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WEDNESDAY 26 JUNE 2019 | ISSUE 3,400 CITYAM.COM FREE

FIRST BLOOD

TRANSPORT GROUP CHAIR SHUNTED DESPITE SEEING OFF COUP

JESS CLARK AND JOSH MARTIN

@jclarkjourno @joshmartinnz

FTSE-LISTED transport giant First Group won the war but suffered a heavy battlefield loss when its chair fell on his sword following a successful showdown with activist investor Coast Capital.

Wolfhart Hauser resigned despite defeating an attempt by Coast to oust him from the board that garnered 30 per cent support from shareholders at an extraordinary general meeting (EGM) in London yesterday. Hauser will not stand for re-election at the company's next annual shareholder meeting next month.

US activist Coast said it welcomed Hauser's resignation, which it saw as a "constructive first step" and gave no indication of a truce anytime soon – despite all of its proposals being rejected by investors.

"First Group needs and deserves a board which is populated with directors who have the relevant experience and who act to the benefit of all shareholders," it said after the vote.

Around one in four shareholders, excluding Coast, voted for the New York hedge fund's 13 resolutions, First Group said.

The transport company said over a fifth of investors voted for several resolutions against the board's recommendations, saying it will look to engage with those disgruntled shareholders.

Schroders and Columbia Threadneedle, which hold nine and ten per cent stakes in First Group respectively, indicated before yesterday's vote that they would back Coast's move to oust Hauser as chairman along with two long-serving directors.

Hauser will not stand for re-election next month

Coast, which owns a near 10 per cent stake in First, had been agitating for a radical restructuring of the company.

Its demands included splitting First's UK assets from its US assets, withdrawing from Britain's railways and removing six board members including Hauser and chief executive Matthew Gregory.

Boris dares Hunt to back 31 Oct Brexit

OWEN BENNETT

@owenjbennett

TORY leadership frontrunner Boris Johnson yesterday doubled-down on his pledge to leave the European Union with or without a deal by the end of October – and challenged his rival Jeremy Hunt to vow the same.

In a letter published on his Twitter feed, Johnson argued Brexit must take place by the end of the extension period – or the Conservative party will "kick the bucket".

The former foreign secretary challenged his successor at the foreign office to set out what concessions he would be willing to make to secure another extension if a new Brexit deal cannot be agreed by 31 October.

Hunt hit back by mocking Johnson's decision to duck a Sky News debate scheduled for last night – complete with the hashtag #BoJoNoShow.

In his letter, Johnson said: "For my part, I have been clear that, if I am elected leader, we will leave on 31 October with or without a deal. Will you join me in this commitment to leave on 31 October come what may?"

Hunt has previously said he wanted to renegotiate the Brexit deal secured by Theresa May, but if there was no prospect of a new agreement by 31 October he would crash out of the EU without a deal.

FTSE 100 ▲7,422.43 +5.74 **FTSE 250** ▼19,268.51 -13.17 **DOW** ▼26,548.22 -179.32 **NASDAQ** ▼7,884.72 -120.98 **£/$** ▼1.269 -0.004 **£/€** ▲1.115 +0.002 **€/$** ▼1.137 -0.003

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CITY A.M.

THE CITY VIEW

Oxford Street discounts are a sign of retail woes

THE CRUCIAL summer selling season is finally upon us, but for retailers on London's most celebrated high street, all is not well. Big red discounts in shop windows line the parade on Oxford Street, where many of the country's flagship fashion stores are offering major price reductions in a desperate bid to boost their sales. Seemingly gone are the days when these iconic brands can rely on an influx of shoppers looking to renew their summer wardrobe, as they turn to price cuts of up to 60 per cent to claw back customers. Once-great department store chains such as House of Fraser, Debenhams and John Lewis are all flooded with clearance sales. Even Sir Philip Green's Topshop store on Oxford Circus – the jewel in the troubled tycoon's crown – now offers half-price sales to lure in shoppers. According to Shore Capital's Greg Lawless, who first noted the discounting trend in a market update earlier this week, there are just four notable retailers still trading at full price on Oxford Street. Lawless argues there are several prevailing reasons for the current troubles: poor weather, the shift away from spending on products towards spending on services, the increasing demand for sustainable products and longer product life cycles, and the structural shift online. Add to this the cost of soaring business rates and tough comparatives from the hottest summer on record last year, and it is not hard to see why Oxford Street has already turned into a discounting frenzy. Yesterday's £522m losses from struggling fashion chain New Look should remind us too that these tough trading conditions are rippling far beyond the West End. It is a sorry sight to see that even one of Europe's most prestigious shopping streets is now having to slash its prices, threatening not only profit margins but also a retailer's credibility among consumers. Continuous discounts also mean customers are often tempted to put off their purchases, because they know that if they wait then prices could drop even lower. As the high street kicks off the summer season with an unusually aggressive spate of discounts, investors in the City should take notice – these big red discounts are really big red warning signs.

The high street has begun the summer by slashing prices to claw back sales

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FRANCE FEELS THE HEAT Temperature looks set to hit record levels as Paris sweats in 40 degrees celsius summer heatwave

AUTHORITIES in Paris are setting up cool rooms in municipal buildings, opening pools for late-night swimming and installing extra drinking fountains as France braces for a heatwave that could see record temperatures for June. Temperatures hit 34 degrees celsius on Monday, and the mercury is expected to climb as the week goes on – potentially hitting 40 degrees celsius.

Bailey defends handling of Woodford fund fallout

HARRY ROBERTSON

@henrygrobertson

ANDREW Bailey, the head of Britain's Financial Conduct Authority (FCA), yesterday told MPs the dramatic suspension of Neil Woodford's flagship fund was due to a failure of rules rather than regulation.

Under questioning by the Treasury Select Committee he also defended the FCA's report into RBS's disgraced turnaround unit, saying "the evidence is just not there" to support action against the managers involved.

Bailey's appearance was widely seen an audition for the role of Bank of England governor. He is the bookies' favourite to replace Mark Carney in January, but accusations that the FCA has mishandled financial failures under his management could damage his chances.

Star investor Woodford froze his flagship fund this month with £3.7bn of investors' money locked inside. In 2017 the Woodford Equity Income Fund was worth about £10bn.

Bailey told MPs that Woodford was "using the rules to the full," and that they need changing.

He said the EU's "excessively rules-based" Ucits directive, which covers equity fund management, has been partly to blame for the Woodford debacle. The FCA boss criticised Woodford's listing of assets on Guernsey's stock exchange to meet EU rules on how much of a fund must be tradeable.

"Listing on an exchange where trading doesn't happen, as far as I can see, doesn't count as liquidity," he said.

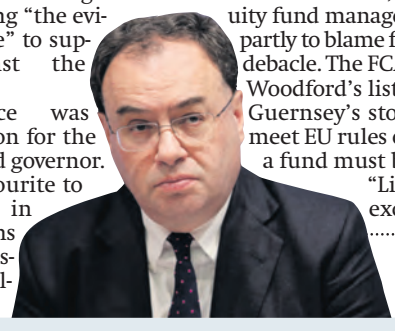
It was Bailey's first Treasury Committee appearance since the FCA published its long-awaited report into RBS's Global Restructuring Group (GRG). The group was accused of asset-stripping thousands of small businesses following the financial crisis.

MPs harshly criticised the FCA's conclusion that it could not hold RBS to account.

But Bailey said to bring a misconduct action "you've got to prove that they deliberately set out" to damage small businesses, which is something the FCA could not do.

"I can't operate outside the law, I'm sorry," he said.

Last night, Sky News reported Woodford was close to hiring banks to sell of his stakes in firms including Atom Bank and Oxford Nanopore.



Bailey heads the City watchdog

WHAT THE OTHER PAPERS SAY THIS MORNING

FINANCIAL TIMES

IRELAND FINANCE MINISTER FEARS OVER NO-DEAL BREXIT

Ireland faces 85,000 potential job losses and a sharp economic slowdown if the UK crashes out of the EU in October, the country's finance minister has said. Paschal Donohoe said 50,000 to 55,000 jobs could be lost within two years of the UK exiting the EU without a deal, with another 30,000 at risk in the medium term if there were no resolution to Westminster's chaos.

CRITICS ROUND ON CREDIT SUISSE FOR SUING HMRC

Shadow chancellor John McDonnell has branded Credit Suisse "outrageous" after it kicked off a legal battle to claw back £239m of bonus taxes paid during the financial crisis. The bank is suing HM Revenue & Customs to recover taxes it paid on bonuses for 2009, which were subject to a one-off levy introduced by then Labour chancellor Alistair Darling.

THE TIMES

DE LA RUE BOSS QUIDS IN DESPITE SHARE PRICE DROP

The outgoing chief executive of De La Rue enjoyed a 20 per cent rise in his pay package last year despite presiding over profit warnings and a slump in the share price after missing out on a contract to print new British passports. Martin Sutherland was paid £954,000 for the year to 30 March.

CHILD BENEFIT CAP 'FORCES FAMILIES INTO POVERTY'

Almost two million children will be affected by the two-child limit on benefits by 2023, according to an analysis. Families who claim universal credit can have extra support for each child of up to £2,780 a year per child.

THE DAILY TELEGRAPH

FORMER UBS COMPLIANCE CHIEF CONVICTED OF LEAKS

The former head of compliance at UBS has been convicted of leaking inside information to a friend while working for the Swiss banking giant, a jury found yesterday. Fabiana Abdel-Malek, 36, was convicted at Southwark Crown Court along with her friend Walid Anis Choucair, a 40-year-old former trader, on three counts of insider dealing.

ASTON MARTIN MAKES U-TURN ON INVESTOR VOTES

Aston Martin has raised eyebrows after the luxury sports car maker withdrew investor votes on the company being able to allot shares at its annual meeting.

THE WALL STREET JOURNAL

FEDEX PROFIT PRESSURED BY EXPRESS UNIT'S WOES

FedEx profit was squeezed in its most recent quarter due to lower revenue at its Express air network and higher costs at its Ground business, as the delivery giant navigates turbulence in global trade.

DEUTSCHE BANK'S EQUITIES CHIEF EXPECTED TO LEAVE

Peter Selman, global head of equities, has indicated he plans to leave Deutsche Bank after executives discussed a possible role for him in a planned noncore unit, also known as a bad bank. This is the latest development in a planned downsizing of the German lender's investment bank.

Watchdog probe dents shares in car firm Lookers

SEBASTIAN MCCARTHY

@SebMcCarthy

MOTOR retail giant Lookers suffered a crash in its share price yesterday after revealing that the City watchdog is probing its recent sales practices.

The car dealership chain's share price dived 24 per cent to 53.5p, plunging to its lowest level in roughly seven years.

Investor sentiment was hit after the firm said the Financial Conduct Authority (FCA) was planning to carry out an investigation into the its sales processes between 1 January 2016 and 13 June 2019.

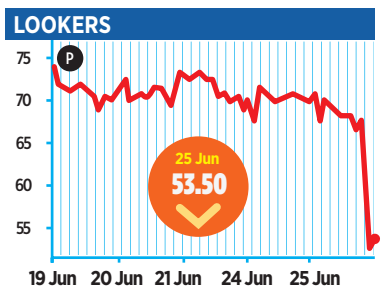
"The FCA investigation is newly commenced and no findings have been made," the group said yesterday. "The FCA will reach its conclusions in due course and, at this stage, the company cannot estimate what effect, if any, the outcome of this investigation may have."

Lookers added: "The company is co-operating fully with the FCA in relation to this and will update the market further when appropriate."

The Manchester-based firm, which sells vehicles for 32 manufacturers including all major brands, said that it had conducted an internal review last year that was shared with the FCA which showed "there were some control issues in the sales process in the group's regulated activities which will require an improvement plan to be implemented".

Lookers said the plan will be completed and agreed actions will be implemented as soon as possible.

In March, the firm reported a 1.6 per cent fall in full-year adjusted pre-tax profits.



