for nearly four months while pregnant.

Mr Belhaj sought an apology but not compensation for his torture at the hands of the Gaddafi regime, which occurred at a time when Tony Blair's government was courting Tripoli.

Prime Minister Theresa May has written to Mr Belhaj and Mrs Boudchar to apologise to both of them.

"It is clear that you were both subjected to appalling treatment and that you suffered greatly, not least to the dignity of Mrs Boudchar, who was pregnant at the time," said Mrs May in the letter.

The couple had sued the government, former foreign secretary Jack Straw, and ex-MI6 official Mark Allen.

Their legal claim, which the UK failed to stop last year, has been dropped. It raised an important precedent for others who alleged that the UK had facilitated their extraordinary rendition during the fight against terrorism.

Mr Straw and Sir Mark denied wrongdoing.

Ken Clarke, chair of the parliamentary group on extraordinary rendition, welcomed the settlement, but said he regretted it had taken "so many years". Mr Belhaj had offered in 2013 to settle for £3 in compensation, Mr Clarke told MPs.

Mr Belhaj, a former rebel commander against the Gaddafi regime, had fled Libya in 1998.

He and his wife alleged that MI6 informed the Libyan authorities by fax of their whereabouts in 2004, allowing them to be moved from Malaysia to Thailand then Libya.

They claimed the UK "arranged, assisted and encouraged" their rendition, and Mr Belhaj said that British agents interrogated him at least twice in Libya.

In her letter of apology, Mrs May said the government believed the account of Mr Belhaj and his wife.

The Supreme Court ruled last year that, although their legal claim might embarrass foreign states including the US, and undermine UK diplomacy, this was no barrier to it going ahead.

Jeremy Wright, attorney-general, said yesterday the government and intelligence agencies were "in some respects not prepared for the extreme demands suddenly placed on them" after the terror attacks of September 11 2001.

"We should have understood much sooner the unacceptable practices of some of our international partners, and we sincerely regret our failures," he added.

Mr Wright said ministers would have to be consulted by officials whenever UK personnel were involved in a planned operation and believed a detainee was at risk of mistreatment by a foreign state.

Sonya Sceats, chief executive of Freedom from Torture, a campaign group, said the government should now order "the judge-led inquiry into UK involvement with torture as promised by David Cameron in 2010".

MPC. Inflation outlook

Bank of England keeps all options open on rates

Crucial judgment was whether to view weakness in first quarter as transient or lasting

DELPHINE STRAUSS AND CHRIS GILES

Investors hoping for a hawkish or a dovish steer from the Bank of England's May Inflation Report were disappointed: the message accompanying the decision to leave interest rates unchanged is essentially to wait and see.

Because inflation has fallen faster than the BoE expected when it last published forecasts in February, the Monetary Policy Committee thinks it can afford to keep its options open.

Policymakers think the effects of sterling's Brexit-related depreciation are likely to fade "a little faster than previously thought", so they now project that inflation will return to the 2 per cent target in two years, even if the next rate rise is delayed.

Three quarter-point increases by 2021, the forecasts imply, would be enough to stabilise the economy and inflation. This was roughly the extent of tightening priced into markets in the run-up to this decision — and before the February Inflation Report.

The crucial judgment facing the MPC was whether to view the weakness in first-quarter growth as transient or lasting or, as governor Mark Carney put it, "whether the softness . . . was due to the weather or the climate".

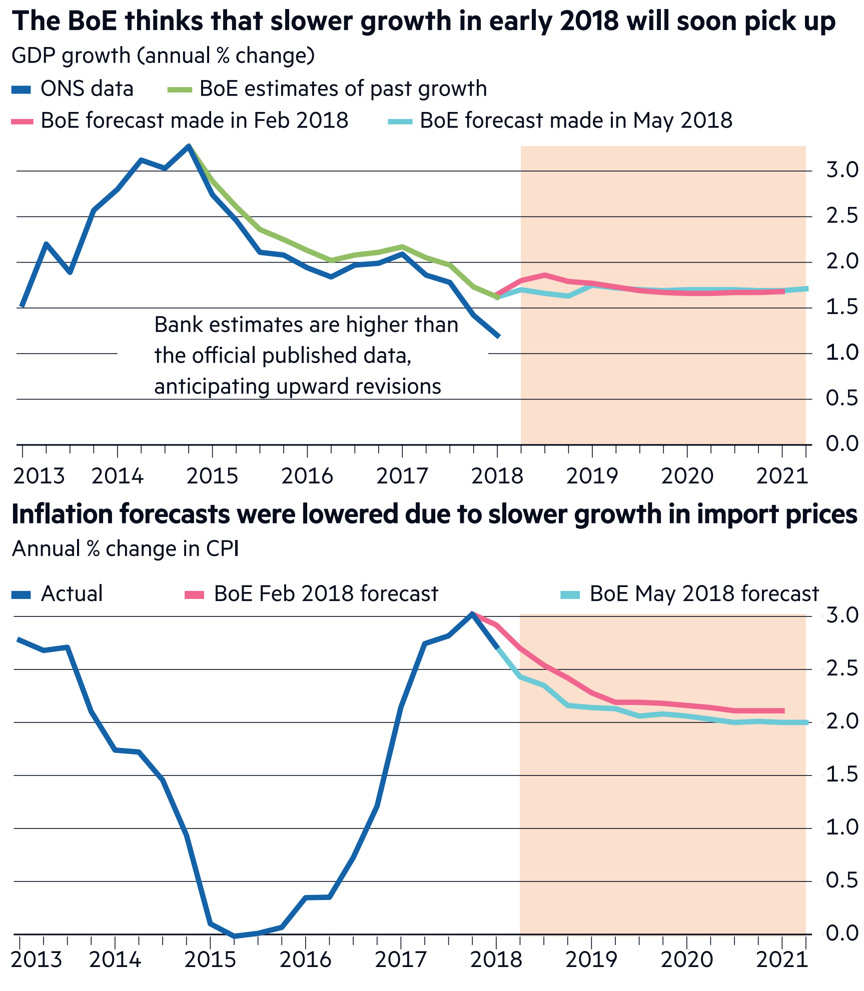
The BoE has chosen to see it as a weather-related blip, arguing that preliminary estimates of first-quarter growth have proved prone to upwards revision, especially when snow is a factor. They believe surveys point to only a modest slowdown.

So while it has cut the forecast for growth in the near term, this is almost entirely down to the output that has already been lost. It puts the annual growth rate in the second quarter of 2019, 2020 and 2021 at an unchanged 1.7 per cent.

But the report admits to "considerable uncertainty about momentum in the first half of the year". Two of the nine member committee still favoured an immediate rate rise, but the majority thought "there was value in seeing how the data unfolded" and felt the costs of waiting "were likely to be modest".

Growing pains

Mark Carney: the central bank governor says businesses are not fixated on rates but want to know the direction of the economy — Simon Dawson/Bloomberg



Source: Bank of England

The BoE's view of the underlying situation is essentially unchanged. It thinks there is very little slack left in the economy, with unemployment close to its equilibrium rate and wage growth picking up. It believes that while demand growth will be modest by historical standards, supply growth will be even weaker, curbing the rate at which the economy can expand without stoking inflation.

Supply growth will be held back by lower net migration, in particular migration from the EU, which tends to be disproportionally work-related. And while the UK's poor productivity growth may improve slightly, it will be constrained by businesses' reluctance to invest — even in such a favourable environment for exporters — while the uncertainty over post-Brexit trade arrangements persists.

The overall picture of growth, driven increasingly by net trade and less by consumers, is also unchanged. Real incomes have barely risen since 2016, the BoE notes, and households have managed this partly by saving less.

With wage growth now picking up, the squeeze on householders will lessen, but it is not clear whether they will choose to spend more, or to rebuild their savings.

The BoE has already come under fire for its communication of monetary policy.

ING, the Dutch Bank, this week described the "sheer confusion" in financial markets over U-turns in signalling on the likely path of interest rates.

The latest message — that the pace of tightening may be slower than previously signalled even though the broad outlook is unchanged — will not make matters easier.

> 'The households and businesses we speak to do not trade short sterling'
> Mark Carney

Mr Carney, repeatedly pressed on this point, maintained that the BoE had given clear guidance on how it saw the balance of supply and demand in the economy, and enough information for market participants to draw their own conclusions.

"The households and businesses we speak to do not trade short sterling. They are not fixated on whether we raise interest rates on May 10 or in June. They want to know the general orientation of the economy," he said.

He added that these actors already had the information they needed to plan for a gradual rise in borrowing costs.

Allan Monk of JPMorgan, said the report was "not a great advert for clarity in central bank communication".

Chris Giles page 11

March data

Building and factory woes bear out poor start to year

GAVIN JACKSON

The building and manufacturing sectors both contracted in March, according to official statistics, providing more evidence that the economy has made a weak start to 2018.

The construction sector contracted at the sharpest rate for just over five years during March, with output falling 2.3 per cent as poor weather crimped an already struggling industry.

Manufacturing output fell by 0.1 per cent compared with the previous month as both domestic and export orders fell, the Office for National Statistics said.

The trade deficit narrowed by £700m in the three months to March, but this was down to a fall in imports, mainly of machinery and transport equipment such as ships and aircraft, rather than an increase in exports.

"Despite the narrowing in the UK's trade deficit in [the first quarter], with the construction sector in recession and manufacturing output slowing, this is further confirmation that the UK's economic performance in the first three months of 2018 has been underwhelming," said Suren Thiru, head of economics at the British Chambers of Commerce.

The figures followed growth and inflation data that suggested the economy lost momentum in the first three months of 2018 as lower global growth and snow hit an economy already growing more slowly than many of its peers.

Yesterday's data showed all types of construction work declined during the month including housebuilding, which had been a rare bright spot for the industry as commercial work and infrastructure work decreased — housebuilding dropped by 1.5 per cent compared with the previous month.

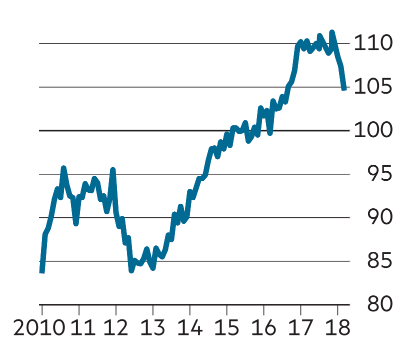
Britain's construction sector, which accounts for about 6 per cent of the economy, has struggled as a number of big projects have ended without being replaced by new work. In March builders were hampered by poor weather, which made working outside difficult. The ONS said it had received "anecdotal information" that the bad weather had hurt businesses in February and March.

But construction figures are often volatile and change as more businesses report their figures to the ONS. Data for January and February, which also pointed to a sharp slowdown, were revised up in the latest figures.

The ONS now estimates construction fell by 2.7 per cent in the first quarter as a whole. It initially estimated it had contracted 3.3 per cent. The revisions make no difference to overall growth.

Construction output fell further in March

Volume index, 2015=100



Source: ONS

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Cabinet paralysis

Customs policy impasse forces postponement of Brexit bills

GEORGE PARKER AND LAURA HUGHES — LONDON
ARTHUR BEESLEY — DUBLIN

Theresa May has postponed Brexit legislation while allies yesterday played down the prospect of imminent agreement over future customs policy, deepening the paralysis over Brexit strategy.

The prime minister's allies believe there is unlikely to be a breakthrough over customs arrangements and the Irish border at next Tuesday's meeting of the inner Brexit committee, even though she wants the issues settled before next month's EU summit.

Meanwhile, senior Tories admitted they do not dare to bring back two Brexit bills to the House of Commons — on trade and customs — until the autumn, because of fears that Mrs May could be defeated.

"Madame May is weak and Boris Johnson has the same hair-do as Trump; that says everything," said Günther Oettinger, EU budget commissioner.

"We can only hope that sensible citizens will put Madame May on the path to a clever Brexit," he told students at a European school in Karlsruhe on Wednesday, according to remarks by national news agency DPA.

Mr Johnson is leading cabinet resistance to Mrs May's preferred plan for a hybrid "new customs partnership" with the EU, which Eurosceptics see as a backdoor attempt to keep Britain in the EU's customs union.

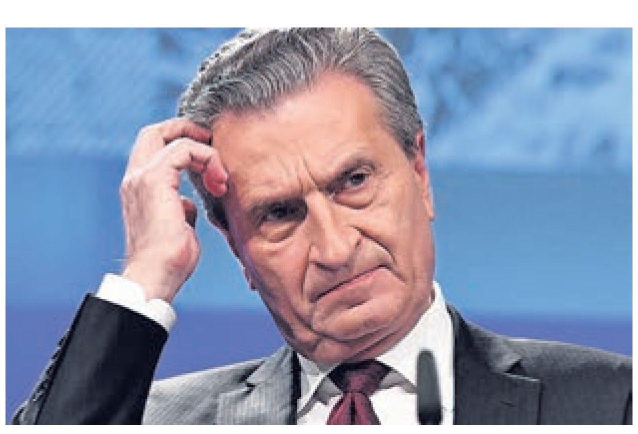
Mrs May's officials are trying to end the impasse, but some close to the process say they can see no way out of a deadlock that has immobilised the government. "It's looking sticky," said one.

Officials are exasperated by the lack of progress on the customs and trade bills, which have been frozen for months and are not expected to return to the Commons until the autumn.

Mrs May has also abandoned plans to complete work on the government's flagship EU withdrawal bill before the Whitsun recess at the end of May, after fears of further defeats. The House of Lords has amended the bill 14 times.

Instead, next week's House of Commons business includes bills on haulage permits and council tax reforms and a debate about plastic coffee cups.

To try to find a solution, some leading Tories said they would be willing for Britain to seek an extended stay in the EU customs union, while new technological solutions for the border were found.



Günther Oettinger: EU budget commissioner told students this week he hoped that 'sensible citizens will put Madame May on the path to a clever Brexit' — Emmanuel Dunand/AFP

Nick Boles, who voted Remain but ran the leadership campaign of Brexiter cabinet minister Michael Gove, has suggested a temporary customs union until the end of March 2022, just before the scheduled date of the next election.

This week the Irish prime minister, Leo Varadkar, gave guarded support to Mrs May's preferred option of a "customs partnership", where Britain would apply EU customs arrangements at its borders and collect tariffs on behalf of Brussels.

Mr Varadkar said it was "perhaps something we could make workable", but Dublin has dismissed claims that it was warming to the idea.

Simon Coveney, Ireland's deputy prime minister, visited London yesterday for "robust" talks with UK ministers including Chancellor Philip Hammond. Rather than a pivot for Mrs May's plan, Mr Varadkar's remarks were seen in Dublin as an effort to prompt her to offer new plans to avoid a hard border.

UK eyes Liechtenstein page 4
Notebook page 10

Communist Party of Britain puts trust in comrade Corbyn to deliver

Fringe organisation experiences unlikely burst of relevance as UK rediscovers leftwing politics

JOSHUA CHAFFIN

As the longtime leader of the Communist Party of Britain called comrades to order at London's Marx Memorial Library, it was hard not to regard him as a museum piece in a room cluttered with them.

On the far wall facing Robert Griffiths, 66, was a faded banner honouring the British Battalion that fought in the Spanish civil war; behind him, portraits of Fidel Castro and Karl Marx gazed at one another. In the space in between, a few dozen greying Communists congregated like veterans of an old war.

"It's never been quite as bad on the ground as the pundits announcing the end of history say," Mr Griffiths assured me. "There have always been people who share at least some of your ideals."

Its members may number no more than a thousand, and even some on the left deride them as a joke — or worse, as apologists for Vladimir Putin and Bashar al-Assad. Still, the Communist Party of Britain is experiencing an unlikely burst of relevance in a nation that is rediscovering leftwing politics.

The communists' longstanding policies — from public ownership of the railroads and utilities, to taxing the rich and opposing the EU — are suddenly in vogue. And they have friends at the highest levels of a changing Labour party led by Jeremy Corbyn.

Mr Corbyn for many years wrote a regular column in Morning Star, the Socialist daily newspaper with close links to the party. He surprised guests at Morning Star's Christmas party last year.

Andrew Murray, one of the Labour leader's advisers, was — until recently — a Communist party member. Seumas Milne, Mr Corbyn's communications director, is also close to the party.

Still fond of printed leaflets and loud hailers, Britain's communists appear to operate in a vinyl world of politics. It sounds almost quaint when Mr Griffiths pronounces the FT "the mouthpiece of the enemy class" — one that he admits to reading every day.

Yet they may be a useful guide to political developments altering mainstream Britain, including Mr Corbyn's rise. While puzzling to much of the country, it looks to the communists like the beginning of the fulfilment of a grand plan set out in one of their sacred texts, *Britain's Road to Socialism*.

First published in 1951 as *The British Road to Socialism* (before the party decided the word "British" smacked of empire) the Stalin-era document sets out a plan to take power.

Step one is a leftwing takeover of the Labour party (check), followed by electoral triumph (incomplete), taking control of the state (incomplete) and building a socialist society as a transition to communism (incomplete).

"The programme is actually turning out to be a good guide as to how things could turn out," said Mr Griffiths.

The party's mission, as Mr Griffiths sees it, is less about attracting its own recruits than helping to build a broad, grassroots movement around Mr Corbyn.

As *Britain's Road to Socialism* makes clear: the left cannot hope to push through its program merely by winning an election and forming a government. It must be able to mobilise popular support outside parliament.

Eyes left: Robert Griffiths, general secretary, addresses party members at the Marx Memorial Library. Below, communists celebrate May Day in London, 1928 — Charlie Bibby; Central Press/Getty Images

"That is when we are on the road," Mr Griffiths declared.

Before he was a British communist, Mr Griffiths was a Welsh nationalist. He grew up in Cardiff, the son of a national health insurance worker and a printer.

In 1998, he was elected secretary-general, and has been re-elected every two years since. He shuttles between his home in Wales and the Marx Memorial Library in London's Clerkenwell, where the walls are decorated with commemorative plates from various miners' union chapters, and its warren of rooms is crammed with books and memorabilia.

A windowless office where Lenin worked in 1902 and 1903 has been preserved, including his desk and a forbidding overcoat.

The evening meeting was dedicated to a discussion of *Britain's Road to Socialism*, which is undergoing one of its periodic revisions. But it began with a condemnation of the suspected Russian nerve agent attack against a former double agent living in Salisbury.

"The Communist party doesn't have any hesitation in condemning that attack," Mr Griffiths said. But, he added, what really riled Britain and its western allies was Russia's opposition to their strategic goals, be it in Ukraine, Georgia or Syria.

The crowd was mostly older and subdued, but there were a fewer younger faces. A university professor was decked out in a kind of leftwing military chic: olive trousers and an unbuttoned army jacket. A father appeared to have brought along his teenage son.

One attendee asked if the ferocious rightwing attacks on Mr Corbyn risked stirring disillusionment with the Labour leader. Another wanted to know if he opposed Britain's membership of the EU "then why doesn't Jeremy Corbyn just say so?"

Afterwards, a handful of members retired to a nearby pub and Ruth Styles, the chair of the party's London branch, warned me not to make them look foolish.

It can be "difficult", Mr Griffiths acknowledged, to be a committed communist in a country that is distinctly anti-communist. Founded in 1920, the party has never attracted the mass following in Britain it has achieved in France and Italy.

The Thatcher years and the nation's rightward shift were a rallying cry for the left and created an obvious villain. But the triumph of Tony Blair's New Labour in 1997 arguably posed a greater challenge, according to Mr Griffiths.

"We never thought New Labour was the real left. What you've got now is the revival of a left that has radical ambitions."

The radical left was awakening in the aftermath of the 2008 financial crisis. Demonstrations against the austerity imposed by David Cameron's Conservative government brought together public sector workers, students disgruntled over rising tuition fees, veterans of the antiwar movement and many others concerned about an erosion of the National Health Service.

> Still fond of printed leaflets and loud hailers, Britain's party appears to operate in a vinyl world of politics

> 'It's never been quite as bad on the ground as the pundits announcing the end of history say'
> Robert Griffiths

A unifying factor was Mr Corbyn, who entered the party's leadership contest after its defeat in the 2015 general election. The communists — among others — rushed to his cause. The buzz around him was evident. "You began to realise: this could actually take off, big time," Mr Griffiths recalled.

In last year's general election, the party did not field any candidates — for the first time since its formation — urging its followers instead to back Mr Corbyn.

"He's very much his own person," Mr Griffiths replied, when asked how close Mr Corbyn was to the party. Still, he acknowledged there were "no major differences on immediate issues", including their shared opposition to Nato and nuclear weapons. And possibly Brexit, too.

While Mr Corbyn's stance on the EU has been difficult to pin down — perhaps deliberately so — the Communist Party of Britain is firmly opposed.

Many on the left have long regarded the EU as a capitalist, corporatist project.

The problem, according to Mr Griffiths, is that left priorities, such as nationalisation of utilities and state aid for industries, run foul of the EU's single market. "To all who want a progressive, left-led Labour government, many of the policies they want to implement directly contradict the fundamental treaties of the EU," he said, dismissing these as "pro-big business, pro-capitalist market rules".

He also faults many on the left for ceding the Brexit cause to the right. They should have been making their own case for an EU exit, or "Lexit", on class grounds.

Road maintenance

'Pot hole epidemic' costs insurers £4m in four months

OLIVER RALPH

The UK is suffering from a "pothole epidemic", with cavities in the road causing a boom in insurance claims.

According to the AA, there were about 4,200 pothole-related insurance claims between January and April, a 171 per cent increase on the same period last year. At an average of £1,000 per claim, that adds up to a £4.2m bill for insurers.

The number of pothole-related callouts to AA patrols has doubled in the same period.

"The pothole epidemic has become nothing short of a national disgrace," said Janet Connor, the AA's director of insurance.

"Drivers are hitting potholes and ruining their suspension, steering, the underbody of the car, breaking axles and occasionally being knocked off course and hitting other vehicles, kerbs or lampposts.

"This year we are seeing a growing number of pothole claims described as: 'car severely damaged and un-drivable' which didn't happen at all last year."

The bad weather in the UK during the winter is partly responsible. Rain can widen any cracks in the road, while the freezing temperatures and snow caused by the "beast from the east" in February and March put an extra strain on the nation's highways.

Ms Connor said the government and local authorities need to put more money into road maintenance.

"Even the secretary of state for transport, who in March announced £100m funding to be sunk into road repairs, admitted we haven't spent enough on the country's roads since the 1980s," she said.

"That fund is welcome but nowhere near enough. Local council budgets have been squeezed to the extent that competing priorities mean they don't have the resources to keep their roads up to scratch."

According to fillthathole, a website created by a cyclists' group, local authorities in Scotland and Wales score badly when it comes to repairing potholes. Authorities in the north-east of England, including Hartlepool, Newcastle, and Redcar and Cleveland, are at the top of the league table for road repairs.

The Asphalt Industry Alliance said that 24,000 miles of road need to be repaired during the next year.

The jump in the cost of pothole insurance claims comes as prices for car insurance are falling. Industry data released in recent weeks show that the cost of the average policy has fallen during the past year, partly in anticipation of government reforms that will cut the cost of injury claims. Insurers have promised to pass any savings from the reforms on to their customers.

Neville Daytona/PA

A doll in a Swindon pothole, placed by a resident to highlight the issue

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Shipbuilding

Labour seeks to block foreign yards from £1bn navy tender

DAVID BOND, HENRY MANCE AND PEGGY HOLLINGER

Jeremy Corbyn will call for foreign companies to be blocked from a £1bn navy contract, in a move that will delight UK shipyards but could push up costs for the already stretched Ministry of Defence.

The opposition Labour leader is planning to demand "decisive public intervention" today to protect Britain's shipbuilding industry from "anti-competitive practices by overseas firms and other states".

The MoD is expected to issue a tender shortly for three large auxiliary vessels, known as fleet solid support ships, and the government has repeatedly indicated it intends to put the contract out for international bidding. This has infuriated unions and shipbuilders, who are pushing for the 40,000-tonne vessels to be considered as complex warships, which would exempt them from EU laws on protectionism.

Roughly two-thirds the tonnage of Britain's new aircraft carriers, they will have flight decks and advanced weapons systems plus extensive storage to carry the ammunition, food and spares needed by the carrier fleet on a mission.

Defence experts said the MoD wanted to cut costs by using the subsidised shipyards of other countries, but that this might be a false economy. Francis Tusa, editor of Defence Analysis, said a report commissioned by the unions would show next week that 25 per cent of the spend on the vessels would return to the government in direct taxes.

Separately, the public accounts committee has said the MoD does not have enough money to build all the equipment it says it needs.

"We are highly sceptical that the modernising defence programme will be able to return the department to a balanced position," the report said, adding the MoD equipment plan for the next decade is facing an "affordability gap" of £4.9bn rising to £20bn.

Misconduct claims

Student loan chief appointed despite Whitehall warning

ROBERT WRIGHT

Civil servants warned ministers against appointing a chief executive of the Student Loans Company who was suspended over misconduct allegations after just over a year in the role, according to a report by parliament's spending watchdog.

However, a special adviser at the business department successfully argued against the civil servants' advice, leading to Steve Lamey's appointment on an extended probation period, said the National Audit Office.

Meg Hillier, chair of the Commons public accounts committee, said the NAO's report published today chronicled the "failure" of two Whitehall departments to monitor a public body effectively.

The Student Loans Company manages £100bn of loans owed by 8m graduates and students studying in the UK.

Mr Lamey was appointed in June 2016, when the company was supervised by the business department, but monitoring passed in July 2016 to the Department for Education.

He was suspended in July 2017 over a series of allegations, including some brought to the company's attention by whistleblowers, said the NAO.

The claims included allegations of bullying, the taking out of a lease on a new building without proper approval, and unauthorised changes to the Student Loan Company's governance.

Mr Lamey, who denies any wrongdoing, was dismissed in November 2017.

Headhunters had told the business department that Mr Lamey was the only appointable candidate. However, his references from HM Revenue & Customs, where he previously worked, "raised questions", said the NAO report.

Business department officials said it would be "too risky" to appoint him.

But a special adviser at the department pointed out that Mr Lamey's 2011-12 performance review at HMRC called him a "top performer".

Quinn Emanuel

City firm axes top lawyer for acting inappropriately

JANE CROFT

A senior lawyer who acted for the late Russian oligarch Boris Berezovsky has been dismissed from a City law firm following allegations of "inappropriate behaviour".

Mark Hastings, a partner at Quinn Emanuel, was fired by the US law firm on Tuesday following an investigation into allegations of inappropriate behaviour made against him by two members of staff. Quinn Emanuel said Mr Hastings was suspended in February and the firm commissioned an investigation after it was made aware of the claims.

Alison Levitt QC, partner at Mishcon de Reya, was brought in by Quinn to undertake the investigation. Her findings were delivered to Quinn late last month and the firm expelled Mr Hastings on Tuesday with immediate effect.

In a statement the firm said: "Quinn Emanuel takes allegations of the nature made against Mr Hastings extremely seriously.

"Where allegations of inappropriate behaviour are brought to our attention, they will be investigated and appropriate action will be taken, without exception," it said.

No further detail has been given about the nature of the allegations against Mr Hastings or his departure, which was first reported by The Lawyer magazine.

Mr Hastings is a well-known figure in the international commercial litigation field and joined Quinn Emanuel in 2016 after 12 years at Addleshaw Goddard where he was head of fraud, regulatory and corporate crime. He acted for Berezovsky in 2011 during his $6bn High Court battle with Chelsea football club owner Roman Abramovich.

Quinn said it did not wish to comment further to protect the privacy of the two complainants. But it said it had not asked the two employees to sign any form of non-disclosure agreement in relation to the allegations. Mr Hastings could not be reached for comment.

Italy

Populist parties close to forming alliance

Five Star and the League hail progress in talks on Eurosceptic tie-up

JAMES POLITI — ROME

The anti-establishment Five Star Movement and the far-right League took a big stride towards forming a Eurosceptic government in Italy, as they launched detailed talks over an alliance that would secure power for two avowedly populist forces.

In a meeting yesterday, Luigi Di Maio, Five Star leader, and Matteo Salvini, League leader, who were rivals during March's general election campaign, began discussing the agenda and policies of a joint government, as well as picks for prime minister and cabinet positions. The pair then instructed staff to begin "technical" talks to reconcile their platforms.

"Significant steps forward were taken amid constructive collaboration on all sides, with the aim of quickly giving an answer and a political government to the country," Mr Di Maio and Mr Salvini said in a joint statement.

An alliance between Five Star and the League is considered the most destabilising outcome to the eurozone because both parties have attacked EU fiscal rules, banking regulations, trade deals and sanctions against Russia.

The parties were the winners of the poll but their gains were not decisive enough to allow either to govern single-handedly. Together, they would have a small majority in parliament.

Yesterday the yield on Italy's 10-year bond — an important measure of investor confidence — rose to 1.9 per cent, a six-week high, reflecting investor jitters about the possible government.

Mr Di Maio and Mr Salvini have held on-off talks about forming a governing alliance for weeks, following Italy's indecisive general election. But they had never come as close as they did yesterday to crafting a deal. The negotiations are expected to last through the weekend, at the very least.

> 'Significant steps forward were taken with the aim of giving a government to the country'

As recently as Monday, Five Star and the League had settled on a second election this year as the only way to break the stalemate, which would have been unprecedented in Italy's postwar history. Sergio Mattarella, the president who is shepherding the talks, had been preparing to name a caretaker government to steer the country to a new poll.

But a breakthrough came on Wednesday night when Silvio Berlusconi, the former prime minister who is close to Mr Salvini but a Five Star foe — in effect gave a green light to a deal. While Mr Berlusconi, who still wields considerable influence, would not support a tie-up between the populist parties, he would not stand in its way either.

Lawmakers from the incumbent centre-left Democratic party, which suffered big losses in the election, vowed to fight the populist alliance.

"Our public opinion decided to endorse values which are not in line with our political tradition and our European roots," Ivan Scalfarotto, a PD lawmaker, said. "They embrace a closed society".

Mr Mattarella issued a thinly veiled warning to Five Star and the League not to tear up Rome's longstanding ties with Brussels, which have frayed amid discontent with Brussels over economic policies and migration. "To believe one can go it alone is pure illusion, or even worse, a wilful hoax against public opinion," he said. "Everyone knows that none of the great challenges facing our continent can be tackled by any single member state, on its own."

But some economists were more sanguine about a Five Star-League tie-up. "Italy has done a fair amount of structural improvements in the past few years, it's still frail but much better than before," said Raffaella Tenconi, managing director of Ada Economics.

Populists' embrace page 25

Brink of power Anti-establishment duo will test EU harmony

JAMES POLITI

Italy's Five Star Movement and the League, two populist, anti-establishment parties, are on the brink of securing power in Rome.

After a campaign dominated by lavish campaign promises to reboot the economy and defend Italian interests in defiance of Brussels — and weeks of tortuous negotiations to form a government — the attention will turn rapidly to how destabilising their policies might be if the two parties cement an alliance. Here is where they stand on main issues.

The euro

Both Five Star and the League have questioned Italy's membership of the single currency in recent years. The League has been the most strident. Matteo Salvini, its leader, has repeatedly called the euro a failed currency that only benefited Germany and was bound to collapse. But Mr Salvini has wavered on the terms of an outright Italian exit, and toned down his anti-euro talk during the campaign.

Five Star has called for a referendum on euro membership, with Beppe Grillo, the party's founder, floating the idea last week. But Luigi Di Maio, Five Star's political leader, has said this would only be a "last resort" if the EU did not change its economic policies.

Possible allies: Five Star leader Luigi Di Maio walks through central Rome yesterday after a meeting with League leader Matteo Salvini, below
Giuseppe Lami/AP

Fiscal policy

Both Five Star and the League have vowed to defy EU budget rules, on the grounds that austerity has damaged Italy and that fiscal expansion — through additional spending and tax cuts — is the only way to revive growth. One of the most likely first moves by a joint government would be a reversal of 2011 pension reforms, which raised the retirement age and helped reassure investors of Italy's fiscal discipline.

Five Star has called for a guaranteed income scheme for the poor, and the League has called for a flat income tax — both proposals that could sharply increase deficits unless they are offset by budget cuts elsewhere.

A joint government could be expected to disregard EU calls for budgetary corrections. Mr Salvini has said he would implement fiscal policies that are "the opposite" of what Brussels demands.

Banking rules

Rome clashed repeatedly with Brussels over EU banking regulations as several Italian financial institutions, saddled by bad loans, had to resort to multibillion-euro bailouts in recent years. From the sidelines, Five Star and the League have been even more critical of the new EU banking rules, particularly "bail-in" requirements that force holders of banks' junior debt — including small domestic investors — to take losses.

Both Five Star and the League have suggested that nationalisation of weak banks would be better than recapitalisations or resolutions under EU rules.

Trade

Five Star and the League have been staunch opponents of EU free trade deals supported by the incumbent centre-left Italian government, and could throw a wrench into Brussels' trade agenda. In particular, both parties would seek to revive protections and subsidies for Italian farmers.

Deals involving Italian assets could also come under more scrutiny: both parties say the current government has been too open to foreign investment, allowing Italian companies to be "sold out" to foreigners.

Immigration

The League made big gains in the election on a promise to deport more than half a million migrants who have arrived in Italy over the past four years after being rescued in the Mediterranean Sea. While mass expulsions would be hard to put into practice immediately, a crackdown on immigration is bound to be a central pillar of any joint government with Five Star, which has also veered to the right on the issue in recent years.

Although migrant rescues co-ordinated by Italian authorities have declined over the past year, there might also be an effort to shut down all arrivals in Italian ports.

Foreign policy

There is little doubt that Italy's traditional alignment with its western allies could be strained. The League and Five Star are likely to shift Italy away from Brussels and Washington — and more towards Moscow's positions on vital international issues. Both agree on scrapping international sanctions against Moscow.

In the past both have questioned the value of Italy's Nato membership, though Mr Salvini and Mr Di Maio rolled back some of that criticism during the campaign.

Divisions emerged over the recent air strikes on Syria led by the US, France and the UK, with Mr Salvini taking a sharply critical position and Mr Di Maio adopting a more cautious attitude.

Investment setback

Apple drops move to build Irish data hub after delays over planning

ARTHUR BEESLEY — DUBLIN

Apple has scrapped plans to build an €850m data centre in Ireland in a blow to the country's efforts to attract global technology investment.

The US company said it was abandoning the project, announced in 2015, after planning hold-ups. "Despite our best efforts, delays in the approval process have forced us to make other plans and we will not be able to move forward with the data centre," the company said.

The decision follows controversy over Apple's tax affairs in Ireland, after EU competition regulators ruled that the company received a sweetheart deal that amounted to years of illegal state aid. Such findings have been rejected by Apple and the Irish government, which have each appealed to the European Court in Luxembourg to try to overturn Brussels' ruling.

Ireland has recovered from the economic crash that led to an international bailout in 2010 but remains heavily dependent on foreign direct investment for jobs and tax revenue. Apple's decision comes as Dublin resists a European plan to tax big digital companies on their revenues, the latest step in a crackdown by Brussels against the tax practices of US tech groups

Proposed three years ago, the data centre was to have been near the Galway town of Athenry. Cast as the biggest private investment in western Ireland, the project was a cornerstone of efforts to push investment into Ireland's regions to rebalance growth away from Dublin.

Planning disputes brought the project before the supreme court. Apple said shortly before an appeal hearing yesterday that it was abandoning the plan.

Leo Varadkar, premier, has proposed fast-track planning for infrastructure such as data centres, but any new laws would be too late for Apple, prompting sharp criticism of his government.

"Ireland's message that it is open for business has been seriously called into doubt," said Billy Kelleher, business spokesman for the opposition Fianna Fáil party.

"The fact the company has referenced the ongoing delays in the planning process for this decision not to proceed sends a dangerous message to future international investors."

Apple said it remained "deeply committed" to its Irish operation, based near Cork, which holds large amounts of intellectual capital for the company and which the IMF estimates was responsible for one-quarter of Ireland's 7.8 per cent GDP growth in 2017.

Apple announced the Athenry project alongside plans for a similarly sized data centre in Viborg, Denmark, which is to open next year. Apple has since decided to build a second data hub in Denmark.

Ibec, the biggest Irish business lobby, was quick to criticise "dysfunctional" planning rules. "Ireland has set out its stall as a globalised economy that is open for business and investment. As the Apple Athenry case demonstrates, our planning system as presently constituted does not support this vision," said Neil Walker, Ibec infrastructure chief.

Heather Humphreys, business minister, said she regretted the move to scrap what would have been "a source of significant investment and job creation".

Two economic regimes

UK eyes Liechtenstein for solutions to Brexit problems

ALEX BARKER — BRUSSELS

Unfazed by EU criticism of its "magical thinking" on Brexit, Britain is looking to a land of fairytale castles for more creative ideas on how to trade with Europe.

The tiny principality of Liechtenstein, with a population of just 38,000, seems an unlikely inspiration for the UK as it aims to leave the EU customs union, maintain frictionless trade with Europe and avoid a hard border in Ireland.

But the Alpine state's place inside two separate regimes — the Swiss customs union and the EU-linked European Economic Area (EEA) — has made it a laboratory for Brussels-compliant, hybrid solutions to vexing trade problems.

Britain is exploring Liechtenstein's system of "parallel marketability", a legal fix agreed by the EU in 1995 that allowed Liechtenstein to straddle two distinct economic spaces with conflicting standards on goods.

A senior Whitehall official described it as "a very interesting idea", with relevance to the effort to avoid a hard Northern Ireland border. "It is a good answer in theory," said the official.

The UK cabinet is deadlocked over Prime Minister Theresa May's "customs partnership", an idea that would involve Britain levying both UK and EU duties depending on goods' final destination. As a result, there is now an even higher premium on hybrid ideas to straddle the political divide, both in Westminster and between the UK and Brussels.

"It is high time they looked at [Liechtenstein]," said Carl Baudenbacher, the former president of the European Free Trade Association Court, which oversees the EEA agreement." He argued the model was "a generalised concept that could be used in other circumstances".

Parallel marketability emerged more than 20 years ago out of another referendum-related conundrum. Liechtenstein voted to join the EEA in 1992, in spite of its customs union partner Switzerland rejecting the EEA a week earlier. That left the principality caught with one foot in two regimes.

The solution — negotiated by Prince Nikolaus von Liechtenstein — effectively allowed the free circulation of both Swiss and EU goods inside Liechtenstein's territory, which covers just 62 square miles.

The relevance for Brexit comes from the monitoring system. Importers are reimbursed if EEA tariffs are lower than Swiss duties. Exports, meanwhile, are required to match the standards of their destination market, whether that is Switzerland or the EU. Heavy penalties act as a deterrent against circumvention. This allows an open border with Switzerland, even though goods circulate in Liechtenstein that do not meet Swiss standards, such as medicines, chemicals or genetically modified organisms.

Liechtenstein, where one expert says its model 'relies on flexibility and goodwill from the EU'

"Two legal systems meet in one place . . . If there is no conflict between the systems, they are permeable," wrote the late Dámaso Ruiz-Jarabo Colomer, a senior EU judge, in a 2004 opinion on parallel marketability for the bloc's highest court. "If, on the other hand, there is conflict, the barriers are raised and the markets are sealed."

Senior EU officials scoff at the thought of Liechtenstein, the world's sixth-smallest country, providing a template for EU-UK trade relations. "This is definitely not a precedent for the UK," said one. There are fewer than 10 companies making goods in Liechtenstein with more than 250 employees — a fraction of the figures for Northern Ireland.

Such an approach fails to overcome a big Brexit problem: the customs border. Liechtenstein's special arrangements still require customs checks along the border with Austria, its EU neighbour.

Yet the principality offers one of the few working examples of how conflicting standards for goods can be managed while minimising checks — a big challenge for Northern Ireland after Brexit.

Some experts doubt Liechtenstein's relevance. "The context is very different," said Christian Frommelt of the Liechtenstein Institute think-tank. "Northern Ireland is much bigger; we only have one or two border crossings where we have to deal with this system.

"The Liechtenstein model relies on flexibility and goodwill from the EU. The question is whether that flexibility and goodwill will be there for Northern Ireland in the context of Brexit."

INTERNATIONAL

Mahathir vows to retrieve missing billions after Malaysia election victory

Veteran leader sworn in as world's oldest elected prime minister after ousting ex-protégé Najib

Clockwise from left: supporters of Mahathir Mohamad cheer the result in Kuala Lumpur; Mahathir Mohamad with opposition leader Wan Azizah Ismail; Najib Razak, right, after the election result
Ulet Ifansasti/Getty; Lai Seng Sin/Reuters; Athit Perawongmetha/Reuters

BEN BLAND AND HARRY JACQUES
KUALA LUMPUR

Mahathir Mohamad was sworn in as Malaysian prime minister yesterday after sealing a historic general election victory that ended the six-decade rule of the coalition he once headed.

Mr Mahathir, 92, became the world's oldest elected leader after trouncing outgoing prime minister Najib Razak, his one-time protégé who had been widely accused of corruption, in a sensational political comeback.

Speaking after taking the oath of office at the state palace in Kuala Lumpur, Mr Mahathir pledged to boost the economy, stabilise the currency, cut the nation's debt and return billions of dollars plundered from 1Malaysia Development Berhad (1MDB), the sovereign wealth fund.

"We intend to build up Malaysia's economy with the help of investors from inside and outside the country," he told reporters. "We would like to see a very active stock market and increase the capitalisation of the stock market."

Mr Mahathir added: "We believe we can get most of the 1MDB money back. We know the money is in America, in Singapore, in Switzerland."

The veteran leader's Pakatan Harapan (Alliance of Hope) opposition bloc won 113 seats in Wednesday's polls, one more than the 112 required to hold a simple majority. Mr Najib's Barisan Nasional (National Front) coalition took 79 seats in the elections, with the Malaysian Islamic party (PAS) and others taking the remainder.

The result marked the first democratic transition to an opposition party since Malaysia achieved independence from Britain in 1957.

Although a gleeful Mr Mahathir promised a new era of cleaner and fairer government, he is weighed down by the heavy baggage of his previous strongman rule. "All those things are in the past," he said to applause at a late-night press conference in Kuala Lumpur. "We will work for the future of this country."

Despite the celebrations at the ouster of his predecessor, Malaysians are wary about Mr Mahathir's ability to deliver on his promises, from cutting the cost of living and clamping down on graft to handing over power to his jailed former protégé Anwar Ibrahim.

As prime minister from 1981 to 2003, Mr Mahathir quashed opposition, stoked racial tension in the multi-ethnic nation and sparred with the international financial community during the Asian financial crisis of 1997-98 before ousting and jailing Mr Anwar, then his deputy.

> 'Mahathir . . . must appoint a cabinet quickly and take control of the civil service and security services'

Mr Mahathir will have to overcome scepticism from international investors concerned about the fiscal impact of his populist electoral pledges, his combative style, and how he will manage the transition of power after 60 years of uninterrupted rule by the Barisan Nasional, his former party.

"This week Mahathir must move fast on two key issues," said James Chin, director of the Asia Institute at the University of Tasmania. "One, he has to appoint a cabinet quickly. Second, he has to take control of the civil service and the security services."

Across this country of 31m people, many spent yesterday cheering the defeat of Mr Najib, who had become embroiled in a torrid scandal involving misappropriation of funds from 1MDB, a state investment fund, although he has always denied any wrongdoing. Mr Mahathir had a more tense day, waiting until just before 10pm to be sworn in, amid fears that Mr Najib might not be willing to stand down quietly.

The initial transfer of power helped to calm nerves. Nurul Izzah, daughter of opposition leaders Wan Azizah Ismail and Mr Anwar, said that with the swearing-in ceremony out of the way, the new governing coalition could "focus on the main task at hand, delivering our reform pledges".

But international investors are less confident, with the ringgit falling to the lowest level since December in offshore trading, and Malaysian markets closed until Monday because of the election.

Some doubt if Mr Mahathir can and will go through with his promise to hand over power to the respected Mr Anwar, who must first be pardoned for a sodomy conviction and then enter parliament through a by-election.

The pair have a difficult history, with Mr Anwar, who had been deputy prime minister, jailed for sodomy (a separate case to his current conviction) and corruption in 1999 on charges he said were trumped up by Mr Mahathir. Mr Mahathir said his government would re-examine previous charges against those in the opposition to see if there was "unfairness" and look at "wrongdoings of the previous government . . . based on the law of this country".

Investors also worry about Mr Mahathir's vow to review the billions of dollars of Chinese investment that have surged into the country after Mr Najib courted China's President Xi Jinping with promises to make Malaysia an important link in Beijing's Belt and Road Initiative.

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Timeline

Anwar on standby for top job after jail pardon pledge

After a two-decade legal battle and two prison sentences, Anwar Ibrahim, Malaysia's former deputy prime minister, could be thrust back on to the political stage following Mahathir Mohamad's surprise election win.

Mr Mahathir, 92, vowed on the campaign trail to step aside in favour of Anwar if he won the election and also promised to make Wan Azizah, Anwar's wife, deputy premier.

Anwar is in jail on sodomy charges, which he has denied, but Mr Mahathir has said he would seek a pardon for him.

It would mark a stunning comeback for a man who was previously Mr Mahathir's nemesis.

The two were formerly allies in the United Malays National Organisation (Umno). Under Mr Mahathir's premiership, Anwar served as finance minister during 1991-98 and deputy prime minister between 1993 and 1998. But the two fell out over how to manage the economy in the wake of the 1997 Asian financial crisis.

One-time foes: Anwar Ibrahim, left, and Mahathir Mohamad in 1998

The dispute resulted in Anwar's expulsion from Umno in 1998 and in his imprisonment between 1999 and 2004 on separate sodomy charges, which he said were politically motivated.

Anwar was re-elected to parliament in 2008 and continued to lead the opposition to Najib Razak's government.

He was jailed for a second time in 2015 on similar charges, which critics saw as a ploy to thwart his political comeback.

During his latest jail term he ended his feud with Mr Mahathir.

Anwar would have to be elected as a member of parliament before he could become prime minister.

Stefania Palma

Peso crisis

Argentina and IMF start talks in bid for stability

BENEDICT MANDER — BUENOS AIRES
ROBIN WIGGLESWORTH — NEW YORK
SHAWN DONNAN — WASHINGTON

Argentina began formal talks with the IMF yesterday as it sought emergency financial support to stabilise its economy, a controversial move in a country with painful memories of involvement with the multilateral lender.

Nicolas Dujovne, Treasury minister, was expected to meet Christine Lagarde, fund managing director, to discuss a standby arrangement, or SBA.

Argentina is once again seeking IMF aid after a series of drastic interest rate rises failed to stop the slide in the peso, in a blow for a country that was taking steps to restore its credibility after years as a financial pariah.

To try to gain support for one of the fund's traditional economic adjustment programmes Mr Dujovne also met David Malpass, US Treasury undersecretary for international affairs.

President Mauricio Macri on Tuesday announced the start of talks with the IMF, which are estimated to last about six weeks. Initial reports indicated Argentina was seeking an IMF flexible credit line (FCL), but analysts and ex-IMF officials had been sceptical. They are for countries deemed to have strong economies and policy records.

Under its more traditional SBA programme, the IMF offers a precautionary credit line that can be tapped as needed, or where bailout funds are paid in tranches. SBAs are conditional on a country adhering to pre-agreed policy conditions and fiscal discipline, and the IMF monitors adherence.

Some analysts had worried an SBA might be politically unacceptable to the government, given widespread hostility in the country towards the IMF. Many blame it for exacerbating the country's financial crisis in 2001-02.

Marcos Pena, cabinet chief, said: "There has been no suggestion from the IMF to impose conditions or the possibility of receiving a loan. They are technical conversations." Mr Macri inherited a bloated fiscal deficit. Last week Mr Dujovne cut the target for the primary fiscal deficit for 2018 from 3.2 to 2.7 per cent to calm investors. It has raised interest rates to 40 per cent to defend the peso.

Some analysts said the government probably had no choice but to risk a politically unpalatable SBA. Claudio Loser, Argentina former director of the IMF's Western Hemisphere department, warned: "It will put immense pressure on the government."

Others suggested IMF conditions might be crafted to reflect reforms already under way. "A request for an SBA is probably more supportive for market sentiment than any consideration of an FCL/PLL [precautionary and liquidity line], which was simply not credible, and better to get this out the way now than try to fool the market for longer," said Stuart Culverhouse at Exotix Capital. Mr Pena said Ms Lagarde had visited Argentina a month ago, which he said signalled support for Mr Macri's economic programme.

Gillian Tett page 11
Tail risk page 25

Columbus Nova payment

Russian mogul dragged into fallout from porn star's lawsuit

KATHRIN HILLE — MOSCOW

For a man who tries to stay out of the limelight, Viktor Vekselberg is failing badly. Not only has his metals, energy and telecoms empire become embroiled in US sanctions, but now the 61-year-old Russian tycoon has been dragged into the fallout from porn star Stormy Daniels' lawsuit against US president Donald Trump.

Columbus Nova, a US-based investment management company, paid $500,000 to Essential Consultants, a vehicle through which Mr Trump's lawyer Michael Cohen paid Ms Daniels, whose legal name is Stephanie Clifford, before the 2016 US presidential election to keep silent about an alleged affair with Mr Trump 10 years earlier. Mr Trump denies the affair.

Ms Clifford's lawyer, Michael Avenatti, claims that Columbus Nova's payment was money from Mr Vekselberg.

Columbus Nova has denied that Mr Vekselberg used the company as a conduit for a payment to Mr Cohen. Describing itself as American-owned and US-controlled, Columbus Nova has said it is independent from the Russian businessman. The payments to Mr Cohen were for his services as a "business consultant regarding potential sources of capital and potential investments in real estate and other ventures", it said.

Ukrainian-born Mr Vekselberg is Russia's ninth-richest man with a net worth of $13.5bn, according to Forbes. Last month he was targeted, with six other Russian businessmen, by US sanctions intended to respond to Russia's actions in Crimea, Syria and elsewhere.

He set up Renova Group, his holding company, in 1990 as a joint venture with former college classmate Len Blavatnik, a Soviet-born US citizen.

Mr Vekselberg made his fortune in the privatisation of the Russian aluminium industry in the 1990s after the collapse of the Soviet Union. The single biggest contribution to his wealth came from the sale of a minority stake in oil joint venture TNK-BP to Russian state oil company Rosneft for $7bn in 2013.

Spokesman Andrey Shtorkh denied any ties to Mr Cohen. "Neither Viktor Vekselberg nor Renova has ever had any contractual relationship with Mr Cohen or Essential Consultants," he said.

But Mr Vekselberg could struggle to disassociate himself completely from Columbus Nova, which described itself as "the US-based affiliate of the Renova Group of companies", in a May 2017 SEC filing by Columbus Acquisition Corp.

Columbus Nova also identified its chief executive, Andrew Intrater, as Mr Vekselberg's cousin, in the same filing. According to other filings, Mr Intrater has served as a director at Renova US Management LLC and held other executive positions at Renova Group.

Mr Shtorkh said: "As to [the] relationship between Columbus Nova and Mr Cohen, you have to ask Mr Andy Intrater, because Columbus Nova is a company owned and managed by him."

Viktor Vekselberg: the Russian tycoon could struggle to disassociate himself from Columbus Nova

According to CNN and The New York Times, Mr Vekselberg and Mr Intrater were questioned by US investigators about the payments this year. It was reported that Mr Vekselberg was confronted by federal prosecutors as he disembarked from a private plane near New York. He has not been accused of wrongdoing.

Mr Intrater gave $250,000 for the US president's inauguration fund in January last year. He also contributed $35,000 to a committee for his re-election five months later. Mr Vekselberg was among the Russian guests at Mr Trump's inauguration last year — on a ticket supplied by Mr Intrater.

Mr Vekselberg was also among guests including Ivanka Trump and her husband Jared Kushner at an event hosted by fellow billionaire Roman Abramovich in Moscow in 2014.

Links to Mr Trump's circles go beyond this. He is the largest shareholder in the Bank of Cyprus, where US commerce secretary Wilbur Ross was an investor and vice-chairman until last year.

During his confirmation hearings last year, Mr Ross said he had met Mr Vekselberg only once for an hour. Yet they were involved in the bailout of the bank in 2014, and men who had links with Mr Vekselberg's Renova were later proposed as members by the bank board at a time Mr Ross was a shareholder.

In many western media accounts, the oligarch has been described as "close to Mr Putin". But this is based mainly on the fact that in 2004 he spent $100m to buy nine Fabergé eggs made for the Russian imperial family to bring them back to Russia, and that he was head of Skolkovo, the technology incubator often described as Russia's Silicon Valley.

A Russian banker familiar with Mr Vekselberg said: "By bringing this national treasure back to Russia, he demonstrated that he was a patriot. But nothing more than that."

Additional reporting by Max Seddon and Kadhim Shubber

Trade friction

China delays US imports as tensions rise

TOM MITCHELL, EMILY FENG AND XINNING LIU — BEIJING
PETER CAMPBELL — LONDON

Chinese inspectors are delaying imports of US agricultural products, luxury cars and even pet food, exacerbating tensions days before bilateral trade talks are scheduled to resume.

Industry executives said Chinese officials had not cited bilateral trade friction for any of the delays, which have been caused by more stringent environmental checks and quarantine procedures. Products affected by the new inspections include Lincoln cars — exported from the US by carmaker Ford — pork, apples, logs and pet food.

A delegation led by Liu He, China's vice-premier, is due to arrive in Washington next week for a second round of trade talks with US officials. Last month the Trump administration threatened punitive tariffs on $50bn worth of Chinese industrial exports in retaliation for alleged intellectual property theft. China then provisionally targeted $50bn of US exports for retaliation.

A person briefed on the situation said imports of Lincoln cars had been held up by port authorities in Shanghai and Tianjin for additional emissions checks.

Imports of US pork were also delayed by a stricter inspection regime introduced in mid-April. "China public inspection rates have increased with no official notification," said one US industry official, who asked not to be named.

A Chinese pork importer said all US pork shipments were suddenly subject to inspections last month, compared with about 30 per cent previously.

Last month, China's cross-border ecommerce regulator also ordered online platforms to increase inspections of imports of foodstuffs, healthcare products and cosmetics imported from the US, according to a document seen by the Financial Times. So far only US pet food groups appear to have been affected, with at least three brands halting sales last week on Tmall, Alibaba's ecommerce platform.

The White House voiced concern about the delays, first reported by Reuters. "The president has been clear that China needs to treat US products more fairly and we are troubled by reports that China continues to impose unjustified restrictions on US products," a spokesperson said.

China's customs administration did not immediately respond to a request for comment. China's commerce ministry, Ford and the US Meat Export Federation declined to comment.

Additional reporting by Tom Hancock in Shanghai and Shawn Donnan in Washington

Cross-border escalation

Israel says Iranian military sites hit in Syria

Strikes aimed to deplete Quds force after missiles fired near Golan Heights

MEHUL SRIVASTAVA — JERUSALEM

Israel said it had targeted almost all of Iran's military sites in Syria in its most aggressive attempt to cripple its regional rival's advances in the war-torn country.

The aim of the extensive strikes overnight on Wednesday was to deplete the capabilities of Iran's elite Quds force in Syria that Israel said had fired missiles on its military posts near the occupied-Golan Heights earlier in the day. An Israeli official said that dozens of targets were hit in at least seven locations, including close to Damascus international airport and at a military compound 20km south in Al-Kiswah.

The barrage, the largest operation by Israeli armed forces in Syria since the 1973 Yom Kippur war, capped a week of escalating tensions between Iran and Israel. It came a day after President Donald Trump pulled the US from a nuclear deal with Iran, which has the potential to increase tension in the region.

Benjamin Netanyahu, Israel prime minister, who has long called for the need to confront Iranian influence, met Russia's President Vladimir Putin in Moscow on Wednesday before the Israeli action.

While Russia and Iran's involvement in the Syrian civil war has helped turn the conflict in favour of President Bashar al-Assad, Mr Netanyahu has continued to cultivate deeper relations with Mr Putin. An Israeli spokesman said Russia had been notified of the strikes in Syria in advance.

The US and Israel accuse Iran of exploiting the seven-year conflict in Syria to build its military presence in the country and supply weapons to proxies, including Hizbollah, the militia group that fought a month-long war with Israel in 2006.

Mr Netanyahu has authorised dozens of strikes within Syria since 2013 to blunt the build-up and stop what Israel says is the transfer of sophisticated weaponry from Iran to Hizbollah.

