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BOMBSHELL WEEKEND
OUR GUIDE TO WHAT'S ON IN LONDON **P22-23**

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FRIDAY 17 JANUARY 2020 | ISSUE 3,536 CITYAM.COM FREE

KHAN: DON'T TAKE LONDON FOR GRANTED

STEFAN BOSCIA

@Stefan_Boscia

SADIQ Khan urged Labour and the Conservatives to ditch their "anti-London agenda" in a speech to City grandees last night.

The speech, at the Square Mile's annual dinner for London's political leaders, hit out at Boris Johnson's plans for "re-balancing spending away from London and towards other parts of the country".

However, the Tories weren't the only target of the mayor's tongue-lashing.

"My party — the Labour party — clearly faces the same forces and pressures — particularly after the General Election result," Khan said.

"Clipping London's wings is not the answer if you want to help other cities and regions to soar. The way to make our country more equal is not to make London poorer."

The mayor of London's comments come after the Conservatives picked up a swathe of northern and midlands seats in the General Election, breaking apart Labour's so-called red wall.

The Prime Minister has now pledged to spend £100bn in infrastructure, however the only projects earmarked for funding so far are well beyond the capital. Big ticket London projects, such as Crossrail 2 and vital Tube upgrades, appear to have been left on the sidelines.

Conservative Cities of London and Westminster MP Nickie Aiken echoed Khan's concerns in an interview with *City A.M.* on Tuesday.

She said: "We've got to move away from an us-and-them mentality... The City is the engine of UK plc, but it needs all the other elements to create a Rolls Royce."

Meanwhile, the start of Labour's leadership contest has revolved around winning back northern voters, with candidates scuttling to distance themselves from ties to the capital.

Frontrunner and Holborn and St Pancras MP Sir Keir Starmer was quick to point out in a recent interview that while he was born in London, he in fact grew up in Surrey.

Another favoured contender Rebecca Long-Bailey will officially launch her campaign today with a speech that will emphasise her Manchester upbringing and call for devolution away from the capital.

Richard Brown, deputy director at think tank Centre for London, said the signs coming from Westminster were concerning for the capital.

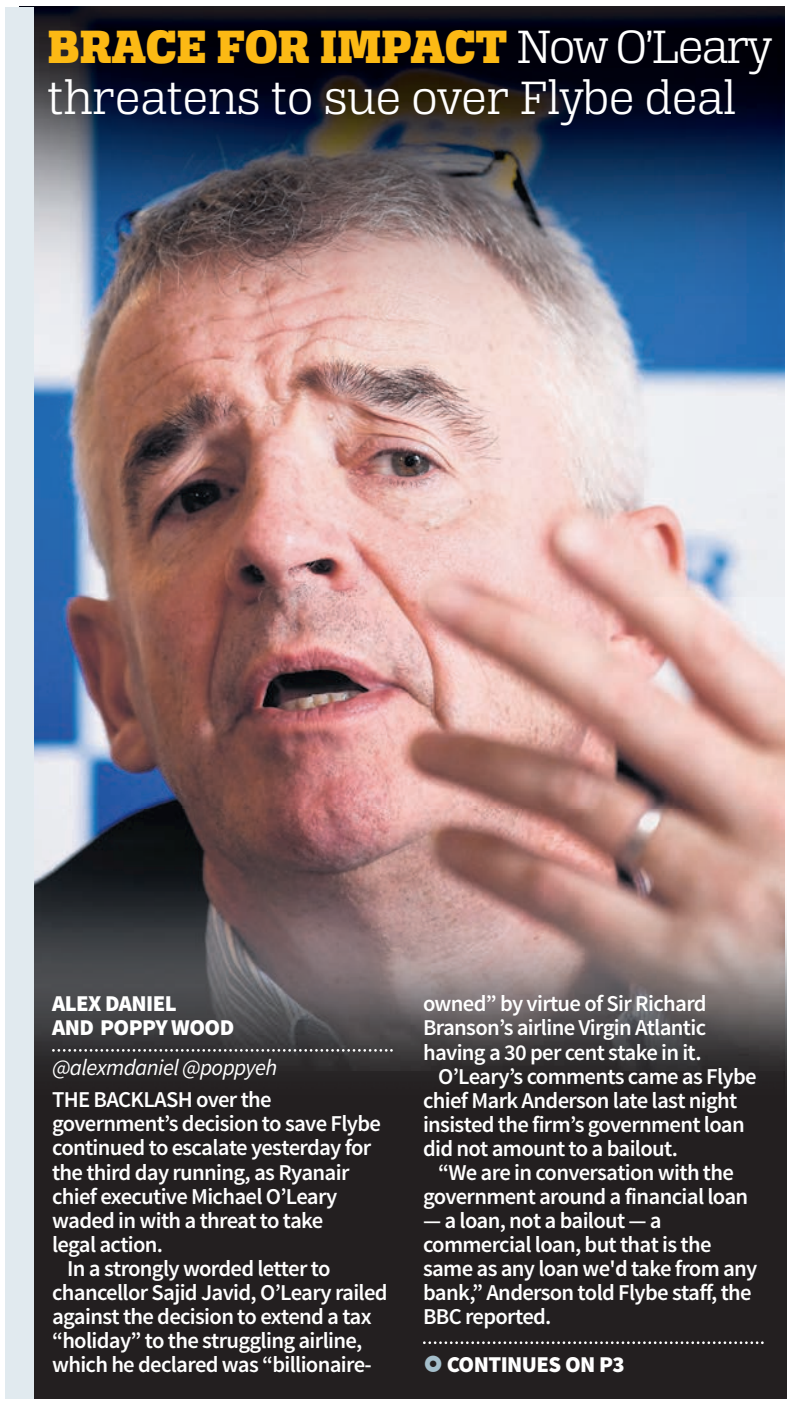
"It would be short-sighted of the government to take for granted the significant contribution the capital makes — driving jobs, growth and prosperity across the country — and to overlook the communities who feel left behind within London," he said.

"It is in everyone's best interest for London to thrive — while working with other cities and regions to ensure this benefit is shared."

Conservative mayoral candidate Shaun Bailey dismissed Khan's comments that there was a growing anti-London sentiment from the government.

"The only anti-London agenda is the one coming from City Hall," he said.

"Khan is not keeping us safe, he's not building us homes, and he's letting the transport system fall apart."



BRACE FOR IMPACT Now O'Leary threatens to sue over Flybe deal

ALEX DANIEL AND POPPY WOOD

@alexmdaniel @poppyeh

THE BACKLASH over the government's decision to save Flybe continued to escalate yesterday for the third day running, as Ryanair chief executive Michael O'Leary waded in with a threat to take legal action.

In a strongly worded letter to chancellor Sajid Javid, O'Leary railed against the decision to extend a tax "holiday" to the struggling airline, which he declared was "billionaire-owned" by virtue of Sir Richard Branson's airline Virgin Atlantic having a 30 per cent stake in it.

O'Leary's comments came as Flybe chief Mark Anderson late last night insisted the firm's government loan did not amount to a bailout.

"We are in conversation with the government around a financial loan — a loan, not a bailout — a commercial loan, but that is the same as any loan we'd take from any bank," Anderson told Flybe staff, the BBC reported.

CONTINUES ON P3

FTSE 100▼ 7,609.81 -32.99 FTSE 250▲ 21,721.23 +8.12 DOW▲ 29,297.64 +267.42 NASDAQ▲ 9,357.13 +98.44 £/$▲ 1.308 +0.005 £/€▲ 1.175 +0.007 €/$▼ 1.113 -0.003

WE ARE NOT AN ISLAND.

WE'RE HOME TO SO MUCH MORE.

HSBC UK

Together we thrive

CITY A.M.

THE CITY VIEW

Forget Big Ben, the real rows are ahead

ONE OF the more ludicrous stories of the week concerns the efforts of a small band of pro-Brexit MPs to get the bells of Big Ben ringing out our departure from the EU at 11pm on 31 January. Parliamentary authorities have done their best to shut down the scheme, saying it would be too expensive since a temporary floor would have to be installed in the tower, which is currently undergoing repair work. Boris Johnson urged the public to "bung a bob for a Big Ben Brexit bong" but once again, the bureaucrats said there was no valid mechanism through which the authorities could accept crowd-funded cash for such a project. So, no bongs on Brexit night. At the same time as this faintly surreal debate unfolded in Westminster, EU officials released a set of documents that outlined the Commission's red lines for future trade negotiations. At its heart is a very simple point: good market access is dependent upon a British commitment to follow EU rules — to the letter. This is not an unreasonable position for the EU to take, but nor is it a position with which the British government could possibly agree. When it comes to goods, an alignment of standards is no particular hardship as there isn't much advantage to be gained by deviating from internationally agreed rules on safety and labelling. However, when it comes to financial services there's simply no way the UK can agree to be a rule-taker. This position is recognised by even the most ardent former Remainers, including former chancellor George Osborne and outgoing Bank of England governor Mark Carney — who this week warned ministers not to compromise on financial regulatory alignment as the price of preferential trade terms. The City is too big, too important and too international to be run by Brussels and the government must make this the reddest of red lines. One of the first people to recognise this was the (Remain-supporting) former EU commissioner for financial services, Jonathan Hill, who told the House of Lords soon after the referendum that if Brexit was going to happen (as we now know it will) then the UK simply cannot submit to EU regulation of the City. This means, of course, that an almighty row is on the horizon. When it kicks off, it will drown out even the bongs of Big Ben.

> There's simply no way that the UK could submit to having the City regulated by the EU

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ALL HANDS ON DECK Outgoing Bank of England governor Mark Carney to advise PM on climate change ahead of UN conference

OUTGOING Bank of England governor Mark Carney is to be a key adviser to the government in the run-up to the UN climate change conference COP26, it was revealed yesterday. Boris Johnson confirmed that the Canadian economist will help the UK government to "mobilise ambitious action from across the financial system" ahead of the UK summit in November.

Regulators pressure firms to accelerate Libor switch

ANNA MENIN

@annafmenin

THE CITY regulator and Bank of England (BoE) have joined forces to urge banks and insurers to accelerate plans to transition away from the discredited Libor interest rate benchmark.

Firms have until October to stop writing loans tied to the London Interbank Offered Rate (Libor), which is embedded within around $350 trillion (£268 trillion) of financial products worldwide.

The Financial Conduct Authority (FCA) and BoE yesterday said financial firms must step up their efforts to move away from the rate, which is scheduled to be mothballed by the end of 2021.

The Libor rate was widely discredited following the 2008 global financial crisis, when authorities in Britain and the US discovered traders had manipulated the rate for profit.

In a joint letter to senior managers of UK banks and insurers, the regulators reiterated a statement by the BoE's financial policy committee (FPC) that "the intention is that sterling Libor will cease to exist after the end of 2021. No firm should plan otherwise."

The regulators also encouraged managers to switch the convention for sterling interest rate swaps from Libor to the replacement Sterling Overnight Index Average (Sonia) rate by 2 March, but did not specify what sanctions firms could face if they do not meet the scheduled deadlines.

"In most products, market participants have made impressive progress in moving away from Libor. The time has come to draw to a close its remaining use," said FCA director of executive strategy Christopher Woolard.

"Firms must act now to help meet these targets and ensure a smooth transition to alternative rates."

Claude Brown, a partner at law firm Reed Smith, described the regulators' efforts as "a turning of the screw in order to bring about the sought after change".

"Despite exhortations and outreach programmes by the regulators, a worrying number of market participants are woefully behind the curve. Some are not on schedule and others are preferring to do nothing until there is more clarity," he continued.

According to a recent report by Reuters, many British banks are unlikely to hit the October deadline to stop issuing loans tied to Libor. Figures from the two rival firms that supply loan management software to the industry said not all banks will be ready for the transition, and that only a handful of loans linked to Sonia have been issued so far.

WHAT THE OTHER PAPERS SAY THIS MORNING

FINANCIAL TIMES

NEW RUSSIAN PM STEPS INTO THE LIMELIGHT

Russia's parliament voted to confirm Mikhail Mishustin as prime minister yesterday as part of a move that could help President Vladimir Putin extend his 20-year rule indefinitely. Mishustin — who 24 hours earlier was a well-regarded but little-known technocrat — will now have the task of satisfying the "demand for change" that Putin acknowledged in his annual state of the nation address on Wednesday.

BOMBARDIER SHARES HIT AS GUIDANCE SLASHED

Shares in Canadian jet and train maker Bombardier suffered one of its steepest one-day declines yesterday, shedding 38 per cent to CA$122 as the firm slashed guidance for the fourth-quarter and warned it may withdraw from a joint venture with Airbus to make the A220 aircraft.

THE TIMES

BIG BEN BONG BACKFIRES ON PM AS £100,000 RAISED

Boris Johnson's call to the public to "bung a bob for a Big Ben bong" on the night Britain leaves the EU has raised more than £100,000 in less that 24 hours, despite attempts by Number 10 to distance itself from the campaign. Johnson went cool on the idea of making the bell peal, but an appeal by Eurosceptic MPs gained momentum.

US AND UK CONTINUE TO CLASH OVER HUAWEI

The rift between Britain and the US over Huawei widened yesterday as Washington was accused of failing to provide another supplier to produce the new 5G network.

THE DAILY TELEGRAPH

BETS AGAINST BRITAIN BOOST ODEY'S HEDGE FUND

Hedge fund tycoon Crispin Odey's wager against the pound has paid off as profits at the Boris Johnson donor's investment firm soar. Profit at Odey Asset Management rose 81 per cent to £16m for the year to April 2019. Odey is believed to have taken £3.8m from the profit pool, up significantly on last year.

TOYOTA PUMPS £300M INTO CREATION OF FLYING TAXIS

Toyota is taking to the skies with a £300m bet on flying taxis after it joined other heavyweight investors backing California-based Joby Aviation. The Japanese car maker led a $590m (£452m) funding round in Joby.

THE WALL STREET JOURNAL

WHATSAPP BACKS OFF ON PLAN TO SELL ADVERTS

Facebook is backing away from efforts to sell ads in Whatsapp, marking a retreat from a controversial plan that drove the creators of the popular messaging service to resign more than 18 months ago, according to people familiar with the matter.

FIAT CHRYSLER TEAMS WITH FOXCONN FOR ELECTRIC CAR

Fiat Chrysler plans to develop electric vehicles with contract-electronics giant Foxconn Technology as part of a joint venture, according to a regulatory filing, as the Italian-American car maker looks to make up ground in the market for battery-powered cars.

Ministers in bid to promote City links with Africa

HARRY ROBERTSON
@harrygrobertson

INTERNATIONAL development secretary Alok Sharma today announced a range of initiatives to spur the City of London to boost investment in Africa by billions of pounds.

The schemes include a competition for fund managers to identify new investment products for Africa and money to improve the financial systems and regulations of 45 developing nations in the continent.

The announcements came ahead of the UK-Africa Investment Summit on Monday in London, which will bring together City executives and political and business leaders from various African nations.

Africa is home to many of the fastest-growing economies in the world. In 2018, Eritrea, Ethiopia, Rwanda and Ivory Coast all grew by more than seven per cent, according to the International Monetary Fund.

London is the most popular destination for African businesses to list outside the continent. Yet assets from African countries still only account for around per cent of total investments managed by the City.

Sharma said: "The UK is already the top financial exchange for Africa's businesses and we want investors to seize the exciting opportunities that Africa offers."

Another of the schemes is to develop a new facility with the World Bank to develop more local currency bonds in African countries, letting businesses and governments raise investment more easily.

World Bank president David Malpass said another important element to improving investment in the region is "strong actions from countries to improve rule of law and take on vested interests". He said this could "create the right incentives".

US CORPORATE ROUND UP

MORGAN STANLEY ACHIEVES RECORD PROFIT FOR 2019

Morgan Stanley's profit jumped almost 50 per cent in the final quarter of 2019, pushing the lender's yearly earnings to a record high, its results showed yesterday. The last of the Wall Street giants to report its fourth-quarter earnings, Morgan Stanley also achieved record revenue in 2019 as its bond-trading arm prospered. Profit rose 46 per cent year on year to $2.2bn (£1.7bn) in the final quarter. This took earnings per share to $1.30, up from 81 cents a year earlier and well above analysts' predictions of 99 cents. Shares in the bank finished 6.6 per cent higher at $56.44. Morgan's chairman and chief executive James Gorman said: "This consistent performance met all of our stated performance targets."

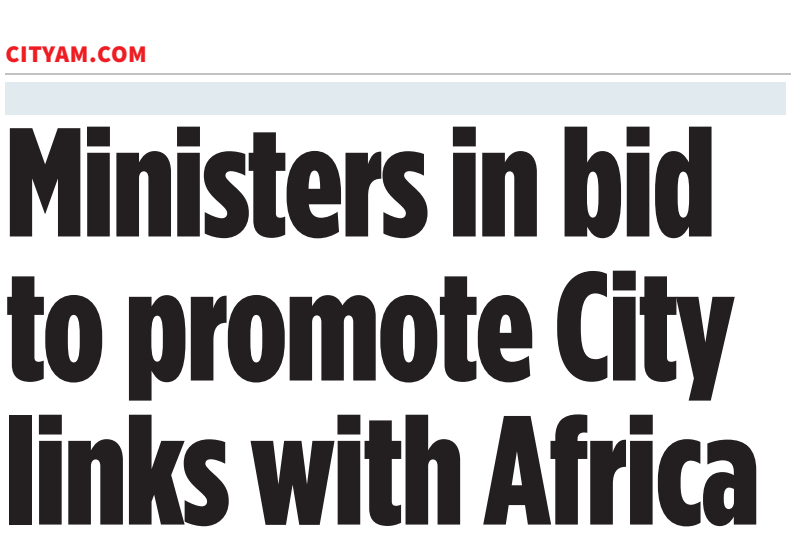
BNY MELLON SHARES SLIDE AFTER EARNINGS MISS

Shares in BNY Mellon fell 7.8 per cent to $46.72 yesterday after the lender's fourth-quarter profit missed analysts' estimates. Net income at the US's biggest custodian bank rose 67 per cent year on year in the final quarter to $1.4bn (£1.1bn) — but much of this was due to the sale of an unspecified asset. When this one-time boost was stripped away, net income was $989m. This took earnings per share to $1.01, missing analysts' expectations of $1.04. BNY Mellon — which specialises in investment management and services — said low interest rates had dented its bottom line this year, taking a chunk out of its interest revenue. Many of the major US banks reporting this season cited rate cuts in 2019 as hurting profits.

ALPHABET BECOMES FOURTH TRILLION-DOLLAR TECH FIRM

The Wall Street market capitalisation of Google parent Alphabet topped the $1 trillion (£760bn) mark shortly before the close of trading yesterday, making it the fourth S&P 500 component to top the lofty level. The company joined Microsoft, Amazon and Apple in crossing the threshold as its shares closed up 0.76 per cent at $1,450.16 on the bell. Shares of the internet search giant are up nearly 17 per cent over the last three months, outpacing a broader rally in the S&P 500 index over the same period by six percentage points. Short interest in the stock, a measure of how many investors are betting on a price decline, is at one per cent, near a 52-week high for the company and higher than competitors such as Microsoft and Facebook.

BANK ROBBERY Former Santander exec found guilty in attempted Picasso art heist



JAIME Botin, the grandson of the founder of Santander and a former vice president at the bank, was yesterday sentenced to 18 months in jail and fined $58m (£44m). The 83-year-old billionaire had attempted to smuggle a Picasso artwork, which had been declared a national treasure, abroad on his yacht in 2015 to sell at auction.

Shareholders were in the dark about Flybe health, says chief

CONTINUED FROM FRONT PAGE

Anderson said Flybe had "legacy issues" to deal with that investors were not made aware of when the airline was acquired.

"The reality... is that we were in worse shape than even the shareholders thought we were," he said. The airline was acquired in March by a consortium led by Virgin, as well as Stobart Group and private equity firm Cyrus Capital.

O'Leary cautioned that rival airlines were already under immense pressure, and that if Flybe failed others would have to pick up the slack.

"This Flybe 'subsidy' cannot comply with competition, or state aid rules unless the same... tax holiday and other government subsidies are extended to all other UK competitor airlines," he added.

O'Leary called on Javid to publish the details of the government's deal with Flybe immediately, which was later followed by a freedom of information request from BA owner International Airlines Group (IAG).

The government insisted it had not broken state aid rules.

Primark's UK store sales slow down as retailer outlines expansion plans

JESS CLARK

@jclarkjourno

4.15%

PRIMARK's like-for-like UK in-store sales dipped over the Christmas trading period, the budget retailer announced yesterday.

The high street chain's owner Associated British Foods (ABF) said yesterday that there was a "marginal decline" in like-for-like UK sales in the 16 weeks to 4 January.

However, the impact of extra store space boosted total UK sales growth to four per cent.

Primark's overall sales — taking its international business into account — were up 4.5 per cent, due "almost entirely" to an increase in selling space. Like-for-like performance improved due to strong Eurozone sales.

The fast fashion retailer has increased its retail selling space by 200,000 square feet since the end of the financial year. Three new stores opened in the period, in Spain, Germany, and Italy.

The company also relocated to a larger store in Porto, Portugal, extended a branch in Norwich. It reduced selling space in Germany.

"These solid numbers demonstrate that retailers offering a unique proposition, stand-out in the market and have a laser-like focus on executing their vision can continue to thrive," Richard Lim, chief executive at Retail Economics, said.

It did little to dent ABF's shares, which rose 4.2 per cent to 2,661p.

The fashion company has increased its retail space substantially over the past year

'Golden quarter' fails to revitalise UK high streets

JESS CLARK

@jclarkjourno

RETAIL health hit a record low last year as high street stores battled weak consumer demand and faced pressure to slash prices.

The latest Retail Health Index published by a KPMG and Ipsos think tank hit a record low of 74 in 2019 — the worst result since the tracker was established in 2006.

The think tank — which assesses demand, margin and costs — said the "golden quarter" of Christmas trading did not rebound enough following a difficult year for the retail sector.

The later timing of Black Friday and Cyber Monday also put pressure on retailers' margins, with businesses pushed into "aggressive discounting".

Experts said the result of the General Election did not spark the necessary boost in consumer confidence in December, but could have a positive effect this year.

However, the index score is expected to remain at the low of 74 in the first quarter of 2020.

Independent retail analyst Nick Bubb said: "Even after the decisive result of the General Election in December, the much-expected 'Boris bounce' failed to materialise and the consumer stayed cautious pre-Christmas.

"Black Friday and Cyber Monday were also later this year, which cannibalised trading in December and encouraged consumers to wait for more discounting," he said.

Bubb added this meant retailers had little alternative but to "discount aggressively to get stock moving — applying further pressure on margins".