FIRESTARTER Jeremy Hunt says cutting taxes for firms would 'fire up the economy'

CONSERVATIVE leadership contender Jeremy Hunt yesterday said he planned to cut corporation tax to 12.5 per cent if he enters Number 10. He told the BBC this would "fire up the economy", adding: "If you don't create the wealth you can't spend it."

US ambassador cautions against allowing Huawei to build UK 5G

JAMES BOOTH

@Jamesdbooth1

US AMBASSADOR to the UK Woody Johnson took a swipe at Chinese tech giant Huawei yesterday, saying that inviting the company into key sectors of the UK's economy would be "like letting a kleptomaniac into your house".

"If we let untrustworthy countries in the heart of our economies, and infrastructure, what could they do? We have to decide that," he said yesterday at the Centre for Policy Studies conference at London's Guildhall.

"I've always said it's like letting a kleptomaniac into your house, and then you've got to hire three people to follow them around all day."

Johnson said a strong UK was in the interests of the US, in light of the growing number of security threats in the world.

He added that, post-Brexit, the UK would be able to make its own decisions on trade. "For the first time in 40 years Britain will be in the driving seat, not Brussels," he said.

Abbvie injects $63bn into takeover of Botox-manufacturer Allergan

AUGUST GRAHAM

@AugustGraham

DRUGMAKER Abbvie is set to buy the company behind Botox in a $63bn (£49.53bn) bid to reduce its reliance on a key drug.

The cash-and-shares deal for Allergan was announced yesterday.

It comes as pressure has built on Abbvie boss Richard Gonzalez over the company's exposure to arthritis treatment Humira. Doubtlessly the firm's star product, Humira is the world's best-selling drug.

But as cheaper knock-off versions start to emerge in Europe, the company has needed new options.

"Allergan provides Abbvie a diverse set of assets to help diversify away from Humira, at a very reasonable price," said Maxim Jacobs, North America director of research at Edison Investment Research.

Three years ago the company acquired Stemcentrx, which looked like a promising cancer treatment. However, earlier this year the firm took a $4bn impairment on the Stemcentrx assets.

The latest move will give Abbvie access to a proven product. And with Allergan shares halving in value since 2016, when a $160bn takeover by Pfizer fell through, it can afford to pay a good premium, Jacobs said.

London exchanges to ban Swiss stocks after Bern-Brussels bust-up

JAMES BOOTH

@Jamesdbooth1

LONDON-based exchanges have warned clients that they will be unable to trade Swiss stocks after 30 June because of a spat between Switzerland and the European Union.

The London Stock Exchange (LSE), Cboe Europe, Aquis Exchange and UBS have all told clients they will be unable to trade Swiss stocks in London starting next week.

The LSE yesterday said: "With effect from the start of business on Monday 1 July, we will halt trading in 254 equity securities issued by Swiss companies."

In a note to clients, UBS MTF, the Swiss bank's UK trading venue, said: "From 30 June (or other relevant date), UBS MTF will remove the Swiss market and all instruments issued by companies with registered offices in Switzerland from its platform from that date."

CBOE Europe said: "In the event that Switzerland is not granted equivalence from the EU by Sunday 30 June 2019, Cboe Europe will not be permitted to admit to trading securities with a Swiss registered office and listed on a Swiss exchange."

The Swiss government said on Monday that it was ready to ban stock exchanges in the European Union from trading Swiss shares.

The move follows the EU not extending stock market equivalence to Switzerland past a 30 June deadline after Brussels grew frustrated with a lack of movement on a proposed EU-Swiss accord.

Stock market equivalence is the recognition that Switzerland's regulations are as tough as the EU's own.

High street fashion chain New Look reported major costs related to restructuring

New Look posts £522m loss

JESS CLARK

@jclarkjourno

STRUGGLING fashion retailer New Look posted a loss of more than £500m yesterday as it continued to press ahead with its turnaround plan.

The high street chain reported a statutory loss before tax of £522.2m, compared to a £190.2m loss the previous year, mostly due to a £423.3m goodwill and brand impairment charge related to the restructuring. However, the firm also reported a core underlying operating profit of £33.2m.

"Whilst New Look enters the new financial year in a fundamentally healthier and stronger position, in many respects today marks the starting line," said executive chairman Alistair McGeorge.

IN BRIEF

CONSUMER CONFIDENCE TUMBLES IN THE STATES

US consumer confidence tumbled to a 21-month low in June as households grew a bit more pessimistic about business and labour market conditions amid concerns about a recent escalation in trade tensions between the United States and China.

The US economy's prospects were further dimmed by other data yesterday showing sales of new single-family homes fell for a second straight month in May. Growing risks to the economy, especially related to the trade war between Washington and Beijing, and low inflation prompted the Federal Reserve last week to signal interest-rate cuts beginning as early as July.

GOLD SOARS TO NEAR SIX-YEAR HIGH

Gold soared to almost a six-year high yesterday on escalating US-Iran tensions and the US-China trade anxiety, leading traders to pile into safe-haven government debt and to snap up the yen and Swiss franc at the expense of the dollar.

Gold has gained 10 per cent in price so far this month, climbing above $1,400 (£1,100.68) an ounce for first time since August 2013 after briefly touching the psychological barrier on Monday.

Property Pints with BuyAssociation

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If you are interested in attending, please RSVP to events@cityam.com

CITY A.M. BuyAssociation CITY AM CLUB

HSBC boss criticised over Chinese socialism claim

OWEN BENNETT

@owenjbennett

MPs HAVE hit back at claims from HSBC's chief executive that China's communist government has "served its people really well."

John Flint, chief executive of the international bank, yesterday said the economic success of the Far East powerhouse should make Western democracies reassess their opposition to centrally-planned socialist economies.

Flint was reported as saying that China's economic success "gives Western liberal democracies pause for thought, because here is a deeply socialist system that's served its people really well."

Speaking at the Bloomberg Emerging and Frontier Forum, he said: "It's been a very convenient narrative, I think certainly in the West for too long to be able to point to socialist systems that fail their people and here's one that's delivered an extraordinary economic transformation."

His comments raised eyebrows among leading MPs, with Bob Seely, the Conservative MP for the Isle of Wight, describing Flint's analysis as "depressingly amoral".

Flint said China's growth gives the West "pause for thought"

Seely, who is a member of Parliament's Foreign Affairs Committee, told *City A.M.*: "China is socialist in the sense of a one-party state above the law, but it is not a socialist system in terms of economics.

"[Flint] probably needs to get his terminology right"

Fellow Tory MP Andrea Jenkyns said: "China has a one-party capitalist system: it is its highly imperfect capitalistic model that is making people better off, not socialism."

China to stop Canadian meat imports as relationship sours

STEVE SCHERER

CHINA will turn away any "meat products" shipped from Canada starting today, according to a report in Le Journal de Montreal, citing an official in the office of the Chinese consulate general in Montreal.

The Chinese embassy said the total block would be introduced after China found a number of fake veterinary health certificates for meat products imported from Canada because of poor supervision.

According to Le Journal de Montreal, Chinese diplomats said they hope Canada will take the necessary steps to "reduce the negative impact on the reputation of its products in order to restore the confidence of Chinese consumers."

China bought C$310m (£185m) worth of Canadian pork between January and April, making it Canada's third-largest export market by value, according to official data.

Relations between China and Canada nosedived in December after Vancouver police detained Meng Wanzhou, the chief financial officer of Huawei, on a US arrest warrant. *Reuters*

Global green bonds surge past $100bn in year's first six months

NINA CHESTNEY

GLOBAL green bond issuance has surpassed the $100bn (£78.62bn) mark already this year, the first time the milestone has been reached in the first half of the year, the Climate Bonds Initiative said yesterday.

Green bonds are a growing category of fixed-income securities that raise capital for projects with environmental benefits. Although they make up a small fraction of the overall bond market, they are attracting more attention because meeting emissions-cut targets will need trillions of dollars of capital from public and private sectors. *Reuters*

Bombardier sells regional jet arm to Mitsubishi

ALLISON LAMPERT

Bombardier is to sell its money-losing regional jet business to Japan's Mitsubishi Heavy Industries (MHI) for $550m (£432.41m) in cash.

The deal – which is expected to close in the first half of next year – marks the Canadian plane and train maker's exit from commercial aviation.

Montreal-based Bombardier has been selling off its weaker-performing commercial plane programmes aimed at airlines to focus on profitable business jets and passenger rail cars. The company faced a cash-crunch in 2015 while bringing a larger narrow-body aircraft to market.

As part of the agreement, the Japanese firm will take over $200m in liabilities, but receive Bombardier's estimated $180m interest in a financing structure it created to support aircraft leasing.

Bombardier chief executive Alain Bellemare said some proceeds from the deal would go towards debt reduction, although he would not offer specifics. "I'm not going to do the math, but that's clearly the game plan," he said.

Bombardier has an additional $400m liability from residual value guarantees provided to airlines on the regional jet programme.

Bellemare said he does not see a "problem" gaining required regulatory approval.

Jean-Luc Ferland, a spokesman for Canada's Innovation Minister Navdeep Bains, said details of the agreement will be reviewed "to ensure it benefits Canadians."

Bombardier will continue to assemble its regional jet planes, known as CRJ, but will stop making the aircraft in the second half of 2020, after it finishes delivering on its remaining backlog of 42 orders. Mitsubishi said it was "committed" to Bombardier's workforce, such as its engineers and customer support workers. *Reuters*

H20 assets fall €2.6bn over investor concerns about Lars Windhorst link

JESS CLARK

@jclarkjourno

ASSET management firm H2O saw assets drop by more than €2.6bn (£2.04bn) across six funds last week as the company deals with concerns over investments connected to a controversial financier.

The London-based asset management arm of French investment bank Natixis has been facing questions over its links with bonds issued by Lars Windhorst and the level of illiquidity in its portfolio.

Assets in the six funds that have exposure to Windhorst's debt fell €1.2bn on Friday, the Financial Times reported.

The Adagio, Allegro, Moderati, Multibonds, Multistrategies and Vivace funds have seen their assets fall by €2.6bn since H2O's ties to Windhorst were revealed.

On Monday, the firm confirmed it had begun selling off some of its private bond portfolio and had cancelled entry fees to attract new investors to its funds.

Non-rated private bonds were cut to below two per cent of assets under management, H2O said, as the firm struggled with an increase in outflows.

Last week, Morningstar put one of H2O's funds under review.

UP IN SMOKE San Francisco becomes first US city to ban e-cigarette sales

SAN FRANCISCO has become the first city in the United States to ban the sale of e-cigarettes. Officials are seeking to control the rapid increase in teenage use of nicotine devices made by firms such as Juul, which is based in the California city.

Petrofac loses out on $10bn in contracts amid SFO investigation

AUGUST GRAHAM

@AugustGraham

6.57%

A SERIOUS Fraud Office probe into Petrofac has made the company lose out on $10bn (£7.8bn) of contracts, its chief financial officer said yesterday.

Alastair Cochran said that a guilty plea from its former head of sales, David Lufkin, came just as Petrofac was bidding for contracts.

The oilfield servicer lost about $2bn- to $3bn-worth of Saudi Arabian and Iraqi orders in the first half.

Meanwhile, around $10bn in deals were not considered by its clients, Cochran said in a call with analysts.

"The timing of those bids coincided with the SFO's announcement [which inevitably] raised concerns among all stakeholders," he said.

The company has lost around half of its share value since the investigation was launched in 2017.

Shares fell a further 6.57 per cent yesterday to 405p. Lufkin pleaded guilty to 11 counts of bribery related to oil deals in Iraq and Saudi Arabia.