> 'The ball is in the Iranian side. They need to decide if they want to increase the friction'

"The ball is in the Iranian side," said Nitzan Nuriel, a reserve brigadier general in the Israel Defense Forces and a former head of Mr Netanyahu's counter-terrorism bureau. "They need to decide if they want to increase the friction or if they understand, that at this stage, they cannot take [more] actions against us."

Iran has always insisted its presence in Syria is to support the country's legitimate government against terrorists. There was no Iranian response to the Israeli strikes and Tehran neither confirmed nor denied it fired rockets towards the Golan Heights.

Iranian regime insiders acknowledged that the presence of its forces so close to the Israeli border increased the risks of accidental war. But Iranian analysts also believe that, emboldened by Mr Trump's harsh rhetoric, Israel is seeking to deliberately escalate tensions to drag the US into a military confrontation with Tehran.

Earlier this week Syria blamed Israel for an air strike near Damascus reported to have killed at least eight Iranians. The alleged Quds force attack on Israeli positions in the Golan Heights could have been in retaliation for that and other recent air strikes in Syria that Israel has not acknowledged but has been accused of carrying out.

The White House said it "strongly supported" Israel's right to self-defence in the face of "the Iranian regime's provocative rocket attacks from Syria".

Emmanuel Macron, French president, called for "a de-escalation in the situation" and said he would discuss the mounting tensions with the German chancellor, Angela Merkel, yesterday.

The Syrian Observatory for Human Rights, a UK-based monitoring group, said at least 23 people were killed in the overnight Israeli strikes. Syrian state media showed video footage of Syrian air defensive systems targeting what it said were Israeli missiles.

Israeli said none of the alleged Iranian missiles reached its territory.

Additional reporting by Rebecca Collard in Beirut and Najmeh Bozorgmehr in Tehran

Israeli tanks are lined up at the Golan Heights yesterday. Above, an image released yesterday by the Syrian government purportedly shows Syrian air defence systems intercepting Israeli missiles over Damascus

Ronen Zvulun/Reuters; Central War Media/AFP

Tehran sanctions. Crude shortfall

Pipeline squeeze tests US ability to lift supplies

Capacity constraints in Texas shale boom limit scope for offsetting lost Iranian exports

ED CROOKS — NEW YORK

As President Donald Trump's decision to reinstate sanctions on Iran sends oil prices higher, consumers and the administration might hope that US producers could come to the rescue with increased production.

But logistical constraints, in particular insufficient pipeline capacity at the heart of the US shale boom in west Texas, are limiting how quickly American companies will be able to replace any lost Iranian crude exports taken off the global oil market.

The difficulties in the shale country help explain why the US has talked to large oil producers abroad about ways to lift supply and offset any impact from its exit from the Iran nuclear deal. The talks were revealed by Steven Mnuchin, Treasury secretary, hours after Mr Trump's announcement on Tuesday.

Oil produced in the Permian Basin of Texas and New Mexico, the white-hot centre of the shale boom, is becoming trapped with no easy route to a refinery or an export terminal. The hectic pace of drilling and the productivity gains have boosted output from the Permian Basin by 60 per cent in the past two years, to 3.2m barrels a day. The problem is that the pace of the boom is straining the ability of the region to keep up, with workers, with equipment and with pipelines.

"There is a huge capacity issue," said John Zanner of RBN Energy, a research firm. "For all intents and purposes, pipelines are full."

The favourable economics for shale producers created by higher prices and lower costs mean US oil output is rising fast, and is expected to average about 1.4m b/d more in 2018 than in 2017.

In the US oil industry's recovery since May 2016, the Permian Basin has seen the strongest rebound in activity, with the number of active oil rigs tripling in the past two years. It now has 55 per cent of the oil rigs running in the country.

But expanding production any faster will have to wait for new pipelines that are not coming online until the end of next year.

Inadequate transport capacity in the region is reflected in the soaring discount for oil in Midland, western Texas, compared with US benchmark crude. That discount hit $13 a barrel this week, meaning that while the easier-to-trade West Texas Intermediate was selling for about $70 a barrel, oil in Midland was just $57 a barrel.

Supply has risen because cost cuts and productivity gains have lowered the oil prices needed for Permian wells to be profitable. Scott Sheffield, chairman of Pioneer Natural Resources, one of the most successful Permian producers, said that the company's wells needed oil only in the "low $20s" to break even.

Production techniques are also still improving. Concho Resources, another leading Permian producer, is one of many shifting to longer wells, running for up to two miles horizontally instead of one, to improve how much oil can be recovered from its reserves. Timothy Leach, Concho's chief executive, told analysts on a call this month that working that way raised the value of its acreage by about 45 per cent.

Pumped up: raising production any faster will require new pipelines

"The exploration and production industry has really done well to cut the cost of supply," said Artem Abramov, an analyst at Rystad Energy. "But the pipeline companies really missed their opportunity when there was a need for investment in new capacity."

Some producers in the region, typically larger companies including Pioneer, have booked capacity on pipelines to refineries and export terminals along the Gulf of Mexico. Others, such as Parsley Energy, sell their production to customers with access to those pipelines. But some are stuck without any attractive options for reaching customers.

"It is hard to get enough trucks and it is hard to get enough truckers," said Jenna Delaney, of S&P Global. "So not many barrels are able to move that way."

Trains are another possible transport route, but the railways of Texas are congested with increased deliveries of sand, used in hydraulic fracturing to bring wells into production. The result is that companies that have not secured enough of that space on a pipeline are considering delaying some production. Analysts at Tudor, Pickering, Holt & Co said this week that even though many companies in the Permian Basin could still sell oil at a profit, investors might prefer them to delay production, to wait for better prices later.

The US government's Energy Information Administration said in its short-term energy outlook this week that weaker crude prices in the Permian Basin expected until mid-2019 meant that it "does not expect crude oil production in that region to rise as sharply as it would under a scenario with no transportation constraints".

There is some flexibility in those constraints. Using drag-reducing agents, for example, can help oil flow through the pipelines faster. Rystad Energy thinks Permian production could rise to 3.7m-3.8m b/d by the end of this year.

The real change will come next year, though, when three large pipelines — Cactus II, Gray Oak and Epic — are scheduled to enter service, with a combined capacity of about 1.9m b/d.

When that happens, US output should be able to rise again, taking heat out of oil prices. Until then, the Trump government will need to keep an eye on what its Iran policy means for oil consumers.

Philip Stephens page 11

Nuclear agreement

Tehran's Asian trade partners weigh options after Trump's deal pullout

YUAN YANG — BEIJING
DON WEINLAND — HONG KONG

Asia is home to Iran's biggest trade partners and oil importers, potentially making its companies the most exposed if the US reimposes sanctions on the Islamic republic after Donald Trump's withdrawal from a nuclear deal with the country.

But while some companies in the region have already stopped, or plan to stop, trade with Iran, leading partners — notably China — are likely to continue doing business there, say analysts.

Individual countries would not be forced to comply with any new US sanctions imposed after Mr Trump withdrew from the deal — signed in 2015 by Iran, the US, UK, France, Germany, Russia and China and which gave Iran relief from some international sanctions in return for limits on its nuclear programme. But the US could potentially retaliate against companies that maintain business links with Iran.

China is Iran's third-biggest source of imports, mostly telecoms equipment and cars, and its biggest export destination, according to EU figures, accounting for 27.5 per cent of the Islamic republic's exports by value.

China and India are the top two importers of Iranian oil, the country's most valuable export.

However, Beijing has said in recent months that it is opposed to US unilateral sanctions rather than those set by the UN. It also already faces US curbs in some sectors, such as technology exports: Chinese telecoms company ZTE this week ceased operations after being banned for seven years from doing business with US companies.

"Since America has all but blocked Chinese telecoms operators from exporting to the US, there's no reason for Chinese telecoms companies to have to pander to the US," said Zhang Yi, chief executive of market research firm iiMedia. "Iran is an important client for these companies, who see its importance in expanding into the Middle East."

Great Wall Motors, one of China's top-selling carmakers, said yesterday that there was "no reason for us to comply with US unilateral sanctions".

Gregory Wendell Dennis, a technology and IP lawyer serving Chinese companies, added: "China is likely to find other ways to continue to exchange technology with Iran, such as through visas for talent exchange, or through routing goods through third countries as proxies."

India has invested heavily in Iran, particularly in its Chabahar port, seen as a way for Indian goods to reach the Gulf and Europe without going via Pakistan. New Delhi also views the port as an important way to counteract the growing Chinese presence in the region, analysts say.

The port is being developed by a government-owned company, India Ports Global, although private companies are expected to bid for subcontracts. New Delhi has said it will allow them to do so in rupees, bypassing US sanctions.

China, India and South Korea rapidly increased their oil imports from Iran from 2016 to 2017. China alone imported 222m barrels worth $11.9bn from Iran last year, accounting for almost 30 per cent of Iran's total oil exports. Iran accounted for 13 per cent of South Korea's crude imports last year.

But South Korean oil refiners have cut back imports from Iran this year, fearing geopolitical risks.

"Iran is one of the markets we believed was promising," said an executive at one of Japan's biggest trading houses. "We're very disappointed."

But trading houses had avoided long-term contracts, the executive said.

ZTE shutdown page 17

Shia blocs

Iraqi elections expected to highlight Iran's influence as Washington takes harder line

ANDREW ENGLAND — BAGHDAD

No matter who wins Iraq's elections tomorrow, Iran is likely to maintain or even increase its sway over the country just days after Donald Trump said he wanted to curtail Tehran's regional influence.

All five of the Shia political blocs contesting the election have, or have had, ties to Iran. The outcome will determine the extent to which Baghdad tilts towards Tehran, at a time when Iraq is no longer so reliant on the US after declaring victory over Isis.

Even if the bloc led by Prime Minister Haider al-Abadi, who improved relations with the US while maintaining close ties with Iran, wins most votes he would probably need to enlist support from more staunchly pro-Iran rivals to form a government.

Mr Trump, who withdrew from a landmark nuclear deal with Iran this week, accuses Tehran of fuelling conflicts and carrying out "sinister acts" across the Middle East.

In March, US defence secretary Jim Mattis said the US had "worrisome evidence that Iran is trying to influence — using money — the Iraqi elections".

A western diplomat in Baghdad said Iran "funds them all [Shia groups] and has done so from post-2003. It's often small stakes, some more than others, and Tehran will use it to threaten 'if you do this you get more, if you don't you will get less'."

Dhiaa al-Assadi, an MP in Shia cleric Muqtada al-Sadr's bloc, said some parties would feel beholden to Tehran if hostilities between the US and Iran escalate.

"[The parties that are close to Iran] get support from Iran and . . . they think they should pay back this debt to Iran, which means standing with Iran in times of distress or danger," he said.

The US-led invasion that toppled leader Saddam Hussein in 2003, paved the way for the Shia majority to dominate Iraqi politics, inadvertently presenting Iran with the opportunity to exert its influence in a country it fought a brutal war with in the 1980s. Tehran then filled the gap left by the US troop withdrawal and considers Iraq its most strategic ally.

The Shia power's regional expansion is traced to the 1979 Islamic revolution after which it sought to export its ideology and develop proxies, often aided by the activities and inaction of its rivals, analysts say.

Tehran insists the Islamic republic's relations with Iraq and elsewhere are motivated by legitimate national security and foreign policy concerns. In 2014, Iran was the first nation to come to Iraq's aid as Isis advanced on Baghdad.

"[Iran] has been able to be one step ahead of the US because Iran thinks in long-term goals rather than immediate gains," said Lina Khatib, at Chatham House. "The lack of real engagement from the west has paved the way for it to increase its influence."

But Ms Khatib reckoned Mr Trump's decision to withdraw from the nuclear deal could mark the "turning of the tide" and the US together with Israel and Saudi Arabia could start to counter Iran more assertively. Saudi Arabia has also courted Baghdad in recent months.

Mr Abadi's main challenge could come from a pro-Iranian alliance led by Hadi al-Ameri who is expected to be a key power broker in the formation of the next government.

Mr Ameri told the Financial Times he wanted to maintain ties with both Washington and Tehran but "wouldn't let anybody interfere in Iraq's affairs". He is nevertheless considered close to Qassem al-Soleimani, commander of the Quds force, the overseas wing of Iran's Revolutionary Guards.

A movie that dazzled – on the red carpet

Hopes were high that the opening feature at this year's Cannes Film Festival would buck a trend. Raphael Abraham reports

It was a brave move of the Cannes Film Festival to open with a film called *Everybody Knows*. In an industry in which, famously, "nobody knows anything", one thing everybody does know: the Cannes opener is often a dud. From the graceless *Grace of Monaco* in 2014 to last year's wayward *Ismael's Ghosts*, they are often quickly (and best) forgotten as better films wash up in their wake.

This year promised to be different: the latest offering in the main Competition from beloved Iranian auteur Asghar Farhadi, director of a string of critical hits and Cannes prize winners — *The Past*, *The Salesman* — now making his Spanish-language debut with a cast including Penélope Cruz, Javier Bardem and Ricardo Darín. It also brought some much-needed star wattage to a festival running a little low on big names (partly the fallout from its falling out with Netflix). The Cruz-Bardem power couple duly dazzled on the red carpet but then the flashbulbs faded and the lights dimmed for the movie itself . . .

Everybody Knows opens with the sight and sound of bells being rung in a small town in central Spain. In the church tower dust swirls and birds flutter. Wedding preparations are under way but an ominous air makes us wonder for whom the bell really tolls. We don't have to wait long. Laura (Cruz) arrives home from Argentina with her two offspring: little Diego and teenager Irene (Carla Campra), that most doomed of thriller protagonists: the impetuous adolescent girl. Immediately she takes up with the motorbike-riding nephew of Paco (Bardem), a vintner and ex of Laura's who seemingly just improves with age.

First come the celebrations, an extended wedding fiesta during which Farhadi seems to get drunk on the old Spanish excesses: swirling señoritas, salvos of flamenco stamping, endless familial kissing. He also shows an appetite for well-worn genre tropes, though we sense a terrible event is coming even before the power cut and thunderstorm. And then — just like that — Irene is gone, a free spirit spirited away by an unseen hand.

First come shock and grief, then a ransom demand arrives by text message, and soon the recriminations begin: old grievances concerning land ownership are unearthed, hatchets unburied, the finger of blame and suspicion for the kidnapping is waved in the face of all assembled. The warmly jovial family dinner table becomes a chilly dock where all are accused and everyone looks guilty enough to make Hercule Poirot want to RSVP. Here Farhadi is in his element, drawing on elements from his previous missing-girl mystery *About Elly* and his masterly portrait of a family divided, *A Separation*. Meanwhile, Bardem is at his bearish best, pacing and growling his lines like a caged beast while Cruz emotes effectively in what feels like a somewhat one-note reprise of her linchpin mother-daughter role in Almodóvar's *Volver*. (Later she is joined by Argentine husband Darín, who alas is saddled with the unenviable role of an ex-alcoholic God-bothering fatalist and adds little.)

We wait for the culprit to be exposed but instead get more exposition and further layers of melodramatic intrigue that risk snuffing out the flickering flame of tension. Such mystery movies live or die by their final acts: they either come together seamlessly or unravel. This one feels loose and a touch haphazard, like a pasted-together ransom note. It could credibly make an enjoyable slice of Sunday night TV Euro-noir but from a past master like Farhadi we can expect more, especially at a festival of this stature. It might count as a modest improvement on recent years but another mystery still remains to be solved: the curse of the Cannes opener. ★★★☆☆

After such disappointment, we may not have thought we needed an Egyptian comedy about a destitute, leprosy-scarred widower — but we got one. In *Yomeddine* ("Judgment Day") we find Beshay (Rady Gamal) literally on the scrapheap of life, foraging for trinkets on Garbage Mountain and setting off on a road trip in search of his past, accompanied by a Nubian orphan boy nicknamed Obama (Ahmed Abdelhafiz) and an ageing donkey called Harby. With nubs for fingers and a flattened, noseless face, Beshay is shunned, victimised and robbed, his moving cry of "I'm a human being" echoing John Hurt in *The Elephant Man*. *Yomeddine* conveys effectively that for him and his kind every day is judgment day but, like Harby the donkey, A.B. Shawky's directorial debut is loveable yet plodding and not always sure-footed. ★★★☆☆

Intrigue: Carla Campra and Penélope Cruz in 'Everybody Knows'. Below left: Rady Gamal (left) with Ahmed Abdelhafiz in 'Yomeddine'

There are better films to be found on the fringes of the festival, though not always time to see them. With Critics' Week entry *Wildlife*, actor Paul Dano (*There Will Be Blood*, *Love & Mercy*) steps behind the camera for the first time and barely puts a foot wrong with an early '60s-set story of family break-up seen through the eyes of a teenage boy. Adapted from a novel by Richard Ford, this is in every sense an actor's movie, anchored by a quietly effective performance from young Ed Oxenbould, who at times resembles the young Dano.

Jake Gyllenhaal is effortlessly intense as an emotionally fragile father who leaves wife and son to fight a wildfire advancing across the Montana hillside, but better still is Carey Mulligan, generating real heat as a refreshingly frank and flawed oversharing mother who refuses to fall into victimhood and fights as much for herself as for her family. It is further bolstered by a winning turn from Bill Camp as a used-car salesman with a spare tyre and oily designs on Mulligan, who further aggravates the growing marital frictions.

> Such mystery movies live or die by their final acts: they come together seamlessly or unravel

The raging wildfire is not the subtlest of metaphors for looming trouble ("Once it reaches us it'll be too late," intones a schoolgirl Cassandra), but Dano doesn't overplay it, opting instead for simple yet elegant framing, intimate family drama and dabs of sly humour. (The famously fiercely private Gyllenhaal must have particularly relished a scene in which his character advises his son always to ask people personal questions — and then promptly gets fired for being overly intrusive.) For Dano — and we very much hope for Cannes 2018 — there may be better yet to come. ★★★★☆

To May 19, festival-cannes.com

Undramatic, but gripping

THEATRE

Nightfall
Bridge Theatre, London
★★★★☆

Ian Shuttleworth

It's all too easy to denigrate a play for being "undramatic". In the few years since his breakthrough, however, playwright/novelist Barney Norris has shown his work to be undramatic in the very finest sense. There are tensions, a gripping sense of important things at stake both for individuals and the entirety of his picture, but these emerge out of characterisation and relationships rather than seismic events. In *Nightfall*, the revelation in the second-act truth-telling phase almost seems a bit much by Norris's standards, but he buys that moment by remaining true throughout to the four personalities onstage.

The four are brother and sister Ryan and Lou, their mother Jenny, and Ryan's best friend and Lou's ex (as we begin) Pete. We meet them as Ryan and Pete are trying to tap into an overground oil pipeline which runs across the family's Hampshire farm. It serves as an initial flashpoint, but becomes one more pretext for the various parties' means of dealing with the loss of their father from cancer and Ryan and Pete's involvement at around the same time in a criminal assault. All four are tangled up in an assortment of ways, but matters coalesce around Jenny's attempts to control the narrative both of the family and of all its members.

Claire Skinner turns in a beautiful, slightly unsettling performance as someone who usually comports herself reasonably but often sounds worryingly unbalanced. Ophelia Lovibond's touching Lou is the most confused and uncertain, yet in some ways also the most mature for her candour in facing up to this.

It's a small dramatic canvas for a venue such as the 900-seat Bridge. Director Laurie Sansom squares the circle skilfully, though Rae Smith's stage design of the farmhouse garden with pipeline and septic tank is sometimes unhelpful in providing far too much upstage space in which actors' voices get lost, particularly in the opening scene.

Norris's trademark, however, shines through like one of the evening stars Sion Daniel Young's Ryan occasionally contemplates: it is an unstinting compassion for every figure he draws, in a world which is not morally brutal but simply tends not to notice them.

To May 26, bridgetheatre.co.uk

Unsettling: Claire Skinner and Sion Daniel Young in 'Nightfall'
Manuel Harlan

THEATRE

World Without Us
Battersea Arts Centre, London
★★★★☆

Sarah Hemming

Species have faced extinction before. But were they able to contemplate their own absence? One trouble with being human is that, not only could we hasten our own demise, we are also able to envisage it. Not that we want to: most of us are reluctant to imagine the lack of our individual presence on earth, never mind the disappearance of the whole human race. But it is precisely that scenario that this quiet, meditative piece from Belgian company Ontroerend Goed presents. Actor Valentijn Dhaenens walks on to the stage and, aloud, thinks his way through a world from which humans have vanished.

You might expect something angry, confrontational even: a big, challenging piece about war, nuclear weapons or climate change (particularly given the group's track record of provocative, interactive shows). In fact the tone is elegiac, low-key and quizzical. Dhaenens, working his way through a text written by himself, Alexander Devriendt, Karolien De Bleser and Joeri Smet, never specifies what has happened to eliminate human existence, or argues about what led to that point. Rather, he calmly outlines what the absence of human intervention on the planet might do, bit by bit, starting with the auditorium in which we sit during the show.

It would become instantly colder, he says, (a human body gives off the heat of a 100-watt bulb). Machines — lights, laptops, mobile phones — would run for a while then gradually stop without people to minister to them. Small animals might first revel in the lack of interruption, but then suffer in an urban environment no longer offering ready food sources. Over centuries the wild would return.

We would no longer be there to pollute the planet; we would no longer be there to care for it either. Philosophy, time, music, mathematics — all conscious efforts to record, shape and interpret life and its meaning would be gone. Pandas might die out; no one would mourn them. Eventually the dying sun would swallow the earth. The only trace left of human activity might be the images, music and greetings on the disc affixed to the Voyager 1 space probe forging its way through the universe.

This is not a play in a straightforward sense. Delivered on an empty stage that is embellished only by a strange dark monolith, the monologue offers no drama except the communal act of imagination it takes to envisage this scenario, to consider what matters and why. In this context, that collaboration between performer and audience becomes ironic and immensely poignant.

To May 12, bac.org.uk

FT BIG READ. HONG KONG

Li Ka-shing's retirement is part of a power transition among Hong Kong's property tycoons. The new generation faces waning influence with Beijing and risks being blamed for the city's growing inequality.

By Ben Bland

Pressure to spread the wealth

For decades, aspiring Hong Kongers dreamt of emulating the rags-to-riches rise of Li Ka-shing, the wealthiest man in a city built by commerce, improvisation and not a little luck. But when the 89-year-old billionaire announced his retirement in March, his right-hand man Canning Fok was one of many warning that his like may never be seen again in the semi-autonomous Chinese territory.

"If I was young, I wouldn't work in Hong Kong," said the managing director of Mr Li's main holding company, CK Hutchison, and one of the city's best-paid executives, earning US$27m last year. "I wouldn't spend HK$10m [$1.3m] on a 300 square foot apartment, I'd go over there [to mainland China] and spend HK$2m and put HK$8m into a start-up."

Like the other tycoons who dominate Hong Kong, Mr Li made much of his money through property development, recycling the profits into a wide range of businesses ranging from ports to retail, telecommunications to energy.

But the decades-long property boom that helped turn the likes of Li Ka-shing, Lee Shau-kee, the majority owner of Henderson Land, and the Kwok, Cheng and Woo families into billionaires has left Hong Kong saddled with the world's most unaffordable housing prices — and much of the economy controlled by a handful of closely connected business groups.

Many young people are unable to buy, or even rent, a home of their own, and are deterred from starting a business by equally astronomical commercial rents.

Kenneth Tong, a 33-year-old academic researcher who lives with his parents, compares his generation's predicament to playing a game of Monopoly that has been going on for 50 years, with all the properties already taken and only the prospect of paying ruinous rents.

"If you continue to play the game, the disparity between the rich and poor will be wider . . . and more and more people will live in abysmal conditions," says Mr Tong, who runs a campaign called No Flat Slave. "The tycoons are heartlessly rich. They used the power they attained to alter policies and strengthen their status."

The Woos **Douglas Woo**, the grandson of shipping tycoon Pao Yue-kong, took over as chairman of property and logistics group Wheelock in 2014. Turning 40 this year, he is one of the younger family business leaders in Hong Kong. The group owns a range of luxury residential and retail developments in Hong Kong and mainland China, controls part of the city's container port and operates the historic Star Ferry, which connects Hong Kong island and Kowloon.

The Lees Ninety-year-old **Lee Shau-kee** is one of the few patriarchs still in charge of his empire, as well as being vice-chairman of Sun Hung Kai Properties, which he co-founded with the Kwok brothers' father, Kwok Tak-seng, and Fung King-hey, an entrepreneur known as the "king of securities". Lee's two sons, **Lee Ka-kit** (right) and **Lee Ka-shing** (left), are both vice chairmen of Henderson Land, handling projects in mainland China and Hong Kong respectively. Mr Lee has said he is "gradually retiring", letting his sons take on more responsibility for the business.

The Chengs Leadership of the Cheng family's jewellery, property and transportation empire is shifting slowly from the third to the fourth generation. Henry Cheng is still chairman of the two main listed companies — Chow Tai Fook and New World Development — but his Harvard-trained art collector son, Adrian Cheng, is taking a more prominent role leading key projects in what he calls a "spontaneous evolution". The Cheng family also has a stake in the Ho family entity that controls the SJM gambling company.

The Kwoks **Raymond Kwok** (left) leads Sun Hung Kai Properties, which has emerged relatively unscathed after a period of turbulence. His older brother Walter was ousted as chairman in 2008 before both Raymond and Thomas, another brother, were charged in a high-profile trial with "conspiracy to commit misconduct in public office". Raymond was found not guilty in 2014 but Thomas was convicted and sentenced to five years in jail. Thomas's son **Adam** (right) and Raymond's son **Christopher**, both Ivy League graduates in their 30s, are executive directors.

Beware the 'transition discount'

Family businesses dominate economies across Asia but no place is as synonymous with its tycoons — nor its tycoons as synonymous with it — as Hong Kong.

Mr Li's retirement, passing the baton to his elder son Victor Li, is the most high-profile handover of a wider transition of power in Hong Kong, as the second and third generation of Ivy League and business school-trained offspring take over from their pioneering, self-made fathers and grandfathers.

It symbolises the end of an era in more ways than one. The first generation of billionaires like Mr Li were trusted advisers to Communist leaders such as Deng Xiaoping as they sought expertise and capital during the "reform and opening up" of China's economy in the 1980s and 1990s. In today's far richer, more powerful China, President Xi Jinping has little need to take advice from second-generation Hong Kong tycoons.

In fact, the roles have been reversed. Hong Kong's government looks to Chinese tech entrepreneurs such as Jack Ma of Alibaba and Pony Ma of Tencent, who both have luxury homes in the city, for help in re-energising an economy that many Hong Kongers feel does not work for them any more.

"The dominance of several tycoons over generations has impeded economic development here because of their anti-competitive practices and rent-seeking behaviour," says David Webb, a corporate governance campaigner and former director of the Hong Kong stock exchange. "That . . . has resulted in less economic dynamism."

The primary challenge for every senior Hong Kong tycoon is how to transfer their business empire and wealth to the next generation. With multiple heirs, siblings and, sometimes, wives, it is not an easy task, especially in a culture where billionaires are reluctant to discuss succession openly. "Many Asian founders never retire, they just die at a desk," says Joseph Fan, a professor of finance at the Chinese University of Hong Kong.

Family businesses listed on the stock market in Hong Kong, Singapore and Taiwan lose, on average, 60 per cent of their value during the five years before and three years after their founder steps down, according to Prof Fan's research. He says this transition discount is driven by the difficulty of passing on "intangible critical assets" such as the founder's relationships and values, as well as the fear of festering family feuds.

'People see that a landlord is better off than a business owner, who is better off than a wage earner. What kind of society is that?'

A key characteristic of ethnic Chinese family businesses that survive more than a century is their ability to "prune ownership" to head off such disputes, says Roger King, who runs the family business studies centre at Hong Kong University of Science and Technology.

On a scale of smoothness, Li Ka-shing's handover to Victor Li would come near the top, while the formal retirement of Stanley Ho, another Hong Kong tycoon who is known as the "godfather" of the booming casino industry in neighbouring Macau, would be closer to the bottom.

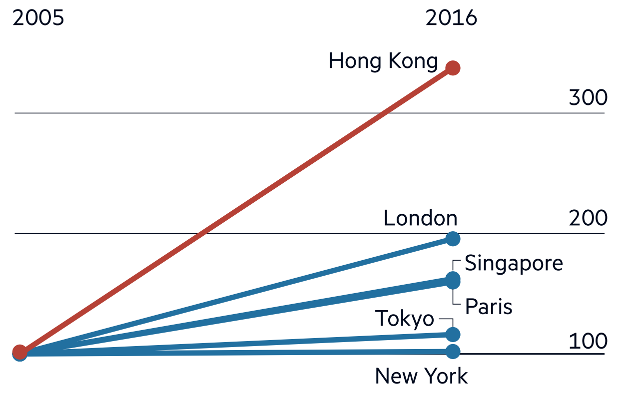
Victor, 53, has spent 30 years learning the ropes from his father, before formally becoming chairman of CK Hutchison and CK Asset, the family's property group, this week. Rather than see Victor and his younger brother Richard tussle for influence, Mr Li backed Richard in a separate business venture and today he runs PCCW, a telecoms and media group.

By keeping his family small, Li Ka-shing made life much more straightforward. Mr Ho, who stood down as chairman of his casino company SJM Holdings in April at the age of 96, has had a much tougher task, with 17 known, living children by four different partners.

A messy legal dispute over who controls the family's shares in his gambling group was eventually resolved in 2011. But Mr Ho, who stepped back from active involvement several years ago due to ill health, has never identified a clear successor. He is being replaced by three co-chairmen, including Angela Leong, his fourth partner, and Daisy Ho, a daughter by his second partner. Meanwhile Ina Chan, his third partner, was also appointed as an executive director.

Residential property price index

Rebased (2005 = 100)



Sources: CEIC; Our Hong Kong Foundation (2017)

Speed read

New era Li Ka-shing's retirement in favour of his son Victor is the most high-profile of several handovers

Property barons The high cost of buying a flat in Hong Kong has led to resentment of the tycoons' wealth

Beijing's shadow The expansion in the Chinese economy has made Hong Kong businesses less influential

Vitaly Umansky, an analyst at Bernstein, an equity research group, says this sort of messy structure creates an "enormous discount for the company" in investors' eyes. "There's a giant hodgepodge of conflicts of interest at the board, shareholder and management level," he says. "Many US and European investors would never invest in a company like SJM for that reason."

Housing's crisis point

While ageing tycoons struggle to get their house in order, many young Hong Kongers wonder if they will ever be able to buy one. The densely populated city of 7m people has the world's most unaffordable residential property, measured as a proportion of median income, according to Demographia, an urban planning consultancy.

In response to soaring prices, limited land supply and stagnating wages for many graduates, developers have been racing to build ever smaller micro-flats, some no bigger than a parking space. More than 200,000 Hong Kongers live in often-squalid cubbyholes known as "subdivided homes", which are typically about 10 square metres but rent for about $570 per month.

The average living space per person in Hong Kong is just 16 sq m, compared with 20 sq m in Tokyo, which is also infamous for its tiny apartments, and 28 sq m in Shenzhen, China's tech metropolis just over the border from Hong Kong, according to research by Our Hong Kong Foundation, a think-tank backed by many of the city's tycoons.

Stephen Wong, a former investment banker and head of public policy at the think-tank, says the housing situation has reached "crisis" point. "We're going to be short by another 70,000 private flats over the next 10 years," he says. "People have lost hope."

Tycoons get much of the blame for the situation — and a large share of the resulting profits. Five of the best-known tycoon families — the Lis, the Lees, the Woos, the Chengs and the Kwoks — took home more than $3bn in dividends, which are not taxable in Hong Kong, from their main listed companies alone last year, according to FT calculations.

But economists and politicians disagree about the causes of the crisis, with some blaming developers for hoarding land, some blaming the public for resisting the development of greenfield sites and others blaming the influx of around 1m mainland migrants since the UK handed back control to China in 1997. Quantitative easing, which has pumped cheap money into the global economy since the financial crisis, has helped drive prices even higher.

Mr Wong understands why residents resent developers, given that property prices have, over the past decade, grown faster than gross domestic product and way ahead of wages. "People see that a landlord is better off than a business owner, who is better off than a wage earner," he says. "What kind of society is that?"

Even some tycoons are balking at soaring prices. Lau Ming-wai, chairman of property group Chinese Estates, says his company has not bought land at government auctions in Hong Kong for five years because "we see better risk-return in other investments".

Mr Lau, 37, who took over when his father stepped down after being convicted of bribery and money laundering in Macau in 2014, advises the Hong Kong government on youth policy. He compares the situation to the UK and other developed economies struggling with a "toxic mix" of high property prices and declining social mobility.

The difference is that Hong Kong has no hinterland and the city's residents cannot elect their own leaders, leading to a sense of "pent-up anger". He adds: "You can see and feel the resentment and frustration."

200,000 Hong Kongers living in 'subdivided homes', typically about 10 square metres and costing about $570 a month

60% Loss of value for listed family businesses in places such as Hong Kong during the five years before and three years after their founder steps down

3% Hong Kong GDP as a percentage of China's; in 1997 it was nearly 20%

Unique strengths

President Xi Jinping's concentration of power — and Beijing's growing influence in Hong Kong — has killed off hope for democratic reform and eroded the autonomy and civic freedoms that helped make the city an international gateway for China.

Economically Hong Kong is much less important to Beijing than it was 20 years ago. On the eve of the handover, the city's GDP was nearly a fifth of China's, but today it represents just 3 per cent, only slightly more than the neighbouring cities of Shenzhen and Guangzhou.

The Chinese economy is not just much bigger, it is far more technologically advanced, led by the likes of Alibaba, Baidu and Tencent, whose innovative businesses make the Hong Kong tycoons' traditional empires look like relics from an earlier era.

The shift in influence has seen Chinese investors buying up some of Hong Kong's most prominent buildings and most storied assets. Alibaba acquired the South China Morning Post, the city's main English-language newspaper, in 2015. Cosco, the state-owned shipping group, is in the process of taking over Orient Overseas, the shipping company controlled by the family of former Hong Kong leader Tung Chee-hwa, for $6bn.

While some tycoons worry about Beijing's interventions in Hong Kong's legal system, few are willing to stand up for the territory's autonomy. When asked at his final press conference in March what he thought of Mr Xi's decision to end term limits, allowing him to be leader for life, Mr Li, who has expressed support for democracy in the past, replied: "If I had a chance to re-elect him, I would have voted for him."

Anson Chan, who worked with many of the tycoons when she was deputy leader of Hong Kong before and after the handover, argues that this willingness to put profit before principle is as big a threat to the city as the housing crisis.

"At some stage business people here need to ask themselves if they have a bottom line and are they prepared to defend it," she says. "We have to keep Hong Kong's unique strengths or it will become marginalised."

Additional reporting by Nicolle Liu

FINANCIAL TIMES
'Without fear and without favour'
FRIDAY 11 MAY 2018

Malaysia has the chance for more accountable rule

Mahathir's return is an opportunity for the country to transition

There have been too few occasions to celebrate the march of democracy in Asia of late. The unexpected victory of Mahathir Mohamad in Malaysia's elections is definitely one — even if the return of the authoritarian former prime minister makes for an unlikely story of change. His political revival, at a ripe if sprightly 92 years old, is in purely age terms the equivalent of Jimmy Carter coming back for another stint in the White House.

The defeat on Wednesday of the Barisan Nasional (National Front) coalition brings an end to its 61-year rule, marking the first transfer of power in Malaysia's post-independence history. It was made all the more remarkable by how heavily stacked the odds were against such an outcome. In a bid to prevent an opposition victory, the government of outgoing prime minister Najib Razak used most of the tools in the authoritarian rule book: egregious gerrymandering, vote-buying, ethnonationalist populism and the suppression of free speech.

That none of this worked is testament to how deeply the Malaysian population yearned for change, and how frustrated they had become at the scale of government corruption. The ruling coalition's parliamentary majority was decisively overturned with the opposition Pakatan Harapan (Alliance of Hope) opposition bloc gaining 113 seats to Barisan Nasional's 79.

In such upsets, the foundations of real democracy are often laid. Malaysia has the chance to turn a new page and join countries such as Taiwan and South Korea on a path to more accountable rule. Given the scale of the present democracy deficit in Asia — with Thailand under military rule, Myanmar failing to transition away from it, and other countries such as Cambodia experiencing severe reversals — this is a more than welcome development.

Mr Mahathir was stirred out of retirement by the 1MDB scandal (in which billions of dollars were allegedly misappropriated from the state development fund). To oust his former protégé Mr Najib, who stands accused of personally benefiting to the tune of $700m, Mr Mahathir went through several conversions. He had to defect to the opposition Pakatan Harapan and bury his differences with its jailed leader, Anwar Ibrahim, whom he once sacked and persecuted with dubious sodomy charges.

Mr Mahathir has promised to arrange a royal pardon for Mr Ibrahim and pave the way for him to take over as prime minister. Given his years it makes sense for him to treat his political reincarnation as a transitional role.

What Malaysia might transition to remains uncertain. As prime minister in the 1990s Mr Mahathir was no democrat or liberal. Instead he was one of the leading lights of the "Asian values" school of thought that rejected western ideas about individual freedoms and espoused an authoritarian style of government for the supposed collective good.

If he is going to make Malaysia work better this time round, Mr Mahathir must put an end to the ethnic jingoism that has predominated under Barisan Nasional. All Malaysians should be equal citizens, be they ethnic Malay or of Chinese or Indian origin.

He must also meet his promise to restore the rule of law and institutional integrity of the state. This means fully investigating the outgoing prime minister's role in the 1MDB scandal and seeking redress before the courts should allegations stick. That way Malaysia could join the small group of developing countries — Brazil, South Africa and South Korea — that have blazed a trail in fighting corruption by holding former leaders to account.

Germany's surpluses should be put to work

Fiscal largesse would serve the country's interests, and the world's

You can't be too careful, says Olaf Scholz, Germany's finance minister. He is referring to his country's growing budget surpluses, and his determination not to fritter them away. Mr Scholz is wrong. You can be too careful, and Germany is. There are several excellent uses the money could be put to; the country will have absolutely no problem sustaining its current levels of debt; and higher spending would bring the eurozone economy into a healthier balance, making Germany's own long-term outlook brighter as well.

In January, Germany was anticipating surpluses totalling €46bn between 2018 and 2021. A budget deal struck between Angela Merkel's Conservatives and the Social Democrats set out commendable plans for spending the surpluses, in the face of criticism from fiscal hawks. Now the Robust German economy has tilted the fiscal balance further: an additional €63bn in surplus revenue is now expected over the next four years.

Germany has no reason to spend these riches to reduce its indebtedness. Its debt is manageable at 65 per cent of gross domestic product, and is expected to fall below 60 per cent next year. At present Germany can borrow money for 30 years at less than 1.3 per cent. The government expects nominal GDP to grow 2.3 per cent. The debt burden is light and growing lighter.

Germany could usefully lower taxes, improve its physical and digital infrastructure, or increase its defence budget. Mr Scholz prioritises tax relief, while pledging some funds for broadband; but the third option is just as pressing. The size of the surplus means he does not have to exclude defence.

Despite increases to its defence budget, Germany will not fulfil its Nato commitment to spend 2 per cent of GDP on the military. Military spending is budgeted to grow at more than 3 per cent a year through 2022, but projected output growth will keep the target out of reach. Despite significant domestic political resistance, particularly from the Social Democrats, Germany can and should do better. Donald Trump's indifference to his European allies underlines the fact that, as Ms Merkel said this week, "it is no longer the case that the United States of America will simply protect" Europe.

Increased spending in Germany, whatever form it took, would increase domestic demand. Given that the country is at full employment, some increase in inflation and wages should result (overall inflation is low and stable at present, despite strong wage growth). From the point of view of the wider eurozone, this is desirable. It would drag the eurozone as a whole closer to its inflation target. Higher German wages would make peripheral countries more competitive, all else being equal, helping to reduce the internal imbalances that have bedevilled Europe and led to the build-up of bad debt. It would also make the European Central Bank more likely to tighten monetary policy, which would please German depositors.

Economic imbalances are not restricted to Europe. Mr Trump likes to complain that Germany exports much more to America than it imports from it. This is not a problem in itself, or an appropriate target of policy, but countries with an excess of savings must export them. In a world with an apparent dearth of good investment opportunities, the result tends to be poorly allocated capital or other distortions.

It would be better for the world, in other words, if Germany put its surpluses to work at home, where there are good targets for investment. That would have a pleasant side effect, too: it would make Germany a better place for Germans to live in.

Letters

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Customers need to know who is handling their financial data

With asset managers increasingly using alternative data sets to bolster returns (or at least in an attempt to bolster returns), consumers should be advised that a portion of this data literally comes out of their wallets: in the form of retail financial account data repackaged by third parties — often, without the consumer's knowledge or consent ("Asset managers double spending on new data in hunt for edge," May 9).

Robin Wigglesworth's article brings to light how technology and big data is changing asset management, but it omits the role that consumers and their account data play in this process. The article focuses on the firms that provide alternative data sets to investment firms. Some of the most popular underlying data sets are massive pools of anonymised retail bank or investment account transactions, which are furnished by account aggregation companies — technology platforms that bring financial account information from disparate sources into one app or digital experience to create a holistic view of a consumer's finances.

When consumers connect their financial accounts to a platform that uses aggregation — such as a personal finance app, robo-adviser or online lender — they are agreeing to give the third-party aggregator access to their financial data so that they can gain more transparency into their own financial life.

However, buried within some applications' terms of use, consumers may also be permitting the third-party aggregator to use their data for vague and various "analytics" purposes, such as compiling research for asset managers to inform their investment decisions. Although the data may be anonymised, it is hard to imagine that consumers would permit their data to be sold in such an opaque way, if given the choice.

A lack of transparency in finance was largely the impetus for the proliferation of account aggregation services to emerge, yet the monetisation of consumer data without clear, conspicuous consent contradicts that mission.

Consumers deserve to know who is handling their data and for what purpose.

Lowell Putnam
Co-Founder and Chief Executive, Quovo, New York, NY, US

Trump reflects desire for bold approach on China

In many past articles, Martin Wolf has identified the unfair practices which China has used to maintain its huge trade surplus. Over several decades, no country or organisation has been able to confront China successfully to change their trade policies. In his latest article ("Trump declares trade war on China," May 9), Mr Wolf condemns President Donald Trump's forceful approach towards righting these wrongs as "ridiculous" and "crazy". As an alternative, he suggests multilateral rather than bilateral discussions.

Multilateral efforts in many areas in recent decades have not, with exceptions, been successful. It is hard to put a multi-country team to work, and then the team has to shrink its power to match that of the weakest or most reluctant member. And Mr Wolf is just displaying his hatred of Mr Trump by implying that an organisation such as the WTO can be an effective negotiator with China.

I believe a large majority of Americans such as me support a new and very aggressive approach to China. And I think Mr Wolf is kidding himself by not recognising the powerful hole cards we have in threatening to cut off the vast Chinese exports to our country. We can survive without Chinese furniture, clothes, phones, sporting goods and the lot. There are plenty of other potential suppliers.

If it takes a "self-regarding bully", as Mr Wolf describes Mr Trump, to step forward, so be it.

Phillip Hawley
La Jolla, CA, US

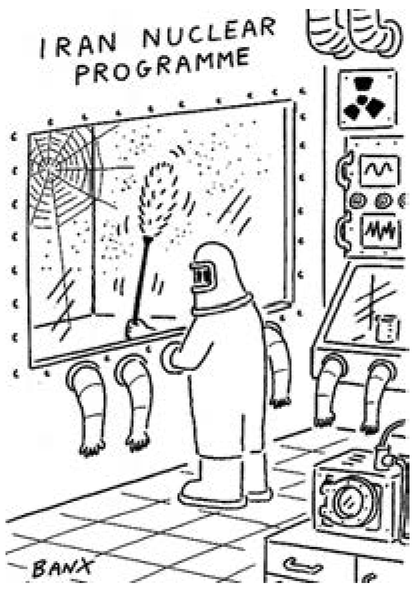
Post-Brexit trade starts with small silver linings

In reply to Lord Wallace of Saltaire (Letters, May 10), the way to start off a UK trade policy in its own right is in small steps. A US/UK trade agreement has far too many challenges. Therefore it makes manifest sense for a mutual phasing out of non-contentious trade barriers with the nearest and dearest countries within the Commonwealth — Canada, Australia and New Zealand.

Yes, like Lord Wallace, I voted remain and am a passionate European. However, the prerogative to conclude mutually beneficial deals with those countries is a silver lining of Brexit.

The reclaiming of fishing rights as per normal international law is another such silver lining with the potential for more employment, especially in coastal communities.

John Barstow
Pulborough, West Sussex, UK



Blackwell's optimism is fallacious over EU demand

In "A prosperous future relies on a dash of British optimism" (Opinion, May 9), Norman Blackwell argues that no matter what short-term uncertainties belie the UK post-Brexit, Britain "has enduring strengths" that guarantee prosperity "under any scenario". Hence, one of his claims that the EU as a major trading partner will remain so "under any outcome" negotiated for Brexit. His main justification being that because tariffs are very low, those in the EU who have been buying British products will continue to do so.

This is fallacious optimism. No economist has argued that the main barrier to intra-EU trade is tariffs: it is the non-tariff barriers that are the culprit, hence the rationale for the creation of the single market. Therefore withdrawal from the single market would have drastic consequences for UK exports: even a 10-20 per cent reduction will have a great impact, given that about 45 per cent of our exports go to the EU.

Ali M El-Agraa
London W5, UK

Inequality's monetary fix

The greatest driver of generational inequality is skewed monetary policy that has inflated asset prices (May 8). Both property and pensions are out of reach for the next generation. The Resolution Foundation proposes some interesting ideas, but a fiscal solution should not address a monetary issue. The solution is for the Bank of England to begin to unwind quantitative easing and allow long-term rates to return to their natural equilibrium.

Richard Silveira
London NW3, UK

Free trade deals will need to resemble single market

This week we have heard Theresa May insist once again that the UK will leave the single market and the customs union ("Will Theresa May be able to win over Eurosceptics?" May 7), and we have even heard Boris Johnson interpreting the English local council elections as demonstrating "key" electoral support for this policy. But 32 years on since Margaret Thatcher set out on the single market on March 29, 1985, why so much urgency for leaving it 33 years later, on March 29, 2019?

We have heard many times that our government wishes to leave the single market and customs union on the basis that continued membership would involve accepting EU laws and would hamper our ability to trade freely throughout the world. Beyond the simple observation that it is necessary to accept the laws of our trading partners in any trading relationship, a closer look at the single market helps to debunk this myth.

With the single market we already have an extensive agreement for free trade. We have removed all customs duties on trade in goods, we have protected our borders with a unified agreement on external tariffs, and we have removed a vast swath of non-tariff barriers to trade, such as food standards for farming products or regulatory standards for financial services. And, moreover, we have achieved all this with our single biggest trading partner for external trade.

A simple, or even a super, free trade agreement, can be only a pale imitation, and it is far from certain that any countries are offering trade agreements to make up the shortfall.

The single market was agreed by Thatcher, and Sir Arthur Cockfield, her commissioner often referred to as its "architect", in the spirit of expanding economic relations with key trading partners. So, 33 years later, and with a government for which free trade is a stated goal, are these not exactly the sort of laws we should be keeping?

Hew Donald
London W5, UK

Big city, bigger conurbation

Andy Bounds is incorrect when he writes Manchester is the UK's third-biggest city (May 10). Birmingham, Bradford, Glasgow, Leeds and Sheffield have more people than Manchester.

Andy Burnham is mayor of the conurbation of Greater Manchester which technically is not a city.

Dr Ian Greatorex
Salford M3, UK

Transparency is the best protection for assets

Like your correspondent Nathan Gelber (Letters, May 10), I am the descendant of people whose property was misappropriated in Hitler's Germany. But I draw the opposite conclusion about opaque tax havens. The best protection from abuse is the rule of law. The best protection of the rule of law is transparency. And the best protection for gangsters financial or political is the ask-no-questions banker who helps them live a life of luxury while immiserating their fellow citizens. The harm the Nazis did went well beyond asset theft. In other words, does anyone imagine a once-wealthy Jewish businessman spent his dying minutes in a gas chamber wishing that those IG Farben bearer shares bought by his ethics-free stockbroker had been hidden somewhere safer?

Philip Abrams
London SW3, UK

Goodwill should be valued as an accounting artefact

The issues on goodwill accounting raised by Jonathan Ford in his article (May 7) and Patrick Leblond in his response (May 9) arise from the belief that goodwill is an asset, like intellectual property or software. This leads to consequential problems whichever way you then decide to deal with it.

There is the alternative view that goodwill is not an asset at all, merely an accounting artefact. It arises from the way in which we choose to add together the accounts of the many different corporate entities in a group.

At the time of the original standard on goodwill accounting I was finance director of Abbott Mead Vickers PLC. We had dealt with goodwill as an aggregate deduction from shareholder funds on the face of the consolidated balance sheet. Shareholders then knew what had been spent on acquisitions over time, and were in a position to judge whether results were good enough to justify the amount the board had spent on their behalf. There was also nowhere for directors to hide if acquisitions had gone wrong.

Jeremy Hicks
London SW19, UK

Correction

● Nestlé paid Starbucks $7.2bn for rights to distribute the US chain's packaged coffee. The Swiss group did not receive payment from Starbucks as incorrectly stated in a Lex note on May 8.

A portrait of Brexit defaced by geographers and cabinet members

Notebook
by Robert Shrimsley

In a row that spoke happily to everyone's prejudices, geography students at Oxford university forced the faculty to take down a picture of Theresa May which it had hung as part of a display of its most famous female alumni. Students, using the Twitter hashtag #notallgeographers (and wouldn't you enjoy completing that sentence?), had surrounded the image with protest slogans. After an outcry at the faculty's apparent cowardice, the university insists the image will be restored to its place, although at time of writing this has yet to happen.

The Conservative party last night insisted it would not be taking down the picture of Theresa May from its display of famous Tory leaders at the party headquarters even though it has been consistently defaced by current members of her cabinet.

The decision to put up a picture of the current leader had seemed uncontentious at the time and was also part of an equality initiative, designed to show the Conservatives' commitment to disadvantaged groups like geographers. But no sooner had the picture gone up than members of the cabinet started using it to voice anger at her Brexit strategy under the banner of a Twitter campaign headed "not all conservatives".

It was surrounded by empty sheets of paper on which cabinet ministers have been scrawling criticism of her leadership. Boris Johnson, the foreign secretary, wrote that her latest plan for a customs partnership was "crazy", while someone else had written "Gavin Williamson for leader" in handwriting that experts thought remarkably similar to that of the defence secretary.

Not all the critics identified themselves. Some of the abuse was signed "sources close to Michael Gove" and "friends of Liam Fox". Others completed the "not all conservatives" slogan with phrases like "not all conservatives are hung up on having a functioning economy".

Other comments included "vacillating", "unable to reach a decision" and "leads from the back". However, a Downing Street source dismissed such abuse, adding: "You say that like it's a bad thing."

But party officials stressed that it was not only Brexiters who had defaced the display. The business secretary Greg Clark is understood to be behind one slogan that stated: "Hard Brexit costs jobs".

Another of the blank sheets stated: "Customs union plans welcome". It later emerged that this was not a political insult, but that it had been put there by Mrs May herself.

The prime minister is facing a split in her top team over alternatives to staying in the customs union, neither of which will work without a lengthy extension of British membership of the trading bloc, but that might help her cling on to power.

Mrs May has not commented on the defacement of her picture but allies said that she welcomes the robust debate as part of the process of securing a cabinet agreement on the best strategy for delivering a Brexit that maintains jobs, has no hard border with Ireland and allows the UK full access to the Galileo programme.

In spite of the sustained criticism, party officials have ruled out taking down the picture. Party chairman, Brandon Lewis said: "We are not going to let the juvenile pranks and political posturing of a few cabinet ministers prevent us from showing our pride in a woman who some people consider this country's best prime minister since David Cameron."

He said Mrs May was an inspiration to many who had battled her way to the top in spite of serious hardships, such as a poor political touch, no clear principles and a degree in geography. But Mr Lewis did say the picture may be moved to a new and more fitting location at the back of the stationery cupboard near the portrait of Austen Chamberlain.

He disputed claims that this was giving in to the protests arguing that though the position is less prominent it will be seen by more people because "everyone needs Post-it notes". Mr Lewis added it could be restored to its old slot "as soon as we have a clear policy on the customs union or by the next election — whichever's first".

Aides stressed that there was no question of the picture being removed entirely. One official said: "We know people don't like the picture, but no one wants to take it down in case we have to put a worse one in its place."

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Opinion

Argentina's latest turmoil is a reminder of global weakness

FINANCE
Gillian Tett

A year ago, Argentina was the darling of global investors. So much so that, when it issued a pioneering 100-year bond with a yield of just 7.9 per cent, investors gobbled it up, ignoring the fact that the country has defaulted eight times in the past 200 years.

Whoops! This week Mauricio Macri, Argentina's president, asked the IMF for help, after the peso tumbled to record lows. And that century bond? After rising to 105 per cent of its face value late last year, it is now trading nearer to 85 per cent.

This is deeply painful for the Macri government — and for long-suffering Argentine voters who had hoped that "gradualist" reforms could deliver an exit from years of economic turmoil, indebtedness and decline. But there is a silver lining too, at least for the wider world: Argentina's turmoil could offer a timely wake-up call about the bigger challenges in 2018.

After all, financial history shows that when rapid currency swings are combined with a turn in the credit cycle, this can flush out leveraged entities — and deliver Argentina-style surprises.

Some elements of this dangerous combination are now starting to materialise. In the past three weeks the dollar has strengthened, on a trade-weighted basis, by 5 per cent.

Meanwhile, global credit conditions are finally tightening a little after six interest rate rises from the US Federal Reserve in three years. This does not necessarily mean that the Argentine debacle will spark a full-blown emerging markets crisis right now. Although countries such as Turkey seem vulnerable, overall financial conditions remain loose by historical standards.

However, the momentum in global markets is shifting. Or to put it another way (and as I noted in the Financial Times last year), when future historians look back at Argentina's 100-year bond, it will probably look like the bond market's equivalent of the pets.com initial public offering during the 2000 tech boom — namely a sign of a bubble that, at best, is starting to deflate slowly, or, at worst, doomed to pop.

This has at least three implications. First, investors urgently need to stress test their portfolios for a world of currency swings and higher rates. Second, borrowers must become more resilient. After all, as Jay Powell, the Fed chair, observed this week: "Some investors and institutions may not be well positioned for a rise in interest rates."

> Investors need to prepare their portfolios for a world of currency swings and higher interest rates

Third, policymakers need to prepare too. In recent years, the IMF has urged governments to use the gift of cheap money to make much needed structural reforms, and improve public finances. But, as the fund lamented last month, most governments have ignored that call, and public sector debt has surged. The fact that Argentina has a fiscal deficit of 9 per cent (when central bank borrowings are added in) is symbolic.

This means governments should accelerate structural reforms. Policymakers must also re-examine the wider global financial safety net.

This has four overlapping elements: many countries have precautionary foreign exchange reserves; many also have bilateral swap agreements between central banks (to supply funds in a crisis); regional financial assistance programmes have emerged; and the IMF's lending programmes.

This combination is robust enough to cope with limited shocks. The turmoil in Argentina, for example, will probably be contained if the IMF agrees to its request for a standby credit agreement. But if the turmoil spreads, the safety nets will undergo a far more searching test.

Interaction between the RFAs and the IMF, for example, is wobbly. Nobody really knows what would happen if a country ever failed to repay a swap line. It is also unclear how much firepower the IMF will have in the future.

The fund is due to conduct a quota review next year, and IMF officials are keen for member countries to increase their support, by many tens of billions of dollars. But it is unclear whether the US administration of Donald Trump will agree to support any increase. It is even less clear what might happen if it does not.

This is why the Argentine episode is timely. One hopes that Mr Macri will cut a deal with the IMF in the coming days, which will calm the markets, enable the government to save face and accelerate domestic reforms.

But we should also hope that complacency does not return. After all, the best way to prevent a really big shock is to have regular, small jolts. All eyes, then, on that ill-starred 100-year bond.

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How Europe should react to Trump

GLOBAL POLITICS
Philip Stephens

Enough. America's allies have gritted their teeth, bitten their lips and fixed their smiles. They have fawned and flattered. To no avail. Donald Trump is what he has always seemed: a nationalist bully set on bending American power to deep personal prejudices. Quitting the Iran nuclear deal is not the pursuit of a foreign policy; rather an act of boastful defiance. The president wants to show the world that he can do as he pleases.