Ipsos retail intelligence director Tim Denison added: "The industry still has many reasons to feel more optimistic — albeit with a pinch of caution thrown in for good measure."

The Adam Smith Institute (ASI), a neoliberal think tank, has called for reforms to "restrictive planning rules" to reinvigorate town centres, saying current rules have encouraged "monopolistic ownership", allowing national landlords to increase rents.

In a report published last night the ASI said permitted development rights should be expanded to allow buildings to be converted more easily for retail use, and shopping areas should be expanded outside of traditional town centres and high streets.

Mike Ashley previously clashed with landlords over House of Fraser closures

Mike Ashley blames landlords for six Jack Wills shop closures

JESS CLARK

@jclarkjourno

HIGH street fashion brand Jack Wills yesterday announced it will shut six stores, blaming "unhelpful" landlords for the closures.

Mike Ashley's Frasers Group, which bought the fashion retailer out of administration for £12.8m last year, yesterday said shops in Bournemouth, Camberley, Cheltenham, Soho, Turo and Witney will close within the next month.

Ashley's retail empire, which was formerly known as Sports Direct International, said some landlords have not "been as helpful as others".

A spokesperson said: "Our commitment to Jack Wills remains but to ensure its future on the UK high street, we recognise the need to address running costs — including rents and business rates.

"Unfortunately, not all landlords involved have been as helpful as others."

The company said it will aim to find new roles within the group for staff affected by the closures.

Moss Bros sales drop as rescue plan continues

JESS CLARK

@jclarkjourno

SUIT retailer Moss Bros said yesterday that it is making headway with its transformation plan, despite reporting a dip in sales.

The menswear store said it has made "good progress overall" in its bid to elevate the brand and improve long-term performance.

Moss Bros said it has improved its retail gross margin rates in the 24 weeks to 11 January by selling at full price with less old season stock to clear. The group expects to report a full-year adjusted loss before tax of £1m.

Moss Bros chief executive Brian Brick said: "We have seen more intensive discounting from our competitors and a materially lower level of footfall across the high streets and shopping centres of the UK.

"Despite this, we have resisted discounting pressures, facilitated by our careful buying plans which have meant that we are holding lower levels of terminal stock to clear."

On a like-for-like basis sales fell 3.2 per cent, and online sales dropped 0.4 per cent compared to last year.

The company said it expects to end the year debt free, with a cash balance of around £12m. However, it warned that it expects market conditions to remain challenging.

The plus-size retailer pinned lower profits on heavy discounting in the period

Simply Be owner N Brown slashes profit forecast after heavy discounts

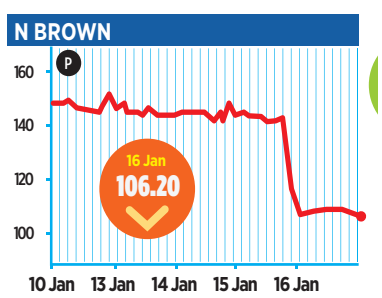
JESS CLARK

@jclarkjourno

SIMPLY Be owner N Brown has slashed its profit expectations, blaming lower revenue from its credit lending service and a "highly promotional market".

Shares in the plus-size fashion retailer plummeted more than 24 per cent yesterday after it said full-year adjusted profit before tax will be in the range of £70m to £72m, down from a previous estimate of £78m to £84.1m.

A 4.6 per cent revenue drop in N Brown's financial services division — which allows customers to pay with credit — contributed to the cut in profit estimates, as well as heavy discounting. N Brown warned that profit in 2021 is likely to be at around similar levels due to the "reduced scope for bad debt".



Financial body rules 'too early' to agree LCF sum

JAMES BOOTH
@Jamesdbooth1

THE FINANCIAL services lifeboat said yesterday it was "too early to predict" how much it would have to pay in compensation to investors in collapsed mini-bond firm London Capital & Finance (LCF).

Last week, the Financial Services Compensation Scheme (FSCS) said it would protect 159 LCF bondholders who switched from stocks and shares ISAs to LCF bonds.

It said it would review whether other investors in the scheme had a claim for compensation on the grounds they were given misleading advice by LCF.

Mini-bond firm LCF collapsed in January 2019 owing £236m to more than 11,000 investors.

In its plan and budget for 2020/21, published yesterday, the FSCS's chief executive Caroline Rainbird said, it "will start to review [LCF] advice claims in the first quarter of 2020" and that "at this stage it is too early to predict the full impact on the levy".

The FSCS said its indicative levy on financial firms for 2020/21 was £635m, an increase of £87m on the levy raised in 2019/20.

It said this increase was driven by a rise in the number of complex pensions claims which it said had overtaken payment protection insurance (PPI) claims by volume.

The FSCS said the main causes of pensions claims are "advice — often mis-advice — to transfer out of defined benefit pensions".

Another major challenge cited by the FSCS was so-called phoenixing — where directors of an insolvent company transfer their business to a new company and continue trading.

The FSCS said its claim handlers had spotted 19 potential cases of phoenixing since September 2019 which were then referred to City regulator the Financial Conduct Authority (FCA).

It said a further 117 cases had been identified and shared with the FCA.

'Misery' as major hospitals remain unfinished two years after Carillion

ALEX DANIEL
@alexmdaniel

THE GOVERNMENT has faced yet another round of criticism for its handling of the collapse of outsourcer Carillion, more than two years after the company failed — this time over two hospitals it was building when it went bust.

The government spending watchdog said in a report that the hospitals, in Liverpool and the west midlands — will not be finished until years after originally planned.

The 646-bed Royal Liverpool hospital was due to open in June 2017, but is now forecast to be completed in autumn 2022 — five years late — and costing £1.06bn compared to the original £746m budget.

Meanwhile, the 669-bed Midland Metropolitan hospital in Sandwell, near Birmingham has been pushed back to July 2022 — three years and nine months late — and will cost £988m, more than £300m over the original £686m price tag.

Trade union Unite said the delay had created "misery" for patients and staff forced to cope with failing buildings.

The private sector bore the brunt of the extra costs, wrote watchdog comptroller Sir Amyas Morse.

TRUMP THAT US President brands trade deal with China 'one of the greatest ever'

US PRESIDENT Donald Trump yesterday labelled the trade agreement the US signed with China on Wednesday as "one of the greatest trade deals ever made", adding that it has put the US in a "great position" for the next stage of talks.

Contractor Kier Group welcomes 'good progress' on cutting costs

ALEX DANIEL
@alexmdaniel

1.38%

KIER Group shares spiked yesterday on the news that the struggling contractor is making "good progress" on cutting costs.

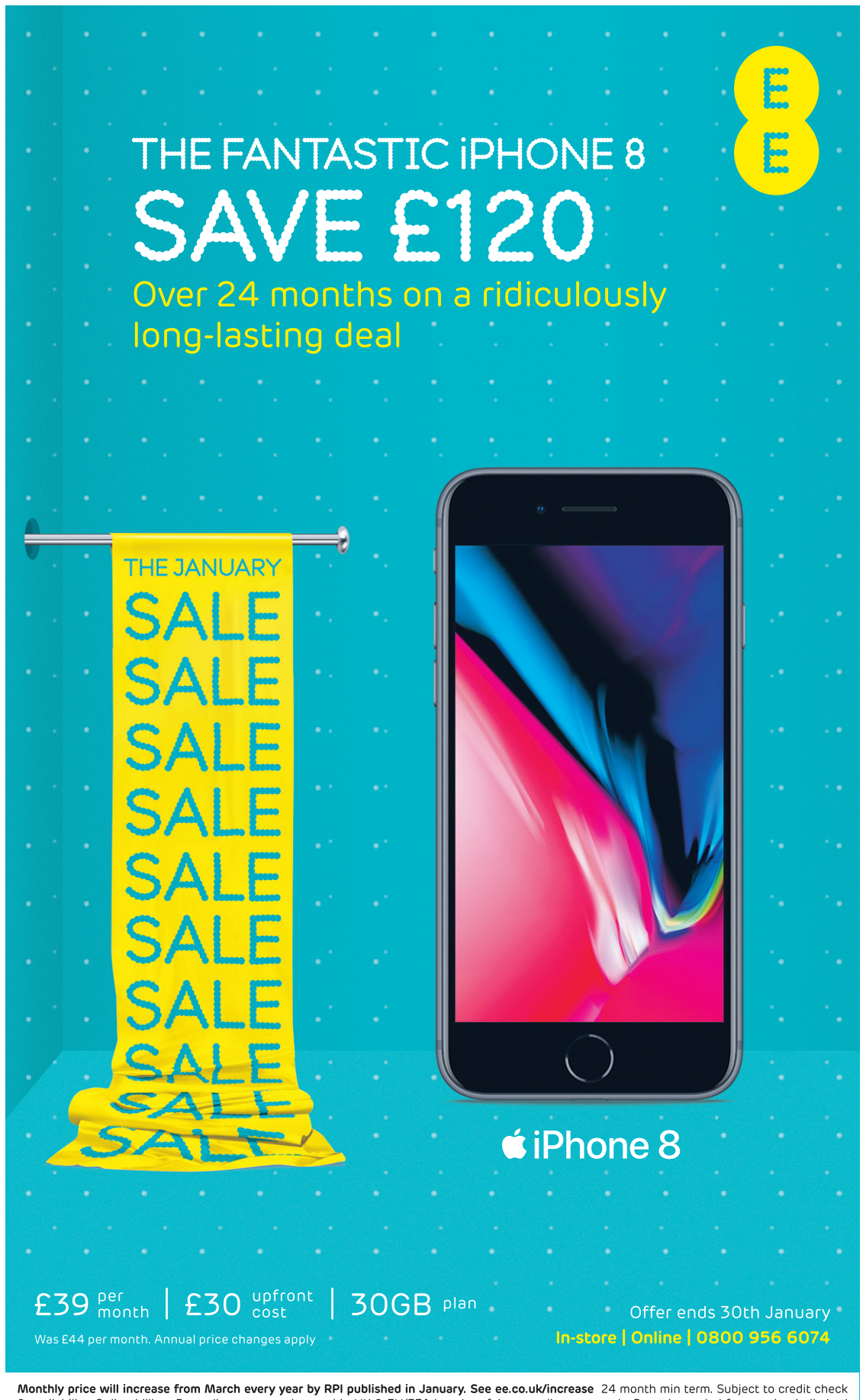
The London-listed construction group's stock rocketed 7.5 per cent in value in early trading, before receding to about 1.38 per cent up to 78.57p.

Kier has suffered from a mounting debt pile for the last 18 months, but assured investors it had kept that under control in the last half-year.

The firm said it was pressing on with a programme of office closures, outsourcing various functions and cutting jobs.

Directors expect to have got rid of around 1,200 workers by June this year, bringing £60m worth of savings for the following year ending June 2021.

Chief executive Andrew Davies said: "The group is performing in line with our expectations and we continue to win work from our customers."



Monthly price will increase from March every year by RPI published in January. See ee.co.uk/increase 24 month min term. Subject to credit check & availability. Online billing. Data allowance can be used in UK & EU/EEA but data fair use policy may apply. Deposit needed for roaming in limited circumstances. You own device 6 months from plan start date. Personal use only. **Essential Plan:** Includes access to our fastest 4G speeds. Terms apply, see ee.co.uk/terms Information and pricing correct as at 14.01.2020.

British tech tax could harm smaller businesses, says Amazon's UK boss

JAMES WARRINGTON

@j_a_warrington

AMAZON's UK boss has played down concerns about a new tech tax, but warned the move could raise costs for small businesses using its platform.

The government's 11 March Budget is expected to include a digital services tax, which will charge a two per cent levy on the UK revenue of technology companies.

Douglas Gurr, Amazon's UK country manager, said the tax would not impact plans to create new jobs and open more distribution hubs.

"We are very committed to the UK for the long term. We have three research and development sites and two corporate offices," he told the Financial Times.

"As long as the UK continues to be a place where we get great talent and we have customers to serve, we will continue to be committed."

However, Gurr suggested that Amazon could offload the additional costs by raising charges for the small businesses that use its platform.

Gurr said that the UK should shun its plans for a national tax in favour of a "supranational approach" similar to cross-border proposals put forward by the Organisation for Economic Cooperation and Development (OECD).

Whitbread sales lose momentum in weak market

JESS CLARK

@jclarkjourno

PREMIER Inn owner Whitbread yesterday reported that like-for-like sales fell in the third quarter as business uncertainty impacted travel plans.

Shares dropped more than five per cent to 4,587p after the company said like-for-like sales dipped 1.3 per cent in the third quarter, dragged down by a 2.1 per cent drop in accommodation sales. Like-for-like food and beverage sales grew 0.4 per cent.

The hotel chain said it will take a cautious approach to hotel demand for next year as the "UK political and economic environment remains uncertain and the sustained industry inflation continues".

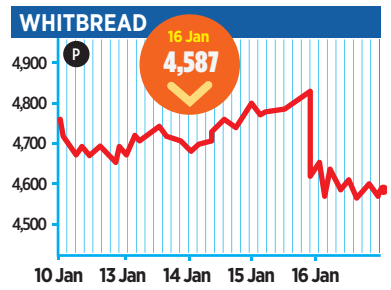
In a trading update yesterday, it said it expected to face net margin headwinds of around £60m in 2021, due to inflation and ongoing investment.

However, the company reported total sales growth of one per cent, and an increase of 0.3 per cent in the UK business during the third quarter.

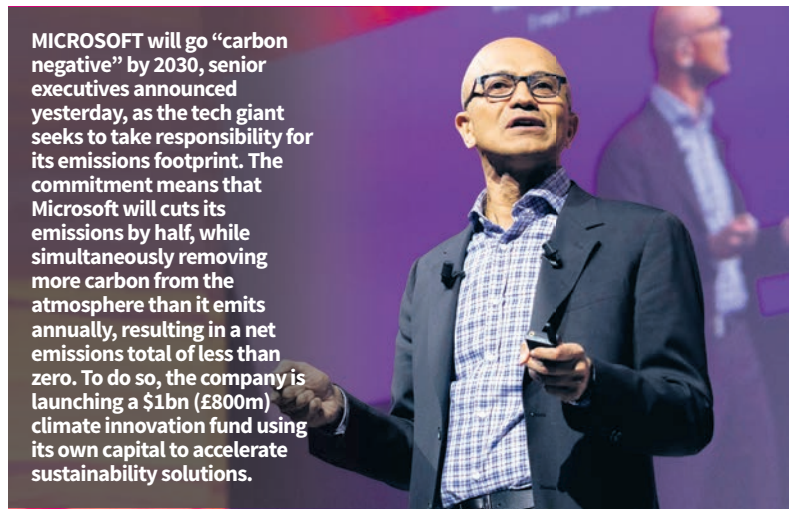
UK business growth was driven by a 4.8 per cent uptick in London while Premier Inn's regional accommodation sales declined two per cent.

Whitbread chief executive Alison Brittain said: "Our performance in the quarter reflects and good food and beverage performance and marginally declining total accommodation sales... Weak business and leisure confidence in the regions continued, which was partially offset by the strength of the central London market, where we out performed."

The company announced yesterday that growth in Germany — where it has opened three hotels in Frankfurt, Hamburg and Munich — is "firmly on target".



POWERED UP Microsoft pledges to become 'carbon negative' by 2030 through new fund



MICROSOFT will go "carbon negative" by 2030, senior executives announced yesterday, as the tech giant seeks to take responsibility for its emissions footprint. The commitment means that Microsoft will cuts its emissions by half, while simultaneously removing more carbon from the atmosphere than it emits annually, resulting in a net emissions total of less than zero. To do so, the company is launching a $1bn (£800m) climate innovation fund using its own capital to accelerate sustainability solutions.

Goldman-backed telecoms firm on brink of £200m Talktalk deal

HARRY ROBERTSON

@harryrobertson

GOLDMAN Sachs-backed telecoms firm City Fibre could seal its £200m takeover of a Talktalk division as soon as this weekend.

The deal, which was first reported in August, was put on hold in November when Jeremy Corbyn's Labour party vowed to nationalise BT's broadband infrastructure arm and provide free broadband if they won the December General Election.

Following the Conservatives' thumping election win, however, the sale of Talktalk's Fibre Nation unit was put back on track and could be announced over the coming days, Sky News reported yesterday.

Talktalk entered discussions with various firms about the purchase of Fibre Nation following the election, but has chosen to press on with the deal with City Fibre, which is part-owned by Wall Street giant Goldman Sachs.

One source cautioned Sky that there was a small chance that the deal could not come off, however.

Industrial firm Ashtead hailed best-performing UK stock of the decade

HARRY ROBERTSON

@harrygrobertson

ASHTEAD Group, an industrial equipment rental firm, was the best performing stock on the UK's FTSE 350 over the last decade, data firm Refinitiv said today, with a compound annual growth rate of over 40 per cent.

A £1,000 investment 10 years ago in Ashtead, which was founded in Surrey and is now City-based, would have been worth more than £35,000 at the end of 2019, Refinitiv said.

In second and third place respectively were buyout specialist Melrose Industries and property firm Rightmove. Melrose had a compound annual growth rate (CAGR) of 32.3 per cent, while Rightmove's was 30.5 per cent.

In the decade following the financial crisis, US markets were the best performers, with the S&P 500 index achieving a 13.6 per cent annualised return.

In comparison, the UK's FTSE 100 managed a 7.4 per cent annualised return. Britain's blue-chip index was outperformed by its smaller sibling, the FTSE 250, which achieved a 12 per cent annualised return.

"The financials sector, and UK banks in particular, had a subdued decade given low interest rates, a decline in GDP growth, and Brexit uncertainty," said Tajinder Dhillon, senior research analyst for Refinitiv Starmine.

At the bottom of the FTSE 350 performers list was flooring retailer Carpetright, with a CAGR of minus 39.9 per cent. Gold miner Petropavlovsk was second-worst, with a CAGR of minus 27.7, while baby-product store Mothercare was third from bottom, with a CAGR of minus 27.23 per cent.

Private equity-backed smart meter company Calisen to list next month

Calisen kicks off £1.5bn float

JAMES BOOTH

@Jamesdbooth1

SMART meter firm Calisen yesterday confirmed its intention to float in London next month with the goal of raising £300m.

The float will value the company at around £1.5bn.

The energy company, which is backed by private equity firm KKR, said it would use the funds to clear debt and support future growth.

Ex-Eircom boss Phil Nolan is joining the firm as chairman.

"We expect new shareholders in the company to benefit from Calisen's strong position in Britain's smart metering segment," he said.

Banks advising on the float include Credit Suisse, Citi, HSBC, Barclays and Goldman Sachs.

Value of private British buyouts nearly doubles

ANNA MENIN

@annafmenin

THE VALUE of UK private equity and venture capital deals almost doubled in the last quarter of 2019, boosted by a spate of mega-buyouts worth over €1bn (£854m).

Although the total number of deals fell during the three months to 31 December, six mega-buyouts helped propel overall UK deal value to €27bn — an 80 per cent increase on the third quarter's total of €15bn, according to new data from private equity research firm Unquote.

UK mega-buyouts completed in the fourth quarter include the €6.6bn takeover of Merlin entertainments by a consortium and a private equity firm Thoma Bravo's €3.6bn takeover of software maker Sophos.

"The European private equity market is continuing on its spectacular bull-run," said Unquote head of data and research Julian Longhurst.

Amount of credit given to UK businesses dives

ANGHARAD CARRICK

@angharadcarrick

THE AMOUNT of credit made available to businesses last quarter fell to a level not seen since the global financial crisis.

The Bank of England's (BoE) credit conditions survey released yesterday showed that available credit for businesses fell for its sixth successive quarter in the fourth quarter of 2019.

It dropped to minus 9.2, down from minus 3.5 in quarter three — its fastest rate since the fourth quarter of 2008.

Banks will likely retain their cautious approach in lending to firms, with credit likely to decrease slightly in the first quarter of 2020, the survey found.

Additionally, expected demand for credit for capital investment over the next three months fell to minus 27.4 from minus 18.5 — its weakest since the first quarter of 2009.

Political uncertainty was cited for the dip

Howard Archer, chief economic advisor at EY's Item club, suggested that lenders had been concerned about domestic political uncertainty and a struggling economy. Business demand for borrowing was also reported to have fallen across all sizes.

Colin Jackson, financial analyst at Goodbody, said that despite the gloomy outlook, "the survey results are unlikely to fully account for the significant Tory victory in the UK General Election and the economic certainty this victory presents".

The survey may do little to dampen the BoE Monetary Policy Committee's concerns over subdued economic activity, as the bank expects demand for credit for business investment to fall.

British spooks violated EU law by 'unlawfully' collecting data from telecommunication firms

JAMES WARRINGTON

@j_a_warrinton

THE COLLECTION of communications data from telecoms firms by the UK's security agencies breached EU law, a top lawyer has concluded.

National security laws allow bodies such as MI5, MI6 and GCHQ to force mobile firms such as Vodafone and O2 to hand over data on customers.

But in a preliminary opinion Campos Sanchez Bordona, advocate general at the Court of Justice of the European Union, ruled that these actions contravened EU law.

Bordona stated that the bloc's regulations on personal data protection should override national laws that allow for the mass collection of information.

However, he acknowledged that national legislation should allow for data collection in "exceptional circumstances" where the country is forced to declare a state of emergency.

UK security chiefs have long argued that their organisations should be exempt from data privacy laws, as the collection of communications information was key in fighting terrorist threats.

But this has led to clashes with data privacy campaigners and the surveillance watchdog, which last year concluded that MI5's collection of personal data was unlawful.

Bordona's opinion, which came in response to a case put forward by charity Privacy International, also related to data collection by spooks in France and Belgium.

The opinion is non-binding, and the court is expected to issue its opinion in the coming months.

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Vauxhall and Peugeot owner PSA suffers 10 per cent slump in sales

ALEX DANIEL

@alexmdaniel

THE PARENT company of Vauxhall and Peugeot suffered a 10 per cent slump in sales last year, as declining volumes in China, the Middle East and Africa came to bear on the car maker.

PSA, which is part-way through a merger with Fiat Chrysler, saw sales decline by 2.5 per cent in its home European market to 3.1m vehicles. Opel-Vauxhall suffered the steepest fall, down 6.4 per cent year-on-year.

However, an increase in sales of light commercial vehicles helped PSA take a 16.8 per cent market share. This is slightly down on its 17.1 per cent market share last year.

According to figures published by the European Automobile Manufacturers Association, Volkswagen and Renault both outperformed PSA in the passenger car market. Meanwhile, Fiat Chrysler was hit by a 7.3 per cent fall in car sales in Europe, as it gears up for the $50bn deal with PSA that will form the fourth largest car maker in the world.

PSA's biggest rival, Renault, is due to publish its 2019 sales today.

Referring to its line-up of small passenger cars, PSA said: "2019 was a year of consolidation for Peugeot."