Offer available 25 June 2019 to 1 August 2019 inclusive for new customers and those eligible for upgrade. Offer not available with any other discount or promotion and subject to availability. Prices exclude VAT of 20%. Upfront cost of £5. Subject to credit check, business registration and 24 month minimum term. You own any devices 6 months from plan start date. On every EE contract the monthly price plan charge will be increased by RPI in March of each year. Other prices, such as call charges and Roaming costs, may also go up during your plan. Inclusive data is for use in the UK & EU/EEA. 15GB fair use policy may apply. See EE Price Guide for Small Business at ee.co.uk/businessterms for countries covered by roaming and international allowances. Deposit needed for roaming in limited circumstances. Other terms apply, see ee.co.uk/businessterms. 5G launching in London, Edinburgh, Cardiff, Belfast, Birmingham and Manchester with roll out across other UK cities during 2019. Check ee.co.uk/coverage. Speeds vary by location, coverage and demand. Information and prices correct as at 17 June 2019.

Southern Water lands a £126m fine for 'failures'

JOE CURTIS

@joe_r_curtis

A WATCHDOG has slapped Southern Water with a £126m fine after "serious failures" in how the company operated sewage treatment sites over a seven-year period.

A lack of investment in a number of sites led to equipment failures and sewage spilling into the environment, regulator Ofwat said yesterday.

The firm also misreported the performance of a number of sewage treatment sites, meaning it avoided £91m in penalties from Ofwat.

The period covers 2010 to June 2017.

Ofwat has now issued its heaviest-ever fine in proportion to the size of the business, forcing Southern Water to repay customers £123m through their bills and a £3m fine. That £123m figure includes the £91m Southern Water avoided in penalties and another £32m "as recognition of their serious failures", Ofwat said.

"What we found is shocking. In all, it shows the company was being run with scant regard for its responsibilities to society and the environment," said Ofwat boss Rachel Fletcher.

Southern Water sewage customers should receive a rebate on their bills of £61 in total, with £17 coming in 2020-21 and £11 per year for the four years after that.

The company appointed a new chief executive, Ian McAulay, at the start of 2017 and has made "substantial" management team changes since Ofwat's discovery.

Regulator steps up scrutiny of fintech banks

EMILY NICOLLE

@emilyjnicolle

APPLICATIONS to become the next Monzo or Revolut are falling under greater scrutiny, as regulators act on concerns about risk management.

The Prudential Regulation Authority (PRA) only approved four applications for banking licences in the past year, down from 14 in the previous year. However the number of applications remained largely flat, dropping from 11 to 10, according to data from Fscom.

It follows increased challenges in the sector, after digital bank Revolut was scrutinised by watchdogs over incidents including the temporary suspension of one of its systems.

ON THE MARKET Gainsborough painting on block for £7m-£9m

AUCTION house Sotheby's will next week offer Thomas Gainsborough's 1773 painting Going to Market, Early Morning for an estimated £7m to £9m. Sotheby's said the piece shows "Gainsborough's natural affinity with, and sympathy for, the rural poor and the landscape." The auction will also feature works by artists such as John Constable, JMW Turner and Pieter Bruegel the Younger.

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Sainsbury's drop in sales slows as rivals gain share

JAMES WARRINGTON
@j_a_warrington

SAINSBURY'S has stymied the decline in its market share as discount rivals Aldi and Lidl continue to boost sales.

Customer spend at Sainsbury's dipped 0.6 per cent in the three months to 16 June, an improvement on the 1.2 per cent decline in the previous period following its failed merger with Asda.

German discount giants Aldi and Lidl continued their run of good form, posting sales growth of 9.3 and 7.5 per cent respectively, according to figures from data analytics firm Kantar.

Aldi attracted an additional 883,000 shoppers to its stores over the period. Earlier this year, the chain opened its first 'Local' format store in Balham, as it looks to expand its foothold in the capital's convenience market.

It was also a bumper period for online supermarket Ocado, which outpaced its competitors with sales growth of 11.3 per cent.

Earlier this year, the online grocer agreed a £750m food delivery deal with Marks & Spencer, which will begin next year when its deal with Waitrose expires.

Tesco retained its title as the country's largest retailer, despite flat year-on-year sales and a slight dip in its market share.

Overall, the grocery sector grew at 1.4 per cent, marking the third consecutive year of sales growth. But growth was subdued due to a tough comparative period last year, when sales were boosted by hot weather and the run up to the men's football World Cup.

These challenges are reflected in typical summer categories: in the past four weeks, sales of ice cream were £15m lower than this time last year, while beer is down £17m and burgers £6m," said Fraser McKevitt, head of retail and consumer insight at Kantar.

"However, even unseasonable clouds have a silver lining. Shoppers sought refuge from the cooler weather and spent more on traditional comfort foods, with fresh and tinned soup sales up by eight per cent and 16 per cent respectively."

The figures marked the continued tough period of trading for the big four grocers as they look to stave off competition from their smaller rivals.

Tesco found success through its value own-label lines, while Asda's online sales grew by 10 per cent.

Lack of football bounce kicks retail sales into biggest drop for 10 years

HARRY ROBERTSON
@henrygrobertson

UK RETAIL sales fell at the fastest pace in over 10 years this month, according to a survey released today, due in part to the warm weather and football World Cup last June.

Nonetheless, the closely-watched survey from the Confederation of British Industry (CBI) will worry policymakers as a sign that Britain's consumer spending is weakening.

The CBI survey showed 58 per cent of retailers said sales volumes were lower in June than a year ago, while only 16 per cent said they were higher, giving a balance of minus 42.

The score was far below May's score of minus 27 and economists' prediction of minus 10.

Indicators suggest UK economic growth has slowed dramatically in the second quarter of the year after Brexit stockpiling boosted demand and pushed up growth in the previous quarter.

Britain's consumers have kept the economy on its feet while business investment and trade have suffered due to domestic and international uncertainty.

But in June 45 per cent of retailers said their sales volumes were poor for the time of year, compared to 26 per cent saying the opposite.

However, non-store retailers such as internet and mail-order services saw rising sales this month. It was the only sub-sector to do so.

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Carpetright returns to sales growth as rescue plan puts it back on track

JAMES WARRINGTON

@j_a_warrington

4.25%

CARPETRIGHT has reported a narrowing of losses and a return to like-for-like sales growth for the full year as it continues to roll out its turnaround plan.

Revenue at the floor covering retailer fell 13.4 per cent to £386.4m in the year to the end of April, while loss before tax narrowed, falling from £69.8m to £24.8m.

It comes after a turbulent year for Carpetright, which last year entered into a company voluntary arrangement (CVA) to close dozens of stores.

But a weak start to the year was offset by "significant improvement" in second-half trading, particularly in the fourth quarter.

The firm said it was on track to deliver £19m of annual savings as part of the CVA.

Carpetright welcomed the results, but warned it was not out of the woods yet, with economic and political uncertainties weighing on the short-term outlook.

The firm said a further 90 stores were subject to review for potential relocation or closure under its turnaround plans.

Shares in Carpetright closed up more than four per cent at 18.40p.

∞Traffic prioritisation applies (See website for more details). New customers only. Fixed price applies to broadband and line rental monthly price only (excludes other services, such as call plans, call charges and add-ons). Prices excludes 20% VAT. 24 month min term. Subject to availability. New line install £50 (subject to survey). Terms apply. Unlimited Business Broadband - £17 plan available until 16/07/19. £23.50/mth from mth 25. Outside low-cost areas £22/mth, then £28.50/mth from mth 25.

Ford announced the closure of its Bridgend plant earlier this month

UK car industry revs up no-deal Brexit warning

JESS CLARK

@jclarkjourno

THE UK's car industry has stepped up its no-deal Brexit warning, saying that crashing out of the EU would trigger "the most seismic shift" in trading conditions that the industry has ever witnessed.

The Society of Motor Manufacturers and Traders (SMMT), the car industry organisation, has urged the UK's next prime minister to secure a Brexit deal as a "number one priority" once they enter Downing Street.

The group said the end of borderless trade could cause "crippling disruption" and World Trade Organisation tariffs would "deliver a knockout blow" to competitiveness.

The warning comes after Boris Johnson, the favourite to become the new Conservative Party leader, said he was willing to take the UK out of the EU without a deal.

Mike Hawes, SMMT chief executive, said: "Automotive matters to UK trade and to the economy and if the right choices are made, a bright future is possible.

"However, 'no deal' remains the clear and present danger.

"We are already seeing the consequences of uncertainty, the fear of no deal.

"The next PM's first job in office must be to secure a deal that maintains frictionless trade because, for our industry, no deal is not an option and we don't have the luxury of time."

The automotive industry is the UK's biggest exporter of goods, accounting for more than 14 per cent of total exports, the SMMT said.

The sector has already felt the impact of Brexit uncertainty. In April, vehicle production fell 24 per cent year-on-year, the biggest drop since records began in 1991.

Ford recently announced that its factory in Bridgend in South Wales will close in 2020, making 1,700 workers redundant.

The announcement followed cuts to the UK operations of both Nissan and Honda. Brexit is cited as a cause of the industry's struggles. The shift to electric cars and weakened demand in China also contributed.

BMW to hit electrified vehicles target in 2023 – two years early

EMILY NICOLLE

@emilyjnicolle

BMW IS set to meet its target to create 25 electric vehicle models by 2025 two years ahead of schedule.

The German car maker announced yesterday it will reach the quota by 2023, with more than half of those models being fully-electric compared to hybrid or combustion engine.

"We are moving up a gear in the transformation towards sustainable mobility, thereby making our company fit for the future: Over the past two years, we have consistently taken numerous decisions that we are now bringing to the roads," said Harald Kruger, chair of BMW's board.

"By 2021, we will have doubled our sales of electrified vehicles compared with 2019."

Kruger said BMW expects sales of its electrified vehicles to increase by an average of 30 per cent every year.

The firm has also set itself the target of only buying electricity from renewable energy sources for all of its locations worldwide from next year onwards.

Employers' faith in UK economy starting to grow

JAMES BOOTH

@Jamesdbooth1

EMPLOYER confidence in the economy and in their own businesses' ability to hire and invest is beginning to improve, a survey said today.

UK businesses' confidence in making hiring and investment decisions rose four percentage points in the three months to the end of May from the previous rolling quarter – for the three months leading to the end of April – according to data from the Recruitment & Employment Confederation (REC).

Confidence of employers in their own businesses returned to positive territory at net +1. Confidence in the UK economy rose three percentage points to net -26.

Hiring intentions for agency workers continued to rise on last month's rolling quarter figure, with the balance of forecast demand growing from net +2 to net +4 in the short-term, and from net +4 to net +5 in the medium-term.

REC chief executive Neil Carberry said: "Today's survey shows that businesses believe in their own prospects and are ready to grow if the pall of economic uncertainty is removed.

"The contrast between employers' view of their own prospects and their view of the wider economic picture remains stark, however. Resolving this will require cool heads through the summer and autumn, so that companies can rely on a smooth and stable new relationship with the EU – not the chaos of a no-deal exit."

Regulators call for tougher checks on Facebook's crypto programme

EMILY NICOLLE

@emilyjnicolle

AUTHORITIES in the UK and worldwide have ramped up calls for increased scrutiny on new digital currencies and financial disruption, in the wake of Facebook attempting to enter the space.

G20 regulatory group the Financial Stability Board (FSB) said yesterday the trend set by Facebook's libra coin will cause regulators to take a deeper look at fintech and the risks it could pose.

"A wider use of new types of cryptoassets for retail payment purposes would warrant close scrutiny by authorities to ensure that they are subject to high standards of regulation," said FSB chair Randal Quarles.

"The FSB and standard-setting bodies will monitor risks very closely and in a coordinated fashion, and consider additional multilateral responses as needed."

His comments echoed those of Financial Conduct Authority (FCA) chief Andrew Bailey, who told the Treasury Committee yesterday that Facebook "will not walk through authorisation" without deep engagement with regulators.

He added Facebook and the FCA had already entered discussions.

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Number of managers buying their company drops on Brexit concerns

AUGUST GRAHAM

@AugustGraham

MANAGERS have been put off from taking over their companies in the past year, even as overall acquisitions remained healthy, new data shows.

The number of management buyouts (MBOs) in the UK fell by 23 per cent to 74.

It comes as worries over Brexit added another hurdle for investors according to accountancy firm BDO, which provided the data.