This is not the first time Europeans have been confronted with Mr Trump's disdain for an international order that used to underwrite US global leadership. America First has seen him quit the Paris climate change accord, jettison the idea of a two-state solution to the Israel-Palestine conflict, tear up trade agreements and question the Nato alliance. Then there are the twitter fusillades accusing Europe of being soft on terrorists or tolerating imaginary no-go areas of Muslim migrants. The allies for the most part have kept their counsel.

The exit from the Iran deal is different. It marks the biggest rupture in transatlantic relations since the end of the cold war and mocks the west's efforts to uphold a rules-based order. It surrenders the international high ground to a deeply unpleasant regime in Tehran. And it pours petrol on a region already in flames. A region, incidentally, that sits alongside Europe.

Saudi Arabia's Mohammed bin Salman and Israel's Benjamin Netanyahu have been banging the drums for war against Iran. Mr Trump in effect has now joined them. The deal restricting Iran's nuclear activities was imperfect. Without it, Tehran has means and incentive to build a bomb.

For European policymakers there is an additional dimension. If Iran, or any other unpleasant regime, had needed a rationale for a nuclear programme, former president George W Bush offered it with his Axis of Evil speech and the US-led invasion of Iraq. North Korea is unlikely to unlearn this lesson when its leader Kim Jong Un meets Mr Trump next month to talk about Pyongyang's nuclear arsenal.

A diplomatic path for Iran was initially mapped by France, Germany and Britain — the so-called EU3. The 2015 accord, drawing in China and Russia as well as the US, was the culmination of a dozen years of painstaking and often painful diplomacy. North Korea, and everyone else, now know that America's word, even on a solemn international agreement, cannot be trusted as long as Mr Trump is in the White House.

In most European capitals, the first reaction to this wrecking strategy is to say America is now on its own. If the US intends to act as a rogue state, blind to the views of its allies, there is no longer the glue left to hold together an Atlantic partnership that long assumed a coincidence of values as well as interests.

Turning off the TV set on Mr Trump is a more than beguiling prospect. Sadly, it also defies the reality that Europe depends on the US for the continent's defence. Last year, in a moment of public frustration, Germany's Angela Merkel said that Mr Trump's arrival in the White House invited Europe to take more responsibility for its affairs. Everything the chancellor has done since suggests that Germany is less rather than more willing to shoulder the costs of its own security. Europe will secure independence from the US when it is prepared to pay the price.

Realism, though, does not require submission. The first priority must be to hold together what is left of the nuclear agreement. The US may have reneged, but Europe — and the rest of the international community — can demonstrate that they are prepared to keep the bargain with Iran — the lifting of sanctions in return for nuclear compliance.

> Turning off the TV on the US president is a beguiling prospect but defies the reality of the situation

European politicians have said they will seek an exemption for their companies from Mr Trump's sanctions. They may need to go further. If the president insists on deploying US economic might to punish, say, German, French or British companies, Europe must retaliate. This is not about defending commercial interests, but about recognising that Iran will respect the deal only if gets promised sanctions relief.

In the absence of exemptions, the EU should indemnify against the threat of US sanctions any of its businesses trading with Iran. The attempt to penalise European companies should be met also with offsetting penalties on US corporations. There would be a danger of tit-for-tat escalation, but if Europe is serious it will have to take risks.

The second imperative is for European leaders to make it as clear as it is possible to make it that they would oppose vigorously any military strikes against Iran, and that the US would be debarred from using European bases in such a conflict. The Tehran regime is obnoxious. Its interventions in the region are destabilising. But the war sought by Israel and Saudi Arabia would be still more dangerous.

Europeans should not draw comfort from the fact that Mr Trump's decision has left them sitting in the same camp as China and Russia — though some may recall that at the time of the Suez crisis in 1956 Washington lined up with Moscow formally to denounce Britain and France at the UN.

There must, though, be food for serious thought here for Mr Trump's fellow Republicans in Washington. How has the US managed so comprehensively to isolate itself among friends and allies and thus empower its adversaries? Enough really is enough.

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Armenians should grasp the chance to transform their homeland

Ruben Vardanyan

These past few weeks have brought unprecedented worldwide attention to Armenia, a landlocked former Soviet republic in the South Caucasus. Frustrated by an unfair society and an inefficient economic model, tens of thousands of citizens took to the streets to peacefully protest for a better and more democratic future.

After nationwide strikes, prime minister and former president Serzh Sargsyan capitulated to the overwhelming voice of the Armenian people by resigning unconditionally. To his credit, he ceded control after 10 years in office without bloodshed or civil unrest.

On Tuesday, Nikol Pashinyan, the opposition politician who led this "velvet" revolution, was declared prime minister after a decisive vote in parliament. This closed a long, difficult chapter and opens a new one filled with opportunity and uncertainty. Armenia can become a beacon for other nations if it successfully transforms its government while remaining peaceful and abiding by its new constitution.

This is a watershed moment for Armenia. A quarter century after gaining its independence, the young republic remains vulnerable, as does the state of the Armenian identity globally. We have a rare and unexpected opportunity to transform our country into a vibrant, modern, secure, peaceful and progressive homeland for a global nation.

It's important to note that this was not the victory of one man, but rather of an entire nation and particularly of our youth. I remember, as a young man, I was also frustrated by the status quo and took part in similar mass protests 30 years ago. The changes that did come fell short of expectations. This time must be different.

The disaffected youth must be heard so that they agree to remain in Armenia and contribute to the success of the nation. If euphoria turns into disappointment yet again, we could witness the emigration of the entire next generation. Our small and fragile economy could not withstand a further brain drain.

Moreover, those who have taken to the streets in celebration must be realistic. Armenia's problems won't be solved overnight. No one should believe those who promise to rapidly attract billions of dollars of investment. Instead, we have to increase our competitiveness as a country to thrive within the global economy.

> Now is the time for our country to tap its émigrés to help build long-term prosperity

There is no doubt Armenia presents an attractive investment opportunity: its rapid growth in the early part of the 2000s led the World Bank to call it the Caucasian tiger. Armenia's people are innovative and creative; it is the perfect bridge between the EU, Iran and the Eurasian Economic Union of Belarus, Kazakhstan and Russia, and we have the unique expertise and resources of a global network of emigrants.

As a proud member of that diaspora, I have been seeking to foster systemic change in Armenia on behalf of the new generation for many years. That is why, together with my Armenian-American partner Noubar Afeyan, I co-founded the Armenia 2020 initiative to draw on global knowledge and create scenarios through which the country could achieve a vibrant future.

Economic development will require a long-term strategy that helps rebalance the economy toward resilient, inclusive and environmentally sustainable growth.

It is abundantly clear what Armenia's new prime minister must do.

First, Mr Pashinyan must harness the skills and enthusiasm of Armenians across the globe, and encourage them to contribute to accelerating Armenia's growth. Less than one-third of the world's 11m Armenians lives in the country. Now is the ideal time for our homeland to tap its émigrés and ask for their help in building long-term prosperity.

Second, he must faithfully carry out the mandate he has been given. Armenian citizens want a vibrant, affluent country committed to justice, freedom and equal opportunity. Our people do not want one oligarchy to replace another. The new government needs to be qualitatively different from the previous ones.

Next month hundreds of humanitarian leaders will meet in the Armenian capital of Yerevan as my organisation awards its annual Aurora prize, which honours those who came to the aid of our ancestors during the Armenian genocide in the early 20th century.

I hope that this year's ceremony will coincide with the dawn of a new era where Armenian citizens and diaspora alike can be proud of their ever-transforming nation.

The writer is co-founder of the Aurora Humanitarian Initiative

Productivity gains can end generational conflict

ECONOMICS
Chris Giles

Britain's contract between the generations is in peril. We are simultaneously failing to improve the lot of young people while skimping on health and social care for the elderly. That is the stark conclusion of two years' research by a committee of the great and the good.

The evidence mustered by the Intergenerational Commission is impressive. Within some families, financial support from one generation for another is as strong as ever. The young benefit from the bank of mum and dad while the infirm can count on their children to provide care. Sadly, public policy has made a mess of similar intergenerational responsibilities nationally.

Those born after 1980 have drawn the short straw. Their pay was hit harder than others by the financial crisis, they have less secure pensions, higher costs for worse quality homes and the state has imposed higher education charges on them. No wonder millennials are the first generation with lower living standards than their predecessors at the same age. Security for the silver-haired generation is also under threat. The UK is already failing to organise adequate health and social care, well before the huge additional pressures of an ageing population hit in the 2020s.

Anyone who thinks millennials are flighty avocado toast-munching spendthrifts while the old are all sitting pretty on their round-the-world cruises should acquaint themselves with some facts.

To bridge the gap between the age groups, the report recommends a package of additional taxes on the richer old — to pay for health and social care — alongside higher taxes on inheritance and property, to be redistributed to the young. Sadly, these proposals fail to match the quality of the diagnosis. They are timid where they should be bold; reckless where caution is warranted.

> The state's power to generate or destroy growth will always override its power to redistribute

Any solution must first recognise Philip Hammond's favourite hard truth: "The only sustainable way to raise living standards is to improve our productivity growth." The state's power to generate or destroy growth will always trump its power to redistribute. So avoiding a damaging hard Brexit is the most urgent task in this area, yet the report shies away from the issue.

Timidity also constrained the commission's proposals for spending on health. Its proposed injection of £2.3bn into the National Health Service is only a tenth of the annual sum the Office for Budget Responsibility says is needed just to maintain the current quality of the welfare state over the next decade.

Housing is cheap in Britain where job prospects are poor and unaffordable where they are bright, so fixing this is the most important intergenerational task. Yet here, again, the report is weak. The solution the commission should have proposed is a huge building programme for social housing in places where rents are high. To make housing affordable, the state should use land it owns or purchases to build large numbers of homes to bring rents down. While the necessary expenditure is huge, the borrowing costs would be covered by the revenue from new homes. The £1.7bn proposed by the commission is close to an irrelevance.

And yet in other areas, the commission is cavalier. Its proposal of a stiff new property tax of 1.7 per cent for homes valued above £600,000 and 0.85 per cent below that threshold would impose the largest burden on London residents. The capital is a young city, where housing affordability is already most stretched. You do not lower the burden of housing costs by extra taxation.

For all its deficiencies, the commission's spotlight on strains in society's generational contract is welcome. Repairing the damage will take time, involving both intra-family transfers and the power of the state. Most important, though, will be efforts to raise the national growth rate. Consuming the proceeds of the family silver is strictly finite.

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Royal Bank of Scotland: don't tell Sid

Royal Bank of Scotland's $4.9bn outline subprime settlement with the US Department of Justice would be worthy of tabloid psychology if the bank was a celebrity. The subtext was that a struggling UK lender has escaped a dark place, achieved closure and is moving on with its life. Ahead lies a sale of its shares by the government as a proxy for a restorative romance with a winner of the *X Factor*.

Not so fast. As RBS admitted, its short announcement preceded a detailed settlement notice from the DoJ. Misbehaviour in RBS's US mortgage-backed securities business chronicled here will probably resemble an out-take from *The Big Short* deemed too louche for public screening.

The bank, run into the ground by Fred "the Shred" Goodwin in the noughties, has other business to settle before it can claim to have defeated its demons. The Prudential Regulation Authority has to agree that a resumption of dividends will not hurt RBS financially. The chancellor must decide what form the share sell-off will take and when it should start.

RBS has a distinguished history of having less capital than anyone ever thought possible. But on the face of it, the PRA should find it hard to block the first dividends in a decade. A DoJ settlement at the low end of forecasts lowers core tier one equity to 15 per cent. The bank could countenance another 1 percentage point drop, creating a £2bn surplus. That equates to 17p per share for a yield of 6 per cent, starting perhaps with a token payout for the first half. Baby steps.

Capital — of the political kind — is scarce for the UK's Conservative government. The temptation will be to schedule sell-offs as soon as the PRA has been placated. The chancellor has mooted £3bn, equal to 10 per cent of market worth, by next spring. Mind-bendingly for veteran RBS watchers, its shares actually traded *above* net asset value yesterday, at 287p. They are still 43 per cent below the state's in-price. But the bailout was a necessary intervention, not an investment.

One idea is a public share offering at a discount, mimicking Thatcherite privatisations summed up by the ad slogan "Tell Sid". A better option is to feed shares on to the market via placings. It worked with Lloyds. With £24bn in RBS stock to shift, it could take years. Unlike a celebrity, RBS only gets one shot at rehab. There should be no second chance.

AMP: short circuit

AMP is the latest Australian financial services group to blow a fuse. Half the insurer's board has resigned after misconduct allegations. The group has lost A$4.5bn ($3.4bn) of market value since its recent peak in mid-March, leaving it at A$12bn. Two class-action lawsuits were announced during its annual meeting yesterday.

AMP is cheap for a reason. Bidders will be wary until scandal fades.

The group, which includes insurance, wealth management, banking and asset management units, is accused of charging customers without providing any services. It subsequently misled the regulator about its behaviour, and tampered with an "independent" report. A royal commission is already investigating the financial sector for its recent scandals.

The inquiry is wide ranging. It involves not only AMP but Australia's four biggest banks. Together they control a big chunk of the domestic wealth management business and about half the financial planning market. Politicians will need to ask whether there is enough competition.

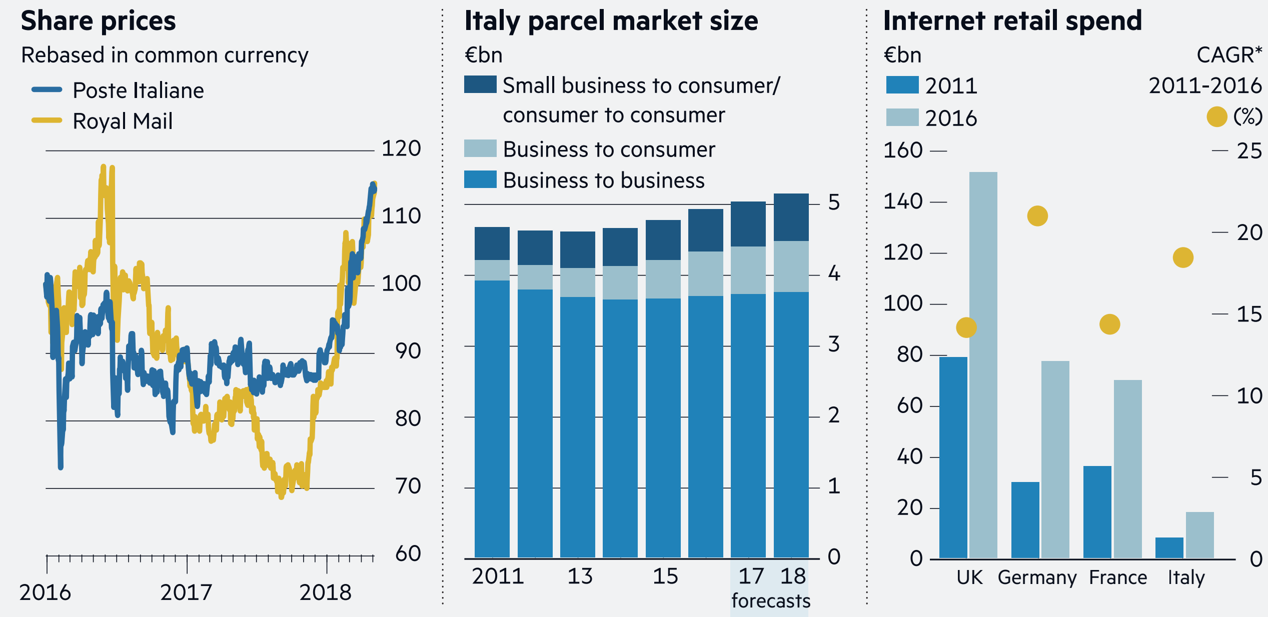
This scandal has hit AMP shares hard. Its market cap is just a tenth higher than the underlying actuarial value of all its wealth and insurance businesses. A purchaser of the whole group could get a bank and a fund manager almost for free.

Asian financial services groups are hot properties. Bidders will be watching AMP's travails with interest. The group is a match with HSBC's goals. Prudential wants to focus on Asia, as it splits off its UK business. It already runs an Asia-based asset manager. Chinese insurers, too, could be interested. However, regulatory hassles will, for the moment, make an acquisition of the 169-year-old Australian group daunting.

The bad behaviour of Aussie executives means their sector is getting a shake-up. Profits will go on shrinking. That alone is a lesson in the value of proper compliance. Loss of independence may be the follow-up.

Poste Italiane/Royal Mail: Greene shoots

Online shopping is far less prevalent in Italy than elsewhere in Europe, but growing popularity offers an opportunity for delivery companies. Shares in Poste Italiane have reacted positively as the company plans to capitalise on growth in parcels for the sector.



FT graphic Sources: Thomson Reuters; Apex Insight

* Compound annual growth rate

It can be a long wait for the *postino's* knock. In January, more than half a tonne of undelivered mail dating back to 2010 was found in a Vicenza garage. Now Italy's imperfect postal system is getting a shake up. On Wednesday, Poste Italiane, Italy's national postal group, announced strong first-quarter results. Plans to staunch losses in its mail and parcel business are on track.

The turnround depends on parcel revenues growing fast enough to offset snail mail's growing obsolescence. Poste Italiane is improving its service: workers have agreed to deliver parcels in the afternoons and on weekends.

Costs will fall. Automation will increase. The division should come close to break-even by 2022. The playbook of Poste Italiane, which floated in 2015, may seem familiar to UK investors. It has much in common with the reformist agenda of Moya Greene, chief executive of the UK's Royal Mail. She steps down in June after overseeing the privatisation and modernisation of the service.

While Royal Mail dominates the UK parcel market, Poste Italiane was only the fifth largest parcel company in Italy in 2015, according to Apex Insight. The €5bn Italian parcel business is less than half as big as that of the UK.

There is scope for Italians to catch up. The Italian business-to-consumer parcel sector is tipped to grow at a rate of 16 per cent a year between 2017 and 2022. That looks achievable. Italians order two parcels over the internet a year on average, compared with 18 for Britons.

Amazon's strategy is key. The volume of its parcels delivered by Poste Italiane doubled in 2017 and is expected to go on growing. One fear is that Amazon could take over its own deliveries. Such a threat is real: in 2014 Royal Mail issued a profits warning when Amazon launched its own delivery service.

Shares in Poste Italiane have soared by a third this year. Even so, they are trading on a multiple of next year's earnings of 12, much less than peers, including Royal Mail at 14.4 times.

Fainthearts who steered away from the UK group at such prices should be wary of repeating the error.

Lending Club: uncool and schooled

If an internet company's revenues are growing at supersonic speed, who cares about the ping pong tables or Michelin star canteens? Some vague observance of cash flow is certainly nice. Well done Dropbox for asking staff not to buy any more $100,000 chrome pandas.

Less well done Snap for managing to make $914m of negative free cash flow on revenues of $906m in the past 12 months; but at least those revenues increased 75 per cent. Lending Club thought it belonged to this cool crowd. In fact, it is a lossmaking, mid-sized alternative lender, and should be compared to similar financial stocks.

Quarz Capital Management, an activist investor, got this partly right in an open letter on Wednesday. With somewhat churlish timing, since Lending Club's shares were up a fifth on better than expected results, QCM described as "unconvincing and unambitious" the 2018 target for an 11.9 per cent margin of adjusted ebitda (a cash earnings measure). The activist also highlighted management's pay of $24m despite losses of $70m. And it argues for returning much of a $600m cash hoard to shareholders.

Lending Club has accelerated its growth rate, with revenues up 22 per cent to $151.7m in first-quarter results this week. That is not quite fast enough, though, to excuse a large cost base. It might have seemed appropriate when Lending Club had a $10bn market capitalisation in 2015; today it is at $1.4bn. The whole point of marketplace lenders was supposed to be a cost-light model, yet Lending Club has 1,800 employees.

On buybacks, QCM is simply wrong. The group needs to retain its cash buffer while awaiting the outcome of various lawsuits and probes into past practices from the Securities and Exchange Commission, the Federal Trade Commission and the Department of Justice.

The good news for both sides is that, although the bill could be big, when it is paid, the stock will rise, whether Lending Club adjusts its costs or not.

Axa Equitable: variable winds

It is going to take more than absconding to Tennessee to appeal to US IPO investors. Yesterday, Axa SA listed its US unit, Axa Equitable Holdings, raising $2.75bn in the largest US initial public offering of the year. Regrettably, that was $1bn lighter than Axa had initially forecast. Two of Axa Equitable's largest businesses have sharply fallen out of favour in recent years: active asset management in the form of its subsidiary AllianceBernstein, and retail life insurance products.

AllianceBernstein has responded to the seismic shift towards passive investing by recently deciding to move much of its staff to Nashville. The proceeds of yesterday's IPO all go to the parent Axa as it seeks to fund its $15bn buyout of property and casualty insurer XL Group. Axa has other priorities than its US businesses. And so do US IPO investors, it seems.

Axa Equitable is one of the largest sellers of variable annuities. These are retirement products that large traditional insurers have been exiting since the financial crisis, owing to their relatively high capital requirements and volatility in returns. The likes of Voya and The Hartford got out of this business last year. MetLife spun off its retail business, now called Brighthouse Financial. Its shares are down a third since last summer. Variable annuity businesses are increasingly in the hands of private equity and the like.

Blackstone and Apollo are willing to apply more aggressive investing techniques to generate returns.

Yesterday, Axa Equitable traded down slightly even after sharply discounting its IPO price. Its price to book value is a desultory 0.7, betraying the level of investor unease. Its market capitalisation is just over $10bn and there could be more creative and lucrative ways to unlock the value of both units of Axa Equitable.

Axa SA shareholders must wonder, however, if it could have waited for a more opportune IPO moment instead of selling into a very sceptical market.

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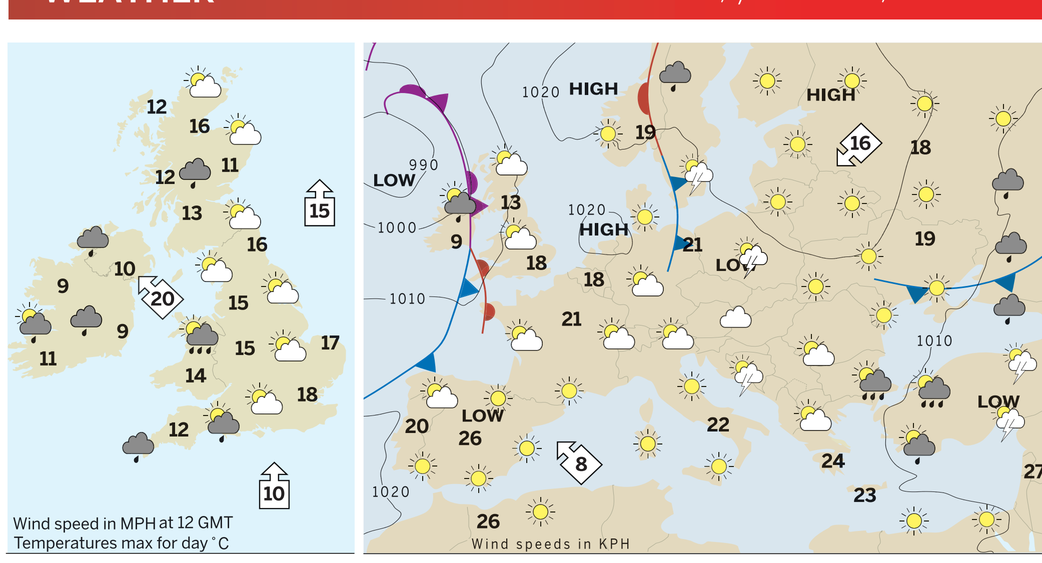
WEATHER



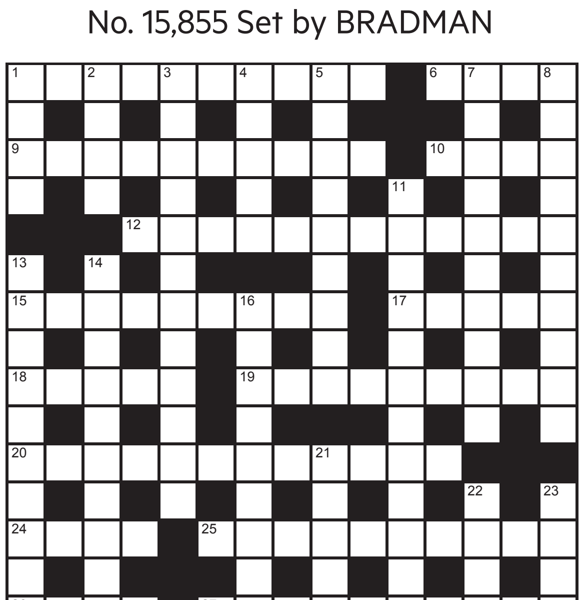
Forecasts by MeteoGroup

Today's temperatures Maximum for day °C & °F Warm front Cold front Occluded front

Amsterdam	Fair	18	64	Berlin	Cloudy	21	70	Delhi	Sun	41	106	Hamburg	Cloudy	18	64
Athens	Shower	24	75	Brussels	Sun	20	68	Doha	Sun	36	97	Helsinki	Sun	19	66
B'ham	Fair	15	59	Budapest	Sun	27	81	Dubai	Sun	35	95	Hong Kong	Fair	26	79
Bangkok	Thunder	33	91	Buenos Aires	Fair	20	68	Dublin	Rain	11	52	Istanbul	Shower	19	66
Barcelona	Sun	21	70	Cardiff	Rain	14	57	Edinburgh	Fair	15	59	Jersey	Fair	17	63
Beijing	Cloudy	22	72	Chicago	Shower	13	55	Frankfurt	Fair	22	72	Lisbon	Sun	20	68
Belfast	Rain	10	52	Cologne	Fair	21	70	Geneva	Sun	21	70	London	Sun	18	64
Belgrade	Sun	27	81	Copenhagen	Rain	16	61	Glasgow	Rain	13	55	Los Angeles	Cloudy	20	68

Luxembourg	Fair	19	66
Lyon	Sun	23	73
Madrid	Sun	26	79
Manchester	Fair	15	59
Miami	Fair	29	84
Milan	Shower	25	77
Montreal	Sun	13	55
Moscow	Fair	18	64
Mumbai	Sun	34	93
Munich	Cloudy	21	70
New York	Sun	21	70
Nice	Sun	20	68
Paris	Sun	21	70
Prague	Cloudy	21	70
Reykjavik	Rain	11	52
Rio	Sun	30	86
Rome	Sun	21	70
San Francisco	Sun	21	70
Stockholm	Sun	21	70
Strasbourg	Fair	23	73
Sydney	Sun	17	63
Tokyo	Sun	23	73
Toronto	Fair	12	54
Vancouver	Fair	15	59
Vienna	Thunder	23	73
Warsaw	Sun	27	81
Washington	Cloudy	27	81
Zurich	Fair	23	73

CROSSWORD
No. 15,855 Set by BRADMAN

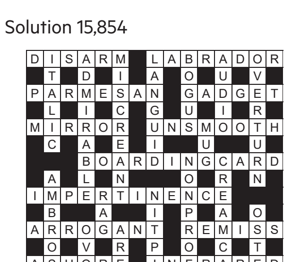


JOTTER PAD

ACROSS
1 In country businesses one must have authentic warning devices (4,6)
6 Second trophy for swimmer (4)
9 Earls hadn't abandoned central territory (10)
10 Actual existence of fairies, seemingly (4)
12 Tourism Dept I run to get money from foreign countries (6,6)
15 Offensive ruling when revolutionary university president is installed (9)
17 Chicken in pot inside another container (5)
18 Something attractive about cold brass (5)
19 Bill, one getting nothing right, is bottom (9)
20 Court officials in rows crossing yellow line (12)
24 Miss nothing, having joined American university (4)
25 Hour man needs to collect a series of deliveries in royal house (10)
26 Trading organisation featured in the FT advertisement (4)
27 Permission to enter a social event – Romney gains access (10)

DOWN
1 Wind in midriff? Oh, nasty! (4)
2 "B" one is like a motorway? Yes and no! (4)
3 Boy with message – it comes out in film song (2,4,4,2)
4 Besieged fort taking hit with a circle gathered round (5)
5 Thinks change will be accepted by fellow workers (9)
7 More than one star is so epic – ace, ace, fantastic! (10)
8 Agreeable comment from Left swallowed by poor workers (10)
11 No chalet menu could supply this processed food (8,4)
13 I close form naughtily engaged in pranks (10)
14 Start to suffer with muscle? Then get one of the top people, hospital expert (10)
16 B&B's central feature (9)
21 Mayonnaise is excellent, containing unusual oil (5)
22 There's something wicked about a Welsh girl (4)
23 Worker getting energy from what is put down on table? (4)

Solution 15,854



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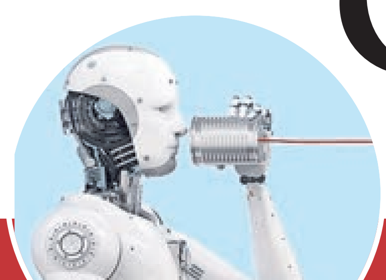
Companies & Markets

FINANCIAL TIMES



Mission creep Rise against Google's human-fooling robots — RICHARD WATERS, PAGE 14

Debtonator Turkey's banking system may provide EM fireworks — MARKETS INSIGHT, PAGE 26

US accord opens way for RBS sale

- Bank agrees $4.9bn DoJ settlement
- Hammond eyes disposal of 'taxpayer-owned' shares

MARTIN ARNOLD — BANKING EDITOR

Royal Bank of Scotland has agreed to pay $4.9bn to settle a long-running US investigation into mortgage mis-selling, clearing the way for a transformation of the bank, including a share sale by the government.

The civil settlement, which RBS said on Wednesday night had been agreed in principle, opens the door to the bank restoring its dividend for the first time in a decade and to the exit of Ross McEwan, its chief executive.

Mr McEwan, who has overseen a drastic restructuring of RBS since taking over as chief executive in 2013, is likely to step down in the next year having achieved many of his goals, according to two people briefed on the matter.

Philip Hammond, the chancellor, said the agreement would "remove a major uncertainty for the UK taxpayer" and "help pave the way to a sale of taxpayer-owned shares".

One RBS shareholder grumbled that it was "galling" to see "the US government helping itself to $5bn, 70 per cent of which comes from the UK taxpayer".

But most analysts said the price was lower than expected. The bank said $3.46bn of the cost would be covered by existing provisions. Its shares rose 3.8 per cent to close at 286.5p.

The bank, which was bailed out with £45bn of taxpayer money after the 2008 financial crisis, has had the prospect of a heavy fine by US authorities hanging over it for years. This made the government reluctant to sell more of its 71 per cent stake.

Mr Hammond promised last year to sell a stake of up to £3bn in RBS by March 2019 and the government might sell a chunk of shares to institutional investors before the summer, according to a person briefed on the matter.

The government sold part of its stake at 330p a share in 2015, below the 502p at which the bank was bailed out. The shares have fallen since and the taxpayer is sitting on a loss of more than £18bn on its remaining stake.

The settlement with RBS takes the amount that banks have paid to the US Department of Justice for mis-selling subprime mortgage securities to more than $65bn, making the misconduct one of the costliest financial scandals ever.

Mr McEwan said the settlement was "a stark reminder of what happens when you get the culture wrong".

RBS said the settlement had been agreed in principle but it needed to reach a legally binding agreement with the DoJ.

Lex page 12
Chief ticks off a 'biggie' page 16

3.8%
Royal Bank of Scotland's share price rise yesterday, to close at 286.5p

£45bn
Sum of taxpayer money spent on the bank's 2008 bailout

Smart Money

John Authers

How seriously should we take technical analysis, if at all? The question of whether patterns in security prices (without reference to fundamental valuations or external economic phenomena) can help investors arouses startlingly strong emotions. The spectrum runs from those disgusted that I would even entertain it, to those who say that interpreting chart patterns has made them richer than Croesus.

I believe some technical analysis can make sense, but it depends on the context. Once markets have taken leave of fundamentals and entered a bubble, there is little to go on other than chart patterns, which might at least capture predictable mass behaviour in extreme situations.

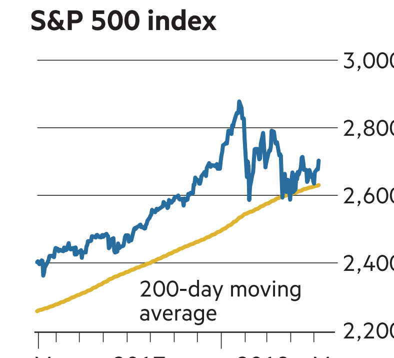
Also, there is the concept of "anchoring", identified by the psychologists Daniel Kahneman and Amos Tversky. If enough people think technical analysis matters, they will anchor on patterns that their analysis deems important, and those will become self-fulfilling prophecies.

However, a recent test of a popular pattern suggests it is not self-fulfilling. Starting in February, many pixels have been devoted to whether the S&P 500 breaks its 200-day moving average and thereby sets a downward trend or bounces above that level and therefore "passes a test". The S&P has fallen below its long-term trend line on seven separate days since February. And now it is rallying, despite many geopolitical horrors. But how important is a level if it can be breached that often and leave the trend intact?

Meanwhile, the best-known long-run trend of all, the 35-year decline of the 10-year Treasury yield, appeared to be breached this year. Many feared that would prompt a "breakout" as investors dumped their bonds; that has not happened yet. But a deeper look at history is in order. Past episodes where bond yields rose to touch their trend line ended with something awful in financial markets: the Black Monday crash, the 1994 mess that led to the Orange County collapse and the Tequila Crisis, the bursting of the dotcom bubble, and in 2007 the credit crisis. Each time, that awful event pushed bond yields down again.

So you can believe the positive signs from the stock market, that life should be good; or cower at the signal from the bond market that a crisis is imminent. Either way, remember that the scope of technical analysis is very limited.

S&P 500 index



Source: Thomson Reuters

How important is a level if the S&P has since February fallen below its trend line on seven days, while leaving the trend intact?

john.authers@ft.com

Deteriorating picture Ratings slide as companies binge on bonds

The US corporate debt market is becoming an inkblot test for investors and analysts. Some see an attractive asset class, while others warn that the clock is ticking on the credit boom.

Corporate bond issuance has surpassed $1tn every year since 2009 compared with a pre-crisis peak of $969bn in 2007. This reflects a borrowing binge by companies, attracted by low credit costs, while traditional commercial lenders have retrenched their operations.

Last year, bond sales by US companies and financial institutions hit a record $1.7tn, and another $563bn has been issued this year.

The issuance of non-investment grade bonds, sometimes called "junk" but also known less pejoratively as "high yield", has calmed down since the breakneck pace of 2012-14, when sales surpassed $300bn for three years running.

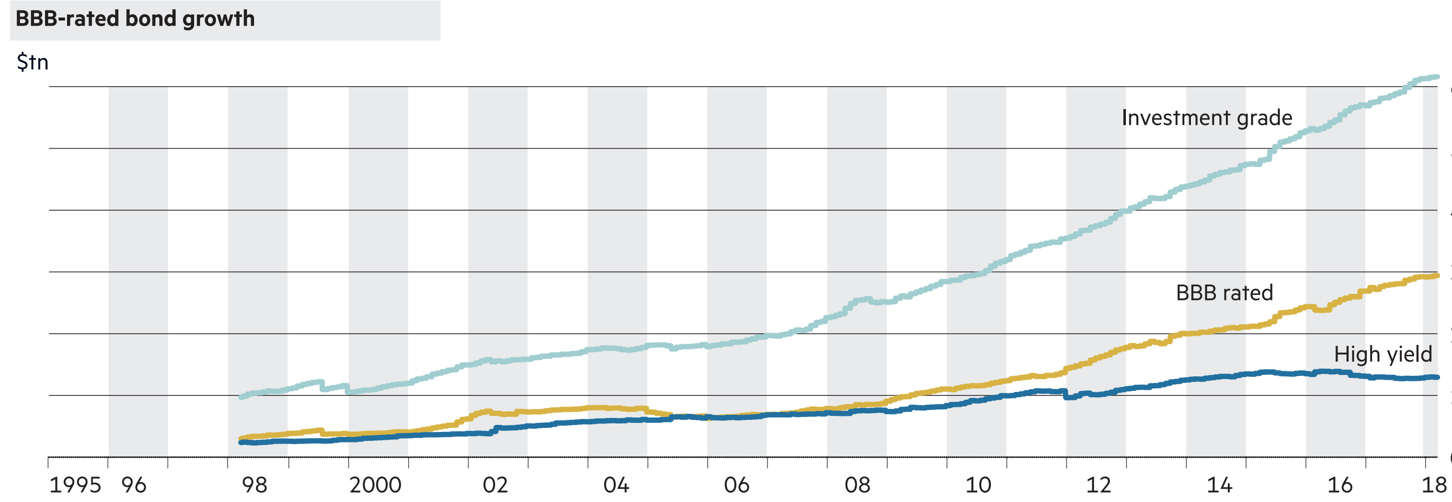
However, the average rating of the US investment-grade debt market has deteriorated sharply in recent years, with triple B rated bonds, the lowest investment-grade rating, representing 42 per cent of issuance last year, the highest on record, says Morgan Stanley.

In fact, the biggest investment-grade bond index today has more than $2.5tn of triple B rated bonds, up from about $700bn a decade ago and larger than the entire US high-yield universe.

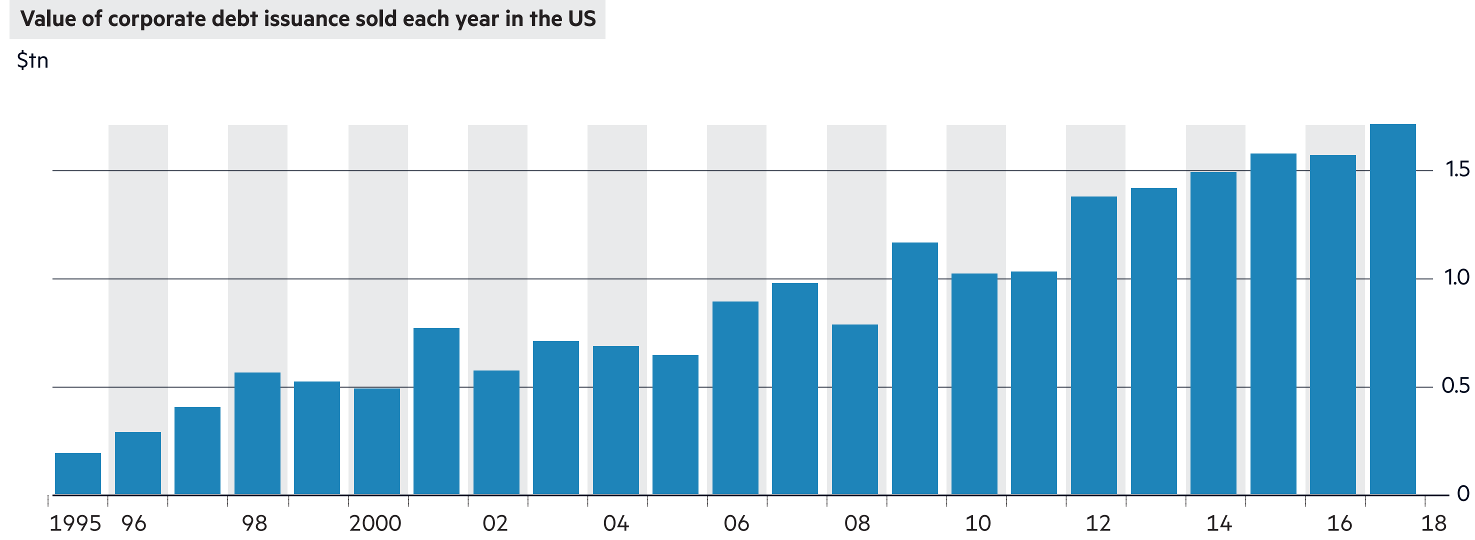
And, if rated solely on indebtedness, about 28 per cent of the index would be junk, according to Morgan Stanley.

Robin Wigglesworth and Alexandra Scaggs

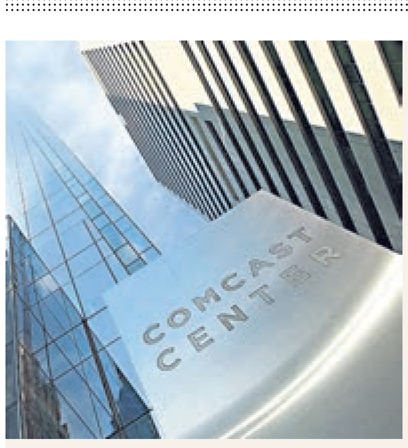
BBB-rated bond growth



Value of corporate debt issuance sold each year in the US



Sources: ICE BofAML Indexes; Dealogic



Comcast to match Disney break fee in race for Fox

Comcast's offer of a $2.5bn break fee in any revised approach for the entertainment assets of Rupert Murdoch's 21st Century Fox reflects the intensity of its battle with Walt Disney in a race that will reshape the global media landscape.

Report ▸ PAGE 14

China jails former Anbang chairman for 18 years amid crackdown on fraud

GABRIEL WILDAU — SHANGHAI

The former chairman of Anbang Insurance Group has been sentenced to 18 years in prison for financial fraud, completing the downfall of the former car salesman who rose to the pinnacle of global high finance.

Wu Xiaohui had pleaded for leniency at his trial in March, where prosecutors accused him of diverting insurance premiums for personal use and making false disclosures to regulators.

Wu's punishment is the most severe among a group of once high-flying Chinese tycoons who have had their wings clipped by a crackdown on outbound dealmaking and systemic risk. Other privately owned conglomerates, including Dalian Wanda, HNA and Fosun International, have all been forced to sell assets or scale back new foreign acquisitions but their owners have avoided prison.

Xiao Jianhua, the billionaire with close connections to elite political families who was abducted from Hong Kong last year, is believed to be in custody but has not been publicly charged.

Even within China, Anbang was little known just five years ago, but the group borrowed heavily to fuel a rapid ascent. It raised funds from the sale of high-yielding investment products known as "universal insurance" to buy trophy assets such as New York's Waldorf Astoria hotel and Strategic Hotels & Resorts.

Analysts viewed the crackdown in part as a move by President Xi Jinping to reassert control over privately owned groups whose pursuit of foreign trophy assets was seen as undermining China's financial stability.

"The message here is that so-called 'barbaric expansion' will not be tolerated," said Dong Ximiao, senior researcher at the Chongyang Institute for Financial Studies at Renmin University of China. Political connections aided Wu's rise but ultimately failed to protect him.

He is married to a granddaughter of former paramount leader Deng Xiaoping, while Anbang counted influential princeling Chen Xiaolu among its former board members.

Pressure to spread the wealth page 9

Companies / Sectors / People

Companies

Sectors

People

COMPANIES

Media

Comcast plans break fee in new Fox offer

Latest twist in US cable group's battle with Disney to acquire Murdoch assets

MATTHEW GARRAHAN — LONDON
JAMES FONTANELLA-KHAN — NEW YORK

Comcast will include a $2.5bn break fee in any new offer for the entertainment assets of Rupert Murdoch's 21st Century Fox after an earlier proposal was rejected by the mogul, according to people briefed on the deal.

The break fee would be payable in the event that any Comcast-Fox deal ran into regulatory trouble. The US cable group, which also owns NBCUniversal, did not include a break fee in its first approach to Fox in November, when an offer that valued Fox's entertainment assets at about $60bn was rebuffed.

The Fox board instead recommended an all-stock offer from Walt Disney that valued the Fox assets, including its film studio, cable channels and 39 per cent stake in European pay-TV group Sky, at $52bn, or $66bn including debt.

However, Comcast will pitch its new offer at a significant premium and is in talks with US banks to secure up to $60bn in financing, according to people briefed on its plans.

The inclusion of a break fee is the latest twist in a months-long battle that will reshape the global media landscape. Mr Murdoch's decision to break up a company that took him decades to assemble has triggered a race by Comcast and Disney, which are keen to strengthen their hands against deep-pocketed streaming players such as Netflix and Amazon.

The inclusion of a break fee would be an important component of a new Comcast bid. A recent Fox regulatory filing revealed it walked away from Comcast's November approach because the cable group did not offer to include such a fee.

The filing said that "party B" — widely known to be Comcast — "was unwilling to agree to an acceptable allocation of regulatory risk" associated with the purchase of the Fox assets.

The subject of a break fee was raised multiple times in discussions between the two sides, according to the filing, but Comcast never included one in its offer. Disney included a $2.5bn break fee in its own offer, which was ultimately recommended by the Fox board.

Comcast is now ready to make a comeback offer but people briefed on its plans cautioned that a new bid was not guaranteed. The final decision on whether it makes a new move is likely to hinge on the approval by a US judge of AT&T's $85bn takeover of Time Warner, which is being challenged in court by the US Department of Justice.

Several antitrust experts in Washington following the AT&T case believe the US telecoms group has a good chance of having its deal approved, as so-called vertical mergers between two businesses operating in different sectors are rarely challenged.

But Comcast has more overlapping business units with Fox — both companies own cable channels and a film studio — which means regulators are likely to scrutinise a Comcast-Fox combination regardless of whether AT&T's takeover of Time Warner is cleared.

Comcast has separately made a formal bid for Sky, which values the company at about £22bn — a premium to a rival offer from Fox.

$60bn
Value of Fox's entertainment assets at Comcast's first approach

39%
Size of Fox's stake in Sky, for which Comcast has made a formal bid

Support services

US watchdog bans former Deloitte Turkey chiefs

MADISON MARRIAGE

The US accounting regulator has banned the two former chief executives of Deloitte's Turkey practice for failing to prevent individuals at the firm from altering documents ahead of an inspection by the watchdog.

The Public Company Accounting Oversight Board said the partners, Huseyin Gurer and Gokhan Alpman, were "aware of an effort" within Deloitte Turkey to alter documents improperly ahead of a 2014 inspection by the regulator and "did not try to stop it".

The watchdog fined Deloitte Turkey $750,000 over the incident in December. It said yesterday that a third senior partner, Omer Tanriover, Deloitte Turkey's former risk and reputation leader, had also been barred for failing to co-operate with its investigation.

"Audit firms and their personnel have a fundamental duty to act with integrity," said William Duhnke, the regulator's chairman. "That integrity begins with their senior leaders and the tone they set for the audit practices they oversee. When firm leadership fails in its responsibilities, the [PCAOB] will take appropriate action to hold that leadership accountable."

The regulator said Mr Tanriover's ban was permanent as he had "refused to provide information in response to demands from PCAOB investigators". Mr Gurer — who was additionally fined $25,000 — and Mr Alpman can apply to have their bars lifted after two and three years respectively. However, accounting experts questioned whether the regulator's response had gone far enough given the seriousness of the wrongdoing exposed at the highest level of one of Deloitte's international practices.

Prem Sikka, professor of accounting at the University of Sheffield, said: "The big firms and their partners show little respect for rules, ethics or regulators. They play cat-and-mouse games to enrich themselves and they seem to be quite willing to bend the rules for private gains. The puny fine of $25,000 will hardly worry anyone."

Deloitte said its Turkish practice "self-reported this matter to the PCAOB, fully co-operated with the PCAOB's investigation, and is pleased that it is now concluded". It added that "the conduct of these three individuals was wholly incompatible with our culture, and they are no longer with the firm".

Media

Sports media company Perform Group's agreement with Matchroom Boxing will see it take on heavy-hitters of US television — Oli Scarff/AFP

Perform lands $1bn deal to stream boxing

MATTHEW GARRAHAN — LONDON

Perform Group, the sports media company owned by Len Blavatnik's Access Industries, has struck an eight-year, $1bn deal with Eddie Hearn's Matchroom Boxing to stream a series of fights on a new US subscription service.

The company recently hit a £3bn valuation when it sold a 10 per cent stake to Dentsu, the Japanese advertising group, for £300m, in a deal that makes it worth more than food delivery group Deliveroo, the UK's most valuable tech start-up.

Perform's DAZN streaming service is currently available in Japan, Germany and Canada, where it screens a range of sports live and on-demand, but it will use the Matchroom deal to drive US subscribers. Matchroom, which is responsible for much of boxing's recent growth in the UK with marquee fighters such as Anthony Joshua, Kell Brook and Tony Bellew, would stage 16 fights a year, the companies said.

Simon Denyer, Perform's chief executive, said the company would acquire the rights to other US sports, adding that the company was undaunted by the size of established sports media players such as Walt Disney's ESPN network. "There's plenty to aim for . . . it's a very fragmented market," he said.

The pay-per-view market for boxing in the US "isn't working any more," he added. "It's been declining and the way pay-per-view operators have dealt with it has been to put up the price of the fights. A big fight could cost $90-$100. The economics have killed it for the boxing fan."

DAZN would be available for a fixed monthly price, he added.

The company this week hired John Skipper, ESPN's former president, as executive chairman. Mr Skipper stepped down from ESPN at the end of last year after revealing a problem with substance abuse.

Sir Len, whose company has investments in Warner Music, Deezer and Spotify, told the Financial Times that sport was ripe for the same digital disruption that has upended music and television. "Sport is the last of the major media sectors to adapt to digital and streaming technology," he said.

Mr Denyer added that there had been "radical change" in the delivery of music and TV to consumers. "But sport has not had any significant disruption or change . . . it's still delivered as a linear bundle at a high price."

Perform will face competition for media rights and subscribers when it launches DAZN in the US. The biggest sports, such as NBA basketball and NFL football are locked up in long-term deals with companies such as ESPN and Time Warner's Turner. Mr Denyer said other rights would become available in the next few years. "There is a lot of content across a lot of different sports."

Perform was listed in the UK in 2011 but taken private by Access in 2014 for £702m. Matchroom has become the leading promoter of boxing in the UK with more than 100 events in the past five years, including 57 world title fights thanks to a broadcasting deal with Sky.

> 'A [pay-per view] fight could cost $90-$100. The economics have killed it for the boxing fan'

INSIDE BUSINESS
TECHNOLOGY

Richard Waters

Machines that can easily fool humans raise ethical concerns

Trust Google to spoil a perfectly inoffensive demonstration of the latest in artificial intelligence by accidentally offering a glimpse of a dystopian robot future.

It happened this week at the search company's annual developer conference, an outdoor gathering of 7,000 people that felt like a cross between a religious revival meeting and a Californian summer festival.

By stringing together its latest AI chips into "pods", Google claims to be able to bring to bear almost as much power as the world's fastest supercomputer, all for the purpose of training its machine-learning models. The company's demonstrations showed this tremendous resource being put at the service of stunningly innocuous tasks, such as enhancing underexposed photos or finding matches online for fashionable clothes that catch your eye.

Then came the show-stopper. A human-sounding robot phoned to book a table at a restaurant, carrying on an extended conversation without the person on the other end realising they were talking to a machine.

This prompted just the kind of uncomfortable thoughts about AI that Google's other demonstrations had managed to avoid. Machines pretending to be human have always elicited a "creepiness" factor. But what happens when the robot interacts with humans on their own terms?

Machines that fool humans into thinking they are dealing with another person raise obvious ethical concerns. AI that weakens the sense of what is real promises to accelerate the arrival of a post-truth world. And isn't a computer voice that can trick you into engaging in conversation destined to become the political robocall from hell?

The demonstration spoke volumes, not just about the predicament Google faces in how far to push its new AI powers into everyday situations but also about the challenges for all companies looking to engage customers with technologies such as these.

The Google demonstration — of a technology it calls Duplex — underlined two points about the design of these more "naturalistic" human-robot interactions. One is that it is important for people to know when they are dealing with a machine.

Besides the obvious ethical worries, there are very practical reasons for this. Today's machine-learning systems can fail suddenly and unexpectedly, and language is notoriously hard for a computer to master. So it helps for a person interacting with a robot to be prepared.

> At what point does human will recede and machine will take over?

This does not just apply to language systems. Drive.ai, a driverless car start-up that began a trial passenger service in Texas this week, has gone out of its way to distinguish its cars from other cars on the road. They are painted bright orange, and a screen on the front is used to explain the car's intentions to pedestrians, with messages such as: "Waiting for you to cross."

The aim is to destroy the illusion that such intelligence systems will behave just like human drivers, says Andrew Ng, an AI pioneer and Drive.ai board member.

A second message is that it is sometimes better to bury the intelligence in the background and use it to make people smarter, rather than allowing it to intrude directly into interactions best left to humans.

Some of the technologies behind Google's robot caller — such as speech recognition, which identifies the words being spoken, and natural language understanding, which tries to derive the speaker's meaning — are being put to use in voice AI systems embedded in corporate software.

TalkIQ, for instance, uses these technologies to listen in on phone calls made by sales and customer service representatives. The software makes suggestions for how the humans can improve their performance, or offers information that might be useful during a call with a customer.

The prospect of people being guided to act by such systems raises other worries. Imagine two people holding a conversation in which each is being prompted how to respond by AI operating in the background. At what point does human will recede and machine will take over? And when that happens, why not move as quickly as possible to a full computer-to-computer negotiation?

This shows how hard it will be to avoid uncomfortable situations as human and machine intelligences start to overlap. As Google Duplex shows, the technologies are already here and companies that stand to benefit cannot avoid putting them to use. But they will have to stay on the right side of the creepiness line.

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Technology

Apple joins push on emission-free aluminium

NEIL HUME AND HENRY SANDERSON

Apple has joined forces with two of the world's biggest aluminium producers to develop a "carbon-free" metal that it plans to use in its iPhone and laptops.

The consumer electronics group is backing a joint venture between Rio Tinto and Alcoa that is seeking to commercialise a new technology to eliminate greenhouse gas emissions from aluminium smelting.

The move is the latest effort by Apple to reduce its emissions and shows how metals and mining companies are trying to lower their carbon footprints to satisfy customer demands.

Miners are also emerging as some of the key suppliers to the electric car and clean-energy industries, which require metals such as aluminium, copper, lithium and cobalt.

Apple announced last month that all of its facilities were now powered by clean energy, and has pledged to eventually make all of its products from recycled or renewable materials.

"Apple is committed to advancing technologies that are good for the planet and help protect it for generations to come," said Tim Cook, chief executive. "We . . . look forward to one day being able to use aluminium produced without direct greenhouse gas emissions in the manufacturing of our products."

Apple is investing C$13m (US$10m) in the joint venture called Elysis, which has attracted a further C$120m of funding from the governments of Canada and Quebec. Canada is one of the world's biggest aluminium producers and both Rio and Alcoa have significant operations in the country.

Elysis, which was launched yesterday in Canada, was born out of an effort by Apple engineers to find a greener way of producing aluminium. While there have been efforts to develop low-carbon aluminium, these have focused mainly on smelters that use hydro-power.

The engineers found Alcoa had already designed a new process for smelting alumina, the raw material used to make the lightweight metal. Apple then brought in Rio, one of the world's biggest aluminium producers, to help accelerate its development.

Alcoa and Rio each have a 48 per cent stake in the JV, with the rest owned by the government of Quebec.

Banks

Wells Fargo set to reduce penalty charges

ALISTAIR GRAY AND
BEN MCLANNAHAN — NEW YORK

Wells Fargo has told investors that it expects to make less in future from overdraft fees and other penalty charges as it works to rebuild its reputation after a series of scandals.

Deposit account "service charges" and card fees are among the most important sources of revenues at the US bank. It generated $9.32bn from these fees in 2017, accounting for almost a quarter of its total non-interest income.

Lawmakers have criticised Wells for its charges, and it has come in for wider scrutiny over its treatment of customers.

Speaking at Wells Fargo's investor day yesterday, John Shrewsberry, chief financial officer, said that while card fees were expected to increase this year, deposit service charges would decline.

The lower revenues reflect what Mr Shrewsberry called "customer friendly" changes at the bank.

Wells now sends about 20m alerts per month via text or email to account holders whose balances are running low. Last November, it introduced a scheme called "overdraft rewind", which the bank said had helped about 800,000 customers avoid the charges.

Mr Shrewsberry said: "While we believe using data and technology in this way will enable us to grow and build more long-term relationships, it has had a negative impact on our fee income."

Peter Smith, senior researcher at the Center for Responsible Lending, said: "Wells Fargo has long been an industry leader in charging customers for overdraft fees."

While its initiatives to curb the charges were "good to hear", he said Wells had "a long way to go".

