CITY A.M.

BUSINESS WITH PERSONALITY

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BOEING HIT BY FIRST LOSS IN 22 YEARS

AVIATION GIANT GOES INTO THE RED FOR THE FIRST TIME IN MORE THAN TWO DECADES AS 737 MAX FIASCO HITS PROFIT

ALEX DANIEL

@alexmdaniel

AEROSPACE giant Boeing swung to its first loss in 20 years yesterday, admitting the grounding of its 737 Max plane could end up costing $18.6bn (£14.3bn), more than double its previous estimate.

The crisis-stricken plane maker, an icon for American industry for the last 103 years, haemorrhaged $1.98bn in 2019, it said yesterday, marking the most calamitous period in its history. This was down on a mammoth $10.5bn profit the year before.

It comes as Boeing still struggles to get the 737 Max certified as safe to fly, after the second of two deadly crashes involving the jet which killed 346 people. Aviation regulators the world over responded by banning it from their airspace.

The crashes were caused by a faulty anti-stall system fitted on the plane, designed to make the Max perform in a similar way to early incarnations of the 737, thereby reducing the need for expensive pilot training.

Boeing was unable to provide any further clarity on when the jet might return to the skies yesterday. Beleaguered investors made a loss per share of $1.12 for the year, a staggering drop of 94 per cent from last year's $17.90 earning per share.

Shares rose 3.11 per cent to $325.02 yesterday, as new chief executive David Calhoun admitted the company still has "a lot of work to do".

He said: "We are focused on returning the 737 Max to service safely and restoring the long-standing trust that the Boeing brand represents with the flying public.

"Safety will underwrite every decision, every action and every step we take as we move forward."

One reason the crisis has been so expensive is that the company carried on building the $120m jets at a rate of more than 40 a month until January.

Jeremy Bragg, aerospace analyst at Redburn, said that while Calhoun "clearly wants to 'kitchen-sink' the numbers, there is still considerable uncertainty as to when 737 Max returns to service, and how quickly Boeing can ramp up production again".

The result caps off a miserable first month of 2020, in which it emerged former boss Dennis Muilenburg was ousted with stock and pension awards worth more than $60m.

Days before that, emails were passed on to US investigators, which showed Boeing executives' mocking their safety regulator, the Federal Aviation Administration (FAA).

They also said the 737 Max had been "designed by clowns".

Those messages shocked aviation watchers, given the fact that Boeing had originally been allowed to certify the Max as safe to fly without the FAA's blessing.

Shares slide as Facebook growth slows

EMILY NICOLLE

@emilyjnicolle

FACEBOOK's share price fell almost eight per cent in extended trading late last night, after the firm disappointed investors with continued slowing growth.

The social media giant reported sales growth of 24.7 per cent to $21.1bn (£16.2bn), edging past analyst forecasts of $20.9bn and marking the fourth straight quarter of growth under 30 per cent.

It also nudged up profit, posting earnings per share of $2.56 compared to estimates of $2.53. Total costs surged 34 per cent to $12.22bn, dragging down operating margins.

Across its family of apps — which includes Messenger, Whatsapp and Instagram as well as Facebook — the firm said it had more than 2.89bn monthly users, compared to 2.80bn a quarter earlier.

The firm also announced a $10bn share repurchase programme in the results.

It followed a year that included a number of regulatory challenges for Facebook, including over the launch of its proposed digital currency programme Libra.

The firm added that it had reached a $550m settlement in principle related to a lawsuit that claimed it illegally collected and stored biometric data for millions of users without their consent.

Politicians slam House of Fraser for continuing Presidents Club clothing range

EXCLUSIVE

POPPY WOOD AND ANNA MENIN

@poppyeh @annafmenin

POLITICIANS, businesswomen and equality campaigners have called on House of Fraser to stop selling a clothing line appearing to reference the Presidents Club dinner where businessmen allegedly groped hostesses.

The Presidents Club annual charity dinner was plunged into scandal in 2018 after details emerged of attendees' behaviour and revealing dresses hostesses were told to wear. The charity shut down shortly afterwards.

Earlier this week, it came to light that a clothing range emblazoned with a Presidents Club logo, which includes tight-fitting dresses and men's leisurewear, was on sale at multiple retailers.

The stockists include House of Fraser and USC, both owned by high street tycoon Mike Ashley, and Footasylum, which is owned by JD Sports' parent company.

According to web caches, the range also appears to have been stocked by Sports Direct, another retailer Ashley owns, as recently as a few days ago.

"It is beyond belief that anybody would want to use the name of a dinner that degraded and objectified women to sell a clothing label. I call on House of Fraser and all the other stores stocking this range to think again and take this brand off the shelves," Rachel Reeves MP, chair of the business select committee, told *City A.M.*

Sam Smethers, chief executive of the Fawcett Society, said the brand was "openly trading off the back of one of the most appalling examples in recent years of the sexual exploitation of women. House of Fraser should discontinue selling these products now."

Ashley declined to comment.

FTSE 100 ▲ 7,483.57 +2.88 FTSE 250 ▲ 21,468.99 +35.93 DOW ▲ 28,734.45 +11.60 NASDAQ ▲ 9,275.16 +5.48 £/$ ▲ 1.301 +0.002 £/€ ▲ 1.182 +0.002 €/$ ▼ 1.100 -0.001

CITY A.M.

THE CITY VIEW

City will be caught up in the Brexit fish fight

LAST night, the European Parliament ratified the UK's withdrawal agreement. After years of torturous wrangling following the Brexit referendum, MEPs delivered the final moment of theatre — complete with a rather touching rendition of Auld Lang Syne. Though the general message was one of friendship and enduring bonds, nobody should be in any doubt that a hard road lies ahead — for everyone. The UK will cease to be a member of the European Union at 11pm tomorrow night. That's midnight, Brussels time. When the sun rises on Saturday morning, what will have changed? In short: everything — and nothing. The result of the 2016 referendum will have been delivered, but the transition period included in the withdrawal agreement will keep relations at a stand-still until the end of this year. And what a year it's set to be. Boris Johnson has set an ambitious timetable for the completion of a trade deal and has vowed not to extend the transition period. EU leaders have politely scoffed at the idea of getting everything wrapped up by Christmas, but there is talk of a bare-bones trade agreement being put in place, which would be followed by further negotiations. With talks due to kick off in March, each side is preparing its teams and drawing up red lines. One of the first great clashes will be over fishing, where the EU is set to demand continued access to British waters and quota shares. Ireland's Leo Varadkar has made it clear that this issue will be linked directly to financial services. Who'd have thought it? Fish for finance. It may seem like a sensible swap, given that the fishing industry is an economic minnow whereas one in 60 people employed in the UK work in the City of London. Across the country, more than 1m people work in financial services, a sector which generates more than ten percent of the total UK tax take. But Johnson has vowed to "take back control" of our waters, and — in contrast — he has said very little about how he intends to safeguard the City. It's no surprise, therefore, that the City has moved to safeguard itself. Preparations for a no-deal exit were drafted during the turbulent years of Theresa May and, for the most part, implemented last year. Money has moved, as have people. Meanwhile, more than 1,000 EU-based firms have applied for a licence to operate in the City should no formal arrangements be in place by the end of the transition period. Ministers appear to consider the City big enough to look after itself. To some extent, they're right, but that doesn't mean that things aren't about to get bumpy. The City's fundamentals remain strong but it will need to keep its wits about it in the coming months, because Brexit is just getting started.

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PANDA EYES Berlin's furriest residents play up for the cameras ahead of going on show to the public for the first time tomorrow

TWIN cubs Pit and Paule have been living in a €10m (£8.5m) enclosure in Berlin Zoo since being born in captivity in August last year, the first born in Germany. In the wild, pandas raise one child at a time — scientists and staff at the zoo have been "cycling" the cubs' time with their mother Meng Meng. There are believed to be fewer than 2,000 pandas remaining in the wild.

BA suspends all flights to China

ANGHARAD CARRICK

@angharadcarrick

BRITISH Airways yesterday announced it was halting flights to mainland China for the all next two days in an attempt to curb the spread of the coronavirus.

Direct flights between London and Beijing and Shanghai have been suspended until 31 January.

It follows the Foreign Office's advice to avoid "all but essential travel" to China following the rapid spread of infection of the Sars variation.

"We have suspended all flights to and from mainland China with immediate effect following advice from the Foreign Office against all but essential travel," a British Airways spokesperson said. "We apologise to customers for the inconvenience, but the safety of our customers and crew is always our priority."

Virgin Atlantic has told passengers with flights booked to, through or from China that they cannot complete their journeys and Lufthansa yesterday announced it would suspend all flights to mainland China until 9 February yesterday.

Germany and France are the only European country to report cases so far. Almost 100 people in the UK have been tested for the virus, but all have returned negative results.

The first flight carrying British nationals out of Wuhan, the epicentre of the outbreak, was expected to depart this morning but PA reported late last night that it had been delayed.

The 200 individuals will be put into a two-week quarantine once they arrive on British shores, and could be housed in military barracks.

Coronavirus has now claimed 132 lives while the number of cases in China is nearing 6,000.

Wizz Air takes flight as firm ups guidance

JAMES BOOTH

@jamesdbooth1

EUROPEAN budget airline Wizz Air yesterday increased its profit guidance for its financial year to between €350m (£296m) and €355m on strong third-quarter results.

The carrier said yesterday that passenger numbers grew 23.2 per cent in the three months to 31 December compared to the same quarter the previous year.

Net profit for the period was €21.4m compared to a loss of €21m in the same period last year.

Revenue rose 24.6 per cent to €637.3m, up from €511.3m last year.

Wizz Air chief executive Jozsef Varadi said: "Wizz Air again reports a record financial performance in the third quarter as our low-fare, low-cost business model delivered a net profit of €21.4m compared to a breakeven operational outcome in the same period last year."

WHAT THE OTHER PAPERS SAY THIS MORNING

FINANCIAL TIMES

SPORTS DIRECT BATTLES ORDER TO GIVE DOCUMENTS

Sports Direct is battling to prevent "private" documents it provided to its accountants being handed over to regulators, in a court case that is being closely watched by the audit profession. The retailer, which is majority owned by billionaire Mike Ashley, argued in a Court of Appeal hearing yesterday that it had a "fundamental right" to keep private legal documents it gave to Grant Thornton and Deloitte in the course of their work for the company.

RETAIL PROPERTY GROUP INTU SUFFERS DEBT BLOW

Shopping centre Intu, which has almost £5bn of net debt, faces a new setback after plunging value of one of its flagship properties triggered a covenant in its largest bond. It is in talks of raising £1bn of equity to bolster its finances.

THE TIMES

GRENFELL FIRMS SEEK IMMUNITY FROM CHARGES

Key witnesses at the Grenfell Tower fire inquiry will refuse to answer questions about their roles in the tragedy unless they are guaranteed exemption from prosecution. Witnesses have asked to make an application to the attorney general to allow them to claim privilege against self-incrimination.

AUSTRALIA TO QUARANTINE EVACUEES ON ISLAND

Australians trapped in the epicentre of the coronavirus outbreak in China will be evacuated and forced to spend two weeks in quarantine on the remote Christmas Island. More than 600 Australians are marooned there.

THE DAILY TELEGRAPH

ERIC SCHMIDT: PENTAGON SHOULD STUNT HUAWEI

Eric Schmidt, one of Silicon Valley's most prominent billionaires and former Google chairman, has called on the US military to give private companies access to radio frequencies currently reserved for security operations in a bid to push back against the growing dominance of Huawei.

M&G EXTENDS TEMPORARY SHUT OF PROPERTY FUND

Investment company M&G has extended the suspension of its £2.4bn property fund to halt a rush for the exits by disgruntled investors. The FTSE 100 company blocked investors from withdrawing cash in early December.

THE WALL STREET JOURNAL

VICTORIA SECRET FOUNDER IN TALKS TO STEP DOWN

Leslie Wexner, the billionaire behind Victoria's Secret, is in discussions to step aside as chief executive officer of his retail empire and is exploring strategic alternatives for the lingerie brand, according to people familiar with the matter.

GENERAL ELECTRIC POSTS STRONG CASH FLOW

General Electric reported strong cash flow of $3.9bn (£3bn) from its industrial operations and gave an upbeat outlook yesterday, as the conglomerate reverses losses in its power business and continues to draw support from its jet-engine division.

Tech darling hit by raft of toxic culture charges

EXCLUSIVE
EMILY NICOLLE
@emilyjnicolle

ONE OF London's most talked about startups has been hit by claims of a toxic workplace culture and dysfunctional management.

Freetrade, which offers users the ability to buy and sell UK and US stocks without paying commission, has been accused of creating a "culture of fear" among its employees in order to reach unachievable targets.

Multiple former employees told *City A.M.* senior leadership at the firm frequently threatened to fire employees without prior warning and appeared to use "fear as a tactic to get people to work harder".

Sources also accused the company's leadership of "bullying" staff and firing them if they questioned any decisions. Former staff report being openly criticised if they voiced concerns.

One former employee said that between the ends of 2018 and 2019, the firm suffered a staff turnover rate of as much as 50 per cent, with one person either quitting or being fired by leadership almost every week.

Chief executive Adam Dodds told *City A.M.* the startup's culture was "not for everyone", but added: "We didn't do the best job of making sure we were hiring for our values."

He denied any accusation of bullying. "We do not bully staff. We are seeking high standards and encourage candour from our team," he added.

Meanwhile on numerous occasions, senior leadership were described as using scare tactics to coerce employees to work longer hours and on weekends.

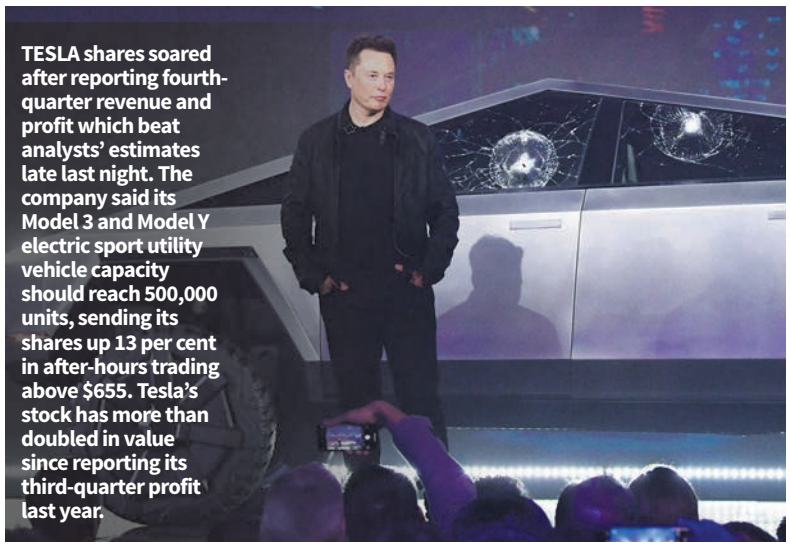
"It was pretty known throughout the entire company that if you are not living and breathing Freetrade, working 24/7, that you are against the company's success," the person added.

"All of them made comments saying what they're trying to do is use fear [of losing your job]... to get people to work harder. There were very few times that people got any recognition for the good work they were doing, it was always: 'you should be producing higher results'."

Last year the entire design team for Freetrade either quit or were fired after disagreements with leadership, in an incident which one former employee described as being "out of the blue". Its former chief technology officer Andre Mohamed also departed last year.

Dodds added: "I do not believe there is a toxic work culture at Freetrade. It is true that attrition has been higher than we strive for."

A PLEASANT MUSK Tesla beats forecasts



TESLA shares soared after reporting fourth-quarter revenue and profit which beat analysts' estimates late last night. The company said its Model 3 and Model Y electric sport utility vehicle capacity should reach 500,000 units, sending its shares up 13 per cent in after-hours trading above $655. Tesla's stock has more than doubled in value since reporting its third-quarter profit last year.

IN BRIEF

JAVID SET TO SUPPORT £88BN HS2 RAILWAY SCHEME

Chancellor Sajid Javid is expected to throw his weight behind the proposed £88bn High Speed 2 rail scheme today. The Prime Minister, chancellor and transport secretary Grant Shapps will meet to discuss the future of HS2. Javid has looked over the Treasury's analysis of the project and will argue that the rail scheme remains essential part of the government's mission to boost the midlands and north of England, according to the Financial Times. The PM has a long record of supporting big national infrastructure projects and fears the political consequences of cancelling HS2. A decision on whether to go ahead with the scheme is expected to be made soon, but Javid's intervention makes it more likely.

LONDON OPTIMISM LEAPS AFTER GENERAL ELECTION

Business confidence in London jumped during January as the decisive General Election result helped boost the morale of firms in the capital, figures released today showed. The business confidence of London companies leapt 22 points to 38 per cent in January, reaching the highest level of any region, according to the latest Business Barometer from Lloyds Bank. Companies in the capital reported higher confidence in their business prospects (39 per cent) and increased economic optimism (37 per cent) during the first month of the new decade. Around 23 per cent of London firms expect to hire more staff over the next year, up four points compared to December's reading. Overall UK business confidence rose 13 points to 23 per cent.

Pompeo calls on UK to reconsider Huawei access during London visit

ANGHARAD CARRICK
@angharadcarrick

THE US secretary of state Mike Pompeo called for the UK to "relook" at the decision to allow Huawei to have a role in its 5G infrastructure ahead of a meeting with foreign secretary Dominic Raab last night.

Pompeo told reporters: "We will make sure that when American information passes across a network we are confident that that network is a trusted one. Our view of Huawei is: putting it in your system creates real risk," he said.

Raab and his US counterpart did not speak about Huawei as part of their discussions last night.

An FCO spokesperson said: "The foreign secretary reiterated his disappointment at the US decision to reject the extradition request for Anne Sacoolas and emphasised the importance of delivering justice for Harry Dunn and his family."

Washington last week rejected the UK's request for the extradition of Sacoolas, an American diplomat's wife suspected of causing Dunn's death by dangerous driving.

The pair also discussed US President Donald Trump's Middle East peace plan. The foreign secretary "underlined the need to de-escalate regional tensions".

Each year your airtime tariff will be adjusted on your April bill by the RPI rate of inflation announced in the preceding Feb. See o2.co.uk/prices. Get 100GB for £12.50 for 3 months. After price will be £25 a month. 18 month minimum term sim only tariff purchased direct from O2. Unused mins, text and data allowances must be used within the month and cannot be carried over. Standard calls, texts and data in the UK and when roaming in our Europe Zone. Excludes premium-rate and service numbers. Special and out of bundle numbers chargeable. Phone not included. Subject to status, availability and payment by Direct Debit. Terms and fair usage policy apply, see o2.co.uk/terms

Government to bring Northern under DfT rule

ALEX DANIEL

@alexmdaniel

NORTHERN Rail yesterday announced it is set to be nationalised, five years before the franchise was set to end, after months of delays, cancellations and poor financial performance.

Transport secretary Grant Shapps will terminate the existing franchise for Northern and install the state's Operator of Last Resort on 1 March as filings for a new state-run replacement — Northern Trains — emerged on Companies House yesterday.