"Lack of clarity over the terms of Brexit led to some hesitancy among management teams that are planning MBOs," the company said. "This has made them slightly less willing to execute deals at multiples that owners are looking for."

MBOs are key to bringing in new owner-managers who have the incentive to grow their business, said BDO associate director Ish Alg. However, the market has been resilient, he added.

"Despite the decline in number of MBOs, we have not seen any reduction in capital waiting to be committed to the UK. Once uncertainty subsides, we expect MBOs to recover," Alg said.

Britain is scheduled to leave the European Union in October.

The number of house hunters registered with agents increased by 16 per cent last month

House-hunt headcount highest in eight months

SEBASTIAN MCCARTHY

@SebMcCarthy

DEMAND from prospective house buyers in the UK climbed to its highest level in eight months during May, according to property industry figures released yesterday.

The number of house hunters registered per estate agent branch across the country climbed by 16 per cent from 265 to 307 last month, marking the highest level recorded since September last year, when 338 prospective buyers were registered.

Residential properties available per member branch also increased during May, rising from 35 in April to 41 to the highest level seen since December.

However, year-on-year housing demand has fallen by roughly 13 per cent compared with May last year when there were 351 house hunters per estate agent branch.

Mark Hayward, chief executive of NAEA Propertymark, said: "It is encouraging to see the housing market bouncing back, with supply and demand rising to the highest levels seen since last year.

"It's evident that buyers and sellers are no longer waiting for the outcome of Brexit and want to get things moving, particularly as many sellers are realising that it's a buyers' market in certain areas of the country."

Supporting City Giving Day

Baker McKenzie.

Why are you supporting CGD?
City Giving Day provides a focus for celebrating our charitable and volunteering activities throughout the year, and, hopefully, for getting more colleagues involved in the year ahead! It's also always fantastic to hear how other companies are marking the day - there are so many brilliant ideas out there!.

Which charities do you support?
Our two main London office charity partners this year are Mind and Richard House Children's Hospice - recent fundraising events include a raffle, a quiz night and a walking challenge. We also support a range of other charities with staff volunteering, pro bono legal advice and event hosting.

How will you celebrate CGD?
We will be holding a mini CSR Fair, inviting in representatives from our charity friends to showcase our partnerships, and encourage more people to sign up! We'll also be celebrating colleagues who have "gone the extra mile" in their support of our community outreach work. And we already have a team signed up for the City Giving Day Golf Challenge!

CHARITY IN ACTION

On 17 June, over 100 colleagues joined over 15,000 others for the London Legal Walk, an annual 10K event, organised by the London Legal Support Trust, to raise much-needed funds for legal aid charities and agencies across the UK.

The London Legal Walk raises over £800,000 each year. While that doesn't offset the loss of legal aid the funds raised by firms like Baker & McKenzie do ensure that thousands of vulnerable people receive help who would otherwise have been left to face serious problems on their own.

Bob Nightingale MBE
Founder, London Legal Support Trust

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Hunt threatens Hong Kong with police gear ban

LOUIS ASHWORTH

@Louis_Ashworth

FOREIGN secretary Jeremy Hunt has warned the UK will not sign further deals allowing for the export of crowd-control products to Hong Kong unless it addresses human rights concerns – but stopped short of cancelling an existing licence.

Speaking in parliament, Hunt said the UK would not issue further export licences for crowd control equipment "unless we are satisfied that concerns raised on human rights and fundamental freedoms have been thoroughly addressed".

There have been mass protests in Hong Kong in recent weeks over a proposed bill that would allow for extraditions to mainland China. The territory's leader recently postponed the bill in response to the unrest. There have been claims of police brutality against marchers.

Hunt, who is battling his predecessor Boris Johnson in race to be the next Prime Minister, called for authorities to investigate the clashes.

Protesters are marching in Hong Kong over a controversial bill

The UK has supplied Hong Kong's police with tactical equipment including hand grenades, riot shields, body armour, and crowd-control ammunition in recent years.

Exports of defensive equipment continue to take place under a so-called Open Licences, signed in 2016. It allows an unlimited quantity of crowd-control supplies to be sold to Hong Kong for a five-year period.

The Jeremy Kyle Show frequently made use of lie detector tests

MPs criticise ITV over use of lie detectors in Jeremy Kyle Show

JAMES WARRINGTON

@j_a_warrington

MPs HAVE blasted "irresponsible" ITV bosses for using lie detector tests on the Jeremy Kyle Show without knowing how accurate they were.

Senior ITV executives faced a grilling yesterday as part of an inquiry into broadcasters' duty of care following the apparent suicide of Steve Dymond, a former participant on the reality TV show.

Damian Collins, chair of the Digital, Culture, Media and Sport select committee, said the producers' lack of medical knowledge was "astonishing" after they admitted they could not be certain how reliable the lie detector tests were.

Disney poaches Netflix boss for stream service

SAYANTI CHAKRABORTY

DISNEY has hired the head of Netflix's original film division, Matt Brodlie, for its streaming service Disney+, according to a report by Deadline yesterday.

Brodlie will join Disney+ as senior vice president of international content development, the report said.

For years, Netflix has been luring away high-profile executives from rivals and was earlier sued by Twentieth Century Fox Film Corp for poaching employees.

Walt Disney and Netflix did not immediately respond to a Reuters request for comment.

Netflix has been spending billions of dollars on original content to attract new customers, while Disney and Apple Inc build streaming rivals and Amazon.com Inc makes inroads.

Disney launched the ad-free monthly subscription streaming service in April and priced it at $7 (£5.50) monthly or $70 annually with a slate of new and classic TV shows and films from some of the most popular entertainment franchises to challenge the digital dominance of Netflix. *Reuters*

ADVERTISEMENT FEATURE

THE THEORY OF INCREASING INVESTMENT RETURNS

Standard economic theory, developed early last century, shows markets and companies experiencing diminishing returns. The theory was developed in an industrial economy in which companies that produced goods such as grain, crops or coal, eventually ran into limitations as they expanded, causing them to hit equilibrium.

However, once economies transitioned from manufacturing to service markets, the underlying mechanisms that determine economic behaviour shifted from diminishing to increasing returns. This shift is associated with a new modern economy of high-tech and the knowledge-based industries.

W. Brian Arthur, an economist at the Santa Fe Institute, argues that investing in high-tech companies is different from investing in other companies, because of the interaction they have with network effects and the law of increasing returns.

"If a product or a company or a technology—one of many competing in a market—gets ahead by chance or clever strategy, increasing returns can magnify this advantage, and the product or company or technology can go on to lock in the market."

Although initially not understood, the theory of increasing returns has been embraced by many investors and, since then, it has been standard for investing in high-tech markets.

At that time, an example of increasing returns at work in the high-tech industry was Microsoft (NASDAQ:MSFT), who successfully turned Windows into the operating system for almost all personal computers in the world. Even now, the theory is the foundation of the success of companies such as Google (NASDAQ:GOOGL), Facebook (NASDAQ:FB), Uber Technologies (NYSE:UBER), Amazon (NASDAQ:AMZN), and Airbnb.

Dzmitry Lipski is an Investment Analyst at interactive investor

THE FUND

James Anderson and Tom Slater, managers of the Scottish Mortgage Investment Trust (LSE:SMT), almost redefined growth investing based on this theory of increasing returns. They believe it explains the reason why growth has overtaken value as the dominant style of investing over the past few decades.

Scottish Mortgage, Baillie Gifford's flagship investment trust, was launched in 1909. As at 31 May 2019, the trust had total net assets of £7.95 billion, making it the UK's largest investment trusts and a FTSE 100 company.

The managers invest in innovative businesses with the power to disrupt whole sectors and industries. Their view is that market returns are not normally distributed, but that the big gains will come from a few companies. The focus is to find these future winners in a changing world, whose prospects remain underestimated by most investors. These are usually companies that address markets with huge potential at early stages, are founder or family-run for the long term and have "flexibility to change direction".

THE II VIEW

Scottish Mortgage is a Global Equities Adventurous recommendation within interactive investor's Super 60 list of high-conviction active and passive funds.

Scottish Mortgage provides global exposure to exciting disruptive growth companies, public and private, selected by highly experienced managers. The strength of their stock-picking skills combined with strong risk-adjusted performance and competitive fees make this a good choice for long-term investors.

> "Growth has overtaken value as the dominant style of investing

Investors should note that it is higher-risk investment due to high portfolio concentration, exposure to unquoted companies and exercised gearing, so works better as a satellite holding in a well-diversified portfolio. The style bias of the trust is toward growth, with less attention paid to valuation, meaning it can complement other funds with a core or value style orientation.

If you enjoyed this article, you may also like other funds picked for interactive investor's Super 60 range of high-conviction investment ideas, suitable for both beginner and more experienced investors. This article is provided for information purposes only and is not intended to be a personal recommendation to buy or sell any financial instrument or product, or to adopt any investment strategy.

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Ethical clothing move by Asos aligns with views of eco-conscious

FAST fashion is an increasingly hot topic as consumers become more environmentally aware, conscious about the impact of their shopping habits and look to reduce waste.

Despite this, environmentally positive changes have been slow or non-existent, such as the recent rejection of the 1p fast fashion tax by government that would have raised money for better clothing recycling and made producers responsible for their waste.

YouGov data shows that 39 per cent of Brits think fashion companies should pay for the costs of recycling old clothes, as opposed to the government (eight per cent) or consumers (16 per cent), indicating that fashion companies are on a different page to consumers by rejecting this levy.

One brand that does appear to be listening to consumers is Asos, which has just launched an ethical and sustainable clothing collection to provide environmentally conscious customers which more choice. Customers will be able to buy items that take animal welfare into account, are locally-made or are produced in low-waste factories.

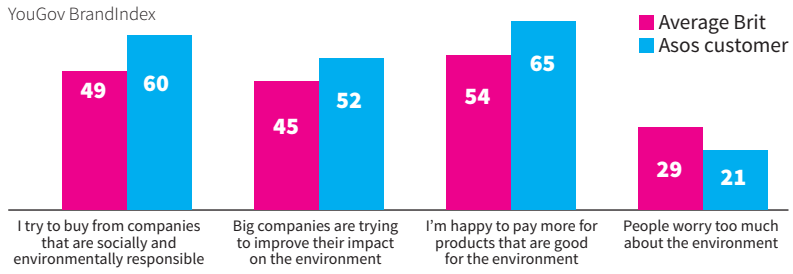
Asos customers (those who have purchased from the brand within the past three months) are skewed towards a younger demographic, with 58 per cent of the customer base made up of 18- to 29-year-olds. Some 70 per cent of this age bracket think that sustainable practices in retail and production make a difference to the environment.

Current customers of Asos (60 per cent) are more likely than the average Brit (49 per cent) to try to only purchase from companies who are social and environmentally responsible, with over half (52 per cent) being of the opinion that big companies are trying to improve their impact on the environment. Over two thirds (65 per cent) are happy to pay more for products that are good for the environment, while only a fifth (21 per cent) think that people worry too much about the environment – compared to 29 per cent of the UK as a whole.

Although it's too soon to see the impact of this scheme on Asos's customer base, the environmental attitudes of those under 30 would suggest that this scheme will be well received.

Stephan Shakespeare is chief executive of YouGov

ASOS CUSTOMERS ARE MORE AWARE OF RETAIL'S ENVIRONMENT IMPACT To what extent do you agree with the following statements? % Agreement with statement



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Fancy learning how to trade? Join multi-asset investment platform eToro for a free trading course on 1 July 2019.

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The course is suitable for all levels – from beginners to more experienced investors and traders looking to refresh their knowledge – and it's completely FREE to sign-up.

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Registration at 8:30am, 9am start. To conclude no later than 4pm. Refreshments will be provided on the day (lunch will not be provided).

The course will be led by Currencies & Indices Trader, Henry Ward, who boasts two decades of trading experience, risk management and market analysis.