Wells is battling to restore its image after thousands of its employees opened accounts for customers who knew nothing about them. It has been embroiled in compliance problems in areas from car insurance to wealth management.

This year, the Federal Reserve introduced a cap on the bank's balance sheet as punishment for years of wrongdoing. Tim Sloan, chief executive, said yesterday that the restrictions were likely to remain in place into the start of 2019.

Wells told investors it expected non-interest expenses to fall as low as $52bn next year, down from $58.5bn last year.

COMPANIES

BT pulls plug on history with radical overhaul

Telecoms group to move its London base in shake-up that will slash jobs as chief aims to deliver £1.5bn in savings

NIC FILDES — MILAN
JOSEPHINE CUMBO — LONDON

BT's headquarters, an imposing edifice overlooking St Paul's Cathedral in the City of London, has been intrinsic to the history of telecoms in the UK. It was the site of England's first post office, was bombed when it was the main telegram sorting centre during the second world war, and bears a blue plaque celebrating Guglielmo Marconi's first public wireless transmission.

But the parlous state of the company's balance sheet has forced it to cut its ties with that rich history as it slashes its workforce and radically overhauls. BT will now leave the site to find more modern — and modest — surroundings elsewhere in London.

The move would have been unthinkable even in 2001 when the group almost collapsed under the weight of its own debt. It will also go down badly with thousands of staff at its EE mobile division, who moved in only 18 months ago after BT closed its base across the capital in the Paddington Basin.

A shake-up announced this week, devised by McKinsey and led by BT chief executive Gavin Patterson, has deemed the building expendable as management looks to deliver £1.5bn worth of savings within three years. The plan is designed to drag the business out of the mire.

BT suffered a torrid year in 2017 when its growth strategy, based on the move into mobile phone services and pay-TV, backfired. Government ministers and Ofcom, the UK communications regulator, started baying for more funds to be put into new fibre networks rather than football broadcasting rights. BT started 2018 under huge pressure, with its share price at five-year lows, forcing the need for a new strategy.

> 'This management team has quite obviously run out of ideas for a simple and articulate equity story'

Mr Patterson has committed the company to being the UK leader in 5G with a launch within 18 months. But other elements of the strategy fell flat. The company's former growth engines stalled, with BT adding a meagre 2,000 net new broadband customers in the fourth quarter and shedding 14,000 TV users.

It has thus entered a retrenchment phase, with 13,000 managerial and administrative jobs to be cut — about 10 per cent of its workforce — and dividend growth put on hold.

The share price crashed by almost 10 per cent as investors balked at a profit warning hidden in BT's outlook, doing little to instil confidence in Mr Patterson's restructuring plan.

Dhananjay Mirchandani, an analyst at Bernstein, said the cost cuts looked staggering but that savings would be offset by the recruitment of 6,000 engineers to roll out more fibre.

"What it also tells us," he added, "is that this management team has quite obviously run out of ideas for a simple and articulate equity story: one that springs few surprises and rests on consistent delivery capabilities without political and regulatory acrimony."

George Salmon, an equity analyst at Hargreaves Lansdown, said Mr Patterson "has his work cut out" to steady the ship. "13,000 job cuts and a move out of central London are drastic actions . . . but they still aren't going to be enough to dig BT out the hole it's in."

Mr Patterson said the business had grown "complex and overweight" and that the cost-cutting was necessary for BT to remain competitive. He said regulation was likely to leave a £1bn hole in the company's revenue over the next three years so BT had cut its cloth.

Jan du Plessis, the new chairman, also tried to calm the waters. "You do not change an organisation like BT on the basis of this morning's share price," he said.

Mr Patterson has been under fire since BT's downward spiral kicked in, triggered by an accounting scandal at its Italian division in January last year. "It is fair to say that the year has been volatile but we have proved our mettle," he said.

BT has made some positive moves. It secured 5G spectrum and TV rights to Premier League football matches in recent auctions without breaking the bank, and committed to upgrade 3m homes to "full fibre" networks by 2020 to ease some pressure to invest.

It has also struck a new deal with its pension trustees to better fund its pensions deficit, which has widened to £11bn from £7bn in 2014, triggered by a fall in long-term interest rates that have sent its liabilities to £60bn from £47bn.

The new arrangement will maintain its existing cash top-ups at £2.1bn over the next three years, with more payments set to kick in after that point. And an extra £2bn contribution in the form of bonds has allowed it to avoid a damaging dividend cut.

However, John Ralfe, an independent pensions expert, said issuing the £2bn bond was a "sleight-of-hand" that would not improve security for pension scheme members.

The BT Pension Scheme "remains an unsecured creditor to BT — whether or not it holds its bonds", he said. "BT should sell the bonds publicly and inject the £2bn into [the scheme] to genuinely reduce the deficit."

The company has put the pension issue to bed until 2020, buying it some time to deliver on the promises set out by Mr Patterson and the new management team. He is adamant the business will return to sustainable growth within three years and has maintained its dividend as a show of confidence.

> 'You do not change an organisation like BT on the basis of this morning's share price'

On his own tenuous position, Mr Patterson said he was "genuinely excited" to lead the company through its "next phase".

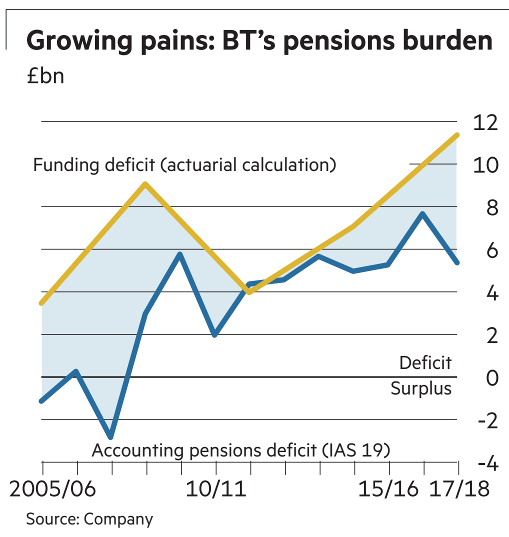
Yet with the share price below its level when he took over from Ian Livingston in 2013, the prospect of two years of restructuring could seem gruelling.

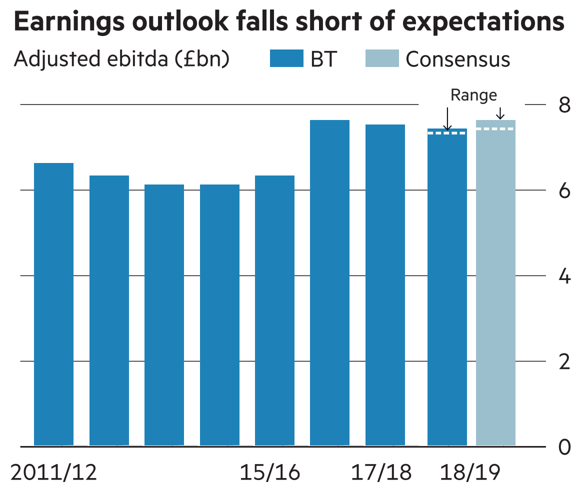
BT Centre sits on the sanctuary of the ancient church of St Martin's le Grand. If the latest shake-up does not pay off, Mr Patterson may struggle to find any sanctuary at all.

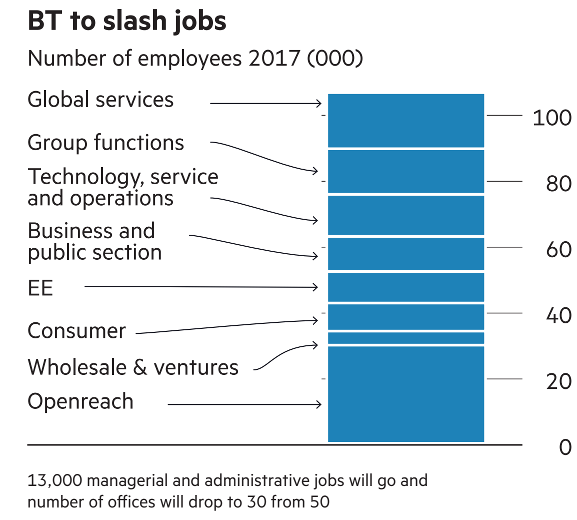
See Lombard

Tough call

BT is set to vacate its eye-catching offices in the City of London for more modern and modest surroundings elsewhere in the capital — Hannah McKay/Reuters







Retail & consumer

Walmart gears up for global deals spree

KIRAN STACEY — NEW DELHI

Walmart is closing in on deals in developing economies, its chief executive said, the day after it sealed the world's largest ecommerce investment, taking control of India's Flipkart for $16bn.

Doug McMillon said in New Delhi yesterday that his buying spree would not end with the agreement to purchase 77 per cent of India's biggest online retailer.

The chief executive warned that if Walmart did not move into new areas, the world's largest retail chain faced extinction.

"The management team and the board are trying to position the company for the next generation of retail," Mr McMillon said.

"We've identified the geographies where we want to make the most significant investments because of the potential of those markets."

He described India, China and Latin America as three priorities for the company's expansion. "There are businesses we've identified and that we're evaluating which we may want to be in."

Mr McMillon added another warning for those who said the company should focus instead on protecting profits in its core North American market.

"We know from retail history that if retailers don't change they go away," he said. "And so we are reaching out to embrace change aggressively."

Walmart is facing one of the biggest threats in its 56-year history as Amazon continues to grow while Walmart's own online retail business has stalled.

Its earnings in February showed a sharp slowdown in US ecommerce sales, and since then its share price has fallen more than 20 per cent.

Mr McMillon is carrying out a significant shift in strategy, retreating from the UK where its Asda stores have struggled to compete with both Tesco and J Sainsbury, and focusing instead on fast-growing but often turbulent developing countries.

> 'We know that if retailers don't change they go away. And so we are reaching out to embrace change'

Its deal to buy a majority shareholding in Flipkart pits it directly against Amazon, which is investing $5bn to become India's largest ecommerce business.

Mr McMillon told reporters he was "very excited" about his investment in Flipkart, saying: "India is not only large but it is growing so quickly." The Indian online retailing market is forecast to grow at 27.8 per cent on average per year until 2022, according to the market research group Euromonitor.

Binny Bansal, one of Flipkart's two founders, will be the group chief executive. However Sachin Bansal, who co-founded the business with him 10 years ago, is leaving the company and selling his 5 per cent stake for roughly $1bn.

Mr McMillon pledged that Walmart would not interfere with the day-to-day running of Flipkart, but said the board would change to reflect the American company's investment.

For Walmart, the deal is an opportunity to reboot its Indian business, now limited to just 21 wholesale stores in the country.

The company has found itself unable to launch retail operations thanks to strict Indian regulations limiting how much foreign companies can invest in selling multiple brands under one roof.

Payment of dividends by Chemical Works of Gedeon Richter PLC

The Chemical Works of Gedeon Richter PLC (hereinafter: the "**Company**") would like to inform its shareholders that based on a resolution of the Annual General Meeting held on April 25, 2018, in the case of **common shares**: 68% of the nominal value, that is **HUF 68** per share will be paid as dividends pursuant to paragraph 7.11.1 of the Company's Statutes, in a way that the Company will increase the payment, *i.e.* distribute the dividend after treasury shares among the shareholders entitled to dividend, in the proportion of their shares. The per share amount of dividend so increased will be established and published by the Company on June 5, 2018 on the website of the Budapest Stock Exchange and of the Company.

The dividend is paid according to the following:

Right to Dividends
All natural and legal persons who own shares of the Company as of the below specified date according to the identification of ownership initiated by the Company and to be carried out in accordance with the Regulations of KELER Zrt., who have had their names registered in the Share Registry and who have rendered their identification data as required by the legislation at the Company's disposal by way of their securities account keeper are entitled to dividends.

Conditions for the Payment of Dividends
Based on the legal regulations in effect, payment necessitates the provision of the following data in view of registration in the Share Registry and tax payment (supply of data) considerations:

- In the case of shareholders who are private persons, the data required for the payment of dividends include: name, name at birth, place/time of birth, mother's birth name, citizenship, tax identification number (or passport number in the case of foreigners), the shareholder's gender and address.
- In the case of companies with legal personality: company name, seat, place of registration; tax or registration number in the case of companies registered in Hungary.
- In the case of nominees: the name in respect of the nominee, seat, place of registration (including tax number for nominees registered in Hungary), as well as a declaration regarding the number and composition of shares held by the nominee and regarding the extent to which the nominee represents private and legal persons. The Company would like to draw nominees' attention to the fact that it will effect payment to both legal and private persons after deducting the applicable tax as set forth in the legislation. As the system, rate and assessment of taxation of private and legal persons differ, we will not be able to accept changes to the given rates following the payment. In lack of the declaration, the Company will not pay dividend. We would also like to highlight that we will be able to issue certificates for secondary legal and private persons if the nominee supplies data in a declaration concerning the above-listed data relating to those represented in the format of a deed in the Hungarian or the English and Hungarian languages duly signed by the company at the latest by the last day of the calendar year in which payment is made.

Missing data will cause delays in payment but payment can be effected by supplying the missing data. We would like to call our shareholders' attention to the fact that the right to dividends may only be practiced by registration in the Company's Share Registry.

In the event the account keeper does not identify, or does not identify properly, its shareholder customers, it may do so at a later time. Payments made pursuant to missing data supplied subsequently will be transferred in the month following the month in which the missing data was supplied.

Highlighted Dates

June 11, 2018
The starting date for the payment of dividends determined in the above-mentioned manner. Those entitled to claim dividends may do so from this date.

June 04, 2018
Reference date for the identification of ownership. Those who own shares at the end of this day are entitled to dividends.

May 31, 2018
The last day for trading shares on the Budapest Stock Exchange in order to obtain shares that will allow entitlement for the payment of dividends.

The Method of Dividend Payments
The payment of dividends due in respect of common shares will be made by transfer to the account of the shareholder's securities account keeper or to the bank account indicated by the shareholder to the securities account keeper and to the bank account indicated by the securities account keeper in the case of domestic legal persons. We will not be liable for delays or damages caused by the supply of erroneous data or missing account information.

Tax Deductions at the Time of Payment
For payments made to **domestic and foreign private persons**, we will **deduct 15% as personal income tax** based on Sections 8 (1) and 66 of Act CXVII of 1995 on Personal Income Tax (hereinafter "Personal Income Tax Act"). Healthcare Contribution (EHO) shall not be deducted from the payments.

We will make payments to **legal persons** (domestic and foreign alike) without tax deductions.

In case of shares kept on **long-term investment account**, the payment of the dividends is made without tax reduction. (Personal Income Tax Act 67/B.§ (6) c))

Simultaneously with the claim for dividends, the securities account keeper shall report to KELER Zrt. at the identification of ownership that the shares are kept on long-term investment account. Should the securities account keeper fail to comply with such obligation, the dividends will be paid after the deduction of 15% personal income tax.

Tax Certificates
We will provide certificates of the dividends paid and the tax deducted to our shareholders (to the correspondence or permanent address given in the identification of ownership) following the transfer to the account holder at the latest by January 31, 2019, except in cases where the securities account keeper has requested by way of a declaration that tax certificates be forwarded to it.

Dividend Payments in respect of Previous Years
We would like to inform our shareholders that the payment of overdue dividends may be requested in the manner and with the conditions described above and at the same time as dividends in respect of 2017.

In case of private persons, dividends for preceding years not yet paid are equally subject to a personal income tax deduction of 15%.

In case of shareholders that are legal persons, dividends for the preceding years which were not yet paid will be paid also without deduction.

For further information, please contact the Shareholders' Office of the Company (H-1103 Budapest, Gyömrői út 8., tel: +36 (1) 431-5733, +36 (1) 431-5878, e-mail: reszvenyiroda@richter.hu).

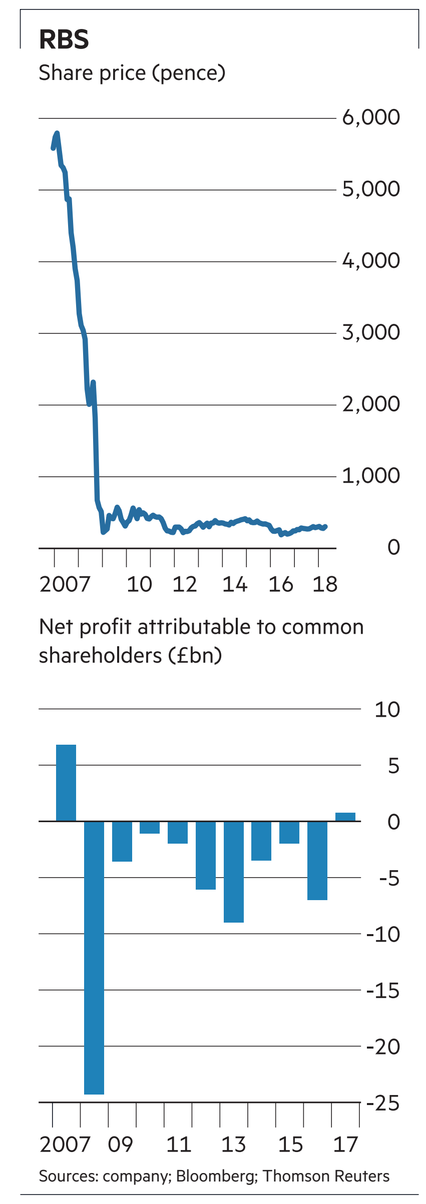
Budapest, May 11, 2018

Board of Directors of Chemical Works of Richter Gedeon Plc

Banks. Turnround strategy

RBS chief ticks another 'biggie' off his to-do list

Exit plan: RBS's chief executive hopes soon to resume dividends and lift shares so the government can start selling down its 71 per cent stake — Luke MacGregor/Bloomberg



US mis-selling settlement prompts questions over how long McEwan will stay

MARTIN ARNOLD — BANKING EDITOR

When asked how much longer he plans to continue as chief executive of Royal Bank of Scotland, Ross McEwan has often listed the many "biggies" he still has to clear up before he can say his job is done.

This week the 60-year-old New Zealander struck one of the biggest items off his to-do list after RBS said it would pay $4.9bn to the US Department of Justice to settle its probe into mis-selling of residential mortgage-backed securities (RMBS) before the financial crisis.

Assuming the settlement is finalised, the other "biggies" on Mr McEwan's list could also soon be ticked off, leading some analysts and bankers to wonder whether RBS could have a new chief executive by this time next year.

Apart from the long-awaited DoJ settlement, Mr McEwan has told colleagues he also wants to pay the bank's first dividend for a decade and to generate a rebound in its share price that enables the government to start selling down its 71 per cent stake.

"With the job of RMBS settlement almost complete and a return to dividends in sight, we also expect RBS to confirm a successor to current CEO Ross McEwan in the second half of 2018," said Jason Napier, banking analyst at UBS.

Asked yesterday whether he was planning to step down after almost five years in the job, Mr McEwan dodged the question, saying that the agreement with the DoJ was "just another milestone for this bank" — hinting at more hurdles still to be cleared.

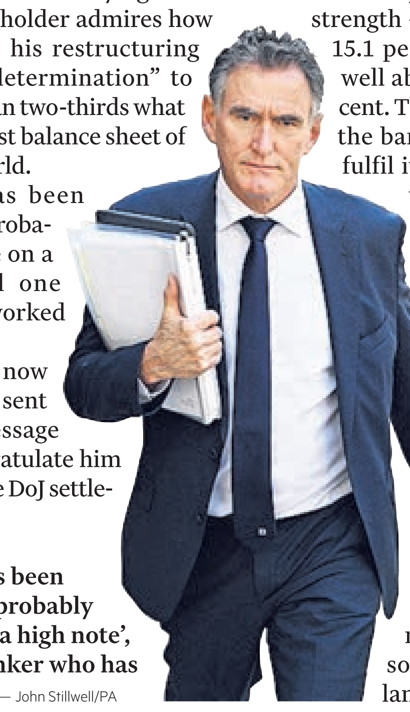
Bankers who know him well say the RBS boss seems happier to imagine a handover to one of his team, perhaps with a successor being named this year to take over after the annual results in February. Internal candidates include Alison Rose, head of commercial and private banking; Les Matheson, head of personal and business banking; and Ewen Stevenson, finance director.

Since he took over from Stephen Hester in 2013, shares in RBS have fallen more than 20 per cent, underperforming most rivals. In that time, Mr McEwan has taken his fair share of criticism, over everything from closing branches in remote areas to mistreatment of small businesses by its Global Restructuring Group unit after the 2008 crisis.

Yet there seems to be little pressure on Mr McEwan to leave, even though the board may have doubts over how much longer he is committed to staying in the job. One top shareholder admires how "he has executed his restructuring plan with great determination" to shrink by more than two-thirds what was once the biggest balance sheet of any bank in the world.

"I think he has been through hell and probably wants to leave on a high note," said one banker who has worked with Mr McEwan.

Mr Hester, who now runs insurer RSA, sent Mr McEwan a message yesterday to congratulate him and his team on the DoJ settlement, underlining its significance. "That's the last really big milestone before the bank can be seen to be fully normalised," Mr Hester said.



Ross McEwan 'has been through hell and probably wants to leave on a high note', according to a banker who has worked with him — John Stillwell/PA

RBS said the settlement, if confirmed, would reduce its common equity tier one ratio — a key benchmark of banking strength — by 50 basis points to 15.1 per cent, which remains well above its target of 13 per cent. This is fuelling hopes that the bank will soon be able to fulfil its promise of restoring the dividend after making its first annual net profit in almost a decade last year.

After RBS agreed to inject £3.5bn into its pension scheme earlier this year to address a deficit, Mr McEwan said the agreement with the DoJ opened the door to discussing a return to dividend payments with its supervisors at the Bank of England. Ultimately the decision will hinge on whether RBS passes this year's BoE stress test, which is due to be published in December.

The RBS boss did not rule out the possibility that the bank could announce a restart of dividend payments with its half-year results in August, but he said any payout to investors was likely to "start small and build".

After the pensions top-up and DoJ settlements, the bank will have about £4bn of "excess capital" above its 13 per cent target. But it aims to keep its capital ratio above that level because of uncertainty over rules.

Analysts said that still leaves plenty of room both for the dividend to be restored and for the bank to buy back shares, which could be done in conjunction with government share sales to reduce the overhang from the taxpayer's stake. With the future at RBS looking rosier, some analysts question why Mr McEwan would want to go.

"The first one or two share placings should be positive liquidity events for RBS's share price," said Joseph Dickerson, banks analyst at Jefferies. "It is a very catalyst-rich share. My view is Ross will want to see out some of the capital return and stay a few more years."

Technology

Daimler helps SoftBank hit $100bn fund target

ARASH MASSOUDI — LONDON
LEO LEWIS — TOKYO
PATRICK MCGEE — FRANKFURT

Daimler is among a group of new international investors that have committed to backing SoftBank's $100bn Vision Fund, allowing Masayoshi Son, the Japanese billionaire, to close the world's biggest technology investment vehicle.

The German group behind Mercedes-Benz will join MUFG, Mizuho and Sumitomo Mitsui Banking Corp, the Japanese banks; Larry Ellison, Oracle's co-founder; and Bahrain's sovereign wealth fund to fill the last $7bn needed to reach $100bn goal, according to people briefed on the negotiations.

SoftBank is also debating when it should begin fundraising for its next fund, one of those people said, which is expected to be named Vision Fund II.

Mr Son's success in closing out financing for the $100bn vehicle in a little more than a year comes even as rival investors question whether his tech-focused strategy has pumped too much capital into unproven start-ups, distorting valuations to unsustainable levels.

It also comes as Mr Son's relationships, and his network of backers in China, Saudi Arabia and the United Arab Emirates, have raised regulatory scrutiny in the US, where transfer of sensitive technologies abroad has become a focal point for the White House.

Mr Son, who started SoftBank in the 1980s as a small Japanese software distributor and transformed it into one of the most influential technology investors in the world, is set to make a personal investment and create structures that allow the company's executives to participate in the fund. It was launched with the backing of the state investment fund of Saudi Arabia in October 2016.

Daimler and the banks are set to be among the smaller investors, alongside earlier participants such as Apple, Qualcomm, Foxconn and Sharp. About $88bn of the fund comes from SoftBank, Saudi Arabia and Abu Dhabi.

Like SoftBank, Daimler has been among the most active investors in ride-hailing and car-sharing. In 2014, it acquired MyTaxi, a cab-hailing service with 70m passengers in Europe, and last year it acquired Chauffeur Privé in France. The company also owns car2go, the car-sharing group.

To build scale, Daimler and BMW intend to team up on services including electric vehicle charging.

Additional reporting by Kana Inagaki in Tokyo, Simeon Kerr in Dubai and Richard Waters in San Francisco

Legal Notices

IN THE HIGH COURT OF JUSTICE **CR-2017-009254**
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES
COMPANIES COURT (ChD)

IN THE MATTER OF
AXA INSURANCE UK PLC
AND
RIVERSTONE INSURANCE (UK) LIMITED
AND
IN THE MATTER OF
THE FINANCIAL SERVICES AND MARKETS ACT 2000
NOTICE

NOTICE IS HEREBY GIVEN that, on 17 April 2018, AXA Insurance UK plc (the ("**Transferor**") and RiverStone Insurance (UK) Limited (the "**Transferee**") made an application (the "**Application**") to the High Court of Justice, Business and Property Courts of England and Wales, Chancery Division of the Companies Court in London (the "**Court**") pursuant to section 107(1) of the Financial Services and Markets Act 2000 (as amended) ("**FSMA**") for an Order:

(1) under section 111 of FSMA sanctioning an insurance business transfer scheme for the transfer to the Transferee of a portfolio of public liability and employers' liability insurance policies written by the Transferor *(see footnote)* on or before 31 December 2001 (the "**Transferring Business**") carried on by the Transferor (the "**Scheme**"); and
(2) making ancillary provision in connection with the Scheme pursuant to section 112 and 112A of FSMA.

A copy of a report on the terms of the Scheme prepared in accordance with section 109 of FSMA, by an Independent Expert, Mr Philip Tippin of KPMG LLP, whose appointment has been approved by the Prudential Regulation Authority, (the "**Scheme Report**"), a statement setting out the terms of the Scheme and containing a summary of the Scheme Report, and the full Scheme document are available free of charge at http://www.axa.co.uk/help-and-advice/business/insurance-transfer/.

Supporting documents and any further news about the Scheme will be posted on this website so you may wish to check for updates. You can also request free copies of any of these documents by writing to or telephoning the Transferor using the contact details below.

The Application is due to be heard on 14 September 2018 by a Judge of the Chancery Division of the Companies Court of the High Court at The Rolls Building, Fetter Lane, London EC4A 1NL, United Kingdom. If approved by the Court, it is currently proposed that the Scheme will take effect on 1 October 2018.

Any person who claims that he or she may be adversely affected by the carrying out of the Scheme has a right to attend the hearing and express their views either in person or by a legal representative.

Any person who claims that they may be adversely affected by the Scheme but does not intend to attend the hearing may make representations about the Scheme by telephone or in writing to the solicitors named below or the Transferor using the contact details set out below.

Any person who intends to appear at the hearing or make representations by telephone or in writing is requested (but is not obliged) to notify his or her objections as soon as possible and preferably at least five days before the hearing of the Application on 14 September 2018 to the solicitors named below or to the Transferor using the contact details set out below.

If the Scheme is sanctioned by the Court, it will result in the transfer to the Transferee of all the contracts, property, assets and liabilities relating to the Transferring Business; notwithstanding that a person would otherwise be entitled to terminate, modify, acquire or claim an interest or right or to treat an interest or right as terminated or modified in respect thereof. Any such right will only be enforceable to the extent the Order of the Court makes provision to that effect.

11 May 2018

Transferor contact information:
Telephone number: 01473 337100 (or, if resident outside the UK, on +44 1473 337100). The helpline will be open from 9.00 a.m. to 5.00 p.m. on Monday to Friday UK time (excluding bank holidays).
Postal address: The Company Secretary, AXA Insurance UK plc, 5 Old Broad Street, London, EC2N 1AD, United Kingdom
Email: partvii.UK@axa-uk.co.uk

Transferee contact information:
Telephone number 01273 792475. The helpline will be open between the hours of 9.30 a.m. and 5.30 p.m. on Monday to Friday UK time (excluding bank holidays).
Postal address: F.A.O. Fraser Henry, RiverStone Insurance (UK) Limited, Park Gate, 161-163 Preston Road, Brighton, East Sussex, BN1 6AU, United Kingdom
Email: axatoriuk@rsml.co.uk

Freshfields Bruckhaus Deringer LLP
Postal address: 65 Fleet Street, London, EC4Y 1HS, United Kingdom
Ref: 166187-0002 (GHFS)
Solicitors for the Transferor and the Transferee

Note: The Transferring Business comprises business carried on by the Transferor under previous names: Provincial Insurance Company Limited; UAP Provincial Insurance Plc; AXA Provincial Insurance Plc; and business assumed by the Transferor from Orion Personal Insurances Limited; The State Assurance Company Limited; Guardian Assurance plc; AXA General Insurance Limited (under former names United British Insurance Company Limited, GRE (UK) Limited and Guardian Insurance Limited); Guardian Eastern Insurance Company Limited; The Royal Exchange Assurance; Caledonian Insurance Company Limited; British Equitable Assurance Company Limited; Atlas Assurance Company Limited; AXA Insurance Company Limited (under former names Hodge General and Mercantile Insurance Company Limited and Westgate Insurance Company Limited); The Dominion Insurance Company Limited; Essex and Suffolk Insurance Company Limited; The Motor Union Insurance Company Limited; British Equitable Assurance Company Limited; Legal and General Insurance Limited; and Guardian Royal Exchange Assurance plc.

In the matter of Lindrick Holdings Limited
and
In the matter of the Cyprus Companies Law Cap 113

Notice is hereby given that the creditors of the above-named company which is being voluntarily wound up are required on or before the 11th day of June 2018 to send in their full names, their addresses and descriptions, full particulars of their debts or claims and the names and addresses of their solicitors (if any) to the undersigned Constantinos Constantinou, of PricewaterhouseCoopers Limited, Julia House, 3 Th. Dervis Street, CY-1066 Nicosia, P.O.Box 21612, CY-1591 Nicosia, Cyprus, the joint liquidator of the said company, and if so required by notice in writing from the said joint liquidator, to come in and prove their said debts or claims at such time and place as shall be specified in such notice, or in default thereof they will be excluded from the benefit of any distribution made before such debts are proved.

Dated this 11th day of May 2018

Constantinos Constantinou
PricewaterhouseCoopers Limited
Joint Liquidator of Lindrick Holdings Limited

SAINT-GOBAIN

Titres Participatifs in XEU
Coupon on August 10, 2018

The EUR-LIBOR 6 months used for the calculation of the coupon maturing on August 10, 2018 is 0.54311%.

After approval of the 2018 financial statements by the General Meeting of Shareholders, the net consolidated profit used for the calculation of the floating portion of the remuneration will be 214.898 Mln EUR.

On the basis of these figures the coupon payable on August 10, 2018 will show an annual interest rate of 6.706 %, i.e. 3.353% semestrial.

Therefore the coupon maturing on August 10, 2018 and payable on August 10, 2018 will be EUR 33.53 per titre participatif of EUR 1.000.

Financial

Achmea Bank N.V.
Series 21
EUR 20,000,000
Floating Rate Notes
2015 per 2020
XS1226739529

In accordance with the Terms and Conditions of the Notes, notice is hereby given that for the interest period from 07 May 2018 to 06 August 2018 the rate of interest has been fixed at 0.43200%, which results in an interest payment of EUR 21,840.00 on 06 August 2018.

Amsterdam, 3 May 2018

ABN·AMRO

FREEAGENT HOLDINGS PLC

Registered in Scotland, Company No. SC541036

Notice is hereby given that a Petition (the **Petition**) was presented to the Court of Session (the **Court**) on 10 April 2018 by FreeAgent Holdings plc (the **Company**), a public limited company incorporated under the Companies Acts (under company number SC541036) with its registered office at One Edinburgh Quay, 133 Fountainbridge, Edinburgh, Scotland, EH3 9QG, for sanction of a Scheme of Arrangement (the **Scheme**), pursuant to Part 26 of the Companies Act 2006 (the **Act**) between the Company and the two classes of its members who are together defined in the Scheme as "**Scheme Shareholders**", being holders of its ordinary shares of one pence each.

At a meeting held under the authority of the Court on 8 May 2018 (the **Meeting**), the "**Independent Scheme Shareholders**" (one of these classes, which is defined in the Scheme) voted to approve the Scheme. The members of the other class have had given their written approval to the Scheme as well. At a general meeting held on the same date, the Company passed the related special resolution and the Independent FreeAgent Shareholders (as defined in the Scheme) passed a related ordinary resolution. The terms of both resolutions are set out in the Circular referred to below.

Following the Meeting, and by order dated 9 May 2018, the Court: (i) ordered that the Petition should be advertised once in each of *The Edinburgh Gazette, The Scotsman* and the United Kingdom edition of the *Financial Times* newspapers; and (ii) allowed all persons claiming an interest in the Petition to lodge written answers to the Petition, if so advised, at the Court, Parliament House, Parliament Square, Edinburgh EH1 1RQ, within 14 days after the publication of the last of those advertisements.

The Court hearing to sanction the Scheme is expected to be held on 30 May 2018 at the Court the address of which is Parliament House, Parliament Square, Edinburgh EH1 1RQ.

A copy of a circular (the **Circular**), incorporating the Scheme and the explanatory statement required to be furnished pursuant to section 897 of the Act, has been published and is available for Scheme Shareholders on the Company's website https://www.freeagent.com/investors/. The Circular was sent in advance of the Meeting to, among others, Scheme Shareholders. Further copies of the Circular may be obtained by (a) contacting the Company's registrars (**Computershare**) during business hours on +44 (0) 370 707 1721, or (b) submitting a request in writing to Computershare at Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY, United Kingdom.

Any Scheme Shareholder, or other person who considers that they have an interest in the Scheme (each an **Interested Party**) and who is concerned that the Scheme may adversely affect them, is entitled to lodge written answers to the Petition and to be heard by the Court, as explained below. If an Interested Party wishes to raise concerns in relation to the Scheme with the Court, or appear at the Court hearing, they should seek independent legal advice and lodge written answers to the Petition with the Court at the above address within 14 days after the publication of the last of the advertisements referred to above and pay the required fee. Written answers are a formal Court document which must comply with the rules of the Court and are normally prepared by Scottish legal counsel.

The Court may also consider written objections which are not in the form of written answers and/or allow an Interested Party who has not lodged written answers to appear at the Court hearing. Each Interested Party should note that, although the practice of the Court is to consider informal objections made in person, or in writing, the Court may require an Interested Party to lodge written answers in order to raise objections to the Scheme and/or appear at the Court hearing.

Dentons UK and Middle East LLP
Quartermile One
15 Lauriston Place
Edinburgh
EH3 9EP

Solicitors for the Company

COMPANIES

Telecoms

Washington ban forces ZTE to shut down

Equipment manufacturer is biggest casualty so far as Sino-US trade ties worsen

YUAN YANG AND XINNING LIU — BEIJING

China telecoms group ZTE has "ceased operations" after being banned for seven years from doing business with US groups, making it the biggest casualty so far of deteriorating trade relations between Beijing and Washington.

ZTE had been China's biggest publicly listed telecoms equipment manufacturer, with a market capitalisation of about $20bn, before it suspended its shares from trading last month.

It was deemed of such national importance that government negotiators requested that the US lift its ban as part of trade negotiations last week.

ZTE told the Hong Kong stock exchange late on Wednesday that "as a result of the Denial Order, the major operating activities of the company have ceased".

However, it added that it had sufficient cash and would comply with its commercial obligations.

The group was cut off from US suppliers last month after the US commerce department ruled that ZTE had violated a settlement on the export of goods to countries on a no-export list, specifically Iran and North Korea.

The ruling "will lead to increased balkanisation of the tech world and speed up the tech arms race between China and the US", said a tech lawyer who wished to remain anonymous.

Kiranjeet Kaur, smartphone analyst at market research firm IDC, said: "With its heavy reliance on the US market for component supply as well as sales of its smartphones, it was inevitable that the ban would cripple ZTE's business."

Ms Kaur said: "The picture right now does look very grim for ZTE."

She said smartphone sales had already been affected, and the company's only hope of business as usual was to reverse the ban.

ZTE said in its exchange statement: "The company and related parties are actively communicating with the relevant US government departments in order to facilitate the modification or reversal of the Denial Order."

Chin a trade negotiators had raised the ZTE ban as a crucial issue in its negotiations with Washington last week.

In a statement drafted by Beijing, China asked Washington to note its "high concern for the ZTE Corporation case, listen to ZTE's complaints seriously, and consider the company's progress in compliance construction and efforts to announce the adjustment of export injunction orders".

Last year ZTE pleaded guilty to criminal charges of violating US sanctions against North Korea and Iran, and agreed to pay up to $1.2bn in fines.

Last month US investigators said ZTE had lied to government authorities as part of its settlement negotiations.

ZTE could not immediately be reached for comment.

Technology. On-demand aviation

Uber takes pains to prove electric taxi service will fly

Detailed specifications and elaborate projections herald launch in 2023

TIM BRADSHAW — LOS ANGELES

Uber is working hard to convince the aerospace world that its plan to launch a flying taxi service by 2023 is more than just blue-sky thinking.

At its Uber Elevate conference in Los Angeles this week, the company set out plans to fill the skies with thousands of short-range electric aircraft and announced a partnership with Nasa, the US aeronautics agency, to model an urban air-traffic control system.

Uber laid out its analysis of how an increase in aircraft manufacturing on a scale not seen since the second world war would help drive the cost of an aerial commute down to the same price as its land-based carpooling service today.

Also set out were specifications for what Uber sees as the ideal vehicles for hops between suburbs and downtown and elaborate architectural renderings of the "skyports" they would use.

The barrage of data, demonstrations and announcements was designed to build momentum behind Uber's aggressive timetable to begin testing so-called on-demand aviation in two years.

"To make this happen we have to do something that is basically completely unprecedented: a real-time network of aerial vehicles that all operate together at a massive scale," said Eric Allison, who joined Uber as head of aviation programmes from Kitty Hawk, an air taxi start-up backed by Larry Page, co-founder of Google.

Some industry sceptics believe Elevate is little more than a marketing ploy Uber can use to boost its valuation when it pitches to investors on an eventual stock market listing or to distract from a series of disasters at the company during the past 18 months. Elon Musk, the Tesla and SpaceX founder, is among those who doubt flying cars will take off.

Dara Khosrowshahi, appointed Uber's chief executive last August, admitted that it took a "couple of sessions and a bunch of reviews" to convince him that it could become a reality. "There's a lot that has to come together," he said in an interview that closed the event on Wednesday night.

But he is convinced that urban problems such as congestion and pollution can be solved only by taking to the skies, whether to deliver burgers via drone or ferry commuters around in a four-seater air taxi. "We have to solve this transportation problem in more than just two dimensions," he said. "We need this third dimension."

An artist's impression of Uber's flying taxi concept. The Elevate programme envisages skies filled with thousands of small aircraft
Reuters

'The joke was always, where's my flying car? Well guess what — it's finally here'

The San Francisco technology group has claimed credit for galvanising investment in the air taxi market since its first Elevate event a year ago. "We are in this for the long term," Mr Khosrowshahi told the conference.

Hundreds of millions of dollars are pouring into start-ups that hope to build new kinds of small, passenger aircraft. Dozens of ventures have emerged in the past few months pursuing various approaches to "electric, vertical take-off and landing" technology.

"There is nothing more iconic to represent the future than flying cars," said Peter Diamandis, the Silicon Valley entrepreneur and investor behind the X Prize and Singularity University, "The joke was always, where's my flying car? Well guess what — it's finally here."

However, Uber's list of Elevate partners is missing several key players, from Boeing and Airbus to some of the best-known and best-funded start-ups in this nascent market, including Europe's Lilium and Volocopter, Kitty Hawk, Terrafugia and Joby Aviation.

Such start-ups are still unsure Uber will prove to be an ally, a rival or just full of hot air. "I'm very excited a big partner like Uber is in this space," said Maryanna Saenko, an investor at DFJ, a Silicon Valley venture capital company that backed Tesla and SpaceX. "It's great to create buzz and excitement. It's even better to execute on it."

Even if the technology proves to be ready, much else remains uncertain — from business models and regulations to whether city dwellers will tolerate a swarm of aircraft in their skies.

Nonetheless, there is growing consensus that these vehicles will be operated as a taxi service, shared between many people, rather than owned and used only by a rich few, as helicopters or private jets are today.

That ride-sharing model, integrated with other land-based transport to ferry passengers to their nearest skyport, presents a huge opportunity for Uber.

The company envisages itself as operating air-traffic control, managing a fleet of vehicles and bringing in customers through its existing car-hailing apps, while relying on manufacturers to bear the costs of making and maintaining the aircraft.

Its putative model resembles the "asset-light" approach that proved so successful with cars. But in the Evtol market, none of the assets has been manufactured yet — a process that is likely to cost billions of dollars.

Only a handful of companies have fully subscribed to that vision so far. Uber this week added a new Evtol manufacturer to its roster of partners, Karem Aircraft, an independent developer, as well as E-One Moli Energy, a battery supplier.

Mr Khosrowshahi said that he had recently pitched Sebastian Thrun, Kitty Hawk's chief executive, on joining the Elevate programme. "It's the beginning of a conversation with them," Mr Khosrowshahi said. "They are unbelievably smart . . . We would love to have them as partners."

More important still will be winning the backing of regulators.

Dan Elwell, acting administrator of the US Federal Aviation Administration, said this week that any air taxi service would have to be at least as safe as today's commercial airlines.

He added he was "absolutely" prepared to fly in a pilotless electric plane himself.

"I don't think [launching in] 2023 is too ambitious," Mr Elwell said. "But I'm certainly not going to make any commitments."

Insurance

Axa chief upbeat over US division's listing despite $1bn shortfall

NICOLE BULLOCK, ALISTAIR GRAY AND OLIVER RALPH

Axa chief executive Thomas Buberl said he was "very happy" with the IPO of the insurer's US business, despite the flotation raising about $1bn less than the company had hoped.

Axa raised $2.75bn, making it the largest US-listed IPO in terms of amount raised since Snap, the owner of Snapchat, floated in March last year, according to Dealogic.

The insurer's bankers priced shares of Axa Equitable at $20 per share, significantly beneath the indicated range of $24 to $27. That valued the business, in which the parent is selling a near 25 per cent stake, at $11.2bn. At the top of the range Axa sought, it would have been valued at $15.1bn.

The shares fell as much as 2.5 per cent in their trading debut yesterday. By mid-morning in New York, the stock had trimmed losses to trade down 0.6 per cent to $19.89.

Axa revealed its plan to float the US business a year ago. Mr Buberl told the Financial Times: "We are extremely happy . . . we did all the work in one year, which is record time."

The disappointing valuation is a sign investors remain sceptical about the prospects for the life and pensions industry, where profitability has been crimped by persistently low interest rates. Mr Buberl added: "The markets change relatively quickly at the moment. We are in the middle of earnings season in the US, and there have been a few surprises."

The IPO was 'one of the key milestones in our transformation, reducing exposure to financial risk'

The IPO market has been buoyant. So far this year, 72 companies have listed in the US, raising $24.7bn, the most deals by this point in the year since 2014 and the most money raised since 2008.

The business Axa is floating includes the group's US life business, which it bought in 1991, as well as its 64 per cent stake in the investment manager AllianceBernstein. Proceeds will help Axa fund the $15.3bn purchase of Bermuda-based insurer XL Group, which will expand Axa's position in US property and casualty insurance and specialist parts of commercial insurance.

Mr Buberl said that the IPO was "one of the key milestones in our transformation, reducing exposure to financial risk and increasing exposure to technical [insurance] margins". He added that the US IPO put to bed any questions over how the XL deal would be financed.

Matthew Kennedy, an IPO market strategist at Renaissance Capital, said shares in large life insurers had been particularly hard hit over the past three months, but added: "Axa's trying to get this off their books, so investors likely pushed on price."

Axa plans to sell the rest of its holding in Axa Equitable over the next two years, subject to market conditions. The float is the latest move in what John Nadel, an analyst at UBS, described as an "enormous, ongoing restructuring" in the life and pensions industry.

Additional reporting by Eric Platt

See Lex

Technology

Avast valued at £2.4bn ahead of market debut

ALIYA RAM

Avast Software has revealed the price of its initial public offering, valuing the Czech cyber security group at £2.4bn in one of the UK's biggest technology listings.

Stock in the company is due to start trading on the main London market next week at £2.50 per share, the bottom of a range pitched to investors. Conditional trading started yesterday.

The company raised £147.4m in gross primary proceeds, which exclude various fees, from the sale, which it will use to repay debt. The overall flotation of 25.3 per cent of the company was worth £602m.

"Today is a significant milestone for Avast," said Vince Steckler, chief executive. "I am confident that our listing on the London Stock Exchange will help support further growth."

Avast's stock market debut is the largest in London this year and one of the five biggest from the technology sector. Since 2015, tech companies have raised £18bn in initial public offerings and follow-on listings on the London Stock Exchange.

The flotation will also create a rare UK publicly listed technology company after chipmaker Arm Holdings was bought by Japan's SoftBank in 2016 and China's Canyon Bridge acquired chip designer Imagination Technologies last year.

Among the public companies left in the sector are Sophos, a rival cyber security group, which listed in 2015.

"[Avast's] successful initial public offering confirms London's position as one of the world's leading international technology centres," said Robert Barnes, global head of primary markets at the London Stock Exchange.

"[It] underlines the exceptional investor appetite for dynamic tech companies listing in London."

Founded in the 1980s, Avast is one of the world's largest cyber security companies that sells directly to consumers in a competitive market dominated by McAfee and Symantec's Norton. Avast offers its basic products for free.

The company's biggest shareholders are co-founders Eduard Kucera and Pavel Baudis whose combined stake will fall to 37.5 per cent after the listing. Funds managed by private equity group CVC Capital Partners will own between 19.7 per cent and 22.7 per cent of the group, depending on whether underwriters utilise a so-called "greenshoe" provision in case of high demand.

Avast, which has 435m customers, opted to list in London rather than on New York's Nasdaq as it believes its mature business and dividend plans make the UK market a natural home for the company, according to people with direct knowledge of the decision.

The company reported adjusted revenues of $780m in 2017 and adjusted cash earnings before interest, taxation, depreciation and amortisation of $451m.

Additional reporting by Nic Fildes

Financial services

Angry shareholders reject AMP pay report

JAMIE SMYTH — SYDNEY

AMP has lost a shareholder vote on its remuneration report amid an investor backlash over a scandal that has wiped about A$4.5bn (US$3.4bn) off the financial services company's market cap and forced the resignation of its chairman and chief executive.

More than 60 per cent of the company's shareholders voted against AMP's remuneration report, which represented a "first strike" under Australia's corporate governance rules.

The rules trigger a shareholder vote enabling board changes if more than one quarter of shareholders reject the pay report twice in a row.

The 169-year-old Australian group said yesterday that it faced two class-action lawsuits from disgruntled shareholders linked to revelations aired at a public inquiry that AMP knew it was charging fees to clients without providing any services.

AMP said it would vigorously defend itself in these cases, while simultaneously issuing another grovelling apology to shareholders over its conduct.

"We let you down. We have let our customers down. And we have let the wider community down," Mike Wilkins, AMP's interim executive chairman, told shareholders at the general meeting.

AMP, one of Australia's biggest financial services companies, is at the centre of a widening scandal in the country over misconduct by banks, financial advisers and insurance companies.

Hearings at a royal commission — a formal public inquiry — detailed how customers were systematically ripped off, with evidence showing how Commonwealth Bank of Australia continued to charge fees to dead clients, and staff at National Australia Bank falsified witness signatures on client forms.

AMP's behaviour was shown to be among the most egregious in the sector with the inquiry detailing how it systematically charged fees when it provided no services, misled the regulator on at least 20 occasions and interfered with a supposedly independent report prepared by law firm Clayton Utz.

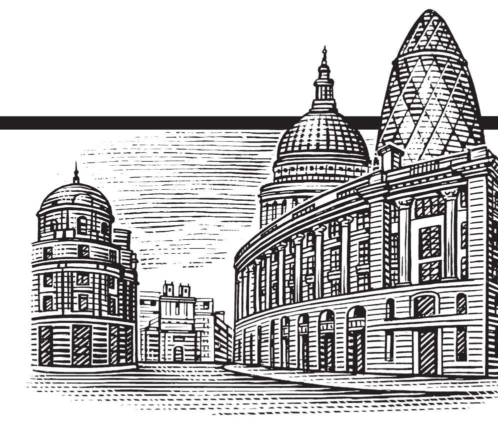
At AMP's meeting in Melbourne, Mr Wilkins faced criticism from shareholders angry about the company's misconduct and the damage done to its reputation. He had earlier conceded a negative vote was likely on the pay report and told shareholders the board had heard their concerns and acted accordingly.

This week two AMP directors — Holly Kramer and Vanessa Wallace — tendered their resignations in anticipation that they would lose re-election votes at the meeting. A third director, Patty Akopiantz, AMP's longest-serving board member, signalled she would step down by the end of the year. "The board has accepted accountability. To date, some 50 per cent of the board has left or is leaving," Mr Wilkins said.

AMP's chief executive Craig Mellor and chairman Catherine Brenner both resigned as a result of the scandal.

See Lex

Lombard



BT must ensure strategy does not develop into a Kodak moment

Matthew Vincent

Kodak chief executive Colby H. Chandler, 1988:
"For Kodak shareowners, the merger with Sterling Drug will accelerate our entry into the $110bn-plus worldwide pharmaceutical industry . . . And it will provide us with attractive long-term sales and earnings potential."

BT Group chief executive Gavin Patterson, 2014:
"BT Sport has proved very popular and we are delighted the service is now in around five million homes . . . These results provide a strong platform for growth and from which to achieve our outlook for the years ahead."

A maker of photographic film and an incumbent telecoms provider do not, perhaps, invite an obvious comparison. At least they didn't until Sharon White — chief executive of BT's regulator, Ofcom — chose to draw one, two weeks ago: "Incumbents face a choice in my view: fibre-up or risk fading away. History is strewn with once-successful companies that failed to anticipate and act on shifts in customer demands and to innovate. Think Kodak . . . "

This potential similarity was arguably reprinted on investors' minds by BT's strategy announcement yesterday. It only highlighted the fact that the telecoms provider — like the photographic group — had previously chosen to spend billions on a non-core business when many were urging investment in core technologies, such as fibre connectivity. But that left it having to refocus itself fast — like Kodak — with shareholders and employees paying the price. BT said dividends would be frozen for three years, and a net 7,000 jobs lost. Kodak ended up cutting its workforce and its dividend in the 1990s and 2000s.

Kodak had more of an excuse. It entered a joint venture with Apple to develop a digital camera in 1994, but not even its partner foresaw the technological revolution coming in the shape of smartphone cameras. BT — which until 2005 owned a mobile phone operator and in 2015 spent £12.5bn buying another one — can hardly claim fixed and mobile telecoms convergence was impossible to predict.

That makes the £5bn it has spent on BT Sport TV rights as hard to justify as the $5bn Kodak spent on Sterling's pharmaceuticals. In fact, BT's outlay on sports spending to date is more than the £3.7bn of capital expenditure it has allocated this year to connect fibre to 10m premises. It is also more than the £4.4bn it is paying into its pension schemes by 2020, to reduce an £11bn funding deficit.

BT does have some valid excuses for its investment priorities, though.

Sports spending did increase revenues in its consumer division — at one time, the group's sole growth area — boosting cash, retaining customers and thereby generating a low teens return on investment that ensured it paid for itself.

Fibre investment was not necessarily a viable alternative use of the money, either, as market conditions were not right to justify it. BT suggests it has taken until now for customer demand, cost effective engineering methods and support from other telecoms providers to come together and make the investment case.

Nor could pension contributions be sensibly increased until BT had reached a deal with employees on closing its expensive defined benefit scheme and moving to new hybrid arrangements, and a triennial review completed. All that has now happened and BT is clearing 36 per cent of the deficit in the next three years, rather than 30 per cent under the old plan.

Shareholders might have liked the picture a little better had there been as good an excuse for the dividend freeze.

Dividends cost BT £1.5bn but it has decided to stop increasing them while finding £1.2bn for European football. Mr Patterson said it was because of "current market and regulatory headwinds and our investment plans". However, Kodak was still blaming market conditions — "rising silver and aluminium costs" — and increased investment in "ink-jet printer products" as recently as 2008.

BT may be nowhere near a Kodak moment. But it does need regulators to believe nothing like one could develop.

Paying heed on pay

Metro Bank's recent annual general meeting raised several questions — and suggested one answer. How could 96 per cent of votes be cast in favour of the chairman's re-election when shareholder advisory group Glass Lewis had expressly criticised million-pound payments to his wife's design agency? Given Metro's less than innovative logo and colour scheme, what exactly was being paid for? And if shareholders are going to ignore advisers, for how much longer will they be paid? News that Manifest, adviser to shareholders controlling $1tn, had gone into administration made the answer seem: perhaps not much longer.

Thankfully, for those advisers and for guardians of corporate governance, yesterday's spate of protest votes — at Melrose, Direct Line, SIG and Robinson — show that voting recommendations are still being heeded. Importantly, too, Manifest is back in business, so there are more than just one or two voices for investors to heed.

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Annual meetings

Businesses suffer series of revolts by shareholders

Melrose Industries, SIG, Robinson and Direct Line caught up in day of protest

ATTRACTA MOONEY, MICHAEL POOLER AND OLIVER RALPH

UK businesses suffered a series of shareholder rebellions yesterday as investors rejected the reappointment of auditors at building materials group SIG, the re-election of the chairman at plastics manufacturer Robinson and protested over high executive pay at turnround specialist Melrose Industries and insurance company Direct Line.

More than 78 per cent of investors voted against Deloitte's reappointment at SIG, in a move one corporate governance expert described as "unprecedented". The rebellion came just months after the company admitted repeatedly overstating its profits in previous years.

Melrose, the company behind the £8bn hostile takeover of UK engineer GKN, was hit by a shareholder protest after it handed more than £40m each to its four top executives.

Almost a quarter of investors — 22.87 per cent — rejected the company's remuneration report. Including abstentions, more than 25 per cent did so. Any vote of 20 per cent or more against a resolution counts as a significant shareholder protest.

At Direct Line, more than 23 per cent of votes cast went against the company's pay report, following recommendations from shareholder advisory groups Glass Lewis and ISS.

Penny James, who became chief financial officer this year, has a salary of £657,000, which is 38 per cent more than her predecessor John Reizenstein. Ms James was also given a one-off award to compensate for the loss of bonuses from her previous job.

Outsourcer Serco, wealth management company Rathbones and TP ICAP, the world's largest interdealer broker, also suffered smaller rebellions on pay yesterday, with at least 10 per cent of their shareholders voting against their remuneration reports.

Robinson said investors had voted against the re-election of Richard Clothier as chairman. It added that its board had appointed Alan Raleigh, previously non-executive director, as chairman.

A vote against a chairman or auditor is a rare move by investors. Auditor re-election is usually one of the least controversial aspects of an annual meeting, with most of these resolutions gaining support of at least 95 per cent from shareholders.

SIG's board said it would carry out a tender for a new auditor, following the vote. "The board intends to consult with shareholders over coming weeks on the timing of that audit tender process and the resulting appointment of a new auditor," it added.

Deloitte said: "While we are disappointed in the outcome, we recognise the right of shareholders to exercise their view. As a result of the vote we ceased to hold office as auditor to SIG plc at the end of the AGM."

In February, SIG said it had discovered profit misstatements after a whistleblowing allegation about irregularities at its core UK insulation and exteriors business.

Charlie Bibby

Share debacle
Aviva chief risks hit to bonus

Aviva chief executive Mark Wilson risks losing some of this year's bonus because of a controversy over the company's suggestion that it could cancel £450m of preference shares.

Many investors had considered the preference shares, which offer investors fixed dividends that take priority over ordinary share dividends, irredeemable.

The insurer's suggestion in March that it could cancel the shares prompted a plunge in their prices, an outcry from investors and a probe from the Financial Conduct Authority. A fortnight later, Aviva pulled the plan.

Last week, the company promised to make goodwill payments of £14m to people who had lost money because of changes in the preference share price.