GOING, GOING, GHOSN Fugitive ex-car boss' Japanese lawyer quits amid scandal

CARLOS Ghosn's Japanese lawyer yesterday quit his job defending the former Nissan boss. Junichiro Hironaka had been representing Ghosn in his defence against financial misconduct allegations, but quit yesterday in the wake of Ghosn's escape.

Renault voices 'real desire' to heal Nissan pact

ALEX DANIEL

@alexmdaniel

RENAULT's chairman has dismissed claims that the 20-year partnership between the French manufacturer and Nissan might be breaking down.

Jean-Dominique Senard said yesterday that there was a "real desire" at the alliance to make a success of it.

This comes despite more than a year of turmoil caused by the arrest of its architect Carlos Ghosn. The former Nissan boss was detained in Tokyo in November 2018 on financial misconduct charges, all of which he denies.

Ghosn disrupted attempts to restore order by fleeing the Japanese justice system for Lebanon. At his subsequent press conference in Beirut he said the alliance, now little more than a "masquerade", was doomed.

Nissan has robustly denied his allegations that it plotted to unseat him to rid the alliance of French influence from Renault. Meanwhile, both firms have poured scorn on suggestions that two decades of collaboration have turned sour.

"We have a board overseeing the alliance which is made up of people who are all extremely in favour of [it]," Senard said.

"There is a common desire to associate our strategic plans and a real desire to make this alliance a success."

He described reports that Nissan was war-gaming scenarios for a future outside the alliance as "fake news". However, he repeatedly declined to comment on Carlos Ghosn. "I only think about the future," he said.

Senard told reporters that the operating board of the alliance would meet this month. He said they would discuss future industrial plans which could muster "substantial" savings, but refused to give more detail.

Both Nissan and Renault are enduring periods of instability at the top. A new chief executive started at the Japanese firm in December, and inherits a company reeling from plummeting sales. Renault is still searching for a new boss after firing Ghosn-ally Thierry Bollore in October.

Volkswagen chief says firm faces trouble without urgent reforms

MICHELLE MARTIN

VOLKSWAGEN needs to accelerate the overhaul of its business to avoid becoming another Nokia, which lost its dominance in the handset market to Apple, the German car maker's chief executive said.

The multi-brand car and truck maker wants to raise its market value to €200bn (£170.4bn), from around €91bn at present, by revamping its assets, slashing costs, and expanding into new technologies like connected cars.

Car makers are accelerating research and development spending to keep up with tech rivals who are racing to build a self-driving car at a time when regulators have tightened emissions rules, forcing manufacturers to clean up combustion engines and develop zero-emission electric vehicles.

"The big questions is: Are we fast enough?," Herbert Diess said following a global board meeting yesterday. "If we continue at our current speed, it is going to be very tough." *Reuters*

EDITOR'S NOTES

News and views from the City, Westminster & beyond

CHRISTIAN MAY @CHRISTIANJMAY CHRISTIAN.MAY@CITYAM.COM

We should support Taiwan to the hilt

SOME years ago I did some work that brought me into contact with Taiwan and, more importantly, a small but powerful group of figures in Westminster who had long seen the moral and strategic case for being on the side of Taipei's government. As a consequence of this fleeting association, I saw firsthand the way China reacts to Taiwan's independence. Meeting Taiwanese officials for lunch we'd notice the table next to us suddenly occupied by some serious-looking people from (as my hosts would later tell me) China's embassy in London. On one occasion I returned home to my south London flat to find a car outside my house, occupied by people one could reasonably assume to be associated with the same embassy. They drove off as I approached them. I mention this only to demonstrate how much apparent interest was paid to me — a minnow, whose activities were unlikely to change the course of human history. Imagine, then, what life is like for the Taiwanese who are menaced every day by a government in China that remains fully committed to retaking this island democracy by military force. "Reunification across the Taiwan Strait is a historical inevitability" said Chinese state councillor Wang Yi this week, adding that this won't change just because of "a local election on Taiwan." The election of which he speaks saw more than 8m votes (57 per cent) cast in favour of President Tsai Ing-wen, whose campaign for re-election was based on standing up to China's threats. China is alleged to have done its best to interfere in this election, leading one Taiwanese campaigner to say: "If China is so keen on involving itself in elections why doesn't it have some of its own?" The bottom line is that anyone who supports democracy, self-determination and liberty should hail the Taiwanese election result and pledge their support for this bold, dynamic and fearless island state. There should be no ambiguity. Taiwan deserves support, recognition and praise. China's bullying approach should be condemned.

FROM THE ARCHIVES

During the 1990s, the Stasi HQ in East Germany held so many files on citizens that, stacked together, the documents would reach 25 miles into the sky. The building that housed this horrifying testament to paranoia and authoritarianism is now set to become a centre dedicated to the promotion of democracy. Part museum, part campus, the new site will be "a place of learning and remembrance." What a fitting new lease of life for one of communism's darkest haunts.

An absolute door-stop of a book landed on my desk this week: the Spears 500 guide to the top private client advisers, wealth managers and assorted professionals useful to the mega-rich. Personally I don't have any wealth, but it's a valuable directory of potential industry sources. As a bonus gift, I received a copy of the new Mace magazine, produced by the irrepressible William Cash of Spears fame, which launches next week. By the looks of it, the plan is to rival the Spectator, the Economist and the Politico website. It takes guts to launch a magazine these days but Mace deserves to flourish. The launch edition features an interview with Sting ("all the worst people of my generation went into politics") plus profiles of new MPs, features and a good splattering of gossip. My favourite author, William Boyd, tells the mag it's too early to write the Great Brexit Novel and columnist Christopher Silver looks at the history of parliamentary insults. Bravo, and good luck.

CAN I QUOTE YOU ON THAT?

"You can individually guard every chicken, but isn't it better not to let the fox into the hen house in the first place?"

Tory MP Tom Tugendhat warns against letting Huawei into the UK's critical infrastructure

Bit of HR news for you all: this week marked 10 years since Steve Dinneen joined us. The most fashionable man at *City A.M.* HQ has been reviewing, criticising, discovering and highlighting the City's cultural offerings for a decade. Only once in my four years have I been threatened with legal action because of one of his restaurant reviews but as I said to the complainant, if Steve says your sauce was too cold then your sauce was too cold, and if you want to argue its temperature in court, so be it. As our Life and Style editor, Steve's contribution to *City A.M.* has been tremendous but his contribution to our readers must be almost beyond measure. The City's food and cultural scene has upped its game in recent years but Steve was plugging away at this patch before it became cool. He's also created a beautiful, witty and hedonistic magazine that brings together food, fashion and property. He's built a great team and launched a lot of careers. We're lucky to have him, and so are you.

Wood Group's shares climb on profit forecast

ANNA MENIN

@annafmenin

SHARES in John Wood Group rose almost eight per cent yesterday after the oilfield services provider said it expects higher core earnings for 2019, with a strong performance from its engineering services unit offsetting slowing onshore drilling demand in the US.

In an update to the stock exchange yesterday, the firm said it expects adjusted earnings before interest, tax, depreciation and amortisation (Ebitda) to be between $850m (£652m) and $860m for the year ending 31 December, compared with $693.8m a year earlier.

"Our full-year 2019 results will demonstrate earnings growth, margin improvement and strong operational cash generation, resulting in a reduction in net debt," said chief executive Robin Watson.

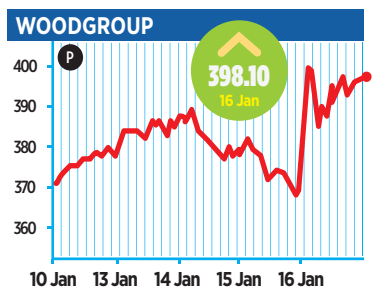
Wood said it expects revenue of around $10bn for 2019, in line with the previous year, reflecting "generally robust activity", with better than anticipated cash generation in the second half helping to reduce net debt to below $1.5bn.

Watson said the company "continue[s] to make good progress on portfolio rationalisation. Looking ahead, our business is well positioned across its energy and built environment markets and we expect to deliver earnings growth in 2020."

Wood also announced yesterday that Birgitte Brinch Madsen would join the company as a non-executive director.

"It's been a challenging 12 months for Wood, with a volatile oil and gas environment seeing the company — along with other services firms — squeezed by some of the larger operators," said Brewin Dolphin senior investment manager David Barclay.

"While Wood has taken steps to broaden its business, the levels of debt it incurred in the process have weighed on the shares — they have fallen around one-third since the beginning of 2019," he added.



The Sewelo diamond, at 1,758 carats is the second biggest gem ever found

Louis Vuitton to make jewellery from second biggest diamond

EDWARD THICKNESSE

@edthicknesse

LOUIS Vuitton has entered into a partnership with Canadian corporation Lucara to make jewellery from the second largest rough diamond ever mined, in a sign of its growing ambitions in the high-end jewellery market.

The Sewelo diamond, which was found in Botswana in April 2019, clocks in at 1,758 carats, second only to the legendary Cullinan diamond.

In partnership with HB, an Antwerp-based diamond manufacturer, Louis Vuitton will make jewellery from the stone.

Lucara will receive an upfront non-material payment for the Sewelo and retain a 50 per cent interest in the individual polished diamonds that result.

Lucara's chief executive Eira Thomas said: "We are delighted to be partnering with Louis Vuitton, the famous luxury house, to transform the historic Sewelo, Botswana's largest diamond, into a collection of fine jewellery that will commemorate this extraordinary discovery in Botswana."

Germany plots exit from coal in €40bn deal

EDWARD THICKNESSE

@edthicknesse

THE GERMAN government has agreed to a €40bn (£34.2bn) deal to help workers and companies as part of plans to end the use of brown coal power plants by 2038.

The deal, which was announced by economic minister Peter Altmaier yesterday, is part of a package of measures which will enable Europe's largest economy to cut fossil fuel emissions to 55 per cent of their 1990 levels by 2030.

In talks which lasted most of the night, the government agreed to pay up to €14bn to coal-mining states Brandenburg, North-Rhine Westphalia, Saxony and Saxony-Anhalt until 2038, spokesman Steffen Seibert said.

Other measures, worth up to €26bn, would be commissioned by the federal government to help brown coal regions in the same time period.

Seibert also announced that energy-intensive companies would be provided with annual subsidies from 2023 to help ease the burden of higher electricity costs caused by the coal exit. The bill will be heard by the government on 29 January.

Sources told Reuters that the government plans to pay supplier RWE roughly €2.6bn in compensation for shutting down its coal powered plants. The firm will cut 6,000 jobs – roughly a third of its workforce – by 2030.

It had estimated it would receive compensation of €3.5bn, excluding lost profit from its power stations.

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Finsbury Food shares slump amid a slowdown in international sales

The food firm sells a range of baked goods to an international market

JESS CLARK

@jclarkjourno

SHARES in Finsbury Food dipped yesterday as the baked goods producer reported that international sales dropped in the last six months of 2019.

The food manufacturer, which produces Mary Berry products, Mars cakes and Vogel bread, reported that sales in its overseas division fell 3.5 per cent in the six months to 28 December compared to the previous year.

Shares slumped more than four per cent to 95p, before recovering slightly to close 2.5 per cent lower at 97p at market close.

However, total sales were up in the period, jumping 4.7 per cent on the previous year to reach £159.3m.

The overall growth was driven by the group's core UK bakery division, which grew by 5.8 per cent during the six months.

In a statement yesterday the company said: "Notwithstanding the group's continued momentum, management are cognisant of the difficult trading environment and wider macro-economic uncertainty, and remain focused on innovation, efficiency and investment."

Finsbury Food said it is trading in line with market expectations for the full year, and will announce its interim results on 24 February.

In its latest results, released in October, the company reported revenue growth after it launched new vegan and healthy product ranges.

Lekoil fraud firm launches its own inquiry into case

EDWARD THICKNESSE

@edthicknesse

THE CONSULTANCY which is alleged to have brokered Lekoil's loan deal with a Qatari wealth fund yesterday announced its own investigation into the matter.

Seawave Invest, which the West African oil explorer said it had paid $600,000 (£460,000) for introducing it to the individuals "purporting to be the [representatives] of the Qatar Investment Authority (QIA)" said it takes the allegations "very seriously".

It added that it could not comment on the "details of the existing transaction", but welcomed Lekoil's investigation.

Bismarck Abrafi, who is listed as managing partner of the organisation, which has offices in the Bahamas and Ghana, told *City A.M.* on Linkedin: "At the moment our comments is [sic] what has been posted".

Abrafi is listed as having executive roles with various organisations, such as Georgetown Genesis Group and RSP Energy.

Yesterday Seawave was accused of falsely trading on the name of another business with which it failed to make a deal.

The consultancy listed Canadian healthcare firm Kallo on its website, despite not having permission to do so. The Financial Times reported that the company had been approached by Seawave over a potential partnership, but nothing had materialised.

Seawave has now updated its the webpage in question to show the message "update in progress".

Shares in Lekoil fell over 70 per cent on Tuesday after the company revealed that it had fallen victim to the alleged fraud.

In a statement, the firm said the deal "seems to have been entered into by the company with individuals who have constructed a complex facade in order to masquerade as representatives of the QIA."

Sources close to QIA told *City A.M.* that the fund had no knowledge of any loan. The company later confirmed a full investigation into the fake deal, which was intended for the financing of drilling and development on the Ogo field off Nigeria.

The future of Lekoil's 17 per cent stake in the field is now reportedly in doubt, as the company needs to find $40m by next month.

The pub sector added 7,000 more jobs to the British economy last year

Number of small pubs in the UK rises for the first time in 15 years

JESS CLARK

@jclarkjourno

THE NUMBER of small pubs and bars increased for the first time in 15 years last year, as consumers splashed the cash on meals out, according to the latest statistics.

Small pubs and bars, which have fewer than 10 employees, increased by 85 — a 0.4 per cent rise — following more than a decade of closures.

The overall number of pubs and bars in the UK increased 0.8 per cent, as an additional 315 opened across the UK between 2018 and 2018, marking the first increase in 10 years.

Turnover in the pub sector increased by 3.8 per cent to £847m in 2017, and real turnover in the latest data is at the highest level since the 2008 financial crisis. The sector also added 7,000 more jobs last year compared to 2019, an increase of 1.6 per cent.

Pubs now employ more people serving food than working behind the bar, according to the Office for National Statistics, as venues adapt to changing consumer behaviour.

Hays blames UK uncertainty for profit warning

ANGHARAD CARRICK

@angharadcarrick

RECRUITMENT firm Hays issued a profit warning yesterday, blaming political uncertainty for a slow three months to the end of December.

The group anticipates first-half operating profit to be around £100m, down from the £124.1m reported in the same period last year.

London-listed shares fell by as much as nine per cent in early trading, but recovered to close 3.4 per cent lower to 166.7p at the bell.

Group net fees fell four per cent on a like-for-like basis in the second quarter. The firm blamed a strong pound as the main reason for the steep fall.

Hays said net fees for the private sector in the UK and Ireland fell eight per cent due to the significant uncertainty generated by a prolonged Brexit and the snap election.

Chief executive Alistair Cox said: "Conditions in the UK remained uncertain, particularly before the election, although the result may provide impetus over time."

It echoes concerns laid out by rival recruitment firm Robert Walters, which posted a 23 per cent drop in UK profits last week. Chief executive Robert Walters told *City A.M.*: "We are rather like stock markets in that we don't like uncertainty. The fact there was a [decisive] result in the election is a good thing in itself."

The discount retailer sells a wide range of books, arts and crafts, gifts and games

The Works chief executive resigns following weak Christmas update

JESS CLARK

@jclarkjourno

THE WORKS chief executive Kevin Keaney has stepped down after nine years, two months after the discount art retailer issued its second profit warning of 2019.

The company's share price jumped nine per cent to 33.8p yesterday after it announced that finance chief Gavin Peck will replace Keaney, as the firm issued an update on the Christamas trading period.

Like-for-like sales in the 11 weeks to 12 January were up 1.5 per cent, as the company's core Christmas offering and Frozen 2 products performed well.

However, the retailer said it had to boost discounting following a slower start to the post-Christmas sale.

The company also issued its interim results for the 26 weeks to 27 October last year, reporting a like-for-like sales decline of 1.9 per cent due to a "difficult consumer backdrop".

It suffered an adjusted earnings before interest, tax, depreciation and amortisation (Ebitda) loss of £4.3m, which it said reflected the seasonal nature of the business. Peck said: "I am pleased to report that the company delivered a solid performance during the key Christmas trading period."

Crossrail 2 might have already been slapped with delays, says Khan

STEFAN BOSCIA

@Stefan_Boscia

CROSSRAIL 2 may have been delayed before government approval has even been given, according to Sadiq Khan.

The £41.3bn rail project — a new Tube line running from north to south London — is in limbo as it awaits for the Department for Transport (DfT) to deliberate on its business plan.

Under the current funding model, Transport for London (TfL) would be expected to pick up half of the £41.3bn bill.

Speaking at Mayor's Question time yesterday, Khan said Crossrail 2 is already facing a hurdle to opening on time, an unspecified year in the 2030s, thanks to the near three-year delay of Crossrail.

"Funds earmarked for Crossrail 2 have been temporarily diverted to repay the central government package to complete the [Crossrail] Elizabeth Line," he said.

"This means that unless there are other ways of agreeing with the government on how construction will be funded, London will not be able to pay 50 per cent without delaying Crossrail 2."

Khan added that he would "explore options in this context for taking Crossrail 2 forward to the next stage".

Some are speculating the near three-year delay and budget overruns of Crossrail, coupled with the government's plans to invest heavily in the north of the UK, mean Crossrail 2 will not receive the government's tick of approval.

The Elizabeth Line was originally expected to open in December 2018 at a cost of £14.9bn.

MATES DOWN UNDER City of London to host Australian bushfires relief fundraiser

THE CITY of London Corporation will host a charity fundraising dinner in aid of the Australian bushfires relief effort. The event, held in partnership with the Australian High Commission, will be hosted in the heart of the City at Mansion House in March.

Halfords hails Christmas bike sales for profit

JOE CURTIS

@joe_r_curtis

STRONG Christmas bike sales helped Halfords stick to full-year profit guidance of between £50m and £55m yesterday as it unveiled figures for the festive period.

Group revenue rose 4.6 per cent in the 14 weeks to 3 January while like-for-like sales climbed 1.3 per cent as the repair shop reconfirmed its operating profit target. Cycling sales jumped 5.9 per cent on a comparable basis, as Halfords staff built 86,000 bikes in the week before Christmas.

Meanwhile, autocentre revenue soared 31.2 per cent in Halfords' third quarter and like-for-like autocentre sales grew 4.6 per cent.

Meanwhile, autocentre revenue soared 31.2 per cent in Halfords' third quarter and like-for-like autocentre sales grew 4.6 per cent.

The company's share price rose 5.5 per cent to 153.5p.

ANNOUNCEMENTS

LEGAL AND PUBLIC NOTICES

CITY OF LONDON

Basinghall Street, Gresham Street and Old Jewry – extension of loading restriction hours, introduction of a loading bay, relocation of motor cycle parking and introduction of raised entry tables

The City of London (Free Parking Places) (Disabled Persons) (No. *) Order 202*

The City of London (Free Parking Places) (Motor Cycles) (Amendment No. *) Order 202*

The City of London (Loading Bays) (Amendment No. *) Order 202*

The City of London (Parking Places) (Amendment No. *) Order 202*

The City of London (Waiting and Loading Restriction) (Amendment No. *) Order 202*

1. NOTICE IS HEREBY GIVEN that the Common Council of the City of London propose to make the above Orders under sections 6, 45 and 124 of the Road Traffic Regulation Act 1984.

2. The effect of the Orders would be in:

(a) **Gresham Street** to extend the hours of operation to 'at any time' of the loading restrictions on:-

(1) the north side between Basinghall Street and Coleman Street that currently operate 'between 1 pm and 7 pm on Mondays to Fridays'; and

(2) the south side between Old Jewry and the taxi rank outside No. 58 to 60 that currently operate 'between 7 am and 1 pm on Mondays to Fridays';

(b) **Old Jewry** on the west side to:-

(1) introduce a loading bay adjacent to No. 60 Gresham Street where loading is limited to 40 minutes with no return within one hour and operating 'at any time except Christmas Day, Good Friday or a Bank Holiday';

(2) relocate the motor cycle parking place adjacent to No. 60 Gresham Street southwards to the south side of the entrance to No. 26 and reduce the length by 2.5 metres;

(3) extend the 'at any time' waiting restrictions at the junction with Gresham Street; and

(4) redefine the location and extent of the disabled persons parking place adjacent to No. 60 Gresham Street and the payment parking place outside Nos. 27 to 32 and adjacent to No. 1 Frederick's Place.

3. The City of London gives notice that it proposes to introduce flat-topped entry road humps under section 90C of the Highways Act 1980 in Basinghall Street and Old Jewry at their junctions with Gresham Street. The ramp gradients are 1:15 and the humps will have a height of 75 mm. In Basinghall Street the overall length is 6 metres, the flat top length 3 metres and the minimum width is 5.3 metres as the carriageway flares out at the junction. In Old Jewry the overall length varies from 6 metres to 7 metres, the flat top length varies from 3 metres to 4 metres and the width is 7.5 metres.

4. Copies of the proposed Orders, of the statement of reasons for proposing to make the Orders and of a plan showing the proposals can be inspected during normal office hours on Monday to Fridays inclusive at the Planning Enquiry Desk, North Wing, Guildhall, London, EC2P 2EJ.

5. Further information may be obtained from City Transportation, City of London, PO Box 270, Guildhall, London EC2P 2EJ or by telephone 020 7332 1108.

6. Persons desiring to object to the proposed measures should send a statement of their objection and the grounds thereof in writing to the Traffic Orders Officer at the above address by **10 February 2020** quoting the reference TraffOrder/DBE/CT-GL.

Dated 17 January 2020
Zahur Khan
Transportation and
Public Realm Director

CITY LONDON

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Dechra Pharmaceuticals has rough day after slow first half announced

STEFAN BOSCIA

@Stefan_Boscia

8.54%

SHARES in Dechra Pharmaceuticals plummeted yesterday, after it warned that full-year results would be more heavily weighted to its second half.

The veterinary pharmaceuticals company published a note yesterday to say its outlook for the year is in line with expectations, but that "the balance of trading will be more second half weighted than is typical for Dechra".

Dechra said it had been affected by supply problems in the first half, particularly in the first quarter, leading to a 8.5 per cent drop in shares yesterday to 2,806p.

The firm also announced it would release its first-half results on 24 February.

Group net revenue is expected to come in at seven per cent at constant exchange rates for the period.

This was underpinned by an expected European pharmaceutical net revenue growth of 12 per cent at constant exchange rates.