Transport Secretary Grant Shapps pledged to clean all Northern trains

Shapps said: "This is a new beginning for Northern, but it is only a beginning.

"Northern's network is huge and complex and some of the things which are wrong are not going to be quick or easy to put right.

"But I am determined that Northern passengers see real and tangible improvements across the network as soon as possible."

Earlier this month, Shapps said the franchise was on course for a full-scale financial collapse within months. As a result, he will strip operator Arriva of the contract. Arriva, which is part of Germany's state-run transport giant Deutsche Bahn, won the nine-year contract in 2016. It is thought to have poured about £300m into trying to improve the franchise.

But Northern Rail has been plagued by delays, cancellations and strikes.

Just 82 per cent of trains currently arrive on time, down from 91 per cent two years ago.

Amazon and Deliveroo have hit back at the watchdog's investigation into their deal

Regulator inquiry into Amazon and Deliveroo comes under fire

ANGHARAD CARRICK

@angharadcarrick

AMAZON and Deliveroo have hit back at the Competition and Markets Authority (CMA), calling its investigation flawed.

They have complained that the CMA has failed to "produce any credible evidence of existing competition between Amazon and Deliveroo". The first phase of the CMA's investigation found that Amazon's investment may give it the ability to "exercise material influence over Deliveroo".

In its initial submission yesterday both parties said: "There is simply no evidence that Amazon would be able to do this." The two firms have also accused the CMA of failing to understand their business models.

BBC TO CUT 450 JOBS IN NEWS The state broadcaster has announced plans to streamline operations and take the axe to programmes including The Victoria Derbyshire show. The cuts were announced at a frosty all-staff meeting yesterday afternoon. The World Service will also be affected.

Derbyshire reportedly asked BBC head of news Fran Unsworth if they had been "lied to" over her show's objectives

IN BRIEF

UK AD SPEND GROWS AS TV STREAMING PULLS IN BRANDS

Fanatical film and TV fans helped drive up UK advertising spend in the third quarter, as the video on-demand and cinema sectors continued their recent run of good form. Brands splashed out £5.97bn over the period, up 5.6 per cent year on year but down marginally on the second quarter. The figures, which mark the 25th consecutive quarter of growth, showed that online advertising once again drove overall growth, with increases across every format. But broadcaster video on-demand services such as All 4 and ITV Hub were among the biggest risers, with ad spend growing almost 17 per cent. A slate of blockbuster titles also prompted a 46.5 per cent growth in cinema ad spend, though this remains the smallest sector in actual terms.

SAUDI TELECOM FIRM TO BUY VODAFONE EGYPT FOR $2.4BN

Saudi Telecom Company (STC) is set to buy a majority stake in Vodafone's Egyptian arm for $2.39bn (£1.84bn) after the two firms signed an initial agreement yesterday. STC, which is mainly owned by Saudi Arabia's sovereign wealth fund, and Vodafone said the two firms expect to complete the deal by the end of June 2020, should regulators approve. The Saudi company will gain access to the Vodafone brand, preferential roaming arrangements and Vodafone's central procurement function, the two companies said in a statement. STC also operates in Kuwait, Bahrain and Malaysia. Nick Read, chief of Vodafone, said: "I am deeply proud of our business in Egypt, being the clear number one leader in the market. Under STC, I believe they will continue to flourish."

LLOYDS BANK ANNOUNCES 56 BRANCH CLOSURES THIS YEAR

Lloyds Banking Group yesterday announced it will close 31 Lloyds, 10 Halifax and 15 Bank of Scotland branches between April and October of this year. Financial services union Accord said: "The overall level of staff reductions expected as a result of the closures is under 80 (full-time equivalent) as many of the staff are expected to be redeployed into other branches." A Lloyds Banking Group spokesperson said: "We have confirmed that a number of branches will close between April and October this year. This is in response to changing customer behaviours and the reduced number of transactions being made in branches." In London, Lloyds will shut branches in Stoke Newington, Belvedere and Blackheath.

SOLID AS A ROCK De Beers posts bright diamond sales as 2020 looks set to dazzle

DE BEERS, the diamond mining arm of Anglo American, recorded its highest sales of the gems since April last year in signs that the global market is beginning to recover from a nightmare 2019. The firm sold $545m (£418.7m) in rough diamonds in its first cycle of 2020.

Conservatives to challenge Liberal Democrats on campaign spending

EXCLUSIVE
CATHERINE NEILAN
@CatNeilan

LOCAL Conservative party associations are preparing to challenge the Liberal Democrats on the party's local spending during December's General Election, with the hope of overturning at least one result.

A case is being readied to challenge St Albans, where pro-Leave Conservative Ann Main lost to Daisy Cooper, according to sources close to the matter.

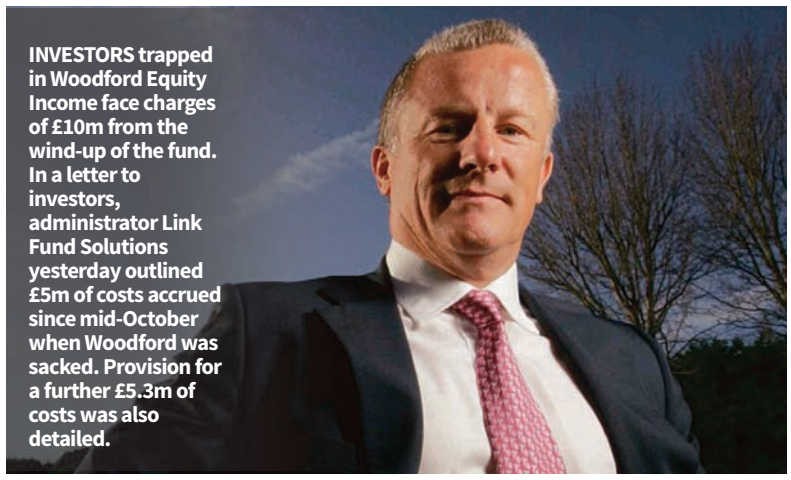
A number of Tories in parts of London and the south-west have also said they are also toying with challenging the result, with meetings taking place both in Westminster and in local seats to discuss the issue.

Multiple Conservative MPs and their campaign agents have told *City A.M.* of unusually high levels of Lib Dem leaflets going out to constituents during last year's campaign. There are instances where individuals have reported receiving nearly 30 pieces of literature.

"I can't come up with a way that you can do that [within the rules]," one party agent told *City A.M.* "We probably put out about a fifth of the literature they did and we are close enough to limit that I would not want to go much beyond."

Under Electoral Commission rules notional spending must be declared as an election expense in the candidate's return even if it has not been authorised by the candidate.

FROM BAD TO WORSE Woodford Income Fund investors to incur £10m in extra costs



INVESTORS trapped in Woodford Equity Income face charges of £10m from the wind-up of the fund. In a letter to investors, administrator Link Fund Solutions yesterday outlined £5m of costs accrued since mid-October when Woodford was sacked. Provision for a further £5.3m of costs was also detailed.

One-off charges dent Santander profit for 2019

HARRY ROBERTSON
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SPAIN'S biggest bank Santander suffered a 12 per cent fall in profit in 2019 as the lender was hit by goodwill and restructuring costs and low interest rates.

It pulled in record annual revenue, however, supported by solid expansion in the Americas, its yearly results showed yesterday.

Profit at the lender fell 11.7 per cent in 2019 as a whole, with Santander bringing home €12.54bn (£10.6bn) compared to €14.2bn a year earlier.

A large chunk of this fall in profit was attributable to a hefty goodwill impairment Santander took on its UK business in the third quarter.

With such one-time charges stripped away, Santander's underlying profit rose two per cent last year to €8.25bn.

Shares in Santander rose 0.9 per cent yesterday on the London Stock Exchange to stand at 313p.

To cope with the ultra-low interest rates of the Eurozone, Santander has focused on growth in the Americas. Underlying profit jumped 18 per cent in South America in 2019, with Brazil contributing 28 per cent to the lender's total underlying profit.

The lender's chairman Ana Botin said: "Our South American business continued to generate healthy growth; we maintained strong momentum in North America, with the US delivering among the fastest growing underlying profit of all markets."

Underlying profit in Europe, meanwhile, fell three per cent. This was largely driven by a 16 per cent drop in the UK as tough competition squeezed Santander. Botin said that the bank was "well on track to achieve our medium-term goals".

Stubhub's resale platform offers tickets to concerts and sports events

Regulator issues Stubhub legal threat over 'misleading' sales

JAMES WARRINGTON
@j_a_warrington

STUBHUB faces legal action from the competition regulator over claims the ticket reseller misled customers.

The Competition and Markets Authority has launched a wider crackdown on the secondary ticket market amid concerns many websites are a hotbed for ticket touts.

But the regulator said it was concerned that Stubhub was not complying with its previous commitments and highlighted new issues, including using misleading messages about ticket availability.

The site has also been accused of failing to warn people that tickets may not get them into an event and failing to ensure people know exactly where they will sit in a venue.

IN BRIEF

SHARES IN AVAST DROP IN ROW OVER DATA SALE

Shares in Avast fell as much as 9.5 per cent yesterday after it emerged the cybersecurity firm had been selling its user data to firms such as IBM and Microsoft. The antivirus software manufacturer tracked users' clicks and collected data on their searches. It then passed the information to marketing subsidiary Jumpshot, which sold it on for millions of dollars, according to PC Mag and Motherboard. The Prague-based cyber firm did not deny the allegations, but said Jumpshot did not acquire personal information.

MPS ELECT NEW SELECT COMMITTEE CHAIRS

Former health secretary Jeremy Hunt has been elected as the chair of the health select committee. A secret ballot of MPs elected fifteen new chairs yesterday. Tom Tugendhat retained his role as head of the foreign affairs select committee, and fellow Conservative MP Tobias Ellwood will chair the defence committee. Julian Knight will replace former chair Damian Collins on the culture committee, and former cabinet ministers Greg Clark and Karen Bradley will head the science and procedure committees respectively. The chairs of 13 committees, including education and home affairs, have already been named as the candidates ran uncontested. Committee chairs are elected by MPs at the start of each parliament.

Javid and Johnson order 'radical' plans to cut department budgets

ANGHARAD CARRICK
@angharadcarrick

SAJID Javid and Boris Johnson have ordered all cabinet ministers to draw up cuts to their budgets of up to five per cent.

Despite promising to end austerity, the chancellor has called on departments to come up with options to deliver more cash.

Each cabinet minister has been asked to come up with "radical" options, which include axing older projects that are deemed ineffective.

In a memo seen by the Sun, Javid wrote: "We have been elected with a clear fiscal mandate to keep control of day to day spending. This means there will need to be savings made across government to free up money to invest in our priorities."

The savings will be used to invest in Prime Minister's current domestic priorities — the NHS, crime and "levelling up".

Day-to-day spending will need to be financed from savings made across departments in order to keep with the fiscal rules outlined in the party's election manifesto.

Protected departments including health and the Ministry of Defence will not be exempt from these plans that will force ministers to meticulously audit their accounts.

Javid and Johnson want ministers to identify 10 programmes to be ditched, ahead of the Comprehensive Spending Review in the autumn.

It is likely that a number of legacy projects from the coalition and Theresa May's administration will come under review.

Earlier this month the Prime Minister told cabinet ministers to root out waste, even if it means "slaughtering sacred cows".

A spokesperson for the Prime Minister also said the upcoming Budget was "a time to take tough decisions in order to prepare the economy for the next decade".

Cabinet ministers have been asked to submit their savings by 2 March, just a week before the 11 March Budget.

Treasury sources told *City A.M.* that the issue had been discussed in a cabinet several weeks ago and it is intended to make space for spending commitments within the fiscal rules.

UK's car output slides for third successive year

ANGHARAD CARRICK

@angharadcarrick

BRITISH car production is down for the third consecutive year as weakened consumer and business confidence put the brakes on the industry.

Manufacturing fell 14.2 per cent last year to 1.3m units, according to the Society of Motor Manufacturers and Traders (SMMT), with a 6.7 per cent fall in December.

The trade association said output had hit its lowest point since 2010. It blamed weakened consumer and business confidence, as well as slow demand overseas and a shift away from diesel across Europe.

Mike Hawes, chief executive of SMMT said: "The fall of UK car manufacturing to its lowest level in almost a decade is of grave concern. Every country in the world wants a successful automotive sector as it is a driver of trade, productivity and jobs."

Exports took a hit, falling 14.7 per cent, but overseas orders continued to account for more than eight in 10 cars built, totalling 1m units.

Shipments to the European Union fell 11.1 per cent but the SMMT said the bloc "remains the sector's most important market". To mitigate this decline, SMMT calls for an "ambitious UK-EU free trade deal that drives competitiveness, growth and prosperity."

Earlier this month Hawes told chancellor Sajid Javid that the industry's "priority" is to stay closely integrated.

SMMT welcomed the £1bn investment in the industry last year but noted it was from one company looking to expand electric vehicle production in the West Midlands. The investment tally for last year was 60 per cent lower than the average £2.75bn over the past seven years.

SMMT said: "It's clear that more must be done to encourage overseas investors to follow suit."

The figures follow a two per cent slump in British car sales in 2019.

The digital payments firm blamed the drop in a recent acquisition spree

Paypal shares sink as full-year forecast stoops below estimates

POPPY WOOD

@poppyeh

PAYPAL shares shed four per cent yesterday as full-year adjusted profit forecasts fell below analysts' expectations.

The online payments firm said it expects 2020 profit in the range of $3.39 per share and $3.46 per share, below expectations of $3.49.

Paypal attributed for the forecast adjustment on hefty investment to tackle competition in a crowded digital payments landscape. Last year it purchased shopping and rewards platform Honey for $4bn (£3.07bn), marking its largest ever acquisition.

Total operating expenses surged nearly 15 per cent to $4.16bn.

Pendragon set for poor 2020 profit numbers

JAMES BOOTH

@Jamesdbooth1

0.69%

CAR DEALERSHIP

Pendragon yesterday said it expects its profit to be at the lower end of expectations for its full financial year.

The company, which has had two chief executives depart in the last year, has been hit hard by sluggish UK car demand.

Pendragon is expected to post an underlying pre-tax loss when it announces its results for the year to 31 December on 18 March.

Pendragon said its performance had "improved significantly" during the second half of the financial year.

It said this improvement came "despite challenging market conditions and weakened consumer demand in the run up to the General Election in the UK."

"The board remains confident that the improvement in performance during the second-half puts the business on a much stronger footing as we enter 2020."

In June, chief executive Mark Herbert resigned just three months after he was appointed.

Shares rose 0.7 per cent to 11.4p.

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Customer Deposit	£6,018.00
Total Amount of Credit	£26,012.00
Purchase Fee (included in optional final payment)	£10.00
48 Monthly Payments	£299.00
Optional Final Payment	£14,878.00
Total Amount Payable (Including FDA)	£36,748.00
Duration of Agreement	49 months
Representative APR	3.9% APR
Interest Rate (Fixed)	3.82%

††Model pictured E-PACE R-Dynamic S D180 AWD Auto includes optional Caldera Red Metallic paint £320, 21" 'Style 5053 Wheels' £2,170, Black Pack £360, Dynamic Handling Pack £310 and Adaptive Dynamics £820 at an On the Road Price of £42,330.

Official WLTP Fuel Consumption for the E-PACE 20MY range in mpg (l/100km): Combined 26.2 - 42.7 (10.8 – 6.6). NEDCeq CO_2 Emissions 203-143 g/km. The figures provided are as a result of official manufacturer's tests in accordance with EU legislation. For comparison purposes only. Real world figures may differ. CO_2 and fuel economy figures may vary according to factors such as driving styles, environmental conditions, load and accessories.

†Important Information. 3.9% APR Representative available on new Jaguar E-PACE 20MY models registered between 1st January and 31st March 2020 at participating Retailers only. With Jaguar Personal Contract Purchase you have the option after you have paid all of the regular monthly payments to: (1) Return vehicle and not pay the Optional Final Payment. In this example if the vehicle has exceeded 40,833 miles, a charge of 16.8p (including VAT at 20%) will apply per excess mile. If the vehicle is in good condition (fair wear and tear accepted) and has not exceeded 40,833 miles you will have nothing further to pay; (2) pay the Optional Final Payment to own the vehicle or (3) part exchange the vehicle subject to settlement of your existing credit agreement; new credit agreements are subject to status. Representative Example is based upon an annual mileage of 10,000 miles. Credit is subject to status and is only available to UK residents aged 18 and over. This credit offer is only available through Black Horse Limited trading as Jaguar Financial Services, St William House, Tresillian Terrace, Cardiff CF10 5BH. We can introduce you to Jaguar Financial Services to provide funding for your vehicle. We may receive commission or other benefits for introducing you to the lender.

London retail property market misses out on sector's 'Boris bounce'

JESS CLARK

@jclarkjourno

LONDON's retail property market has continued to struggle, despite a bounce in the wider commercial real estate sector driven by the General Election result.

Occupier demand in the retail sector fell in the fourth quarter of last year, according to research published today that found 70 per cent of chartered surveyors in the capital had seen a fall rather than a rise in demand.

However demand for space in the industrial sector has jumped and office space has remained steady.

Rental expectations for retail space in the capital remain low, as 64 per cent of respondents to a survey conducted by the Royal Institution of Chartered Surveyors said they were anticipating a fall in prices.

Meanwhile, 65 per cent of respondents said there had been an increase in inducements on offer to tempt prospective retail tenants — the highest recording since 2009.

Research showed that 55 per cent of participants in the survey reported a drop in retail investment enquiries during the quarter.

However, overseas investment enquiries in central London offices and industrial space rose to the highest reading since December 2017.

Rics economist Tarrant Parsons said: "Expectations appear to have strengthened in the office and industrial sectors following the decisive outcome of the General Election... That said, this improved sentiment has not found its way into the retail sector, where the outlook remains just as downbeat as before."

House prices climbed 1.9 per cent in January compared to the same period in 2019

House prices rise after election

JOE CURTIS

@joe_r_curtis

UK HOUSE prices grew at their fastest rate in over a year at the start of 2020, according to Nationwide, as experts hailed Boris Johnson's election victory.

Nationwide data showed that the housing market posted a 1.9 per cent annual rise in January, beating December's 1.4 per cent climb. That followed 12 months of consecutive growth below the one per cent mark.

"Sparks were flying after the election but this month the housing market has ignited, with the so-called Boris bounce providing the match," Lucy Pendleton, founder of James Pendleton estate agents, said. "[The] election victory has retrieved the spanner from the works."

Quilter claws its way back to net inflows for 2019

ANNA MENIN

@annafmenin

8.88%

WEALTH manager Quilter said it returned to net inflows by the end of 2019, reversing three consecutive quarters of outflows, but overall flows still lagged behind the previous year.

Quilter, which was spun out from Old Mutual in June 2018, said flows remained "subdued" in the fourth quarter of 2019 amid adviser nerves about the long-awaited re-platforming of its Old Mutual adviser platform.