At an often ill-tempered annual meeting in London yesterday, Adrian Montague, chairman, said that "the remuneration committee will look at the whole situation when it comes to this year's [long-term investment plans] and bonus arrangements . . . if there are reputational implications to actions taken during the year, that will be taken into account in assessing management's entitlement to bonus". *Oliver Ralph*

Financial services

Beaufort Securities clients angered at PwC bill

KATE BEIOLEY

Customers of collapsed UK stockbroker Beaufort Securities clashed with administrators PwC yesterday over its plans to use client funds to pay the insolvency bill, which could top £100m.

At a fiery meeting in London, PwC rejected a proposal from customers and creditors to cap administration and legal fees at £35m.

PwC held to its worst-case estimate of £100m in costs to return the £550m in assets and cash to Beaufort clients, although it forecast the likely eventual cost to be in the tens of millions. Client assets will be used to cover the cost of insolvency proceedings and irate investors have criticised the scale of the bill.

The rejection angered many of the 200 to 300 people at the meeting convened to vote on PwC's proposals to wind down the former broker closed by the UK regulator in March.

Hours after it was put into insolvency, the US Department of Justice brought criminal charges against Beaufort and several employees for allegedly manipulating US penny stocks via "pump-and-dump" schemes and orchestrating money-laundering.

PwC said no former Beaufort directors were at the meeting, and revealed that £6m had been spent so far on the administration. It estimated that costs were likely to be £20m by September, when PwC may distribute some funds, according to two people present.

"People were furious," said Beaufort customer Anthony Breton. "It was very hard to find anyone in the room who was voting for the proposals, but people are confused too. They were very frightened by PwC telling them it could take longer and cost more if we rejected them."

The results of the vote were expected today. It could result in a return to the courts to appoint a new administrator if PwC's proposals are rejected. Customers have until June 8 to confirm their claims to assets via an online portal.

PwC has written down the value of the assets recoverable from £800m to £500m, after discovering a "number of highly illiquid and potentially nil value positions".

Some 700 clients with portfolios of more than £150,000 could lose up to 40 per cent of their ringfenced assets. Customers can claim from the Financial Services Compensation Scheme but only to a maximum value of £50,000.

Retail

House of Fraser racks up loss

JONATHAN ELEY

House of Fraser had a net loss of £37m in 2017, according to documents released in connection with the acquisition of a controlling stake in the department store group by Hong Kong-listed C.banner International.

Earnings before interest, tax, depreciation and amortisation in the year to end-December were £24m, less than half the £51.6m reported in 2016. Revenue fell from £841m in 2016 to £788m.

In a statement to the Hong Kong Stock Exchange, the department store said the Brexit vote and terror attacks in London "resulted in a difficult trading environment" in UK retailing.

The figures are from the House of Fraser Group, which comprises the UK operating company and the brand's activities in China. They include the start-up costs of two stores in China and a licensing payment to the UK chain for use of the name, plus £25m in proceeds from the sale of some in-house brands. Results for House of Fraser UK have not yet been released.

C.banner, primarily known as a footwear maker, House of Fraseris acquiring 34 per cent of House of Fraser Group from Nanjing Xinjiekou Department Store for £71.6m and subscribing to £70m of new House of Fraser Group shares, giving it a total stake of 51 per cent. The transaction values the group at £278m, compared with the £480m that Nanjing Xiejiekou paid for 89 per cent of the UK chain in 2014.

The transaction is conditional on a restructuring plan that includes a company voluntary agreement.

City Insider

Edited by Patrick Jenkins
patrick.jenkins@ft.com

Martin Gilbert
Circus act

Martin Gilbert is a man used to complicated relationships. For a year he has juggled the challenges of being co-chief alongside Keith Skeoch at recently merged Standard Life Aberdeen. Over at Sky, as deputy chairman, he's had to deal with an attempt by Rupert Murdoch to buy the pay-TV company where the mogul's son is chairman, and more recently has been caught in an M&A power struggle. At the same time he's been wrestling with how to deliver on his pledge to give up one of his non-exec directorships within the month: abandoning Sky in its hour of need or ditching Glencore after only a year. All this pales, though, after Lloyds in February pulled a contract that allowed SLA to run £110bn for Scottish Widows, the pensions and savings arm of Lloyds, over competition concerns. But Gilbert isn't one to walk away without a fuss. This week he suggested counselling or "dispute resolution" but so far the bank has seemed in no mood to make up. But Gilbert, married for nigh-on 36 years to a Cambridge radiology professor, is the consummate relationship manager. It may be unwise to bet against him.

Norman Blackwell
Positive contribution

Talking of Lloyds, Norman Blackwell, the bank's chairman, has been stoking controversy again. In an FT opinion article this week, the arch Eurosceptic exhorted us all to think positively about Brexit and take an "optimistic view of Britain's future" rather than be "entrenched in a negative outlook". He was duly flooded with hundreds of reader comments that seemed pretty, er, entrenched in a negative outlook. Silence from within Lloyds — not least from the office of pro-European chief exec António Horta-Osório. The two first clashed on the topic back before the 2016 referendum, though they swear it hasn't affected their working relationship. Among the reader comments are a few that question Lord Blackwell's role as Lloyds chairman. But no one has brought up the last chairman's role he had — at Interserve — up until shortly before the vote. The outsourcer that last month saw losses balloon to £244m has been suffering from some Carillion-like pressures — including clients not renewing contracts due to Brexit doubts. Hopefully not an omen for Lloyds.

Garth Richie
Mixed messages

Spare a thought for the young blood going into Deutsche Bank's equities division. The German bank doubled this year's graduate hires for equities, wooing most of the recruits before it hastily changed CEO and signalled cuts at its global equities business last month. Deutsche's new CEO Christian Sewing has spoken about the need for cuts and restructuring, and singled out global equities, run from Deutsche's US HQ on Wall Street, as a segment to "review". New investment bank boss Garth Ritchie was notably absent from that announcement. The grads are still slated to join in June despite the division's unclear future. If they're after a thrilling ride, they're unlikely to be disappointed.

Clydesdale
Virgin bride

City rainmakers are unlikely to get to celebrate a merger that creates the Co-operative Virgin — a deal that was on the cards in 2017, after years of crisis at the Co-op. Sadly for the hapless, the Clydesdale Virgin just doesn't have the same ring. So what fate awaits the still troubled Co-op? Maybe TSB could buy it, once it's sorted out its own computer problems? Then again, combining two Total Shambles Banks may be a bad idea.

MARKET DATA

WORLD MARKETS AT A GLANCE

FT.COM/MARKETSDATA

Change during previous day's trading (%)

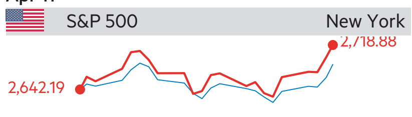
S&P 500	Nasdaq Composite	Dow Jones Ind	FTSE 100	FTSE Eurofirst 300	Nikkei	Hang Seng	FTSE All World $	$ per €	$ per £	¥ per $	£ per €	Oil Brent $ Sep	Gold $
0.78%	0.74%	0.79%	0.50%	-0.13%	0.39%	0.89%	0.85%	0.169%	-0.810%	-0.096%	1.031%	0.31%	0.55%

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

AMERICAS

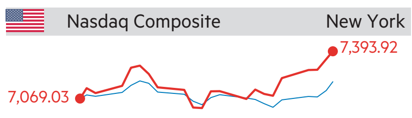
Apr 11 - May 10 — Index — All World

S&P 500 New York



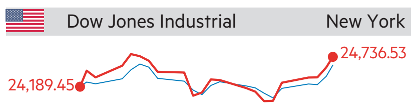
Day 0.78% Month 4.03% Year 13.41%

Nasdaq Composite New York



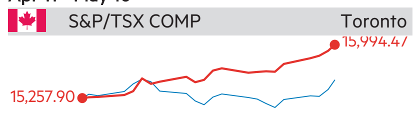
Day 0.74% Month 6.35% Year 20.77%

Dow Jones Industrial New York



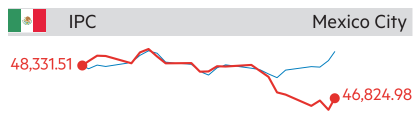
Day 0.79% Month 3.15% Year 17.92%

S&P/TSX COMP Toronto



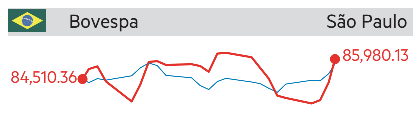
Day 0.53% Month 4.79% Year 2.30%

IPC Mexico City



Day 1.15% Month -3.11% Year -6.21%

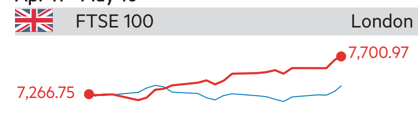
Bovespa São Paulo



Day 2.03% Month 1.64% Year 27.54%

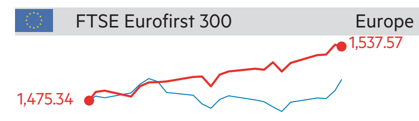
EUROPE

FTSE 100 London



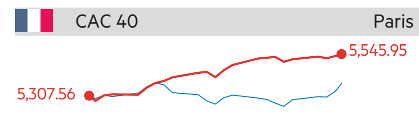
Day 0.50% Month 6.05% Year 4.35%

FTSE Eurofirst 300 Europe



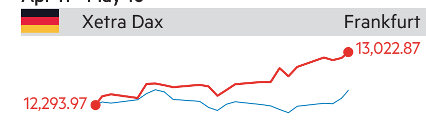
Day -0.13% Month 3.60% Year -1.23%

CAC 40 Paris



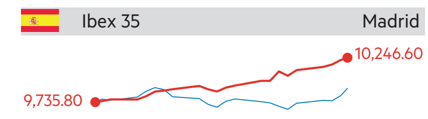
Day 0.20% Month 5.37% Year 2.74%

Xetra Dax Frankfurt



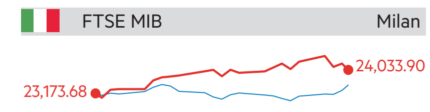
Day 0.62% Month 2.62% Year NaN%

Ibex 35 Madrid



Day 0.25% Month 5.17% Year -7.26%

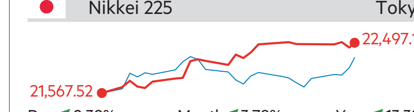
FTSE MIB Milan



Day -0.96% Month 3.71% Year 11.51%

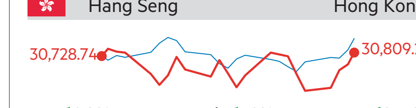
ASIA

Nikkei 225 Tokyo



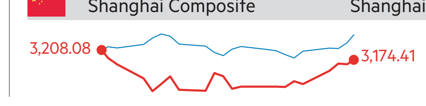
Day 0.39% Month 3.78% Year 13.38%

Hang Seng Hong Kong



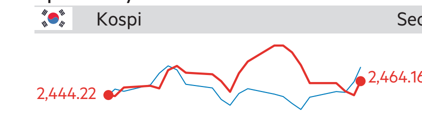
Day 0.89% Month 1.92% Year 23.79%

Shanghai Composite Shanghai



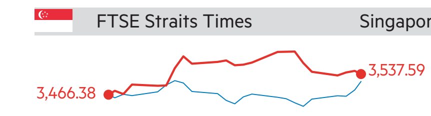
Day 0.49% Month 1.15% Year 3.05%

Kospi Seoul



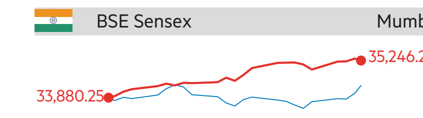
Day 0.83% Month 0.82% Year 7.48%

FTSE Straits Times Singapore



Day -0.31% Month 2.54% Year 8.85%

BSE Sensex Mumbai



Day -0.21% Month 4.31% Year 17.75%

Country	Index	Latest	Previous
Argentina	Merval	28989.48	27907.92
Australia	All Ordinaries	6215.90	6204.40
	S&P/ASX 200	6118.70	6108.00
	S&P/ASX 200 Res	4414.80	4348.90
Austria	ATX	3500.16	3459.33
Belgium	BEL 20	3884.54	3893.00
	BEL Mid	7381.44	7346.42
Brazil	Bovespa	85980.13	84265.49
Canada	S&P/TSX 60	947.08	942.22
	S&P/TSX Comp	15994.47	15910.81
	S&P/TSX Div Met & Min	982.47	948.24
Chile	IGPA Gen	28732.41	28569.87
China	FTSE A200	10158.23	10105.59
	FTSE B35	9000.71	8988.96
	Shanghai A	3324.64	3308.45
	Shanghai B	322.00	320.91
	Shanghai Comp	3174.41	3158.97
	Shenzhen A	1928.72	1918.81
	Shenzhen B	1101.24	1095.11
Colombia	COLCAP	1558.46	1547.04
Croatia	CROBEX	1831.08	1821.36
Cyprus	CSE M&P Gen	68.68	68.68
Czech Republic	PX	1096.38	1093.01
Denmark	OMXC Copenahgen 20	1006.88	1011.18
Egypt	EGX 30	17460.30	17494.27
Estonia	OMX Tallinn	1259.59	1244.64
Finland	OMX Helsinki General	10136.86	10141.52
France	CAC 40	5545.95	5534.62
	SBF 120	4435.67	4426.58
Germany	M-DAX	26742.40	26681.62
	TecDAX	2787.23	2773.40
	XETRA Dax	13027.87	12943.06
Greece	Athens Gen	817.66	818.67
	FTSE/ASE 20	2139.38	2131.71
Hong Kong	Hang Seng	30809.22	30536.14
	HS China Enterprise	12233.96	12185.44
	HSCC Red Chip	4574.68	4563.44
Hungary	Bux	36740.21	36588.26
India	BSE Sensex	35246.27	35319.35
	Nifty 500	9360.95	9418.90
Indonesia	Jakarta Comp	5885.10	5994.60
Ireland	ISEQ Overall	6991.39	6983.53
Israel	Tel Aviv 125	1323.12	1334.32
Italy	FTSE Italia All-Share	26350.89	26592.98
	FTSE Italia Mid Cap	43732.68	43998.32
	FTSE MIB	24033.90	24266.56
Japan	2nd Section	7112.90	7123.36
	Nikkei 225	22497.18	22408.88
	S&P Topix 150	1428.43	1424.13
	Topix	1777.82	1772.91
Jordan	Amman SE	2140.07	2161.21
Kenya	NSE 20	3658.91	3699.78
Kuwait	KSX Market Index	6633.44	6603.51
Latvia	OMX Riga	1047.75	1046.94
Lithuania	OMX Vilnius	708.32	707.14
Luxembourg	LuxX	1667.50	1653.43
Malaysia	FTSE Bursa KLCI	1845.51	1828.20
Mexico	IPC	46824.98	46294.43
Morocco	MASI	12937.57	12935.46
Netherlands	AEX	562.18	561.50
	AEX All Share	831.42	831.33
New Zealand	NZX 50	8637.72	8619.83
Nigeria	SE All Share	41155.80	41172.82
Norway	Oslo All Share	999.23	991.49
Pakistan	KSE 100	43855.78	43795.00
Philippines	Manila Comp	7571.00	7555.27
Poland	Wig	60118.59	59691.85
Portugal	PSI 20	5559.62	5550.38
	PSI General	3146.68	3134.58
Romania	BET Index	8808.23	8750.27
Russia	Micex Index	2285.53	2285.76
	RTX	1175.27	1142.13
Saudi-Arabia	TADAWUL All Share Index	7878.29	8012.59
Singapore	FTSE Straits Times	3537.59	3548.54
Slovakia	SAX	336.71	332.84
Slovenia	SBI TOP	847.13	843.70
South Africa	FTSE/JSE All Share	58005.62	57915.13
	FTSE/JSE Res 20	38564.25	38698.45
	FTSE/JSE Top 40	51493.07	51279.36
South Korea	Kospi	2464.16	2443.98
	Kospi 200	317.31	314.42
Spain	IBEX 35	10246.60	10221.20
Sri Lanka	CSE All Share	6479.71	6483.65
Sweden	OMX Stockholm 30	1616.80	1608.94
	OMX Stockholm AS	589.15	587.91
Switzerland	SMI Index	8984.10	8944.90
Taiwan	Weighted Pr	10760.21	10703.35
Thailand	Bangkok SET	1746.89	1756.90
Turkey	BIST 100	116840.94	116315.98
UAE	Abu Dhabi General Index	4486.65	4479.49
UK	FT 30	3273.30	3263.50
	FTSE 100	7700.97	7662.52
	FTSE 4Good UK	6930.26	6891.33
	FTSE All Share	4228.42	4210.60
	FTSE techMARK 100	4650.38	4616.65
USA	DJ Composite	8244.19	8178.20
	DJ Industrial	24736.53	24542.54
	DJ Transport	10590.17	10507.88
	DJ Utilities	684.88	678.62
	Nasdaq 100	6943.84	6893.21
	Nasdaq Cmp	7393.92	7339.91
	NYSE Comp	12724.58	12632.49
	S&P 500	2718.89	2697.79
	Wilshire 5000	28292.82	28078.62
Venezuela	IBC	17737.73	17550.52
Vietnam	VNI	1028.87	[illegible]
Cross-Border	DJ Global Titans ($)	305.57	303.65
	Euro Stoxx 50 (Eur)	3569.02	3569.74
	Euronext 100 ID	1070.39	1069.90
	FTSE 4Good Global ($)	6683.41	6623.20
	FTSE All World ($)	342.37	339.50
	FTSE E300	1537.57	1539.61
	FTSE Eurotop 100	2962.14	2966.76
	FTSE Global 100 ($)	1710.95	1696.74
	FTSE Gold Min ($)	1462.25	1457.82
	FTSE Latibex Top (Eur)	4559.40	4395.20
	FTSE Multinationals ($)	1973.64	1956.58
	FTSE World ($)	604.96	599.89
	FTSEurofirst 100 (Eur)	4380.78	4389.15
	FTSEurofirst 80 (Eur)	5007.60	5005.39
	MSCI ACWI Fr ($)	513.62	510.39
	MSCI All World ($)	2109.84	2095.07
	MSCI Europe (Eur)	1627.58	1619.26
	MSCI Pacific ($)	2838.26	2851.92
	S&P Euro (Eur)	1677.91	1677.24
	S&P Europe 350 (Eur)	1587.51	1584.84
	S&P Global 1200 ($)	2371.31	2354.29
	Stoxx 50 (Eur)	3133.99	3139.98

(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
Amazon.com	23.2	1608.38	0.38
Apple	22.9	189.77	2.41
Nvidia	22.6	258.30	2.52
Facebook	18.5	184.98	2.32
Booking Holdings	14.4	2063.68	-119.91
Alphabet	11.4	1100.12	11.17
Micron Technology	9.6	51.97	0.96
Alphabet	8.3	1093.41	10.65
Netflix	8.2	330.64	0.34
Bank Of America	6.8	30.99	0.27

BIGGEST MOVERS	Close price	Day's change	Day's chng%
Ups			
Centurylink	19.36	1.32	7.32
Envision Healthcare	43.23	2.52	6.19
Cardinal Health	55.52	2.76	5.23
Discovery	23.35	1.07	4.78
Dentsply Sirona	46.69	2.11	4.73
Downs			
L Brands	31.03	-3.09	-9.05
Booking Holdings	2063.68	-119.91	-5.49
Technipfmc	31.69	-1.82	-5.43
Albemarle	98.34	-3.41	-3.35
Macy's	29.13	-1.01	-3.35

Based on the constituents of the S&P500

LONDON

ACTIVE STOCKS	stock traded m's	close price	Day's change
Royal Dutch Shell	313.7	2693.00	-29.00
Bp	241.8	564.00	-8.00
Hsbc Holdings	236.0	731.70	12.20
Bt	222.2	221.05	-17.55
Royal Bank Of Scotland Group	229.3	286.50	10.40
Shire	193.7	4061.50	83.50
Lloyds Banking Group	167.6	66.86	0.32
Royal Dutch Shell	143.3	2633.50	0.00
Next	141.1	5568.00	322.00
Astrazeneca	140.7	5252.00	-5.00

BIGGEST MOVERS	Close price	Day's change	Day's chng%
Ups			
Next	5568.00	322.00	6.14
Itv	160.35	9.15	6.05
Equiniti	287.00	13.00	4.74
Kaz Minerals	1019.00	38.00	3.87
Royal Bank Of Scotland Group	286.50	10.40	3.77
Downs			
Capita	128.55	-71.65	-35.79
Superdry	1250.00	-300.00	-19.35
On The Beach	545.00	-105.00	-16.15
Bt	221.05	-17.55	-7.36
Tp Icap	447.20	-33.70	-7.01

Based on the constituents of the FTSE 350 index

EURO MARKETS

ACTIVE STOCKS	stock traded m's	close price	Day's change
Unicredit	398.3	17.86	0.32
Intesa Sanpaolo	358.4	3.13	-0.03
Nestle N	355.6	65.01	0.50
Royal Dutch Shella	285.6	29.91	0.14
Enel	285.0	5.07	-0.17
Eni	270.8	16.41	-0.28
[illegible]	268.2	115.90	1.30
Ab Inbev	240.6	79.86	-2.86
Novartis N	237.7	65.26	-0.02
Basf Se Na O.n.	222.6	87.38	1.24

BIGGEST MOVERS	Close price	Day's change	Day's chng%
Ups			
Statoil	22.41	0.69	3.17
Coloplast B A/s	79.81	2.44	3.16
Edf	12.22	0.36	3.04
Swedbank Ab Ser A	18.96	0.52	2.84
Omv Ag	54.50	1.28	2.41
Downs			
Aegon	5.78	-0.25	-4.08
Skanska Ab Ser. B	16.12	-0.66	-3.93
Telecom Italia	0.80	-0.03	-3.86
Ab Inbev	79.86	-2.86	-3.46
Heidelbergcement Ag O.n.	81.08	-2.88	-3.42

Based on the constituents of the FTSEurofirst 300 Eurozone index

TOKYO

ACTIVE STOCKS	stock traded m's	close price	Day's change
Toyota Motor	1114.8	7592.00	168.00
Takeda Pharmaceutical	497.5	4621.00	92.00
Softbank	425.3	8355.00	-200.00
Tokai Carbon Co.,	399.1	1729.00	126.00
Mitsubishi Ufj Fin.,	284.4	719.00	2.20
Sumco	250.9	2847.00	107.00
Showa Denko K.k.	240.4	4255.00	210.00
Fanuc	231.0	23030.00	-385.00
Tokyo Electric Power ,orporated	218.0	545.00	-2.00
Sony	210.1	5109.00	-29.00

BIGGEST MOVERS	Close price	Day's change	Day's chng%
Ups			
Mitsubishi Motors	858.00	74.00	9.44
Isetan Mitsukoshi Holdings	1322.00	113.00	9.35
Tokai Carbon Co.,	1729.00	126.00	7.86
Denki Kagaku Kogyo Kabushiki Kaisha	4195.00	250.00	6.34
Ihi	3930.00	225.00	6.07
Downs			
Konica Minolta	1865.00	-324.00	-14.80
Furukawa Electric Co.,	4815.00	-525.00	-9.83
Nisshinbo Holdings.	1478.00	-117.00	-7.34
Jgc	2506.00	-146.00	-5.51
Toray Industries,.	943.00	-51.40	-5.17

Based on the constituents of the Nikkei 225 index

UK MARKET WINNERS AND LOSERS

FTSE 100	May 10 price(p)	%Chg week	%Chg ytd
Winners			
Pearson	920.40	10.9	25.3
Ashtead	2232.00	8.8	13.5
Int Consolidated Airlines S.a.	693.20	8.2	3.6
Imperial Brands	2795.50	7.7	-11.4
Next	5568.00	7.5	23.7
Bhp Billiton	1669.40	7.2	9.2
Itv	160.35	6.8	-4.4
Royal Bank Of Scotland	286.50	6.7	3.3
Kingfisher	297.30	6.6	-13.4
Sage	672.80	6.2	-14.6
Scottish Mortgage Investment Trust	511.00	6.1	14.0
Mondi	2007.00	5.9	3.8
Losers			
Randgold Resources Ld	5674.00	-7.1	-23.8
Centrica	146.50	-5.0	3.8
Bt	221.05	-4.8	-19.6
Compass	1516.00	-2.7	4.1
Burberry	1792.00	-2.3	0.5
Sky	1350.50	-1.1	32.9
Land Securities	976.10	-0.7	-1.9
Rolls-royce Holdings	824.60	-0.7	-2.1
Barratt Developments	558.40	-0.5	-14.5
Unilever	4140.00	-0.4	[illegible]
National Grid	843.90	-0.2	[illegible]
Informa	755.20	-0.2	4.7

FTSE 250	May 10 price(p)	%Chg week	%Chg ytd
Winners			
Fidelity China Special Situations	252.00	5.7	4.3
Greencore	162.05	4.5	-27.7
Monks Investment Trust	823.00	4.7	8.4
[illegible]	406.50	4.5	1.1
Polar Capital Technology Trust	1214.00	5.0	7.1
Drax	325.40	4.0	19.5
Worldwide Healthcare Trust	2525.00	3.9	0.2
Witan Investment Trust	1094.00	3.8	1.7
Bakkavor	188.00	5.0	-2.6
Finsbury Growth & Ome Trust	792.00	3.3	2.9
Schroder Asiapacific Fund	461.00	3.1	-1.9
Caledonia Investments	2780.00	3.0	-0.9
Losers			
Capita	128.55	-35.4	-68.6
Superdry	1250.00	-16.3	-36.9
Greggs	1066.00	-13.5	-22.8
Firstgroup	101.80	-7.7	-6.4
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
Mitchells & Butlers	268.80	-3.1	-4.3
[illegible]	[illegible]	[illegible]	[illegible]
Millennium & Copthorne Hotels	545.00	-2.9	5.9
Ted Baker	2658.00	-1.7	-3.8
Genus	2516.00	-2.2	1.2
Polymetal International	710.00	-1.8	-23.0
Ti Fluid Systems	246.00	-3.9	-2.6

FTSE SmallCap	May 10 price(p)	%Chg week	%Chg ytd
Winners			
Nanoco	48.10	11.3	87.2
Premier Oil	104.50	9.7	36.8
Medica	128.00	9.4	-36.6
Kenmare Resources	240.00	9.1	-14.6
Wandisco	273.50	8.5	15.9
Treatt	488.00	7.3	8.2
Circassia Pharmaceuticals	88.40	0.6	-10.3
Allianz Technology Trust	1410.00	8.3	22.1
Connect	58.00	6.4	-47.9
Enquest	37.65	6.1	27.2
Edinburgh Worldwide Investment Trust	836.00	7.2	10.3
Jupiter Us Smaller Companies	946.00	5.7	6.9
Losers			
Reach	86.90	[illegible]	[illegible]
Lonmin	49.22	-16.2	-41.1
Interserve	77.00	-13.5	-22.4
Debenhams	21.82	-11.3	-37.9
[illegible]	320.00	-12.6	-18.5
Carclo	90.90	-6.3	-27.3
Allied Minds	115.40	-8.6	-30.1
Hostelworld	402.50	-3.6	5.9
Dp Eurasia N.v.	180.00	-4.7	-16.1
Biffa	198.00	-6.9	-22.8
Lamprell	94.00	-2.0	21.4
Moss Bros	46.00	-6.1	-47.4

Industry Sectors	May 10 price(p)	%Chg week	%Chg ytd
Winners			
Electronic & Electrical Equip.	6977.90	6.3	6.2
Forestry & Paper	22593.80	5.9	8.6
Oil Equipment & Services	13382.13	4.9	4.1
Industrial Engineering	13400.96	4.7	7.2
Mining	19270.59	4.7	3.0
Chemicals	15447.56	4.5	9.3
Oil & Gas Producers	9668.94	3.8	7.6
General Retailers	2502.04	3.8	-1.6
Software & Computer Services	1877.71	3.8	
Personal Goods	36071.76	3.4	-0.5
Support Services	8048.49	3.2	0.5
Food Producers	7674.57	3.1	-7.6
Losers			
Fixed Line Telecommunication	2570.44	-4.6	-
Automobiles & Parts	9948.25	-3.1	34.7
Gas Water & Multiutilities	5022.73	-0.7	-2.9
Mobile Telecommunications	4605.84	0.6	-
Aerospace & Defense	5045.14	0.6	0.3
Real Estate & Investment Service	2900.18	0.8	-0.9
Travel & Leisure	10076.47	0.9	1.3
Real Estate Investment Trusts	3186.41	1.2	0.8
Health Care Equip & Services	8072.02	1.2	6.5
Electricity	8254.15	1.2	6.6
Food & Drug Retailers	3803.94	1.3	16.5
Nonlife Insurance	3262.65	1.4	1.2

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

CURRENCIES

May 10	Currency	DOLLAR Closing Mid	Day's Change	EURO Closing Mid	Day's Change	POUND Closing Mid	Day's Change
Argentina	Argentine Peso	22.7305	0.1305	27.0026	0.2091	30.6155	-0.0731
Australia	Australian Dollar	1.3336	-0.0068	1.5842	-0.0049	1.7962	-0.0239
Bahrain	Bahrainin Dinar	0.3772	-	0.4480	0.0009	0.5080	-0.0042
Bolivia	Bolivian Boliviano	6.9100	-	8.2087	0.0165	9.3070	-0.0761
Brazil	Brazilian Real	3.5587	-0.0383	4.2275	-0.0369	4.7932	-0.0913
Canada	Canadian Dollar	1.2813	-0.0052	1.5221	-0.0031	1.7257	-0.0212
Chile	Chilean Peso	626.4650	-5.7100	744.2058	-5.2696	843.7807	-14.6512
China	Chinese Yuan	6.3633	-0.0150	7.5592	-0.0025	8.5707	-0.0904
Colombia	Colombian Peso	2825.0500	-23.9950	3356.0043	-21.6826	3805.0375	-63.6874
Costa Rica	Costa Rican Colon	566.1450	-0.0300	672.5490	1.3199	762.5362	-6.2741
Czech Republic	Czech Koruna	21.4572	-0.1366	25.4899	-0.1106	28.9005	-0.4217
Denmark	Danish Krone	6.2713	-0.0129	7.4500	-0.0003	8.4468	-0.0866
Egypt	Egyptian Pound	17.7000	-0.0455	21.0266	-0.0116	23.8400	-0.2567
Hong Kong	Hong Kong Dollar	7.8498	-	9.3252	0.0188	10.5729	-0.0864
Hungary	Hungarian Forint	264.8092	-1.1771	314.5786	-0.7615	356.6693	-4.5140
India	Indian Rupee	67.2900	0.0037	79.9368	0.1656	90.6324	-0.7358
Indonesia	Indonesian Rupiah	14079.0000	-	16725.0930	33.7231	18962.9180	-155.1316
Israel	Israeli Shekel	3.5733	-0.0163	4.2448	-0.0108	4.8128	-0.0615
Japan	Japanese Yen	109.5850	-0.1050	130.1809	0.1379	147.5992	-1.3491
..One Month		109.5848	-0.1054	130.1810	0.1379	147.5991	-1.3493
..Three Month		109.5843	-0.1064	130.1810	0.1381	147.5989	-1.3497
..One Year		109.5819	-0.1112	130.1812	0.1384	147.5991	-1.3508
Kenya	Kenyan Shilling	100.4500	-0.2000	119.3290	0.0034	135.2953	-1.3776
Kuwait	Kuwaiti Dinar	0.3017	0.0002	0.3584	0.0009	0.4064	-0.0031
Malaysia	Malaysian Ringgit	3.9505	-	4.6930	0.0095	5.3209	-0.0435
Mexico	Mexican Peson	19.3575	-0.1660	22.9956	-0.1505	26.0725	-0.4385
New Zealand	New Zealand Dollar	1.4410	0.0097	1.7119	0.0149	1.9409	-0.0027
Nigeria	Nigerian Naira	361.5000	-	429.4420	0.8655	486.9015	-3.9802
Norway	Norwegian Krone	8.0280	-0.0496	9.5369	-0.0395	10.8129	-0.1557
Pakistan	Pakistani Rupee	115.5850	-	137.3086	0.2767	155.6805	-1.2726
Peru	Peruvian Nuevo Sol	3.2786	-0.0139	3.8948	-0.0086	4.4159	-0.0550
Philippines	Philippine Peso	51.8350	-0.1945	61.5771	-0.1065	69.8161	-0.8348
Poland	Polish Zloty	3.5756	-0.0248	4.2476	-0.0208	4.8159	-0.0730
Romania	Romanian Leu	3.9059	-0.0122	4.6400	-0.0051	5.2608	-0.0596
Russia	Russian Ruble	61.9832	-1.0288	73.6326	-1.0712	83.4846	[illegible]
Saudi Arabia	Saudi Riyal	3.7504	0.0001	4.4552	0.0091	5.0513	-0.0412
Singapore	Singapore Dollar	1.3411	-0.0010	1.5931	0.0020	1.8062	-0.0161
South Africa	South African Rand	12.3875	-0.1950	14.7157	-0.2015	16.6846	-0.4012
South Korea	South Korean Won	1073.1000	-7.7500	1274.7835	-6.6188	1445.3499	-22.3390
Sweden	Swedish Krona	8.6758	-0.0321	10.3064	-0.0173	11.6854	-0.1392
Switzerland	Swiss Franc	1.0040	-0.0004	1.1926	0.0020	1.3522	-0.0115
Taiwan	New Taiwan Dollar	29.8730	-0.0580	35.4875	0.0028	40.2357	-0.4077
Thailand	Thai Baht	32.0600	-0.0200	38.0855	0.0530	43.1814	-0.3801
Tunisia	Tunisian Dinar	2.4982	-0.0070	2.9677	-0.0023	3.3647	-0.0369
Turkey	Turkish Lira	4.2527	-0.0148	5.0520	-0.0074	5.7279	-0.0669
United Arab Emirates	UAE Dirham	3.6732	-	4.3635	0.0088	4.9473	-0.0404
United Kingdom	Pound Sterling	0.7425	0.0060	0.8820	0.0089	-	-
..One Month		0.7426	0.0060	0.8819	0.0089	-	-
..Three Month		0.7430	0.0060	0.8818	0.0089		
..One Year		0.7449	0.0060	0.8809	0.0090		
United States	United States Dollar	-	-	1.1879	0.0024	1.3469	-0.0110
..One Month		-	-	1.1877	-0.1700	1.3471	-0.0110
..Three Month		-	-	1.1871	-0.1699	1.3475	-0.0110
..One Year		-	-	1.1843	-0.1699	1.3494	-0.0110
Venezuela	Venezuelan Bolivar Fuerte	69920.0000	100.0000	83061.0960	285.9594	94174.6919	-634.0476
Vietnam	Vietnamese Dong	22770.0000	-7.0000	27049.5439	46.2360	30668.8258	-260.1891
European Union	Euro	0.8418	-0.0017	-	-	1.1338	-0.0116
..One Month		0.8415	-0.0017	-	-	1.1337	-0.0116
..Three Month		0.8410	-0.0017	-	-	1.1336	-0.0116
..One Year		0.8381	-0.0017	-	-	1.1327	-0.0115

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 May 10	Day's chge%	Euro Index	£ Strlg May 09	£ Strlg May 08	Year ago	Div yield%	Cover	P/E ratio	X/D adj	Total Return
FTSE 100 (100)	7700.97	0.50	6807.15	7662.52	7565.75	7386.63	3.81	1.89	13.90	132.21	6650.40
FTSE 250 (250)	20699.41	0.08	18296.92	20681.95	20594.72	19795.69	2.66	2.44	15.36	200.78	15374.14
FTSE 250 ex Inv Co (198)	22259.22	-0.01	19675.68	22261.17	22166.96	21232.39	2.75	1.95	18.61	222.03	16875.78
FTSE 350 (350)	4282.37	0.43	3785.33	4263.98	4216.16	4105.38	3.62	1.96	14.12	68.10	7413.11
FTSE 350 ex Investment Trusts (297)	4245.34	0.42	3752.60	4227.55	4179.20	4071.15	3.66	1.88	14.50	68.58	3787.50
FTSE 350 Higher Yield (109)	3923.97	0.11	3468.53	3919.83	3850.50	3807.54	4.83	1.63	12.73	80.24	7195.62
FTSE 350 Lower Yield (241)	4240.60	0.79	3748.41	4207.40	4190.10	4012.48	2.29	2.72	16.03	46.51	4743.23
FTSE SmallCap (283)	5965.74	0.20	5273.32	5953.64	5924.74	5610.88	3.09	2.82	11.46	64.17	8754.58
FTSE SmallCap ex Inv Co (155)	5200.69	0.02	4597.07	5199.59	5177.64	5024.67	3.06	1.51	21.59	52.22	8018.35
FTSE All-Share (633)	4228.42	0.42	3737.64	4210.60	4164.36	4050.64	3.60	1.98	14.00	66.44	7398.30
FTSE All-Share ex Inv Co (452)	4166.82	0.41	3683.20	4149.71	4102.88	3996.46	3.65	1.88	14.60	66.79	3777.21
FTSE All-Share ex Multinationals (566)	1286.66	0.30	942.63	1282.83	1275.47	1230.32	3.28	1.86	16.45	15.70	2367.18
FTSE Fledgling (93)	11032.07	0.21	9751.63	11009.26	10960.60	9946.83	2.72	2.75	13.35	100.44	21145.63
FTSE Fledgling ex Inv Co (46)	15972.28	-0.14	14118.44	15994.16	15914.65	14075.59	3.12	-0.64	-50.29	160.24	29956.64
FTSE All-Small (376)	4157.52	0.20	3674.97	4149.07	4129.03	3902.15	3.08	2.82	11.54	44.38	7831.12
FTSE All-Small ex Inv Co (201)	3910.88	0.02	3456.96	3910.28	3893.67	3765.51	3.06	1.43	22.78	39.28	7639.66
FTSE AIM All-Share (814)	1077.18	0.19	952.16	1075.13	1071.42	974.06	1.28	1.08	72.08	5.32	1199.26
FTSE Sector Indices											
Oil & Gas (14)	**10076.62**	**-0.75**	**8907.07**	**10152.98**	**9807.37**	**8271.54**	**4.86**	**0.85**	**24.10**	**239.47**	**9852.78**
Oil & Gas Producers (9)	9712.83	-0.77	8585.50	9787.75	9454.29	7899.38	4.89	0.86	23.76	231.18	9836.60
Oil Equipment Services & Distribution (5)	14153.96	-0.10	12511.17	14168.71	13706.50	16507.89	3.46	0.36	80.72	312.40	11418.89
Basic Materials (30)	**6567.29**	**1.60**	**5805.05**	**6463.82**	**6324.87**	**5051.53**	**3.72**	**2.17**	**12.38**	**146.01**	**6987.84**
Chemicals (9)	16443.91	0.88	14535.34	16300.82	16127.64	14342.04	1.85	2.21	24.43	98.13	14962.34
Forestry & Paper (1)	24653.98	0.30	21792.50	24580.28	24334.60	23507.06	2.76	3.12	11.63	463.33	27657.31
Industrial Metals & Mining (2)	5201.53	-0.92	4597.81	5249.93	5089.77	2399.63	7.45	1.85	7.25	173.38	5008.94
Mining (18)	18410.02	1.79	16273.25	18085.50	17667.21	13916.16	3.91	2.15	11.89	443.89	10280.11
Industrials (108)	**5674.36**	**0.63**	**5015.76**	**5638.58**	**5614.29**	**5447.64**	**2.30**	**2.30**	**18.92**	**51.05**	**5975.46**
Construction & Materials (15)	7058.31	0.10	6239.08	7051.04	7000.68	7302.76	2.25	0.70	63.72	101.84	7686.09
Aerospace & Defense (9)	5255.20	0.20	4645.25	5244.57	5256.74	5480.99	2.37	5.64	7.48	66.37	5761.81
General Industrials (7)	5614.82	0.85	4963.13	5567.71	5566.70	4900.54	2.68	1.28	29.26	62.49	6568.51
Electronic & Electrical Equipment (11)	8514.59	0.78	7526.34	8448.53	8273.47	7501.84	1.57	2.17	29.36	23.98	7864.26
Industrial Engineering (13)	14792.98	0.96	13076.02	14652.71	14499.49	12689.28	1.82	1.94	28.26	167.21	18433.57
Industrial Transportation (6)	5869.55	0.51	5188.30	5839.90	5823.56	4891.28	3.58	1.49	18.81	46.93	5424.14
Support Services (47)	7913.24	0.89	6994.79	7843.27	7813.49	7651.44	2.25	2.01	22.11	45.53	8361.07
Consumer Goods (42)	**20123.84**	**0.33**	**17788.15**	**20056.74**	**19809.44**	**22254.68**	**3.54**	**4.63**	**6.10**	**268.24**	**15342.25**
Automobiles & Parts (1)	9999.22	-4.65	8838.65	10486.99	10161.81	8262.76	0.47	0.00	0.00	181.68	9911.87
Beverages (5)	21434.04	0.56	18946.28	21315.02	21319.41	18456.55	2.35	1.93	22.00	184.00	15481.72
Food Producers (12)	7792.56	0.90	6888.11	7723.02	7690.06	8485.04	2.18	2.47	18.52	8.44	6808.59
Household Goods & Home Construction (15)	13785.72	-0.23	12185.67	13816.87	13761.18	15288.11	4.20	2.22	10.71	262.77	10117.61
Leisure Goods (2)	9125.86	0.22	8066.66	9105.90	9097.95	5705.97	5.48	1.14	16.04	157.83	8695.73
Personal Goods (5)	31446.02	0.82	27796.21	31190.00	31207.10	30934.39	2.97	3.22	10.45	418.04	21848.19
Tobacco (2)	43683.70	0.25	38613.51	43576.51	42137.41	59302.30	4.33	7.73	2.99	633.02	29310.76
Health Care (22)	**10117.31**	**0.25**	**8943.04**	**10091.91**	**10089.00**	**10377.97**	**3.38**	**1.06**	**27.90**	**198.76**	**8102.50**
Health Care Equipment & Services (10)	8183.15	0.38	7233.37	8152.53	8147.02	8238.11	1.51	2.45	27.06	68.90	7206.20
Pharmaceuticals & Biotechnology (12)	13572.66	0.24	11997.34	13540.76	13537.54	13954.11	3.63	0.98	28.01	286.36	9720.91
Consumer Services (93)	**5329.18**	**0.89**	**4710.64**	**5281.92**	**5300.39**	**5088.66**	**2.55**	**2.17**	**18.05**	**51.41**	**5122.16**
Food & Drug Retailers (6)	3969.39	1.09	3508.68	3926.76	3926.01	3093.02	1.08	2.98	31.09	2.83	4686.25
General Retailers (28)	2445.03	1.62	2161.25	2405.98	2387.99	2587.86	3.28	1.81	16.82	13.73	2865.81
Media (22)	8090.45	1.23	7151.43	7992.16	7986.48	7902.73	2.62	2.56	14.91	96.92	5122.24
Travel & Leisure (37)	9870.68	0.31	8725.03	9840.61	9958.84	9445.14	2.71	1.95	18.94	122.42	9596.83
Telecommunications (6)	**2951.71**	**-1.36**	**2609.11**	**2992.41**	**2975.25**	**3225.67**	**6.36**	**0.24**	**65.21**	**1.46**	**3435.45**
Fixed Line Telecommunications (4)	2643.73	-6.63	2336.88	2831.41	2809.34	3499.11	6.81	1.25	11.78	0.00	2510.65
Mobile Telecommunications (2)	4598.87	0.66	4065.10	4568.73	4546.15	4650.03	6.20	-0.15	-106.43	3.07	4815.99
Utilities (8)	**7277.66**	**-0.80**	**6432.97**	**7336.54**	**7280.42**	**8716.68**	**5.76**	**1.54**	**11.27**	**93.33**	**8644.96**
Electricity (3)	8235.41	-0.48	7279.56	8275.38	8153.82	8543.09	6.20	1.37	11.76	170.77	12547.35
Gas Water & Multiutilities (5)	6638.05	-0.91	5867.60	6698.68	6662.55	8279.75	5.62	1.60	11.12	69.15	7863.41
Financials (295)	**5417.47**	**0.84**	**4788.68**	**5372.54**	**5327.23**	**5101.67**	**3.48**	**1.99**	**14.44**	**92.53**	**5201.50**
Banks (11)	4455.97	1.47	3938.78	4391.44	4338.08	4267.48	3.93	1.22	20.80	83.31	3427.26
Nonlife Insurance (10)	3726.68	0.71	3294.14	3700.47	3707.78	3403.78	3.26	1.63	18.86	77.64	6804.99
Life Insurance/Assurance (9)	9388.48	0.30	8298.80	9360.84	9287.69	8529.38	3.62	1.47	18.80	227.67	9590.03
Real Estate Investment & Services (19)	2871.79	-0.01	2538.48	2872.16	2863.96	2781.27	2.54	2.59	15.18	24.53	7843.24
Real Estate Investment Trusts (34)	2872.06	-0.01	2538.71	2872.24	2864.08	2807.56	3.76	2.39	11.14	46.62	3719.86
General Financial (31)	9707.79	0.41	8581.05	9668.34	9569.91	9017.68	3.24	2.07	14.89	126.00	11464.66
Equity Investment Instruments (181)	10196.22	0.65	9012.79	10130.39	10083.56	9508.26	2.44	5.45	7.52	91.89	5699.93
Non Financials (338)	**4943.75**	**0.27**	**4369.94**	**4930.26**	**4871.56**	**4765.21**	**3.64**	**1.98**	**13.85**	**75.21**	**7573.99**
Technology (15)	**1883.36**	**0.88**	**1664.77**	**1866.84**	**1848.36**	**2022.79**	**2.71**	**0.96**	**38.31**	**25.06**	**2474.56**
Software & Computer Services (12)	2102.96	0.99	1858.88	2082.28	2060.30	2311.46	2.78	0.88	41.08	29.31	2920.81
Technology Hardware & Equipment (3)	2526.64	-0.38	2233.38	2536.35	2530.66	1879.79	1.98	2.37	21.30	14.60	3000.88

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	7679.77	7677.25	7662.50	7643.20	7647.39	7663.54	7668.39	7680.94	7686.83	7706.20	7631.70
FTSE 250	20743.31	20721.15	20718.93	20671.63	20667.65	20682.43	20686.00	20689.61	20692.67	20746.47	20653.57
FTSE SmallCap	5961.57	5963.97	5962.97	5958.76	5955.13	5957.22	5958.70	5964.66	5966.66	5969.23	5954.19
FTSE All-Share	4220.42	4218.65	4212.05	4201.88	4203.50	4211.16	4213.45	4219.25	4221.99	4230.41	4196.37

Time of FTSE 100 Day's high:15:25:45 Day's Low10:37:15 FTSE 100 2010/11 High: 7778.64(12/01/2018) Low: 6888.69(26/03/2018)
Time of FTSE All-Share Day's high:15:26:00 Day's Low10:38:00 FTSE 100 2010/11 High: 4268.89(12/01/2018) Low: 3810.81(26/03/2018)

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FT 30 INDEX

	May 10	May 09	May 08	May 04	May 03	Yr Ago	High	Low
FT 30	3273.30	3263.50	3253.20	3224.30	3246.80	0.00	3377.70	2974.50
FT 30 Div Yield	1.92	1.93	1.93	1.95	1.94	0.00	3.93	2.74
P/E Ratio net	23.24	23.14	23.15	22.87	23.01	0.00	19.44	14.26

FT 30 since compilation: 4198.4 high: 19/07/1999; low49.4 26/06/1940Base Date: 1/7/35

FT 30 hourly changes

8	9	10	11	12	13	14	15	16	High	Low
3263.5	3249.3	3253.2	3254.6	3254.2	3253.3	3254.2	3259.4	3263	3273.3	3247.0

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

FX: EFFECTIVE INDICES

	May 09	May 08	Mnth Ago		May 10	May 09	Mnth Ago
Australia	90.81	90.64	91.46	Sweden	73.69	72.87	74.23
Canada	90.55	89.81	90.69	Switzerland	148.58	149.01	150.70
Denmark	110.52	110.78	110.79	UK	79.31	79.01	80.23
Japan	137.45	138.14	138.59	USA	99.37	99.52	96.97
New Zealand	114.24	113.80	116.12	Euro	94.81	94.96	95.60
Norway	87.76	87.23	87.81				

Source: Bank of England. New Sterling ERI base Jan 2005 = 100. Other indices base average 1990 = 100. Index rebased 1/2/95. for further information about ERIs see www.bankofengland.co.uk

FTSE SECTORS: LEADERS & LAGGARDS

Year to date percentage changes

Automobiles & Parts	41.21	Construct & Material	1.22	FTSE 100 Index	-1.57
Tech Hardware & Eq	33.92	Life Insurance	1.18	Gas Water & Multi	-1.83
Industrial Metals &	21.08	Industrials	1.12	Support Services	-1.95
Food & Drug Retailer	15.46	Basic Materials	0.68	Financials	-2.01
Industrial Transport	9.28	Electronic & Elec Eq	0.36	Beverages	-2.22
Electricity	5.96	Oil Equipment & Serv	0.33	Personal Goods	-2.96
Oil & Gas Producers	5.50	Financial Services	0.07	General Retailers	-4.54
Chemicals	5.40	Utilities	-0.10	Banks	-4.82
Oil & Gas	5.39	FTSE SmallCap Index	-0.19	Leisure Goods	-9.22
Pharmace & Biotech	4.80	Nonlife Insurance	-0.21	Food Producers	-9.41
Health Care	4.79	Mining	-0.33	Mobile Telecomms	-10.86
Forestry & Paper	4.76	Equity Invest Instr	-0.65	Consumer Goods	-11.28
Health Care Eq & Srv	4.68	Real Est Invest & Tr	-0.66	Telecommunications	-11.45
Media	4.15	Travel & Leisure	-1.29	Household Goods & Ho	-11.83
Industrial Eng	3.78	NON FINANCIALS Index	-1.30	Fixed Line Telecomms	-12.99
Aerospace & Defense	3.27	Real Est Invest & Se	-1.31	Technology	-20.17
Consumer Services	1.79	FTSE 250 Index	-1.47	Tobacco	-21.55
		FTSE All{HY-}Share Index	-1.50	Software & Comp Serv	-22.85

FTSE 100 SUMMARY

FTSE 100	Closing Price	Day's Change	FTSE 100	Closing Price	Day's Change
3I Group PLC	974.60	18.00	London Stock Exchange Group PLC	4471	69.00
Admiral Group PLC	1972	-40.00	Marks And Spencer Group PLC	293.80	0.60
Anglo American PLC	1800.2	50.20	Mediclinic International PLC	694.00	-12.40
Antofagasta PLC	1040	26.50	Melrose Industries PLC	232.60	-0.40
Ashtead Group PLC	2232	32.00	Micro Focus International PLC	1272	14.00
Associated British Foods PLC	2795	54.00	Mondi PLC	2007	6.00
Astrazeneca PLC	5252	-5.00	Morrison (Wm) Supermarkets PLC	251.60	6.20
Aviva PLC	541.60	1.00	National Grid PLC	843.90	-0.40
Bae Systems PLC	619.00	5.00	Next PLC	5568	322.00
Barclays PLC	213.80	2.85	Nmc Health PLC	3576	58.00
Barratt Developments PLC	558.40	-9.80	Old Mutual PLC	260.90	5.90
Berkeley Group Holdings (The) PLC	4145	3.00	Paddy Power Betfair PLC	7190	145.00
Bhp Billiton PLC	1669.4	37.60	Pearson PLC	920.40	6.20
BP PLC	564.00	-8.00	Persimmon PLC	2757	-16.00
British American Tobacco PLC	3915	6.00	Prudential PLC	1932	-2.50
British Land Company PLC	689.40	4.60	Randgold Resources LD	5674	-426.00
Bt Group PLC	221.05	-17.55	Reckitt Benckiser Group PLC	5732	6.00
Bunzl PLC	2242	40.00	Relx PLC	1605.5	22.00
Burberry Group PLC	1792	22.00	Rentokil Initial PLC	322.00	1.90
Carnival PLC	4858	61.00	Rio Tinto PLC	4196.5	69.50
Centrica PLC	146.50	-8.95	Rolls-Royce Holdings PLC	824.60	-5.40
Coca-Cola Hbc AG	2540	74.00	Royal Bank Of Scotland Group PLC	286.50	10.40
Compass Group PLC	1516	8.00	Royal Dutch Shell PLC	2693	-29.00
Crh PLC	2720	10.00	Royal Dutch Shell PLC	2633.5	-
Croda International PLC	4641	44.00	Royal Mail PLC	611.40	7.60
Dcc PLC	7460	65.00	Rsa Insurance Group PLC	655.20	19.80
Diageo PLC	2670	10.50	Sage Group PLC	672.80	10.60
Direct Line Insurance Group PLC	373.50	2.30	Sainsbury (J) PLC	304.90	5.40
Easyjet PLC	1689.5	31.50	Schroders PLC	3422	5.00
Evraz PLC	501.20	-6.60	Scottish Mortgage Investment Trust PLC	511.00	13.20
Experian PLC	1758	20.00	Segro PLC	650.20	4.00
Ferguson PLC	5660	46.00	Severn Trent PLC	2020	9.00
Fresnillo PLC	1294.5	-5.00	Shire PLC	4061.5	83.50
G4S PLC	260.50	3.50	Sky PLC	1350.5	-3.50
Glaxosmithkline PLC	1477	-1.60	Smith & Nephew PLC	1308	9.00
Glencore PLC	376.20	9.35	Smith (Ds) PLC	542.20	2.00
Halma PLC	1298	9.00	Smiths Group PLC	1672	17.00
Hargreaves Lansdown PLC	1881.5	15.00	Smurfit Kappa Group PLC	3138	46.00
HSBC Holdings PLC	731.70	12.20	Sse PLC	1401.5	-2.50
Imperial Brands PLC	2795.5	15.50	St. James's Place PLC	1179	4.00
Informa PLC	755.20	-0.60	Standard Chartered PLC	764.60	15.40
Intercontinental Hotels Group PLC	4824	30.00	Standard Life Aberdeen PLC	367.50	-1.70
International Consolidated Airlines Group S.A.	693.20	-1.20	Taylor Wimpey PLC	192.70	-1.15
Intertek Group PLC	5100	42.00	Tesco PLC	244.20	2.40
Itv PLC	160.35	9.15	Tui AG	1738.5	11.00
Johnson Matthey PLC	3446	39.00	Unilever PLC	4140	46.50
Just Eat PLC	807.40	11.00	United Utilities Group PLC	781.20	6.20
Kingfisher PLC	297.30	9.00	Vodafone Group PLC	210.10	1.40
Land Securities Group PLC	976.10	-5.50	Whitbread PLC	4216	-26.00
Legal & General Group PLC	280.00	0.80	Wpp PLC	1306	35.50
Lloyds Banking Group PLC	66.86	0.32			