Strictly RSVP - to register to attend
visit www.cityam.com/event/etoro-event

Share boost for Capgemini after €3.6bn merger

JAMES WARRINGTON
@j_a_warrington

8.57%

SHARES in software and consultancy firm Capgemini jumped more than eight per cent yesterday following the announcement of its €3.6bn (£3.2bn) takeover of smaller rival Altran.

The French digital innovation giant said the merger will create a group with revenue of €17bn and more than 250,000 employees.

Capgemini said it hoped to tap into rising demand from its customers for research and development outsourcing, and software and IT developments in a wide range of industries, including aerospace and telecoms.

Analysts at Deutsche Bank described the takeover, which was announced late on Monday night, as a "bold strategic move".

Shares in Altran also soared more than 22 per cent yesterday.

Capgemini has made a cash offer of €14 per share, a 22 per cent premium on Altran's closing price on Monday.

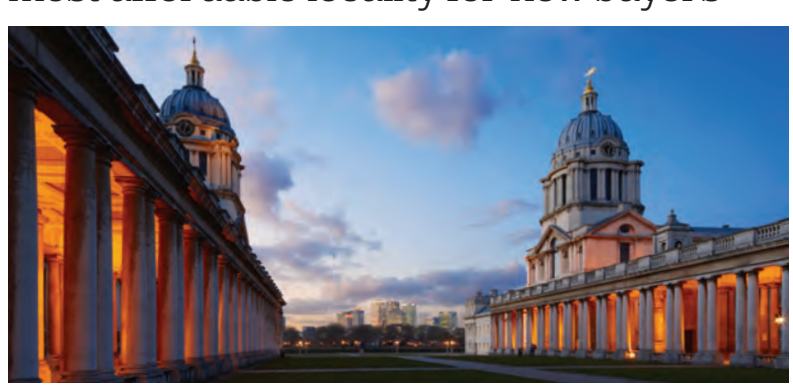
The Paris-headquartered company said it expects the deal to spark significant cost savings and add 25 per cent to its earnings per share by 2023.

"We are positioning ourselves as a clear strategic partner to assist our clients in taking full advantage of the revolution created by the developments of the cloud, Edge computing, IoT, artificial intelligence and 5G," said Capgemini boss Paul Hermelin.

Hermelin will remain chairman and chief executive of the merged entity, but said he will proceed with a plan to become non-executive chairman in 2020 to let one of the two Capgemini co-chief executives – Thierry Delaporte and Aiman Ezzat – take over as chief executive.

"We think the deal makes strategic sense, helping Capgemini to capitalise on the digital transformation of industrial companies," wrote analysts at Credit Suisse.

GREENWICH TIME Borough tops index as most affordable locality for new buyers



GREENWICH has been ranked the most affordable borough for first-time buyers, according to research from One77 Mortgages. Based on average borough income, it takes 14 months for someone to earn 10 per cent of the average borough house price.

Musk's Space X launches rocket in its 'most difficult' mission to date

The six-hour mission is the third for the Falcon Heavy rocket

JAMES WARRINGTON

@j_a_warrington

SPACE X has launched its Falcon Heavy rocket carrying 24 experimental satellites, in what boss Elon Musk said was his firm's "most difficult" launch to date.

Lift-off took place in the early hours of yesterday morning from Kennedy Space Centre in Florida.

The six-hour mission, dubbed Space Test Programme 2, is the third for the Falcon Heavy rocket and was commissioned by the US Department of Defence.

Space X is putting satellites into orbit for agencies including Nasa, the National Oceanic and Atmospheric Administration and universities, the company said.

Falcon Heavy is the most powerful operational rocket in the world "by a factor of two" and can lift nearly 64 metric tonnes into orbit, according to Space X's website.

The mission requires four separate upper-stage engine burns and three separate orbits to deploy satellites. Space X said it plans to recover the three first-stage core boosters for re-use in other missions.

Earlier this year Elon Musk's space exploration firm suffered a major setback after an explosion destroyed Crew Dragon, one of its passenger vehicles, during ground testing.

Senior Nasa official Jim Bridenstine warned the explosion would delay the bid to build a US spaceship able to carry astronauts to the International Space Station.

Apple: Spotify fee claims were exaggerated

EMILY NICOLLE

@emilyjnicolle

APPLE has responded to a complaint by Spotify to the EU commission, stating it only collects a fee on less than one per cent of the music streaming platform's userbase.

Apple said in a filing Spotify pays a 15 per cent fee on about 680,000 of its 100 million premium customers.

It follows a complaint by Spotify chief Daniel Ek in March that blasted Apple for levying a 30 per cent commission on in-app purchases taken out via its App Store. The fee drops to 15 per cent after one year.

Apple said none of Spotify's premium users currently pay the 30 per cent tier, as Spotify ceased collecting subscription payments through the App Store in 2016.

Spotify's complaint to regulators also included allegations beyond Apple's fees, including steps that Spotify said Apple took after it quit using the App Store's payment mechanism.

The company pointed to tightened App Store rules after 2016 that bar developers from providing links or buttons to external web pages showing users how to pay for an upgrade to premium subscription outside the App Store.

Apple accused Spotify in March of using "misleading rhetoric" to swing the decision in their favour.

However, Spotify is not the only complainant against Apple's App Store and the firm's alleged anti-competitive practices.

In May, the US Supreme Court ruled against Apple in a lawsuit brought by consumers that accused the firm of creating a monopoly via its commission charges.

The Cupertino-headquartered tech firm said it was only acting as an agent on behalf of app developers, which set their own prices and pay Apple the commission charges.

It also argued the ruling could pose a threat to the e-commerce sector.

Noting that they pay Apple – not a developer – when they buy an app in the App Store, the iPhone users said they were the direct victims of the overcharges. Apple argued the consumers were indirect purchasers, because any overcharge would be passed on to them by developers.

Developers earned more than $26bn (£20bn) in 2017, a 30 per cent increase over 2016, according to Apple.

MOD Resources runs copper mines in Botswana

Australian miner takes MOD Resources private in £91m deal

AUGUST GRAHAM

29.03%

@AugustGraham

AN AUSTRALIAN miner will pay AU$167m (£91m) for London-listed MOD Resources, it said yesterday, in a deal backed by at least one major shareholder.

Sydney-listed Sandfire said the deal gives it a chance to take on the "under-explored" Kalahari copper belt in Botswana.

"The acquisition ticks all of our boxes," said chief executive Karl Simich.

Shares in MOD jumped more than 17 per cent to 20.5p. Meanwhile, Sandfire fell 11 per cent in Australia.

MOD accepted the AU$0.45 per share offer six months after rejecting a AU$0.38 bid as too low.

The new price represents a 45 per cent premium on Monday's close.

The deal was yesterday backed by Metal Tiger, the target's second biggest shareholder.

Metal Tiger traded as high as 1.57p earlier in the day, a 21 per cent rise. Later it gave back some of its gains, up 7.7 per cent to 1.40p.

Freetrade to close £7m in crowdfunding

EMILY NICOLLE

@emilyjnicolle

FINTECH startup Freetrade is set to reach £5m in a crowdfunding round today, after its last funding attempt got cut short due to excessive demand from investors.

The commission-free stock-trading app last headed to the crowd in April. It raised £2m within a matter of minutes, before investment platform Crowdcube crashed due to too many users trying to access the site – a feat only Monzo has also achieved.

The move valued Freetrade at £43m pre-money, a 13 per cent increase since the April round.

Freetrade told *City A.M.* a number of prominent investors joined the round as it opened yesterday, including British-Nigerian musician Maleek Berry.

It will use the funding to grow its engineering team in London, and gain a full stockbroking licence from the Financial Conduct Authority. If approved, Freetrade will be the world's first stockbroker to offer fractional shares in UK and European stocks.

The startup now has more than 30,000 customers in the UK, with the same amount on its waiting list for non-UK users.

Chief executive Adam Dodds said the firm had witnessed 100 per cent growth since April, and plans to expand to Ireland soon.

La Poste's takeover lets the post office diversify from its shrinking mail business

French regulator approves La Poste takeover to protect rural services

INTI LANDAURO

FRANCE's market regulator has approved state-owned mail operator La Poste's takeover of CNP Assurances in a bid to create a state-controlled bank and insurer focused on the country's rural areas.

The AMF watchdog said yesterday it authorised state-owned investment firm Caisse des Depots et Consignations, or CDC, and the French government to transfer their 42 per cent stake in CNP Assurances to La Poste's banking arm La Banque Postale.

This will allow the French post office to diversify away from the shrinking mail business, while CNP Assurances will get access to its customers.

La Banque Postale already owned about 18 per cent of CNP Assurances. The watchdog decided to waive a rule that forces a company owning 30 per cent in a listed company to make a public offer for all the shares in that company given that both Banque Postale and CDC are 100 per cent owned by the French government.

The merger is an attempt by the government to ensure access to banking and insurance services in rural areas at a time mainstream banks are shutting branches in the countryside. *Reuters*

CITY DASHBOARD YOUR ONE-STOP SHOP FOR BROKER VIEWS AND MARKET REPORTS

LONDON REPORT

Mining and oil sectors prompt modest gains

THE FTSE 100 made modest gains on the back of strength in mining companies and oil stocks yesterday, alleviating some anxiety after the United States imposed more sanctions on Tehran and before the US-China trade talks later this week.

The FTSE 100 erased earlier losses to edge 0.1 per cent higher, while the mid-cap FTSE 250 lost 0.1 per cent.

Shares of heavyweight miners rose after a strike at a major mine in top copper producer Chile highlighted supply constraints, while oil firms advanced in anticipation of a bullish reading of US crude stock data.

Investors had been subdued for large periods of the session after US President Donald Trump targeted Iranian Supreme Leader Ayatollah Ali Khamenei and other top Iranian officials with sanctions, further straining the Middle East's geopolitical dynamics. Uncertainty over how talks between Trump and his Chinese counterpart Xi Jinping will pan out at the G20 summit has also had an impact.

Sales at British supermarket chains fell during the 12 weeks to 16 June, losing further ground to discounters Aldi and Lidl, industry data showed. Shares of both **Tesco** and **Morrisons** dipped one per cent.

Brexit concerns also re-emerged and the pound, which earlier capitalised on the broader weakness of the dollar as traders bet on more dovish signals from the US Federal Reserve, came under pressure again.

Sterling skidded after Boris Johnson, favourite to replace Prime Minister Theresa May, said he was serious about a no-deal Brexit if the bloc refused to re-negotiate a divorce deal.

Shares in car dealership Lookers tanked by 24 per cent

On the mid-cap index, Petrofac tumbled 6.5 per cent after the oilfield services provider said its business was hit by challenges in Saudi Arabia and Iraq.

Rail operator **Stagecoach** gave up 6.6 per cent ahead of its annual results today.

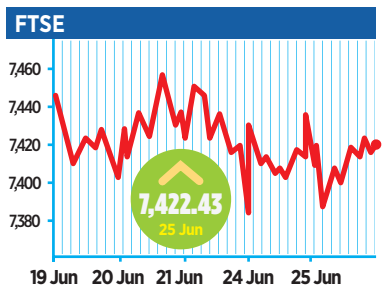
Small-cap **Lookers** tanked 24 per cent to its lowest in more than seven years, after the car dealership said Britain's financial watchdog was investigating its sales processes.