In a trading update yesterday, Quilter confirmed that the initial re-platforming would take place over the weekend of 22 and 23 February.

The company confirmed the imminent switchover had hampered net client cash inflows.

Shares in the wealth management firm were up 8.8 per cent to 174.7p on the trading update yesterday.

Federal Reserve holds interest rates steady

ANN SAPHIR

THE US Federal Reserve held interest rates steady yesterday at its first policy meeting of the year, with officials pointing to continued moderate US economic growth and a "strong" job market.

The Fed's policy-setting committee announced its unanimous decision to maintain the key overnight lending rate in a range of between 1.50 per cent and 1.75 per cent.

The Fed's statement was little changed from the one issued after its December meeting, saying that the current federal funds rate was "appropriate to support sustained expansion of economic activity," including ongoing job growth and a rise in inflation to the central bank's two per cent target.

"There wasn't much that changed from the last statement," said Kristina Hooper, chief global market strategist at Invesco. "One difference was the characterisation of household spending, which went from strong to moderate." *Reuters*

INTEREST RATE DECISION CITY A.M.'S SHADOW MPC SAYS THE BANK OF ENGLAND SHOULD HOLD RATES UNTIL CLEAR POST-ELECTION ECONOMY PICTURE EMERGES

OUR PANEL'S GUEST CHAIR: **ERIK NORLAND** CME GROUP

CUT The BoE is running out of excuses not to ease policy. Core inflation plunged to 1.4 per cent year over year. The manufacturing sector is contracting. Service and construction sectors are showing slow growth. While December's election removed some of the uncertainty that was holding back growth late last year, the outcome of Brexit remains unclear. Negotiations regarding the future of the UK's trading relationship with the EU could weigh on growth in 2020. With above-target inflation a distant prospect, the BoE should consider cutting rates.

RUTH GREGORY
CAPITAL ECONOMICS

HOLD The jury is still out on whether the jump in sentiment will lead to a step change in activity. It makes sense to hold off for the time being to see how things pan out.

SIMON WARD
JANUS HENDERSON

CUT Better post-election news will prove short-lived unless accompanied by monetary acceleration. The MPC should ease unless the December monetary numbers show a significant pick-up.

PETER DIXON
COMMERZBANK

HOLD A tight call but we can afford to wait and see whether the recent sentiment rebound translates into stronger real activity. It also gives the incoming governor some additional policy leeway.

VICKY PRYCE
CEBR

CUT Despite some signs of a confidence bounce, inflation remains well below target and given the lacklustre performance in 2019 the economy needs support while trade worries continue.

TEJ PARIKH
INSTITUTE OF DIRECTORS

HOLD With business activity gaining some momentum, the labour market in rude health, and a fiscal boost in the pipeline, there should be a rain-check on a rate cut despite the weak end to 2019.

FRANCES HAQUE
SANTANDER

HOLD More positive labour market data and more buoyant survey responses provide a positive enough start to 2020 to avoid a cut and wait for the outcome of the trade negotiations.

MIKE BELL
JP MORGAN ASSET MANAGEMENT

HOLD With a significant increase in fiscal spending on the way and business surveys suggesting the economy is picking up, a cut doesn't seem necessary at the present juncture.

JEAVON LOLAY
LLOYDS BANK

HOLD Recent political developments offer grounds for cautious optimism. It appears prudent to wait to see how the expected recovery in UK activity takes shape before changing policy.

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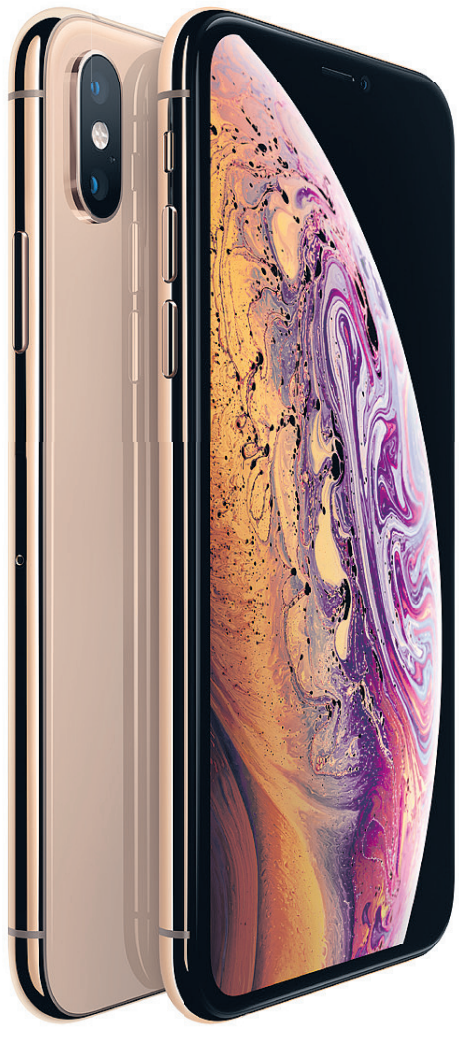

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Households are paying too much to support UK electricity networks

EDWARD THICKNESSE

@edthicknesse

CONSUMERS have paid more than they should have to support the UK's electricity networks, according to a new paper from the National Audit Office (NAO).

Each year around a fifth of a typical household's annual electricity bill — £130 — goes towards the running and maintenance of the UK's power networks, which transports electricity to homes and businesses.

The report finds that under Ofgem's price control framework, which regulates the amount privately-owned networks can earn from their operations, consumers have been overcharged for ensuring a reliable service.

Primarily, this was because performance targets were set too low, whilst budgets were set too high.

In addition, the report says that Ofgem overestimated how much money shareholders would need to encourage them to invest in network companies.

Currently, networks expect to deliver shareholder returns of nine per cent, compared to a UK company average of around five to six per cent, which has increased consumer costs.

The report also found that Ofgem had delivered good customer service through its regulation. Since Ofgem introduced incentives for network companies in 2002, the amount of power cuts has fallen by 50 per cent.

Akshay Kaul, Ofgem's director of network price controls said: "We acknowledge that the overall costs to consumers have been higher than they needed to be. That's why our new round of price controls will lower returns to save consumers money."

Airbnb is said to be planning a public markets flotation next year

Airbnb backs new watchdog

ANNA MENIN

@annafmenin

AIRBNB yesterday backed calls for the creation of a digital regulator for the European Union after winning a landmark court case in the bloc that meant it could be classed as an online platform rather than a property agent.

The short-term home rental platform said a new watchdog should form part of the discussion around the EU's proposed Digital Services Act, which aims to upgrade safety rules for digital platforms and services.

"We are clear that we support calls for a single European oversight body for digital services," said Chris Lehane, an Airbnb senior vice president, at a briefing in London.

Microsoft beats estimates on cloud growth

STEPHEN NELLIS

MICROSOFT yesterday reported fiscal second-quarter revenue and profit that beat Wall Street expectations, a sign that its Azure cloud computing services continues to grow amid a pitched battle with Amazon's cloud unit.

Microsoft's revenue and profit for the quarter ended in December were $36.9bn (£28.1bn) and $1.51 per share, compared with analyst estimates of $35.7bn and $1.32 per share, according to Refinitiv.

Sales were powered by its cloud segment and strong sales of its Windows operating system as corporate customers upgraded machines.

Microsoft said Azure, its primary competitor to Amazon's cloud, grew 62 per cent in the quarter, down from a 76 per cent revenue growth rate the year before but up from 59 per cent in the fiscal first quarter. *Reuters*

Ovo slapped with £8.9m fine for inaccurate bills

EDWARD THICKNESSE

@edthicknesse

OVO ENERGY has been charged £8.9m by industry regulator Ofgem after inaccurate information on bills led to some customers being charged too much.

The challenger firm, which recently became one of the UK's largest energy suppliers, fell foul of the watchdog after incorrect statements were sent to more than 500,000 customers between July 2015 and February 2018.

In addition, the firm underestimated energy usage over one winter, meaning some clients were under or overcharged.

The watchdog found that despite being aware of the mistakes, Ovo did not report the majority of them. The firm has now corrected these breaches and refunded customers who were overcharged on the prepayment meter cap.

Anthony Pygram, director of conduct and enforcement at Ofgem, said: "Ovo Energy billed a number of its customers incorrectly and issued them with inaccurate information. The supplier did not prioritise putting these issues right whilst its business was expanding."

Ovo issued the following statement in response: "Ovo holds itself to high standards, but we have not always got it right. We accept Ofgem's findings of issues regarding estimation processes, information formatting and pricing errors."

Utility Warehouse was also hit by a £650,000 fine after overcharging nearly 3,500 warm home discount customers when the price cap came into effect last year.

Lawyers to challenge Andrea Leadsom's call to approve Drax plant

EDWARD THICKNESSE

@edthicknesse

AN ENVIRONMENTAL law charity has launched a High Court challenge against business secretary Andrea Leadsom's decision to approve a new gas power plant in North Yorkshire.

Clientearth is challenging Leadsom's decision on the grounds that construction of the plant goes against the Planning Inspectorate's guidance that it should be blocked on climate change grounds.

In October the business secretary approved the project, which would see Drax replace its coal-powered plant in Selby with four gas turbines with 3.6 gigawatts of capacity.

The decision was one of just six occasions when a minister has gone against a PI recommendation about Nationally Significant Infrastructure Projects.

GUEST OPINION

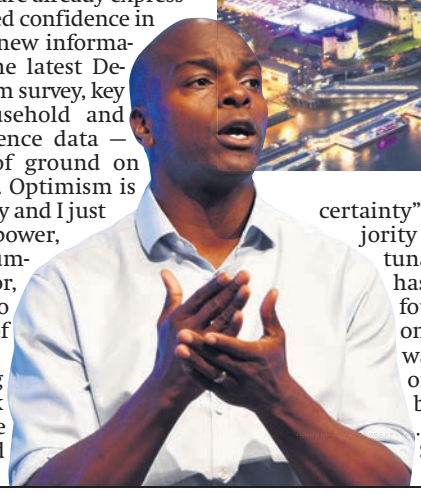
TOMORROW: SADIQ KHAN

Bailey: Optimism is the order of the day

Conservative Mayoral candidate **Shaun Bailey** on his vision for the capital once we leave the EU

WE ARE leaving the EU tomorrow and, despite the mixed feelings surrounding this new chapter, there is much to be cheerful about.

Business leaders are already expressing a newly-restored confidence in London. A raft of new information — such as the latest Deloitte CFO optimism survey, key PMI figures, household and consumer confidence data — gives us plenty of ground on which to flourish. Optimism is the order of the day and I just wish people in power, such as the incumbent London mayor, would sign up to this train of thought.



Shaun Bailey

Christian Sewing of Deutsche Bank has welcomed the "clarity and certainty" that a Boris majority provides. Unfortunately, Sadiq Khan has spent the last four years focused on fighting Trump, wasting millions on PR, putting on bicycle ballets and beach parties and worse of all, turning his back on business. His focus should have been on keeping London safe and showcasing all London's economy has to offer.

Under his watch, crime is up and London's standing is down. It is clear that London needs a champion who understands the new world we find ourselves in. I plan to be that champion if elected.

With a day to go before we officially leave the EU, we have to acknowledge that Brexit was a hugely divisive issue, but now is the time to unite the country and unite our capital.

How often does a nation or city like ours get the chance to recalibrate our economic priorities from effectively ground zero? To start again?

We'll match the high standards the EU has helped set in many areas, but now we are free to go above and beyond them too.

One such upside is being able to have a more positive approach to developing nations. Outside the EU the UK government will be free to strike out and set a genuinely positive agenda on behalf of global Britain.

Now more than ever London needs someone who knows the international landscape has existing relationships with key overseas partners and understands global business. That's why if elected to City Hall I would appoint a deputy mayor with a special portfolio as an international trade adviser, whose sole job is to bang the drum for London.

There's so many potential avenues for improving Londoner's lives now that we've left the EU. Every year our city spends an estimated £3.5bn on gas and electric household bills and more than one in 10 London households are living in fuel poverty.

The rate of VAT on household gas and electricity bills is, until tomorrow, locked in by EU rules. As mayor, I would call on the government to abolish VAT on energy bills.

Away from the EU there is a world of possibilities. We can strike out and form better and deeper partnerships with our Commonwealth friends, building upon successful events such as the recent UK-Africa Investment Summit.

Positivity unlocks prosperity, I say let's have some more of it.

Ted Baker bolsters board following torrid 2019 for high street business


Ted Baker has filled the newly-created role of chief customer officer

JESS CLARK

@jclarkjourno

EMBATTLED fashion brand Ted Baker has appointed a new chief customer officer as it attempts to bolster its management team following a torrid year for the retailer.

Jennifer Roebuck, who was most recently chief marketing officer at online beauty platform Feel Unique, has taken on the newly created role at Ted Baker.

Her brief will be to develop a customer and digital strategy across the business, and explore new digital partnership opportunities.

Roebuck, who has also previously held roles at French Connection, will step down from her current non-executive position on Ted Baker's board.

The retailer also announced that the search to replace former chief executive Lindsay Page and chairman David Bernstein is "progressing well".

Page and Bernstein quit in December after the fashion chain issued the latest in a string of profit warnings. A week later, long-serving director Ron Steward also stepped down.

Page had been appointed in April after the company's founder Ray Kelvin was forced to step down after facing allegations of sexual harassment, which he denies.

Last week, Ted Baker admitted that it had overstated the value of its inventory by £58m, more than double the £25m originally reported.

SCS's chief exec retires after 32 years at retailer

JESS CLARK

@jclarkjourno

THE CHIEF executive of sofa retailer SCS Group has announced plans to step down at the end of the year, after 32 years with the business.

The company will launch a search for a new boss after David Knight revealed he will retire from the role.

Knight gave 12 months notice but will stay in position longer if the hand over process is longer than expected, the firm announced yesterday.

The company also announced that like-for-like order intake declined 4.4 per cent in the 26 weeks to 25 January, in line with management expectations.

During the crucial winter sales period, the furniture retailer said like-for-like order intake growth was 1.2 per cent.

However, in the first 17 weeks of the year the company's like-for-like order intake fell 7.1 per cent.

SCS chairman Alan Smith said: "David has committed a very substantial park of his working career to SCS and has been pivotal to its success.

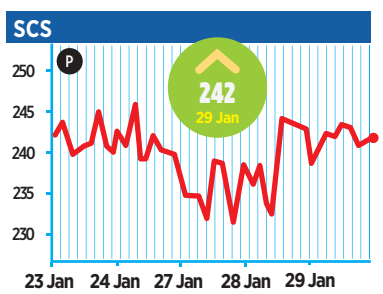
"We are delighted that he will remain in the role of group chief executive until we have his successor in place and ensured an orderly hand over."

"On behalf of the board, shareholders and all other SCS stakeholders, I thank David for his outstanding contribution to the group."

Shore Capital Markets analysts said: "David Knight has been a fabulous servant to SCS over 32 years in the business, living and breathing the industry day in, day out. He will leave SCS in very good shape."

"As chairman, Alan Smith, seeks a successor," he added. "Knight will remain as [chief executive] through the hiring and initiation process."

Shares in SCS rose 2.1 per cent to 242p on news of Knight's departure.




Ikea has closed around half of its stores in mainland China

Ikea shutters stores in China as coronavirus infections increase

JESS CLARK

@jclarkjourno

IKEA announced yesterday that it will temporarily close stores in China due to the outbreak of coronavirus.

The Swedish retailer will shut around half of its 30 stores in mainland China until further notice to help halt the spread of the disease, the company's owner Ingka Group said.

An Ingka Group spokesperson said: "The health and safety of customers and co-workers are always top priorities for Ikea."

Other global chains including Starbucks and luxury goods company LVMH, which owns Louis Vuitton and Christian Dior, have closed branches in China in response to the outbreak.

McDonald's has also shut five outlets in Hubei province, and Yum China has closed some KFC and Pizza Hut branches. Uniqlo owner Fast Retailing has temporarily closed about 100 stores in the province.

The coronavirus death toll stood at more than 100 yesterday.

Wickes sales up ahead of Travis Perkins divorce

JESS CLARK

@jclarkjourno

DIY RETAILER Wickes yesterday announced strong sales growth in the fourth quarter of last year, ahead of its split from parent company Travis Perkins.

The firm said like-for-like sales growth in the fourth quarter was 4.5 per cent, while year-to-date sales jumped 8.7 per cent. Trading in its core division, which includes local trade and DIY buyers, and its "do-it-for-me" unit performed strongly during the year.

Wickes will demerge from builders merchant Travis Perkins in the second quarter of this year, the company announced in July.

The retailer will be spun-off as a standalone company in order for Travis Perkins to focus on trade customers.

Earlier this month, Travis Perkins also announced the sale of Primaflow, a wholesale plumbing and heating business, to Newbury Investments for £46m as it seeks to pay down its debt and reduce the complexity of the company.

Wickes chief executive David Wood said: "I am delighted to report a strong sales performance for Wickes in the fourth quarter and for the full year, setting us up well for the intended demerger from Travis Perkins, which remains on track for the second quarter of 2020."

The Guardian has attempted to improve its green credentials in recent years

Guardian bans fossil fuel ads as it slams industry over climate change

JAMES WARRINGTON

@j_a_warrington

THE GUARDIAN will no longer accept advertising from oil and gas companies as the media group looks to cut its links with fossil fuel firms.

The move, announced yesterday, will apply across the publisher's websites and apps, as well as in print copies of the Guardian, Observer and Guardian Weekly.

"Our decision is based on the decades-long efforts by many in that industry to prevent meaningful climate action by governments around the world," the company said in a statement.

It is understood the new policy will cost Guardian Media Group (GMG) around £500,000 per year.

In a blog post, chief customer officer Anna Bateson and chief revenue officer Hamish Nicklin acknowledged that some readers would like to see the company ban ads from products with a high carbon footprint, such as cars or holiday.

But they said cutting those ads would be a "severe financial blow" that might force the newspaper group to make significant cuts.

Advertising makes up roughly 40 per cent of revenue at the Guardian, which last year posted a profit of £0.8m — its first in two decades.

CYBER SUCESS IS VITAL TO THE UK'S FUTURE

Britain needs to retain its pipeline of great talent if we are to keep our cybersecurity crown, writes **Matt Warman MP**

FROM the Bletchley Park code-breakers to Tim Berners-Lee and the invention of the World Wide Web, the UK has a rich heritage of computing technologies.

We see this pedigree coming through in our cyber businesses. Take Darktrace, the UK's first cyber firm valued at over £1bn, which is changing the way businesses protect critical data systems and digital infrastructures using artificial intelligence.

Or Belfast-based Cyphra, which minimises cyber risk for clients. There is also a leading Scottish cyber firm Cyan Forensics, which gives police the tools to carry out cutting-edge digital forensic investigations.

A new report today reveals a boom in the UK's cybersecurity sector's annual revenue, a significant rise in jobs and increasing investment.

It shows there has never been greater demand for their products and services. There are now more people in cyber-focused roles than ever before, with 43,000 full-time employees in the industry, up 37 per cent since 2017.

The number of cybersecurity firms has almost doubled since 2017 to more than 1,200 in 2019.