FTSE GLOBAL EQUITY INDEX SERIES

May 9 Regions & countries	No of stocks	US $ indices	Day %	Mth %	YTD %	Total retn	YTD %	Gr Div Yield
FTSE Global All Cap	7850	583.10	0.6	1.9	0.2	845.38	1.1	2.3
FTSE Global Large Cap	1450	511.44	0.7	1.8	0.0	761.43	0.9	2.4
FTSE Global Mid Cap	1728	788.14	0.5	1.9	0.4	1081.64	1.2	2.0
FTSE Global Small Cap	4672	838.41	0.5	2.8	1.4	1112.09	2.0	1.8
FTSE All-World	3178	339.50	0.6	1.8	0.1	520.19	1.0	2.4
FTSE World	2601	599.89	0.6	1.9	0.1	1234.33	1.0	2.4
FTSE Global All Cap ex UNITED KINGDOM In	7528	605.06	0.6	1.9	0.2	863.20	1.0	2.2
FTSE Global All Cap ex USA	5981	522.40	0.3	0.3	-0.9	814.31	0.2	2.8
FTSE Global All Cap ex JAPAN	6523	595.12	0.7	2.1	0.2	870.87	1.1	2.3
FTSE Global All Cap ex Eurozone	7181	601.17	0.7	2.1	0.1	854.72	0.9	2.2
FTSE Developed	2139	545.24	0.7	2.3	0.2	797.40	1.2	2.3
FTSE Developed All Cap	5701	574.67	0.7	2.4	0.4	829.85	1.3	2.3
FTSE Developed Large Cap	921	502.06	0.7	2.2	0.1	745.98	1.1	2.4
FTSE Developed Europe Large Cap	242	383.22	0.8	0.7	-0.7	660.14	1.1	3.4
FTSE Developed Europe Mid Cap	320	643.87	0.3	1.5	0.9	985.45	2.1	2.6
FTSE Dev Europe Small Cap	714	919.52	0.7	1.8	1.3	1361.07	2.4	2.4
FTSE North America Large Cap	283	577.99	1.0	3.3	0.8	800.06	1.4	2.0
FTSE North America Mid Cap	396	845.81	0.8	3.3	0.8	1087.13	1.3	1.7
FTSE North America Small Cap	1403	878.48	0.7	4.7	2.2	1095.30	2.7	1.5
FTSE North America	679	385.65	1.0	3.3	0.8	546.13	1.4	2.0
FTSE Developed ex North America	1460	274.55	0.2	0.7	-0.6	461.04	0.8	2.9
FTSE Japan Large Cap	193	394.93	-0.8	0.3	-0.1	521.42	0.9	2.0
FTSE Japan Mid Cap	316	671.19	-0.7	0.8	1.4	847.41	2.3	1.6
FTSE Global wi JAPAN Small Cap	818	748.69	-0.7	-0.1	0.6	978.71	1.5	1.7
FTSE Japan	509	168.75	-0.8	0.4	0.2	249.81	1.2	1.9
FTSE Asia Pacific Large Cap ex Japan	535	737.42	0.0	-0.1	-1.0	1181.02	-0.5	2.6
FTSE Asia Pacific Mid Cap ex Japan	456	948.67	-0.1	-1.6	-2.7	1457.35	-2.1	2.8
FTSE Asia Pacific Small Cap ex Japan	1492	610.65	0.3	-1.6	-0.9	921.42	-0.4	2.4
FTSE Asia Pacific Ex Japan	991	580.81	0.0	-0.3	-1.2	988.09	-0.6	2.7
FTSE Emerging All Cap	2149	794.61	0.2	-2.1	-1.5	1208.40	-0.9	2.6
FTSE Emerging Large Cap	529	756.44	0.3	-1.7	-1.3	1158.51	-0.7	2.5
FTSE Emerging Mid Cap	510	958.76	0.1	-4.0	-3.3	1449.92	-2.5	3.0
FTSE Emerging Small Cap	1110	826.08	0.0	-2.6	-1.4	1204.19	-0.9	2.4
FTSE Emerging Europe	125	366.21	0.9	-1.2	-6.0	588.26	-5.4	4.3
FTSE Latin America All Cap	242	918.50	0.7	-6.1	-1.0	1450.15	0.3	2.8
FTSE Middle East and Africa All Cap	239	735.04	0.4	-2.3	-6.3	1178.42	-4.9	3.2
FTSE Global wi UNITED KINGDOM All Cap In	322	370.02	1.6	2.3	0.1	640.04	1.5	3.7
FTSE Global wi USA All Cap	1869	666.79	0.9	3.5	1.3	894.60	1.9	1.8
FTSE Europe All Cap	1477	454.24	0.7	0.8	-0.5	753.75	1.1	3.2
FTSE Eurozone All Cap	669	454.13	0.2	0.4	1.1	755.66	2.4	2.9
FTSE RAFI All World 3000	3194	7027.38	0.6	1.6	-0.7	9499.25	0.3	2.9
FTSE RAFI US 1000	1048	11378.90	0.8	2.4	-1.4	15205.26	-0.6	2.4
FTSE EDHEC-Risk Efficient All-World	3178	405.87	0.5	1.3	0.1	574.93	0.9	2.2
FTSE EDHEC-Risk Efficient Developed Europe	562	342.54	0.5	1.4	1.2	533.68	2.5	2.7
Oil & Gas	147	414.45	2.3	9.5	5.9	686.37	6.9	3.3

May 9 Sectors	No of stocks	US $ indices	Day %	Mth %	YTD %	Total retn	YTD %	Gr Div Yield
Oil & Gas Producers	110	403.56	2.3	2.3	7.2	683.01	8.2	3.3
Oil Equipment & Services	28	308.72	1.9	1.9	-1.9	458.73	-0.9	3.6
Basic Materials	260	535.32	1.0	1.0	-1.8	836.67	-0.6	2.7
Chemicals	121	780.94	0.9	0.9	-3.1	1222.80	-2.0	2.5
Forestry & Paper	16	335.97	1.0	1.0	9.0	587.01	11.0	2.7
Industrial Metals & Mining	69	472.06	0.5	0.5	-3.2	732.53	-2.4	2.7
Mining	54	658.63	1.7	1.7	0.3	1035.32	2.3	3.4
Industrials	571	411.01	0.6	0.6	-1.0	601.95	-0.2	2.0
Construction & Materials	115	539.43	0.1	0.1	-3.0	824.63	-2.2	2.0
Aerospace & Defense	27	827.13	0.7	0.7	7.5	1197.62	8.2	1.8
General Industrials	59	224.29	1.2	1.2	-6.6	355.98	-5.6	2.4
Electronic & Electrical Equipment	75	458.09	0.0	0.0	-0.7	612.64	-0.1	1.6
Industrial Engineering	107	816.02	0.4	0.4	-5.5	1181.82	-4.4	2.1
Industrial Transportation	106	711.51	0.8	0.8	-0.8	1042.99	0.0	2.1
Support Services	82	395.44	0.7	0.7	3.2	553.29	4.0	1.7
Consumer Goods	443	481.20	0.0	0.0	-5.6	727.33	-4.6	2.5
Automobiles & Parts	107	436.53	-0.1	-0.1	-3.0	639.16	-1.8	2.7
Beverages	45	622.22	-0.3	-0.3	-7.6	952.90	-6.8	2.7
Food Producers	111	585.04	0.1	0.1	-7.6	909.25	-6.2	2.4
Household Goods & Home Construction	49	402.87	0.2	0.2	-14.5	605.06	-13.4	3.0
Leisure Goods	34	245.96	-1.4	-1.4	2.8	328.03	3.3	1.4
Personal Goods	84	788.14	0.1	0.1	4.4	1122.06	5.2	1.9
Tobacco	13	1130.32	1.8	1.8	-19.7	2408.72	-18.8	4.6
Health Care	195	495.19	0.3	0.3	-1.6	724.89	-0.7	2.1
Health Care Equipment & Services	75	915.97	0.0	0.0	4.2	1076.56	4.5	1.0
Pharmaceuticals & Biotechnology	120	338.80	0.5	0.5	-4.0	520.35	-3.0	2.6
Consumer Services	395	484.91	0.1	0.1	2.4	656.07	3.0	1.5
Food & Drug Retailers	59	276.67	0.5	0.5	-5.4	393.02	-4.5	2.3
General Retailers	129	763.83	0.2	0.2	10.3	1003.30	10.8	1.1
Media	78	317.22	-0.3	-0.3	-7.5	430.56	-6.9	1.8
Travel & Leisure	129	485.56	-0.2	-0.2	1.4	665.52	2.1	1.7
Telecommunication	92	152.98	-0.5	-0.5	-7.9	296.04	-6.6	4.6
Fixed Line Telecommuniations	39	120.64	-0.7	-0.7	-10.7	258.80	-8.8	5.5
Mobile Telecommunications	53	174.00	-0.3	-0.3	-4.4	299.63	-3.8	3.6
Utilities	167	269.96	-0.5	-0.5	-2.2	538.49	-1.1	3.7
Electricity	110	294.62	-0.6	-0.6	-2.6	581.42	-1.4	3.7
Gas Water & Multiutilities	57	286.43	-0.2	-0.2	-1.5	585.93	-0.6	3.9
Financials	713	256.36	0.8	0.8	-0.8	428.87	0.4	2.9
Banks	245	227.64	1.0	1.0	-1.8	410.51	-0.5	3.3
Nonlife Insurance	74	271.63	0.5	0.5	-0.2	401.89	1.0	2.2
Life Insurance	53	243.59	0.3	0.3	-3.5	398.46	-2.4	2.9
Financial Services	153	321.91	0.9	0.9	4.7	449.96	5.4	1.8
Technology	195	288.12	1.2	1.2	7.4	356.82	7.8	1.3
Software & Computer Services	96	495.64	1.4	1.4	7.0	582.14	7.3	0.8
Technology Hardware & Equipment	99	217.59	0.9	0.9	7.8	281.83	8.5	1.9
Alternative Energy	9	105.02	0.6	0.6	9.0	143.76	10.0	1.6
Real Estate Investment & Services	109	368.84	-0.1	-0.1	0.2	626.55	1.0	2.5

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UK STOCK MARKET TRADING DATA

	May 10	May 09	May 08	May 04	May 03	Yr Ago
	-	-	-	-	-	-
Order Book Turnover (m)	1563.48	49.41	171.89	121.18	121.18	121.18
Order Book Bargains	1004438.00	1034707.00	920189.00	919960.00	919960.00	919960.00
Order Book Shares Traded (m)	1928.00	1828.00	2187.00	2000.00	2000.00	2000.00
Total Equity Turnover (£m)	10658.98	5934.95	12220.13	6959.41	6959.41	6959.41
Total Mkt Bargains	1134134.00	1164886.00	1027897.00	1021713.00	1021713.00	1021713.00
Total Shares Traded (m)	4647.00	4481.00	4886.00	4431.00	4431.00	4431.00

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

All data provided by Morningstar unless otherwise noted. All elements listed are indicative and believed accurate at the time of publication. No offer is made by Morningstar or the FT. The FT does not warrant nor guarantee that the information is reliable or complete. The FT does not accept responsibility and will not be liable for any loss arising from the reliance on or use of the listed information.
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UK RIGHTS OFFERS

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

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

UK COMPANY RESULTS

Company		Turnover		Pre-tax		EPS(p)		Div(p)		Pay day	Total	
Arrow Global Group	1st	**77.144**	64.528	**7.594L**	14.472L	**2.300L**	6.700L	**0.00000**	0.00000	-	**11.300**	9.100
Baskerville Capital	3rd	**0.000**	-	**0.051L**	-	**0.106L**	-	**0.00000**	-	-	**0.000**	-
BT Group	Pre	**23723.000**	24062.000	**2616.000**	2354.000	**20.500**	19.200	**0.00000**	10.55000	-	**4.850**	15.400
Close Brothers Group	Int	**390.200**	341.000	**131.400**	108.700	**65.100**	59.700	**20.00000**	19.00000	Apr 26	**57.791**	54.500
Fox Marble Holdings	Pre	**1.203**	0.801	**3.437L**	2.756L	**0.020L**	0.020L	**0.00000**	0.00000	-	**0.000**	0.000
Octopus Apollo VCT	Pre	**9.349**	11.317	**3.699**	5.172	**1.500**	3.000	**0.00000**	1.70000	-	**1.600**	4.200
On The Beach Group	Int	**45.314**	38.066	**10.758**	9.869	**6.500**	6.100	**0.00000**	0.90000	-	**1.900**	3.100
Titon Holdings	Int	**14.485**	14.012	**1.337**	1.181	**8.640**	6.090	**0.00000**	1.50000	-	**2.700**	3.750
Trinity Exploration & Production	Pre	**44.957**	35.303	**25.320**	9.345L	**0.090**	0.080L	**0.00000**	0.00000	-	**0.000**	0.000

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)
05/09	100.00	AIM	UEX	Urban Exposure PLC	105.00	-0.35	107.00	104.10	17325.0
05/08	95.00	AIM	RBGP	Rosenblatt Group PLC	108.00	1.00	111.00	95.00	8649.9
04/30	100.00	AIM	KRM	KRM22 PLC	148.50	-4.50	159.88	100.00	1829.6
04/16	2.99	AIM	CAS	Crusader Resources Ltd	3.00	-0.12	3.20	2.65	1381.8
04/04	170.00	AIM	SBIZ	SimplyBiz Group (The) PLC	171.50	-2.48	180.00	155.00	13114.7

§Placing price. *Intoduction. ‡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
PingAnIns	77.35	0.40	98.85	45.40	1.61	12.92	73386.12
PngAnBnk RMB	11.01	0.04	15.24	8.60	1.40	8.71	29272
Pwr Cons Corp RMB	6.38	0.05	8.90	6.19	1.29	14.04	11173.6
SaicMtr RMB	34.80	0.41	37.66	26.90	4.61	12.09	62910.66
ShenwanHong	0.18	0.00	0.33	0.17	-	14.15	201.07
ShgPdgBk RMB	10.95	0.02	14.02	10.76	1.35	6.12	48361.24
Sinopec Corp	8.00	0.12	8.16	5.40	3.97	14.69	26001.51
Sinopec Oil RMB	2.10	0.03	4.09	1.99	-	-2.89	3974.32
Denmark (kr)							
DanskeBk	215.20	-1.50	259.50	214.10	4.25	9.27	32081.05
MollerMrsk	10535	170.00	14260	8902	1.29	-151.82	16865.53
NovoB	300.20	-5.25	354.80	260.20	2.58	19.17	93752.11
Indonesia (Rp)							
Bk Cent Asia	22300	200.00	24700	16800	-	-	38879.26
Israel (ILS)							
TevaPha	68.50	1.56	118.50	38.20	4.47	-1.17	19279.18
Italy (€)							
Enel	5.07	-0.17	5.59	4.51	3.54	21.16	61280.99
ENI	16.41	-0.28	16.80	12.94	4.91	17.34	70836.81
Generali	16.41	-0.16	17.13	13.65	4.85	12.30	30436.88
IntSPaolo	3.13	-0.03	3.23	2.50	5.68	7.83	58989.68
Luxottica	52.50	-0.38	55.60	45.32	1.74	27.04	30251.54
Unicred	17.86	0.32	18.34	15.07	-	6.39	47316.97
South Korea (KRW)							
HyundMobis	231500	-3500.00	289500	212000	1.51	14.01	21000
KoreaElePwr	35900	200.00	45700	30600	5.19	8.28	21476.57
SK Hynix	85800	2400	91500	53400	1.16	5.70	58207.63
SmsungEl	51600	700.00	57520	44220	88.41	0.21	308673.16
Spain (€)							
BBVA	6.85	0.05	7.93	6.21	4.42	14.18	54275.26
BcoSantdr	5.49	0.05	6.09	5.11	3.82	13.53	105160.28
CaixaBnk	4.27	0.05	4.51	3.72	3.07	15.15	30326.79
Iberdrola	6.52	-0.02	7.30	5.71	2.73	13.55	49852.46
Inditex	26.97	-0.13	36.90	23.00	1.84	25.10	99854.01
Repsol	16.47	-0.07	16.60	13.28	4.97	11.97	30452.94
Telefonica	8.34	0.00	10.46	7.45	4.83	14.80	51440.84

FT 500: TOP 20

	Close price	Prev price	Day change	Day change %	Week change	Week change %	Month change %
Petrobras	28.67	27.22	1.45	5.33	4.36	17.9	20.29
ValeantPh	26.14	26.10	0.04	0.15	3.27	14.3	29.92
ICICI Bk	306.85	306.80	0.05	0.02	29.95	10.8	9.26
Naspers N	3185.08	3076.05	109.03	3.54	306.31	10.6	4.43
Illumina	265.44	262.52	2.92	1.11	25.51	10.6	10.96
Nokia	5.30	5.28	0.02	0.30	0.46	9.5	19.18
BOE Tech	1.64	1.64	0.00	0.00	0.14	9.3	3.14
CardinalHlth	55.52	52.76	2.76	5.23	4.72	9.3	-13.71
Devon Energy	40.56	40.22	0.34	0.85	3.36	9.0	20.68
Qualcomm	54.77	53.17	1.60	3.01	4.46	8.9	-0.18
Occid Pet	83.78	82.40	1.38	1.67	6.49	8.4	18.78
Lyondell	112.62	109.90	2.72	2.47	8.67	8.3	10.11
Tesla Mtrs	307.91	306.85	1.06	0.35	23.46	8.2	1.08
Siemens	115.90	114.60	1.30	1.13	8.32	7.7	7.73
Imperial Brands	2795.50	2780.00	15.50	0.56	200.50	7.7	-98.90
Caterpillar	154.67	152.61	2.06	1.35	10.89	7.6	4.37
Kraft Heinz	59.09	58.48	0.61	1.05	4.14	7.5	-3.61
MorganStly	54.89	54.14	0.75	1.39	3.81	7.5	1.37
UnionPac	141.45	139.90	1.55	1.11	9.72	7.4	8.75
Avago Tech	241.83	238.05	3.78	1.59	16.58	7.4	0.90

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 %
SmsungEl	51600.00	50900.00	700.00	1.38	-2598400.00	-98.1	4.88
L Brands	31.03	34.12	-3.09	-9.05	-3.51	-10.2	-19.02
DeutsPost	34.02	34.13	-0.11	-0.32	-2.39	-6.6	-6.56
Cognizant	76.07	75.03	1.04	1.38	-5.30	-6.5	-5.33
OCBC	13.13	13.14	-0.01	-0.08	-0.83	-5.9	2.58
DBS	28.84	28.76	0.08	0.28	-1.77	-5.8	3.74
H & M	145.24	149.60	-4.36	-2.91	-8.42	-5.5	15.00
SocGen	42.55	42.33	0.22	0.51	-2.36	-5.2	-3.76
HyundMobis	231500.00	235000.00	-3500.00	-1.49	-12000.00	-4.9	-11.13
KoreaElePwr	35900.00	35700.00	200.00	0.56	-1850.00	-4.9	4.06
Sempra Energy	106.04	105.14	0.90	0.85	-5.38	-4.8	-5.18
BT	221.05	238.60	-17.55	-7.36	-11.10	-4.8	-99.08
Enel	5.07	5.24	-0.17	-3.17	-0.25	-4.6	-0.04
Celgene	82.05	82.80	-0.75	-0.91	-3.35	-3.9	-8.23
Ambev	21.80	21.91	-0.11	-0.50	-0.80	-3.5	-8.40
AEP	66.80	66.27	0.53	0.80	-2.44	-3.5	-1.55
Denso	5518.00	5576.00	-58.00	-1.04	-201.00	-3.5	-4.00
SunPhrmInds	497.20	506.15	-8.95	-1.77	-18.00	-3.5	-2.67
NatAusBk	28.58	28.72	-0.14	-0.49	-1.00	-3.4	-0.69
CmwBkAu	70.98	71.41	-0.43	-0.60	-2.48	-3.4	-3.49

Based on the FT Global 500 companies in local currency

BONDS: HIGH YIELD & EMERGING MARKET

BONDS: GLOBAL INVESTMENT GRADE

INTEREST RATES: OFFICIAL

May 10	Rate	Current	Since	Last	Mnth Ago	Year Ago
US	Fed Funds	1.50-1.75	22-03-2018	1.00	1.25-1.50	0.75-1.50
US	Prime	4.75	22-03-2018	4.75	4.5	4
US	Discount	2.25	22-03-2018	0.75	2	1.50
Euro	Repo	0.00	16-03-2016	0.05	0.00	0.00
UK	Repo	0.50	02-11-2017	0.25	0.50	0.25
Japan	O'night Call	0.00-0.10	01-02-2016	0.00	0.00--0.10	0.00--0.10
Switzerland	Libor Target	-1.25-0.25	15-01-2015	-0.75--0.25	-1.25--0.25	-1.25--0.25

INTEREST RATES: MARKET

May 10 (Libor: May 09)	Over night	Change Day	Change Week	Change Month	One month	Three month	Six month	One year
US$ Libor	1.70500	0.000	0.001	0.000	1.92851	2.35575	2.51813	2.77094
Euro Libor	-0.43771	0.000	0.003	0.000	-0.40086	-0.35257	-0.31714	-0.24257
£ Libor	0.47398	0.000	0.000	0.003	0.51638	0.68379	0.79063	0.96153
Swiss Fr Libor				0.000	-0.78030	-0.71960	-0.64520	-0.51700
Yen Libor				0.002	-0.04733	-0.03200	0.02354	0.11483
Euro Euribor				0.001	-0.37100	-0.32700	-0.26900	-0.18900
Sterling CDs				0.000	0.50000	0.66000	0.79500	
US$ CDs				0.000	1.95000	2.29000	2.43500	
Euro CDs				0.000	-0.44500	-0.40500	-0.34500	

May 10	Short term		7 Days notice		One month		Three month		Six month		One year	
Euro	-0.50	-0.35	-0.50	-0.35	-0.62	-0.37	-0.48	-0.33	-0.42	-0.27	-0.43	-0.18
Sterling			0.45	0.55	0.45	0.55	0.60	0.70	0.68	0.83	0.84	0.99
Swiss Franc	-	-	-	-	-	-	-	-	-	-	-	-
Canadian Dollar	-	-	-	-	-	-	-	-	-	-	-	-
US Dollar	1.75	1.85	1.81	1.91	2.03	2.13	2.27	2.37	2.52	2.62	2.78	2.88
Japanese Yen	-0.35	-0.05	-0.35	-0.05	-0.05	0.25	-0.05	0.25	-0.05	0.25	-0.05	0.35

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	190.50	-0.44	-1.23	0.04	-1.99	6.31
Corporates(£)	339.93	-0.22	-0.52	-1.95	-0.08	0.75
Corporates($)	269.87	-0.12	-0.43	-3.50	-0.43	-3.50

VOLATILITY INDICES

	May 10	Day Chg	Prev	52 wk high	52 wk low
VIX	12.92	-0.50	13.42	50.30	8.56
VXD	12.43	-0.57	15.40	40.09	3.93
VXN	16.74	-0.88	17.62	38.11	11.36
VDAX	-	-	-	-	-

† 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

GILTS: UK CASH MARKET

GILTS: UK FTSE ACTUARIES INDICES

COMMODITIES

BONDS: INDEX-LINKED

BONDS: TEN YEAR GOVT SPREADS

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

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FINANCIAL TIMES SHARE SERVICE

Main Market

	Price	+/-Chg	52 Week High	52 Week Low	Yld	P/E	Vol 000s
Aerospace & Defence							
Avon Rubber	1425	10.00	1435	885.00	0.73	20.30	20.5
BAE Sys♦	619.00	5.00	682.34	534.00	3.47	23.18	7805.5
Chemring	207.50	2.00	219.00	162.00	1.11	188.64	106.6
Meggitt	484.70	2.70	530.00	415.50	3.17	10.94	1351.6
RollsRoyce⌧	824.60	-5.40	994.50	800.20	0.56	3.61	4378.5
Senior♦	314.00	-3.40	324.40	217.60	2.12	21.96	1071.2
UltraElc	1507	10.00	2180	1138	3.20	22.80	190.5
Automobiles & Parts							
FordMtr $⌧♦	11.22	0.16	13.48	10.14	5.32	5.93	13635.3
GKN♦	473.90	0.90	482.30	280.00	1.90	16.29	1686.3
Banks							
ANZ A$⌧	28.08	0.13	30.80	26.11	8.55	12.68	5615.4
BcoSant	482.15	7.80	568.99	386.92	3.87	13.48	687.3
BnkGeorgia	3370	-6.00	3884	3193	2.24	11.46	49.7
BankIre Grp €	7.50	0.04	8.25	6.18	-	12.05	432.1
BkNvaS C$⌧	80.27	0.27	85.50	73.31	3.82	11.97	1097.7
Barclays⌧	213.80	2.85	220.10	177.30	1.40	62.88	39586.1
CanImp C$⌧	115.03	0.96	124.37	103.84	4.42	10.88	515.3
HSBC⌧	731.70	12.20	798.60	650.60	5.14	20.62	32248.5
LlydsBkg⌧♦	66.86	0.32	73.58	62.20	4.04	13.93	250716.6
PermTSB €	1.74	0.01	2.96	1.64	-	27.01	66.0
RylBkC C$⌧♦	100.26	0.63	108.52	90.13	3.51	13.34	1190.5
RBS⌧	286.50	10.40	304.20	239.60	-	45.48	80024.0
STB♦	1987.5	-12.50	2454.69	1490	3.82	18.68	0.1
StandCh⌧♦	764.60	15.40	864.20	688.60	-	44.39	6507.2
..7.375%Pf	127.25	3.50	143.25	120.00	5.80	-	44.8
..8.25%Pf	138.10	0.85	158.90	134.00	5.97	-	8.3
TntoDom C$⌧	74.52	0.28	76.65	61.50	3.19	13.90	1742.3
VirginMoney♦	331.40	-0.60	344.80	256.20	1.63	8.84	8757.1
Westpc A$⌧	29.85	0.10	33.68	27.60	9.45	12.39	6925.4
Basic Resource (Ex Mining)							
Ferrexpo	238.30	1.00	326.60	154.40	1.07	5.59	1376.0
Mondi♦■	2007	6.00	2145	1684	2.50	16.32	2109.3
Chemicals							
Carclo	90.90	1.90	180.25	62.40	-	8.74	25.4
Croda♦	4641	44.00	4690	3612	1.64	25.93	789.1
Elemntis♦	288.40	0.40	321.80	258.10	2.20	16.26	519.0
Johnsn Mtthey	3446	39.00	3511	2677.68	2.18	17.58	403.7
Victrex	2740	-2.00	2772	1826	1.73	23.58	166.2
Construction & Materials							
Alumasc	138.00	-	189.90	122.50	5.18	8.26	24.1
Boot(H)♦	292.50	-5.50	350.00	250.00	2.39	13.00	31.6
ClarkeT♦	80.00	-	93.67	68.20	4.00	11.32	12.5
CRH	2720	10.00	2918	2297.7	2.13	14.41	1406.1
GalfrdT	933.00	2.00	1427	772.50	9.26	19.42	383.4
KierGp♦	1092	7.00	1350	904.00	6.18	352.26	160.1
Kingsp €	39.84	0.64	39.98	27.72	0.87	25.17	17.3
LowBonr	54.00	-1.60	90.06	52.00	5.65	-9.71	58.5
Marshlls	430.00	-3.00	486.60	360.20	2.14	20.12	175.1
MorgSdl♦	1362	-22.00	1520	1078	2.79	12.09	237.8
Norcros	192.25	-1.75	202.00	134.06	3.75	15.50	16.0
Tyman♦	335.00	-1.50	387.00	280.00	3.28	19.15	77.3
Electronic & Electrical Equip							
Dialight	568.00	36.00	1099	480.00	-	118.33	60.7
Discoverie PLC	444.00	4.00	450.00	250.75	1.91	45.31	47.5
Halma	1298	9.00	1341	1064	1.06	35.34	991.2
Morgan Ad♦	343.40	-0.60	366.80	277.20	3.20	9.16	304.2
OxfordIn	917.00	-10.00	1174	676.00	1.42	-35.68	18.8
Renishaw	5520	80.00	5820	3362	0.94	29.22	110.0
Spectris	2807	40.00	2849	2220.5	1.89	14.31	193.8
TT Elect♦	224.00	-4.00	245.00	173.25	2.52	23.58	129.0
XP Power	3470	-10.00	3750	2376	2.16	23.77	50.7
Financial General							
3i	974.60	18.00	975.40	817.50	2.72	7.79	1753.5
BrewDlph	378.20	2.00	399.40	320.20	3.54	23.64	554.1
CtyLonInv	431.50	-3.50	459.00	371.00	5.79	11.01	61.9
CloseBrs	1570	15.00	1661	1315	3.82	11.96	197.6
DBAG €	36.50	-0.05	52.30	35.60	3.31	6.22	34.7
Hargr Lans	1881.5	15.00	1935	1251.36	1.54	39.86	614.4

	Price	+/-Chg	52 Week High	52 Week Low	Yld	P/E	Vol 000s
Shaftbry	1012	1.00	1055	920.00	1.53	9.38	334.8
Town Ctr	291.00	-5.00	318.75	266.00	3.95	9.33	2.2
TritaxBBOX	150.30	-0.20	151.40	139.36	4.22	7.70	2039.3
Wkspace	1113	1.00	1135	840.50	1.89	8.95	295.0
Real Estate Inv & Services							
Cap&Count♦	285.20	5.20	326.10	251.90	0.53	-356.50	2507.7
CLS	247.00	-5.50	255.00	179.18	2.45	6.38	23.7
Daejan	6070	-160.00	7005	5500	1.53	6.77	2.4
Grainger	319.20	-0.20	321.00	248.70	1.46	18.14	642.5
Harworth Grp♦	112.00	-	115.00	91.25	0.72	13.02	6.8
Helical	378.00	-6.00	386.50	285.00	2.28	58.15	159.9
HK Land $♦	7.26	-0.13	7.89	6.72	2.53	3.07	2432.6
Lon&Assc	29.00	-0.50	31.00	16.71	-	-21.80	4.2
MacauPrp	195.00	-	206.00	150.00	-	8.23	34.1
Mntview	11000	50.00	12500	10300	2.73	12.74	0.0
Palace Cap	346.00	2.00	397.00	208.00	5.35	8.56	30.6
RavenRuss	45.60	-	52.63	41.40	-	51.06	39.8
RavenR CNV	119.50	-	125.01	113.00	-	-	1.1
RavenR Prf	148.00	2.00	156.00	120.00	-	165.73	42.2
RavenR Wrt	21.00	1.00	28.25	19.00	-	-	25.0
Safestre	542.50	-6.50	553.50	383.80	2.26	14.54	416.1
Savills♦■	972.50	4.50	1046	837.00	1.52	16.91	190.9
SchroderRE	60.70	-0.70	66.00	57.80	4.09	8.55	507.7
SiriusRE	64.60	0.40	68.60	51.60	3.98	7.74	1240.1
Smart(J)	110.50	-0.50	113.00	105.00	2.81	13.38	30.0
StModwen	410.60	-2.00	429.40	326.37	1.48	15.38	578.2
U+I	226.00	-13.50	244.50	176.00	2.61	52.56	460.9
UNITE Gp♦	849.00	2.50	851.50	618.00	2.27	9.07	384.1
Urban&C	316.00	-1.00	325.00	237.00	0.95	10.29	148.1
Retailers							
AA	134.85	2.30	260.98	69.92	6.90	8.17	1500.1
AO World	149.00	1.20	159.60	98.00	-	-41.74	250.3
AshleyL	4.43	0.13	14.00	3.80	11.29	26.06	2747.0
Caffyns	425.00	-	529.00	371.00	5.29	10.71	3.8
Dairy Fm $♦	8.43	0.02	8.74	7.35	2.46	28.45	716.8
Debenhams	21.82	-0.98	52.09	20.00	15.70	5.46	6630.4
Dignity	1208	10.00	2777	735.50	1.95	9.97	311.9
DixonsCar	221.40	-0.20	349.60	145.72	-	10.44	3792.0
Dunelm	591.50	10.00	760.00	503.00	4.40	16.21	345.7
Findel	259.50	-0.50	270.00	150.00	-	-4.41	28.8
Halfords	375.00	0.20	386.80	305.40	4.67	13.74	723.1
Inchcape	753.50	2.50	885.00	660.50	3.28	11.79	905.5
JDSportsF	392.00	-0.50	461.50	300.08	0.40	19.12	699.6
Kingfisher♦	297.30	9.00	369.80	277.30	3.50	11.35	9328.6
Marks&Sp	293.80	0.60	397.80	262.10	6.36	25.77	14894.4
Morrison (Wm)	251.60	6.20	254.50	203.30	2.16	16.68	20780.0
MossBros♦	46.00	-2.00	120.00	39.00	13.07	8.66	49.3
Next	5568	322.00	5708	3565	2.84	13.39	2533.8
Ocado	553.40	-6.00	603.20	235.80	-	3458.75	985.1
Photo-Me♦	161.80	0.40	194.00	153.00	4.34	16.46	219.5
Saga	134.30	-0.20	213.90	108.00	6.33	9.88	4332.6
Sainsbury (J)	304.90	5.40	327.10	223.60	3.35	31.76	15165.3
Tesco⌧	244.20	2.40	244.90	165.35	-	43.61	27278.6
Support Services							
Aggreko♦	729.60	2.80	994.50	638.60	3.72	17.58	769.4
AshtdGp	2232	32.00	2238	1476	1.27	11.28	1416.5
Babcock	765.80	10.60	1030	604.00	3.68	11.98	1535.8
Bunzl	2242	40.00	2472	1918.5	1.92	23.98	967.3
Capita	128.55	-71.65	720.50	120.05	24.66	164.81	17724.1
Comnsis♦	68.00	-1.00	73.00	46.00	3.68	12.12	102.1
DCC	7460	65.00	7760	6445	1.50	32.94	162.8
DeLaRue	521.00	1.00	711.50	446.00	4.80	10.76	463.9
Diploma	1247	4.00	1270	1003.2	1.67	29.69	86.4
Elctrcmp	630.00	-1.20	713.32	519.50	1.95	26.25	713.9
Essentra	457.60	-0.20	588.50	405.20	4.52	305.07	289.7
Experian	1758	20.00	1768	1428	1.76	28.52	1844.1
Ferguson	5660	46.00	5722	4427	1.77	16.85	752.9
G4S♦	260.50	3.50	342.60	233.80	3.61	16.70	4524.4
Hays	185.80	0.70	206.20	161.10	1.73	17.92	2577.9
Homesve	765.50	2.00	872.00	682.50	2.00	32.85	946.8
HowdenJny	509.40	-4.20	524.60	398.30	2.16	17.09	2028.8
Intertek	5100	42.00	5470	4110	1.30	28.93	285.9
MngCnslt	2.85	-	8.99	2.70	-	-0.35	25.0

	Price	+/-Chg	52 Week High	52 Week Low	Yld	P/E	Vol 000s
MearsGp	325.00	1.00	525.00	316.00	3.60	15.63	88.2
MenziesJ	657.00	-2.00	750.00	619.00	2.91	43.51	44.0
MITIE	191.00	1.70	313.30	146.80	2.09	-11.37	428.1
PageGroup	545.00	3.00	566.00	418.20	2.20	21.46	1133.8
Renewi	69.60	-1.40	109.00	69.50	4.38	-8.08	638.8
Rentokil♦	322.00	1.90	338.80	253.10	1.09	8.73	8726.3
Ricardo	980.00	-10.00	1030	576.50	1.97	21.54	18.2
RbrtWlts♦	718.00	-8.00	742.00	380.50	1.25	18.46	28.3
RPS♦	268.50	4.00	307.50	225.50	3.68	-35.70	180.8
SIG	137.20	-3.60	184.90	120.53	2.24	-13.58	2985.1
St Ives	95.90	1.20	97.00	37.50	2.03	-2.46	87.7
Vp	921.00	5.00	940.00	785.00	2.39	14.13	164.2
Tech - Hardware							
Laird	197.00	-	205.00	111.80	0.57	12.47	947.4
SpirentCM	120.00	-0.80	131.00	89.50	2.39	34.46	172.2
Tech - Software & Services							
Computcnt	1284	-2.00	1300	768.50	1.73	19.05	314.9
MicroFoc	1272	14.00	2749	782.20	5.66	24.72	2511.7
NCC Grp	208.00	8.20	239.25	134.00	2.24	-9.95	1034.8
RM	217.00	-1.00	222.00	153.50	2.83	13.82	33.2
Sage	672.80	10.60	825.20	536.20	2.17	28.29	3412.4
SDL♦	422.00	-	674.50	333.00	1.47	25.12	1.7
TriadGp	63.00	-	83.45	50.40	0.79	6.40	36.6
Telecommunications							
BT⌧	221.05	-17.55	318.01	214.80	6.54	13.73	105049.3
Inmarsat♦	387.00	1.20	865.00	334.30	10.54	13.09	2228.3
KCOM Gp	104.00	3.20	111.25	85.30	5.77	22.37	203.4
TalkTalk	133.30	0.70	220.00	88.60	7.72	-36.03	1033.7
TelePlus	1056	-16.00	1342	1014.03	4.55	27.29	83.9
Vodafone Gp⌧	210.10	1.40	239.65	190.10	6.26	-76.43	59301.5
Tobacco							
BrAmTob⌧	3915	6.00	5643.6	3553	5.57	2.14	3133.5
Imperial Br⌧	2795.5	15.50	3739	2298	5.72	18.99	2797.1
Travel & Leisure							
888 Hldg♦■	267.80	0.40	309.20	238.00	2.51	106.57	997.5
AirPrtnr	99.50	0.25	153.00	65.00	5.24	15.31	27.2
Carnival	4858	61.00	5435	4427	1.87	18.34	556.5
Cineworld	259.40	-1.20	673.00	96.27	3.38	35.99	2463.9
Compass⌧	1516	8.00	1765.92	1396.5	2.22	21.26	4927.1
Dalata Hotel	587.50	11.00	600.00	405.00	-	17.94	7.2
easyJet	1689.5	31.50	1699	1135.25	3.18	22.00	2616.6
El Group	126.80	0.60	153.00	114.20	-	11.42	210.1
FirstGrp	101.80	1.50	154.50	76.15	-	11.70	3951.4
Fuller A	945.00	-5.00	1124	896.00	1.99	15.31	65.5
Go-Ahead	1794	12.00	2004	1310	5.69	8.32	81.5
GreeneKg	542.60	-4.80	760.34	454.00	6.12	9.64	616.2
IntCon Htels Gp♦	4824	30.00	4944	3656	-	21.38	335.0
Intl Cons Air	693.20	-1.20	773.19	569.00	3.20	8.43	6333.4
IrishCtl €	5.71	-	6.00	5.04	2.02	13.19	0.5
Jackpotjoy	816.00	10.00	885.00	558.50	-	-8.87	52.4
MandarO $♦	2.53	-0.02	2.86	1.40	1.53	58.41	428.6
Marstons	107.30	-1.90	147.70	95.90	6.90	7.61	2118.3
Merlin Ents♦	371.30	-1.00	537.50	317.10	1.97	18.11	1277.1
Natl Exp♦	397.60	2.20	414.00	336.28	3.19	16.30	528.9
Paddy Pwr Btfr♦	7190	145.00	8965	6572.5	2.48	28.15	169.1
PPHE Htl♦	1160	-	1180	795.00	1.90	20.35	2.0
Restaurt	310.60	-2.00	381.70	229.20	5.60	-37.65	705.6
Stagech	150.40	-2.60	217.60	125.00	7.91	23.50	837.2
ThomasCook	133.90	0.90	135.20	87.75	0.37	167.38	2661.5
TUI	1738.5	11.00	1753	913.76	3.22	14.09	1187.7
Whitbrd	4216	-26.00	4353	3499.9	2.27	16.40	464.8
Willim H♦	284.10	2.60	345.00	239.10	4.46	-29.29	5839.1
Utilities							
Centrica♦	146.50	-8.95	213.00	123.10	8.19	24.42	39151.4
Drax♦	325.40	-6.80	368.70	218.00	1.63	-8.79	1861.0
Natl Grid⌧	843.90	-0.40	1174.36	733.00	5.41	16.98	6852.4
Pennon	714.20	-1.20	947.23	577.40	5.04	16.34	1175.1
Severn Trent	2020	9.00	2575	1664	4.03	16.34	863.2
SSE	1401.5	-2.50	1554	1176.5	6.51	10.44	2823.2
UtdUtils	781.20	6.20	1078	648.60	4.98	12.46	2143.6

AIM

	Price	+/-Chg	52 Week High	52 Week Low	Yld	P/E	Vol 000s
Aerospace & Defence							
Cohort	361.50	-	460.00	310.00	1.96	24.29	2.8
Banks							
Caribbean Inv	17.50	-	30.00	10.00	-	2.13	1.2

	Price	+/-Chg	52 Week High	52 Week Low	Yld	P/E	Vol 000s
PnthrSec	385.00	20.00	390.00	295.00	3.90	7.04	1.3
SIR	390.00	-2.00	392.00	334.00	3.49	6.68	149.4
SumGermny €	1.17	-	1.29	1.03	2.59	4.08	6.2

	Price	+/-Chg	52 Week High	52 Week Low	Yld	P/E	Vol 000s
Tech - Hardware							
AminoTech	207.00	-	220.90	175.00	2.99	13.65	69.7
IQE	128.30	4.60	181.50	63.25	-	56.27	10162.8

Investment Companies

Guide to FT Share Service

All data is as of close of the previous business day. Company classifications are based on the ICB system used by FTSE (see www.icbenchmark.com). FTSE 100 constituent stocks are shown in bold.

Data provided by Morningstar

www.morningstar.co.uk

MANAGED FUNDS SERVICE

Abbey Life Assurance Company Limited (UK)
1 Wythall Green Way, Wythall, Birmingham, B47 6WG
additional fund prices can be found @ www.abbeylife.co.uk

Fund	Bid	Offer	+/-	Yield
Insurances				
Life Funds				
Prop. Acc. Ser 2	1606.20	1690.70	-0.10	-
Selective Acc. Ser 2	1892.10	1991.70	3.00	-
American Ser. 4	2396.90	2523.10	15.30	-
Custodian Ser. 4	569.50	599.50	2.00	-
Equity Ser. 4	706.90	744.10	5.70	-
European Ser 4	774.10	814.80	2.40	-
Fixed Int. Ser. 4	941.50	991.00	1.60	-
Intl Ser. 4	602.40	634.10	2.90	-
Japan Ser 4	507.10	533.80	0.70	-
Man. Ser. 4	2052.90	2160.90	8.00	-
Money Ser. 4	525.60	553.30	0.00	-
Prop. Ser. 4	1142.60	1202.70	-0.10	-
Custodian Ser 5	543.50	572.10	1.90	-
International Ser 5	574.90	605.20	2.70	-
Managed Ser 5	1959.20	2062.30	7.50	-
Money Ser 5	514.60	541.70	0.00	-
Property Ser 5	1090.50	1147.90	-0.10	-
Pension Funds				
American	2933.90	3088.40	22.40	-
Equity	6383.40	6719.40	57.30	-
European	1633.90	1719.90	5.90	-
Fixed Int.	1761.70	1854.40	3.70	-
International	1342.90	1413.60	8.30	-
Japan	560.10	589.60	1.00	-
Managed	5514.20	5804.40	26.10	-
Property	2981.20	3138.10	-0.60	-
Security	1479.50	1557.40	0.00	-
Selective	2418.20	2545.50	11.00	-
Formerly Hill Samuel Life Assurance Ltd				
1 Wythall Green Way, Wythall, Birmingham, B47 6WG				
Managed Ser A (Life)	1934.60	2047.20	-0.80	-
Managed Ser A (Pensions)	1319.20	1388.60	-0.60	-
Formerly Target Life Assurance Ltd				
1 Wythall Green Way, Wythall, Birmingham, B47 6WG				
Managed (Life)	1950.70	2053.40	-0.80	-
Managed Growth (Life)	654.40	688.80	-0.20	-
Managed (Pensions)	7917.30	8334.00	-3.90	-
Managed Growth (Pensions)	831.40	875.10	-0.20	-

additional fund prices can be found on our website

Algebris Investments (IRL)

Fund	Bid	Offer	+/-	Yield
Regulated				
Algebris Financial Credit Fund - Class I EUR	€ 155.68	-	0.53	0.00
Algebris Financial Income Fund - Class I EUR	€ 146.41	-	0.15	0.00
Algebris Financial Equity Fund - Class B EUR	€ 135.97	-	0.40	0.00
Algebris Asset Allocation Fund - Class B EUR	€ 98.18	-	-0.05	0.00
Algebris Macro Credit B EUR Acc	€ 109.40	-	-0.10	0.00
Algebris Core Italy Fund - Class R EUR	€ 98.91	-	-0.03	-

The Antares European Fund Limited

Fund	Bid	Offer	+/-	Yield
Other International				
AEF Ltd Usd	$ 755.26	-	10.13	-
AEF Ltd Eur	€ 741.58	-	10.92	0.00

Arisaig Partners

Fund	Bid	Offer	+/-	Yield
Other International Funds				
Arisaig Africa Consumer Fund Limited	$ 14.63	-	0.03	0.00
Arisaig Asia Consumer Fund Limited	$ 94.18	-	-0.10	0.00
Arisaig Global Emerging Markets Fund	$ 11.55	-	0.01	0.00
Arisaig Global Emerging Markets Consumer UCITS	£ 12.59	-	0.01	0.00
Arisaig Global Emerging Markets Consumer UCITS	$ 13.96	-	-0.05	0.00
Arisaig Latin American Consumer Fund	$ 25.22	-	-0.18	0.00

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

Fund	Bid	Offer	+/-	Yield
Authorised Inv Funds				
Artemis Capital R ACC	1670.78	1763.10	19.44	1.58
Artemis European Growth R Acc	361.00	380.83	-0.31	0.82
Artemis European Opps R Acc	105.71	111.52	-0.19	0.76
Artemis Global Emg Mkts I GBP Acc	139.14	-	0.35	-
Artemis Global Emg Mkts I GBP Dist	128.68	-	0.32	-
Artemis Global Energy R Acc	35.04	37.02	0.49	0.38
Artemis Global Growth R Acc	264.54	279.01	1.37	0.91
Artemis Global Income R Acc	130.70	137.89	0.82	3.49
Artemis Global Income R Inc	97.15	102.49	0.61	3.59
Artemis Global select R Acc	105.11	110.85	0.35	0.69
Artemis High Income R Inc	78.40	83.27	-0.04	5.39
Artemis Income R Acc	444.87	470.90	3.43	3.58
Artemis Income R Inc	234.95	248.69	1.81	3.69
Artemis Monthly Dist R Inc	71.17	75.37	0.04	4.16
Artemis Pan-Euro Abs Ret GBP	123.82	-	0.36	-
Artemis Strategic Assets R Acc	87.16	92.22	0.42	0.00
Artemis Strategic Bond R M Acc	95.56	101.33	-0.04	3.26
Artemis Strategic Bond R M Inc	56.80	60.23	-0.02	3.32
Artemis Strategic Bond R Q Acc	95.74	101.51	-0.04	3.26
Artemis Strategic Bond R Q Inc	56.93	60.36	-0.02	3.32
Artemis UK Select Fund Class R Acc	574.80	607.29	2.91	1.13
Artemis UK Smaller Cos R Acc	1696.82	1816.65	6.70	1.25
Artemis UK Special Sits R Acc	612.55	649.36	3.03	1.52
Artemis US Abs Ret I Acc	111.83	-	-0.06	0.00
Artemis US Equity I Acc	176.47	-	-0.16	0.15
Artemis US Ex Alpha I Acc	189.89	-	-0.34	0.00
Artemis US Extended Alpha I Hedged Acc	£ 1.36	-	0.00	0.00
Artemis US Select I Acc	184.32	-	-0.02	0.08
Artemis US Select I Hedged Acc	£ 1.41	-	0.00	0.08
Artemis US Select I Inc	163.62	-	-0.02	0.08
Artemis US Smlr Cos I Acc	202.72	-	-0.05	0.00

Ashmore Investment Management Limited (LUX)
2 rue Albert Borschette L-1246 Luxembourg

Fund	Bid	Offer	+/-	Yield
FCA Recognised				
Ashmore SICAV Emerging Market Debt Fund	$ 95.26	-	-0.25	5.43
Ashmore SICAV Emerging Market Frontier Equity Fund	$ 190.14	-	-3.00	0.63
Ashmore SICAV Emerging Market Total Return Fund	$ 85.99	-	-0.79	5.22
Ashmore SICAV Global Small Cap Equity Fund	$ 172.87	-	-0.90	0.58
EM Mkts Corp.Debt USD F	$ 95.12	-	-0.15	6.16
EM Mkts Loc.Ccy Bd USD F	$ 84.57	-	-1.54	5.36
EM Short Duration Fund Acc USD	$ 134.85	-	-0.21	0.00

Aspect Capital Ltd (UK)

Fund	Bid	Offer	+/-	Yield
Other International Funds				
Aspect Diversified USD	$ 426.25	-	3.76	0.00
Aspect Diversified EUR	€ 245.09	-	2.09	0.00
Aspect Diversified GBP	£ 128.48	-	1.10	0.00
Aspect Diversified CHF	SFr 115.35	-	0.98	0.00
Aspect Diversified Trends USD	$ 124.58	-	-0.84	0.00
Aspect Diversified Trends EUR	€ 122.31	-	2.73	0.00
Aspect Diversified Trends GBP	£ 127.05	-	-0.89	0.00

Atlantas Sicav (LUX)

Fund	Bid	Offer	+/-	Yield
Regulated				
American Dynamic	$ 4600.79	-	69.79	0.00
American One	$ 4251.96	-	3.20	0.00
Bond Global	€ 1389.56	-	5.30	0.00
Eurocroissance	€ 1036.62	-	25.81	0.00
Far East	$ 989.85	-	13.59	0.00

Bank of America Cap Mgmt (Ireland) Ltd (IRL)

Fund	Bid	Offer	+/-	Yield
Regulated				
Global Liquidity USD	$ 1.00	-	0.00	0.61

Barclays Investment Funds (CI) Ltd (JER)
39/41 Broad Street, St Helier, Jersey, JE2 3RR Channel Islands 01534 812800

Fund	Bid	Offer	+/-	Yield
FCA Recognised				
Bond Funds				
Sterling Bond F	£ 0.47	-	0.00	2.06

CCLA Investment Management Ltd (UK)
Senator House 85 Queen Victoria Street London EC4V 4ET

Fund	Bid	Offer	+/-	Yield
Authorised Inv Funds				
Diversified Income 1 Units GBP Inc	£ 1.54	1.54	0.00	3.09
Diversified Income 2 Units GBP Inc	£ 1.49	1.49	0.00	3.10
Diversified Income 3 Units GBP Inc	£ 1.49	1.49	0.00	-
The Public Sector Deposit Fund				
The Public Sector Deposit Fund share class 1 ◆ F*	100.00	-	0.00	0.59
The Public Sector Deposit Fund share class 4 ◆ F*	100.00	-	0.00	0.53

CCLA Investment Management Ltd (UK)
Senator House 85 Queen Victoria Street London EC4V 4ET

Fund	Bid	Offer	+/-	Yield
Property & Other UK Unit Trusts				
CBF Church of England Funds				
Investment Inc	1641.53	1648.17	27.03	3.41
Investment Acc	3657.38	3672.19	60.21	0.00
Global Equity Inc	185.16	185.60	3.78	3.89
Global Equity Acc	299.62	300.33	6.11	0.00
UK Equity Inc	170.10	170.57	1.76	3.62
UK Equity Acc	277.16	277.93	2.87	0.00
Fixed Interest Inc	164.17	165.13	0.13	4.02
Fixed Interest Acc	550.96	554.19	0.44	0.00
Property Fund Inc	135.39	139.93	0.26	5.49

CCLA Fund Managers Ltd (UK)
Senator House 85 Queen Victoria Street London EC4V 4ET

Fund	Bid	Offer	+/-	Yield
Property & Other UK Unit Trusts				
COIF Charity Funds (UK)				
Investment Inc	1464.27	1470.20	10.59	2.88
Investment Acc	15389.17	15451.47	111.30	0.00
Ethical Investment Inc	223.88	224.79	1.58	2.71
Ethical Investment Acc	315.50	316.77	2.23	0.00
Global Equity Inc	172.36	172.77	1.47	-
Global Equity Acc	282.06	282.72	2.41	0.00
Fixed Interest Inc	135.30	136.09	-0.39	2.45
Fixed Interest Acc	848.66	853.63	-2.43	0.00
Property Inc	116.03	119.92	0.08	5.52
Local Authorities Property Fd (LAMIT) (UK)				
Property	297.38	322.45	0.05	4.81

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

Fund	Bid	Offer	+/-	Yield
FCA Recognised				
Capital Gearing Portfolio Inc	£ 31490.74	31490.74	-7.14	0.53
CG Portfolio Fund Plc				
Absolute Return Cls M Inc	£ 116.06	116.06	-0.16	1.28
Capital Value Cls V Inc	£ 153.04	153.04	1.05	0.45
Dollar Fund Cls D Inc	£ 145.84	145.84	-0.73	1.72
Dollar Hedged GBP Inc	£ 96.36	96.36	-0.05	1.74
Real Return Cls A Inc	£ 187.65	187.65	-0.72	2.27

Charles Schwab Worldwide Funds Plc (IRL)

Fund	Bid	Offer	+/-	Yield
Regulated				
Schwab USD Liquid Assets Fd	$ 1.00	-	0.00	0.42

Chartered Asset Management Pte Ltd

Fund	Bid	Offer	+/-	Yield
Other International Funds				
CAM-GTF Limited	$ 322812.36	322812.36	-1370.16	0.00
CAM GTi Limited	$ 662.95	-	-1.93	0.00
Raffles-Asia Investment Company	$ 1.72	1.72	0.04	1.15

Cheyne Capital Management (UK) LLP

Fund	Bid	Offer	+/-	Yield
Other International Funds				
Cheyne European Event Driven Fund (M)	€ 140.37	-	-3.12	-

price updated (D) daily, (W) weekly, (M) monthly

Consistent Unit Tst Mgt Co Ltd (1200)F (UK)
Stuart House, St John's Street, Peterborough, PE1 5DD
Dealing & Client Services 0345 850 8818

Fund	Bid	Offer	+/-	Yield
Authorised Inv Funds				
Consistent UT Inc	53.09	53.90	0.24	4.70
Consistent UT Acc	136.90	139.10	0.60	4.70
Practical Investment Inc	241.40	256.50	1.70	3.16
Practical Investment Acc	1278.00	1359.00	10.00	3.16

DAVIS Funds SICAV (LUX)

Fund	Bid	Offer	+/-	Yield
Regulated				
Davis Value A	$ 53.29	-	0.18	0.00
Davis Global A	$ 41.09	-	0.05	0.00

Dodge & Cox Worldwide Funds (IRL)
6 Duke Street,St James,London SW1Y 6BN
www.dodgeandcox.worldwide.com 020 3713 7664

Fund	Bid	Offer	+/-	Yield
FCA Recognised				
Dodge & Cox Worldwide Funds plc - Global Bond Fund				
EUR Accumulating Class	€ 12.46	-	0.01	0.00
EUR Accumulating Class (H)	€ 10.12	-	0.00	0.00
EUR Distributing Class	€ 10.85	-	0.01	3.69
EUR Distributing Class (H)	€ 8.80	-	0.00	3.61
GBP Distributing Class	£ 11.55	-	0.00	3.46
GBP Distributing Class (H)	£ 9.09	-	0.00	3.19
USD Accumulating Class	$ 10.65	-	0.00	0.00
Dodge & Cox Worldwide Funds plc-Global Stock Fund				
USD Accumulating Share Class	$ 21.68	-	0.14	0.00
GBP Accumulating Share Class	£ 28.32	-	0.16	0.00
GBP Distributing Share class	£ 18.81	-	0.12	0.71
EUR Accumulating Share Class	€ 27.47	-	0.19	0.00
GBP Distributing Class (H)	£ 11.63	-	0.07	0.49
Dodge & Cox Worldwide Funds plc-International Stock Fund				
USD Accumulating Share Class	$ 17.70	-	0.06	0.00
EUR Accumulating Share Class	€ 17.58	-	0.07	0.00
Dodge & Cox Worldwide Funds plc-U.S. Stock Fund				
USD Accumulating Share Class	$ 25.52	-	0.29	0.00
GBP Accumulating Share Class	£ 29.30	-	0.33	0.00
GBP Distributing Share Class	£ 18.31	-	0.20	0.78
EUR Accumulating Share Class	€ 27.93	-	0.34	0.00
GBP Distributing Class (H)	£ 11.47	-	0.12	0.53

Dragon Capital Group
1501 Me Linh Point, 2 Ngo Duc Ke, District 1, Ho Chi Minh City, Vietnam
Fund information, dealing and administration: funds@dragoncapital.com

Fund	Bid	Offer	+/-	Yield
Other International Funds				
Vietnam Property Fund (VPF) NAV	$ 0.80	-	0.03	0.00

DSM Capital Partners Funds (LUX)
www.dsmsicav.com

Fund	Bid	Offer	+/-	Yield
Regulated				
DSM Global Growth I2	€ 195.84	-	2.10	0.00
DSM Global Growth I2	A$ 113.36	-	1.71	-
DSM Global Growth I1	€ 122.20	-	0.19	0.00
DSM US Large Cap Growth A	$ 150.78	-	0.13	0.00
DSM US Large Cap Growth I2	€ 127.37	-	0.75	0.00

E.I. Sturdza Strategic Management Limited (GSY)

Fund	Bid	Offer	+/-	Yield
Regulated				
Strat Evarich Japan Fd Ltd JPY	¥ 86627.00	-	-50.00	0.00
Strat Evarich Japan Fd Ltd USD	$ 881.81	-	-4.60	0.00

E.I. Sturdza Funds PLC (IRL)

Fund	Bid	Offer	+/-	Yield
Regulated				
Nippon Growth (UCITS) Fd - B	¥ 95802.00	-	423.00	0.00
Strategic China Panda Fd - USD	$ 3622.44	-	65.98	0.00
Strategic Euro Bond Fd - Acc	€ 1119.68	-	-0.21	0.00
Strategic Europe Value Fd - EUR	€ 217.50	-	2.08	0.00
Strategic European Smaller Companies Fd - EUR	€ 1330.30	-	2.74	0.00
Strategic Global Bond Fd - USD	$ 1042.08	-	-1.06	0.00
Strategic Global Quality Fd - USD Inst	$ 135.35	-	-0.01	0.00
Strategic Quality Emerging Bond Fd - USD Inst	$ 1029.80	-	-2.78	0.00
Strategic US Momentum and Value Fd - USD Class	$ 959.17	-	1.06	0.00
Strategic Japan Opportunities Fund	¥ 63184.00	-	197.00	0.00
Strategic Beta Flex Fund	€ 1016.80	-	0.92	0.00

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

Fund	Bid	Offer	+/-	Yield
Authorised Inv Funds				
Amity UK Cls A Inc	244.70	-	1.50	1.40
Amity UK Cls B Inc	244.40	-	1.50	2.18
Higher Income Cls A Inc	140.60	-	0.70	4.22
Higher Income Cls B Inc	146.50	-	0.70	4.17
UK Equity Growth Cls A Inc	296.50	-	1.00	1.01
UK Equity Growth Cls B Inc	303.20	-	1.00	1.76
Amity Balanced For Charities A Inc	114.10	-	0.50	4.95
Amity European Fund Cls A Inc	273.30	-	0.70	1.07
Amity European Fund Cls B Inc	276.40	-	0.70	1.87
Amity Global Equity Inc for Charities A Inc	130.00	-	0.30	3.16
Amity International Cls A Inc	281.10	-	1.40	1.13
Amity International Cls B Inc	284.00	-	1.50	1.86
Amity Sterling Bond Fund A Inc	105.80	-	0.00	4.43
Amity Sterling Bond Fund B Inc	116.10	-	0.00	4.43

Edinburgh Partners Limited (IRL)
27-31 Melville Street, Edinburgh EH3 7JF
Tel: +353 1 434 5143 Dealing - Fax +353 1 434 5230

Fund	Bid	Offer	+/-	Yield
FCA Recognised				
Edinburgh Partners Opportunities Fund PLC				
Emerging Opportunities I USD $	$ 1.37	-	0.00	1.35
European Opportunities I EUR	€ 2.82	-	0.01	1.84
European Opportunities I GBP	£ 2.46	-	0.00	1.63
European Opportunities A EUR	€ 2.77	-	0.01	0.91
Global Opportunities I USD	$ 2.02	-	0.01	1.33
Global Opportunities I GBP	£ 1.49	-	0.00	1.13
Pan European Opportunities I EUR	€ 1.93	-	0.02	-

Electric & General (1000)F (UK)
Stuart House St.John's Street Peterborough PE1 5DD
Orders & Enquiries: 0845 850 0255

Fund	Bid	Offer	+/-	Yield
Authorised Inv Funds				
Authorised Corporate Director - Carvetian Capital Management				
Electric&General Net Income A	184.20	-	1.50	1.66

Ennismore Smaller Cos Plc (IRL)
5 Kensington Church St, London W8 4LD 020 7368 4220

Fund	Bid	Offer	+/-	Yield
FCA Recognised				
Ennismore European Smlr Cos NAV	£ 125.19	-	-1.12	0.00
Ennismore European Smlr Cos NAV	€ 142.76	-	-0.35	0.00

Ennismore European Smlr Cos Hedge Fd

Fund	Bid	Offer	+/-	Yield
Other International Funds				
NAV	€ 524.85	-	3.96	0.00

Equinox Fund Mgmt (Guernsey) Limited (GSY)

Fund	Bid	Offer	+/-	Yield
Regulated				
Equinox Russian Opportunities Fund Limited	$ 184.92	-	-9.12	0.00

Euronova Asset Management UK LLP (CYM)

Fund	Bid	Offer	+/-	Yield
Regulated				
Smaller Cos Cls One Shares	€ 44.29	-	0.22	0.00
Smaller Cos Cls Two Shares	€ 29.93	-	0.13	0.00
Smaller Cos Cls Three Shares	€ 15.07	-	0.07	0.00
Smaller Cos Cls Four Shares	€ 19.35	-	0.09	0.00

Eurobank Fund Management Company (Luxembourg) S.A.