TOP RISERS

1. **3i Group** Up 3.34 per cent
2. **Smurfit Kappa** Up 3.18 per cent
3. **DS Smith** Up 3.01 per cent

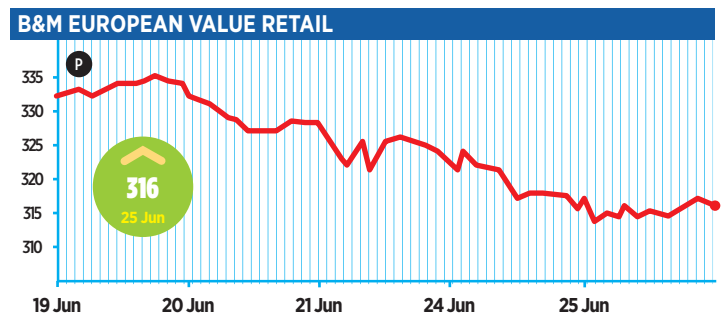
TOP FALLERS

1. **Int'l Consol. Airlines** Down 2.77 per cent
2. **NMC Health** Down 2.23 per cent
3. **Scot. Mort. Inv. Trust** Down 1.78 per cent

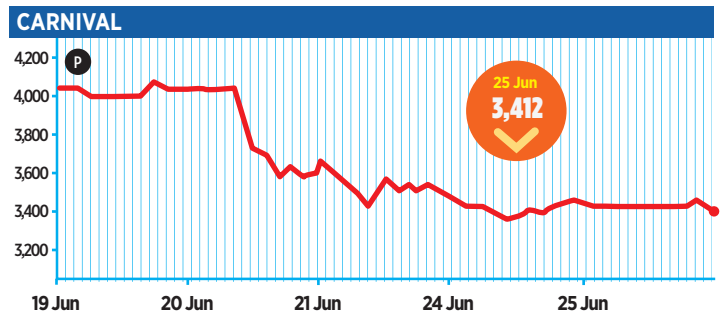


BEST OF THE BROKERS

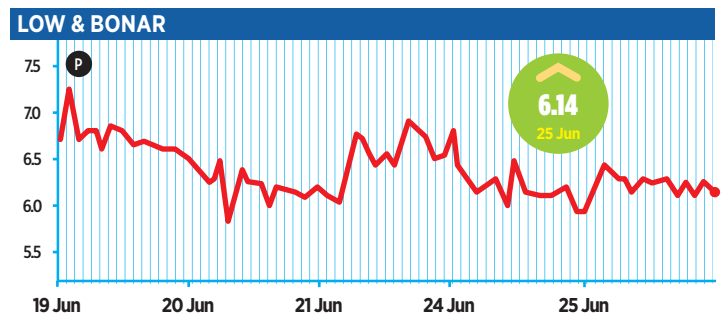
To appear in Best of the Brokers, email your research to notes@cityam.com



B&M has proved something of an antidote to the wider doom and gloom on the high street. The variety retailer posted a double-digit revenue rise for the full year and unveiled plans to open 50 new shops this calendar year. The group's expansion into France and Germany has proved less rosy, with mixed results in its new international division. But brokers at Liberum said it has confidence in the firm due to ongoing strong performance in its core UK store estate. They gave B&M a "buy" rating with a target price of 420p.



Tour operator Carnival has found itself in choppy waters recently, reporting an eight per cent decline in earnings before interest and tax, driven in part by a $43m (£33.8m) hit from accounting changes. The cruise ship company has been rocked by voyage disruptions and a change in US policy that bans boats from stopping in Cuba. The Miami-headquartered firm has also struggled with overall lower net revenue yields. CFRA maintained its "hold" rating, but lowered its target price from 4,000p to 3,800p.



Low & Bonar has laid the foundations for its interim results, which will be announced on 30 July. The firm forecast half-year performance in line with expectations, which offered some "welcome reassurance" to brokers at Peel Hunt. The building material company has seen its share price plummet in recent months, falling to just over 6p from a high of 22p in January. Peel Hunt maintained its "hold" recommendation and 15p target price, pending the £5.6m sale of Low & Bonar's Construction Fibres business.

NEW YORK REPORT

Wall St sinks as hopes fade for rate cuts

WALL Street stock indexes fell yesterday, led by a sharp sell-off in technology shares, as simmering trade concerns and disappointing economic data sent buyers to the sidelines. Meanwhile, the Federal Reserve chairman pushed back on pressure from President Donald Trump to cut interest rates.

All three major US stock indexes ended the session in the red after Fed chief Jerome Powell said the Fed was grappling with whether trade uncertainties and other issues warrant rate cuts. He also reiterated the Fed's independence, a day after Trump tweeted the Fed "doesn't know what it's doing".

US-China trade war anxieties found no relief in a White House official's remarks that Trump is "comfortable with any outcome" resulting from a planned meeting with Chinese President Xi Jinping at the G20 summit in Japan on Friday.

On the economic front, new home sales and consumer confidence numbers both came in well below economist expectations, according to separate reports from the US Commerce Department and the Conference Board.

The Dow Jones Industrial Average fell 179.32 points, or 0.67 per cent, to 26,548.22, the S&P 500 lost 27.97 points, or 0.95 per cent, to 2,917.38 and the Nasdaq Composite dropped 120.98 points, or 1.51 per cent, to 7,884.72.

Of the 11 major indexes in the S&P 500, ten lost ground, with technology and communications services seeing the biggest percentage drops.

Abbvie said it would buy **Allergan** for about $63bn (£49.53bn), sending the Botox-maker's shares up by 25.4 per cent. Abbvie's stock dropped 16.3 per cent.

Tyson Foods and **Pilgrim's Pride** dipped 1.1 per cent and 1.3 per cent, respectively, after the US Department of Justice opened a criminal probe over possible poultry price-fixing.

Volume on US exchanges was 7.05bn shares, compared to the 7.02bn average for the full session over the past 20 trading days.

CITY MOVES WHO'S SWITCHING JOBS

DELOITTE

Deloitte has appointed Sharron Pamplin as the partner for human resources in the UK. Pamplin joins the firm from Atkins, where she was HR director for UK & Europe. Pamplin has held HR director roles at Atkins, Hays plc and LV= and has 30 years of leadership experience in consulting, business and HR roles. Pamplin has a strong consulting background with roles at PA Consulting and Mercer where she led business transformation, talent and reward programmes for both public and private sectors in the UK and globally. Pamplin will report to Dimple Agarwal, Deloitte's new deputy CEO and managing partner for People and Purpose. Agarwal was previously global leader for organisational transformation at Deloitte and she has over 24 years' experience in the professional services industry. Dimple Agarwal commented: "I'm very pleased to welcome Sharron to Deloitte. Her wealth of expertise and experience in HR will help our firm reinforce its focus on culture and our purpose of making a positive impact on clients, our people and wider society. Pamplin is a non-executive director and chair of the remuneration committee for a charity and a member of the CBI's employment and skills board.

DECHERT

Dechert has further expanded its market leading global finance practice with the hire of real estate finance partner Aparna Sehgal. Aparna joins Dechert's London office. Her appointment follows the recent hires of structured finance partner John McGrath and structured finance disputes partner Simon Fawell, with whom Aparna works closely and are also based in Dechert's London office. She is the fourth finance partner to have joined Dechert's global finance practice in London within the last nine months. A highly-experienced real estate finance lawyer, Aparna represents clients in complex multi-jurisdictional transactions involving secured senior and mezzanine debt, and complex intercreditor issues. Her clients include financial institutions, alternative capital providers and corporates. Ms. Sehgal also advises on the acquisition and financing of performing and non-performing loan portfolios, and insolvency and enforcement strategies.

OXFORD BIOMEDICA

Oxford Biomedica , a leading gene and cell therapy group, has announced the appointment of Robert Ghenchev to the Group's Board as a non-executive director. Robert is currently a director in the principal investments team of Novo Holdings with responsibility over growth equity investments. Prior to joining Novo Holdings, Robert was senior vice president at Moelis & Company in London.

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

FTSE 100	FTSE 250	FTSE ALL SHARE	DOW JONES	NASDAQ	S&P 500
7422.43	19286.51	4049.83	26548.22	7884.72	2917.38
5.74 (up)	13.17 (down)	1.88 (up)	179.32 (down)	120.98 (down)	27.97 (down)

£/€	1.1157	0.0017 (down)	€/$	1.1367	0.0028 (down)
£/$	1.2683	0.0051 (down)	€/£	0.8960	0.0013 (up)
£/¥	135.89	0.7234 (down)	€/¥	121.79	0.4802 (down)

GILTS

	Price	Chg	High	Low
Tsy 3.750 19	100.61	-0.01	103.7	100.6
Tsy 2.000 20	101.43	0.02	102.7	101.4
Tsy 4.750 20	102.85	0.00	106.9	102.8
Tsy 3.750 20	103.70	0.03	106.7	103.7
Tsy 2.500 20	356.15	0.01	361.4	355.8
Tsy 8.000 21	114.48	0.04	121.2	114.5
Tsy 4.000 22	109.33	0.07	111.7	109.0
Tsy 0.500 22	99.92	0.10	100.0	97.7
Tsy 1.875 22	116.88	0.07	118.5	115.5
Tsy 2.250 23	107.03	0.12	107.4	104.7
Tsy 2.500 24	370.45	0.17	370.8	358.7
Tsy 0.125 24	114.06	0.11	114.8	110.9
Tsy 5.000 25	124.62	0.16	125.5	122.1
Tsy 4.250 27	129.22	0.25	129.3	122.6
Tsy 1.250 27	136.35	0.26	137.4	128.4
Tsy 6.000 28	147.77	0.28	147.9	140.5
Tsy 0.125 29	128.59	0.28	129.7	118.8
Tsy 4.750 30	141.90	0.32	142.0	132.1
Tsy 4.125 30	384.12	0.31	386.2	355.2
Tsy 4.250 32	139.07	0.30	139.3	128.5
Tsy 1.250 32	157.61	0.23	159.1	144.1
Tsy 0.125 36	149.90	0.27	151.5	133.4
Tsy 4.250 36	145.96	0.34	146.3	133.1
Tsy 4.750 38	159.74	0.36	160.3	144.9
Tsy 0.625 40	170.70	0.26	173.5	152.8
Tsy 4.500 42	162.59	0.44	163.4	145.9
Tsy 3.500 45	144.59	0.50	145.4	128.0
Tsy 4.250 46	164.20	0.49	165.1	145.7
Tsy 4.025 49	170.46	0.53	171.6	150.0
Tsy 0.500 50	200.34	0.47	207.7	173.7
Tsy 0.250 52	196.87	0.49	204.9	168.8

AEROSPACE & DEFENCE

	Price	Chg	High	Low
BAE Systems	494.2	8.6	676.4	443.9
Cobham	106.7	1.3	131.7	96.8
Meggitt	527.8	2.8	572.0	458.0
QinetiQ Group	289.2	-1.8	312.4	256.6
Rolls-Royce Holdi	874.2	-12.8	1094.0	759.2
Senior	231.4	6.4	334.4	185.4
Ultra Electronics	1618.0	6.0	1743.0	1232.0

BANKS

	Price	Chg	High	Low
Bank of Georgia G	1518.0	-21.0	1915.0	1310.0
Barclays	146.9	-1.6	194.0	145.8
Close Brothers Gr	1417.0	0.0	1660.0	1374.0
CYBG	189.8	-2.5	364.2	173.9
HSBC Holdings	647.8	2.0	731.4	600.8
Lloyds Banking Gr	56.7	-0.3	66.6	50.0
Metro Bank	508.0	4.0	3422.0	475.0
Royal Bank of Sco	216.1	0.9	270.4	203.0
Standard Chartere	702.4	7.8	711.2	519.8
TBC Bank Group	1620.0	-44.0	1774.0	1290.0

BEVERAGES

	Price	Chg	High	Low
Barr (A.G.)	915.0	-2.0	975.0	666.0
Britvic	881.5	-12.5	956.0	745.0
Coca-Cola HBC AG	3000.0	14.0	3000.0	2244.0
Diageo	3423.0	-8.5	3438.5	2523.5

CHEMICALS

	Price	Chg	High	Low
Croda Internation	5335.0	-10.0	5447.7	4576.0
Elementis	140.3	-1.1	263.8	136.3
Johnson Matthey	3196.0	6.0	3760.0	2620.0
Sirius Minerals	14.1	0.1	38.5	13.5
Synthomer	374.8	0.6	575.5	347.4
Victrex plc	2178.0	-6.0	3408.0	1950.0

CONSTRUCTION & MATERIALS

	Price	Chg	High	Low
Balfour Beatty	242.2	0.6	296.5	223.4
CRH	2539.0	17.0	2741.0	1971.5
Galliford Try	617.0	-9.5	1104.0	512.0
Ibstock	243.0	-3.4	299.2	193.1
Marshalls	684.5	-5.5	691.5	401.0
Polypipe Group	440.4	1.2	445.8	307.8

ELECTRICITY

	Price	Chg	High	Low
Contour Global	180.2	3.2	250.0	150.1
Drax Group	269.0	-6.2	427.2	263.6
SSE	1122.0	12.5	1400.0	1008.0

ELECTRONIC & ELECTRICAL EQ.