This growth is equivalent to a new cybersecurity business being set up every week. And revenue reached an estimated £8.3bn last year and contributed £3.7bn to the economy.

The figures shine a light on how varied our cyber sector is with the growth of emerging specialist sub-sectors. The increase in the number of services and products focussed on Internet of Things (IoT) security is a prime example.

Cambridge-based Secure Thingz provides advanced security for industrial IoT, protecting areas such as manufacturing, the automotive industry and critical infrastructure.

We are increasingly seeing more of our daily lives connected to the internet — from fridges to smartwatches and even children's toys, but the current security standards of many of these devices are low and the security and privacy risks are too great.

NEW RULES FOR TECH DEVICES

Earlier this week I announced new legislation to hold firms manufacturing and stocking internet-connected devices to account.

These new laws will mean consumers are protected from devices which do not adhere to the three rigorous security requirements we've developed alongside a code of practice.

These measures will mean all the passwords pre-programmed in internet-connected devices must be unique and not resettable to any universal factory setting. They will place a responsibility on manufacturers of consumer IoT devices that they must make sure a public point of contact is always available as part of a disclosure policy so any security vulnerabilities found with the device can be reported quickly. They will require manufacturers to state the minimum length of time for which the device will receive security updates at the point of sale, either in store or online, meaning people can make the most informed purchasing decisions.

> "Everyone should have the opportunity to succeed, no matter where they live

This is an important part of our plans to make the UK a true world leader in digital technology where regulation gives consumers confidence and firms clear guidance.

The study out today shows new cybersecurity tech hubs rapidly growing across the country. North-west England, Scotland, Wales and Northern Ireland collectively secured 20 per cent of the industry's investment deals over the last four years.

I am committed to spreading this prosperity so everyone with the talent and aptitude has the opportunity to succeed regardless of where they live.

Through our Cyber101 programme we are delivering training boot camps across the country — most recently in Newcastle, Edinburgh, Birmingham and Newport — and we have invested over £2m to narrow the gap between academia and business though the Cyber Academic Startup Accelerator Programme.

This supports academics from around the country to commercialise their research and set-up companies.

Our Cyber Skills Immediate Impact Fund provides opportunities for people from a range of backgrounds to move into a career in the country's rapidly expanding cybersecurity sector.

So far, more than 150 people have been placed into jobs through training initiatives in cities such as Plymouth, Manchester and Leeds. We also need to make sure the sector has a strong pipeline of diverse talent for years to come. My department is backing the NCSC's fantastic CyberFirst Girls Competition, which provides a fun but challenging environment to inspire the next generation of young women to consider a career in cybersecurity.

We are working hard to make sure the UK is the safest place to live and work in our increasingly digital world, and my department will carry on collaborating with industry and academia to build on this tremendous growth.

Matt Warman is digital minister and MP for Boston and Skegness

TOWERING AHEAD Citi ranked most inclusive UK financial firm

INVESTMENT banking titan Citi has been crowned the most inclusive financial services employer in the UK in LGBT charity Stonewall's Top 100 Employers for 2020. This year's list had a record number of entrants, with 503 employers demonstrating their commitment to LGBT workplace inclusion.

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LONDON REPORT

UK stocks cling to gains as oil majors tumble

UK SHARES rebounded for a second straight day yesterday after a steep sell-off earlier this week on rising fears over the impact from the coronavirus, though the bounce lost some punch as oil majors dipped alongside crude prices on US stockpile data.

The FTSE 100 index, which had risen as much as 0.5 per cent earlier, ended only marginally higher. **Shell** and **BP** lagged after inventory and stockpiling data from the US Energy Information Administration.

The FTSE 250, which had slumped more than two per cent on Monday, rose for the second consecutive session yesterday and added 0.2 per cent.

Avast underperformed with a 5.5 per cent drop, bringing its losses for the week to nearly 20 per cent. It denied media reports and assured users that none of their personally identifiable information had been sold to a third party. The cybersecurity company also said it was reviewing options for its trend analytics service which is at the centre of the data privacy concerns.

Both British benchmark indexes have shed more than two per cent since last week, when news of the coronavirus flare-up first emerged.

Dealers are still mulling over how the outbreak will affect the global economy.

Market strategists at Societe Generale estimated global stock markets could fall 10 per cent if the situation around the fast-spreading virus, which has killed more than 130 people, worsens.

Wealth manager **Quilter** jumped nearly nine per cent to top the midcaps after a rise in assets under management prompted upgrades by at least two brokerages.

McCarthy & Stone shed six per cent yesterday as investors lost faith

But transport operator **Stagecoach** slid 6.3 per cent after Britain said it would nationalise Northern Rail, ahead of a review of railway services due to be published in weeks. Its shares suffered their worst day in almost seven months.

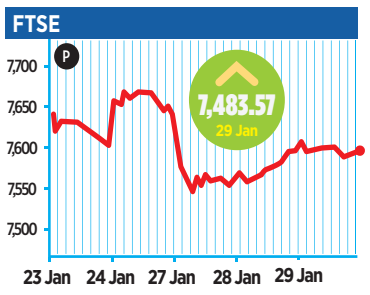
McCarthy & Stone skidded six per cent on its worst day since June 2018 as its biggest shareholder plans to slash its stake.

TOP RISERS

1. **Whitbread** Up 3.08 per cent
2. **Rolls-Royce** Up 2.67 per cent
3. **Melrose** Up 2.5 per cent

TOP FALLERS

1. **NMC Health** Down 3.58 per cent
2. **Sainsbury's** Down 1.66 per cent
3. **Unilever** Down 1.53 per cent



BEST OF THE BROKERS

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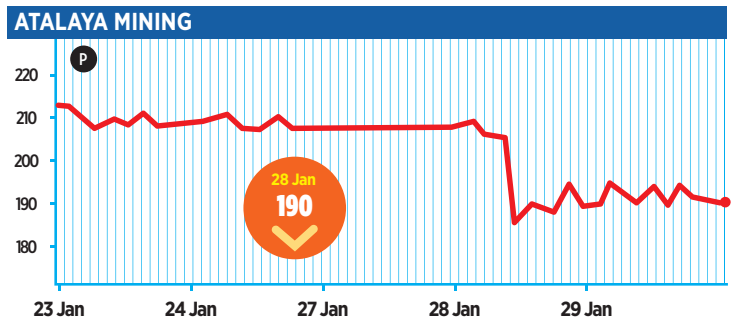
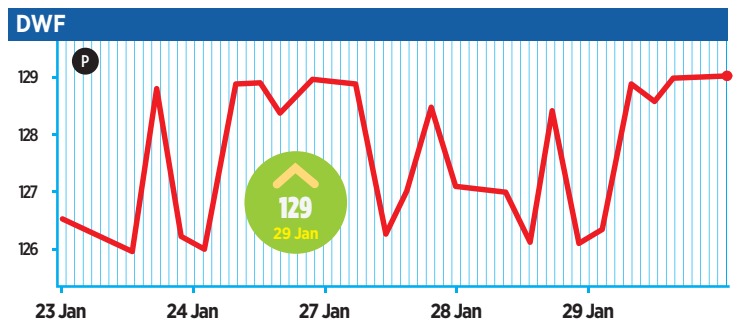
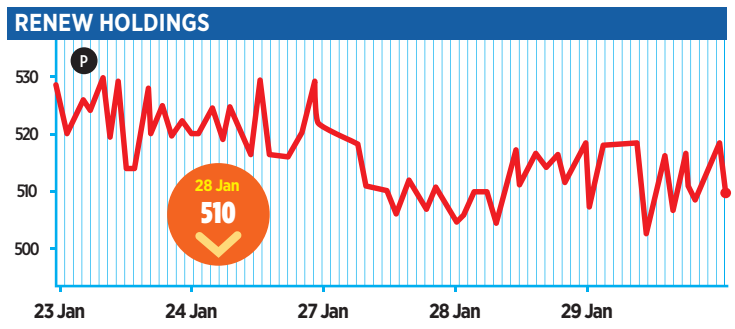


Copper ore miner Atalaya Mining had a bit of a blow this week when a regional Spanish government agency indicated it had reservations about the company's Touro project. Broker Peel Hunt said the negative recommendation in relation to the potential environmental effects of the project "raises some growth concerns". The broker said: "While there is no doubt this is negative for the project and longer-term growth timing for Atalaya, shorter term we see it as a cash flow positive." Peel Hunt retained its "buy" rating and its target price of 310p.



Law firm DWF yesterday said it had acquired US managed legal services firm Mindcrest in an $18.5m (£14.2m) deal. House broker Jefferies said: "In our view, this acquisition delivers material progress on two key IPO [initial public offering] goals: 1) scaling of managed services; 2) A foot in the door of the US market." The broker added: "The acquisition will allow DWF to better support its clients and win business in complementary areas where it has not previously had capability." Jefferies retained its "buy" rating for the stock and its target price of 180p.



Infrastructure business Renew Holdings delivered trading in line with expectation in the first quarter. Despite this, the hard taskmasters at Liberum retained their "sell" rating on the stock "as it is relatviely expensive". The broker said it expects the business to grow in new markets and exit from specialist building "which should be made easier with the stronger order book." Positive noises from ministers "give grounds for optimism on infrastructure spend" which should benefit the company, the broker said. Liberum retained its target price of 460p.

NEW YORK REPORT

S&P 500 fades to end lower after Fed hold

THE S&P 500 ended slightly lower yesterday, as an initial boost from the likes of **Apple**, **Boeing** and **General Electric** following their quarterly results faded in the wake of a policy announcement from the Federal Reserve.

Stocks initially showed little reaction to the Fed's policy statement but steadily lost ground on the heels of a news conference by chairman Jerome Powell. The Fed held rates steady as expected while offering no new guidance on its balance sheet, but Powell noted "uncertainties about the outlook remain" and noted the coronavirus outbreak in China.

Apple gained 2.09 per cent after the iPhone maker late on Tuesday reported earnings for the holiday shopping quarter that topped analysts' expectations, even as it braced for more disruptions in virus-hit China.

Boeing rose 3.11 per cent after the aereoplane maker forecast nearly $19bn (£14.6bn) in costs related to the grounding of its 737 Max jets, smaller than what many analysts had expected, and helping offset the company's report of its first annual loss since 1997.

Several companies have warned of disruption to their operations due to the coronavirus outbreak, and a Chinese government economist was quoted as saying the country's economic growth may drop to five per cent or even lower.

General Electric jumped 10.32 per cent after the industrial conglomerate set a higher cash target for 2020.

Starbucks dropped 2.12 per cent after warning of a financial hit as it closed thousands of restaurants and adjusted operating hours in China.

The Dow Jones Industrial Average rose 11.6 points, or 0.04 per cent, to 28,734.45, the S&P 500 lost 2.78 points, or 0.09 per cent, to 3,273.46 and the Nasdaq Composite added 5.48 points, or 0.06 per cent, to 9,275.16.

About 6.88bn shares changed hands in US exchanges, compared with the 7.45bn daily average over the last 20 sessions.

CITY MOVES WHO'S SWITCHING JOBS

DIGITAL UK

Freeview platform operator, Digital UK has appointed Sarah Milton as chief operating officer. Her remit will incorporate the day-to-day running of the Freeview service as well as customer support and experience. Sarah spent 15 years at Channel 4, where she was at the forefront of its digital transformation and video on demand innovation. One of the original team that developed and launched 4oD in 2006, she oversaw its rebranding as All4 and led its rapid expansion across multiple platforms. She also widened the channel's content proposition to include live TV, exclusive box sets and content partnerships. Sarah started her career at management consulting firm McKinsey, before moving into business development at ITV.

ASPEN

Aspen Insurance has announced that Andrew (Andy) Kudera has been appointed executive vice president and group chief actuary as of 3 February. Andy brings 40 years of actuarial experience in the re/insurance industry to Aspen. Prior to managing his own consulting firm, Andy served as executive vice president and group chief actuary at Validus Group from 2010 to 2019. He also held various senior level roles for Fireman's Fund, Endurance, and KPMG. Mark Cloutier, executive chairman and group chief Executive officer, commented: "Welcoming industry leading experts of Andy's quality to our team increases our capabilities, allowing us to transform our business, simplify and enhance our operations, and increase accountability across these functions. Andy's capabilities and fresh perspective will create a strong partnership across complimentary disciplines."

OPTILAN

Communications and security technology integrator Optilan has announced the appointment of Bill Bayliss as new chief executive and director of the company. Bill, who succeeds Richard Buckland, has a strong track record of building and leading international companies in the sector. Bill joins Optilan having previously been chief executive of ICR Integrity, the global maintenance and integrity company specialising in the oil and gas and power sectors. Prior to that he was chief of Viking Sea Tech in Aberdeen, the global provider of marine services to the energy industry, and chief operating officer of Topaz Energy and Marine in Dubai. Chairman Malcolm Fallen commented: "We are however pleased to welcome Bill to Optilan and his extensive experience of building and running international businesses, as well as his engineering background, will ensure that Optilan continues to grow in a safe pair of hands."

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FTSE 100	FTSE 250	FTSE ALL SHARE	DOW JONES	NASDAQ	S&P 500
7483.57	21468.99	4157.33	28734.45	9275.16	3273.46
2.88 ↑	35.93 ↑	2.74 ↑	11.60 ↑	5.48 ↑	2.78 ↓

£/€	1.1821	↑ 0.0017	€/$	1.1003	↓ 0.0004
£/$	1.3011	↑ 0.0015	€/£	0.8459	↓ 0.0012
£/¥	141.99	↑ 0.1400	€/¥	120.11	↓ 0.0500

GILTS

	Price	Chg	High	Low
Tsy 4.750 20	100.43	-0.01	104.3	100.4
Tsy 8.000 21	110.14	-0.02	116.9	110.1
Tsy 2.500 24	363.38	0.06	377.9	358.8
Tsy 5.000 25	123.33	0.04	126.0	122.1
Tsy 4.250 27	129.74	0.16	132.8	125.5
Tsy 6.000 28	148.22	0.23	152.1	143.3
Tsy 4.125 30	384.67	0.51	404.2	364.5
Tsy 4.250 32	142.57	0.35	146.4	132.7
Tsy 4.250 36	151.27	0.45	155.7	137.9
Tsy 4.750 38	166.61	0.58	171.8	150.5
Tsy 4.250 46	175.53	0.79	181.0	1.0

AEROSPACE & DEFENCE

	Price	Chg	High	Low
BAE Systems	640.6	5.6	647.6	443.9
Meggitt	681.0	5.8	697.4	489.9
QinetiQ	355.6	-1.8	370.0	267.0
Rolls-Royce	673.4	22.4	988.4	636.6
Senior	168.4	1.0	239.2	160.0
Ultra Electronics	2248.0	24.0	2292.0	1232.0

AUTOMOBILES & PARTS

	Price	Chg	High	Low
Aston Martin	410.2	-10.5	1374.4	399.3
TI Fluid Systems	239.5	6.0	273.0	155.2

BANKS

	Price	Chg	High	Low
Barclays	172.0	0.0	192.5	136.2
BGEO Group	1518.0	14.0	1755.0	1252.0
HSBC Hldgs	566.3	-1.4	680.6	552.3
Lloyds Banking	57.5	-0.1	67.2	48.6
Royal Bank of Scot	220.9	3.0	270.4	177.7
Standard Chartered	660.2	-1.8	738.6	575.7
TBC Bank Group	1226.0	16.0	1706.0	1150.0
Virgin Money UK	178.8	6.2	220.1	104.4

BEVERAGES

	Price	Chg	High	Low
Barr (AG)	615.0	-12.0	975.0	526.0
Britvic	890.0	-15.0	1068.0	850.0
Coca-Cola HBC AG	2791.0	-4.0	3074.0	2299.0
Diageo	3110.0	-36.5	3625.5	2901.5

CHEMICALS

	Price	Chg	High	Low
Croda International	5150.0	-5.0	5375.0	4564.0
Elementis	132.0	0.6	197.9	129.8
Johnson Matt	2700.0	8.0	3454.0	2660.0
Synthomer	348.0	3.0	420.8	279.0
Victrex	2306.0	16.0	2540.0	1845.0

CONSTRUCTION & MATERIALS

	Price	Chg	High	Low
Balfour Beatty	257.0	-1.4	295.0	194.2
CRH	2942.0	27.0	3100.0	2190.0
Galliford Try	139.9	2.6	177.2	102.4
Grafton Group	918.0	30.0	937.0	645.5
Ibstock	293.0	-0.8	322.0	208.6
Marshalls	789.0	0.5	876.0	496.6
Polypipe Group	547.0	1.5	554.0	372.8

DIVERSIFIED INDUSTRIALS

	Price	Chg	High	Low
Smith (DS)	357.0	8.4	394.8	307.9
Smiths Gp	1737.5	18.0	1751.0	1378.0
Smurfit Kappa Gp	2744.0	56.0	2966.0	2096.0
Vesuvius	448.6	2.2	642.0	341.0

ELECTRICITY

	Price	Chg	High	Low
Contour Global	195.0	0.8	222.5	159.1
Drax Gp	281.0	-1.0	412.0	251.0
SSE	1500.0	-6.5	1529.5	1008.0

ELECTRONIC & ELECTRICAL EQUIPMENT

	Price	Chg	High	Low
Halma	2147.0	15.0	2164.0	1400.0
Morgan Advanced	317.0	-1.6	324.8	232.4
Oxford Instruments	1550.0	12.0	1626.0	899.0
Renishaw	4160.0	16.0	4670.0	3232.0
Spectris	2731.0	0.0	2962.0	2234.0