It will be offset by an expected decline of two per cent from its North American sector.

Dechra said: "This decline was attributable to the supply issues outlined above and is also due to a strong comparable period last year that benefitted from exceptional sales of Zycortal as a result of a competitor being out of stock."

Chief executive Ian Page labelled the firm's progress in the first half as "satisfactory".

"Trading in Europe was good while North American growth, as expected was constrained but should now resume as we return to normal supply chain inventory levels," he said.

"Our recent acquisitions are integrating well, and we were pleased to reach agreement to acquire Osurnia.

"We therefore remain confident in our prospects for the second half and for the year as a whole."

IN BRIEF

DIM 2020 OUTLOOK FOR PPG ON WOES

PPG, the world's leading coatings company, said that weaker industrial demand from the US and Europe would damage sales in 2020 as it announced its results for 2019. The Fortune 500 company said that sales for the full year hit $15.1bn (£11.6bn), a fall of 1.5 per cent on the previous year. Fourth-quarter sales were $3.7bn, which represented a one per cent increase on the prior year. Global trade tensions, which have hit industrial demand in western economies, as well in a drop in output at Boeing, one of PPG's largest customers in the US, and an ongoing contraction in the US car market, are set to have a negative impact on the paint company's sales. Shares in PPG fell more than 2.5 per cent on the back of the announcement by market close on Wall Street.

PEARSON SHARES FALL ON PROBLEMS

Investors sent Pearson's share price down to its lowest level since 2008 yesterday after the education publisher warned its painful shift to digital would drag into 2020. Pearson's legacy print textbook business sank another 12 per cent over 2019, the firm said yesterday as it predicted annual profit of £590m, at the bottom range of its guidance. That left Pearson with flat revenue for 2019, and a prediction of lower operating profit of between £500m and £580m for 2020. The firm also said its chief financial officer would leave this year. The publisher's share price dropped 8.9 per cent to 563.4p as shareholders balked at chief executive John Fallon's warning that he could not set an end date for its print problems. Fallon had previously announced he will step down this year.

ANNOUNCEMENTS

LEGAL AND PUBLIC NOTICES

CITY OF LONDON

Dowgate Hill – Introduction of contra-flow cycling

The City of London (One Way Streets) (Amendment No. 12) Order 2020

1. NOTICE IS HEREBY GIVEN that the Common Council of the City of London on 13 January 2020 made the above Order under sections 6 and 124 of the Road Traffic Regulation Act 1984.

2. The effect of the Order will be to introduce contra-flow cycling in **Dowgate Hill** between its junctions with Cannon Street and College Street.

3. The Order also corrects an anomaly between on-street signs and current Traffic Management Orders.

4. Copies of the Order, which will come into operation on 20 January 2020, of the statement of reasons for making the Order and of a plan showing the affected street can be inspected during normal office hours on Monday to Fridays inclusive for a period of six weeks from the date on which the Order was made at the Planning Enquiry Desk, North Wing, Guildhall, London, EC2P 2EJ.

5. Any person desiring to question the validity of the Order or of any provision contained therein on the grounds that it is not within the powers of the relevant section of the Road Traffic Regulation Act 1984, or that any of the relevant requirements thereof or of any relevant regulations made thereunder has not been complied with may, within six weeks from the date on which the Order was made, make application for the purpose to the High Court.

Dated 17 January 2020
Zahur Khan
Transportation and
Public Realm Director

CITY LONDON

Flybe rescue secrecy is absurd

SO MUCH for open government. It shouldn't be too much to expect the ministry responsible for the public finances to disclose the potential liability to taxpayers of a private company bailout.

Yet in the Treasury's statement about the government-backed rescue of the regional airline Flybe this week, there was scant detail and even fewer numbers.

True, one of the main components of the deal, a state loan on commercial terms, has yet to be finalised.

That fact alone suggests the triumphalist tone of tweets by Andrea Leadsom and Grant Shapps — the business and transport secretaries — proclaiming that Flybe's future had been salvaged was premature.

With a key financial lifeline yet to be agreed, ministers risk being acutely embarrassed if such a tentative deal unravels.

Also missing from the Treasury's announcement was confirmation of HMRC's consent for Flybe to defer elements of its tax bill. Instead, a promise to review the air passenger duty regime relating to domestic flights in March's Budget was the only meaningful measure referred to in the statement.

Let's be clear, though — a review or two of government policy (Shapps has also pledged unspecified measures to bolster regional connectivity) would

> The alliance between Flybe's owners has always looked unstable

on their own not have been enough to bring Flybe back from the brink.

As I reported on Sky News on Sunday evening, the Big Four accountancy firm EY was on standby to handle an administration of the company. Without further financial support, that risk remains real, even after the injection of £30m by the consortium which owns it.

The three shareholders in Flybe's parent Connect Airways have had mixed feelings for several months about substantial new investment, after seeing an initial £100m debt and equity injection since taking ownership fail to address the airline's challenges. In truth, the alliance between Virgin Atlantic, Stobart Group and Cyrus Capital Partners always looked an unstable one.

Legal protests lodged by rival airlines such as IAG, the owner of British Airways, make the declaration of victory even riskier. Yesterday, Ryanair chief Michael O'Leary added his combative voice to those opposing Flybe's state-backed rescue. He has threatened to sue the government if the Treasury fails to answer key questions about the arrangements within seven days.

While O'Leary and Willie Walsh, IAG's chief executive, risk painting themselves as corporate bullies if their interventions lead to the rescue collapsing, they have a point. The Treasury should publish full details of the proposed deal — the current obfuscation is an insult to taxpayers.

NO TIME TO CHARGE FEES

The title of Daniel Craig's final outing as 007, No Time To Die, might equally apply to the character's favourite car maker. Aston Martin Lagonda has had a licence to kill investors' enthusiasm for its shares since it floated in London little more than a year ago.

The stock price is down by more than three-quarters. This week, analysts at Jefferies argued that the company now needs to raise as much as £500m in fresh equity.

One piece of reassuring news is that Lawrence Stroll, the billionaire Formula 1 team-owner, is close to agreeing a deal to invest £200m in return for a 20 per cent stake.

One question will be how the company intends to get around the issue of pre-emption — a central tenet of UK equity markets. If the investment bankers who advise on the deal are among those who were rewarded handsomely for working on Aston Martin's flotation, they should offer to waive their fees.

Like another of Craig's outings, the Spectre of its calamitous IPO will hover over the London market for some time to come.

CHISM SCHISM?

It's not only ministers who are preparing to leave their desks after next month's Whitehall reshuffle. I hear Nick Chism, chief business adviser at the Department for Business, Energy and Industrial Strategy (Beis), is about to step down from the role.

A former KPMG infrastructure partner, Chism led Beis' Brexit readiness events across Britain in recent months. Let's hope the department's decision not to replace him isn't a sign of overconfidence.

Mark Kleinman is City Editor at Sky News @MarkKleinmanSky

Ukraine asks US to help it probe Russian hacks

ILYA ZHEGULEV

UKRAINE has asked the FBI in the United States for help to investigate a suspected cyber attack by Russian military hackers on Burisma, an energy company caught up in the impeachment of US President Donald Trump.

The Ukrainian interior ministry yesterday also announced an investigation into the possible illegal surveillance of the then-American ambassador to Kiev, Marie Yovanovitch, following the release of encrypted messages this week by the US Congress as part of the impeachment case.

Burisma was at the centre of attempts by Trump last July to persuade Ukraine to announce an investigation into Hunter Biden, who is the son of Democratic US presidential contender Joe Biden and used to have a seat on the Ukrainian company's board.

Trump's efforts have led to the Republican being impeached on charges of abuse of power and obstruction of Congress. The president, who denies wrongdoing, faces a trial at the US Senate that began yesterday amid 2020 election campaigning. *Reuters*

ADVERTISEMENT FEATURE

RETURN ON INVESTMENT IS THE MAIN DRIVER FOR PRIVATE EQUITY

Bundeep Singh Rangar is the CEO of PremFina

A larger increase in mergers and acquisitions (M&A) occurred in the first half of 2019 than in any six month-period over the last four years according to global law firm Clyde and Co. The rationale behind this phenomenon is to either exit investments by selling them at higher prices or listing them on the stock exchange.

The United Kingdom attracted more than £6 billion over the past five years from global investment firms and insurance brokerage groups such as Marsh & McLennan Companies (Marsh), The Ardonagh Group (Ardonagh), BGC Partners, HPS Investment Partners and LLC (HPS).

In May 2019, the private equity division of Goldman Sachs (the Merchant Banking Division) became the largest shareholder of the UK's fifth largest broker Aston Lark, paying a reported £320 million to Bowmark Capital for its stake. Investment firm HgCapital agreed to acquire A-Plan Insurance in December 2019, a leading U.K. insurance broker.

Deals making headlines last year included PE firms such as Madison Dearborn Partners, LLC (MDP) and HPS Investment Partners, LLC (HPS) upping their stake to 54% in the Ardonagh Group for £213 million. Global Risk Partners (GRP) acquiring of The County Group, which was GRP's second purchase that year and a major step in executing the group's U.K. regional hub strategy.

Investments were also made in individual brokers whereby private equity (PE) firms invested in brokers with strong management teams to position them as market consolidators. According to Steve White, Chief Executive of the British Insurance Brokers' Association, "That a choice of private equity exists, indicates the health of the sector and its appeal to investors".

PE firms also use their expertise and capital to acquire small and medium-sized brokers with lower valuations, through a particular broker positioned as consolidator.

Brokers merged and acquired other insurance brokers to expand geographically as well as their network and set of contacts. The biggest transaction involved Marsh & McLennan acquiring Jardine Lloyd Thompson Group plc for £4.3 billion. U.S.-based global insurance brokerage Arthur Gallagher also bought out Surrey-based Stackhouse Poland for £265 million.

Jersey-based insurance broker Ardonagh acquired Autonet Insurance, Swinton Insurance for £165 million, U.K. and Ireland-based Carole Nash for about £62 million and Towergate Insurance, therefore becoming one of the fastest growing broker groups in the U.K.

PE firms are attracted by higher margin and profitability, recurring revenue, and stable cash-flow. Further, a drive exists amongst brokers to achieve critical mass to get economies of scale. It is not just PE firms investing into insurance brokers, however, insurance brokerage firms are acquiring and investing in other insurance brokerage firms.

> Return on investment is the main driver for private equity.

Goldman's invested in Aston Lark, and Aston Lark in turn invested in Dublin-based Wright Insurance and Robertson Low and Poole-based Highworth Insurance. Qatar Re acquired the Kent-based Markerstudy Group for nearly £108 million, while Markerstudy invested in Co-op Underwriting for £185 million. Bravo Group, owner of Broker Network and Compass, spent a total of £53m on acquisitions in 2018 alone.

Return on investment is the main driver for private equity as experienced by Aquiline Capital Partners who bought Simply Business from AnaCap, resulting in a 4.5x return on a three-year investment for AnaCap.

Levels of broker acquisitions are peaking, however, given that acquisition prices are rising and investors have a return of investment obligation to their shareholders. That only comes at the time of an exit. Expect additional investments in 2020 but expect to start seeing preparations for realisations of returns too.

PremFina

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LONDON REPORT

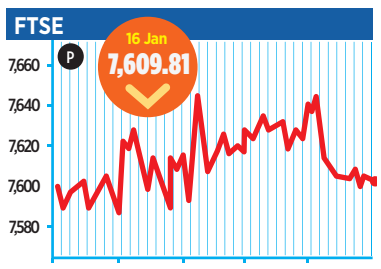
FTSE falls behind Europe as British results disappoint

UNDERWHELMING trading updates from **Pearson** and **Whitbread** broke a three-day winning run for London's main index yesterday, while investors exercised caution amid a lack of clarity on some elements of the US-China trade deal.

The FTSE 100 drifted in and out of the red but ended 0.4 per cent lower. The FTSE 250, however, eked out a 0.04 per cent gain, helped by a strengthening of the pound as well as an eight per cent leap in **Wood Group** after the oilfield services provider forecast higher 2019 core earnings.

Education company Pearson sank nine per cent to the bottom of the FTSE 100 and hit its lowest level since October 2008 after saying earnings would be lower due to sharp declines in sales at its US higher education business.

Premier Inn-owner Whitbread followed with a 5.1 per cent fall after it reported lower UK like-for-like sales and warned that clarity on Brexit following a decisive British election outcome had yet to deliver a bounce in business bookings.



BEST OF THE BROKERS

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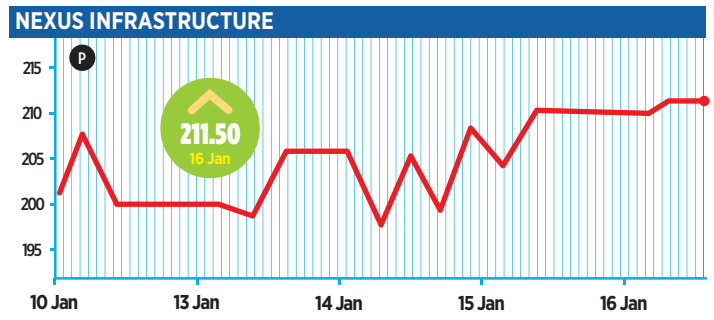
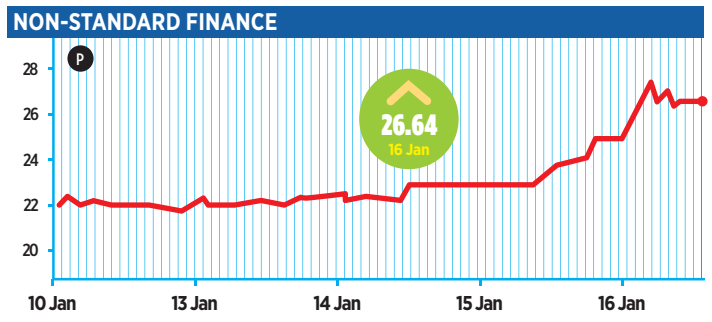


Engineering services firm Nexus Infrastructure gets a structurally sound rating from broker Numis, which reckons increased political certainty will give a boost to its UK housebuilder clients. Numis gives the stock a "buy" rating and boosts its target price from 210p to 250p.



Sub-prime lender Non-Standard Finance has had a tricky time recently following a bruising takeover battle with Provident Financial and a profit warning in November. Broker Peel Hunt rates the stock as a "hold" after an update that says profit will be in-line with expectations and gives a target price of 40p.

NEW YORK REPORT

S&P 500 blasts through 3,300

THE S&P 500 rallied through the 3,300 mark for the first time yesterday and the other main US indexes also surged to record highs, fuelled by tech stocks, solid retail sales data and upbeat quarterly earnings from **Morgan Stanley**.

Morgan Stanley jumped 6.6 per cent to lead the S&P 500 after it beat quarterly profit estimates and raised its performance goals, closing out several big US lenders' earnings on a strong note.

Sentiment was further lifted by data that showed US retail sales rose 0.3 per cent in December, in line with economists' estimates.

The Dow Jones Industrial Average jumped 0.92 per cent to end at 29,297.64 points, while the S&P 500 gained 0.84 per cent to 3,316.89. The Nasdaq Composite added 1.06 per cent to 9,357.13, bringing its gain in 2020 to 4.29 per cent.

Among other stocks, **Signet Jewelers** soared 40 per cent after raising its 2020 adjusted earnings estimate. **BNY Mellon** tumbled 7.8 per cent to the bottom of the S&P 500 after the custodian bank missed profit estimates.

CITY MOVES WHO'S SWITCHING JOBS

CHARLOTTE ST PARTNERS

Strategic communications advisory firm Charlotte Street Partners has appointed Sarah Buchanan-Smith as partner, based in the company's London office. Sarah will focus on developing Charlotte Street's financial communications and investor relations offering, with a particular emphasis on supporting new and existing clients in the London market. She has worked in a variety of investor relations, change management, and consultancy roles in her career to date. Prior to her move into investor relations, Sarah worked for more than 15 years as a change management consultant on complex business transformation programmes, playing a key role in shaping progressive business processes and strategies to optimise performance and deliver tangible operational benefits for clients including RBS, Lloyds TSB, Morgan Stanley and Barclays Capital. Commenting on her new appointment, she said: "I have followed the progress of Charlotte Street Partners closely over the last six years so I am thrilled to be joining the agency."

BIRD & BIRD

International law firm Bird & Bird has announced the arrival of Frederick Mostert, who joins the London intellectual property (IP) team as a counsel. An eminent figure in the IP world, Frederick previously served as president of the International Trademark Association and the current president of the Luxury Law Alliance. He also has valuable in-house experience, having served as chief intellectual property counsel and chief legal counsel of luxury group Richemont, which includes world famous brands such as Cartier, Van Cleef and Arpels, Alfred Dunhill, and Chloe.Frederick commented on his new role; "I am delighted to be working with the IP team at Bird & Bird, many of whom I already know. My interests in brands and digital/online issues makes Bird & Bird the perfect match for me and my clients."

HASSIUM

UK wealth management boutique Hassium Asset Management has announced the appointment of Simon Pinckney as managing director. Simon brings to Hassium a wealth of investment experience and client servicing with a career spanning over 25 years in the City. His career includes senior investment roles in wealth management working at Rowan Dartington, Coutts, Investec and HSBC. He is uniquely qualified to support Hassium's continued growth in discretionary investment management services and investment consulting for families and Trustees. Yogi Dewan, chief executive and founder of Hassium, said: "We are thrilled to have [Simon] with us and look forward to working together."

To appear in CITYMOVES please email your career updates and pictures to citymoves@cityam.com

NEWS

FAA should mandate safety systems for Boeing, says expert committee

DAVID SHEPARDSON

AN EXPERT committee yesterday recommended the Federal Aviation Administration (FAA) require Boeing and other aircraft manufacturers to adopt new safety management tools in the wake of two fatal Boeing 737 Max crashes that killed 346 people.

Boeing has grounded its entire 737 Max fleet, halting deliveries of its best selling commercial airliner, after an Ethiopian Airlines flight crashed in March last year.

It was the second 737 Max to crash in a matter of months, after a Lion Air plane crashed in Indonesia in October 2018.

The expert panel, led by a retired Air Force general and a former head of the Air Lines Pilot Association, also called for improvements in how the FAA certifies new planes. It did not back ending the long-standing practice of delegating some certification tasks to aircraft manufacturers.

The panel, which was named by US transport secretary Elaine Chao in April, recommended the FAA mandate Safety Management Systems (SMS) for "design and manufacturing organisations."

The FAA currently requires them for airlines.

The special committee report released yesterday said "unlike the current certification system's focus on compliance, SMSs foster a holistic assessment of whether the combinations of actions such as design, procedures, and training work together to counter potential hazards."

Boeing's safety culture was harshly criticised last week after it released hundreds of internal messages about the development of the 737 Max, including one that said the plane was "designed by clowns who in turn are supervised by monkeys". *Reuters*

BA flights 'more carbon intensive' than rivals'

ALEX DANIEL

@alexmdaniel

FLYING with British Airways can increase CO2 emissions by as much as 45 per cent per passenger compared to rival airlines, according to a snapshot investigation.

The analysis carried out by Flyzen for Which magazine found that one passenger flying from Heathrow to Miami with British Airways would be responsible for 1.13 tonnes of carbon. The same journey with Virgin Atlantic is responsible for about 860.9 kilos. The difference — 544 kilos of CO2 for a return journey — is about the equivalent of more than two months of electricity in the average UK home, according to Which.

However, a British Airways spokesperson slammed the investigation, saying the data was "several years out of date".

"The conversation about climate change is too important to be undermined by... Which using shoddy research," they said.

"Which only looked at two per cent of our flights and their paid-for calculations... are completely at odds with the figures calculated by the range of airlines they claim to have investigated."