	Price	Chg	High	Low
Halma	2056.0	-15.0	2071.0	1237.0
Morgan Advanced M	268.2	-0.8	363.0	237.0
Renishaw	4154.0	50.0	5650.0	3670.0
Spectris	2829.0	30.0	2829.0	1966.5

EQUITY INVESTMENT INSTRUM.

	Price	Chg	High	Low
Aberforth Smaller	1226.0	-4.0	1410.0	1120.0
Alliance Trust	794.0	2.0	797.0	672.0
Apax Global Alpha	148.0	1.5	153.0	127.0
AVI Global Trust	752.0	3.0	767.0	660.0
Baillie Gifford J	798.0	1.0	869.0	663.0
Bankers Inv Trust	933.0	-1.0	937.0	766.0
BBGI SICAV S.A. (	152.5	0.0	168.0	134.0
BlackRock Smaller	1450.0	-4.0	1600.0	1160.0
BMO Global Smalle	1346.0	-6.0	1495.0	1220.0
Caledonia Investm	3095.0	5.0	3099.9	2650.0
City of London In	423.5	1.5	436.0	376.0
Edinburgh Inv Tru	571.0	-3.0	699.0	568.0
F&C Investment Tr	697.0	1.0	741.0	616.0
Fidelity China Sp	220.0	-4.0	250.0	182.4
Fidelity European	249.5	-0.5	250.5	202.0
Fidelity Special	260.0	0.5	278.0	220.0
Finsbury Growth &	911.0	5.0	911.0	740.0
GCP Infrastructur	127.4	0.2	130.8	119.0
Genesis Emerging	750.0	4.0	760.0	615.0
Greencoat UK Wind	140.8	0.8	143.2	122.8
HarbourVest Globa	1618.0	2.0	1628.0	1266.0
Herald Investment	1330.0	-8.0	1364.0	1055.0
HGCapital Trust	217.0	1.0	219.0	175.0
HICL Infrastructu	159.6	-1.8	170.1	143.2
International Pub	150.4	-1.2	163.4	141.4
JPMorgan American	456.0	-4.5	472.0	386.5
JPMorgan Emerging	986.0	-4.0	997.0	759.0
JPMorgan Indian I	760.0	1.0	776.0	566.0
JPMorgan Japanese	440.5	1.5	472.0	367.0
Jupiter European	863.0	-4.0	895.0	666.0
Law Debenture Cor	592.0	0.0	636.0	534.0
Mercantile Invest	201.5	0.0	220.9	168.0
Monks Inv Trust	908.0	-6.0	915.0	710.0
Murray Internatio	1152.0	6.0	1208.0	1056.0
NB Global Floatin	89.5	0.3	94.1	87.6
NextEnergy Solar	119.0	0.5	124.5	107.5
Pantheon Internat	2115.0	-5.0	2225.0	1955.0
Perpetual Income	303.5	-2.5	365.5	301.5
Pershing Square H	1374.0	0.0	1398.0	990.0
Personal Assets T	42450.0	100.0	42450.0	38900.0
Polar Capital Tec	1316.0	-6.0	1386.0	1066.0
RIT Capital Partn	2080.0	-5.0	2130.0	1892.0
Riverstone Energy	850.0	0.0	1282.0	840.0
Schroder Asia Pac	450.0	-3.0	465.0	379.0
Scottish Inv Trus	823.0	-1.0	902.0	748.0
Scottish Mortgage	524.0	-9.5	568.3	441.4
Sequoia Economic	113.6	3.6	114.2	106.0
Smithson Investme	1226.0	-10.0	1242.0	1000.2
Syncona Limited N	228.5	-1.0	302.5	227.0
Temple Bar Inv Tr	1254.0	8.0	1366.0	1116.0
Templeton Emergin	776.0	-2.0	792.0	649.0
The Renewables In	128.0	0.8	128.4	106.9
TR Property Inv T	413.0	-3.5	433.5	353.5
Vietnam Enterpris	442.0	-5.0	472.0	390.0
VinaCapital Vietn	340.5	-0.5	350.0	306.0
Witan Inv Trust	212.0	0.0	227.6	189.6
Woodford Patient	56.2	-1.8	91.0	53.8
Worldwide Healthc	2700.0	-5.0	2915.0	2325.0

FINANCIAL SERVICES

	Price	Chg	High	Low
3i Group	1098.5	35.5	1101.5	756.2
3i Infrastructure	295.5	3.5	295.5	221.0
AJ Bell	387.0	0.0	477.0	220.0
Allied Minds	74.3	0.7	107.4	37.3
Amigo Holdings	220.0	-6.0	310.0	154.5
Arrow Global Grou	232.0	5.0	267.0	167.2
ASA International	370.0	17.0	510.0	336.0
Ashmore Group	496.4	0.6	497.4	337.0
Brewin Dolphin Ho	301.0	-3.2	366.0	295.4
Charter Court Fin	303.5	-6.0	375.0	228.8
City of London In	403.0	-2.0	430.0	360.0
CMC Markets	90.8	-1.2	206.0	77.4
Coats Group	80.2	-0.1	91.3	69.8
Georgia Capital	1068.0	2.0	1260.0	941.0
Hargreaves Lansdo	1913.0	21.5	2433.0	1633.0
IG Group Holdings	580.8	2.4	954.5	474.8
IntegraFin Holdin	377.5	-2.6	406.1	269.0
Intermediate Capi	1359.0	-7.0	1370.0	899.0
International Per	156.6	-3.4	248.8	152.6
Investec	502.4	1.4	568.0	423.4
IP Group	74.5	0.5	138.0	72.5
John Laing Group	389.0	3.8	402.0	264.2
JTC	362.5	12.5	440.0	287.0
Jupiter Fund Mana	412.0	0.0	452.2	287.6
Liontrust Asset M	693.0	-13.0	736.0	532.0
LMS Capital	50.5	-2.3	53.5	44.0
London Finance &	37.5	-1.0	45.5	37.0
London Stock Exch	5584.0	-4.0	5608.0	3867.0
Man Group	150.7	1.6	184.9	126.8
OneSavings Bank	371.4	-7.2	449.6	330.0
Paragon Banking G	428.6	-9.4	524.0	379.2
Plus500 Ltd (DI)	605.0	22.2	2040.0	495.0
Provident Financi	406.1	-4.2	692.6	397.1
Quilter	141.2	3.5	156.6	110.6
Rathbone Brothers	2165.0	-40.0	2652.0	2085.0
Real Estate Credi	170.0	0.5	175.5	163.0
Record	34.0	-0.3	47.0	27.3
River and Mercant	275.5	0.5	330.0	212.0
S&U	2380.0	-20.0	2605.0	1767.5
Sanne Group	713.0	-2.0	724.0	450.0
Schroders	3073.0	10.0	3268.0	2334.0
Standard Life Abe	289.6	1.7	383.5	224.9
TP ICAP	294.3	0.1	422.4	259.7
Walker Crips Grou	27.0	0.0	39.0	24.0
XPS Pensions Grou	153.0	-4.0	192.0	132.0

FIXED LINE TELECOMS

	Price	Chg	High	Low
BT Group	196.5	1.7	264.7	193.4
TalkTalk Telecom	108.8	-0.7	137.0	96.6
Telecom Plus	1432.0	-2.0	1528.0	1010.0

FOOD & DRUG RETAILERS

	Price	Chg	High	Low
Greggs	2286.0	-12.0	2298.0	942.0
Morrison (Wm) Sup	196.4	-2.7	269.4	192.9
Ocado Group	1148.5	-4.0	1435.0	749.8
Sainsbury (J)	187.9	-0.1	341.5	185.3
SSP Group	683.0	0.0	744.4	615.1
Tesco	228.2	-3.1	266.2	189.6
UDG Healthcare Pu	760.5	4.0	851.0	551.0

FOOD PRODUCERS

	Price	Chg	High	Low
Associated Britis	2416.0	-3.0	2836.0	2041.0
Bakkavor Group	116.6	-0.6	193.0	113.0
Cranswick	2570.0	24.0	3454.0	2472.0
Greencore Group	218.0	0.9	230.0	162.9
Hilton Food Group	940.0	7.0	1088.0	884.0
Tate & Lyle	753.8	5.6	800.4	622.6
Unilever	4936.0	-15.5	4983.5	3931.0

FORESTRY & PAPER

	Price	Chg	High	Low
Mondi	1764.5	18.5	2236.0	1584.0

GAS, WATER & MULTIUTILITIES

	Price	Chg	High	Low
Centrica	87.8	-0.8	163.7	87.5
National Grid	839.1	-6.8	889.2	748.7
Pennon Group	768.6	2.4	812.4	684.2
Severn Trent	2096.0	1.0	2102.0	1770.0
United Utilities	806.2	0.0	873.6	682.4

GENERAL INDUSTRIALS

	Price	Chg	High	Low
RPC Group	792.4	0.6	834.8	632.2
Smith (DS)	356.2	10.4	513.4	292.2
Smiths Group	1543.5	13.0	1749.5	1279.5
Smurfit Kappa Gro	2400.0	74.0	3292.0	1934.0
Vesuvius	540.0	1.5	662.0	473.2

GENERAL RETAILERS

	Price	Chg	High	Low
Auto Trader Group	563.0	2.2	606.0	388.5
B&M European Valu	316.0	1.0	426.3	278.6
Card Factory	173.7	-1.8	212.4	162.6
Dixons Carphone	113.9	6.3	199.9	105.1
Dunelm Group	950.5	-18.5	981.0	482.8
Inchcape	614.0	0.5	799.0	486.6
JD Sports Fashion	592.8	2.8	635.6	318.5
Just Eat	624.8	7.0	883.4	533.8
Kingfisher	202.8	0.6	318.1	198.5
Marks & Spencer G	205.7	1.5	300.8	203.1
Next	5522.0	-24.0	6136.0	3991.0
Pets at Home Grou	186.0	-0.9	187.8	110.0
Sports Direct Int	274.2	-2.4	436.1	233.2
Ted Baker	807.5	-27.5	2378.0	805.0
Vivo Energy	126.0	-5.0	156.3	96.0
WH Smith	1904.0	-30.0	2186.0	1697.0

MAIN CHANGES UK 350

Risers	%	Fallers	%
Dixons Carphone 113.9	5.8	Funding Circle Hol 214.5	-9.1
Plus500 Ltd (DI) 605.0	3.8	Stagecoach Group 117.6	-6.6
3i Group 1098.5	3.3	Petrofac Ltd. 405.0	-6.6
Sequoia Economic I 113.6	3.3	Royal Mail 196.7	-4.7
Smurfit Kappa Grou 2400.0	3.2	Vivo Energy 126.0	-3.8
Smith (DS) 356.2	3.0	Future 980.0	-3.7
Intu Properties 77.6	2.9	PZ Cussons 214.0	-3.6
Senior 231.4	2.8	Ted Baker 807.5	-3.3
Capital & Counties 217.0	2.8	Network Internatio 547.0	-3.2
Polymetal Internat 985.8	2.8	McCarthy & Stone 130.7	-3.2

HEALTH CARE EQUIPMETN & S.

	Price	Chg	High	Low
Assura	63.7	0.5	64.5	52.4
Convatec Group	143.1	1.1	239.0	118.6
Mediclinic Intern	297.4	3.3	544.4	288.3
NMC Health	2364.0	-54.0	4120.0	2192.0
Smith & Nephew	1708.0	-17.0	1725.0	1258.0

HHOLD GDS & HOME CONSTR.