EQUITY INVESTMENT INSTRUMENTS

	Price	Chg	High	Low
3i Infrastructure	309.0	1.0	309.0	265.1
Aberforth Smlr Cos	1466.0	-10.0	1546.0	1114.0
Alliance Trust	847.0	3.0	872.0	725.0
AVI Global Trust	781.0	-1.0	802.0	698.0
Baillie Gifford Japan	815.0	0.0	848.0	711.0
Bankers InvTst	1006.0	-2.0	1032.0	820.0
BlackRock Smaller	1734.0	2.0	1740.0	1290.0
BMO Global Smaller	144.1	-0.3	150.0	127.5
Caledonia Inv	3105.0	0.0	3180.0	2910.0
City of London IT	433.0	1.5	448.5	392.0
Edin Inv Trust	615.0	0.0	652.0	535.0
European Opp	901.0	7.0	913.0	675.0
F&C Investment	762.0	0.0	783.0	669.0
Fidelity China SPE	230.5	2.0	253.0	198.2
Fidelity Euro Values	262.0	-0.5	268.5	215.0
Fidelity Spec Val	268.0	-2.5	280.5	240.5
Finsbury G&I Tst	889.0	2.0	958.0	770.0
GCP Infra Inv	127.8	-0.2	134.0	122.6
Genesis Emerging	782.0	0.0	818.0	675.0
Greencoat UK	140.8	-1.2	152.8	128.8
Harbourvest Glb	1842.0	20.0	1854.0	1406.0
Herald Inv Trust	1478.0	-2.0	1514.0	1175.0
HICL Infr	176.6	-0.8	180.0	156.6
JPM American	497.0	0.5	506.0	415.5
JPM Emerg Mkt	1032.0	6.0	1088.0	878.0
JPM Indian IT	734.0	0.0	790.0	633.0
JPM Japan IT	452.5	-4.5	477.5	368.0
Jupiter Fund Mngt	391.7	6.0	432.0	314.0
Law Debenture	632.0	-2.0	654.0	552.0
Mercantile IT	261.5	-1.0	267.5	188.0
Monks Inv Tst	980.0	1.0	997.0	786.0
Murray Intl Tst	1220.0	-4.0	1286.0	1114.0
Next Energy Solar	117.0	-1.0	126.5	114.0
Pantheon Intl Partn	2445.0	20.0	2620.0	2020.0
Perpetual Inc & Grth	327.0	2.0	342.0	284.5
Pershing Square	1520.0	10.0	1578.0	1162.0
Personal Assets Tst	43250	50.0	43350	39450
Polar Cap Tech Tst	1656.0	12.0	1682.0	1200.0
Renewables Infra Gp	129.8	-1.4	139.2	115.4
RIT Cap Partners	2060.0	5.0	2180.0	1954.0
Schroder Asia	459.0	1.0	485.5	421.0
Scottish Inv Tst	804.0	-2.0	843.0	769.0
Scottish Mortgage	589.0	1.5	601.5	472.0
Sequoia Econ Infra	114.8	-0.2	118.6	110.0
Smithson Inv	1318.0	2.0	1346.0	1041.6
Syncona	211.5	-0.5	294.0	203.0
Temple Bar IT	1362.0	-6.0	1486.0	1162.0
Templeton Em Mkts	832.0	8.0	876.0	731.0
Vietnam Enterprise	470.5	-1.0	509.0	421.5
VinaCapital Vietna	321.0	2.0	357.5	319.0
Witan Invest	227.5	0.0	235.0	201.2
Wwide Healthcare	3175.0	5.0	3255.0	2495.0

FIXED LINE TELECOMMUNICATIONS

	Price	Chg	High	Low
BT Gp	175.3	1.1	233.9	158.9
Talktalk Telecom	111.5	-0.5	126.5	96.5
Telecom Plus	1510.0	-20.0	1552.0	1130.0

FOOD & DRUG RETAILERS

	Price	Chg	High	Low
Greggs	2290.0	-44.0	2476.0	1546.0
Morrison (WM)	183.1	-1.1	245.8	176.9
Ocado Gp	1292.5	-15.0	1435.0	873.8
Sainsbury(J)	202.4	-3.1	293.9	177.1
SSP Group	650.0	-2.0	721.0	608.0
Tesco	246.1	0.1	258.9	212.6

FOOD PRODUCERS

	Price	Chg	High	Low
Assoc British Foods	2643.0	-14.0	2672.0	2106.0
Bakkavor	136.6	1.4	170.0	93.3
Cranswick	3540.0	30.0	3714.0	2472.0
Greencore Gp	244.0	-1.7	281.8	185.1
Hilton Food Gp	1046.0	6.0	1118.0	894.0
Tate & Lyle	799.0	5.8	801.4	663.8
Unilever	4438.0	-62.5	5324.0	3983.0

FORESTRY & PAPER

	Price	Chg	High	Low
Mondi	1616.0	30.0	1898.0	1510.5

GENERAL FINANCIAL

	Price	Chg	High	Low
3i Group	1112.0	13.0	1184.5	849.6
Ashmore Gp	550.5	1.0	567.5	397.8
Brewin Dolphin	361.0	1.6	375.2	287.6
Close Brothers	1466.0	0.0	1663.0	1227.0
Coats Group	75.8	-0.9	91.3	68.1
Finablr	90.0	-6.2	215.0	90.0
Hargreaves Lans	1870.0	18.5	2433.0	1633.0
IG Gp	683.4	-1.2	708.0	474.8
Integrafin Holdings	486.0	6.0	493.5	337.0
Intermediate Capital	1720.0	23.0	1720.0	987.5
Intl Public Prtnshps	168.0	-0.6	171.2	146.8
Investec	433.4	4.6	518.6	395.3
IP Group	70.6	0.1	109.2	55.7
John Laing Gp	361.8	-0.2	402.0	351.0
London Stock Exch	7790.0	58.0	7986.0	4489.0
Man Group	156.2	4.7	175.2	130.5
Onesavings	434.0	4.2	452.0	313.6
Paragon	527.0	-3.0	553.5	388.0
Plus500	912.4	12.4	1647.0	495.0
Provident Fin	464.8	3.1	610.0	356.0
Quilter	174.7	14.2	174.7	120.8
Rathbone Brothers	1974.0	-8.0	2540.0	1966.0
Schroders	3239.0	9.0	3419.0	2541.0
TP ICAP	393.3	-2.2	417.5	270.0

GENERAL RETAILERS

	Price	Chg	High	Low
B&M	375.1	0.1	420.9	315.0
Dixons Carphone	140.7	-2.4	152.4	104.9
Dunelm Gp	1163.0	4.0	1173.0	704.5
Frasers Group	482.2	-6.8	518.0	214.0
Howden Joinery Gp	683.4	1.4	698.0	478.8
Inchcape	668.5	-2.5	720.0	545.5
JD Sports Fashion	826.2	-6.8	874.0	448.4
Just Eat	876.8	4.6	901.0	587.4
Kingfisher	207.8	3.3	266.2	185.9
Marks & Spencer	179.4	-4.8	303.2	163.9
Next	7040.0	0.0	7340.0	4724.0
Pets at Home Gp	279.6	0.0	290.0	126.8
Vivo Energy	114.0	0.0	139.5	111.4
Watches of Switz	372.4	7.0	390.8	270.0
WH Smith	2404.0	-52.0	2654.0	1896.0

HEALTH CARE EQUIPMENT & SERVICES

	Price	Chg	High	Low
Convatec	204.9	2.3	217.3	118.5
Mediclinic Intl	385.0	-1.6	415.3	293.4
NMC Health	1318.0	-65.0	3000.0	1256.5
Smith & Neph	1918.0	15.0	1990.0	1424.5
UDG Hlthcare	814.0	21.0	832.5	551.0

HOUSEHOLD GOODS

	Price	Chg	High	Low
Barratt Devel	799.0	-7.4	816.4	538.6
Bellway	4018.0	-24.0	4092.0	2698.0
Berkeley Grp Hldgs	5242.0	-104.0	5412.0	3437.0
Countryside Prop	484.6	-8.4	507.0	277.6
Crest Nicholson	495.0	22.4	495.0	332.0
McCarthy & Stone	146.6	-9.1	158.8	123.5
Persimmon	3011.0	-16.0	3049.0	1836.0
Reckitt Benckiser	6285.0	46.0	6688.0	5767.0
Redrow	787.0	-15.0	806.0	533.0
Taylor Wimpey	214.7	-3.4	223.0	142.9
Vistry Group	1385.0	-12.0	1399.0	975.0

INDUSTRIAL ENGINEERING

	Price	Chg	High	Low
Bodycote	895.0	15.0	971.0	652.0
Hill & Smith	1464.0	4.0	1510.0	1049.0
IMI	1144.0	14.5	1206.0	906.0
Melrose Ind	247.7	8.0	247.7	156.8
RHI Magnesita	3322.0	-8.0	5000.0	3300.0
Rotork	313.8	5.6	341.2	269.8
Spirax-Sarco	8990.0	80.0	9400.0	6405.0
Weir Gp	1390.0	16.0	1814.0	1261.5

INDUSTRIAL METALS

	Price	Chg	High	Low
Evraz	369.4	2.7	709.4	341.4
Ferrexpo	143.3	0.2	301.3	123.0

INDUSTRIAL TRANSPORTATION

	Price	Chg	High	Low
Clarkson	2950.0	35.0	3110.0	2200.0
Fisher (James)	1930.0	0.0	2260.0	1790.0
Royal Mail	204.5	1.7	286.7	188.4
Signature Avi	324.9	0.0	406.0	289.5

LEISURE GOODS

	Price	Chg	High	Low
Games Workshp	6710.0	-70.0	7005.0	2800.0

LIFE INSURANCE

	Price	Chg	High	Low
Aviva	407.4	0.6	438.8	352.3
Lancashire Hldgs	748.0	3.0	780.5	561.5
Legal & General	308.2	1.2	317.7	216.7
Phoenix Gp	769.1	8.3	769.1	631.2
Prudential	1392.0	16.0	1790.0	1279.5
St James Place	1141.5	11.0	1199.5	913.6
Std Life Aberdeen	308.5	3.6	336.9	231.1

MEDIA

	Price	Chg	High	Low
4imprint	3300.0	-40.0	3500.0	1917.5
Ascential	367.2	-23.6	421.2	319.0
Auto Trader Gp	578.2	-0.2	607.6	448.4
Euromny Inst Inv	1256.0	-34.0	1498.0	1152.0
Future	1474.0	2.0	1572.0	532.0
Informa	794.4	-4.4	892.0	676.4
ITV	138.5	-1.2	156.5	103.6
Moneysupermkt.com	329.0	-0.9	417.7	303.0
Pearson	573.6	-13.6	943.8	563.4
RELX	2031.0	-15.0	2050.0	1606.0
Rightmove Group	661.8	-3.4	676.6	465.9
WPP	989.0	2.6	1077.5	800.4

MINING

	Price	Chg	High	Low
Anglo American	2047.5	-5.0	2266.0	1666.6
Antofagasta	861.2	2.0	1022.5	779.6
BHP Group	1721.0	-2.4	2049.0	1600.0
Centamin	128.7	0.0	152.3	79.8
Fresnillo	619.2	6.2	1027.5	539.6
Glencore	228.8	1.2	340.3	216.9
Hochschild Mining	162.8	-2.5	227.0	152.0
Kaz Minerals	460.9	10.0	738.4	380.3
Polymet Int	1245.0	-16.0	1272.0	772.6
Rio Tinto	4240.5	-9.5	4976.5	3924.5

MAIN CHANGES UK 350

Risers ↑		%	Fallers ↓		%
Quilter	174.70	8.9	Finablr	90.05	-6.4
Crest Nicholson	495.00	4.7	Stagecoach Gp	133.20	-6.3
Wizz Air Holdings	4302.00	4.7	Ascential	367.20	-6.0
Virgin Money UK	178.75	3.6	McCarthy & Stone	146.60	-5.8
Rolls-Royce	673.40	3.4	Avast	455.40	-5.5
Grafton Group	918.00	3.4	NMC Health	1318.00	-4.7
Melrose Ind	247.70	3.3	Softcat	1165.00	-3.6
Man Group	156.20	3.1	Equiniti	210.00	-3.4
Whitbread	4471.00	2.8	Marstons	104.00	-2.7
UDG Hlthcare	814.00	2.6	Euromny Inst Inv	1256.00	-2.6

MOBILE TELECOMMUNICATIONS

	Price	Chg	High	Low
Vodafone Gp	155.6	-1.0	165.2	123.3

NONLIFE INSURANCE

	Price	Chg	High	Low
Admiral Gp	2304.0	3.0	2330.0	2014.0
Beazley	552.5	3.0	628.0	492.6
Direct Line Ins	339.0	1.3	366.5	270.5
Hastings Gp Hldgs	182.2	1.7	231.6	167.9
Hiscox	1360.0	9.0	1777.0	1213.0
RSA Ins Gp	557.0	4.8	597.0	501.6

OIL & GAS PRODUCERS

	Price	Chg	High	Low
BP	477.9	-3.9	582.5	462.4
Cairn Energy	173.3	0.9	213.8	143.1
Energean Oil & Gas	810.0	-13.0	1082.0	613.3
Premier Oil	108.3	1.9	118.7	65.1
Royal Dutch Shell A	2131.0	-18.0	2612.0	2131.0
Royal Dutch Shell B	2124.5	-30.0	2622.0	2124.5
Tullow Oil	53.0	0.0	250.0	39.9

OIL EQUIPMENT & SERVICES

	Price	Chg	High	Low
Hunting	316.0	-0.6	657.0	316.0
Petrofac	355.9	4.8	559.0	344.4
Wood Gp(J)	388.6	3.0	598.6	319.6

PERSONAL GOODS

	Price	Chg	High	Low
Burberry Gp	2024.0	14.0	2345.0	1695.0
PZ Cussons	193.6	-3.4	227.0	178.8

PHARMACEUTICALS & BIOTECHNOLOGY

	Price	Chg	High	Low
AstraZeneca	7694.0	43.0	7878.0	5532.0
Dechra Pharma	2904.0	-4.0	3068.0	2330.0
Genus	3112.0	20.0	3246.0	2178.0
GlaxoSmithKline	1814.0	22.0	1846.0	1477.2
Hikma Pharma	1914.0	-28.5	2200.0	1556.5

REAL ESTATE

	Price	Chg	High	Low
Assura	78.1	0.7	79.3	56.7
Big Yellow Gp	1168.0	3.0	1200.0	933.0
BMO Comm Prop	109.4	-1.4	130.0	106.0
British Land	580.4	0.8	638.8	468.3
Captl & Count Prop	250.6	-0.8	270.5	184.8
CLS Hldgs	274.5	-1.0	312.5	212.0
Daejan Hldgs	5250.0	-70.0	6160.0	4715.0
Derwent London	4120.0	60.0	4186.0	2884.0
Grainger	300.2	-2.2	315.6	217.4
Grt Portland Est	932.2	5.6	948.6	649.4
Hammerson	254.0	-2.8	388.4	203.9
Land Securities	965.4	4.4	1001.5	735.4
LondonMetric Prop	227.0	0.8	241.2	185.0
NewRiver Retail	190.4	-1.6	246.0	147.6
Primary Hlth Prop	159.0	0.2	160.2	115.2
Safestore Hldgs	800.0	5.0	817.5	561.0
Savills	1222.0	-7.0	1240.0	817.5
SEGRO	908.6	7.6	915.8	636.6
Shaftesbury	908.5	-11.5	979.5	739.5
St Modwen Props	500.0	2.5	510.0	373.0
TR Property IT	481.5	0.5	491.5	377.0
Tritax Big Box	141.4	0.9	159.7	135.5
UK Commercial Prop	86.1	-0.7	92.7	79.9
Unite Group	1280.0	13.0	1305.0	873.5
Workspace Gp	1220.0	9.0	1247.0	806.0

SOFTWARE & COMPUTER SERVICES

	Price	Chg	High	Low
Avast	455.4	-26.4	551.0	282.0
Aveva Gp	5085.0	65.0	5170.0	2722.0
Computacenter	1805.0	-12.0	1829.0	1034.0
FDM Group	999.0	15.0	1100.0	647.0
Kainos Gp	852.0	-6.0	880.0	430.0
Micro Focus Intl	1101.4	7.2	2160.0	1004.0
Playtech	353.0	-5.4	457.7	353.0
Sage Group	759.0	5.2	820.4	626.0
Softcat	1165.0	-43.0	1257.0	695.0
Sophos	566.8	-0.8	577.0	298.2

SUPPORT SERVICES

	Price	Chg	High	Low
Aggreko	798.2	-1.8	869.2	693.2
Ashtead Gp	2592.0	61.0	2592.0	1805.5
Babcock Intl Grp	607.8	-6.6	646.6	416.7
Bunzl	2003.0	-2.0	2551.0	1943.0
Capita	150.6	-3.0	183.0	99.9
DCC	6342.0	58.0	7496.0	6225.0
Diploma	1970.0	15.0	2084.0	1270.0
Electrocomp	696.6	-0.4	729.8	540.8
Equiniti	210.0	-7.4	236.2	186.2
Essentra	418.4	3.2	449.0	373.0
Experian	2717.0	12.0	2717.0	1912.0
Ferguson	6932.0	12.0	7216.0	4800.0
G4S	203.7	3.4	234.3	168.3
Hays	159.8	0.3	183.5	138.0
Homeserve	1315.0	-11.0	1340.0	943.5
Intertek Gp	6058.0	-20.0	6170.0	4643.0
IWG	442.6	7.5	469.0	222.2
Network Int	574.0	9.0	645.0	513.0
Pagegroup	460.0	1.4	539.0	367.8
Paypoint	1006.0	4.0	1118.0	844.0
Rentokil Initial	475.1	-0.5	481.4	329.0
Sanne Group	594.0	-6.0	752.0	495.0
Serco	162.4	-3.1	167.7	110.4
SIG	94.0	2.0	153.0	91.3
Travis Perkins	1598.0	27.5	1692.5	1166.0

TECHNOLOGY HARDWARE & EQUIPMENT

	Price	Chg	High	Low
Spirent Comms	227.5	-1.0	251.5	140.4

TOBACCO

	Price	Chg	High	Low
Br Am Tob	3391.5	16.5	3507.0	2648.0
Imperial Brands	1949.4	15.6	2713.5	1668.2

TRAVEL & LEISURE

	Price	Chg	High	Low
Carnival	3338.0	26.0	4430.0	3056.0
Cineworld Group	184.9	0.9	321.0	184.0
Compass Gp	1936.5	-1.0	2138.0	1630.5
Dominos Pizza	302.6	5.6	326.4	221.2
easyJet	1409.5	-1.5	1527.0	854.8
EI Group	284.2	0.0	285.0	194.0
FirstGroup	125.1	0.3	137.5	89.3
Flutter Ent	8930.0	10.0	9456.0	5525.0
Go-Ahead Gp	2040.0	0.0	2278.0	1783.0
GVC Hldgs	894.0	4.8	939.0	507.5
Intercontl Htls	4755.5	46.0	5738.0	4340.5
Intl Cons Airl	592.0	-0.4	671.0	413.5
Marstons	104.0	-2.9	131.4	93.3
Mitchells & Butlers	391.5	-4.0	470.5	238.0
National Express	453.0	-1.2	476.0	383.0
PPHE Hotel Gp	1990.0	10.0	2100.0	1630.0
Rank Gp	280.5	-4.5	285.0	144.0
Restaurant Grp	130.1	-1.3	166.4	111.9
Stagecoach Gp	133.2	-9.0	167.0	115.5
Wetherspoon (JD)	1538.0	-10.0	1734.0	1214.0
Whitbread	4471.0	121.0	5152.0	3988.0
William Hill	176.9	1.6	205.2	132.3
Wizz Air Holdings	4302.0	192.0	4329.0	2880.0