FTSE 100	FTSE 250	FTSE ALL SHARE	DOW JONES	NASDAQ	S&P 500
7609.81	21721.23	4222.79	29297.64	9357.13	3316.81
32.99 (down)	8.12 (up)	14.80 (down)	267.42 (up)	98.44 (up)	27.52 (up)

£/€	1.1747	0.0073 (up)	€/$	1.1131	0.0029 (down)
£/$	1.3076	0.0049 (up)	€/£	0.8513	0.0053 (down)
£/¥	144.06	0.8300 (up)	€/¥	122.64	0.0400 (down)

	Price	Chg	High	Low
GILTS				
Tsy 4.750 20	100.57	-0.01	104.4	100.6
Tsy 8.000 21	110.39	-0.03	117.0	110.3
Tsy 2.500 24	363.15	-0.15	377.9	358.8
Tsy 5.000 25	123.11	-0.07	126.0	122.1
Tsy 4.250 27	128.96	-0.07	132.8	125.2
Tsy 6.000 28	147.14	-0.07	152.1	143.1
Tsy 4.125 30	382.64	0.42	404.2	364.5
Tsy 4.250 32	140.75	-0.01	146.4	132.4
Tsy 4.250 36	148.92	0.17	155.7	137.5
Tsy 4.750 38	163.65	0.14	171.8	150.0
Tsy 4.250 46	171.35	0.09	181.0	1.0
AEROSPACE & DEFENCE				
BAE Systems	615.6	2.6	615.6	443.9
Cobham	164.5	-0.1	168.3	99.8
Meggitt	693.6	-0.8	697.2	489.9
QinetiQ	358.2	0.0	367.4	267.0
Rolls-Royce	677.4	0.6	988.4	665.6
Senior	171.9	-1.1	239.2	165.7
Ultra Electronics	2280.0	28.0	2292.0	1232.0
AUTOMOBILES & PARTS				
Aston Martin	487.0	22.0	1374.4	399.3
TI Fluid Systems	240.5	-7.5	273.0	155.2
BANKS				
Barclays	176.8	-1.7	192.5	136.2
BGEO Group	1620.0	0.0	1755.0	1252.0
HSBC Hldgs	590.9	1.1	680.6	552.3
Lloyds Banking	57.9	0.1	67.2	48.6
Royal Bank of Scot	222.0	-2.9	270.4	177.7
Standard Chartered	701.6	-1.6	738.6	575.7
TBC Bank Group	1266.0	4.0	1706.0	1150.0
Virgin Money UK	174.4	-0.7	220.1	104.4
BEVERAGES				
Barr (AG)	567.0	2.0	975.0	526.0
Britvic	857.5	-11.0	1068.0	850.0
Coca-Cola HBC AG	2770.0	22.0	3074.0	2299.0
Diageo	3250.5	-25.5	3625.5	2701.0
CHEMICALS				
Croda International	5060.0	30.0	5375.0	4564.0
Elementis	140.9	-1.8	197.9	129.8
Johnson Matt	2851.0	-51.0	3454.0	2770.0
Synthomer	322.6	-0.4	420.8	279.0
Victrex	2414.0	-20.0	2540.0	1845.0
CONSTRUCTION & MATERIALS				
Balfour Beatty	261.0	1.6	295.0	194.2
CRH	2952.0	-15.0	3100.0	2170.0
Galliford Try	146.0	-5.9	177.2	102.4
Grafton Group	898.5	-3.5	937.0	645.5
Ibstock	293.6	-3.4	322.0	208.6
Marshalls	787.0	-44.5	876.0	496.0
Polypipe Group	517.5	-2.5	546.5	372.8
DIVERSIFIED INDUSTRIALS				
Smith (DS)	357.0	-1.7	394.8	307.9
Smiths Gp	1717.5	-16.5	1748.0	1378.0
Smurfit Kappa Gp	2752.0	-86.0	2966.0	2096.0
Vesuvius	453.4	-13.2	642.0	341.0

	Price	Chg	High	Low
ELECTRICITY				
Contour Global	201.5	6.5	222.5	159.1
Drax Gp	285.4	-4.0	413.8	251.0
SSE	1478.0	-8.5	1486.5	1008.0
ELECTRONIC & ELECTRICAL EQUIPMENT				
Halma	2116.0	-5.0	2164.0	1390.0
Morgan Advanced	313.8	1.8	324.8	232.4
Oxford Instruments	1556.0	14.0	1626.0	866.0
Renishaw	3684.0	0.0	4670.0	3232.0
Spectris	2802.0	12.0	2962.0	2234.0
EQUITY INVESTMENT INSTRUMENTS				
3i Infrastructure	300.0	0.5	306.5	264.1
Aberforth Smlr Cos	1500.0	14.0	1546.0	1114.0
Alliance Trust	863.0	-1.0	864.0	708.0
AVI Global Trust	796.0	4.0	796.0	696.0
Baillie Gifford Japan	841.0	-1.0	848.0	711.0
Bankers InvTst	1022.0	2.0	1022.0	803.0
BlackRock Smaller	1714.0	6.0	1726.0	1280.0
BMO Global Smaller	147.0	0.7	150.0	127.0
Caledonia Inv	3115.0	5.0	3180.0	2910.0
City of London IT	440.5	-2.0	448.5	381.5
Edin Inv Trust	627.0	-1.0	652.0	535.0
European Opp	866.0	10.0	875.0	675.0
F&C Investment	775.0	2.0	778.0	655.0
Fidelity China SPE	249.0	1.5	250.0	193.4
Fidelity Euro Values	266.0	1.0	266.0	214.0
Fidelity Spec Val	274.5	-3.0	280.5	240.5
Finsbury G&I Tst	889.0	1.0	958.0	757.0
GCP Infra Inv	132.2	1.2	132.6	122.6
Genesis Emerging	813.0	5.0	813.0	664.0
Greencoat UK	147.8	-0.8	152.8	128.8
Harbourvest Glb	1826.0	8.0	1832.0	1406.0
Herald Inv Trust	1490.0	24.0	1514.0	1175.0
HICL Infr	177.6	4.6	177.6	156.6
JPM American	501.0	1.0	501.0	411.0
JPM Emerg Mkt	1076.0	-4.0	1084.0	861.0
JPM Indian IT	759.0	3.0	790.0	633.0
JPM Japan IT	469.0	1.0	477.5	368.0
Jupiter Fund Mngt	387.7	-1.2	432.0	314.0
Law Debenture	642.0	2.0	654.0	552.0
Mercantile IT	258.5	-1.0	267.5	188.0
Monks Inv Tst	985.0	-5.0	990.0	768.0
Murray Intl Tst	1250.0	6.0	1286.0	1114.0
Next Energy Solar	123.0	0.0	126.5	112.5
Pantheon Intl Partn	2410.0	10.0	2620.0	2020.0
Perpetual Inc & Grth	327.5	-1.5	342.0	284.5
Pershing Square	1558.0	8.0	1570.0	1122.0
Personal Assets Tst	43100.0	100	43150	39000
Polar Cap Tech Tst	1664.0	0.0	1674.0	1154.0
Renewables Infra Gp	134.2	-0.2	139.2	115.4
RIT Cap Partners	2065.0	5.0	2180.0	1946.0
Schroder Asia	480.5	3.0	483.5	412.0
Scottish Inv Tst	821.0	-6.0	843.0	769.0
Scottish Mortgage	597.5	1.0	601.5	465.7
Sequoia Econ Infra	118.4	1.4	118.4	110.0
Smithson Inv	1336.0	8.0	1336.0	1030.4
Syncona	216.5	4.5	294.0	203.0
Temple Bar IT	1414.0	-8.0	1486.0	1162.0
Templeton Em Mkts	865.0	1.0	869.0	716.0

	Price	Chg	High	Low
Vietnam Enterprise	470.0	4.0	509.0	421.5
VinaCapital Vietna	326.0	1.0	357.5	323.0
Witan Invest	232.5	-1.0	235.0	197.4
Wwide Healthcare	3215.0	35.0	3255.0	2495.0
FIXED LINE TELECOMMUNICATIONS				
BT Gp	183.0	0.1	238.9	158.9
Talktalk Telecom	115.5	0.4	126.5	96.5
Telecom Plus	1514.0	-6.0	1534.0	1130.0
FOOD & DRUG RETAILERS				
Greggs	2412.0	-22.0	2476.0	1545.0
Morrison (WM)	188.4	-2.1	245.8	176.9
Ocado Gp	1320.0	-18.5	1435.0	873.8
Sainsbury(J)	215.6	0.6	293.9	177.1
SSP Group	687.0	0.0	721.0	608.0
Tesco	245.0	-2.6	258.9	212.6
FOOD PRODUCERS				
Assoc British Foods	2661.0	106.0	2672.0	2106.0
Bakkavor	138.2	1.0	170.0	93.3
Cranswick	3396.0	12.0	3464.0	2472.0
Greencore Gp	246.6	-1.5	281.8	185.1
Hilton Food Gp	1022.0	-8.0	1118.0	894.0
Tate & Lyle	791.2	0.6	800.4	663.8
Unilever	4354.0	2.0	5324.0	3941.0
FORESTRY & PAPER				
Mondi	1593.0	-17.0	1898.0	1510.5
GENERAL FINANCIAL				
3i Group	1108.0	13.0	1184.5	810.8
Ashmore Gp	553.0	2.0	553.0	377.2
Brewin Dolphin	360.8	2.4	375.2	287.6
Close Brothers	1575.0	-13.0	1663.0	1227.0
Coats Group	78.2	-1.4	91.3	68.1
Finablr	131.0	1.0	215.0	126.0
Hargreaves Lans	1790.0	-40.0	2433.0	1633.0
IG Gp	676.2	-8.8	708.0	474.8
Integrafin Holdings	449.5	2.5	462.0	332.6
Intermediate Capital	1663.0	3.0	1663.0	971.5
Intl Public Prtnshps	169.0	2.2	171.0	146.8
Investec	432.9	-6.1	518.6	395.3
IP Group	67.0	1.8	112.4	55.7
John Laing Gp	379.2	-5.8	402.0	344.8
London Stock Exch	7646.0	0.0	7766.0	4413.0
Man Group	151.6	-0.7	175.2	130.5
Onesavings	414.0	0.0	452.0	313.6
Paragon	485.8	0.2	553.5	388.0
Plus500	927.0	-3.6	1647.0	495.0
Provident Fin	454.9	3.6	610.0	356.0
Quilter	155.6	-0.7	167.6	120.8
Rathbone Brothers	2020.0	-25.0	2540.0	2020.0
Schroders	3262.0	12.0	3419.0	2541.0
TP ICAP	399.8	-4.9	417.5	270.0
GENERAL RETAILERS				
B&M	380.8	3.9	420.9	315.0
Dixons Carphone	145.6	0.9	150.0	104.9
Dunelm Gp	1133.0	25.0	1173.0	704.5
Frasers Group	508.0	-5.5	518.0	214.0
Howden Joinery Gp	694.2	8.6	694.2	478.8
Inchcape	694.5	1.5	720.0	545.5
JD Sports Fashion	857.0	7.0	857.0	440.8

	Price	Chg	High	Low
Just Eat	882.2	-10.4	901.0	587.4
Kingfisher	209.9	-4.1	266.2	185.9
Marks & Spencer	184.1	3.2	303.2	163.9
Next	6850.0	-18.0	7340.0	4724.0
Pets at Home Gp	277.0	2.0	287.8	122.7
Vivo Energy	117.2	0.0	139.5	111.4
Watches of Switz	390.8	10.8	390.8	270.0
WH Smith	2528.0	14.0	2654.0	1876.0
HEALTH CARE EQUIPMENT & SERVICES				
Convatec	210.1	-4.3	217.3	118.5
Mediclinic Intl	410.0	-3.4	415.3	293.4
NMC Health	1441.5	96.0	3000.0	1256.5
Smith & Neph	1874.0	-16.0	1990.0	1405.5
UDG Hlthcare	799.0	-5.5	832.5	551.0
HOUSEHOLD GOODS				
Barratt Devel	792.0	4.8	792.0	532.6
Bellway	3965.0	20.0	3999.0	2698.0
Berkeley Grp Hldgs	4993.0	148.0	5214.0	3437.0
Countryside Prop	495.0	2.8	495.0	277.6
Crest Nicholson	435.4	-3.2	445.0	332.0
McCarthy & Stone	145.8	2.9	158.8	123.5
Persimmon	2850.0	43.0	2850.0	1836.0

MAIN CHANGES UK 350

Risers		%	Fallers		%
Tullow Oil	55.40	11.1	Pearson	563.40	-8.9
Wood Gp(J)	398.10	7.6	Spirent Comms	226.00	-8.9
NMC Health	1441.50	7.1	Dechra Pharma	2806.00	-8.5
Puretech	293.00	5.0	Airtel Africa	68.85	-5.7
Rank Gp	280.00	4.9	Marshalls	787.00	-5.4
Aston Martin	487.00	4.7	Whitbread	4587.00	-5.2
Assoc British Foods	2661.00	4.1	C&C Group	384.50	-4.5
Premier Oil	118.65	4.1	Galliford Try	145.98	-3.9
Helios Towers	152.50	3.7	Hays	166.70	-3.4
Centamin	125.80	3.5	Hikma Pharma	1910.50	-3.3

	Price	Chg	High	Low
Reckitt Benckiser	6196.0	-36.0	6688.0	5593.0
Redrow	770.0	0.0	771.0	533.0
Taylor Wimpey	210.1	0.7	210.1	142.9
Vistry Group	1319.0	16.0	1399.0	975.0
INDUSTRIAL ENGINEERING				
Bodycote	933.5	-1.0	971.0	652.0
Hill & Smith	1450.0	0.0	1510.0	1049.0
IMI	1178.5	7.0	1206.0	906.0
Melrose Ind	231.9	-4.9	242.3	156.8
RHI Magnesita	3674.0	80.0	5000.0	3420.0
Rotork	327.9	1.1	341.2	267.6
Spirax-Sarco	9100.0	-35.0	9400.0	6240.0
Weir Gp	1454.0	-14.0	1814.0	1261.5
INDUSTRIAL METALS				
Evraz	393.7	2.2	709.4	341.4
Ferrexpo	153.3	0.8	301.3	123.0
INDUSTRIAL TRANSPORTATION				
Clarkson	3010.0	60.0	3030.0	2200.0
Fisher (James)	2000.0	26.0	2260.0	1790.0
Royal Mail	214.2	-4.6	304.3	188.4
Signature Avi	324.9	0.0	406.0	285.2

	Price	Chg	High	Low
LEISURE GOODS				
Games Workshp	6695.0	-60.0	6960.0	2800.0
LIFE INSURANCE				
Aviva	406.9	-1.6	438.8	352.3
Lancashire Hldgs	758.0	0.5	780.5	561.5
Legal & General	294.3	-2.2	317.7	216.7
Phoenix Gp	736.8	-4.7	758.7	627.6
Prudential	1406.5	6.0	1790.0	1279.5
St James Place	1097.5	-5.0	1199.5	913.6
Std Life Aberdeen	312.0	3.0	336.9	231.1
MEDIA				
4imprint	3370.0	20.0	3500.0	1917.5
Ascential	410.8	-10.4	421.2	319.0
Auto Trader Gp	562.6	-6.0	607.6	448.4
Euromny Inst Inv	1328.0	4.0	1498.0	1152.0
Future	1416.0	10.0	1572.0	500.0
Informa	859.6	2.8	892.0	675.2
ITV	145.8	1.2	156.5	103.6
Moneysupermkt.com	321.6	-0.9	417.7	290.3
Pearson	563.4	-55.0	943.8	563.4
RELX	1990.0	-11.0	2011.0	1606.0
Rightmove Group	655.4	4.2	656.2	465.9
WPP	1020.0	-15.5	1077.5	800.4
MINING				
Anglo American	2175.5	14.0	2266.0	1666.6
Antofagasta	973.2	3.4	1022.5	779.6
BHP Group	1810.0	8.6	2049.0	1563.0
Centamin	125.8	4.2	152.3	79.8
Fresnillo	633.2	9.6	1027.5	539.6
Glencore	242.1	0.7	340.3	216.9
Hochschild Mining	172.2	3.7	227.0	152.0
Kaz Minerals	550.6	-9.4	738.4	380.3
Polymet Int	1236.0	-8.5	1272.0	772.6
Rio Tinto	4526.5	3.5	4976.5	3761.5
MOBILE TELECOMMUNICATIONS				
Vodafone Gp	155.7	-2.3	165.2	123.3
NONLIFE INSURANCE				
Admiral Gp	2324.0	17.0	2324.0	2014.0
Beazley	530.0	-2.0	628.0	492.6
Direct Line Ins	331.4	3.5	366.5	270.5
Hastings Gp Hldgs	185.2	-0.3	231.6	167.9
Hiscox	1343.0	-9.0	1777.0	1213.0
RSA Ins Gp	553.6	-3.0	597.0	501.6

	Price	Chg	High	Low
OIL & GAS PRODUCERS				
BP	497.9	2.6	582.5	462.4
Cairn Energy	196.3	-0.3	213.8	143.1
Energean Oil & Gas	884.0	6.0	1082.0	613.3
Premier Oil	118.7	4.7	118.7	65.1
Royal Dutch Shell A	2255.0	-7.5	2612.0	2144.5
Royal Dutch Shell B	2273.0	-15.5	2622.0	2126.5
Tullow Oil	55.4	5.5	250.0	39.9
OIL EQUIPMENT & SERVICES				
Hunting	360.4	-7.6	657.0	360.4
Petrofac	383.6	1.4	559.0	374.4
Wood Gp(J)	398.1	28.1	598.6	319.6
PERSONAL GOODS				
Burberry Gp	2310.0	-3.0	2345.0	1695.0
PZ Cussons	199.6	0.0	227.0	178.6
PHARMACEUTICALS & BIOTECHNOLOGY				
AstraZeneca	7707.0	-129.0	7836.0	5325.0
Dechra Pharma	2806.0	-262.0	3068.0	2290.0
Genus	3086.0	6.0	3246.0	2158.0
GlaxoSmithKline	1808.0	-27.2	1835.2	1436.0
Hikma Pharma	1910.5	-64.5	2200.0	1510.5
REAL ESTATE				
Assura	77.6	1.1	79.3	54.5
Big Yellow Gp	1152.0	-14.0	1200.0	918.0
BMO Comm Prop	112.8	1.2	130.4	106.0
British Land	584.0	-4.8	638.8	468.3
Captl & Count Prop	263.6	1.7	270.5	184.8
CLS Hldgs	285.0	-0.5	312.5	212.0
Daejan Hldgs	5380.0	80.0	6160.0	4715.0
Derwent London	4076.0	70.0	4076.0	2884.0
Grainger	302.2	4.0	315.6	217.4
Grt Portland Est	909.8	12.0	909.8	649.4
Hammerson	267.8	2.8	388.4	203.9
Land Securities	965.2	1.4	1001.5	735.4
LondonMetric Prop	232.2	3.4	241.2	176.6
NewRiver Retail	192.0	-2.2	246.0	147.6
Primary Hlth Prop	159.4	0.4	160.0	112.0
Safestore Hldgs	772.0	5.5	817.5	527.5
Savills	1204.0	18.0	1232.0	773.0
SEGRO	886.6	7.4	900.0	625.4
Shaftesbury	917.5	4.5	979.5	739.5
St Modwen Props	500.0	8.0	510.0	373.0
TR Property IT	483.5	3.5	491.5	377.0
Tritax Big Box	140.8	0.0	159.7	135.3
UK Commercial Prop	86.7	0.0	92.7	79.9
Unite Group	1255.0	-16.0	1271.0	872.0
Workspace Gp	1164.0	20.0	1198.0	806.0
SOFTWARE & COMPUTER SERVICES				
Avast	520.0	-4.5	524.5	276.0
Aveva Gp	4954.0	16.0	4954.0	2712.0
Computacenter	1724.0	-9.0	1829.0	1018.0
FDM Group	1000.0	4.0	1100.0	647.0
Kainos Gp	830.0	12.0	830.0	430.0
Micro Focus Intl	1115.4	-5.8	2160.0	1004.0
Playtech	390.1	-3.5	457.7	360.5
Sage Group	739.2	1.0	820.4	623.6
Softcat	1220.0	4.0	1221.0	682.0
Sophos	564.0	-2.0	577.0	298.2

	Price	Chg	High	Low
SUPPORT SERVICES				
Aggreko	846.6	-6.4	869.2	693.2
Ashtead Gp	2429.0	-3.0	2473.0	1805.5
Babcock Intl Grp	609.8	-9.0	646.6	416.7
Bunzl	2075.0	-26.0	2551.0	1943.0
Capita	170.2	-2.2	183.0	99.9
DCC	6446.0	-204.0	7496.0	6225.0
Diploma	1900.0	53.0	2084.0	1261.0
Electrocomp	703.0	17.0	729.8	537.0
Equiniti	216.4	0.6	236.2	186.2
Essentra	415.8	-1.0	449.0	357.4
Experian	2620.0	-22.0	2642.0	1884.0
Ferguson	7170.0	-6.0	7216.0	4800.0
G4S	206.4	-0.2	234.3	168.3
Hays	166.7	-5.9	183.5	138.0
Homeserve	1322.0	11.0	1322.0	905.0
Intertek Gp	5918.0	-18.0	5962.0	4643.0
IWG	461.3	5.2	461.3	220.2
Network Int	577.0	-8.0	645.0	513.0
Pagegroup	483.0	-5.8	539.0	367.8
Paypoint	1080.0	16.0	1118.0	825.0
Rentokil Initial	467.6	3.3	467.8	329.0
Sanne Group	628.0	-4.0	752.0	450.0
Serco	161.6	-0.2	165.0	110.1
SIG	94.5	-0.5	153.0	93.2
Travis Perkins	1622.5	4.0	1692.5	1166.0
TECHNOLOGY HARDWARE & EQUIPMENT				
Spirent Comms	226.0	-22.0	251.5	139.0
TOBACCO				
Br Am Tob	3463.0	-44.0	3507.0	2375.0
Imperial Brands	2033.5	8.5	2713.5	1668.2
TRAVEL & LEISURE				
Carnival	3655.0	-1.0	4430.0	3056.0
Cineworld Group	192.0	-2.0	321.0	191.0
Compass Gp	1926.0	-45.5	2138.0	1583.0
Dominos Pizza	300.0	1.1	326.4	221.2
easyJet	1482.5	-17.0	1509.0	854.8
EI Group	284.0	0.0	285.0	194.0
FirstGroup	125.0	-0.1	137.5	89.0
Flutter Ent	9180.0	-28.0	9456.0	5525.0
Go-Ahead Gp	2086.0	8.0	2278.0	1733.0
GVC Hldgs	933.8	1.8	939.0	507.5
Intercontl Htls	5088.0	25.0	5738.0	4257.5
Intl Cons Airl	638.4	-5.0	667.6	413.5
Marstons	123.4	1.1	131.4	93.3
Mitchells & Butlers	412.5	-4.5	470.5	238.0
National Express	459.4	-3.6	476.0	379.8
PPHE Hotel Gp	1950.0	10.0	1990.0	1630.0
Rank Gp	280.0	13.0	280.0	144.0
Restaurant Grp	147.4	-1.1	166.4	111.9
Stagecoach Gp	150.7	-1.3	167.0	115.5
Wetherspoon (JD)	1600.0	0.0	1734.0	1187.0
Whitbread	4587.0	-250.0	5152.0	3988.0
William Hill	187.8	2.8	205.2	132.3
Wizz Air Holdings	4210.0	1.0	4329.0	2880.0
AIM 50				
Abcam	1390.0	-10.0	1500.0	1066.0
Advanced Medical	285.0	-10.0	354.5	225.0

	Price	Chg	High	Low
Alliance Pharma	82.0	-0.3	84.5	61.0
ASOS	3165.0	-21.0	4066.0	2107.0
Blue Prism	1247.0	19.0	1472.0	788.0
Camellia	8600.0	50.0	11750.0	8475.0
Caretech Holdings	465.0	2.0	473.0	325.0
Central Asia Metals	220.5	-7.5	266.5	180.0
Clinigen Group	978.0	23.5	1069.0	737.5
CVS Group	1144.0	-28.0	1172.0	395.0
Dart Group	1777.0	-43.0	1820.0	709.5
Diversified Gas & Oil	104.5	1.0	116.5	97.0
Draper Esprit	510.0	10.0	548.0	410.0
EMIS Group	1152.0	2.0	1242.0	890.0
Fevertree Drinks	1990.5	-91.5	2475.0	1732.5
First Derivatives	2615.0	15.0	3555.0	2050.0
Frontier Devs	1350.0	52.0	1350.0	844.0
Gamma Comms	1350.0	-5.0	1390.0	780.0
GB Group	722.0	2.0	800.0	420.0
Gooch & Housego	1452.5	10.0	1527.5	954.0
Hurricane Energy	26.0	-1.2	53.6	26.0
Impax Asset Mgmt	401.0	31.0	401.0	184.0
Iomart Group	376.0	-8.0	400.0	316.5
IQE	45.9	-2.1	98.0	41.8
James Halstead	562.0	0.0	562.0	440.0
Johnson Service Gp	205.5	-2.0	211.5	128.0
Keywords Studios	1517.0	-26.0	1838.0	900.0
Learning Tech Gp	137.8	-2.2	143.0	62.2
M&C Saatchi	113.5	1.0	394.0	79.0
M.P. Evans	718.0	-6.0	750.0	612.0
Majestic Wine	221.0	-6.0	318.0	213.0
Midwich Group	506.0	-9.0	633.0	474.5
Mortgage Advice B	708.0	-26.0	795.0	546.0
Next Fifteen Comm	542.0	-2.0	658.0	465.0
Nichols	1420.0	0.0	1880.0	1380.0
Numis Corporation	285.0	-3.5	306.0	212.0
Polar Capital Hdgs	584.0	14.0	604.0	450.0
Purplebricks Gp	122.0	-3.6	132.0	96.0
Redde	106.8	0.0	127.6	100.6
Renew Holdings	538.0	4.0	568.0	358.0
RWS Holdings	613.0	3.0	670.0	455.5
Scapa Group	281.5	-3.0	403.0	157.0
Secure Income REIT	460.0	2.0	460.0	384.0
Serica Energy	136.8	-1.0	143.4	103.6
Smart Metering Sys	550.0	15.0	665.0	310.0
Telford Homes	349.5	0.0	358.0	267.0
Thorpe (F.W.)	345.0	2.0	359.0	251.0
Watkin Jones	250.0	1.5	250.0	199.6
Young's Brew NV	1310.0	30.0	1310.0	1030.0
Young's Brew-A	1630.0	20.0	1885.0	1475.0