Fund	Bid	Offer	+/-	Yield
Regulated				
(LF) Absolute Return	€ 1.37	-	0.00	0.00
(LF) Eq Emerging Europe	€ 0.87	-	0.01	0.00
(LF) Eq Mena Fund	€ 12.78	-	0.15	0.00
(LF) Greek Government Bond	€ 28.72	-	-0.04	0.00
(LF) Greek Corporate Bond	€ 14.77	-	0.00	0.00
(LF) FOF Dynamic Fixed Inc	€ 11.98	-	-0.02	0.00
(LF) FOF Real Estate	€ 15.76	-	0.02	0.00

FIL Investment Services (UK) Limited (1200)F (UK)
130, Tonbridge Rd, Tonbridge TN11 9DZ
Callfree: Private Clients 0800 414161
Broker Dealings: 0800 414 181

Fund	Bid	Offer	+/-	Yield
OEIC Funds				
Allocator World Fund W-ACC-GBP	£ 1.64	-	-0.01	0.99
American Fund W-ACC-GBP	£ 38.42	-	0.20	0.39
American Special Sits W-ACC-GBP	£ 14.47	-	0.08	0.59
Asia Pacific Ops W-Acc	£ 1.87	-	0.02	1.11
Cash Fund Y-Acc-GBP	£ 1.00	-	0.00	0.20
Cash Fund Y-Inc-GBP	£ 1.00	-	0.00	0.22
Asian Dividend Fund W-ACC-GBP	£ 1.75	-	0.00	2.31
Asian Dividend Fund W-INC-GBP	£ 1.54	-	0.01	3.31
China Consumer Fund W-ACC-GBP	£ 2.89	-	0.01	0.45
Emerging Asia Fund W-ACC-GBP	£ 1.53	-	0.00	0.52
Emerging Eur Mid East and Africa W	£ 2.19	-	0.03	1.62
Enhanced Income Fund W-ACC-GBP	£ 1.45	-	0.01	6.42
Enhanced Income Fund W-INC-GBP	£ 1.00	-	0.01	6.92
European Fund W-ACC-GBP	£ 15.82	-	0.05	1.58
European Fund W-INC-GBP	£ 17.51	-	0.05	1.61
European Opportunities W-ACC-GBP	£ 4.87	-	0.01	0.82
Extra Income Fund W-ACC-GBP	£ 1.26	-	0.00	3.54
Extra Income Fund Y-GACC-GBP	£ 1.30	-	0.00	3.73
Extra Income Fund Y-GINC-GBP	£ 1.29	-	0.00	3.61
Extra Income Fund Y-INC-GBP	£ 1.26	-	0.00	3.58
Fidelity Select 50 Balanced Fund PI-ACC-GBP	£ 1.02	-	0.00	-
Fidelity Short Dated Corporate Bond Fund Y - Gross Inc	£ 9.77	-	0.01	4.07
Fidelity Short Dated Corporate Bond Fund Y - Gross Acc	£ 10.29	-	0.01	3.97
Global Dividend Fund W-ACC-GBP	£ 1.99	-	0.02	2.89
Global Dividend Fund W-INC-GBP	£ 1.69	-	0.01	3.11
Global Enhanced Income W-ACC-GBP	£ 1.22	-	0.00	3.89
Global Enhanced Income W-INC-GBP	£ 1.31	-	0.01	5.04
Global Focus Fund W-ACC-GBP	£ 21.67	-	0.03	0.35
Global High Yield Fund Y-ACC-GBP	£ 14.14	-	0.00	3.59
Global High Yield Fund Y-GACC-GBP	£ 14.69	-	-0.01	3.57
Global High Yield Fund Y-GINC-GBP	£ 10.70	-	-0.03	3.59
Global High Yield Fund Y-INC-GBP	£ 10.68	-	0.00	3.53
Global Property Fund W-ACC-GBP	£ 1.71	-	0.01	2.05
Global Property W Inc	£ 1.44	-	0.01	2.92
Global Special Sits W-ACC-GBP	£ 37.73	-	0.26	0.65
Index Emerging Markets P-Acc	£ 1.58	-	0.00	1.91
Index Emerging Markets P-Inc-GBP	£ 1.32	-	0.00	1.94
Index Europe ex UK Fund P-Inc-GBP	£ 1.37	-	0.00	2.20
Index Europe ex UK P-Acc	£ 1.49	-	0.00	2.15
Index Japan Fund P-Inc-GBP	£ 1.57	-	0.01	1.68
Index Japan P-Acc	£ 1.64	-	0.00	1.66
Index Pacific ex Japan P-Acc	£ 1.54	-	0.00	3.43
Index Pacific ex Japan P-INC-GBP	£ 1.21	-	0.00	3.50
Index UK Fund P-INC-GBP	£ 1.21	-	0.01	2.72
Index UK P-Acc	£ 1.36	-	0.01	2.67
Index US Fund P-Inc-GBP	£ 1.73	-	0.01	1.59
Index US P-Acc	£ 1.93	-	0.01	1.57
Index World Fund P-Inc-GBP	£ 1.54	-	0.01	1.86
Index World P-Acc	£ 1.72	-	0.01	1.83
Japan Fund W-ACC-GBP	£ 3.71	-	0.01	0.45
Japan Smaller Cos Fund W-ACC-GBP	£ 3.54	-	-0.01	0.25
MoneyBuilder Balanced Y-ACC-GBP	£ 0.56	-	0.00	3.51
MoneyBuilder Balanced Y-INC-GBP	£ 0.59	-	0.01	4.20
MoneyBuilder Dividend Y-INC-GBP	£ 1.33	-	0.02	4.68
MoneyBuilder Growth Fund Y-INC-GBP	£ 0.83	-	0.01	2.26
MoneyBuilder Income Fund Y-ACC-GBP	£ 12.76	-	0.01	3.22
MoneyBuilder Income Fund Y-GACC-GBP	£ 14.90	-	-0.04	3.24
MoneyBuilder Income Fund Y-GINC-GBP	£ 1.25	-	0.00	3.30
MoneyBuilder Income Fund Y-INC-GBP	£ 1.22	-	0.01	3.28
Multi Asset Adventurous N-ACC-GBP	£ 1.61	-	0.01	1.07
Multi Asset Alloc Advent N-ACC-GBP	£ 1.37	-	0.00	1.23
Multi Asset Alloc Def N-ACC-GBP	£ 1.17	-	0.00	1.02
Multi Asset Alloc Def N-GACC-GBP	£ 1.18	-	0.00	1.02
Multi Asset Allocat Grow N-ACC-GBP	£ 1.26	-	0.00	1.12
Multi Asset Alloc Strat N-ACC-GBP	£ 1.23	-	0.00	1.01
Multi Asset Balanced Inc N-GINC-GBP	£ 1.11	-	-0.01	4.08
Multi Asset Balanced N-ACC-GBP	£ 1.09	-	0.00	3.99
Multi Asset Defensive N-ACC-GBP	£ 1.22	-	0.01	1.03
Multi Asset Defensive N-ACC-GBP	£ 1.22	-	0.00	1.02
Multi Asset Growth Fund N-ACC-GBP	£ 1.35	-	0.01	1.06
Multi Asset Inc & Growth N-INC-GBP	£ 1.11	-	0.00	4.01
Multi Asset Income Fund N-GINC-GBP	£ 1.08	-	0.00	4.12
Multi Asset Income Fund N-INC-GBP	£ 1.06	-	0.00	4.16
Multi Asset Open Advent N-ACC-GBP	£ 1.38	-	0.00	0.63
Multi Asset Open Defen N-ACC-GBP	£ 1.21	-	0.00	1.05
Multi Asset Open Defen N-GACC-GBP	£ 1.23	-	0.00	1.03
Multi Asset Open Growth N-ACC-GBP	£ 1.30	-	0.00	1.23
Multi Asset Open Strat N-ACC-GBP	£ 1.29	-	0.00	1.29
Multi Asset Strategic N-ACC-GBP	£ 1.31	-	0.00	1.22
Open World Fund N-ACC-GBP	£ 1.60	-	0.00	0.36
Special Situations Fund W-ACC-GBP	£ 38.38	-	0.27	1.59
Sterling Core Plus Bond GMACC	£ 12.16	-	0.06	2.45
Sterling Core Plus Red Dur	£ 11.27	-	0.02	1.91
Strategic Bond Fund Y-ACC-GBP	£ 1.19	-	0.00	2.16
Strategic Bond Fund Y-GACC-GBP	£ 1.22	-	0.00	3.03
Strategic Bond Fund Y-GINC-GBP	£ 1.24	-	-0.01	2.70
Strategic Bond Fund Y-INC-GBP	£ 1.21	-	0.00	2.13
Target 2020 A-ACC-GBP	£ 1.64	-	0.00	0.45
Target 2025 A-ACC-GBP	£ 1.64	-	0.00	0.51
Target 2030 A-ACC-GBP	£ 1.86	-	0.01	0.57
UK Invest Grade Long Credit GACC	£ 115.40	-	0.20	2.59
UK Opportunities Fund W-ACC-GBP	248.90	-	0.80	1.26
UK Opportunities Fund W-INC-GBP	139.40	-	0.40	1.31
UK Select Fund W-ACC-GBP	£ 3.01	-	0.02	1.70
UK Smaller Companies W-ACC-GBP	£ 2.61	-	0.00	1.33
WealthBuilder Fund N-ACC-GBP	£ 1.59	-	0.00	1.26
Institutional OEIC Funds				
America	£ 5.57	-	0.03	0.61
Emerging Markets	£ 4.84	-	0.05	0.71
Europe (ex-UK) Fund ACC-GBP	£ 5.36	-	0.00	1.11
Fidelity Pre-Retirement Bond Fund	£ 137.30	-	0.30	2.63
Global Focus	£ 4.31	-	0.03	0.59
Index Linked Bond	£ 3.19	-	0.02	0.22
Index Linked Bond Gross	£ 3.89	-	0.03	0.22
Japan	£ 3.14	-	0.00	0.40
Long Bond	£ 0.56	-	0.00	2.11
Long Bond Gross	£ 0.98	-	0.00	2.09
Long Dated Bond Gross Inc	£ 12.70	-	-0.08	2.16
Pacific (Ex Japan)	£ 5.18	-	0.02	1.42
Pan European	£ 3.55	-	0.01	1.79
Select Emerging Markets Equities	£ 1.96	-	0.02	0.69
Select Global Equities	£ 4.19	-	0.03	0.97
South East Asia	£ 5.81	-	0.04	1.51
Sterling Core Plus Bond Gr Accum	£ 2.67	-	0.01	2.49
Sterling Core Plus Bond Inc	£ 1.51	-	0.01	2.53
UK	£ 4.37	-	0.03	2.11
UK Aggreg Bond Gr Accum	£ 2.06	-	0.00	2.34
UK Corporate Bond	£ 1.29	-	0.00	2.85
UK Corporate Bond - Gross	£ 2.58	-	0.00	2.79
UK Corporate Bond Fund Gross Inc	£ 11.77	-	0.02	2.85
UK Gilt Fund Inc	£ 1.35	-	0.00	1.64
UK Gilt Gross	£ 2.25	-	0.01	1.62
UK Long Corp Bond	£ 1.52	-	0.01	3.00
UK Long Corp Bond - Gross	£ 2.98	-	0.01	2.93
UK Long Corporate Bond - Gross Inc	£ 12.23	-	0.04	2.99
Retail Share Classes				
Emerging Markets - retail	£ 1.90	-	0.02	0.18

(*)CAR - Net income reinvested

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

Fund	Bid	Offer	+/-	Yield
FCA Recognised				
American Fund USD Class	$ 110.61	-	0.97	0.00
American Fund GBP Hedged	£ 58.70	-	0.51	0.00
American Fund GBP Unhedged	£ 81.44	-	0.35	0.00

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

Fund	Bid	Offer	+/-	Yield
FCA Recognised - Luxembourg UCITS				
Foord International Fund | R	$ 40.48	-	0.10	-
Foord Global Equity Fund (Lux) | R	$ 13.36	-	0.07	-
Regulated				
Foord Global Equity Fund (Sing) | B	$ 16.12	-	0.08	0.00
Foord International Trust (Gsy)	$ 40.08	-	0.10	0.00

Franklin Templeton International Services Sarl (IRL)
JPMorgan House - International Financial Services Centre,Dublin 1, Ireland

Fund	Bid	Offer	+/-	Yield
Other International Funds				
Franklin Emerging Market Debt Opportunities Fund Plc				
Franklin Emg Mkts Debt Opp CHFSFr	17.28	-	-0.77	9.06
Franklin Emg Mkts Debt Opp GBP	£ 10.68	-	-0.51	6.75
Franklin Emg Mkts Debt Opp SGD S$	22.97	-	-1.14	5.29
Franklin Emg Mkts Debt Opp USD	$ 17.94	-	-0.95	6.84

Fundsmith LLP (1200)F (UK)
PO Box 10846, Chelmsford, Essex, CM99 2BW 0330 123 1815
www.fundsmith.co.uk, enquiries@fundsmith.co.uk

Fund	Bid	Offer	+/-	Yield
Authorised Inv Funds				
Fundsmith Equity T Acc	364.92	-	2.85	0.57
Fundsmith Equity T Inc	338.81	-	2.65	0.57

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

Fund	Bid	Offer	+/-	Yield
Regulated				
LAPIS TOP 25 DIV.YLD-D	£ 101.63	-	0.13	1.99

GYS Investment Management Ltd (GSY)

Fund	Bid	Offer	+/-	Yield
Regulated				
Taurus Emerging Fund Ltd	$ 200.50	204.59	-10.04	0.00

Genesis Asset Managers LLP

Fund	Bid	Offer	+/-	Yield
Other International Funds				
Emerging Mkts NAV	£ 8.14	-	0.03	1.31

Global Investment House

Fund	Bid	Offer	+/-	Yield
Global GCC Islamic Fund	$ 105.95	-	0.52	0.00
Global GCC Large Cap Fund	$ 161.95	-	2.47	0.00
Global Saudi Equity Fund	SR 257.80	-	-6.20	0.00

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

Fund	Bid	Offer	+/-	Yield
International Insurances				
Holiday Property Bond Ser 1	£ 0.54	-	0.01	0.00
Holiday Property Bond Ser 2	£ 0.65	-	0.00	0.00

Haussmann

Fund	Bid	Offer	+/-	Yield
Other International Funds				
Haussmann Cls A	$ 2944.46	-	28.23	0.00
Haussmann Cls C	€ 2468.28	-	21.53	0.00
Haussmann Cls D	SFr 1290.86	-	11.22	0.00

Hermes Investment Funds Plc (IRL)
Hermes Investment Management Limited, 1 Portsoken Street, London E1 8HZ +44 (0) 207 680 2121

Fund	Bid	Offer	+/-	Yield
FCA Recognised				
Hermes Abs Return Credit Fund Class F Acc	£ 1.18	1.18	-0.01	0.00
Hermes Abs Return Credit Fund Class F Acc USD	$ 1.92	1.92	-0.01	0.00
Hermes Asia Ex-Japan Equity Fund Class C Acc GBP	£ 2.66	2.66	-0.01	0.00
Hermes Asia Ex-Japan Equity Fund Class C Acc USD	$ 4.74	4.74	0.01	0.00
Hermes Europe Ex-UK Equity Fund Class F Acc	£ 2.16	2.16	0.00	0.00
Hermes Europe Ex-UK Equity Fund Class F Acc EUR	€ 4.17	4.17	0.03	0.00
Hermes European Alpha Equity Fund Class F Acc	£ 1.78	1.78	0.01	0.00
Hermes European Alpha Equity Fund Class F Dis	£ 1.68	1.68	0.00	1.16
Hermes European Alpha Equity Fund Class F Acc EUR	€ 3.53	3.53	0.02	0.00
Hermes Global Emerging Markets Fund Class F Acc	£ 2.00	2.00	-0.01	0.00
Hermes Global Emerging Markets Fund Class F Acc USD	$ 4.18	4.18	0.01	0.00
Hermes Global Equity Fund Class F Acc	£ 2.26	2.26	0.00	0.00
Hermes Global Equity Fund Class R Acc USD	$ 4.87	4.87	0.00	0.00
Hermes Global ESG Equity Fund Class F Acc	£ 1.70	1.70	-0.01	0.00
Hermes Global High Yield Credit Fund Class F Acc	£ 1.45	1.45	0.00	0.00
Hermes Global High Yield Credit Fund Class F Acc EUR	€ 3.11	3.11	0.01	0.00
Hermes Global Small Cap Fund Class F Acc	£ 1.55	1.55	0.01	0.00
Hermes Global Small Cap Fund Class F Acc USD	€ 2.17	2.17	-0.01	0.00
Hermes Impact Opportunities Equity Fund F	£ 2.00	-	0.01	-
Hermes Impact Opportunities Equity Fund F	£ 0.99	-	0.00	-
Hermes Multi Asset Inflation Fund Class F GBP Acc	£ 1.05	1.05	0.00	0.00
Hermes Multi Strategy Credit Fund Class F Acc Hed	£ 1.14	1.14	0.00	0.00
Hermes SDG Engagement Equity Fund F	£ 2.12	-	0.02	-
Hermes SDG Engagement Equity Fund F	£ 1.05	-	0.02	-
Hermes US All Cap Equity Fund Class F Stg £ Acc	£ 1.45	1.45	0.01	0.00
Hermes US All Cap Equity Fund Class F Acc USD	$ 2.18	2.18	0.00	0.00
Hermes US SMID Equity Fund Class F Acc	£ 2.36	2.36	0.00	0.00
Hermes US SMID Equity Fund Class F Acc USD	$ 4.14	4.14	0.02	0.00

Hermes Property Unit Trust (UK)

Fund	Bid	Offer	+/-	Yield
Property & Other UK Unit Trusts				
Property	£ 6.51	6.99	0.01	2.79

INDIA VALUE INVESTMENTS LIMITED (INVIL)
www.invil.mu

Fund	Bid	Offer	+/-	Yield
Other International Funds				
NAV	£ 8.50	-	-0.08	0.00

Intrinsic Value Investors (IVI) LLP (IRL)
1 Hat & Mitre Court, 88 St John Street, London EC1M 4EL +44 (0)20 7566 1210

Fund	Bid	Offer	+/-	Yield
FCA Recognised				
IVI European Fund EUR	€ 22.75	-	0.05	0.00
IVI European Fund GBP	£ 26.62	-	-0.02	0.00

Invesco Global Asset Management Ltd (IRL)
Dublin 00 353 1 439 8100 Hong Kong 00 852 2842 7200

Fund	Bid	Offer	+/-	Yield
FCA Recognised				
Invesco Stlg Bd A QD F	£ 2.67	-	0.00	3.03
Invesco Asian Equity A	$ 9.33	-	-0.02	0.00
Invesco ASEAN Equity A	$ 109.81	-	0.33	0.30
Invesco Bond A	$ 27.45	-	-0.07	2.27
Invesco Continental Europ Small Cap Equity A	$ 286.63	-	1.79	0.00
Invesco Emerging Markets Equity A	$ 49.19	-	-0.03	0.00
Invesco Emerging Markets Bond A	$ 21.02	-	-0.17	5.21
Invesco Continental European Equity A	€ 9.55	-	0.04	0.82
Invesco Gilt A	£ 15.86	-	-0.10	0.87
Invesco Global Small Cap Equity A NAV	$ 162.30	-	0.42	0.00
Invesco Global High Income A NAV	$ 12.06	-	-0.03	5.10
Invesco Gbl R/Est Secs A GBP F F	£ 9.12	-	-0.07	1.16
Invesco Global Health Care A	$ 124.68	-	-0.98	0.00
Invesco Global Select Equity A	$ 16.62	-	0.08	0.16
Invesco Jap Eqty Core A	$ 22.72	-	-0.21	0.15
Invesco Japanese Equity A	$ 27.00	-	-0.19	0.00
Invesco Korean Equity A	$ 26.61	-	0.03	0.00
Invesco PRC Equity A	$ 79.49	-	0.35	0.00
Invesco Pacific Equity A	$ 68.26	-	-0.46	0.07
Invesco Global Technology A	$ 23.18	-	0.00	0.00
Invesco UK Eqty A	£ 9.47	-	0.02	1.70

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

Fund	Bid	Offer	+/-	Yield
Authorised Inv Funds				
Janus Henderson Asia Pacific Capital Growth Fund A Acc	1130.00	-	-1.00	0.03
Janus Henderson Asian Dividend Income Unit Trust Inc	108.23	113.71	0.42	5.71
Janus Henderson Cautious Managed Fund A Acc	269.60	-	0.70	3.20
Janus Henderson Cautious Managed Fund A Inc	153.70	-	0.40	3.27
Janus Henderson China Opportunities Fund A Acc	1514.00	-	0.00	0.46
Janus Henderson Emerging Markets Opportunities Fund A Acc	206.20	-	-1.00	0.30
Janus Henderson European Growth Fund A Acc	238.20	-	0.40	0.85
Janus Henderson European Selected Opportunities Fund A Acc	1666.00	-	0.00	0.57
Janus Henderson Fixed Interest Monthly Income Fund Inc	21.64	22.57	0.07	4.79
Janus Henderson Global Sustainable Equity Fund A Inc	294.40	-	-1.10	0.05
Janus Henderson Global Equity Income Fund A Inc	61.32	-	-0.03	3.22
Janus Henderson Global Equity Fund Acc	3078.79	3211.41	-10.81	0.00
Janus Henderson Global Technology Fund A Acc	1753.00	-	-5.00	0.00
Janus Henderson Multi-Asset Absolute Return Fund A Acc	141.30	-	-0.10	0.81
Janus Henderson Multi-Manager Active Fund A Acc	226.60	-	0.00	0.00
Janus Henderson Multi-Manager Distribution Fund A Inc	136.10	-	0.20	2.99
Janus Henderson Multi-Manager Diversified Fund A Acc	85.60	-	0.02	2.88
Janus Henderson Multi-Manager Global Select Fund Acc	242.50	-	0.70	0.30
Janus Henderson Multi-Manager Income & Growth Fund A Acc	177.30	-	0.30	2.08
Janus Henderson Multi-Manager Income & Growth Fund A Inc	155.10	-	0.20	2.11
Janus Henderson Multi-Manager Managed Fund A Acc	281.10	-	0.10	0.02
Janus Henderson Multi-Manager Managed Fund A Inc	273.90	-	0.10	0.02
Janus Henderson Sterling Bond Unit Trust Acc	219.19	228.65	-0.92	2.19
Janus Henderson Sterling Bond Unit Trust Inc	64.44	67.22	-0.27	2.22
Janus Henderson Strategic Bond Fund A Inc	122.30	-	-0.20	3.70
Janus Henderson UK & Irish Smaller Companies Fund A Acc	681.30	-	2.40	0.41
Janus Henderson UK Absolute Return Fund A Acc	158.50	-	0.00	0.00
Janus Henderson UK Alpha Fund A Acc	155.80	-	0.50	1.80
Janus Henderson UK Equity Income & Growth Fund A Inc	650.40	-	3.60	3.66
Janus Henderson UK Index Fund A Acc	640.60	-	2.10	2.04
Janus Henderson UK Property PAIF A Acc	£ 2.39	2.51	0.00	2.58
Janus Henderson UK Property PAIF A Inc	£ 1.07	1.13	0.00	2.63
Janus Henderson UK Tracker Fund A Acc	287.90	-	1.20	2.06
Janus Henderson US Growth Fund A Acc	1036.00	-	-3.00	0.00

Kames Capital ICVC (UK)
Kames House, 3 Lochside Crescent, Edinburgh, EH12 9SA
0800 358 3009 www.kamescapital.com

Fund	Bid	Offer	+/-	Yield
Authorised Funds				
Diversified Monthly Inc B Acc	135.18	-	-0.11	4.94
Diversified Monthly Inc B Inc	108.79	-	-0.09	5.07
Diversified Growth B Acc	£ 1.64	-	0.00	2.72
Ethical Cautious Managed B Acc	£ 1.36	-	0.00	2.02
Ethical Cautious Managed B Inc	£ 1.23	-	0.00	2.05
Ethical Corporate Bond B Acc	£ 1.87	-	-0.01	2.98
Ethical Corporate Bond B Inc	£ 1.02	-	0.00	2.98
Ethical Equity B Acc	£ 2.33	-	0.01	2.00
High Yield Bond B Acc	£ 2.72	-	0.00	4.08
High Yield Bond B Inc	£ 0.97	-	0.00	4.08
Investment Grade Bond B Acc	177.96	-	-0.57	2.09
Investment Grade Bond B Inc	£ 1.23	-	0.00	2.59
Sterling Corporate Bond B Acc	£ 0.82	-	0.00	2.94
Sterling Corporate Bond B Inc	£ 0.33	-	0.00	2.94
Strategic Bond B Acc	£ 1.22	-	0.00	1.66
Strategic Bond B Inc	£ 1.20	-	-0.01	1.66
UK Equity B Acc	£ 3.18	-	0.01	2.19
UK Equity Absolute Return B Acc	£ 1.12	-	0.00	0.00
UK Equity Income B Acc	£ 2.65	-	0.01	4.37
UK Equity Income B Inc	£ 1.83	-	0.01	4.49
UK Opportunities B Acc	£ 2.12	-	0.01	1.68
UK Smaller Companies B Acc	£ 4.00	-	-0.05	1.41

Kames Capital Investment Portfolios ICVC (UK)
Kames House, 3 Lochside Crescent, Edinburgh EH12 9SA
0800 358 3009 www.kamescapital.com

Fund	Bid	Offer	+/-	Yield
Authorised Funds				
Property Income B Acc	132.67	132.67	0.05	4.39
Property Income B Inc	110.01	110.01	0.04	4.50

Kames Capital VCIC (IRL)
1 North Wall Quay, Dublin 1, Ireland +35 3162 24493

Fund	Bid	Offer	+/-	Yield
FCA Recognised				
Absolute Return Bond B GBP Acc	1111.71	-	-0.12	1.17
Eq Market Neutral B Acc	925.88	-	-0.13	0.00
High Yield Global Bond A GBP Inc	513.03	-	0.02	3.33
High Yield Global Bond B GBP Inc	1079.04	-	0.06	3.98
Investment Grade Global Bd A GBP Inc	560.12	-	0.57	2.06
Kames Emerging Market Bond Fund - B Acc USD	$ 11.26	-	-0.03	0.00
Kames Global Equity Income B GBP Acc	1671.73	-	11.04	0.00
Kames Global Equity Income B GBP Inc	1455.44	-	-8.32	3.19
Kames Global Diversified Growth Fund - B Acc EUR	€ 11.43	-	0.02	0.00
Kames Global Equity Market Neutral Fund - B Acc GBP	£ 10.33	-	-0.01	0.00
Global Sustainable Equity B Acc GBP	£ 14.42	-	0.05	0.00
Global Sustainable Equity C Acc GBP	£ 14.49	-	0.05	0.00
Kames Absolute Return Bond Global Fund - B Acc GBP	£ 10.31	-	0.00	0.00
Short Dated High Yld Bd B Acc GBP	£ 10.06	-	0.00	-
Short Dated High Yld Bd C Acc GBP (Hdg)	£ 10.09	-	0.01	-
Strategic Global Bond A GBP Inc	1112.93	-	0.05	0.67
Strategic Global Bond B GBP Inc	631.31	-	0.05	1.33

Kleinwort Hambros Bank Limited (UK)
5TH Floor, 8 St James's Square, London, SW1Y 4JU
Dealing and enquiries: 033 0024 0785

Fund	Bid	Offer	+/-	Yield
Authorised Inv Funds				
Unit Trust Manager/ACD - Host Capital				
HC Kleinwort Hambros Growth A Acc	204.21	-	0.62	1.36
HC Kleinwort Hambros Growth A Inc	185.58	-	0.57	1.38
HC Kleinwort Hambros Equity Income A Inc	115.74	-	0.30	3.06
HC Kleinwort Hambros Equity Income A Acc	190.05	-	0.49	4.00
HC Kleinwort Hambros Multi Asset Balanced A Acc	157.08	-	0.29	0.81
HC Kleinwort Hambros Multi Asset Balanced A Inc	148.45	-	0.27	0.81
HC Kleinwort Hambros Fixed Income A Acc	129.06	-	-0.12	3.44
HC Kleinwort Hambros Fixed Income A Inc	109.11	-	-0.10	3.44

Link Asset Services (UK)
65 Gresham Street, London, EC2V 7NQ
Order Desk and Enquiries: 0345 922 0044

Fund	Bid	Offer	+/-	Yield
Authorised Inv Funds				
LF Heartwood Balanced MA B Acc ❖	146.84	-	0.26	0.43
LF Heartwood Cautious MA B Acc ❖	141.31	-	0.25	0.60
LF Heartwood Defensive MA B Acc ❖	115.30	-	0.10	0.15
LF Heartwood Growth MA B Acc ❖	178.82	-	0.37	0.04
LF Heartwood Income MA B Inc ❖	112.47	-	0.18	3.33
LF Heartwood Income Plus MA B Inc ❖	119.63	-	0.32	3.83
LF Seneca Diversified Growth A Acc	273.75	-	0.27	2.15
LF Seneca Diversified Growth B Acc	164.54	-	0.16	2.78
LF Seneca Diversified Growth N Acc	161.95	-	0.16	2.54
LF Seneca Diversified Income A Inc	93.79	-	0.05	4.94
LF Seneca Diversified Income B Inc	112.71	-	0.07	4.93
LF Seneca Diversified Income N Inc	111.07	-	0.06	4.93
Investment Adviser - Morant Wright Management Limited				
LF Morant Wright Japan A Acc ❖	415.30	-	1.88	0.00
LF Morant Wright Japan A Inc ❖	405.22	-	1.83	0.41
LF Morant Wright Japan B Acc ❖	447.33	-	2.02	0.87
LF Morant Wright Japan B Inc ❖	410.99	-	1.86	0.89
LF Morant Wright Nippon Yield A Acc ❖	440.05	-	2.18	2.06
LF Morant Wright Nippon Yield A Inc ❖	358.48	-	1.77	2.12
LF Morant Wright Nippon Yield B Acc ❖	461.88	-	2.29	2.05
LF Morant Wright Nippon Yield B Inc ❖	376.37	-	1.87	2.13

Lloyds Investment Fund Managers Limited (1000)F (JER)
PO Box 311, 11-12 Esplanade, St Helier, Jersey, JE4 8ZU 01534 845555

Fund	Bid	Offer	+/-	Yield
Other International Funds				
Lloydstrust Gilt	£ 12.3800xd	-	-0.0800	1.89
Lloyds Investment Funds Limited				
Euro High Income	€ 1.5690xd	-	-0.0020	2.99
High Income	£ 0.8547xd	-	-0.0041	4.35
Sterling Bond	£ 1.5100xd	-	-0.0080	2.68
Lloyds Gilt Fund Limited				
Lloyds Gilt Fund Quarterly Share	£ 1.3020xd	-	-0.0090	1.61
Monthly Share	£ 1.2500xd	-	-0.0080	1.61
Lloyds Money Fund Limited				
Sterling Class	£ 52.5200	-	0.0000	-0.20
Lloyds Multi Strategy Fund Limited				
Conservative Strategy	£ 1.2320	-	-0.0010	0.86
Growth Strategy	£ 1.8160	-	0.0040	0.67
Aggressive Strategy	£ 2.4620	-	0.0090	0.00
Global USD Growth Strategy	$ 1.6440	-	0.0080	0.00

Dealing Daily

Lothbury Property Trust (UK)
155 Bishopsgate, London EC2M 3TQ +44(0) 20 3551 4900

Fund	Bid	Offer	+/-	Yield
Property & Other UK Unit Trusts				
Lothbury Property Trust GBP	£ 1950.07	2102.63	8.18	3.09

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

Fund	Bid	Offer	+/-	Yield
Authorised Inv Funds				
Charifund Inc	1621.09	-	0.74	4.66
Charifund Acc	25105.97	-	11.51	4.53

M & G Securities Ltd (UK)

Fund	Bid	Offer	+/-	Yield
UK Charity Funds				
Charibond	122.78xd	-	0.21	2.28
(Accum Units)	3965.72xd	-	6.58	2.28
NAACIF	87.55xd	-	0.21	3.88
(Accum Units)	8705.59xd	-	20.74	3.79

MMIP Investment Management Limited (GSY)

Fund	Bid	Offer	+/-	Yield
Regulated				
Multi-Manager Investment Programmes PCC Limited				
UK Equity Fd Cl A Series 01	£ 2750.98	2774.28	-37.86	0.00
Diversified Absolute Rtn Fd USD Cl AF2	$ 1641.24	-	-23.92	0.00
Diversified Absolute Return Stlg Cell AF2	£ 1624.03	-	-25.03	0.00
Global Equity Fund A Lead Series	£ 1377.06	1382.41	-48.05	0.00

Marlborough Fd Managers Ltd (1200)F (UK)
Marlborough House, 59 Chorley New Road, Bolton, BL1 4QP 0808 145 2500
www.marlboroughfunds.com

Fund	Bid	Offer	+/-	Yield
Authorised Inv Funds				
Balanced	198.78	209.52	0.46	0.37
Bond Income	50.91	53.79	-0.12	3.59
Cautious Inc	93.20	98.21	0.26	1.76
Defensive A Inc	114.37	114.37	-0.11	0.40
Emerging Markets	335.56	335.56	-0.65	1.00
ETF Global Growth A	183.22	183.22	0.12	0.15
ETF Commodity A	88.55	88.55	0.51	0.00
European Multi-Cap	482.13	482.13	1.26	0.31
Extra Income	85.18	90.14	0.20	3.81
Far East Growth A Inc	249.50	249.50	-0.04	1.22
Global	246.69	260.02	2.29	0.00
Global Bond Inc	148.95	157.52	-0.67	3.22
High Yield Fixed Interest	74.35	78.85	0.01	4.59
Multi Cap Income A Inc	161.88	161.88	0.28	4.23
Nano-Cap Growth A Acc	163.3479	176.9400	12.9550	0.00
Special Situations A Acc	1723.62	1823.94	-0.51	0.26
UK Multi-Cap Growth A Acc	353.29	373.85	2.93	0.20
UK Micro Cap Growth A	742.24	785.44	-0.50	0.09
US Multi-Cap Income	448.98	448.98	-0.10	0.51
MFM - Third Party Funds				
Junior Oils	78.50	83.07	-0.50	0.00
Junior Gold C Acc	38.24	38.24	0.25	0.00
MFM Bowland	253.16	273.69	3.22	0.67
MFM Hathaway Inc	136.76	143.20	0.93	1.43
MFM Techinvest Special Situations Acc	204.32	204.32	2.21	0.00
MFM Techinvest Technology Acc	499.48	499.48	17.53	0.00
MFM UK Primary Opportunities A Inc	428.58	428.58	2.65	1.26

Marwyn Asset Management Limited (CYM)

Fund	Bid	Offer	+/-	Yield
Regulated				
Marwyn Value Investors	£ 393.49	-	-18.63	0.00

McInroy & Wood Portfolios Limited (UK)
Easter Alderston, Haddington, EH41 3SF 01620 825867

Fund	Bid	Offer	+/-	Yield
Authorised Inv Funds				
Balanced Fund Personal Class Units	4806.70	-	12.30	1.42
Income Fund Personal Class Units	2610.60	-	13.80	2.63
Emerging Markets Fund Personal Class Units	2154.30	-	-6.40	1.64
Smaller Companies Fund Personal Class Units	5397.60	-	-7.50	0.99

Emerging Markets Managed Accounts PLC (IRL)
emma@milltrust.com, +44(0)20 8123 8369, www.milltrust.com

Fund	Bid	Offer	+/-	Yield
Regulated				
Milltrust ASEAN A	$ 115.98	-	-0.80	0.00
Milltrust India A	$ 173.65	-	-0.80	0.00
Milltrust Latin America A	$ 106.53	-	-1.92	0.00
Milltrust Keywise China Fund	$ 160.69	-	3.68	0.00
Milltrust SEOCO MENA Fund (Class A) *	$ 104.19	-	-0.46	0.00

Milltrust International Managed Investments ICAV (IRL)
mimi@milltrust.com, +44(0)20 8123 8369 www.milltrust.com

Fund	Bid	Offer	+/-	Yield
Regulated				
MAI - Buy & Lease (Australia)	A$ 99.42	-	-0.58	-
MAI - Buy & Lease (New Zealand)NZ$	99.44	-	-0.56	0.00
British Innovation Fund	£ 98.71	-	-1.03	-
EICM South Asia Hospitality 1	$ 101.98	-	4.50	-

Ministry of Justice Common Investment Funds (UK)

Fund	Bid	Offer	+/-	Yield
Property & Other UK Unit Trusts				
The Equity Idx Tracker Fd Inc	1721.00	1721.00	8.00	2.74

Distribution Units

Mirabaud Asset Management (LUX)
www.mirabaud.com, marketing@mirabaud-am.com
Conviction based investment vehicles details available here www.mirabaud-am.com

Fund	Bid	Offer	+/-	Yield
Regulated				
Mir. - Glb Strat. Bd I USD	$ 109.11	-	-0.07	0.00
Mir. - EqPanEuropeSm&Mid	£ 162.15	-	0.83	0.00
Mir. - Eq UK High Income I GBP	£ 127.29	-	0.75	0.00

Morgan Stanley Investment Funds (LUX)
6b Route de Trèves L-2633 Senningerberg Luxembourg (352) 34 64 61
www.morganstanleyinvestmentfunds.com

Fund	Bid	Offer	+/-	Yield
FCA Recognised				
US Advantage A F	$ 84.73	-	0.58	0.00
Asian Equity A F	$ 54.32	-	0.11	0.00
Asian Property A F	$ 21.13	-	0.03	0.00
Emerg Europ, Mid-East & Africa Eq A F	€ 78.99	-	0.84	0.00
Emerging Markets Debt A F	$ 83.85	-	-0.41	0.00
Emerging Markets Domestic Debt AX F	£ 11.72	11.72	-0.10	5.54
Emerging Markets Equity A F	$ 44.62	44.62	0.21	0.00
Euro Bond A F	€ 16.22	16.22	-0.01	0.00
Euro Corporate Bond AX F	£ 27.23	27.23	-0.11	1.26
Euro Strategic Bond A F	€ 46.49	46.49	-0.04	0.00
European Currencies High Yield Bd A F	€ 24.68	24.68	-0.01	0.00
European Equity Alpha A F	€ 45.41	-	0.33	0.00
European Property A F	€ 36.80	36.80	0.08	0.00
Eurozone Equity Alpha A F	€ 13.32	13.32	0.07	0.00
Global Bond A F	$ 42.00	42.00	-0.03	0.00
Global Brands A F	$ 126.11	-	0.49	0.00
Global Convertible Bond A F	$ 45.73	-	0.02	0.00
Global Property A F	$ 30.73	-	0.07	0.00
Indian Equity A F	$ 44.63	-	-0.24	0.00
Latin American Equity A F	$ 53.73	-	0.22	0.00
Short Maturity Euro Bond A F	€ 20.36	20.36	0.00	0.00
US Dollar Liquidity A F	$ 13.18	-	0.00	0.00
US Growth A F	$ 109.50	-	0.83	0.00
US Growth AH F	€ 72.82	72.82	0.53	0.00
US Growth AX F	£ 80.60	80.60	0.12	0.00
US Property A F	$ 69.18	-	0.08	0.00

Morgens Waterfall Vintiadis.co Inc

Fund	Bid	Offer	+/-	Yield
Other International Funds				
Phaeton Intl (BVI) Ltd (Est)	$ 502.29	-	8.58	0.00

Natixis International Funds (LUX) I SICAV (LUX)

Fund	Bid	Offer	+/-	Yield
FCA Recognised				
ASG Managed Futures Fund I/A (USD)	$ 99.72	99.72	-0.17	0.00
Harris Global Equity Fund R/A (USD)	$ 328.95	328.95	-0.05	0.00
Loomis Sayles Global Growth Equity Fund I/A (USD)	$ 133.74	133.74	0.69	0.00
Loomis Sayles U.S. Growth Equity Fund I/A (USD)	$ 136.17	136.17	0.51	0.00

Natixis Investment Funds (UK)

Fund	Bid	Offer	+/-	Yield
Authorised Funds				
DNCA European Select Equity Fund	£ 1.06	-	0.00	-
Harris Global Concentrated Equity Fund	£ 1.67	-	0.01	1.34
H2O MultiReturns Fund N/A (GBP)	£ 1.70	-	0.01	0.66
Loomis Sayles U.S. Equity Leaders N/A (GBP)	£ 2.36	-	0.01	0.13

New Capital Fund Management Ltd (IRL)

Fund	Bid	Offer	+/-	Yield
Regulated				
New Capital Euro Value Credit Fund - EUR Inst Acc	€ 100.22	-	-0.03	-

new capital
funds by EFG Asset Management

New Capital UCITS Fund PLC (IRL)
Leconfield House, Curzon Street, London, W1J 5JB
www.newcapitalfunds.com

Fund	Bid	Offer	+/-	Yield
FCA Recognised				
New Capital Asia Value Credit Fund - USD Ord Inc	$ 91.46	-	-0.21	3.95
New Capital Asia Pacific Equity Income Fund - USD Ord Inc	$ 108.67	-	0.07	2.49
New Capital Dynamic European Equity Fund - EUR Ord Inc	€ 191.79	-	0.75	2.63
New Capital China Equity Fund - USD Ord Acc	$ 175.23	-	0.15	0.00
New Capital Global Value Credit Fund - USD Ord Inc	$ 181.84	-	-0.25	0.00
New Capital Global Equity Conviction Fund - USD Ord Acc	$ 128.04	-	0.96	0.00
New Capital Strategic Portfolio UCITS Fund - USD Ord Acc	$ 120.59	-	0.34	0.00
New Capital Wealthy Nations Bond Fund - USD Ord Inc	$ 111.90	-	-0.30	4.48
New Capital Swiss Select Equity Fund - CHF Ord Acc	SFr 171.82	-	0.38	0.00
New Capital US Growth Fund - USD Ord Acc	$ 282.61	-	3.48	0.00
New Capital All Weather Fund - EUR Inst Acc	€ 100.08	-	-0.38	0.00
New Capital Dynamic UK Equity Fund - GBP Inst Acc	£ 113.70	-	0.88	0.00
New Capital US Small Cap Growth Fund - USD Inst Acc	$ 135.59	-	1.03	0.00
New Capital Global Alpha Fund - USD Ord Inc	$ 105.61	-	0.16	0.32

Northwest Investment Management (HK) Ltd
11th Floor, Kinwick Centre, 32, Hollywood Road, Central Hong Kong +852 9084 4373

Fund	Bid	Offer	+/-	Yield
Other International Funds				
Northwest China Opps Class T $	$ 3293.08	-	-16.15	0.00
Northwest Fund Class T $	$ 2447.06	-	-28.57	0.00
Northwest Warrant Acc USD	$ 1969.35	-	-444.40	0.00

OASIS

Oasis Crescent Management Company Ltd

Fund	Bid	Offer	+/-	Yield
Other International Funds				
Oasis Crescent Equity Fund	R 10.58	-	-0.03	0.00

Oasis Global Mgmt Co (Ireland) Ltd (IRL)

Fund	Bid	Offer	+/-	Yield
Regulated				
Oasis Crescent Global Investment Fund (Ireland) plc				
Oasis Crescent Global Short Term Income Fund - Class A Dist	$ -	-	-	-
Oasis Crescent Global Equity Fund	$ 30.85	-	0.08	0.69
Oasis Crescent Variable Balanced Fund	£ 10.49	-	0.02	0.00
OasisCresGl Income Class A	$ 10.48	-	-0.01	2.70
OasisCresGl LowBal D ($) Dist	$ 12.18	-	0.02	0.00
OasisCresGl Med Eq Bal A ($) Dist	$ 12.83	-	0.04	0.60
Oasis Crescent Gbl Property Eqty	$ 9.57	-	0.05	1.88

MANAGED FUNDS SERVICE

Odey Asset Management LLP (UK)
65 Gresham Street, London, EC2V 7NQ
Order Desk and Enquiries: 0345 300 2106
Authorised Inv Funds
Authorised Corporate Director - Link Fund Solutions

Fund	Bid	Offer	+/-	Yield
LF Odey Continental European GBP R Acc	1022.94	-	6.74	0.60
LF Odey Opus GBP R Inc	4432.86	-	5.79	0.00
LF Odey Absolute Return GBP R	290.67	-	3.26	0.00
LF Odey Portfolio Fund GBP R Inc	160.22	-	1.10	0.00

Odey Asset Management LLP (CYM)
Regulated

Fund	Bid	Offer	+/-	Yield
OEI Mac Inc GBP A	£ 167.72	-	8.16	0.00
OEI Mac Inc GBP B	£ 97.43	-	6.11	0.00
OEI MAC Inc USD	$ 894.04	-	43.34	0.00
Odey European Inc EUR	€ 387.31	-	19.26	0.00
Odey European Inc GBP A	£ 155.25	-	7.87	0.00
Odey European Inc GBP B	£ 88.01	-	4.46	0.00
Odey European Inc USD	$ 185.98	-	9.38	0.00
Giano Capital EUR Inc	€ 5010.92	-	238.02	0.00

Odey Asset Management LLP (IRL)
FCA Recognised

Fund	Bid	Offer	+/-	Yield
Odey Pan European EUR R	€ 342.11	-	3.74	0.00
Odey Allegra International EUR O	€ 185.87	-	1.37	0.00
Odey Allegra Developed Markets USD I	$ 170.08	-	0.88	0.00
Odey European Focus Fund	€ 20.02	-	0.07	0.00
Odey Giano European Fund EUR R	€ 126.44	-	-0.50	0.00
Odey Odyssey USD I	$ 94.39	-	-0.52	0.00
Odey Swan Fund EUR I	€ 45.63	-	0.55	0.00
Odey Absolute Return Focus Fund	$ 92.75	-	6.63	0.00

Odey Wealth Management (CI) Ltd (IRL)
www.odey.com/prices
FCA Recognised

Fund	Bid	Offer	+/-	Yield
Odey Opportunity EUR I	€ 240.98	-	1.01	0.00

Omnia Fund Ltd
Other International Funds

Fund	Bid	Offer	+/-	Yield
Estimated NAV	$ 955.65	-	-46.68	0.00

Optima Fund Management
Other International Funds

Fund	Bid	Offer	+/-	Yield
Cuttyhunk Fund II Limited	$ 1628.61	-	27.63	0.00
JENOP Global Healthcare Fund Ltd	$ 16.15	-	-0.48	0.00
OPTIKA Fund Limited - Cl A	$ 136.59	-	-1.41	0.00
Optima Fd NAV (Est)	$ 98.73	-	0.47	0.00
Optima Discretionary Macro Fund Limited	$ 87.07	-	-0.17	0.00
The Dorset Energy Fd Ltd NAV	$ 23.67	-	0.00	0.00
Platinum Fd Ltd (Est)	$ 112.25	-	0.20	0.00
Platinum Fd Ltd EUR (Est)	€ 20.62	-	0.03	0.00
Platinum Japan Fd Ltd (Est)	$ 70.30	-	-0.13	0.00
Optima Partners Global Fd (Est)	$ 16.90	-	0.02	0.00
Optima Partners Focus Fund A	$ 17.47	-	-0.08	0.00
Optima STAR Fund (hedged)	$ 108.13	-	-0.05	0.00
Optima STAR Long Fund	$ 144.53	-	1.29	0.00

Oryx International Growth Fund Ltd
Other International Funds

Fund	Bid	Offer	+/-	Yield
NAV (Fully Diluted)	£ 9.00	-	-0.23	0.00

Pictet Asset Management (Europe) SA (LUX)
15, Avenue J.F. Kennedy L-1855 Luxembourg
Tel: 0041 58 323 3000
FCA Recognised

Fund	Bid	Offer	+/-	Yield
Pictet-Abs.Rtn Fix Inc-HI EUR	€ 105.76	-	-0.04	0.00
Pictet-Asian Equities Ex Japan-I USD F	$ 320.39	-	-0.20	0.00
Pictet-Asian Local Currency Debt-I USD F	$ 167.18	-	-0.60	0.00
Pictet-Biotech-I USD F	$ 782.02	-	7.51	0.00
Pictet-CHF Bonds-I CHF	SFr 504.51	-	-0.27	0.00
Pictet-China Index I USD	$ 166.56	-	0.46	0.00
Pictet-Clean Energy-I USD F	$ 102.82	-	0.90	0.00
Pictet-Digital-I USD F	$ 411.35	-	3.82	0.00
Pictet-Em Lcl Ccy Dbt-I USD F	$ 178.79	-	-2.66	0.00
Pictet-Emerging Europe-I EUR F	€ 365.40	-	-2.37	0.00
Pictet-Emerging Markets-I USD F	$ 670.04	-	-1.12	0.00
Pictet-Emerging Markets Index-I USD F	$ 310.21	-	0.29	0.00
Pictet-Emerging Corporate Bonds I USD	$ 122.52	-	0.15	0.00
Pictet-Emerging Markets High Dividend I USD	$ 127.30	-	-0.48	0.00
Pictet-Emerging Markets Sust Eq I USD	$ 109.68	-	-0.49	0.00
Pictet-EUR Bonds-I F	€ 581.36	-	-1.31	0.00
Pictet-EUR Corporate Bonds-I F	€ 210.98	-	-0.05	0.00
Pictet-EUR Government Bonds I EUR	€ 163.85	-	0.06	0.00
Pictet-EUR High Yield-I F	€ 273.75	-	-0.18	0.00
Pictet-EUR Short Mid-Term Bonds-I F	€ 137.55	-	0.01	0.00
Pictet-EUR Short Term HY I EUR	€ 127.10	-	0.00	0.00
Pictet-EUR Sov.Sht.Mon.Mkt EUR I	€ 101.49	-	0.00	0.00
Pictet-Euroland Index IS EUR	€ 160.98	-	0.32	0.00
Pictet-Europe Index-I EUR F	€ 194.68	-	1.53	0.00
Pictet-European Equity Selection-I EUR F	€ 796.27	-	7.22	0.00
Pictet-European Sust Eq-I EUR F	€ 270.58	-	0.09	0.00
Pictet-Global Bds Fundamental I USD	$ 126.35	-	0.15	0.00
Pictet-Global Bonds-I EUR	€ 164.50	-	-0.19	0.00
Pictet-Global Defensive Equities I USD	$ 170.63	-	-0.18	0.00
Pictet-Global Emerging Debt-I USD F	$ 392.45	-	-0.04	0.00
Pictet-Global Env.Opport-I EUR	€ 206.46	-	1.52	0.00
Pictet-Global Megatrend Selection-I USD F	$ 297.47	-	0.10	0.00
Pictet-Global Sust.Credit HI EUR	€ 148.13	-	-0.09	0.00
Pictet-Greater China-I USD F	$ 691.81	-	1.87	0.00
Pictet-Health-I USD	$ 279.76	-	1.48	0.00
Pictet-High Dividend Sel I EUR F	€ 167.44	-	1.30	0.00
Pictet-India Index I USD	$ 124.25	-	-0.28	0.00
Pictet-Indian Equities-I USD F	$ 609.15	-	-2.90	0.00
Pictet-Japan Index-I JPY F	¥ 18976.97	-	-79.12	0.00
Pictet-Japanese Equities Opp-I JPY F	¥ 12092.53	-	-7.47	0.00
Pictet-Japanese Equity Selection-I JPY F	¥ 17269.95	-	17.88	0.00
Pictet-LATAM Lc Ccy Dbt-I USD F	$ 135.19	-	-0.58	0.00
Pictet-Multi Asset Global Opportunities-I EUR	€ 122.22	-	0.08	0.00
Pictet-Nutrition-I EUR	€ 217.91	-	-0.28	0.00
Pictet-Pacific Ex Japan Index-I USD F	$ 441.75	-	1.10	0.00
Pictet-Premium Brands-I EUR F	€ 183.08	-	1.07	0.00
Pictet-Russia Index I USD	$ 73.57	-	-0.02	0.00
Pictet-Russian Equities-I USD F	$ 72.76	-	-0.15	0.00
Pictet-Security-I USD F	$ 262.02	-	2.05	0.00
Pictet-Select-Callisto I EUR	€ 102.93	-	0.08	0.00
Pictet-Small Cap Europe-I EUR F	€ 1424.64	-	9.41	0.00
Pictet-ST Emerg Local Currency Debt-I USD F	$ 105.55	-	-1.52	0.00
Pictet-ST.MoneyMkt-I	€ 139.28	-	0.00	0.00
Pictet-ST.MoneyMkt JPY I USD	¥ 101078.28	-	-1.36	0.00
Pictet-ST.MoneyMkt-ICHF	SFr 121.78	-	0.00	0.00
Pictet-ST.MoneyMkt-IUSD	$ 139.34	-	0.02	0.00
Pictet-Timber-I USD F	$ 215.13	-	1.02	0.00
Pictet TR-Agora I EUR	€ 127.27	-	0.03	0.00
Pictet TR-Corto Europe I EUR	€ 146.95	-	0.39	0.00
Pictet TR-Divers Alpha I EUR	€ 111.81	-	0.18	0.00
Pictet TR-Kosmos I EUR	€ 109.73	-	0.00	0.00
Pictet TR-Mandarin I USD	$ 164.39	-	-0.44	0.00
Pictet-US Equity Selection-I USD	$ 244.95	-	2.82	0.00
Pictet-US High Yield-I USD F	$ 164.28	-	0.04	0.00
Pictet-USA Index-I USD F	$ 245.20	-	2.37	0.00
Pictet-USD Government Bonds-I F	$ 637.30	-	-1.45	0.00
Pictet-USD Short Mid-Term Bonds-I F	$ 131.18	-	-0.03	0.00
Pictet-USD Sov.ST.Mon.Mkt-I	$ 105.10	-	0.02	0.00
Pictet-Water-I EUR F	€ 336.08	-	2.33	0.00