AIM 50

	Price	Chg	High	Low
Abcam	1407.0	7.0	1500.0	1066.0
Advanced Medical	285.5	-2.0	354.5	225.0
Alliance Pharma	87.0	0.9	87.0	63.0
ASOS	3048.0	18.0	4066.0	2107.0
Blue Prism	1810.0	106.0	1810.0	788.0
Camellia	8400.0	-50.0	11750.0	8350.0
Caretech Holdings	454.0	-5.0	473.0	325.0
Central Asia Metals	207.0	2.5	266.5	180.0
Clinigen Group	979.0	-1.5	1069.0	737.5
CVS Group	1146.0	14.0	1172.0	402.4
Dart Group	1745.0	11.0	1820.0	709.5
Diversified Gas & Oil	95.2	2.4	116.5	92.8
Draper Esprit	526.0	-4.0	548.0	410.0
EMIS Group	1162.0	6.0	1242.0	892.0
Fevertree Drinks	1443.5	11.0	2475.0	1432.5
First Derivatives	2695.0	-25.0	3555.0	2050.0
Frontier Devs	1410.0	-20.0	1430.0	844.0
Gamma Comms	1405.0	-5.0	1460.0	782.0
GB Group	717.0	-1.0	800.0	420.0
Gooch & Housego	1412.5	0.0	1527.5	954.0
Hurricane Energy	23.6	2.0	53.6	21.6
Impax Asset Mgmt	397.0	1.0	405.0	201.0
Iomart Group	385.0	11.5	400.0	316.5
IQE	51.5	0.5	98.0	41.8
James Halstead	564.0	0.0	570.0	440.0
Johnson Service Gp	206.5	2.0	211.5	128.0
Keywords Studios	1370.0	-10.0	1838.0	900.0
Learning Tech Gp	152.0	1.2	158.0	62.2
M&C Saatchi	124.0	-1.0	394.0	79.0
M.P. Evans	700.0	6.0	750.0	612.0
Majestic Wine	214.5	0.0	318.0	213.0
Midwich Group	526.0	-17.0	633.0	474.5
Mortgage Advice B	771.0	29.0	795.0	546.0
Next Fifteen Comm	514.0	2.0	658.0	465.0
Nichols	1325.0	-20.0	1880.0	1322.5
Numis Corporation	288.0	-2.0	306.0	212.0
Polar Capital Hdgs	576.0	2.0	604.0	471.0
Purplebricks Gp	113.0	-3.0	132.0	96.0
Redde	100.0	0.0	127.6	98.0
Renew Holdings	510.0	-2.0	568.0	360.0
RWS Holdings	582.0	3.0	670.0	460.0
Scapa Group	262.5	5.5	403.0	157.0
Secure Income REIT	473.0	8.0	473.0	394.0
Serica Energy	130.0	1.0	143.4	103.6
Smart Metering Sys	507.5	-9.5	665.0	310.0
Telford Homes	349.5	0.0	358.0	267.0
Thorpe (F.W.)	335.0	0.0	359.0	267.0
Watkin Jones	250.0	2.0	255.0	199.6
Young's Brew NV	1225.0	-5.0	1310.0	1030.0
Young's Brew-A	1560.0	-25.0	1885.0	1500.0

EU SHARES

	Price	Chg	High	Low
ADIDAS	297.05	-4.90	316.05	197.00
AIR LIQUIDE	131.05	1.65	130.80	104.40
ALLIANZ AG	220.45	0.90	223.80	182.72
AMADEUS IT GROUP	73.70	-0.24	78.60	42.30
ANHEUSER BUSCH INBEV	69.27	-0.02	92.71	65.77
ASML HOLDING NV	268.90	7.15	272.40	153.22
AXA	24.23	0.07	25.47	20.11
BANCO SANTANDER	313.00	2.75	402.00	294.70
BASF	63.08	0.24	74.49	56.20
BAYER AG	74.80	-0.85	75.75	52.53
BMW	66.64	-0.18	77.75	58.70
BNP PARIBAS	49.51	0.09	53.58	39.32
CRH	2942.00	27.00	3100.00	2190.00
DAIMLER	43.52	0.23	59.31	40.53
DANONE	72.84	-0.34	82.00	63.50
DEUTSCHE POST AG	32.71	0.41	34.91	25.26
DEUTSCHE TELEKOM	14.86	-0.05	16.25	14.14
ENEL	8.01	0.11	7.90	5.10
ENGIE	15.88	0.15	15.72	12.45
ENI	13.29	-0.11	15.94	13.04
ESSILORLUXOTTICA	128.75	0.00	128.75	128.75
FRESENIUS MEDICAL CARE	71.92	-0.16	76.32	57.92
IBERDROLA	9.87	0.02	9.89	6.02
INDITEX	31.03	0.10	32.37	2.55
ING GROEP NV	10.08	0.01	12.05	8.34
INTESA SANPAOLO	2.32	0.01	2.41	1.83
KERING	568.00	6.20	610.20	425.05
KON KPN NV	2.54	-0.15	2.96	2.56
L'OREAL	262.30	0.70	275.30	210.10
LVMH MOET HENNESSY	407.60	-4.40	439.05	279.75
MUENCHENER RUECKVE	272.00	0.70	272.70	194.50
NOKIA	21.88	0.00	21.88	21.88
ORANGE	12.96	-0.14	15.01	12.86
ROYAL PHILIPS	42.98	-0.40	45.61	33.72
SAFRAN	150.05	5.55	149.90	112.25
SANOFI	88.67	1.00	92.72	72.24
SAP SE	120.18	0.34	126.90	90.25
SCHNEIDER ELECTRIC	93.70	1.54	94.22	62.08
SIEMENS AG	116.32	0.96	119.90	85.00
SOCIETE GENERALE	29.83	0.01	31.79	21.13
TELEFONICA SA	6.20	-0.07	9.18	5.94
TOTAL	46.18	-0.29	52.27	43.18
UNILEVER NV	51.49	-0.39	57.56	46.65
VINCI	102.05	0.90	102.40	76.20
VIVENDI	24.71	-0.06	26.42	22.20
VOLKSWAGEN AG	170.12	-2.34	185.52	138.16

CRYPTO A.M. DAILY POWERED BY BEQUANT

CRYPTOCURRENCIES

Name	Price (USDT)	↑/↓(24h)	
Bitcoin (BTC)	$ 9,326.36	2.81%	↑
Ethereum (ETH)	$ 176.69	2.25%	↑
Ripple (XRP)	$ 0.24	0.73%	↑
Bitcoin Cash (BCH)	$ 385.85	4.09%	↑
Litecoin (LTC)	$ 60.69	1.49%	↑
EOS.IO (EOS)	$ 4.07	1.12%	↑
Bitcoin SV (BSV)	$ 289.10	-4.59%	↓
TRON (TRON)	$ 0.02	1.59%	↑
NEO (NEO)	$ 11.42	1.86%	↑
Cardano (ADA)	$ 0.06	8.76%	↑
CryptoCompare Large Cap Index		3.70%	↑
CryptoCompare Small Cap Index		3.10%	↑

Market	$255,659,449,986	
Bitcoin Volatility	-4.00%	↓
Bitcoin Volume on BEQUANT Exchange (USDT)	419,949,851	

Sources: Bequant.io, CryptoCompare.com
Prices and data are correct as of 14:00, 29.01.2020
Crypto AM features in City AM every Tuesday.
Previous Editions:www.cityam.com/crypto-insider
Read more at: https://bequant.pro/cityam

CRYPTO & COFFEE

The market maintained the upward momentum, with Bitcoin (BTC) breaking through the $9,200 resistance level before slowing down just below the $9,500 level. The futures curve extended further, with Deribit Mar-Perp spread widening to over $200 in spite of CME Bitcoin futures expiring this Friday.

Looking elsewhere, despite some degree of concern about Ethereum's (ETH) eventual transition to Proof of Stake (PoS) from Proof of Work (PoW), ETH was not left out of the recent bull run, but it has been the year of Ethereum Classic (ETC) which has gained a lot of ground on a number of key metrics. The interoperability play with Ethereum makes ETC a much more interesting case, as evidenced by the hashrate advancing to record high and ETC now trading at its highest level since Sep 2018.

Similarly, BitcoinCash (BCH) and it's arch-rival BitcoinSV (BSV) also posted strong gains and it is worth keeping in mind that BSV is due to undergo a planned hard fork, code-named "Genesis", on 4 February 2020. For BCH, the block reward is due to halve in early April. Leading Japanese consulting firm Nomura Research Institute (NRI) partnered with cryptocurrency investment solution provider Intelligence Unit (IU) to launch a tradable cryptocurrency index.

US SHARES

	Price	Chg	High	Low
3M	162.00	-3.58	219.50	150.74
ABBOTT LABORATORIES	89.14	-0.40	91.86	72.36
ADOBE INC	351.66	-2.97	354.63	247.38
ALPHABET NON VTG-C	1458.63	6.07	1486.65	1036.23
ALPHABET-A	1456.70	6.20	1484.69	1116.79
AMAZON.COM	1858.00	4.75	2020.99	1588.22
AMERICAN EXPRESS	131.68	-0.77	135.11	102.70
APPLE INC	324.34	6.65	319.23	166.44
AT&T	37.05	-1.53	39.63	29.45
BANK OF AMERICA	33.01	-0.23	35.64	26.25
BERKSHIRE HATHAWAY	224.50	0.47	230.20	195.81
BOEING CO	322.02	5.46	432.69	309.00
CATERPILLAR INC	135.78	-0.96	150.53	113.38
CHEVRON	110.37	-0.75	126.54	110.39
CISCO SYSTEMS	47.05	-0.72	58.05	43.52
CITIGROUP	76.48	-0.76	81.91	60.33
COCA-COLA CO	57.01	0.00	57.83	44.69
COMCAST	43.32	-0.72	47.50	36.57
DOW	49.67	2.51	66.65	40.71
EBAY INC	34.58	-1.63	41.57	33.65
EXXON MOBIL	64.11	-0.54	83.38	64.65
FACEBOOK	223.23	5.44	222.14	174.60
GOLDMAN SACHS GROUP	240.12	-2.46	249.72	182.49
HOME DEPOT INC	234.02	0.16	238.85	181.14
HONEYWELL INTERNATIONAL	175.67	0.21	183.23	143.63
IBM	137.69	-1.86	151.36	126.99
INTEL	66.33	-0.98	68.47	43.46
JOHNSON & JOHNSON	150.54	1.04	149.50	126.95
JPMORGAN CHASE & CO	134.23	-0.20	141.09	98.93
MASTERCARD INC	320.32	0.05	324.98	211.13
MCDONALD'S	214.44	4.05	221.15	173.97
MEDTRONIC	118.37	-0.81	121.09	84.15
MERCK & CO	87.24	0.99	92.04	73.19
MICROSOFT	168.04	2.58	167.10	102.78
NETFLIX	343.16	-5.36	385.03	254.59
NIKE INC	99.84	-0.57	104.58	77.14
ORACLE	53.20	-0.26	60.15	50.22
PAYPAL HOLDINGS	116.66	0.14	121.30	96.64
PEPSICO	141.73	-0.71	143.65	118.61
PFIZER INC	37.58	-0.56	44.40	34.24
PROCTER & GAMBLE	125.06	-0.97	126.41	96.47
TRAVELERS COMPANIES	133.27	-1.12	154.83	125.42
TWITTER	33.63	0.21	45.42	28.89
UNITED HEALTH GROUP	282.90	-2.97	300.74	215.26
UNITED TECHNOLOGIES	152.82	-0.04	154.47	118.07
VERIZON COMMUNICATIONS	59.53	-1.17	62.07	53.57
VISA	204.86	2.01	207.90	168.86
WALGREENS BOOTS ALLIANCE	52.28	-0.50	76.05	49.29
WALMART	115.89	-0.71	121.28	93.86
WALT DISNEY CO	136.06	-2.31	151.64	107.79
WELLS FARGO & CO	47.27	-0.10	54.46	43.38

COMMODITIES

Gold	1571.80	-3.79
Silver (Pence)	1797.50	-31.50
Silver (Cents)	1381.00	-17.00
Krugerrand	1589.27	+1.31
Brent Crude	59.91	+0.59
Platinum	982.00	-6.00
British Sovereign	370.88	+0.30
Lead Cash Official	1914.50	+14.00
Copper Cash Official	5714.50	-64.00
Aluminium Cash Official	1744.25	-11.00
Nickel Cash Official	12735.00	+95.00
Aluminium Alloy Cash Official	1370.00	-45.00
Natural Gas	28.14	+0.82
Tin Cash Official	16342.50	-220.00
Zinc Cash Official	2269.00	-23.50
White Sugar	405.40	+10.10

TOURIST RATES

Canada	1.6315
Croatia	7.9487
Czech Republic	27.40
Denmark	8.4067
Hong Kong	9.5959
Iceland	143.22
India	81.65
Israel	4.049
New Zealand	1.8557
Norway	11.33
Poland	4.4428
Singapore	1.6491
Sweden	11.96
Switzerland	1.207
Turkey	7.3607
United States	1.2421

WORLD INDICIES

	Price	Chg	%Chg
FTSE 100	7483.57	+2.88	+0.04
FTSE 250	21468.99	+35.93	+0.17
FTSE All-Share	4157.33	+2.74	+0.07
FTSE AIM All-Share	958.32	+4.98	+0.52
S&P 500	3273.46	-2.78	-0.08
Dow Jones I.A	28734.45	+11.60	+0.04
Nasdaq Composite	9275.16	+5.48	+0.06
Xetra DAX	13345.00	+21.31	+0.16
CAC 40	5954.89	+29.07	+0.49
Swiss Market Index	10859.88	+77.90	+0.72
ISEQ Overall Index	7169.25	+90.95	+1.28
FTSEurofirst 300	1639.11	+6.48	+0.40
Hang Seng	27160.63	-789.01	-2.82
Nikkei	23379.40	+163.69	+0.71
STI Index	3182.57	+1.32	+0.04
ASX All Ordinaries	7135.90	+37.50	+0.53

FORUM

EDITED BY RACHEL CUNLIFFE

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

On the rails: HS2 is about the very bones of our economy

Digby Jones

OVER the coming weeks, the government will publish at last the Oakervee report into HS2. The review looks likely to give the green light to this massive investment in the infrastructure of the north and the Midlands — and it's certain that there will be an almighty row about it.

As always with any infrastructure project in the UK, expect howls of protest about the cost, impact, and expected benefits.

We should pay due attention to these voices — any project, especially one as big as HS2, must be subject to rigorous public scrutiny.

But once the facts have been carefully considered, we should get on and damn well build the thing.

People in the Midlands and the north need this railway. For too long, they have been neglected and let down by a rail network that is not fit for purpose. You only need to look at the dismal experience of passengers on the Northern and Transpennine networks to see that.

It currently takes over an hour to travel by train from Birmingham to Nottingham or Manchester, and nearly two hours to get to Leeds. Commuters in towns like Crewe, Darlington, Grantham and Nuneaton struggle with substandard train services because of an over-stretched Victorian rail system.

However, to assess HS2 in conventional terms, merely as a transport upgrade, is to miss the point. The real reason to build HS2 is to unleash productivity and prosperity across the country. This is about the very bones of our economy.

Be in no doubt: our outdated and under-invested railway holds the economy of the north and the Midlands back, just as London's super-connected transport network propels that city forward.

Our failing rail network leaves talented entrepreneurs, ambitious students, and influential investors believing that they cannot rely on access to suppliers, customers, employees or opportunities. Investment falters, and jobs go elsewhere.

Capacity is crunched. Freight waits in queues on the motorways, spewing pollution. Commuters wait on crowded platforms and can't get seats on trains. Airports are jammed up by super-short-haul UK flights, when the slots should be freed up for international journeys and global trade.

> "Once the facts have been carefully considered, we should get on and damn well build the thing

It need not be this way. What if a business owner in Birmingham could quickly and easily travel to Leeds or Manchester for a meeting? What if a major foreign investor chose Nottingham because it sat at the heart of a well-connected workforce of millions? What if a working mum could easily commute to a new job in Birmingham, without having to move her family home from the north west?

Each of these decisions and opportunities may be individually small, but replicated across dozens of towns, hundreds of investors, millions of people, it adds up to a tidal wave of prosperity.

Only HS2 can make this possible. Halve the journey time between our major cities in the Midlands and the north, and you create economic possibilities that simply did not exist before.

And it's not just people whizzing back and forth between major cities that benefit. Vast numbers of the real winners from HS2 may never use the new railway at all: over 70 stations are set to gain extra capacity and new connections because of space freed up on existing lines.

HS2 is also a critical part of the Northern Powerhouse Rail and Midlands Rail Hub projects, both of which promise even better commuter connections.

How can I be so sure that HS2 will have such a tremendous impact on these regions? Because it's already working. Come to Birmingham, the city where I was born, a city where an economic revolution is underway because of HS2.

A host of major housing developments and regeneration schemes have been launched, including 4,000 new homes to be built right next to the new Curzon Street HS2 station. Peaky Blinders writer Stephen Knight has said that he wants to build a film studio there. Inward investors tell me time and again that they are choosing the Midlands because of the potential of HS2.

Add to that the dozens of businesses that have moved to the region to be part of the HS2 supply chain, and the hundreds of apprentices that are already training at the National College for High Speed Rail, and you start to get a sense of the magnitude of the economic impact HS2 will make

These opportunities and investments represent just a trickle. Building HS2 in full will unleash a flood of opportunity, jobs and prosperity for the Midlands and the north.

This is not just a railway project. It's a tremendous economic intervention. So let's take a deep breath, by all means take on board criticism where it can improve the scheme — and then get on and build it.

Lord Digby Jones is a crossbench peer and former director general of the CBI.

The UK needs to show faith in the OECD, not go it alone with a digital services levy

Russ Shaw

FOLLOWING months of brewing trade tensions between France and the US, centred around President Emmanuel Macron's plans to regulate big tech, headlines from last week showed a victory for an integrated approach, as France agreed to delay its digital tax.

The country will postpone applying a three per cent levy on the likes of Google and Facebook until the end of 2020, allowing time for an international solution to be worked out at the OECD.

As we saw, a combination of fierce negotiations and retaliatory tariffs from the US seem to have ultimately dissuaded French economists, regulators, and politicians from pursuing unilateral action — not only because of the economic repercussions, but also because of the complexities that come from trying to tax tech fairly.

But while France contributed to a global solution in Davos, the UK did not join the party — instead choosing to reaffirm plans to implement its own digital tax in April.

Despite assertions that any such measure would be temporary, chancellor Sajid Javid should be wary of a unilateral approach.

Of course, tech companies must pay their "fair share" of tax, but countries that are determined to regulate on their own terms will fail to feed the growth of a thriving sector — something particularly relevant to the UK. Instead, it will thwart investors, entrepreneurs, and professionals from scaling their businesses, likely resulting in backlash from the industry.

And while EU competition commissioner Margrethe Vestager's support for a UK digital tax is encouraging, it has been mistaken as advocating for unilateral action. There are actually several caveats to her message, namely that national taxation on tech firms should be a step towards a coordinated international solution — not as a replacement for it.

In fact, with the EU set to pick up efforts towards a multilateral agreement should the OECD fail, the pressure on the UK to join forces with others is unlikely to dissipate any time soon.

And given the UK's imminent departure from the EU, a unilateral approach could put a potential trade deal with the US in jeopardy.

It is vital, then, that the UK remains open to its allies in the continent and beyond, and learns from the French that taxing big tech is better done in cooperation with others.

This would represent something of a policy U-turn, but the delay announced by the French in the hope of an OECD-sponsored agreement surely provides the UK with the precedent to backtrack.