EU SHARES

	Price	Chg	High	Low
ADIDAS	313.90	-2.15	316.05	197.00
AIR LIQUIDE	127.35	0.55	130.80	104.40
ALLIANZ AG	217.35	0.15	223.80	182.72
AMADEUS IT GROUP	76.70	0.60	76.10	42.30
ANHEUSER BUSCH INBEV	71.80	-0.08	92.71	64.00
ASML HOLDING NV	270.20	-1.25	272.40	141.36
AXA	24.20	0.02	25.47	20.11
BANCO SANTANDER	309.65	3.45	402.00	295.05
BASF	64.39	0.04	74.49	56.20
BAYER AG	74.76	-0.56	75.36	52.53
BMW	71.17	-1.02	77.75	58.70
BNP PARIBAS	50.59	-0.37	53.58	39.32
CRH	2952.00	-15.00	3100.00	2170.00
DAIMLER	46.88	-0.36	59.31	40.53
DANONE	73.50	1.06	82.00	61.96
DEUTSCHE POST AG	34.40	0.14	34.91	25.26
DEUTSCHE TELEKOM	14.70	0.02	16.25	14.10
ENEL	7.61	0.19	7.42	5.10
ENGIE	14.98	0.08	15.12	12.45
ENI	13.89	0.09	15.94	13.04
ESSILORLUXOTTICA	128.75	0.00	128.75	128.75
FRESENIUS MEDICAL CARE	67.50	0.22	76.32	57.92
IBERDROLA	9.31	0.10	9.54	6.02
INDITEX	31.28	-0.10	32.37	2.55
ING GROEP NV	10.62	0.04	12.05	8.34
INTESA SANPAOLO	2.32	0.00	2.41	1.83
KERING	605.10	10.50	600.90	410.00
KON KPN NV	2.73	0.04	2.96	2.48
L'OREAL	269.80	0.40	269.40	198.70
LVMH MOET HENNESSY	431.90	0.45	431.45	253.40
MUENCHENER RUECKVE	267.40	0.00	268.70	194.25
NOKIA	21.88	0.00	21.88	21.88
ORANGE	12.86	-0.17	15.01	13.03
ROYAL PHILIPS	44.59	-0.12	44.90	31.21
SAFRAN	141.00	1.75	149.90	109.20
SANOFI	91.61	-0.11	92.72	72.24
SAP SE	122.44	-0.56	124.72	88.83
SCHNEIDER ELECTRIC	92.62	0.28	93.74	59.18
SIEMENS AG	116.06	0.32	119.90	85.00
SOCIETE GENERALE	30.61	-0.34	31.79	21.13
TELEFONICA SA	6.10	0.06	9.18	5.94
TOTAL	48.79	0.21	52.27	43.18
UNILEVER NV	50.68	0.16	57.56	46.40
VINCI	100.45	-0.10	102.40	74.64
VIVENDI	25.31	0.09	26.42	21.49
VOLKSWAGEN AG	179.92	-2.70	185.52	138.16

CRYPTOA.M. DAILY POWERED BY BEQUANT

CRYPTOCURRENCIES

Name	Price (USDT)	up/down (24h)
Bitcoin (BTC)	$ 8,681.65	-1.46%
Ethereum (ETH)	$ 161.35	-2.70%
Ripple (XRP)	$ 0.23	-4.25%
Bitcoin Cash (BCH)	$ 317.01	-6.51%
Litecoin (LTC)	$ 56.19	-3.52%
EOS.IO (EOS)	$ 3.66	-2.84%
Bitcoin SV (BSV)	$ 306.27	-13.49%
TRON (TRON)	$ 0.02	-5.63%
NEO (NEO)	$ 10.89	-5.92%
Cardano (ADA)	$ 0.04	-2.68%
CryptoCompare Large Cap Index		-1.60%
CryptoCompare Small Cap Index		-1.70%

Market	$236,874,530,623	
Bitcoin Volatility	1.50%	(up)
Bitcoin Volume on BEQUANT Exchange (USDT)	262,691,443	

Sources: Bequant.io, CryptoCompare.com
Prices and data are correct as of 15:00, 16.01.2020
Crypto AM features in City AM every Tuesday.
Previous Editions: www.cityam.com/crypto-insider
Read more at: https://bequant.pro/cityam

CRYPTO & COFFEE

After days of impressive gains, the market witnessed a much-needed price pull back. Still, the initial selling pressure was gradually absorbed and eventually Bitcoin, along with Ethereum moved back to unchanged mark. The futures curve remains in deep contango which suggests that market participants will use any selling to re-establish longs.

BitcoinSV (BSV) underperformed its peers, but having rallied over 250% year-to-date, profit taking should not come as a surprise. However, it remains to be seen whether market participants will be brave enough to short BSV at this stage, especially given the raft of events due out that are expected to be price supportive.

Ethereum Classic (ETC) was one of few assets that bucked the trend and traded higher. Not only did ETC touch on its highest price level since mid-July 2019, but also the hash rate advanced to its highest level in over one year.

In terms of news flow, Japan-based Liquid exchange has cancelled its sale of Telegram's not-yet-launched GRAM tokens. The exchange announced that 100% of client funds were returned to participants, without any fees or charges. It is worth noting that the SEC is set to meet Telegram in court on Feb 18-19.

COMMODITIES

Gold	1549.00	+0.20	Copper Cash Official	9231.50	+29.85
Silver (Pence)	1785.00	+8.00	Aluminium Cash Official	1778.25	+11.00
Silver (Cents)	1372.00	+5.00	Nickel Cash Official	13947.50	+272.50
Krugerrand	1566.35	-3.15	Aluminium Alloy Cash Official	1385.00	+59.75
Brent Crude	64.00	-0.49	Natural Gas	29.05	-0.13
Platinum	1013.00	+41.00	Tin Cash Official	17427.50	+110.00
British Sovereign	365.64	-0.80	Zinc Cash Official	2389.00	+26.00
Lead Cash Official	1960.00	+63.50	White Sugar	393.40	+3.60

TOURIST RATES

Canada	1.63	New Zealand	1.85
Croatia	7.94	Norway	10.85
Czech Republic	26.93	Poland	4.52
Denmark	8.25	Singapore	1.67
Hong Kong	9.67	Sweden	11.63
Iceland	146.27	Switzerland	1.21
India	82.38	Turkey	7.50
Israel	4.26	United States	1.24

WORLD INDICIES

	Price	Chg	%Chg
FTSE 100	7609.81	-32.99	-0.43
FTSE 250	21721.23	+8.12	+0.04
FTSE All-Share	4222.79	-14.80	-0.35
FTSE AIM All-Share	970.05	-0.90	-0.09
S&P 500	3316.81	+27.52	+0.84
Dow Jones I.A	29297.64	+267.42	+0.92
Nasdaq Composite	9357.13	+98.44	+1.06
Xetra DAX	13429.43	-2.87	-0.02
CAC 40	6039.03	+6.42	+0.11
Swiss Market Index	10693.52	+22.78	+0.21
ISEQ Overall Index	7156.86	-13.02	-0.18
FTSEurofirst 300	1644.47	+3.56	+0.22
Hang Seng	28883.04	+109.45	+0.38
Nikkei	23933.13	+16.55	+0.07
STI Index	3278.00	+21.02	+0.65
ASX All Ordinaries	7158.60	+45.10	+0.63

US SHARES

	Price	Chg	High	Low
3M	181.01	1.23	219.50	150.74
ABBOTT LABORATORIES	88.28	0.90	88.74	69.05
ADOBE INC	345.38	2.44	345.63	238.27
ALPHABET NON VTG-C	1451.70	12.50	1439.23	1036.23
ALPHABET-A	1450.16	10.96	1440.03	1116.79
AMAZON.COM	1877.94	15.92	2020.99	1588.22
AMERICAN EXPRESS	130.55	0.73	129.82	99.71
APPLE INC	315.24	3.90	316.96	152.70
AT&T	38.03	0.16	39.63	29.37
BANK OF AMERICA	34.72	0.05	35.64	26.25
BERKSHIRE HATHAWAY	229.73	1.38	228.65	195.81
BOEING CO	332.00	2.20	432.69	320.42
CATERPILLAR INC	147.87	2.30	150.53	113.38
CHEVRON	116.89	0.76	126.54	111.39
CISCO SYSTEMS	49.05	1.04	58.05	43.52
CITIGROUP	81.00	-0.24	81.91	60.33
COCA-COLA CO	56.82	0.12	56.70	44.69
COMCAST	46.87	0.59	46.97	34.97
DOW	52.48	0.21	66.65	40.71
EBAY INC	35.92	0.59	41.57	31.00
EXXON MOBIL	68.82	-0.27	83.38	66.70
FACEBOOK	221.77	0.62	221.91	174.60
GOLDMAN SACHS GROUP	249.72	4.51	245.66	182.49
HOME DEPOT INC	228.82	4.23	238.85	176.89
HONEYWELL INTERNATIONAL	182.26	1.53	182.01	139.82
IBM	137.98	1.36	151.36	122.52
INTEL	59.66	0.72	60.84	43.46
JOHNSON & JOHNSON	148.20	1.19	147.01	126.95
JPMORGAN CHASE & CO	137.25	0.53	141.09	98.93
MASTERCARD INC	320.30	6.05	315.21	198.35
MCDONALD'S	210.85	1.08	221.15	173.97
MEDTRONIC	118.86	1.53	118.64	84.15
MERCK & CO	91.18	-0.36	92.04	72.92
MICROSOFT	166.17	2.99	163.28	102.78
NETFLIX	338.62	-0.45	385.03	254.59
NIKE INC	103.37	0.58	102.92	77.14
ORACLE	55.43	0.67	60.15	48.94
PAYPAL HOLDINGS	115.40	0.55	121.30	96.64
PEPSICO	139.61	0.41	140.28	118.61
PFIZER INC	40.61	-0.06	44.40	34.24
PROCTER & GAMBLE	126.07	0.11	126.09	90.44
TRAVELERS COMPANIES	138.85	1.28	154.83	122.36
TWITTER	34.19	0.96	45.42	28.89
UNITED HEALTH GROUP	300.74	4.33	296.41	215.26
UNITED TECHNOLOGIES	153.55	1.59	153.68	111.06
VERIZON COMMUNICATIONS	59.67	0.57	62.07	53.28
VISA	200.95	1.15	199.80	168.86
WALGREENS BOOTS ALLIANCE	54.42	-0.01	76.05	49.29
WALMART	115.90	0.62	121.28	93.86
WALT DISNEY CO	145.12	0.80	151.64	107.79
WELLS FARGO & CO	49.25	0.93	54.46	43.38

FORUM

EDITED BY RACHEL CUNLIFFE

The Flybe bailout flies in the face of market common sense

Rachel Cunliffe
Comment and features editor at City AM

THE PHILOSOPHY of the market is based on the idea that the key to a prosperous economy is competition. Fair and vibrant competition, the argument goes, spurs businesses to improve quality and reduce prices, benefiting consumers and fuelling economic growth.

Companies that struggle should be allowed to fail, making room for more agile or innovative rivals that can do a better job. The role of the government is not to pick winners or prop up faltering businesses, but rather to make sure that the field is level and everyone is playing by the same rules.

This is the traditional turf of the Conservative party, historically home to economic liberals who believe that government meddling only serves to distort the business landscape and waste taxpayer money when it could be better spent — or, preferably, remain in people's pockets.

A softer form of pro-market liberalism popular among Conservatives holds that there is a role for government in supporting business by investing in areas of strategic national importance, such as infrastructure. But such investment must make clear economic sense, spurring productivity and innovation rather than protecting incumbent players who cannot survive on their own.

The rescue deal this week to save the struggling airline Flybe would therefore have come as a surprise to anyone familiar with how Conservatives usually operate. In last-minute talks with shareholders, Flybe has been granted a government loan and a £100m temporary tax break to keep its planes in the air.

This deviation from the laws of market economics has not gone unnoticed. In addition to the general backlash over taxpayers subsidising an airline whose main shareholders include Virgin Atlantic (owned by billionaire Sir Richard Branson), British Airways, which competes with Flybe on some routes, has filed an official complaint with the European Commission.

It is ironic that the EU, long held up by eurosceptics as a behemoth of protectionist bureaucracy, is now looking into whether the market-oriented UK broke state aid rules that ban distorting competition.

Also pushing for "fair competition" is the Ryanair boss Michael O'Leary, who has called for all airlines to get a tax break like Flybe.

It has been noted too that diving in to rescue an airline that exclusively runs short-haul flights, one of the highest polluting forms of travel, flies in the face of Boris Johnson's post-election commitment to make Britain the "cleanest, greenest" country on Earth.

> Letting it fail just didn't fit with the messaging that won the election

No one is in any doubt about why the rules were bent for Flybe. It can be summed up in two words: regional connectivity.

Flybe, we have been told ad nauseum this week, may not matter much if you live in London, but the airline is vital to the "left behind" places that have been in focus since the election — Birmingham, Manchester, Belfast, the Isle of Man, Exeter, or Newquay in Cornwall. Without it, we have been warned that regional airports would collapse, and with them the prospects of the communities they serve.

In this topsy-turvy world where the Conservatives are now the party of anywhere outside the M25 and MPs are tripping over themselves to talk about "levelling up" the regions, letting Flybe fail wasn't an option. It just didn't fit with the messaging that won Johnson the election.

And if the government's priority genuinely is investing in forgotten parts of the UK and building centres of corporate gravity outside London, then the move is logical.

Defying both the tenets of market economics and the pressure to focus on environmental sustainability may be deemed a price worth paying for the ability to fly direct from Cornwall to Luxembourg or Manchester to Aberdeen.

But if that's the case, the government should be honest with itself and with taxpayers: it doesn't care about curbing public spending, cutting taxes, promoting competition, or moving towards a greener economy as much as it cares about ensuring that a relatively small group of people in a handful of places of comparatively low national economic importance still have an airline.

This a risky and short-termist way to run a country, especially when global headwinds hint of a recession on the horizon. With slowing growth in key markets, a still-smouldering US-China trade war, the inescapable disruption of Brexit, and the looming threat of climate change to businesses across a range of industries, the UK is going to need all the firepower it can muster.

That means taking decisions to maximise productivity and long-term economic sustainability, not handing out cash in a panic because allowing a company to fail wasn't in line with the new branding.

Letting Flybe collapse would have been disastrous for a small number of businesses and individuals who rely on it, and damaging for the communities it serves. But over time, smarter and more viable transport options would have emerged — and if they didn't, the government could have designed a more sustainable investment package, based on upgrading rail infrastructure across the country or upskilling people from struggling industries.

In opting instead for a short-termist subsidy, the government hasn't only jeopardised both the free market traditions of the Conservative party and the green credentials of the Prime Minister. It has revealed a set of skewed priorities that could leave it poorly equipped when the next crisis strikes.

Another recession is coming, but central banks don't have the firepower to fight it

Jumana Saleheen

BY THE end of 2019, the UK and US had achieved a decade recession free. That's an impressive feat, but fears of a recession remain. In fact, those fears peaked last year due to worrying signals from financial markets.

When the next recession does raise its head, it will be up to our central banks to try to fight it. But do they have enough firepower? This is not a new question, of course, but a recurring one, and it has led to a flurry of introspection by central bankers over the past few weeks.

By firepower, I mean the levers (such as interest rates) that the central bank can pull — and pull hard enough — to coax consumers and companies to spend more and raise demand. Prompted by the devastation of the global financial crisis, major central banks dropped interest rates down to near zero. But that alone was not enough to kickstart the economy, leading to experimentation with new tools.

Two have proven popular: quantitative easing (QE — purchases of government and corporate bonds to lower long-term interest rates), and forward guidance (FG — a promise by the central bank on the future path of monetary policy).

What do the central bankers themselves think? In a high-profile speech on 4 January, former Federal Reserve chairman Ben Bernanke was optimistic. He claimed that the Fed has sufficient ammunition to fight the next recession. The Bank of England's outgoing governor Mark Carney struck an equally optimistic tone on 9 January. However, the former president of the European Central Bank, Mario Draghi, was less positive, saying that monetary policy was losing its potency and openly calling for help from fiscal policy.

The central banks do still possess some firepower, although it may not be enough. Bernanke estimates that the Fed's QE and FG firepower is equivalent to two to three percentage points in interest rate cuts. On top of this, the Fed Funds rate could be cut by 1.5 to 1.75 percentage points. Combined, that gives the Fed 3.5 to 4.75 percentage points of leeway.

Unfortunately, that falls short of the five percentage points of rate cuts usually seen during a recession. Meanwhile, the Resolution Foundation estimates that the Bank of England has only 2.5 percentage points of total firepower — half of what is normally required.

There is also plenty of criticism of QE, FG, and other unconventional tools. Former US treasury secretary Larry Summers has said: "I just don't believe QE and that stuff is worth anything like another three percentage points". I agree.

These new policy tools only work if central bank plans are credible, and consumers, investors, and companies respond in the way that central banks expect. The problem is that plans change, and behaviour is unpredictable. Clearly, our current central banks face a number of puzzles.

A moment of truth is coming. The current central bank framework, which focuses on achieving inflation targets, has been in place since the early 1990s. It has served many countries well, but the cracks are showing.

Whether this framework survives the next decade or not remains to be seen. I have a hunch that it will not.

Jumana Saleheen is chief economist at commodities consultant CRU Group.

LETTERS
TO THE EDITOR

Tip of the data iceberg

[Re: Why Open Banking is the next finance revolution]
As co-chair of the original Open Banking Standard, it's great to see the progress being made — and we fully expect this to extend into Open Finance (spanning insurance, pensions and investments). However, access to data in consumer finance is just the tip of the (fast-melting) iceberg. To respond to the impact of climate change we need to apply lessons learned to business data, to make data-at-scale work harder to deliver innovative financing for a carbon-zero future.
With COP26 being held in the UK this year, we have an opportunity to combine our industrial strategy, climate targets and data infrastructure to shape our investment strategies, reveal efficiencies, and better understand risk. Sorting out our "data plumbing" will help power world-class analytical capabilities (such as artificial intelligence) to help our financial and environmental worlds align.
Gavin Starks, founder, Icebreaker One

Startup central

[Re: London crowned the mother of startups as record level of new companies launch]
It's encouraging to see record levels of new startups launching in the UK especially at a time of great uncertainty. However, the real test for these startups is survival and scale. Sadly, the odds are stacked against newly launched firms, as reports show that 60 per cent of those new businesses will go-under within three years. The government therefore needs structures in place to support these startups and their growth.
On a more promising note, however, there are reports that tech business hubs outside of London, such as Brighton and Bournemouth, are thriving.
Jonathan Richards, chief executive and co-founder, Breathe

BEST OF TWITTER

Until the Labour leadership comes to praise and respect Tony Blair and the last Labour government, there will not be another Labour government
@Andrew_Adonis

Long-Bailey endorsed by 18% of Momentum's total membership with no one else on the ballot. Truly a movement committed to internal democracy.
@rcolvile

Disappointing that Lisa Nandy's leadership slogan is "We Win Together" not "Do You Hear The Drums For Nandy?"
@patrick_kidd

There's going to be a new Wetherspoons in a former bank in the Strand, complete with historic tile friezes and a fountain
@Magdalbrahim

Fantastic news. Only a matter of time until my dream of seeing the Foreign Office turned into a Spoons becomes reality!
@BenRamanauskas

WE WANT TO HEAR YOUR VIEWS **E:** theforum@cityam.com **COMMENT AT:** cityam.com/forum **:** @cityam

Times change, but the purpose of finance remains the same

Miles Celic

IN JANUARY 2007, I walked into my first day in a role at one the world's leading global financial institutions with all the excitement that comes with a new job.

Like many of those working in the industry at that time, I didn't foresee the hurricane that was about to hit in the shape of what we now refer to as the global financial crisis.

This was, of course, merely the beginning of a period of challenges, transformation and reinvention, much of which is still underway.

A little over a decade on, I now head up TheCityUK, an organisation born out of those same storms, founded to convene the collective voice of the many sectors across the financial industry. Our aim today remains fundamentally the same as it was then: to champion and support the success of the financial and related professional services ecosystem.

This year, TheCityUK celebrates its tenth anniversary, a milestone of which I and the team are very proud. Much can alter in a decade — and that is certainly the case for this industry.

The last 10 years have seen a spectrum of changes, from the introduction of tighter regulation and supervision through to a flowering of financial innovation and creativity.

At the heart of much of this change is the customer. As their needs and expectations have evolved, the industry has had to adapt to keep pace.

Consider how the exponential growth of financial technology over the past 10 years has seen the UK become a globally-leading fintech hub, generating revenue in 2016 of £7bn. The expectation is that employment in this sector will increase by around a further 40 per cent in the decade.

As well as increasing transparency and efficiency while reducing costs, fintech has also opened up access to finance, offering customers faster, more effective products and services.

Online banking usage has almost doubled across the decade. In 2017, over 40 per cent of the population used banking apps, and we saw a year-on-year increase of 97 per cent in the number of people using contactless payments. Lawtech, regtech and insuretech — to name just three new fields — are also burgeoning areas of innovation across the industry.

However, while today's landscape might look different to that of a decade ago, the challenges and opportunities are no less significant: continuing to rebuild trust; integrating revolutionary new technologies; adapting to the changing needs and expectations of employees, employers and customers; and addressing shifting demographics and the rapid rise of emerging global financial centres.

> The next decade promises to be full of innovation and unpredictability

Nor is its national economic importance diminished in any way. The financial services sector is the country's largest taxpayer and our biggest exporting industry — generating a trade surplus almost equivalent to all other net exporting industries combined.

In a period of such unprecedented transformation, the unique benefits of the UK ecosystem puts our industry in a strong position — but we cannot be complacent. We must be able to adapt, while staying committed to our core purpose.