Platinum Capital Management Ltd
Other International Funds

Fund	Bid	Offer	+/-	Yield
Platinum All Star Fund - A	$ 130.41	-	-	-
Platinum Global Dividend Fund - A	$ 45.82	-	-	-
Platinum Global Growth UCITS Fund	$ 10.00	-	-	-

Polar Capital Funds Plc (IRL)
Regulated

Fund	Bid	Offer	+/-	Yield
Automation & Artificial Intelligence Cl I USD Acc	$ 10.59	10.59	0.09	-
Asian Financials I USD	$ 388.97	388.97	-0.14	0.00
Biotechnology I USD	$ 23.57	23.57	0.34	0.00
European Income Acc EUR	€ 12.44	12.44	0.07	0.00
European Ex UK Inc EUR Acc	€ 11.34	11.34	0.01	0.00
Financial Opps I USD	$ 14.80	-	0.12	1.84
GEM Income I USD	$ 12.19	-	-0.01	0.00
Global Convertible I USD	$ 13.17	13.17	0.02	0.00
Global Insurance I GBP	£ 5.94	-	-0.01	0.00
Global Technology I USD	$ 43.43	-	0.76	0.00
Healthcare Blue Chip Fund I USD Acc	$ 11.78	11.78	0.03	0.00
Healthcare Opps I USD	$ 43.36	-	0.38	0.00
Income Opportunities B2 I GBP Acc	£ 2.27	2.27	0.00	0.00
Japan Alpha I JPY	¥ 261.94	261.94	0.29	0.00
Japan I JPY	¥ 2625.57	-	-3.06	0.00
North American I USD	$ 24.46	24.46	0.23	0.00
UK Absolute Equity I GBP	£ 20.85	20.85	-0.05	0.00
UK Val Opp I GBP Acc	£ 12.23	12.23	0.01	0.00

Polar Capital LLP (CYM)
Regulated

Fund	Bid	Offer	+/-	Yield
European Forager A EUR	€ 189.87	-	5.74	0.00

Private Fund Mgrs (Guernsey) Ltd (GSY)
Regulated

Fund	Bid	Offer	+/-	Yield
Monument Growth 08/05/2018	£ 524.78	530.83	3.36	3.15

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

Fund	Bid	Offer	+/-	Yield
Prusik Asian Equity Income B Dist	$ 205.85	-	0.26	3.35
Prusik Asia A	$ 284.97	-	0.65	0.00
Prusik Asian Smaller Cos A	$ 163.25	-	-0.99	0.00

Purisima Investment Fds (UK) (1200)F (UK)
65 Gresham Street, London, EC2V 7NQ
Order Desk and Enquiries: 0345 922 0044
Authorised Inv Funds
Authorised Corporate Director - Link Fund Solutions

Fund	Bid	Offer	+/-	Yield
Global Total Fd PCG A	245.83	-	1.86	0.53
Global Total Fd PCG B	243.82	-	1.64	0.30
Global Total Fd PCG INT	240.85	-	1.61	0.07

Purisima Investment Fds (CI) Ltd (JER)
Regulated

Fund	Bid	Offer	+/-	Yield
PCG B ✠	214.92	-	4.07	0.00
PCG C ✠	211.04	-	3.99	0.00

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

Fund	Bid	Offer	+/-	Yield
RAM Systematic Emerg Markets Core Eq	$ 106.59	-	-0.23	-
RAM Systematic Emerg Markets Eq	$ 188.32	-	-0.65	-
RAM Systematic European Eq	€ 468.27	-	1.33	-
RAM Systematic Global Shareholder Yield Eq	$ 132.07	-	-0.10	0.00
RAM Systematic Long/Short Emerg Markets Eq	$ 121.57	-	-0.10	-
RAM Systematic Long/Short European Eq	€ 154.67	-	0.37	-
RAM Systematic North American Eq	$ 299.56	-	1.00	-
RAM Tactical Convertibles Europe	€ 150.08	-	-0.22	-
RAM Tactical Global Bond Total Return	€ 143.07	-	-0.19	-
RAM Tactical II Asia Bond Total Return	$ 139.03	-	-0.14	-

Rathbone Unit Trust Mgmt (1200)F (UK)
PO Box 9948, Chelmsford, CM99 2AG
Order Desk: 0845 300 2101, Enquiries: 0207 399 0399
Authorised Inv Funds

Fund	Bid	Offer	+/-	Yield
Blue Chip Income Inc	148.60	153.58	0.63	4.22
Blue Chip Income Acc	242.35	250.04	1.03	4.02
Ethical Bond Inc	93.77	95.65	0.03	4.10
Ethical Bond Acc	197.51	200.99	0.08	4.00
Global Opportunities Acc	210.99	217.37	1.56	0.00
Income Inc	912.98	945.02	6.52	3.92
Income Acc	1554.16	1605.75	11.09	3.61
Multi Asset Enhanced Growth Acc	163.53	-	0.53	0.08
Multi Asset Strategic Growth Inc	175.31	-	0.45	1.39
Multi Asset Strategic Growth acc	192.64	-	0.49	1.37
Multi Asset Total Return inc	130.63	-	0.15	1.50
Multi Asset Total Return acc	149.38	-	0.18	1.50
Rathbone UK Opportunities Inc	508.56	527.48	2.83	2.39
Rathbone UK Opportunities Acc	649.55	672.77	3.59	2.32
Strategic Bond I-Class Acc	142.93	143.57	-0.01	2.90
Strategic Bond I-Class Inc	115.68	116.32	0.00	2.96

ROBECO
The Investment Engineers

Robeco Asset Management (LUX)
Weena 850, 3014 DA Rotterdam, The Netherlands
www.robeco.com/contact
FCA Recognised

Fund	Bid	Offer	+/-	Yield
Asia-Pacific Equities (EUR)	€ 168.38	-	0.27	0.00
BP US Premium Equities (EUR)	€ 227.59	-	0.66	0.00
BP US Premium Equities (USD)	$ 265.26	-	0.77	0.00
Chinese Equities (EUR)	€ 103.94	-	1.09	0.00
Em Stars Equities (EUR)	€ 221.04	-	0.18	0.00
Emerging Markets Equities (EUR)	€ 195.80	-	0.51	0.00
Glob.Consumer Trends Equities (EUR)	€ 204.11	-	0.84	0.00
High Yield Bonds (EUR)	€ 143.72	-	0.03	0.00
New World Financials (EUR)	€ 69.78	-	0.39	0.00

Royal London Unit Managers Ltd. (1200) F (UK)
5th Floor, Churchgate House, 56 Oxford Street, Manchester M1 6EU 03456 057777
Authorised Inv Funds

Fund	Bid	Offer	+/-	Yield
Royal London Sustainable Diversified A Inc	£ 1.93	-	0.01	1.09
Royal London Sustainable World A Inc	238.30	-	1.40	0.32
Royal London Corporate Bond Mth Income	90.91	92.29	0.08	3.67
Royal London European Growth Trust	155.70	158.10	0.50	0.00
Royal London Sustainable Leaders A Inc	587.60	-	4.20	1.12
Royal London UK Growth Trust	584.50	593.40	4.80	1.53
Royal London UK Income With Growth Trust	228.00	231.50	1.40	4.26
Royal London US Growth Trust	220.20	223.60	1.80	0.00

Additional Funds Available
Please see www.royallondon.com for details

Ruffer LLP (1000)F (UK)
65 Gresham Street, London, EC2V 7NQ
Order Desk and Enquiries: 0345 601 9610
Authorised Inv Funds
Authorised Corporate Director - Link Fund Solutions

Fund	Bid	Offer	+/-	Yield
LF Ruffer European C Acc	589.48	-	4.03	0.30
LF Ruffer European C Inc	108.74	-	0.74	0.61
LF Ruffer European O Acc	579.38	-	3.93	0.00
LF Ruffer Equity & General C Acc	459.96	-	3.94	0.04
LF Ruffer Equity & General C Inc	424.06	-	3.63	0.04
LF Ruffer Equity & General O Acc	452.11	-	3.85	0.00
LF Ruffer Equity & General O Inc	419.48	-	3.57	0.00
LF Ruffer Gold C Acc	154.38	-	4.27	0.08
LF Ruffer Gold C Inc	93.44	-	2.59	0.13
LF Ruffer Gold O Acc	151.69	-	4.19	0.00
LF Ruffer Japanese C Inc	117.94	-	0.38	0.25
LF Ruffer Japanese C Acc	251.07	-	0.81	0.23
LF Ruffer Japanese O Acc ✠	246.46	-	0.79	0.00
LF Ruffer Pacific C Acc	378.70	-	0.83	0.92
LF Ruffer Pacific C Inc	106.48	-	0.23	1.10
LF Ruffer Pacific O Acc	371.90	-	0.80	0.62
LF Ruffer Total Return C Acc	442.29	-	0.19	1.46
LF Ruffer Total Return C Inc	295.88	-	0.13	1.46
LF Ruffer Total Return O Acc	434.70	-	0.16	1.45
LF Ruffer Total Return O Inc	290.63	-	0.10	1.47

S. W. MITCHELL CAPITAL

S W Mitchell Capital LLP (IRL)
Regulated

Fund	Bid	Offer	+/-	Yield
SWMC European Fund B EUR	€ 18576.42	-	209.95	0.00
SWMC Small Cap European Fund B EUR	€ 15570.43	-	38.22	0.00

ROBECOSAM
We are Sustainability Investing.

RobecoSAM (LUX)
Tel. +41 44 653 10 10 http://www.robecosam.com/
Regulated

Fund	Bid	Offer	+/-	Yield
RobecoSAM Sm.Energy/A	€ 17.96	-	0.06	1.24
RobecoSAM Sm.Energy/N	€ 16.23	-	0.07	0.00
RobecoSAM Sm.Materials/A	€ 203.08	-	1.12	1.34
RobecoSAM Sm.Materials/N	€ 208.50	-	1.42	0.00
RobecoSAM Sm.Materials/Na	€ 140.19	-	0.96	1.33
RobecoSAM Gl.Small Cap Eq/A	€ 112.83	-	1.02	1.13
RobecoSAM Gl.Small Cap Eq/N	€ 199.65	-	2.06	0.00
RobecoSAM Sustainable Gl.Eq/B	€ 216.57	-	1.32	0.00
RobecoSAM Sustainable Gl.Eq/N	€ 190.06	-	1.16	0.00
RobecoSAM S.HealthyLiv/B	€ 189.18	-	1.22	0.00
RobecoSAM S.HealthyLiv/N	€ 179.48	-	1.16	0.00
RobecoSAM S.HealthyLiv/Na	£ 133.96	-	0.69	1.38
RobecoSAM S.Water/A	£ 238.13	-	1.97	1.47
RobecoSAM S.Water/N	€ 204.84	-	1.96	0.00

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

Fund	Bid	Offer	+/-	Yield
Rubrics Emerging Markets Fixed Income UCITS Fund	$ 134.78	-	-0.19	0.00
Rubrics Global Credit UCITS Fund	$ 15.84	-	-0.01	0.00
Rubrics Global Fixed Income UCITS Fund	$ 161.76	-	-0.15	0.00
Q Rubrics India Fixed Income UCITS Fund	$ 10.89	-	-0.07	0.00
Rubrics India Fixed Income UCITS Fund	$ 93.25	-	-0.58	0.00

Scottish Friendly Asset Managers Ltd (UK)
Scottish Friendly Hse, 16 Blythswood Sq, Glasgow G2 4HJ 0141 275 5000
Authorised Inv Funds

Fund	Bid	Offer	+/-	Yield
Managed Growth ♦	290.40	-	0.30	0.00
UK Growth ♦	327.50	-	0.50	0.00

Slater Investments Ltd

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

Fund	Bid	Offer	+/-	Yield
Slater Growth	525.13	557.17	0.13	0.00
Slater Income A Inc	165.50	165.50	0.80	0.00
Slater Recovery	245.67	260.66	0.18	0.00
Slater Artorius	205.81	205.81	2.12	0.24

Standard Life Wealth (JER)
PO Box 189, St Helier, Jersey, JE4 9RU 01534 709130
FCA Recognised
Standard Life Offshore Strategy Fund Limited

Fund	Bid	Offer	+/-	Yield
Bridge Fund	£ 1.8791	-	0.0093	1.95
Global Equity Fund	£ 2.3730	-	0.0149	0.85
Global Fixed Interest Fund	£ 0.9706	-	-0.0034	4.20
Income Fund	£ 0.5697	-	0.0036	3.25
Sterling Fixed Interest Fund	£ 0.8580	-	-0.0030	3.50
UK Equity Fund	£ 2.2843	-	0.0261	2.90

STENHAM ASSET MANAGEMENT

Stenham Asset Management Inc
www.stenhamassetmanagement.com
Other International Funds

Fund	Bid	Offer	+/-	Yield
Stenham Credit Opportunities A Class USD	$ 116.19	-	-0.11	0.00
Stenham Equity UCITS USD	$ 180.27	-	1.76	0.00
Stenham Growth USD	$ 225.40	-	-1.78	-
Stenham Healthcare USD	$ 212.61	-	-1.88	0.00
Stenham Managed Fund USD	$ 121.19	-	-0.23	0.00
Stenham Quadrant USD A	$ 426.74	-	1.85	-
Stenham Trading Inc USD	$ 122.84	-	0.50	-
Stenham Universal USD	$ 456.08	-	1.95	-
Stenham Universal II USD	$ 167.00	-	0.65	0.00

SUPERFUND THE FUTURE OF INVESTING

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

Fund	Bid	Offer	+/-	Yield
Superfund Green EUR SICAV	€ 946.00	-	-6.94	0.00
Superfund Red EUR SICAV	€ 807.15	-	-3.20	0.00
Superfund Blue EUR	€ 764.07	-	0.88	0.00

Other International Funds

Fund	Bid	Offer	+/-	Yield
Superfund Green Gold SICAV	$ 1027.58	-	-7.04	0.00
Superfund Red Silver SICAV	$ 418.22	-	-1.92	0.00

Thesis Unit Trust Management Limited (UK)
Exchange Building, St Johns Street, Chichester, West Sussex, PO19 1UP
Authorised Funds

Fund	Bid	Offer	+/-	Yield
TM New Court Fund A 2011 Inc	£ 14.85	-	0.09	0.40
TM New Court Fund - A 2014 Acc	£ 14.95	-	0.09	0.46
TM New Court Equity Growth Fund - Inc	£ 15.52	-	0.12	0.47

TOSCAFUND

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

Fund	Bid	Offer	+/-	Yield
Aptus Global Financials B Acc	£ 4.56	-	0.03	4.30
Aptus Global Financials B Inc	£ 3.57	-	0.01	4.46

Toscafund Asset Management LLP
www.toscafund.com
Other International Funds

Fund	Bid	Offer	+/-	Yield
Tosca A USD	$ 394.06	-	14.25	-
Tosca Mid Cap GBP	£ 304.47	-	29.20	-
Tosca Opportunity B USD	$ 448.02	-	52.22	-
Pegasus Fund Ltd A-1 GBP	£ 73.01	-	4.50	0.00

TreeTop Asset Management S.A. (LUX)
Regulated
TreeTop Convertible Sicav

Fund	Bid	Offer	+/-	Yield
International A	€ 313.96	-	1.57	0.00
International B	$ 421.72	-	2.15	0.00
International C	£ 132.40	-	0.67	2.65
International D	€ 275.15	-	1.39	2.56

TreeTop Global Sicav

Fund	Bid	Offer	+/-	Yield
Global Opp.A	€ 170.05	-	-0.43	0.00
Global Opp.B	$ 178.27	-	-0.79	0.00
Global Opp.C	£ 241.66	-	-0.25	0.00
Sequoia Equity A	€ 160.21	-	1.07	0.00
Sequoia Equity B	$ 175.95	-	0.79	0.00
Sequoia Equity C	£ 208.43	-	1.71	2.93

TROY ASSET MANAGEMENT

Troy Asset Mgt (1200) (UK)
65 Gresham Street, London, EC2V 7NQ
Order Desk and Enquiries: 0345 608 0950
Authorised Inv Funds
Authorised Corporate Director - Link Fund Solutions
Trojan Investment Funds

Fund	Bid	Offer	+/-	Yield
Spectrum Fund O Acc	216.67	-	-0.11	0.64
Spectrum Fund O Inc	208.17	-	-0.10	0.65
Spectrum Income Fund O Acc	117.19	-	0.00	2.89
Spectrum Income Fund O Inc	108.02	-	-0.01	2.96
Trojan Ethical Income O Acc	117.49	-	1.03	3.06
Trojan Ethical Income O Inc	110.50	-	0.97	3.15
Trojan Fund O Acc	297.43	-	1.05	0.40
Trojan Fund O Inc	244.53	-	0.87	0.41
Trojan Global Equity O Acc	300.32	-	2.69	0.68
Trojan Global Equity O Inc	251.24	-	2.25	0.68
Trojan Global Income O Acc	102.97	-	0.72	3.03
Trojan Global Income O Inc	98.49	-	0.68	3.09
Trojan Income O Acc	323.80	-	2.92	3.93
Trojan Income O Inc	185.32	-	1.67	4.07

UBS Asset Management (UK)
5 Broadgate, London, EC2M 2QS
Client Services 0800 358 3012, Client Dealing 0800 358 3012
www.ubs.com/retailfunds
Authorised Inv Funds
OEIC

Fund	Bid	Offer	+/-	Yield
UBS Global Emerging Markets Equity C Acc	£ 0.81	-	0.00	1.16
UBS Global Optimal C Acc	£ 1.01	-	0.01	0.71
UBS UK Opportunities C Acc	£ 0.94	-	0.01	2.83
UBS US Equity C Acc	£ 1.20	-	0.01	0.27
UBS S&P 500 Index C Acc	£ 0.82	-	0.01	1.52
UBS Targeted Return C Acc	£ 13.76	-	0.01	1.32
UBS Sterling Corporate Bond Indexed C Acc	£ 0.60	-	0.00	2.86
UBS Multi Asset Income C Inc Net	£ 0.49	-	0.00	3.94
UBS UK Equity Income C Inc Net	£ 0.75	-	0.01	3.86
UBS Corporate Bond UK Plus C Inc Net	£ 0.53	-	0.00	4.16
UBS Global Allocation (UK) C Acc	£ 0.81	-	0.00	1.75
UBS Global Enhanced Equity Income C Inc	£ 0.44	-	0.00	6.45
UBS US Growth C Acc	£ 1.32	-	0.01	0.00
UBS Emerging Markets Equity Income C Inc	£ 0.51	-	0.00	3.98
UBS FTSE RAFI Dev 1000 Index J Acc	£ 146.36	-	0.29	2.46
UBS MSCI World Min Vol Index J Acc	£ 149.39	-	-0.25	2.27

Unicapital Investments (LUX)
Regulated

Fund	Bid	Offer	+/-	Yield
Investments IV - European Private Eq.	€ 127.96	-	-2.16	0.00
Investments IV - Global Private Eq.	€ 173.94	-	-13.09	0.00

Unicorn Asset Management Ltd (UK)
PO Box 10602, Chelmsford, Essex, CM1 9PD 0845 026 4287
Authorised Inv Funds

Fund	Bid	Offer	+/-	Yield
UK Growth A Inc	624.63	-	5.29	0.71
Mastertrust A Inc ✠ F	517.06	-	1.31	0.23
UK Growth B Inc	628.48	-	5.30	1.34
Mastertrust B Inc ✠ F	464.91	-	1.18	0.90
Outstanding British Cos A Acc ✠ F	309.11	-	1.02	0.75
Outstanding British Cos B Acc ✠ F	328.61	-	1.08	1.42
UK Smaller Cos A Inc ✠ F	593.10	-	3.84	1.13
UK Smaller Cos B Inc ✠ F	581.46	-	3.75	1.78
UK Income A Acc ✠ F	311.76	-	2.06	4.11
UK Income A Inc ✠ F	253.02	-	1.67	4.22
UK Income B Acc ✠ F	337.21	-	2.23	4.09
UK Income B Inc ✠ F	273.81	-	1.81	4.20

Value Partners Hong Kong Limited (IRL)
www.valuepartners-group.com, fis@vp.com.hk
Regulated

Fund	Bid	Offer	+/-	Yield
Value Partners Asia Dividend Stocks Fund A USD	$ 7.86	-	0.05	0.00
Value Partners Classic Equity Fund USD Z Unhedged	$ 15.57	-	0.05	0.00
Value Partners Classic Equity Fund CHF Hedged	SFr 15.33	-	0.05	0.00
Value Partners Classic Equity Fund EUR Hedged	€ 15.62	-	0.05	0.00
Value Partners Classic Equity Fund GBP Hedged	£ 16.25	-	0.05	0.00
Value Partners Classic Equity Fund GBP Unhedged	£ 18.97	-	0.03	0.00
Value Partners Classic Equity USD Unhedged	$ 19.33	-	0.07	0.00
Value Partners Global Emerging Market Bond Fund USD A Acc Unhedged	$ 10.22	-	-0.03	0.00
Value Partners Global Emerging Market Equity Fund USD V Unhedged	$ 10.81	-	-0.01	-
Value Partners Greater China Equity Fund USD A (Acc) Unhedged	$ 12.06	-	0.02	0.00
Value Partners Health Care Fund HKD Class A Unhedged	HK$ 13.03	-	0.05	0.00
Value Partners Health Care Fund USD Class A Unhedged	$ 13.14	-	0.06	0.00

Waverton Investment Funds Plc (1600)F (IRL)
waverton.investments@citi.com
FCA Recognised

Fund	Bid	Offer	+/-	Yield
Waverton Asia Pacific A USD	$ 23.88	-	-0.10	0.81
Waverton Global Equity Fund A GBP	£ 19.80	-	0.11	0.25
Waverton Global Strategic Bond Fund A USD	$ 8.40	-	-0.01	5.15
Waverton UK Fund A GBP	£ 13.99	-	0.09	2.02
Waverton Equity Fund A GBP	£ 19.25	-	-0.01	0.00
Waverton Sterling Bond Fund A GBP	£ 9.30	-	0.02	4.26

WA Fixed Income Fund Plc (IRL)
Regulated

Fund	Bid	Offer	+/-	Yield
European Multi-Sector	€ 116.05	-	-0.07	3.49

Yapi Kredi Asset Management (TUR)
www.yapikrediportfoy.com.tr Tel: + 90 (212) 385 48 48
Other International Funds

Fund	Bid	Offer	+/-	Yield
Eurobond Fund	TRY 0.112030	-	-0.000799	-
Koc Affiliate and Equity Fund	TRY 0.861990	-	0.749161	-
DPM Bonds and Bills Fund (FX)	$ 1.013483	-	0.900654	0.00

Yuki International Limited (IRL)
Tel +44-20-7269-0207 www.yukifunds.com
Regulated
Yuki Mizuho Umbrella Fund

Fund	Bid	Offer	+/-	Yield
Yuki Mizuho Japan Dynamic Growth	¥ 9985.00	-	-7.00	0.00
Yuki Japan Low Price	¥ 51944.00	-	-684.00	0.00
Yuki Japan Value Select	¥ 21224.00	-	172.00	0.00

Yuki Asia Umbrella Fund

Fund	Bid	Offer	+/-	Yield
Yuki Japan Rebounding Growth Fund JPY Class	¥ 40643.00	-	65.00	0.00
Yuki Japan Rebounding Growth Fund USD Hedged Class	$ 1596.36	-	2.58	0.00

Zadig Gestion (Memnon Fund) (LUX)
FCA Recognised

Fund	Bid	Offer	+/-	Yield
Memnon European Fund I GBP	£ 171.43	-	-0.03	0.00

Money Market Trusts and Bank Accounts

	Gross	Net	Gross AER	Int Cr
CCLA Investment Management Ltd				
Senator House 85 Queen Victoria Street, London EC4V 4ET				
CBF Church of England Deposit Fund	0.40	-	0.40	Qtr
CCLA Fund Managers Ltd				
Senator House 85 Queen Victoria Street, London EC4V 4ET				
COIF Charities Deposit Fund	0.40	-	0.40	Qtr

Data Provided by MORNINGSTAR®
www.morningstar.co.uk
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Guide to Data

The fund prices quoted on these pages are supplied by the operator of the relevant fund. Details of funds published on these pages, including prices, are for the purpose of information only and should only be used as a guide. The Financial Times Limited makes no representation as to their accuracy or completeness and they should not be relied upon when making an investment decision.

The sale of interests in the funds listed on these pages may, in certain jurisdictions, be restricted by law and the funds will not necessarily be available to persons in all jurisdictions in which the publication circulates. Persons in any doubt should take appropriate professional advice. Data collated by **Morningstar**. For other queries contact **reader.enquiries@ft.com +44 (0)207 873 4211**.

The fund prices published in this edition along with additional information are also available on the Financial Times website, **www.ft.com/funds**. The funds published on these pages are grouped together by fund management company.

Prices are in pence unless otherwise indicated. The change, if shown, is the change on the previously quoted figure (not all funds update prices daily). Those designated $ with no prefix refer to US dollars. Yield percentage figures (in Tuesday to Saturday papers) allow for buying expenses. Prices of certain older insurance linked plans might be subject to capital gains tax on sales.

Guide to pricing of Authorised Investment Funds: (compiled with the assistance of the IMA. The Investment Management Association, 65 Kingsway, London WC2B 6TD.
Tel: +44 (0)20 7831 0898.)

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

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

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

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

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

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

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

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

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

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

Charges for this advertising service are based on the number of lines published and the classification of the fund. Please contact **data@ft.com or call +44 (0)20 7873 3132** for further information.

Morningstar Fund Ratings
EAA Fund UK Equity Income

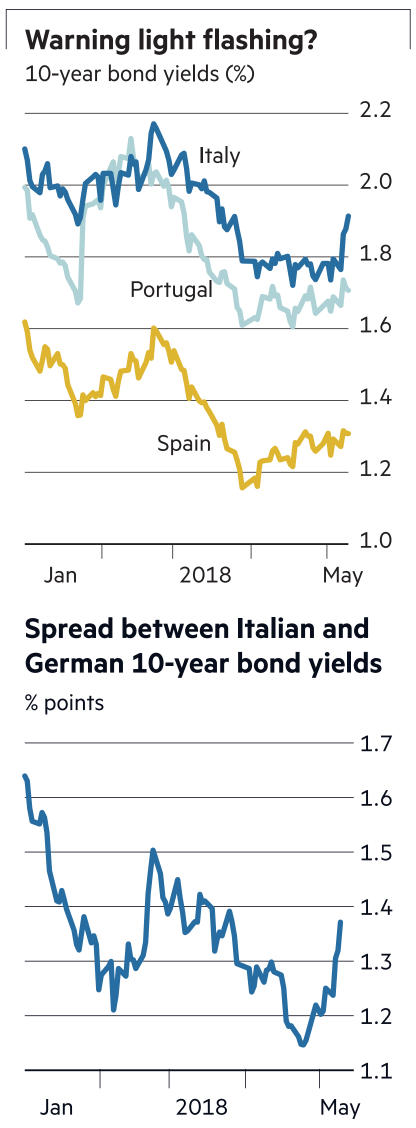
Name	ISIN	Currency	NAV	Total Ret 1Yr	Total Ret 3Yr	Total Ret 5Yr	12 Month Yield	Ongoing Charge	Fund Size	Morningstar Rating ™	Morningstar Sustainability Rating ™	Morningstar Analyst Rating ™	Morningstar Analyst Rating Date/Time*	Morningstar Analyst
Man GLG UK Income Retail Inc B	GB00B0117B11	Pound Sterling	1.22	14.33	**11.00**	11.95	4.89	1.65	574,530,667.00	★★★★	●●●○○	Bronze	29/03/2018 05:00	Samuel Meakin, CFA
JOHCM UK Equity Income A GBP Acc	GB00B03KR500	Pound Sterling	4.04	14.43	**9.00**	10.51	4.12	0.79	3,511,503,272.00	★★★★★	●●○○○	Silver	08/01/2018 04:30	Peter Brunt, CFA
Jupiter Income Trust	GB0004791389	Pound Sterling	5.87	7.71	**9.00**	9.52	3.70	1.69	2,542,237,779.00	★★★★	●●●○○	Bronze	13/06/2017 09:00	Peter Brunt, CFA
Schroder Income Inc	GB0007648909	Pound Sterling	12.63	14.03	**8.00**	10.11	3.53	1.66	1,870,710,345.00	★★★★	●●●○○	Bronze	26/12/2017 06:00	Peter Brunt, CFA
Franklin UK Equity Income A Inc	GB00B6VBM744	Pound Sterling	2.50	4.86	**7.00**	8.90	4.29	1.57	513,562,211.00	★★★★	●●●○○	Silver	18/08/2017 07:00	Samuel Meakin, CFA
Artemis Income R Inc	GB0006572464	Pound Sterling	2.33	8.78	**7.00**	8.33	3.69	1.54	6,272,787,622.00	★★★★	●●●●○	Bronze	19/06/2017 08:00	Peter Brunt, CFA
Royal London UK Equity Income A	GB00B67N8655	Pound Sterling	7.95	4.16	**7.00**	10.25	3.94	1.30	2,043,287,478.00	★★★★	●●●●○	Silver	09/08/2017 09:15	Samuel Meakin, CFA
SLI UK Equity Income Uncons Inst Acc	GB00B1LBST30	Pound Sterling	0.98	8.67	**7.00**	10.38	3.76	0.90	1,377,066,805.00	★★★	●○○○○	Bronze	05/06/2017 06:15	Peter Brunt, CFA
Threadneedle UK Eq Inc Rtl Inc GBP	GB0001448900	Pound Sterling	0.98	0.86	**6.00**	8.92	3.98	1.59	4,114,563,034.00	★★★★	●●●●○	Silver	22/12/2017 06:00	Simon Dorricott, CFA
BlackRock UK Income A Inc	GB0005804835	Pound Sterling	4.34	2.87	**6.00**	8.20	4.15	1.63	384,678,901.00	★★★	●●●○○	Neutral	06/07/2017 05:00	Peter Brunt, CFA
MSCI Benchmark				8.44	**7.20**	7.67								
Morningstar Category Benchmark				4.22	**5.76**	8.29								

Date/Time of ratings is Universal Co-ordinated Time (UTC). Sorted by Annualised 3yr Total Return of NAV (highest to lowest).
For important information about Morningstar Analyst Rating please go to: http://global.morningstar.com/managerdisclosures

MORNINGSTAR®

Analysis. Capital markets

Italian populists' embrace lacks the power to shock investors



Source: Thomson Reuters

Longer maturities and ECB buying of government debt have led to greater resilience

MILES JOHNSON AND KATE ALLEN
LONDON

For years debt investors have feared a populist government taking power in a large European country. Now, with a deal likely to be struck in Italy to share power between two parties openly hostile to the euro, investors are not clamouring for the exit.

The arrival of a coalition government in Italy between the Five Star and League parties marks the first time populist politicians will take hold of a European economy significant enough in size to reignite concerns over the future of the single currency.

One barometer of investor sentiment, Italy's 10-year bond yield, merely nudged higher yesterday as details of the shape of a coalition government emerged. At 1.91 per cent, the benchmark yield remains below the 2.12 per cent peak seen on the day after the country's inconclusive election in early March.

Italian bank shares have remained stable during the post-election uncertainty, although the sector remains burdened by non-performing loans and lenders have been forced to raise billions of euros in fresh equity to bolster balance sheets.

Why, considering that in 2013 the notion of leaders like the Five Star's Luigi Di Maio and Matteo Salvini of the League taking power would have sent Brussels politicians into panic, are investors so apparently relaxed?

Luca Cazzulani, deputy head of fixed income strategy at UniCredit, said any unease about Italian politics might be offset by bond-buying by the European Central Bank.

"The modest reaction in yields so far reflects a mix of structural factors and market conditions which have become supportive for Italian debt. Since the beginning of QE, the investor base has changed. About 15 per cent is held by the ECB, which buys and does not sell."

Another way of measuring sentiment involves looking at the additional yield demanded from holding Italian 10-year debt over equivalent German bonds. Investors are seeking an extra 136 basis points over 10-year Bunds. While this is above the low of 114bp seen in late April, it is less than the 145bp seen after the March poll confirmed that populist Eurosceptic parties were the dominant force in Italian politics.

Mr Cazzulani pointed to the fact that Italy had taken advantage of lower rates to refinance itself at longer maturities, meaning it was less vulnerable to sudden shifts in sentiment forcing it into borrowing at much higher rates.

"The debt itself has become more resilient to shocks because the government has been issuing at longer maturities, increasing the average maturity; as a result, shocks to the yield curve take longer to feed through into a rise in the cost of debt. The country can stand a longer shock to the yield curve without endangering debt sustainability."

Many Italian-listed groups are multinationals doing much business abroad. That has helped the FTSE MIB shrug off political events and remain up 10 per cent in the year to date, making it Europe's best-performing bourse.

Yet the economic backdrop remains challenging. Italian government debt as a percentage of gross domestic product remains above 130 per cent, with the European Commission forecasting it will begin to fall next year. While Italian economic output grew 1.5 per cent last year, growth has eased in 2018 and the country remains among the slower-growing countries in Europe.

Alberto Gallo, head of macro strategy at Algebris, said most of the political news was "already in the price" for Italian assets, and Italian yields, while still historically low, reflected some uncertainty when compared to the debt of Spain and Portugal. "Are we going to get back to a scenario where there is a threat to Italy's membership of the euro? The Italian economy is growing and both parties have backtracked on the anti-European slogans they had been using."

Pedestrians take snaps of a Rome graffito portraying Matteo Salvini, right, leader of the League, with Luigi Di Maio, head of the Five Star Movement — Alessia Pierdomenico/ Bloomberg

'Are we going to get back to a scenario where there is a threat to Italy's membership of the euro?'

Mr Gallo noted that Italian debt had become less popular among investors, who have tended to underweight it, meaning it was likely that more buyers would emerge as it became clear what a new Italian government would look like.

Mr Cazzulani said: "We probably have investors who will seize the opportunity to buy as soon as yields rise even modestly. If the 10-year [bond] gets to 2 per cent, it will start to catch more investors' attention."

That 2 per cent yield may not be too far off. In March, Mr Salvini attacked the euro as "a mistake" that was "doomed to fail". While both he and Mr Di Maio have since moderated their rhetoric, investors will have to be prepared for the possibility of more outspoken comments from either in the coming months.

If signs emerge that a new government will take a tougher stance on cooperating with Brussels, the market's relatively tranquil conditions might become more turbulent.

Lorenzo Codogno, chief economist at LC Macro Advisors, said further market moves were going to depend on the nature of the deal that the Italian parties struck.

"Some clear boundaries and guarantees" agreed by the new coalition about the policies they would pursue "would do the trick", he suggested, "and probably moderate the reaction by financial markets".

Tail risk

It is too soon to mock Argentina's century bond

ROBERT SMITH

When Argentina issued its so-called "century bond" in June last year, many held it up as the peak of bull market insanity. After all, what sane individual lends money for 100 years to a serial defaulter?

After the Latin American country began discussions with the IMF earlier this week, the schadenfreude in some quarters was palpable.

"Hands up all of those who bought infernal Argentinian century bonds," one tweeter observed yesterday. "It is time for the mocking to begin."

But is it really time for mockery yet?

Argentina's $2.75bn 7.125 per cent 2117 bond is trading around 14 points below par, at 86 cents on the dollar. This presents steep paper losses for fund managers who bought the bonds when they were trading at face value as recently as January.

Those who bought the bonds when they were initially raised, however, got a much better deal. This is because Argentina sold the debt at a steep discount, offering the notes to investors at 90 cents on the dollar.

This means investors who bought the bonds last June are not yet sitting on a paper loss, in spite of the recent drama. This is because the "carry" — the income bondholders earn from interest payments — outweighs the drop in the bond's price.

Pricing bonds deeply below par is a common tactic for countries and companies raising century bonds, as it reduces their duration.

Duration is not the same as maturity: no investor bought Argentina's debt hoping their grandchildren would get the money back in 2117. Instead, duration is the amount of time it takes to earn back the principal amount you originally invested. Argentina's over 7 per cent coupon meant its initial duration was just over 12 years.

Century bonds are a piece of capital markets showmanship that plays on this bond maths. You get to tell your shareholders or electorate that you're able to raise money for 100 years, when really money managers only care about the first 12 or 13.

If Argentina defaults before 2030, then we can have a good laugh at the bond funds that got suckered in by the deal's high coupon.

After all, as the market maxim goes: the road to hell is paved with positive carry.

Argentina's talks with the IMF has reignited fears of another default

Currencies

Malaysian ringgit jolted as power shift leaves country in 'uncharted' territory

EMMA DUNKLEY — HONG KONG

The Malaysian ringgit faces pressure after a surprise election victory for the opposition that put the south-east Asian country in what credit rating agency Moody's described as "uncharted" territory.

Mahathir Mohamad's victory on Wednesday night marked a comeback for the 92-year-old leader, ending Najib Razak's tenure as prime minister after nearly a decade.

Markets were closed in Malaysia yesterday, but one-month forward ringgit contracts dropped as much as 4.7 per cent in early Asia trading, putting the currency at RM4.2650 to the US dollar. The contract pointed to a 1.5 per cent drop in the ringgit against the dollar in late trade in Hong Kong.

The ringgit's fall comes amid a broader global sell-off in emerging market currencies, spurred by a strengthening US dollar and measures in Argentina to support the peso. Last week, EM currencies suffered their worst weekly performance in more than a year.

Mr Mohamad has a history of disdain for currency traders, spanning back to the Asian financial crisis in 1998 when he was prime minister, raising questions over whether he will intervene in the local currency. He famously rejected the offer of a bailout from the IMF, and imposed capital controls to curb investment profits from leaving the country.

He applied controls on currency trading and pegged the ringgit to the US dollar in 1998 — measures aimed at stamping out international speculators and stemming a sharp slide in the currency.

A spat with hedge fund investor George Soros also ensued during the Asia crisis, after Mr Mohamad called Mr Soros a "moron . . . with a lot of money", accusing him of targeting the Malaysian currency to make "unnecessary, unproductive and immoral" profits from speculation. Mr Mohamad signalled in his party's manifesto there could be further intervention to support the ringgit.

The ringgit's fall comes amid a global sell-off in EM currencies

"Another factor that contributes to rising prices is the drop in our ringgit value in the international market," the manifesto said.

"When ringgit plummets, the prices of these items surge. The Pakatan Harapan Government will give the responsibility to Bank Negara Malaysia to devise a strategy to revive the ringgit value within three years, in a more sustainable way."

The poll result also boosted the cost of insuring against defaults in Malaysia, in a sign of increasing risk. Five-year credit default swaps jumped nearly 8 basis points, putting the contracts at their costliest level in nearly a year.

Analysts and investors warned that the election outcome, which represents the first big shift in power in about 60 years, could weigh on the ringgit.

"The Malaysia election outcome is a huge upset," said Aninda Mitra, an analyst at BNY Mellon Investment Management in Singapore.

He said he expected the ringgit to remain under pressure "as policy continuity will come under a cloud".

Additional reporting by Hudson Lockett and Edward White

Capital markets

New York suit over PDVSA promissory notes threatens 'nightmare for Caracas'

JONATHAN WHEATLEY

PDVSA, Venezuela's national oil company, is being sued in New York for non-payment of a $25m promissory note in an action that opens the door to suits for an estimated $2bn regarding a string of suppliers with unpaid bills.

"It is now open season on PDVSA," said Russ Dallen of Caracas Capital, an investment bank. "This will start an avalanche of legal actions."

The suit in the New York Southern District Court was opened on Wednesday by SNC-Lavalin, a Canadian engineering and construction company, which is one of several suppliers to have accepted the promissory notes from May 2016.

An initial $1.15bn of the notes were issued to 10 companies including GE Capital Financing and a subsidiary of Halliburton, the oil services group.

Others, including SNC-Lavalin and Schlumberger, another oil services group, accepted the notes at later dates. Mr Dallen said an additional $800m to $1.5bn of the notes had been issued.

The suit is the second significant blow to PDVSA in two weeks, after ConocoPhillips, the US oil major, was awarded more than $2bn in compensation by the International Chamber of Commerce. Mr Dallen said most of PDVSA's fleet of oil tankers had returned to Venezuelan waters since the award on April 25, for fear of being seized, disrupting oil exports worth about $1.8bn a month.

The SNC suit "is the worst possible nightmare for Caracas", said Mr Dallen, who first made the action public to his clients. "They were doing their utmost not to put PDVSA at risk."

President Nicolás Maduro shocked bondholders in November by saying Venezuela would seek to renegotiate approximately $100bn of bonds issued by the government and PDVSA.

'It is now open season on PDVSA. This will start an avalanche of legal actions'

Last month, it emerged that the country had stopped making payments on its sovereign bonds in September.

However, Caracas has continued to make sporadic payments on bonds issued by PDVSA, as the oil company's overseas assets are at much greater risk of seizure by creditors than any sovereign assets.

The promissory notes were guaranteed by PDVSA Petróleo, a subsidiary that receives payments of about $30m a day from buyers of Venezuelan oil in several bank accounts based outside Venezuela, which Mr Dallen said would become vulnerable to seizure if the SNC suit was successful.

PDVSA's revenues have fallen sharply as its output collapsed from about 2.4m barrels a day at the end of 2015 to about 1.5m bpd at present, largely due to mismanagement and corruption, a situation that has worsened since an army general with no oil industry experience was put in charge of the company late last year.

Revenues from gold mining have also collapsed under army mismanagement, leaving Caracas with ever-decreasing funds to deal with an economic and humanitarian crisis that has seen an estimated 2m people flee the country.

In what Mr Dallen described as a sign of desperation, Venezuela withdrew $475m last month from its reserve tranche position at the IMF — money deposited by a country in its own currency.

"Essentially, Venezuela has borrowed billions from the IMF and is leaving the organisation with a bunch of worthless, monopoly money bolívares," he said.

Markets & Investing

FINANCIAL TIMES

The day in the markets

What you need to know

- Dollar slips after tame US CPI reading
- Sterling below $1.35 as BoE holds rates
- Italian assets under renewed pressure
- Oil prices dip after Trump-driven rise

Dollar slips from 2018 high as core US CPI misses forecast

Dollar index

Source: Thomson Reuters

The prospects for monetary policy on both sides of the Atlantic came under the spotlight yesterday as participants digested muted US inflation data and the Bank of England's decision to leave interest rates on hold.

US "core" consumer prices, which strip out volatile food and energy components, rose 0.1 per cent last month, less than economists had expected — keeping the year-on-year rise at 2.1 per cent.

Michael Pearce at Capital Economic noted that the three-month annualised core inflation rate, which hit a more than decade high a few months ago, had fallen to just 1.8 per cent in April.

"Even so, we still expect core inflation to rise further from here, as tighter labour market conditions push wage costs gradually higher. We continue to expect the Federal Reserve to raise rates at its next policy meeting in June and a total of four times in 2018."

The dollar index fell as much as 0.5 per cent after the release of the CPI data, before partially recovering, while the yield on the two-year Treasury retreated from the day's high of 2.538 per cent.

Meanwhile, sterling dipped back below $1.35, and the two-year gilt yield dropped 4 basis points, as the Bank of England held interest rates at 0.5 per cent even as it sought to play down recent signs of UK economic weakness.

"Limited and gradual rate hikes are still to be expected, with three hikes over the three-year policy horizon judged as being fair, in the bank's view," noted Peter Schaffrik, global strategist at RBC.

"However, much of this remains contingent on the incoming data, as the key assumption behind the Bank's judgment is that the soft patch in the first quarter is likely temporary."

The drop in sterling helped support the FTSE 100 equity index while Wall Street got a lift from the tame inflation reading.

However, Italian stocks and bonds came under fresh pressure as populist parties in the country moved closer to forming a Eurosceptic government.

The FTSE MIB stock index shed 1 per cent while the spread between Italian and German 10-year government bonds widened to the greatest since March.

Oil prices gave back some of the strong gains recorded in the aftermath of Donald Trump's decision to pull the US out of the Iranian nuclear deal. **Dave Shellock**

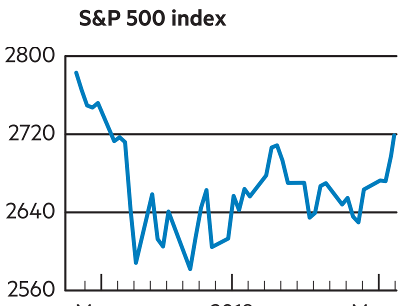
Markets update

	US	Eurozone	Japan	UK	China	Brazil
Stocks	**S&P 500**	**Eurofirst 300**	**Nikkei 225**	**FTSE100**	**Shanghai Comp**	**Bovespa**
Level	2718.88	1537.57	22497.18	7700.97	3174.41	85980.13
% change on day	0.78	-0.13	0.39	0.50	0.49	2.03
Currency	**$ index (DXY)**	**$ per €**	**Yen per $**	**$ per £**	**Rmb per $**	**Real per $**
Level	92.889	1.188	109.585	1.347	6.363	3.559
% change on day	-0.162	0.169	-0.096	-0.810	-0.235	-1.066
Govt. bonds	**10-year Treasury**	**10-year Bund**	**10-year JGB**	**10-year Gilt**	**10-year bond**	**10-year bond**
Yield	2.976	0.554	0.047	1.429	3.675	9.862
Basis point change on day	-1.940	-0.300	-0.020	-2.900	-3.900	-24.900
World index, Commods	**FTSE All-World**	**Oil - Brent**	**Oil - WTI**	**Gold**	**Silver**	**Metals (LMEX)**
Level	342.37	77.03	70.96	1313.85	16.44	3333.60
% change on day	0.85	-0.40	-0.43	0.55	-0.03	0.54

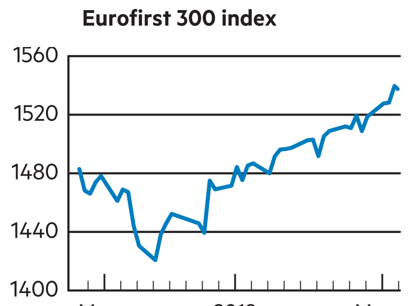
Yesterday's close apart from: Currencies = 16:00 GMT; S&P, Bovespa, All World, Oil = 17:00 GMT; Gold, Silver = London pm fix. Bond data supplied by Tullett Prebon.

Main equity markets

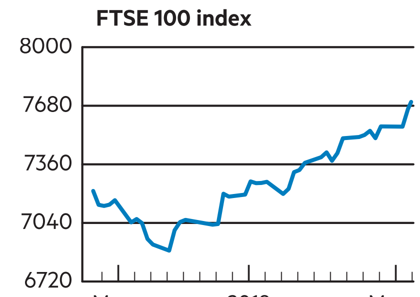
S&P 500 index



Eurofirst 300 index



FTSE 100 index



Biggest movers

%	US		Eurozone		UK	
Ups	Centurylink	7.32	Statoil	3.17	Next	6.14
	Envision Healthcare	6.19	Coloplast	3.16	Itv	6.05
	Cardinal Health	5.23	Edf	3.04	Royal Bank Of Scotland	3.77
	Discovery	4.78	Omv	2.41	Kingfisher	3.12
	Dentsply Sirona	4.73	Novozymes	1.86	Rsa Insurance	3.12
Downs	L Brands	-9.05	Aegon	-4.08	Bt	-7.36
	Booking Holdings	-5.49	Telecom Italia	-3.86	Randgold Resources Ld	-6.98
	Technipfmc	-5.43	Ab Inbev	-3.46	Centrica	-5.76
	Albemarle	-3.35	Heidelbergcement	-3.43	Admiral	-1.99
	Macy's	-3.35	Allianz	-3.27	Mediclinic Int	-1.76

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

L Brands, the company behind Victoria's Secret and Bath & Body Works, was the biggest decliner on the S&P 500 by mid-session yesterday — falling 8 per cent after warning that its first-quarter earnings would be at the lower end of its previously disclosed guidance of between 15 and 20 cents a share.

The move came as Jefferies analysts said the company's latest monthly update showed "share losses are mounting and promos are being used to drive sales which are still weak".

A rise of 1 per cent for healthcare stocks meant they led gains for all 11 major sectors of the benchmark index while telecoms were close behind with a 0.8 per cent rise.

Consumer discretionary and financials posted the slimmest gains, both up about 0.1 per cent.

Department stores were under pressure after analysts at Morgan Stanley downgraded **Macy's** — off 3 per cent — ahead of its quarterly update next week.

Armo Biosciences surged 67 per cent after **Eli Lilly** (up 1.5 per cent) agreed to buy the immuno-oncology drug developer with a cash offer of $1.6bn, or $50 a share. Armo had floated in January at $17 per share.

Mamta Badkar and Bryce Elder

Eurozone

UniCredit rose 2 per cent after it reported quarterly net profit was up 22.6 per cent year on year to €1.1bn, the bank's best first quarter since 2007. Although revenues were a shade weaker at €5.1bn, down 0.7 per cent year on year, operating costs of €2.7bn were 5.3 per cent lower year on year. UniCredit said it would "accelerate" selling and writing off non-core assets as part of the bank's transformation plan.

But it was a mixed bag for Italian banks. **Banco BPM** fell 4 per cent on Milan's FTSE MIB after missing analysts' consensus estimates in its quarterly earnings report. Analysts at Citi wrote that Banco BPM's net first-quarter profit of €223m missed consensus "due to weaker revenues" and "higher risk and charges provisions". But costs stayed steady, and Citi said Banco BPM was "showing progress" with a raised cost-cutting target of €400m.

Brewer **Anheuser-Busch InBev** was one of the sharpest fallers in the pan-European Stoxx 600 index, down 3 per cent following first-quarter results the day before, which revealed a 0.2 per cent decline in total volumes of beer sold. However, revenues were 4.7 per cent higher year on year at $13bn.

Chloe Cornish

London

Sterling's weakness put the FTSE 100 on course for its seventh straight weekly gain, the longest winning streak for the index since 2005.

But **BT Group** slipped after cutting targets, largely to reflect regulatory pressures on its Openreach wholesale business, while **Randgold** was under pressure after quarterly production from the gold miner was held back by strikes.

Superdry led the FTSE 250 fallers after a profit warning from the fashion label, which followed disappointing high street sales and problems with US store leases.

Retailer **Next** jumped after full-price brand sales recovered more quickly than expected, driven by a rebound for its directory mail-order business.

ITV gained after reporting quarterly advertising growth up 3 per cent, as online advertising and sponsorship income offset TV weakness. Separately, Exane BNP Paribas added ITV to its basket of possible takeover targets, with Discovery and Liberty Global named as plausible bidders.

On The Beach, the holiday website, fell from a record high after raising marketing spend at its lossmaking international business and cautioning that the failure of Monarch Airlines was continuing to hold back revenue growth. *Bryce Elder*

Risk of Turkish fireworks as FX-denominated debt piles up and lira sinks

Steve Johnson

Markets Insight

Argentina's latest capitulation might have helped keep Turkey out of the headlines, but some believe the latter country's banking sector could provide the biggest fireworks.

When a country has loaded up on foreign-currency-denominated debt, the last thing it wants to see is a plunge in its currency. Turkey has seen just that, with the lira down 12.6 per cent against the dollar since mid-February.

A look at the metrics is sobering.

Turkey's stock of private sector debt has risen from 33 per cent of GDP in 2007 to 70 per cent today, a build-up comparable to that seen in Greece prior to its crisis in 2009, says Charles Robertson, chief economist at Renaissance Capital, an emerging-markets-focused investment bank.

It is a world away from Argentina, where private debt has barely edged up to 16 per cent of GDP.

Turkey saw the biggest rise in its financial sector debt-to-GDP ratio of 39 developed and emerging countries tracked by the Institute of International Finance, an industry association, last year.

The banking system's loan-to-deposit ratio has risen to a record of 120 per cent as the financial sector has increasingly relied on borrowing from abroad to fund its activities.

So when it comes to total FX-denominated debt, Turkey is in a class of its own, with this figure hitting 69.5 per cent of GDP last year (up from 39.2 per cent in 2009), comfortably ahead of second-placed Poland (53.5 per cent) and Argentina (51 per cent) of 18 emerging markets analysed by the IIF.

Jason Tuvey, emerging markets economist at Capital Economics, says he harbours fears about the risk to Turkey's banks, given that their 60 per cent rise in dollar lending in the last five years "may be a sign that lending standards have slipped".

Banks' foreign-currency-denominated debt, mostly in dollars, is equivalent to 22.5 per cent of GDP, behind only the banking entrepots of Singapore and Hong Kong and (marginally) South Korea among 21 major emerging markets in the IIF's database.

Non-financial corporates have a further 35.9 per cent of GDP in FX debt (behind only Hong Kong and Singapore), liabilities that would also end up on banks' balance sheets in the event of default.

At first glance, the situation bears a resemblance to that in Poland and Hungary during the financial crisis, when a craze for Swiss-franc-denominated mortgages crashed as the Swissie rallied thanks to its haven status.

There are reasons not to fear a repeat of that debacle.

First, Turkish households have effectively zero FX debt, as foreign currency lending to them has been banned since 2009.

Second, local banks are only allowed to make FX loans to companies that either have FX receipts or are large (and presumably sophisticated enough to hedge their exposures), says Mr Tuvey.

While Polish and Hungarian households had no FX assets to offset against their FX liabilities, Turkish companies hold $100bn of deposits with the central bank.

So far, the lira's slide does not appear to be creating balance sheet strains, Mr Tuvey says, although some fear that a restructuring at Dogus Holding, one of Turkey's largest conglomerates, might be the canary in the coal mine.

The banks are in good shape more broadly, with return on equity rising two points to 16 per cent last year and their capital adequacy ratio firming 1.3 points to 16.9 per cent of risk-weighted assets.

Moreover, the country's share of loans that are non-performing has remained at around 3 per cent since 2013, even as the lira has dropped from TL1.8 to the dollar to TL4.29, suggesting that the financial system can absorb temporary shocks, says Ugras Ulku, deputy chief economist at the IIF, although this figure does exclude restructured loans and those sold to third parties.

Recep Tayyip Erdogan's shock decision to bring elections forward 19 months to June 24, largely seen as a negative by markets, might also be a positive, at least in economic terms.

With the elections out of the way, there must at least be a chance that Mr Erdogan will be less visceral in his opposition to the tighter monetary policy that the inflation-ravaged country sorely needs.

Turkey is far from out of the woods, though, given its long-running structural imbalance between domestic savings and investment.

Hung Tran, executive director of the IIF, estimates that Turkey needs to attract foreign capital equivalent to 25 per cent of its GDP every year in order to cover both its large current account deficit and amortisation of its existing debt.

Given a backdrop of a challenging global environment and domestic political and macroeconomic uncertainty, the only way of achieving this is for Turkish assets to become cheap enough to attract sufficient international investment.

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