After all, a hawkish, unilateral action will limit the UK's global potential. It will cause friction with allies and potentially have further ramifications for investors and tech companies that are already sceptical about a post-Brexit UK.

It is therefore of utmost importance that the new government remains a leading voice for regulating tech, but it should not do so at the expense of international collaboration. On the home front, aside from tax itself, this also means working with the private sector to understand how to protect small businesses and startups from the impact of tech giants.

Talks at Davos showed that there is an appetite for global collaboration on a digital tax, even from the US — with the UK acknowledging that this is the desired destination. Although pursuing a unilateral approach may show leadership, any pre-emptive measures from the UK would inevitably delay progress at an international level.

Instead, the UK must learn from the French experience, show faith in the OECD, and work towards a multilateral solution to what is an inherently global issue.

Russ Shaw is founder of Tech London Advocates and Global Tech Advocates.

LETTERS
TO THE EDITOR

Northern Fail

[Re: Struggling Northern Rail franchise nationalised and renamed Northern Trains]

Grant Shapps was right to nationalise Northern Rail — it has been failing for some time. Attempts to shift the blame onto "external factors" by Arriva, which ran the network, will ring hollow to everybody in the north who suffered their incompetence.

However, the problems with the railways go far deeper than one franchise being run badly. Sure, Shapps has repeatedly promised that he will solve them with the Williams Review — but that is still yet to see the light of day.

Until it is released, one can't help but feel that renationalising rail lines is like applying a sticking plaster to a gaping wound.

Jeremiah Bedford

BEST OF TWITTER

Yet another private train company has failed, leaving the nation to pick up the pieces. Taking Northern into public ownership is overdue, but it should be permanently nationalised along with the rest of the railway. Let's take back control of our railway
@AndyMcDonaldMP

Until neglected northern networks are updated, invested in properly, and (publicly-owned) Network Rail gets its act together, there is little reason to think government will manage this franchise better than Northern Rail did
@KateAndrs

30 days has September
April June and November.
All the rest have 31.
Except January, which has 496.
@emerylord

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I confronted our bureaucratic tax system — and lost

Rachel Cunliffe
Comment and features editor at City AM

"TAX DOESN'T have to be taxing," claim the helpful ducks on the HMRC adverts that urge people to file their self-assessment returns by the deadline of midnight tomorrow.

As anyone who has been through the rigmarole of painstakingly filling in a return that always results in a higher-than-expected calculation, the reality is somewhat different.

Filing a tax return is no longer the purview of the self-employed alone. I am proud to be a salaried *City A.M.* employee, but like one in four UK workers (according to research from Henley Business School), I also have a "side hustle", in the form of some freelance broadcast and speaking work.

I am very much a spreadsheet girl. I keep meticulous records of income and expenses, and treat deadlines as sacrosanct. Yet every year, some disaster strikes, and I am left crying on my living room floor, surrounded by invoices and receipts.

This year, I filled out the return (thank you spreadsheet), only to be confronted with the shock of a tax bill that was 50 per cent higher than I had planned — and budgeted — for.

Why? Because of HMRC's "payment on account" system. On 31 January, those filing returns are required not only to pay any tax due on the previous tax year (in this case, 2018–19), but half their projected tax bill for the current year (2019–20). HMRC essentially looks at your total tax bill, assumes next year's will be broadly similar, and demands half of it upfront before the tax year is even over.

Like so many freelancers (if the numbers who have got in touch to share similar experiences are anything to go by), my extra income can double or halve from month to month and year to year. In 2017–18, for example, I made virtually nothing, so paid hardly any additional (non-PAYE) tax. The following year was far more successful.

The result? My tax bill, due by tomorrow, is 100 per cent of what I owe for 2018–19, plus 50 per cent again as HMRC assumes 2019–20 will be similar.

I can, the HMRC website tells me, reduce my payment on account. But if I get it wrong and underestimate what I am likely to owe, I will be charged interest — at 3.25 per cent. (If I overestimate, HMRC will eventually return the additional tax, without interest.)

Obviously, I queried this. And in HMRC's defence at what must be the busiest time of the year, they responded. Unfortunately, they confirmed that freelancers in my position are required to pay what amounts to 150 per cent of a tax bill all at once, and were unable to point me to anywhere on the government website that warns aspiring sole traders about this.

The tax system is full of such traps. From a complex web of expenses and reliefs, to incomprehensible rules about pensions and allowances, navigating our tax code (which, at around 22,000 pages, is longer than 12 King James Bibles) is a minefield. Get it wrong, and you risk hefty fines.

The "self-assessment" system is meant to be straightforward enough for individuals to use, but as I asked for help on Twitter, it became apparent that my experience was far from unique. Others had been unexpectedly hit by the 150 per cent tax bill too. And I got the same advice again and again: hire an accountant.

Of course, someone paid to help you sort out the numbers can conveniently also advise you about (legal) ways of making the final tax bill as low as possible. The net result is likely to be more money in the pockets of helpful accountants, and less in the HMRC coffers.

The irony for HMRC is that I am proud to pay my taxes and contribute to our public services. Like the vast majority of citizens, I am not looking for ways to game the system, and probably under-estimate my expenses.

But getting hit with a shock bill, when I have taken every effort to be prepared and organised, undermines my faith in the system — especially when I know I could pay less if I hired someone to find me some loopholes.

And if that's the case for me, when what I owe amounts to virtual pennies for HMRC, what's it like for the 660,000 startups that launch here every year, or the UK's 5.9m SMEs? How much entrepreneurial time is spent battling with a system that seems hell-bent on catching people out? How much money is diverted into the pockets of professional advisers, when people would much rather do it themselves?

And how often does resentment and frustration drive people towards tax avoidance, because they feel they have been unfairly stung?

The script for the cartoon ducks on the HMRC advert needs an update: "tax doesn't have to be taxing — we just decided to make it that way".

DEBATE

Are technology companies a threat to central banks?

YES

BHAVIN PATEL

Tech companies are rapidly developing solutions to overcome shortfalls in the monetary system and proving flexible in tailoring their services to converge with consumer trends. Wide-scale adoption of privately-issued digital coins is growing more probable, particularly in emerging economies. Central bank autonomy would suffer, and monetary sovereignty could be threatened.

Financial stability risk could arise through fragmentation in the monetary system from the widespread issuance of non-fungible digital currencies. In such cases, national central banks could lose control over the money supply. This would result in a severe weakening of their monetary policy-making tools.

If a large enough fraction of the population adopted and stored value in another currency, monetary transmission pass-through via traditional channels would be affected. This would be an especially grave concern for countries with tighter capital controls.

However, in the long term, a private digital currency is unlikely to replace cash. We will probably see the launch of a central bank-issued digital currency (as a complement to physical fiat currency) this year, countering the alternatives offered by major tech companies.

Bhavin Patel is head of fintech research at OMFIF.

NO

RICHARD BROWN

Central banks play a vital role in safeguarding the global financial system — and technology doesn't change that core function. At its best, it should work to enhance and improve it.

The relationship between technology and central banks should be cooperative, particularly where tech firms can address challenges like anti-money laundering and Know Your Customer processes. Smart fintech firms engage and work with central banks and regulators right from the start, in a constructive partnership, to improve existing processes and infrastructures.

It has been argued that so-called anarchic cryptocurrencies like bitcoin could become threats to central banks. But this would only be a risk because there is no identifiable firm behind any of these currencies that governments could shut down or regulators could control. If prominent tech firms worked with central banks, this would be less of an issue.

The financial services industry as a whole, including the central banks, should now look at tech firms with the same open mind that the industry took to electronification in the 2000s.

Richard Brown is chief technology officer at R3.

TECHNOLOGY

EDITED BY STEVE HOGARTY

SURFACE TENSION

Can Microsoft's new two-in-one **Surface Pro 7** outperform the competition?

Since the original Surface Pro launched in 2013, Microsoft's range of tablets have offered a value proposition most business users have found hard to resist: the form factor of an iPad, but with the functionality of a Windows PC.

Some mistakes were made along the way, namely a few tablets running compromised, Frankenstein versions of the operating system, which awkwardly straddled the realms of desktop and mobile like a drunk failing to vault a bollard. But since the launch of Windows 10, the leading Surface Pro devices each provide a near-seamless, fully compatible desktop experience on a machine smaller than a sheet of A4.

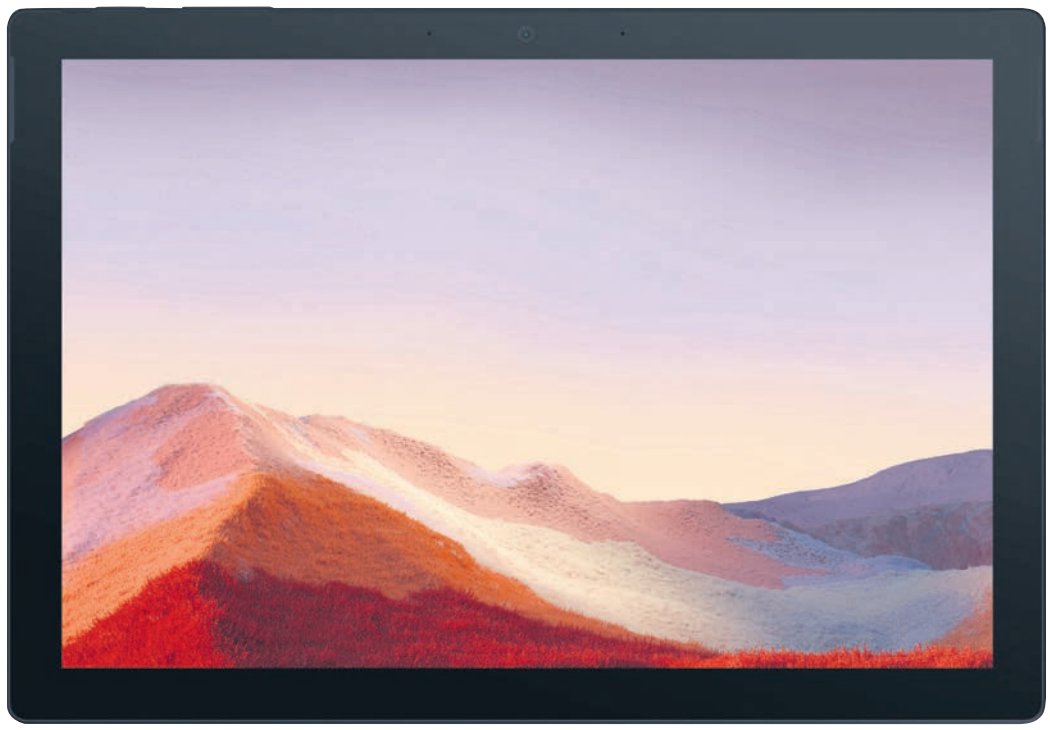
The Surface Pro 7 doesn't rock the boat, mostly keeping things familiar while ushering in a few new features and a significant performance boost over previous models. This is achieved through the use of Intel's latest 10nm processors in every available configuration; the smaller those transistors, the more of them you can cram into the CPU, and the faster everything goes.

The fresh legs are clear from the get go. This tiny tablet will churn through any task you could reasonably expect of it short of jobs like high-end gaming. Audio and raw image editing in Adobe Creative Suite, 4K streaming, anything you could conceivably want to do in Office 365 – the Surface Pro 7 rarely breaks a sweat in everyday use, only betraying its smaller size when it chews through its energy reserves at speed. That power increase comes at the expense of battery – eight hours of web browsing will send it to sleep.

The Surface Pro 7 is also Microsoft's best looking hardware yet, especially when paired with the new colour range of accessories. The poppy red Type Cover in alcantara fabric – a synthetic suede more often spotted on the dashboard of fancy cars – is striking, though you wouldn't want to eat your soup anywhere near it. The Surface Pen and Surface Arc mouse can be found in matching shades, though all three are sold separately. Expect to spend another £300 if you want to be fashionably colour coded on your morning commute.

Search around the 12.3-inch touchscreen of this new tablet and you'll struggle to spot what else has changed since the Surface Pro 6. There's a USB-C port for connecting to the newer devices. The iconic kickstand snaps out of the back, and when used with the cover turns this tablet into a functional laptop in a way no other two-in-one device can manage. The Pen still snaps to the side, satisfyingly.

Owners of the previous model shouldn't feel the urge to upgrade, but those looking for a do-it-all hybrid won't find much better.



BANKING ON IT: THE BEST MONEY APPS TO STAY ON TOP OF YOUR FINANCES

CLEO
£5.99 per month, meetcleo.com

Being gently shamed by your peers is one of the most powerful motivators around, and Cleo harnesses this energy to shape your spending habits. She's a virtual assistant with a friendly, chatty attitude and an eye on your balance. You can ask for her advice on whether you've got enough cash for a night out, and she'll send you disapproving memes if you break your budget.

MONEY DASHBOARD
Free, moneydashboard.com

One of the more critical aspects of managing your finances is knowing precisely where everything is, which can be difficult if your money is spread across multiple accounts and different banks. Money Dashboard is the most widely used app for overseeing the entire mess in one go, and if it doesn't immediately give you a panic attack, could very easily help you reach your goals.

MONEYBOX
£1 per month, moneyboxapp.com

Moneybox rounds up any purchases you make to the nearest pound and invests the pennies into a Stocks & Shares ISA. It's far from the most cost-efficient way to build up your investments – a £1 monthly subs fee as well as platform/fund fees can eat at your savings – but it's a great step for beginners looking to squirrel away a few quid without having to think too much about it.

MONZO
Free, monzo.com

The UK's fastest growing bank and the poster child for the digital disruption of high-street giants, app-based Monzo features a slew of savings options. Things like separate saving pots that you can lock yourself out of, and automatically rounding up transactions to pocket your extra change. Monzo has also partnered with third-party companies to offer interest-earning savings accounts.

YOU NEED A BUDGET
$84 per year, youneedabudget.com

Unlike standard budgets that forecast your income and expenditure, this web and app-based budgeting software uses the traditional envelope method of bookkeeping, where every penny you've got in your purse is pre-allocated towards a specific type of spending. It's a mindset as much as a budget, with a cult-like following of flush devotees.

QUICKBOOKS SELF-EMPLOYED
£8 per month, quickbooks.intuit.com

Quickbooks Self-Employed is geared towards sole traders, especially freelancers without business accounts who need to easily split and tally their personal and professional expenses before submitting a tax return. It generates an S103 tax summary for HMRC, making self assessment that little bit less hellish, and can be used to record and save expense receipts too.

OFFICE POLITICS

The BBC keeps scoring own goals with its comms

The broadcaster is a textbook example of how not to manage your internal messaging

LIKE the perfect colour for a cup of tea (green, in my case), it seems that everyone in the UK must have an opinion on the BBC. Auntie, age 97, has become loathed in some quarters of the right-wing press, with omnipresent claims of BBC bias, and equally hated in sections of the left-wing media, with similarly omnipresent claims of BBC bias.

The attacks tend to get louder during General Elections, when the public service broadcaster gets accused of committing all sorts of sins by politicians from every party.

After securing a strong majority in December, the freshly elected Prime Minister Boris Johnson has ordered a review of the BBC's funding via the licence fee. And now the institution's highest-paid star and football pundit extraordinaire Gary Lineker (star of Match of the Day, Sports Personality of the Year, and the first episode of season three of W1A) has put the boot in.

"You're forced to pay it if you want a TV, and therefore it's a tax," he told The Guardian. "The public pay our salaries, so everyone is a target."

This VAR-free intervention comes after the BBC's director-general, Lord Tony Hall, announced his decision to stand down from the top job in the summer, and it follows presenter Samira Ahmed's successful and high-profile equal pay case against the BBC.

Who wants to work at an organisation that effectively announces your redundancy in a national newspaper?

Times were already tricky — but somehow, the broadcaster made things worse by committing a cardinal sin of internal communications and failing to let employees know about a major shake-up of its current affairs programming.

This has meant that the BBC has unintentionally picked a fight with award-winning, cancer-surviving Victoria Derbyshire, who claims that she first heard about the alleged axing of her programme in The Times.

It is a similar story for the award-winning BBC correspondent Sanchia Berg, who took to Twitter to say that she learnt through the Mail Online that "the job I've done for more than 20 years is to be closed". A backlash has ensued, with viewers urging the BBC to keep Derbyshire's show.

There are many great examples of change management communications — this was certainly not one of them. In fact, it was a massive fail. Perhaps the BBC's management has spent too much time watching The Apprentice and not enough time learning from chief executives in the real world who actually appear and are scrutinised on their programmes.

The BBC needs to regain its position as one of the nation's most trusted and treasured brands. But building trust starts at home, and it will have to work hard to regain the trust of its most valuable assets: its talent. After all, who wants to work at an organisation that effectively announces your redundancy in a national newspaper?

Auntie will reach her one hundredth anniversary in three years. A new director-general will be at the helm, the licence fee will likely be reformed, and the talent pool will be in demand from several new entrants as we enter a new phase of the streaming wars.

It is time for the BBC to start acting its age, harness the immense wisdom that lies within this media behemoth, and attempt to regain the moral high ground in public life.

In other words, and as Lineker would say, it needs to stop scoring so many "own goals".

Emma Kane is chief executive of Newgate Communications.

RAINY DAY FUND

Chip
Free

Chip is one of a plethora of apps designed to help you with saving. Using Open Banking, it monitors your spending and calculates when it can move small chunks of your money into savings, without you noticing or going into your overdraft. Chip doesn't pay any interest, so once you've built up a tidy sum, you should move it into a proper bank savings account — or use it to treat yourself to a night out.

COFFEE BREAK

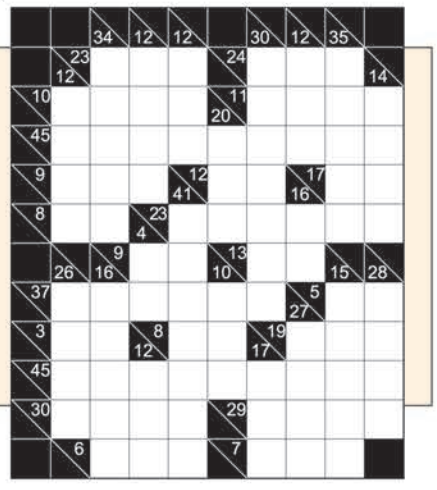
SUDOKU

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

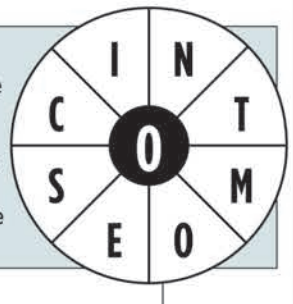
KAKURO

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.