Today, there are newer, faster and more efficient ways to access the essential services and products we provide than there were in 2010. But fundamentally, the purpose of this industry remains the same.

It helps people to buy a home, to invest, to save, to prepare for retirement, to mediate disagreements, to start and grow businesses, to protect and manage risk, and to generate economic security and growth.

As we look ahead to our next 10 years, these essential elements remain at the core of our work. The next decade promises to be full of change, of innovation, and undoubtedly of unpredictability. But one thing is certain: TheCityUK and the industry we represent are up for the challenge.

Miles Celic is chief executive of TheCityUK.

DEBATE

Should Big Ben bong on 31 January to mark Britain's exit from the EU?

YES

ALEX DEANE

Whether a bell rings at a certain time is a trivial thing. But it is symbolic, and symbols matter — to people, and to nations. Stymieing the ringing of a bell that rang two weeks ago for New Year seems to those outside our bureaucracy to reflect the continuing absence of loser's consent among those who have never accepted the referendum result.

We are told, even after a General Election won by those pledging to "get Brexit done", that it is "divisive" to celebrate leaving the EU. Well, perhaps. But there were those across the Atlantic loyal to the Crown who opposed American independence — I rather doubt that our transatlantic cousins timidly declined to celebrate the birth of their new country, swapping clapping for jazz hands for fear of triggering those of a monarchic tendency.

This, our nation's rebirth, is a moment of great importance, when we should show optimism about our country's future and be proud of our national confidence. Let freedom ring.

Alex Deane is a Conservative commentator.

NO

NICHOLAS MAZZEI

There is only one reason to ring Big Ben to mark Brexit: for nationalist and jingoistic lovers of a long-gone British Empire to rub their victory in the face of those who lost the referendum.

Those advocating a celebration of a political event, one that has split our nation so divisively for nearly four years, need to start to show some decorum and restraint — and not just because of the £500,000 price tag.

Emotion over Brexit still runs high. For some, it is a desperately sad event. A national celebration, from Big Ben bonging to the minting of 50p Brexit coins (for the third time), can only serve to divide us further. At a time when the Prime Minister is trying to reunite the nation, using such a powerful symbol as Big Ben is crass at best.

Anyway, as yet, with another year at least of trade talks before the transition period ends, there's not even anything to celebrate. Perhaps Brexiteers should keep their powder dry and wait to see how our exit from the EU plays out before popping the champagne corks.

Nicholas Mazzei is a corporate social responsibility adviser and former MEP candidate.

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Certified Distribution
from 25/11/2019 till
29/12/2019 is 85,406

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Printed by West Ferry Printers Ltd, Kimpton Rd, Luton LU2 0SX

HOTPROPERTY

ALL YOU NEED TO KNOW ABOUT THE LONDON PROPERTY MARKET

Edited by **Helen Crane**

THE LIGHT FANTASTIC

Canary Wharf has been illuminated once again as it prepares for its first residents

Those who have taken a walk around Canary Wharf in the last week or so will have noticed some strange-looking structures popping up in the area's streets, squares and parks.

Last night the purpose of all this finally came to light – literally, as the sculptures burst into vibrant illumination to mark the beginning of the sixth annual Winter Lights festival.

There are 25 installations in total, displaying what Canary Wharf calls an "eclectic curation of work at the intersection of technology and art".

One of the highlights this year is Affinity by Amigo & Amigo, an interactive exhibit which ponders the power of the human brain. Visitors can step into a series of interconnected globes representing neurons and memories, touching them to send a 'pulse' around the sculpture.

The Lactolight piece transforms 7,344 recycled plastic milk bottles into individual pixels within a giant, lowres screen, with the aim of spreading awareness about single-use plastics.

The festival will draw plenty of Instagrammers, but they might want to give Absorbed by Light by Gali May Lucas a miss. Featuring three hunched-over statues with their faces illuminated by smartphones, it satirises our obsession with devices.

The event is part of Canary Wharf's efforts to liven up the area for visitors, ahead of the first-ever residents moving in later this year.

Two buildings will be up and running before the end of 2020: the 345-home 10 Park Drive, where homes start at £880,000, and the 327-home 10 George Street which is exclusively for rent with prices from £1,950 per month.

Brian De'ath, residential sales advisor at Canary Wharf group, says it is building a "new community" with "something for everyone."

Alongside the homes it is also building 380,000 sq ft of shops, bars and restaurants and eight acres of public space, plazas and parks.

The Winter Lights festival runs from 16 - 25 January from 4-10pm

Clockwise from top: Constellations by Joanie Lemercier; Affinity by Amigo & Amigo; Mountain of Light by Angus Muir

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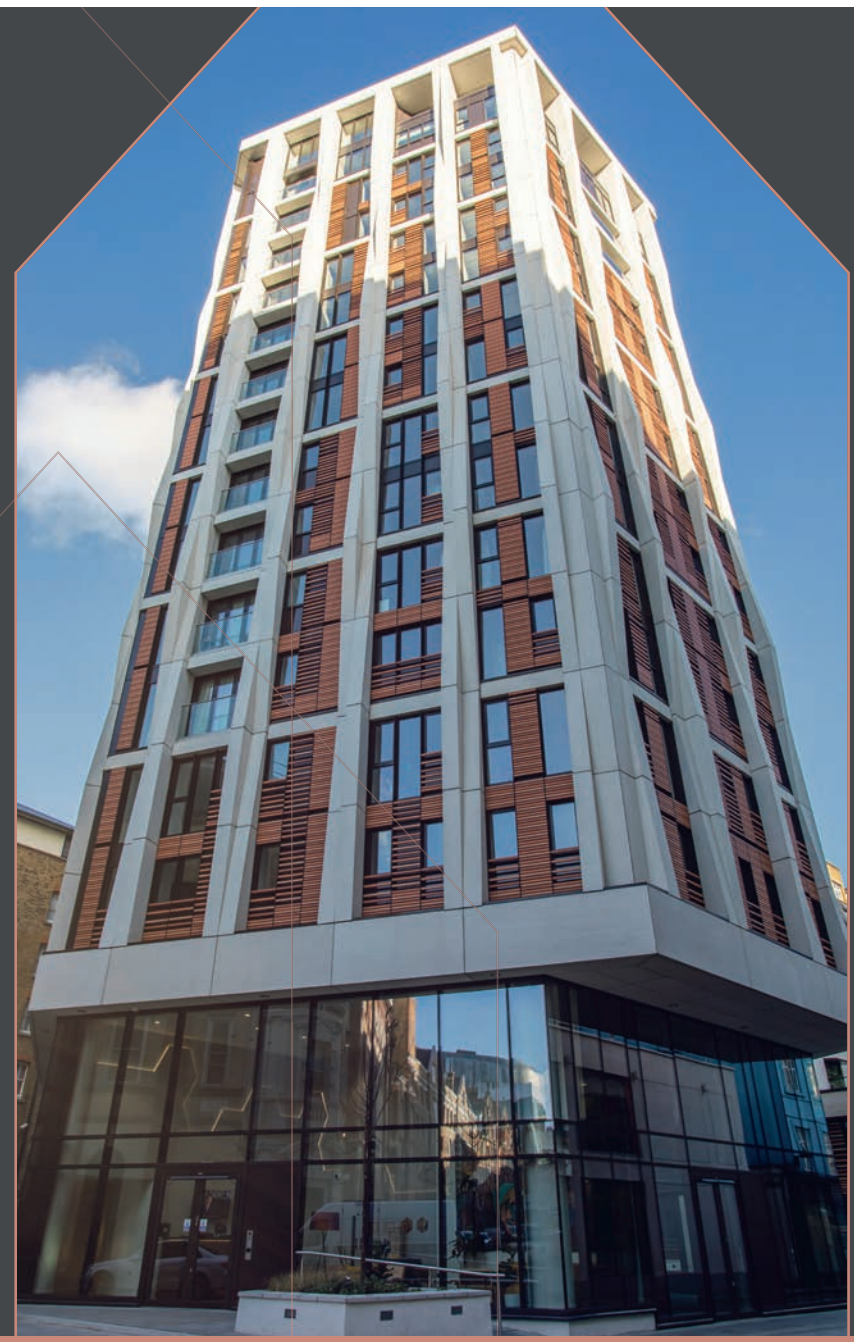

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External photography of Parker Tower. Internal photography from the Show Apartment, Plot 3.01. Prices correct at time of going to print.

INTERIORS

IN SEARCH OF A GOOD NIGHT'S SLEEP

Tech is coming for your bedroom furniture. **Laura Ivill** experiences the latest in 'sleep engineering'.

People say you should change your mattress every seven years. This time, though, I decided to go a step further, and upgrade my whole bedroom environment to incorporate the latest in sleep technology.

I headed over to West London for a look around the Sleep Loft, the showroom at Rested. They are in the business of 'sleep engineering,' consulting with customers to come up with the perfect solution for their individual sleep profile.

With soft music playing and over coffee, I tried out the UK's most advanced beds and mattresses, along with temperature-regulating sleepwear, bed linens, pillows and duvets. I even tried out soothing sounds and snooze-inducing aromas, as part of this 360-degree approach to getting the best quality sleep.

In case you missed it, one of the biggest health trends of 2019 was recognising the power of sleep. Good-quality sleep is the elixir of life, yet if you find it eluding you, then luckily much can be fixed in the furniture department, rather than at the doctor's.

Rested was founded in 2015 by two brothers, Adam and Toby Walzer, who believe that investing in sleep is one type of shopping that can't be done online. They recognise the need to try before we buy so we get the right set-up for our body shape, weight and sleeping position, as well as the value of being able to explore product options and discuss sleep issues in the hands of an expert.

All of this means Rested's Sleep Loft is by appointment (slots range from 7am to midnight). You and your partner will have the showroom all to yourselves, with no pressure, so that you can relax, have fun, and discuss every detail of your sleeping habits while bouncing on the mattresses without embarrassment. "There will be one mattress that is right for you as an individual, and we're here to find that mattress," Adam says.

Top: The Colunex butterfly bed. Above left: The Rested showroom. Above right: The Auping Royal adjustable bed.

Above and centre: Two Auping Essential beds in coral and grey

Adam explains that we have evolved from sleeping on the floor, to sleeping on a box to sleeping on a fully adjustable bed that keeps our spines aligned throughout the night.

He shows me the king of bed frames, the Auping Royal (from £3,000, and guaranteed for 35 years); standing on the mesh frame to demonstrate how robust it is. As well as five sets of motors that adjust for your preferred sleep position, including sliding you up to read, the Auping accommodates your body's pressure points in the hips and shoulders. This is also true of Auping mattresses (from £800 for two singles or a double, lasting 12 to 18 years).

"We also advise on the best spending of budget," Adam says. "For £4,000-£5,000 you can get two motor-adjustable beds, a bed frame and mattresses."

The modern way of sleeping is for partners to each have their own adjustable frames and mattresses, but pushed together. When it's time for one person to get up, the Auping will gently lift you, so not to disturb your partner with an alarm. If one of you snores, the Auping, via an app, listens for the rhythmic noise and gently raises your airways.

"We want you to indulge in the newly evolved boundaries of advanced sleep," Adam says. "It's a journey to discover just how good your sleep can be."

Rested Sleep Engineering, Unit 3, Westmoreland House, Scrubs Lane, London NW10 by appointment and online (rested.com) and Chelsea Design Centre. The Sleep Show/Mindful Living Show runs 6&7 March (mindfullivingshow.com)

DESIGN

IT'S HIGH TIME FOR THE LOW LINE

Rejuvenation of railway arches should be a boost for Borough and Bermondsey, says **Helen Crane**

Left: arches that could become part of the Low Line. Above: proposed signage

Plans for the new Low Line in Southwark have got Londoners a bit excited. The project to rejuvenate railway arches and convert them into shops and green spaces has inevitably drawn comparisons to the High Line in New York's Meatpacking district, which became an instant hit with tourists when it opened in 2009.

But the design by PDP London architects, which won an 82-strong design competition, is more than just a copy of the stateside linear park. First of all, as the name suggests, the Low Line is more down to earth than its New York counterpart.

"What's interesting about this is that it's very much on the ground. It's not an elevated park like the High Line," says Valerie Beirne of Better Bankside, the Business Improvement District backing the project.

It will cover a stretch of working railtracks running from Blackfriars Road out to The Blue markets in Bermondsey, and focuses on making use of the arches underneath, lots of which are unused or under-used. Ideas put forward so far include yoga studios, food markets, leather workshops, model-making shops, and childrens' play areas, and there will also be a Low Line app to help people navigate the area and hear about events.

Beirne says the Low Line shouldn't feel like one big project, but a series of new additions to the neighbourhoods along the route. These include Southwark, Borough, London Bridge and Bermondsey, parts of which are disconnected by the railway arches although they sit side by side.

"It's not a big set piece that would be imposed on the area," she says. "The railway has been a physical barrier that has severed neighbourhoods along its length, and the Low Line will improve its permeability and accessibility."

Pedro Roos, partner at PDP London, says he wants the Low Line to be a "shared natural and cultural resource of the people, by the people and for the people."

Similar to the High Line, the Low Line is supposed to bring nature into the city. Areas alongside the arches will be pedestrianised and turned into a green walkway with trees, wildlife habitats and community gardens.

"We were very interested in how nature and biodiversity could be at the heart of the low line," says Beirne.

If it works, it could act as a template for other areas of London that are bisected by railways – and there are certainly plenty of those.

"We're hoping we can develop thinking and then it can apply to other parts of London where the railway acts as a barrier," Beirne says.

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GOING OUT

EDITED BY STEVE DINNEEN *@steve_dinneen*

RECOMMENDED

A HIDDEN LIFE

DIR. TERRENCE MALICK

BY STEVE DINNEEN

Capital 'A' auteur Terrence Malick returns to the second world war for his 10th feature film, this time telling the true story of Austrian conscientious objector Franz Jägerstätter. Brilliantly played by August Diehl (The Young Karl Marx), Jägerstätter is wrested from his wife and children in their remote farming community in the Austrian mountains and thrown in prison for refusing to pledge allegiance to Hitler.

Of the three-hour run time, there's roughly an hour spent watching Jägerstätter as he wastes away in jail. Jägerstätter looking out of a window, Jägerstätter walking around the yard, Jägerstätter sitting on his bunk staring into the middle distance. The monotony is occasionally broken up by acts of senseless cruelty by the prison guards, ranging from pulling a chair from under him to simply kicking the living daylights out of him. Even the violence becomes part of the repeating wallpaper of life in a Nazi prison; few filmmakers have so successfully captured the centre of the Venn diagram between fear and boredom.

It isn't just Jägerstätter who suffers – his wife is ostracised by their close-knit community, who buy into the racist propaganda spouted by the visiting Nazis. Her arc, as she struggles to keep the farm afloat, is every bit as affecting as her husband's.

As we've come to expect from Malick, the confusion and brutality of human life is contrasted with the impassivity of the natural world. Swathes of the film are made up of footage more readily associated with nature documentaries than historical dramas. His camera lingers over frothing rivers and rocky outcrops. You can almost smell the soil as characters plough the land.

In the end, it's about faith – faith that life is worth the suffering, faith that fleeting happiness will last, faith that there's something *more*. It's a story Malick has been telling for decades, and it's as fiercely relevant as ever.

RECOMMENDED

BOMBSHELL

DIR. JAY ROACH

BY JAMES LUXFORD

The co-writer of The Big Short brings us a similar examination of the state of the United States, this time taking aim at the media.

Bombshell centres on the Fox News sexual harassment scandal that erupted just four short years ago – so recently that it seems a little early for an autopsy of this seismic moment in American culture, which led to the resignation of the mastermind behind the right-wing TV station, Roger Ailes (played here by John Lithgow). But Jay Roach's film delves fearlessly into an issue that doesn't just implicate the media, but society as a whole: the ugly realities of workplace abuse.

Nicole Kidman sports a fiercely symmetrical bob and a rictus grin as Gretchen Carlson, a fired host who does the unthinkable: files a harassment suit. The Oscar winner isn't the showiest performer in the film, but offers a fascinating insight into what it takes to be the first to fight back. "I've jumped off a cliff" she says as she agonises over the possibility of no other victims coming forward.

But they do, and her co-stars represent the various stages of abuse. Margot Robbie plays Kayla Pospisil, a fictional, idealistic newbie at the station whose right wing dreams are crushed in a horrifying moment when Ailes asks her to give him a "twirl". The fear etched on her face is harrowing, and it's scenes like this where the film is at its most powerful. Abuse is not alluded to, it's shown, both in mental and physical forms. We see reporters forced to choose between what's right and what's good for their career, typified in Charlize Theron's portrayal of Fox News A-lister Megyn Kelly, with the actor made up to look startlingly different.

Kelly's arc is particularly gripping. A victim of Ailes' cruelty, she could be the star witness of the allegations, but is genuinely torn between her need for justice and a warped loyalty for the man who made her famous. It's another showcase from an actor who seems to shine in any genre. The three central performances are complemented by Lithgow, in fine form as Ailes, a self-pitying bully whose intelligence is outweighed by his arrogance.

As a spotlight on harassment, Bomb-

JUST MERCY

DIR. DESTIN DANIEL CRETTON

BY HELEN CRANE

If our Netflix habits over the past couple of years are anything to go by, we bloody love a courtroom procedural. The People v. OJ Simpson; When They See Us; Making a Murderer – the list goes on.

Basically, if you get your kicks from someone digging out a vital piece of paper from a dusty archive or busting out a surprise witness at the eleventh hour, Just Mercy is for you.

Based on his memoir, it follows young civil rights lawyer Bryan Stevenson (Michael B. Jordan) as he moves to Alabama in the late 1980s with a mission to defend wrongly-convicted, mostly black men who have found themselves on death row.

It focuses on the case of Walter 'Johnny D' McMillian (Jamie Foxx) who has been sentenced to death for the murder of an 18-year-old girl despite evidence proving his innocence. The irony that this is taking place in the town where Harper Lee wrote To Kill A Mockingbird, the most prominent American novel on the topic of racial inequality, is not lost.

Stories like this often follow a rather predictable, linear path, but Just Mercy provides enough twists and turns to keep things interesting. It can be a little earnest at times – courtroom dramas don't really work without at least a bit of outrage at the inherent corruption of the criminal justice system – but nuanced performances provide a solid foundation for the righteous indignation.

Jordan packs an emotional punch in his portrayal of Stevenson, proving he can deliver outside of shirtless action roles, while Tim Blake Nelson puts in a stand-out performance as the convicted criminal who holds the key to McMillian's release. Brie Larson and Rafe Spall also make the most of supporting roles as Eva Ansley, Stevenson's dogged assistant, and Tommy Chapman, the conservative district attorney who stands in his way.

The real-life Stevenson has helped to free more than 100 inmates facing unjust convictions. Although Just Mercy is a little long at more than two hours – it may have been better told as a miniseries – and takes a while to get going, it's worth persevering with for the heartfelt portrayal of this remarkable man.

BAD BOYS FOR LIFE

DIR. BILALL FALLAH, ADIL EL ARBI

BY JAMES LUXFORD

Once a guarantee of box office success, Will Smith today finds himself on rocky ground.

Last year's Gemini Man bombed, his Netflix movie Bright was critically savaged, and even the success of Aladdin can be put down to nostalgia rather than star-power. The A-lister and sometime YouTuber looks for redemption in his third Bad Boys film, which sees his character Mike Lowrey and partner

shell is fearless and upfront about its message. Its satire of right wing media is less effective, with allusions to Pospisil's sexuality and Ailes' weight more mean spirited than insightful. But these are a distant aside in a film that confronts a very real, and as yet unresolved, problem.

UNMISSABLE

CIRQUE DU SOLEIL: LUZIA

ROYAL ALBERT HALL

BY STEVE HOGARTY

The highest calling for anyone capable of doing a backflip, Canadian circus troupe Cirque du Soleil has been teasing gasps from wowed audiences for decades, touring its unique brand of arena-filling spectacle to disbelieving crowds around the world.

The company's latest show is its most transportive yet: Luzia is billed as a waking dream of Mexico, nothing short of a peyote-fuelled spirit quest told via the medium of superhuman acrobatics.

Hosted at the Royal Albert Hall, it's difficult to imagine a production of this scale taking place anywhere else. Blaring samba soundtracks the opening act, set on a stage-wide treadmill where dressed-up hummingbirds leap through stacks of rings, and a sprinting dancer's butterfly wings billow open like kaleidoscopic parachutes, pursued by an oversized horse puppeteered by a cohort of invisible bodies.

Luzia is breathlessly dramatic, animated and fast-paced from the outset, your heart may well clamber out of your throat and splot on the floor at your feet in sheer amazement at what you're witnessing.

Two women become human gyroscopes, whizzing about inside hula hoops like a couple of Vitruvian men on a night out. At one point an actual waterfall, as tall as the Royal Albert Hall, spills from the ceiling, drenching a trapeze artist who gleefully twirls about in the deluge, her long hair casting wet, parabolic spirals as she ascends.

It is impossible not to be awestruck by the precision, strength and agility on display, even when the action slows to incorporate individual feats: a strongman in a bathing costume doing a handstand on stilts at nauseating heights, set against the backdrop of a 1930s film set echoing Mexico's golden age of cinema; a mesmerising and highly technical game of keepy-uppy between two football players, honouring the country's sporting tradition; a contortionist, who crumples his body likes it's made of wet spaghetti. Truly an artist at the very top his game. The Lionel Messi of sitting on his own head.

The show's finale, a series of gravity defying somersaults between a pair of swings, elicited f-bombs from some particularly moved onlookers.

Luzia is unmissable, bizarre and entrancing, a hallucinatory rollercoaster ride through Mexican mythology and a bombastic celebration of what human bodies can do.

Marcus Burnett (Mike Lawrence) on the tail of a vengeful drug lord.

Series director Michael Bay has not returned to inflict more damage on the Miami skyline, but his philosophies are in place. Everything that can be shot, blown up, or punched in the face tastes cold justice at the hands of the ageing duo. The series' disdain for left wing politics lingers, even if the edgier humour has been filtered for today's crowd.

It's essentially Bad Boys Reheated, although it's nowhere near as tired as many other third instalments. This is largely down to the chemistry between the stars, whose odd-ball friendship remains as funny as ever. Lawrence acts his age as the older cop trying to enjoy family life and stop chasing villains, and provides a punchline for every gunshot.

Smith continues to defy the ageing process, with his youthful appearance giving legitimacy to the idea that this is a cop who's not quite ready to settle down. Bad Boys For Life may be an excuse to recycle old material, but it's done with enough enthusiasm to make the return worthwhile.

LEXICON

ROUNDHOUSE

BY STEVE HOGARTY

Lexicon charts a meandering course through modern circus history, in a playful and contemporary performance-in-the-round by Welsh company NoFit State, a 20-strong ensemble cast of jugglers, tightrope walkers, one unicyclist and a gaggle of acrobats.