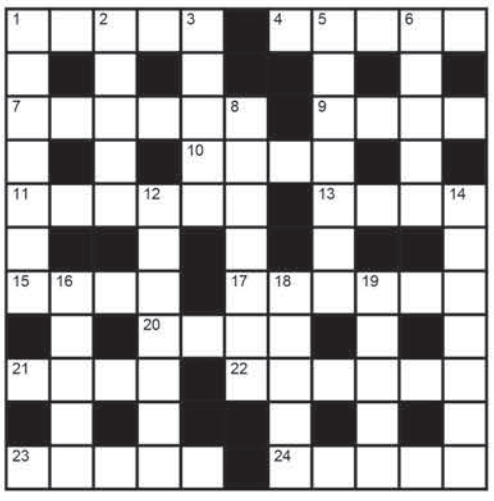


WORDWHEEL

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 Confess (3,2)
4 Country, capital Nairobi (5)
7 Group of travelling performers (6)
9 Percussion instrument (4)
10 European river that flows into the North Sea (4)
11 Strongly disliking (6)
13 Thin fog (4)
15 Remove (4)
17 If there happens to be need (2,4)
20 Brewery cart (4)
21 Part of a skeleton (4)
22 Fit out with garments (6)
23 Iraq's second largest city (5)
24 Character created by Enid Blyton (5)

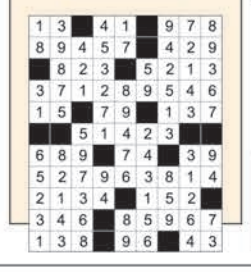
DOWN

1 Person rejected from society (7)
2 Lasso (5)
3 Tubes (5)
5 Locally prevalent (7)
6 ___ truly, letter ending (5)
8 Expressing sorrow, mournful (7)
12 Small, graceful animal of the woods (3,4)
14 Because of that (7)
16 Fragrance (5)
18 Man-made fibre (5)
19 Played a part (5)

LAST ISSUE'S SOLUTIONS

QUICK CROSSWORD

KAKURO



SUDOKU

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

WORDWHEEL

The nine-letter word was **PESTILENT**

SPORT

NEW ERA

Eddie Jones embarks upon the Six Nations with a very different backroom staff, writes **Michael Searles**

WHEN England take to the Stade de France for their opening Six Nations fixture this weekend, all eyes will be on the players. How will the Saracens stars fare away from their turbulent club? Will the uncapped players hit the ground running? Has Eddie Jones made enough changes from the squad that lost the World Cup final?

While all those questions are valid, the most significant changes have been behind the scenes.

Jones's new-look coaching staff, who will work together for the first time on Sunday, has undergone a huge overhaul during the winter, with only defence coach John Mitchell remaining in the same post.

Matt Proudfoot has joined as forwards coach following a successful stint with Rugby World Cup winners South Africa, where he coached the pack that so brutally got the better of England in November's final.

While not always the most aesthetic of performances, it was Proudfoot who presided over the scrum which caused England and Jones so many problems as they went on to win the final by a record 20-point margin.

It highlighted the importance at the highest level of the game of the forwards in securing the ball and building from the front. So who better than the man who identified England's weaknesses to now fix them?

Proudfoot was born and raised in South Africa but spent much of his playing career in Scotland, representing the country four times after qualifying through his grandad, who was from Dumfries.

He spent three and a half years with the Springboks, working under both Allister Coetzee and Rassie Erasmus, having helped Erasmus develop tighthead Frans Malherbe and Vincent Koch, loose-head Steven Kitshoff and hooker Mbongi Mbanambi during their previous spell at Stormers.

It will be hoped he can have a similarly positive impact on Kyle Sinckler, Ellis Genge and others in the front row.

The 47-year-old takes over from Steve Borthwick, who is staying with England but switching to skills coach until the summer, when he will join Leicester Tigers in his first head coach role. It will signal the end of an eight-year partnership with Jones, having followed the Australian to England from Japan.

Melbourne Storm assistant coach Jason Ryles, who has a background in rugby league and has assisted with the England set-up intermittently during Jones's tenure, will come in as Borthwick's replacement in November.

Under the fresh approach, Proudfoot will also be responsible for the scrum, following the departure of Neal Hatley to Bath after the World Cup.

NOTORIOUS TASKMASTER

While both of those departures had been expected, England suffered another blow late last year when it emerged that attack coach Scott Wisemantel was to leave with immediate effect and return to his native Australia to join the national side under Dave Rennie.

Jones has called on England Sevens coach Simon Amor to fill that void and add some dynamism to his team's attack.

For all their impressive displays, a criticism of this England side has been that they seem unable to react when the game is not going to plan.

It is hoped that Amor, who led the Team GB Sevens team to silver at the Rio 2016 Olympics, can help to unravel some of those issues and encourage more adventurous play from players who are products of the Premiership, where structured play tends to reign supreme.

This refresh of the coaching staff should bring with it new ideas but the continued high turnover under Jones raises questions as to why so many coaches come and go under the notorious taskmaster.

Despite this, the Rugby Football Union has decided to back him once again by hiring his chosen staff. However, this raises questions of its own, with the RFU yet to tie him and Mitchell down to deals through to the next World Cup. Their current contracts expire next year.

The backroom reshuffle may also partly explain why Jones has been reluctant to make many immediate changes to the core of his squad. Although the 34-man squad contains eight uncapped players, the starting XVs are likely to be consistent with recent selections.

Or perhaps, despite suggesting he would need to pick a new team in a new World Cup cycle, Jones is, for now, only thinking about winning the Six Nations.

REVOLVING DOOR

SCOTT WISEMANTEL
Attack coach left England to work under Dave Rennie at Australia.

NEAL HATLEY
England's scrum coach rejoined Bath after the World Cup as forwards and defence coach.

STEVE BORTHWICK
Eddie Jones's trusted No2 will leave in the summer to become Leicester Tigers head coach.

JOHN MITCHELL
Experienced Kiwi defence coach remains in place under Jones.

Wood's comeback shows the depth of England's bowling

CRICKET COMMENT

Chris Tremlett

ENGLAND won the fourth Test match against South Africa on Monday to seal a 3-1 series victory and there are a lot of positives for them to take out of the last six weeks. South Africa are in a transitional phase and are clearly not what they used to be, but the fact England bounced back from losing the first Test to prove people wrong is very encouraging.

That they did so with so many promising young players in the side is even more so, with Dom Sibley, Zak Crawley, Ollie Pope, Dom Bess and Sam Curran all performing well.

I was also happy to see the strength in depth of the bowling department, which was without Jimmy Anderson for two Tests and Jofra Archer for three.

I'm sure Archer will come back from his elbow injury and show just how good he is, but his absence allowed Mark Wood to shine, which was great to see.

Wood had the perfect conditions for him to exploit in Johannesburg and he showed the world just how good he is when he's firing on all cylinders.

He reached speeds of 94mph at The Wanderers, which makes such a difference against world-class batsmen. No matter how good you are, you don't want to be facing someone with that pace.

Wood will face tougher challenges on different kinds of pitches in the subcontinent and in Australia, but for him the main battle is just staying fit.

INJURY SYMPATHY

As a fast bowler myself I know the struggles that come with dealing with injuries and I have a lot of sympathy for him. He has worked hard off the pitch and match figures of 9-100 were a fitting reward.

Wood lengthened his run-up to ease the pressure on his ankles and knees, which can be a difficult thing to do. He needed to change his action to reduce the stress, but bowling is all about momentum and tweaks like that take time to get used to.

Wood won the man of the match award in Johannesburg

I actually went the other way, shortening my run-up when I encountered back problems. It worked for a short time, but ultimately it didn't feel comfortable.

There are so many moving parts to get in the right place, so I just hope Wood has found something that works for him, so he can turn his 15 Tests into 50 or 60.

BUTTLER CONUNDRUM

One of the only negatives for England is the form of Jos Buttler, who averaged just 16.42 in South Africa.

There have been calls for Chris Silverwood to drop him, but I would give him more time. Buttler is one of the best white-ball batsmen I've ever seen. He is so talented and I feel it would be a waste to discard him now.

I've felt sorry for the likes of him and Ben Stokes over the past few years, because they have all too often been tasked with rebuilding the innings. But if the top-order solidity can remain then I hope the glimpses of Buttler's genius can become more consistent.

If after a few more series it still hasn't happened then, with Jonny Bairstow and Ben Foakes as possible replacements, I would groom him as Eoin Morgan's successor as white-ball captain.

Chris Tremlett is a former England and Surrey fast bowler and a director at Source Property Investments. @ChrisTremlett33

HAT-TRICK ON City beat United to take aim at a third Carabao Cup

Holders Manchester City will face Aston Villa in the Carabao Cup final after beating rivals Manchester United 3-2 on aggregate in the semi-final last night. United won 1-0 at the Etihad Stadium yesterday, but could not overturn their 3-1 deficit from the first leg after goalscorer Nemanja Matic was sent off. City spurned several opportunities in the first half before Matic fired in low from a free-kick to give the away side hope. The hosts had two goals ruled out for offside and Raheem Sterling failed to take a one-on-one opportunity, but City did enough to earn the chance to win the Carabao Cup for three consecutive seasons. Pep Guardiola's side will play Villa at Wembley on Sunday 1 March.

SPORT DIGEST

SALAH STARS AS LIVERPOOL GO 19 POINTS CLEAR AT TOP

Liverpool moved 19 points clear at the top of the Premier League last night with a routine 2-0 win over West Ham. Mohamed Salah's first-half penalty after Divock Origi was fouled by Issa Diop and Alex Oxlade-Chamberlain's cool finish on the counter-attack were enough for Jurgen Klopp's side to pick up their 23rd victory from 24 league games. Defeat leaves West Ham 17th in the Premier League, level on 23 points with Bournemouth and Watford.

THIEM BEATS NADAL TO SET UP ZVEREV SEMI-FINAL

Dominic Thiem will play Alexander Zverev in the semi-finals of the Australian Open after beating top seed Rafael Nadal in an epic four-set encounter yesterday. Thiem prevailed 7-6 (7-3), 7-6 (7-4), 4-6, 7-6 (8-6) in four hours and 10 minutes in Melbourne. The Austrian fifth seed has lost to Nadal in the last two French Open finals, but held his nerve to beat the 19-time Grand Slam champion on his third match point. He will face Zverev on Friday after the German seventh seed beat Stan Wawrinka in four sets.

INDOOR CHAMPIONSHIPS PUT BACK BY CORONAVIRUS

The 2020 World Athletics Indoor Championships have been postponed due to fears over the spread of the coronavirus in China. The event was scheduled to be held in the Chinese city of Nanjing from 13-15 March but World Athletics has pushed them back 12 months. Coronavirus has now infected around 6,000 people in 16 countries and caused 132 deaths. Formula One, who are due to hold the Chinese Grand Prix in Shanghai from 17-19 April, said they are "monitoring the situation in China closely".

SPURS SIGN BERGWIJN AS HAMMERS SNAP UP SOUCEK

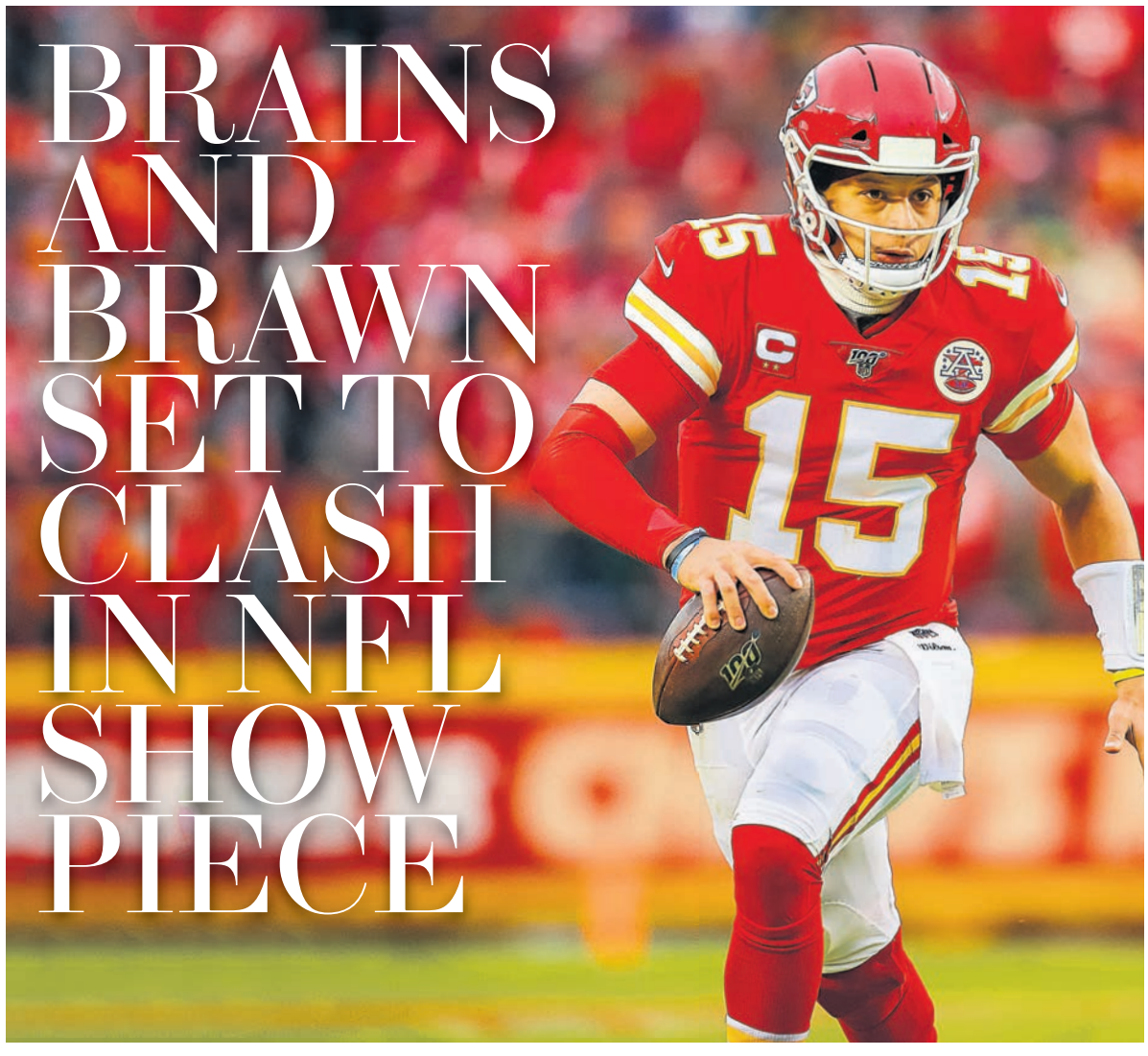
Tottenham have completed the £27m signing of PSV Eindhoven winger Steven Bergwijn. The 22-year-old Dutch international has signed a deal until 2025 with Spurs, who have loaned full-back Kyle Walker-Peters to Southampton until the end of the season. West Ham have signed Slavia Prague midfielder Tomas Soucek on loan with an option to buy for £13m.

INJURED ARCHER RULED OUT OF SOUTH AFRICA T20S

Jofra Archer has been ruled out of England's three-match Twenty20 series against South Africa next month because of an elbow injury. The fast bowler, who missed the last three Tests with the problem, will be replaced by Saqib Mahmood, who will remain in South Africa after the three-match One-Day International series.

BRAINS AND BRAWN SET TO CLASH IN NFL SHOW PIECE

Super Bowl will be a battle between the Chiefs' passing and 49ers' running writes **Felix Keith**



THE Super Bowl is a mammoth sporting event, and an occasion of such magnitude is always going to come attached with a great deal of hype. The NFL showpiece is always billed as unmissable – something fans in the UK should stay up for and immerse themselves in.

It's fair to say that last year's edition failed to deliver, with the New England Patriots choking out the LA Rams in a 13-3 win which set an unwanted record as the lowest scoring of all 53 Super Bowls and sent thousands to a premature slumber on their sofas.

Super Bowl LIV should not have such problems. Sunday's clash between Kansas City Chiefs and San Francisco 49ers has too many things going for it to be boring.

TOO CLOSE TO CALL

"Normally in Super Bowl week there's a favourite, and sometimes it can be a strong favourite, or there's certainly a sense of how the game will play out," Sky Sports NFL presenter Neil Reynolds, who is covering his 11th season finale in Miami, told *City A.M.*

"At the moment, you listen to people over here, and there's no clear favourite. It's a classic coin-flip game."

It looks set to be an intriguing tactical battle at the Hard Rock Stadium – but not the kind often used to embellish a match light on action. The intrigue stems from the modus operandi of the opposing sides: both teams attack, but in different ways.

This is only the fifth Super Bowl where both teams have averaged over 28 points per game in the season, yet they have gone about it in contrasting fashion.

While the Chiefs' schemes are largely based around the incredible arm talent of quarterback Patrick Mahomes, the 49ers rely much more on their powerful running game to get up the field.

> "If Reid or Shanahan can neutralise their opponents' trump card then it could decide the game

MAHOMES MAGIC

If you are going to base the majority of your attacking play around someone, it is helpful when that person is Mahomes.

"I think he's the best player in the NFL, he's box office," says Reynolds. "He can make every standard throw, but he can also improvise. He can throw with his left hand; when he's not looking where he's throwing; across the field; off balance; on the run; around defenders; over them. He's got it all."

The winner of last season's most valuable player award also happens to be aiming at some of the fastest wide receivers in the NFL. Tyreek Hill, Demarcus Robinson and Sammy Watkins open up all kinds of space downfield, while his near-telepathic relationship with tight end Travis Kelce can generally be relied upon to find first downs.

And when the opposition cover all passing options, Mahomes has the intelligence and the legs to run himself, as his magical game-turning touchdown in the Chiefs' 35-24 AFC Championship win over Tennessee Titans attests.

While the Chiefs have Mahomes on their side, they also have the weight of history hanging over them.

Their founder and original owner Lamar Hunt invented the name Super Bowl after seeing his children playing with a toy called a "Super Ball". But this is their first Super Bowl since 1970 and only the second of head coach Andy Reid's 21-year NFL career.

Reid has made the play-offs 15 times and is playing his 29th post-season game on Sunday. Having overseen 221 NFL wins – the sixth most of any coach – the only thing missing on his CV is the Vince Lombardi trophy.

UNSTOPPABLE RUNNING

If the Chiefs' championship game was notable for Mahomes' passing, the 49ers' win over Green Bay Packers was defined by their running back Raheem Mostert.

Mostert scored all four of the 49ers' touchdowns, with quarterback Jimmy Garoppolo tasked simply with handing him the ball from the snap. Garoppolo attempted just eight passes in the entire 37-20 victory as head coach Kyle Shanahan showed how effective his blueprint can be.

"Shanahan gets his guys blocking downfield so well with the angles they take," Reynolds says. "They have an intricate approach to blocking: there's a lot of motions before the snap to get the defence to show their hand.

"It's an old-school feel with a modern, innovative twist to it. That's what has made it unstoppable."

The Chiefs will know what to expect in Miami, but stopping it is another thing, and if they do so then Garoppolo is more than capable of switching it up and connecting deep passes.

There is an oft-quoted phrase in the NFL: offence wins games but defence wins championships. It is a cliche, but it could well prove true this weekend.

It may well boil down to Mahomes' passing game versus the 49ers' running game. If Reid or Shanahan can neutralise their opponents' trump card then that will go a long way to deciding who prevails on Sunday.