Consciously unruly, it begins with a classroom of noisy children loomed over by a headmaster teetering on a high-wire. Themes of rule-breaking and mischief are in play, as performers routinely break free from the stage to muck about in the stalls, to tease and bully one another, or to join the accompanying live band.

But there's nothing undisciplined about the acts themselves: a tightrope walker balances a chair on its back legs, twenty feet above the ground. The clownish unicyclist, the butt of the troupe's mimed barbs, provides the showstopping trick of the evening, somehow dressing himself in a shirt, jacket and trousers without leaving the saddle. Such moments of knife-edge jeopardy are interspersed with impressive aerial gymnastics and ropework, comedic fire juggling and balancing acts.

The alleged theme of circus history is quickly lost in a mystifying narrative, but no matter: Lexicon impresses with an endearing and talented cast and on the strength of its dizzying performances alone.

OFFICE POLITICS

Five tips for starting your own business in 2020

Dreaming of becoming your own boss? Here's how to make that a reality

Emma Jones

AS MANY of us embark on our new year's resolutions to eat less and get fit, a good 20 per cent of us will be making plans to start a business.

According to Companies House, 2019 was a record year for UK company registrations. An incredible 678,288 new businesses were registered. This is part of an ongoing surge which has seen more people start a business year-on-year since 2012.

Why? Because starting a business has never been easier. Around one in five working age people say that they want to start a business, and there's a growing trend for keeping hold of a day job while starting a "side hustle".

Clearly, forging your own path is becoming more popular, but it can feel like a daunting process. Here's my advice for how to start a business in 2020.

THINK OF AN IDEA AND TEST IT

I always tell people to ask themselves three questions. Is there a gap in the market? What is your passion, hobby, or skill? And is there something out there that you could do better?

Once you've come up with an idea, test it. This doesn't have to be expensive. If it's a food product, set up trials with friends and family and ask for feedback on taste and price. If it's a service, do an online survey to ask what people think is a fair price, and what they'd expect in return.

An incredible 678,288 new businesses were registered in 2019

CREATE A BUSINESS PLAN

What goes into a business plan? A good way to look at this is I'M OFF: idea, market, operations, financials and friends (which includes advisers and those who can help you along the way). You can download a free business plan template from the internet.

BOOTSTRAP YOUR BUSINESS

One of the most important lessons in business and in achieving profitability is learning how to use resources efficiently. As such, use free digital tools such as Dropbox and Google Docs, and time management apps like Toggl.

Accounting software such as Xero is essential so that you're ready to invoice and keep good records. Also, use video calls where you can to save on meeting room space and phone bills.

If you do need finance, look for investment that comes with advice, like a startup loan. Look out for classes where you can pick up skills.

Meanwhile, grab your URL and build a website. There are many easy-build website packages you can get — or go to the Enterprise Nation marketplace to find peer-rated experts and advisers.

GET OUT THERE AND SELL

Start with social media — it's free and can quickly get you noticed. LinkedIn is essential for a B2B venture, and Instagram if you're in fashion or food. A Twitter and Facebook page is often a must. Be sure to invest in good images.

FOCUS ON WHAT YOU DO BEST, AND OUTSOURCE THE REST

Once you start to see sales, you need to think about growing your capacity.

Outsource jobs to contractors, freelancers, or copywriters. PR and marketing work well when outsourced.

Hopefully, as the business grows, you'll be able to give up the job and hire your own winning team.

So here's to the year ahead, and becoming your own boss.

Emma Jones is founder of Enterprise Nation and author of The StartUp Kit. She will be hosting StartUp 2020 on 18 January. For details, visit enterprisenation.com.

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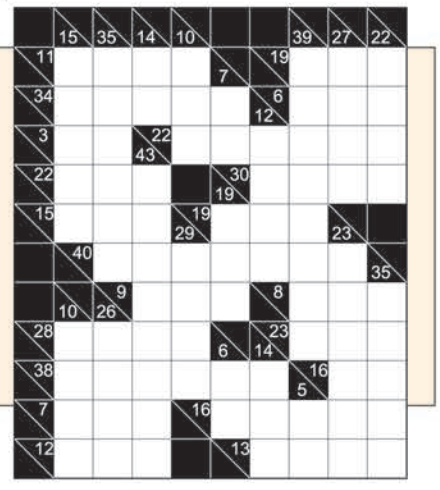
SUDOKU

Place the numbers from 1 to 9 in each empty cell so that each row, each column and each 3x3 block contains all the numbers from 1 to 9 to solve this tricky Sudoku puzzle.

3					8	1		5
	1							
7			9		2	4		
9								
		6			5			8
	4	5					9	7
4			6					
				7	9		6	
	6			8	3	7		

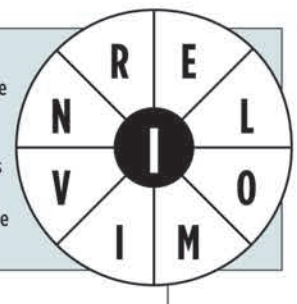
KAKURO

Fill the grid so that each block adds up to the total in the box above or to the left of it.
You can only use the digits 1-9 and you must not use the same digit twice in a block. The same digit may occur more than once in a row or column, but it must be in a separate block.

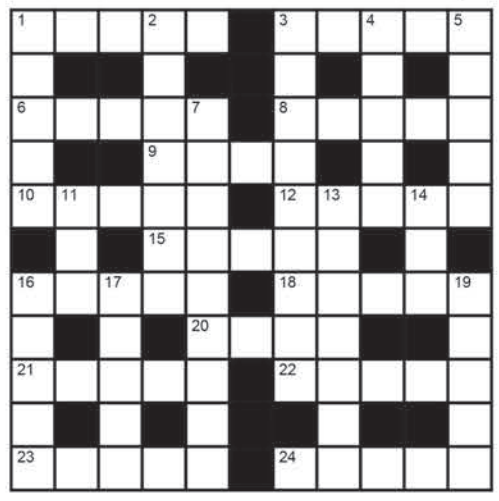


WORDWHEEL

Using only the letters in the Wordwheel, you have ten minutes to find as many words as possible, none of which may be plurals, foreign words or proper nouns. Each word must be of three letters or more, all must contain the central letter and letters can only be used once in every word. There is at least one nine-letter word in the wheel.



QUICK CROSSWORD



ACROSS

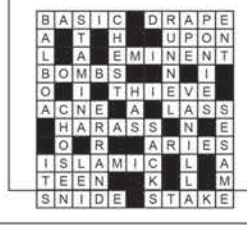
1 Highland Games pole (5)
3 Vehicle's stopping device (5)
6 Capital of Senegal (5)
8 Throng (5)
9 Compliant, tame (4)
10 Bulb, traditionally from Holland (5)
12 Remove fleece from (5)
15 Honourable (5)
16 Comes to terms (with) (5)
18 Smell (5)
20 Tolerable, indifferent (2-2)
21 Make ecstatically happy (5)
22 Gives a clue (5)
23 Stout-bodied amphibians (5)
24 Grin (5)

DOWN

1 Person undergoing training for the armed forces (5)
2 Probe (7)
3 Sloping diagonal line (\) (9)
4 Higher up (5)
5 Large northern sea duck (5)
7 Take back ownership (9)
11 Vehicle from another world (inits) (3)
13 Great bravery (7)
14 Direct (3)
16 Crevice (5)
17 Shopping mall (5)
19 Gangway (5)

LAST ISSUE'S SOLUTIONS

QUICK CROSSWORD



B	A	S	I	C	■	D	R	A	P	E		
A	■	T	■	H	■	■	U	P	O	N		
L	■	A	■	E	M	I	N	E	N	T		
B	O	M	B	S	■	■	N	■	I	■		
O	■	I	■	T	H	I	E	V	E	■		
A	C	N	E	■	A	■	L	A	S	S		
■	H	A	R	A	S	S	■	N	■	E		
■	O	■	R	■	■	A	R	I	E	S		
I	S	L	A	M	I	C	■	L	■	A		
T	E	E	N	■	■	K	■	L	■	M		
S	N	I	D	E	■	S	T	A	K	E		

KAKURO

4	6	5	9	■	2	9	3	8
1	3	2	8	■	1	3	2	4
■	5	1	■	8	7	6	5	9
7	9	■	7	9	6	■	1	7
2	8	9	4	6	3	1	■	■
1	7	8	3	■	9	7	8	3
■	■	7	5	1	4	3	6	2
2	9	■	9	4	8	■	3	1
3	5	4	1	2	■	9	7	■
1	8	6	2	■	2	8	9	7
6	7	9	8	■	1	6	4	2

SUDOKU

7	4	6	3	5	1	8	9	2
2	3	8	7	6	9	5	1	4
1	9	5	8	4	2	7	6	3
6	7	9	4	1	8	2	3	5
5	2	4	6	3	7	1	8	9
8	1	3	2	9	5	6	4	7
3	8	2	9	7	6	4	5	1
9	6	1	5	2	4	3	7	8
4	5	7	1	8	3	9	2	6

WORDWHEEL

The nine-letter word was **SPAGHETTI**

THE PUNTER

RACING TRADER

D'Orhy looks the Pic for Nicholls at Ascot

Bill Esdaile previews tomorrow's cards at Ascot and Haydock

ALL EYES will be on Ascot tomorrow as Defi Du Seuil and Un De Sceaux lock horns again in the Clarence House Chase (3.35pm) after last month's thrilling Tingle Creek at Sandown.

Only a neck separated the pair that day and there shouldn't be much between them again.

Every drop of rain that falls between now and tomorrow will only help Un De Sceaux and at the prices I'd rather side with the Irish raider at 13/8 than take odds-on about Defi Du Seuil.

However, the best bet on the Ascot card looks to be Paul Nicholls' **PIC D'ORHY** in the competitive Holloway's Hurdle (2.25pm).

This exciting French recruit made his debut for the Champion trainer in last year's Triumph Hurdle and fell on his only other start for the yard in a Grade One in France last November.

Paul Nicholls' Pic D'orhy should go well for Champion Trainer Paul Nicholls

The fact that his only two starts for the yard have been at the top-level suggest that he is held in the highest regard and he will find life a lot easier back in handicap company.

All his best form in France has been on bad ground so the conditions should be ideal and the 4/1 available with Ladbrokes should be snapped up.

For my only other bet, I'm switching to Haydock where old friend **VINTAGE CLOUDS** looks overpriced at 8/1 in the Peter Marsh Chase (2.40pm).

He has slipped down in the handicap to his last winning mark of 143 and the fact that Definitly Red has been declared means he will be carrying more than a stone less than he had when running at Haydock last month.

@BillEsdaile

POINTERS TOMORROW		
Pic D'orhy	2.25pm	Ascot
Vintage Clouds	2.40pm	Haydock

David Pipe on his runners across the country tomorrow

David Pipe

CONDITIONS ought to be ideal for **CHAMPERS ON ICE** in the Peter Marsh Chase at Haydock (2.40pm) tomorrow where he switches back from hurdles to fences.

He's been in great form over the smaller obstacles this season so far and we just thought it was worth sending him chasing again – that's what we bought him for originally.

The reality is, he wasn't that natural a jumper as a novice, but he has schooled better now and actually jumps his hurdles with more fluency now too.

I'm just hoping he can get himself into a good rhythm and be competitive despite the fact the handicapper has been a bit harsh by moving his chasing mark.

DAKLONDIKE did hold an entry alongside him at Haydock but will head to Taunton instead for the Portman Cup (2.50pm).

I've written about him plenty of times in this column and he remains a hugely talented horse who is just a bit of a monkey.

His jockey will certainly earn his riding fee and with conditions in his favour, hopefully he can go well. He seems in good order at home so we have done our bit and it's just up to him to do his!

Finally, a word on the City A.M. syndicate horse **COLLINGWOOD COURT.**

He's been schooling nicely at home and the plan is to find a race for him over hurdles at the end of the month.

That said, he does want the ground to dry out a little as he will be seen at his best on a sound surface.

I may also run **JACBEQUICK** at Taunton in the 2m 3f handicap hurdle (3.25pm), but he may just need his first run back after a break. **GOLDEN JEFFREY** could also have his first outing for us on the same card in the 2m handicap hurdle (1.40pm). We haven't had him for long so are still learning about him.

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SPORT

THE SAVIOURS

West Ham and Everton are taking different routes back, writes **Felix Keith**

WEST HAM and Everton meet tomorrow in the Premier League in similar positions. While five places and six points separate them in the table ahead of Saturday's fixture at the London Stadium there is plenty of common ground between the two sides.

The Hammers and the Toffees are the 18th and 19th richest clubs in the world respectively, according to Deloitte's latest Football Money League, despite neither currently enjoying the financial rewards of playing in the Champions League or Europa League.

They are both established top-flight sides steeped in tradition and boasting large fanbases who have endured sustained periods of perceived underachievement.

The most recent stage of those poor results came to a head in December, when West Ham manager Manuel Pellegrini and his Everton counterpart Marco Silva were both sacked.

That is where the comparisons end, however, because the following appointments have sent the two teams on different courses.

SAFE PAIR OF HANDS

With the threat of relegation looming large, West Ham, who had previously opted for the high-profile, high-expense option of Pellegrini, made a U-turn and called for David Moyes.

The man who had kept them from the drop just 19 months beforehand only to be deemed unworthy of a new deal was reinstated on an 18-month contract on 30 December.

Despite Moyes's best efforts in his first press conference – "I've got the biggest win-rate out of a certain number of managers. That's what I do: I win" – this was not a bold, progressive move. Instead it was one which bore the hallmarks of the West Ham hierarchy looking for a safe pair of hands to get them out of a mess.

Under Pellegrini the Hammers had gone soft. Their play lacked intensity. Players looked low on motivation as their poor run of form lengthened to two wins in 14 games across all competitions. The situation was drifting – and drifting towards the unthinkable of relegation.

So in came Moyes and although there has been a 4-0 league win over out-of-form Bournemouth and a 2-0 win against Gillingham in the FA Cup it is too early to judge how much of a difference he has made. Last weekend's 1-0 defeat by Sheffield United was most notable for the intricacies of the handball rule which denied Robert Snodgrass a late equaliser.

Since then one area of obvious weakness has been addressed, with Darren Randolph returning to the club for £4m from Middlesbrough this week to fill in for injured goalkeeper Lukasz Fabianski. Randolph hasn't played since November but, after passing a drawn-out medical, he should replace David Martin, who was at fault for the only goal last weekend.

Although a solid shot-stopper is important, there are other issues to resolve. More is needed from West Ham's three most expensive ever signings, Felipe Anderson, Pablo Fornals and Sebastien Haller. The future of Declan Rice, the perennial fitness issues of Jack Wilshere and finding a long-term right-back are other items on Moyes's to-do list.

ASPIRATIONAL APPOINTMENT

On the face of it Everton's hiring of Ancelotti, formerly of AC Milan, Real Madrid, Chelsea and Bayern Munich among others, was the antithesis of West Ham's move for Moyes: ambitious, aspirational, idealistic.

The Italian is not used to relegation battles. He has been brought in – at great expense – for what the Toffees' hierarchy hope is a push towards greater things.

While Everton are 11th and just four points adrift of the top six, their project demands more. The club announced record losses of £111.9m in their accounts for the 2018-19 season, largely due to the lavish investment in players who are not performing.

Everton have a squad which contains seasoned internationals, England's No1 goalkeeper, two former Barcelona players, a 2018 World Cup winner, a £50m Brazilian forward and a £45m playmaker. But so far owner Farhad Moshiri's millions are not having their desired effect.

Unlike West Ham, though, there is a feeling Ancelotti has the pieces in place to trigger improvement. Although Everton signed 17-year-old defender Jarrad Branthwaite from Carlisle United this week, the move isn't likely to be a sign of more to come in the so far quiet January transfer window.

Instead the new manager has been instructed to make the most of what he's got.

"The first team has to have a strong relationship with the academy," Ancelotti said last week. "We have to work together to improve the players from the youth system."

So while Everton may have the higher-profile manager, it is West Ham who have more cash at their disposal this month. They are two clubs of a similar stature, in a similar predicament, but implementing contrasting strategies.

Their success or failure will be judged over the coming months and years, but on Saturday we will see who comes out on top in the short term.

PREMIER LEAGUE

TEAM	PLD	PTS	GD
Liverpool	21	61	+36
Man City	22	47	+37
Leicester	22	45	+26
Chelsea	22	39	+10
Man Utd	22	34	+11
Sheff Utd	22	32	+3
Wolves	22	31	+3
Tottenham	22	30	+5
Crystal Palace	22	29	-4
Arsenal	22	28	-2
Everton	22	28	-7
Southampton	22	28	-12
Newcastle	22	26	-13
Brighton	22	24	-5
Burnley	22	24	-13
West Ham	21	22	-8
Watford	22	22	-14
Aston Villa	22	21	-15
Bournemouth	22	20	-15
Norwich	22	14	-23

Winger Rees-Zammit a hugely exciting prospect for Wales

SQUADS for the Six Nations started to be announced this week and the call-up of Louis Rees-Zammit for Wales has been the standout selection so far.

The Gloucester winger is riding a wave at the moment. He is in outstanding form for his club, having scored nine tries in 12 appearances this season, and looks like an unbelievable talent.

The 18-year-old's first international call-up is hugely exciting for him, but new Wales coach Wayne Pivac needs to make sure he is managed properly and allowed to develop.

He is understandably on cloud nine, but there are plenty of examples of promising youngsters not making the grade.

RUGBY COMMENT

Ollie Phillips

Mathew Tait is one. He was thrown straight into the lion's den by Andy Robinson, who gave him his England debut, aged 18, against Wales in 2005. Tait was hit by two big Gavin Henson tackles, didn't make an impact and was later dropped.

Rees-Zammit could have an opening in the Wales side, with first-choice wingers Josh Adams and George North being trialled at centre as possible replacements for the injured Jonathan Davies.

It's a time of change for Wales and, although they reached the Rugby World Cup semi-finals and won the Grand Slam last year, I don't see them challenging for the Six Nations title. Davies is a huge miss, Liam Williams hasn't played since the World Cup and Rhys Webb's reintegration after the fallout over his move to Toulon may take time.

SEXTON UNCERTAINTY

Like Pivac, new Ireland head coach Andy Farrell also announced his first squad this week. It is full of quality, but again there are question marks.

Johnny Sexton was named captain following Rory Best's retirement and although he is a world-class fly-half, he is 34 and currently struggling with a knee injury.

With Joey Carbery also injured, Ireland do have alternatives at No10 and I'd love to see Billy Burns given the opportunity. He is on fire for Ulster and would increase the side's attacking flair after a disappointing World Cup campaign.

The question for Ireland is whether Farrell can re-energise them after Joe Schmidt's brilliant spell in charge ended on a flat note.

There is one thing in Ireland's favour though. I think form in the Champions Cup is a good way of assessing the Six Nations and Leinster and Ulster have won nine of their 10 games between them so far.

However, by the same measure it is France who have reasons to be cheerful, with Clermont, Toulouse and Racing 92 all top of their pools. With Fabien Galthie and Shaun Edwards implementing a new structure I think the French can make an impact in the tournament.

NEW CHALLENGE

Finally, I'm delighted to have been appointed to lead the Wales Women Sevens programme. The talent is there and the goal of winning a medal at the 2022 Commonwealth Games is an exciting one.

Ollie Phillips is a former England Sevens captain and now a director within the real estate and construction team at PwC.

POPE POWER Surrey batsman helps turn tide in England's favour

Ben Stokes and Ollie Pope put on an unbeaten 76-run partnership to put England in a solid position after day one of the third Test against South Africa yesterday. The tourists will resume on 222-4 this morning in Port Elizabeth after Joe Root's side made a steady, if unspectacular start after winning the toss. Zak Crawley (44) and Dominic Sibley (36) put on 70 for the first wicket, but both openers were caught down the legside before Joe Denly (25) and Joe Root (27) fell to leave South Africa on top at 148-4. However, Stokes (38 not out) and Pope (39 not out) dug in on a slow pitch before Pope in particular (pictured) upped the scoring against the new ball to turn the tide in England's favour.

AUSTRALIAN OPEN WILL GO AHEAD DESPITE WILDFIRES

Australian Open organisers are confident that the tournament will run to schedule despite the ongoing threat of poor quality air caused by the bushfire crisis. Players have complained of difficulties breathing during qualifying in Melbourne this week. But tournament director Craig Tiley has defended the decision to go ahead with matches, saying experts were consulted over the threshold. "There is a lot of speculation about the Australian Open not happening, or starting later," he added. "The Australian Open is happening."

JAMES' FORM REWARDED WITH NEW CHELSEA DEAL

Chelsea defender Reece James has signed a new long-term contract with the club. The 20-year-old has been rewarded for his impressive form, penning a deal until the summer of 2025 with the Blues. The right-back spent last season on loan at Wigan but has benefitted from Frank Lampard's trust this season, making 18 appearances for Chelsea in all competitions. "It has been my dream to be here at Chelsea and play week in week out," said James. "To have a contract for another five-and-a-half years is living the dream again."

ROBERTS LEAVES BATH FOR SOUTH AFRICA'S STORMERS

Jamie Roberts has left Bath to join Super Rugby side Stormers in South Africa. The 33-year-old, who won the last of his 94 Wales caps in November 2017, has left the Premiership club halfway through his second season. Bath have signed Fiji centre Josh Matavesi from Newcastle Falcons to replace Roberts. Meanwhile, Scotland lock Richie Gray has agreed a deal to rejoin Glasgow Warriors at the start of next season. The 30-year-old will leave French club Toulouse and sign a two-year contract with his former club.

SPORT DIGEST

KONTA TO PLAY JABEUR AS EVANS FACES MCDONALD

Britain's Johanna Konta will play Tunisia's Ons Jabeur in the first round of the Australian Open next week. Konta is seeded 12th but has been struggling with a knee injury, which forced her to pull out of the Adelaide International as a precautionary measure. British No1 Dan Evans faces America's Mackenzie McDonald, while Cori Gauff plays Venus Williams in a rematch of the American teenager's breakthrough win at Wimbledon last summer. Defending champion Novak Djokovic is against Germany's Jan-Lennard Struff and Roger Federer plays American Steve Johnson.

KOEPKA PLEASED WITH SOLID ROUND ON RETURN

World No1 Brooks Koepka made a promising return to action at the Abu Dhabi Championship yesterday. Koepka, who has been out of action for three months after undergoing stem cell treatment on his left knee, will tee off for his second round today in joint third place after starting with a bogey-free round of 66. The 29-year-old American said his first start since October had left his knee "a little sore", but added: "It's good to be back. I missed the competition obviously and I played really solid."

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