	Price	Chg	High	Low
Barratt Developme	561.2	-2.2	625.8	434.0
Bellway	2705.0	-5.0	3226.0	2419.0
Berkeley Group Ho	3603.0	28.0	3981.0	3226.0
Bovis Homes Group	1018.0	1.0	1177.0	828.0
Countryside Prope	293.2	1.0	353.2	270.0
Crest Nicholson H	345.8	-2.0	404.8	296.4
McCarthy & Stone	130.7	-4.3	142.4	97.5
Persimmon	1944.5	7.0	2549.0	1859.5
Reckitt Benckiser	6282.0	-67.0	7155.0	5593.0
Redrow	537.0	-6.0	674.6	460.8
Taylor Wimpey	155.9	-0.2	192.3	129.3

INDUSTRIAL ENGINEERING

	Price	Chg	High	Low
Bodycote	817.0	4.0	1055.0	676.0
Hill & Smith Hold	1184.0	-5.0	1523.0	902.5
IMI	1020.0	12.5	1242.0	870.0
Melrose Industrie	176.1	-0.4	233.9	146.3
RHI Magnesita N.V	4706.0	18.0	5085.0	3318.0
Rotork	315.8	3.9	361.4	235.7
Spirax-Sarco Engi	9315.0	85.0	9315.0	5900.0
Weir Group	1498.5	19.0	2020.0	1240.0

INDUSTRIAL METALS & MINING

	Price	Chg	High	Low
Evraz	639.0	0.0	709.4	442.1
Ferrexpo	269.6	5.6	301.3	143.5

INDUSTRIAL TRANSPORTATION

	Price	Chg	High	Low
BBA Aviation	271.4	-0.4	350.0	207.0
Clarkson	2445.0	-25.0	2900.0	1878.0
Fisher (James) &	1862.0	-26.0	2260.0	1600.0
Royal Mail	196.7	-9.6	506.0	193.4

NON LIFE INSURANCE

	Price	Chg	High	Low
Admiral Group	2194.0	3.0	2281.0	1870.0
Beazley	551.0	-1.5	599.0	492.6
Direct Line Insur	328.3	-1.3	366.5	304.9
Hastings Group Ho	186.6	4.2	274.2	174.0
Hiscox Limited (D	1700.0	-8.0	1716.0	1418.0
Lancashire Holdin	693.5	-0.5	724.5	530.0
RSA Insurance Gro	576.2	6.6	679.4	496.6
Sabre Insurance G	264.0	2.5	294.0	249.0

LIFE INSURANCE

	Price	Chg	High	Low
Aviva	412.6	-0.9	505.0	364.6
Legal & General G	266.8	-1.2	291.2	223.7
Phoenix Group Hol	689.5	3.5	724.8	544.0
Prudential	1682.0	-2.0	1824.0	1340.0
St James's Place	1087.5	1.0	1216.5	914.0

MEDIA

	Price	Chg	High	Low
4Imprint Group	2700.0	10.0	2700.0	1715.0
Ascential	355.6	-11.0	465.0	337.2
Bloomsbury Publis	233.0	-3.0	243.0	190.5
Centaur Media	44.5	0.4	56.5	34.7
Entertainment One	393.4	-3.4	483.4	336.4
Euromoney Institu	1308.0	28.0	1434.0	1132.0
Future	980.0	-38.0	1248.0	375.0
Goco Group	89.9	-0.1	135.4	64.6
Haynes Publishing	226.0	0.0	238.0	160.0
Huntsworth	99.0	-1.0	139.0	81.0
Informa	818.0	2.2	859.0	605.8
ITE Group	71.2	-1.4	90.0	56.3
ITV	105.8	-1.1	180.4	105.2
Moneysupermarket.	401.4	2.2	406.0	264.0
Pearson	817.2	-5.6	1027.5	769.2
Reach	75.0	0.0	83.2	54.6
Relx plc	1942.5	-5.0	1950.0	1491.5
Rightmove	560.2	-6.8	585.1	420.9
STV Group	352.0	2.0	458.0	318.0
Tarsus Group	429.0	2.0	438.0	243.0
WPP	972.0	3.4	1301.0	800.4

MINING

	Price	Chg	High	Low
Acacia Mining	186.3	4.0	256.6	96.1
Anglo American	2183.5	4.5	2226.0	1464.6
Antofagasta	912.2	18.2	1022.5	727.2
BHP Group	1990.2	14.6	2007.5	1490.6
Centamin (DI)	114.7	2.5	136.2	79.8
Fresnillo	893.0	4.6	1149.5	724.8
Glencore	277.7	-0.6	369.2	254.7
Hochschild Mining	186.7	0.6	208.4	149.1
Kaz Minerals	586.4	5.2	850.6	436.7
Polymetal Interna	985.8	26.8	990.4	597.2
Rio Tinto	4773.0	22.0	4877.5	3486.0

MOBILE TELECOMS

	Price	Chg	High	Low
Inmarsat	545.4	3.0	632.2	362.8
Vodafone Group	124.2	-2.0	191.0	123.3

OIL & GAS PRODUCERS

	Price	Chg	High	Low
BP	551.0	0.7	598.3	485.9
Cairn Energy	166.9	3.4	258.8	140.0
Energean Oil & Ga	844.0	14.0	855.0	500.0
Premier Oil	74.6	0.2	143.6	55.6
Royal Dutch Shell	2596.0	9.5	2694.5	2213.0
Royal Dutch Shell	2606.5	8.0	2780.5	2227.0
Tullow Oil	207.7	-0.7	266.3	165.2

OIL EQUIPMENT & SERVICES

	Price	Chg	High	Low
Hunting	510.0	-15.5	849.0	453.6
Petrofac Ltd.	405.0	-28.5	663.4	381.5
Wood Group (John)	417.9	-2.0	796.4	389.9

PERSONAL GOODS

	Price	Chg	High	Low
Burberry Group	1797.5	-7.0	2325.0	1623.5
PZ Cussons	214.0	-8.0	244.0	178.6

PHARMACEUTICALS & BIOTECH

	Price	Chg	High	Low
AstraZeneca	6442.0	4.0	6525.0	5182.0
BTG	833.5	-0.5	853.0	475.0
Dechra Pharmaceut	2832.0	16.0	3168.0	2014.0
Genus	2614.0	-4.0	2992.0	2098.0
GlaxoSmithKline	1605.6	12.6	1621.6	1418.0
Hikma Pharmaceuti	1718.0	-15.5	2025.0	1416.0
BMO Commercial Pr	112.8	0.8	155.0	110.8

REAL ESTATE INVEST. & SERV.

	Price	Chg	High	Low
Capital & Countie	217.0	6.0	291.4	208.6
CLS Holdings	215.0	-2.5	255.0	195.4
Daejan Holdings	5470.0	-30.0	6400.0	5410.0
Grainger	245.4	-3.6	281.8	205.8
NewRiver REIT	178.4	-3.6	281.5	177.8
Safestore Holding	635.0	11.0	658.5	499.4
Savills	891.0	2.0	949.5	678.5
St. Modwen Proper	438.5	2.0	447.0	365.0
UK Commercial Pro	87.4	0.5	92.7	81.0
Big Yellow Group	1005.0	-1.0	1062.0	852.5

REAL ESTATE INVEST. TRUSTS

	Price	Chg	High	Low
British Land Comp	539.2	3.6	679.0	523.0
Derwent London	3116.0	4.0	3328.0	2761.0
Great Portland Es	697.8	-2.0	773.6	652.3
Hammerson	276.7	3.8	547.6	266.9
Intu Properties	77.6	2.2	201.5	74.4
Land Securities G	835.2	15.6	960.0	791.8
LondonMetric Prop	202.2	1.0	209.2	172.7
Primary Health Pr	134.8	0.8	139.0	106.4
SEGRO	744.4	3.6	744.4	585.2
Shaftesbury	820.0	4.0	936.5	808.0
Tritax Big Box Re	154.2	0.8	155.7	129.0
Unite Group	981.5	5.0	985.5	797.5
Workspace Group	891.5	1.5	1127.0	789.5

SOFTWARE & COMPUTER SERV.

	Price	Chg	High	Low
Avast	298.2	-8.6	319.4	208.2
Aveva Group	3926.0	62.0	3956.0	2284.0
Computacenter	1316.0	13.0	1620.0	952.0
FDM Group (Holdin	927.0	-13.0	1024.0	734.0
Funding Circle Ho	214.5	-21.5	440.0	213.3
Kainos Group	650.0	-6.0	676.0	340.0
Micro Focus Inter	2098.5	21.5	2491.6	1427.2
Playtech	402.0	-0.9	765.0	361.8
Sage Group	795.2	-2.2	804.2	525.6
Softcat	955.5	4.5	967.0	565.0
Sophos Group	386.4	4.2	639.0	298.2

SUPPORT SERVICES

	Price	Chg	High	Low
Aggreko	796.8	-4.8	882.0	641.8
Ashtead Group	2229.0	6.0	2438.0	1586.5
BCA Marketplace	235.4	1.0	242.0	178.5
Bunzl	2146.0	0.0	2551.0	2059.0
Capita	103.3	-0.9	169.1	99.9
DCC	7072.0	-16.0	7390.0	5555.0
Diploma	1596.0	-5.0	1634.0	1150.0
Electrocomponents	614.2	-4.0	761.6	480.0
Equiniti Group	215.0	-2.0	266.0	186.2
Essentra	422.4	0.0	507.0	325.4
Experian	2430.0	-33.0	2463.0	1728.5
Ferguson	5700.0	-6.0	6556.0	4749.0
G4S	210.0	0.5	282.0	175.9
Grafton Group Uni	834.0	-2.0	937.0	630.0
Hays	162.6	0.0	212.0	135.7
Homeserve	1185.0	-14.0	1263.0	849.0
Howden Joinery Gr	504.0	-1.0	539.0	416.4
Intertek Group	5616.0	-16.0	6014.0	4387.0
Network Internati	547.0	-18.0	602.0	500.0
Pagegroup	523.0	-9.0	623.5	432.2
PayPoint	1058.0	-6.0	1118.0	748.0
Rentokil Initial	398.6	-2.8	403.4	284.8
Robert Walters	660.0	-4.0	475.0	814.0
Serco Group	138.7	-0.6	139.4	84.1
SIG	132.0	0.0	153.0	102.2
Travis Perkins	1308.0	9.0	1465.0	970.0

TOBACCO

	Price	Chg	High	Low
British American	2811.0	29.0	4222.5	2375.0
Imperial Brands	1865.2	12.4	2987.5	1821.4

TRAVEL & LEISURE

	Price	Chg	High	Low
Carnival	3412.0	-30.0	5000.0	3400.0
Cineworld Group	249.5	-4.9	323.6	246.8
Compass Group	1883.0	-4.5	1912.0	1483.0
Domino's Pizza Gr	268.0	-0.8	357.7	224.4
EI Group	197.1	-1.5	224.8	145.0
FirstGroup	98.3	-0.3	116.6	79.3
Flutter Entertain	5620.0	-70.0	8510.0	5525.0
Go-Ahead Group	1954.0	11.0	2080.0	1388.0
Greene King	581.0	-3.6	704.4	472.8
GVC Holdings	622.6	2.0	1170.0	507.5
InterContinental	5209.0	-14.0	5281.0	3958.4
International Con	439.5	-12.5	711.4	439.5
Marston's	115.0	0.3	115.5	89.9
Merlin Entertainm	395.0	4.3	410.5	307.1
Millennium & Copt	680.0	0.0	685.0	436.0
Mitchells & Butle	281.0	-6.5	291.4	238.0
National Express	393.0	-9.4	433.2	361.4
PPHE Hotel Group	1800.0	20.0	1990.0	1410.0
Rank Group	161.0	4.0	194.0	135.0
Restaurant Group	123.3	0.3	221.9	111.9
Stagecoach Group	117.6	-8.3	177.0	115.5
TUI AG Reg Shs (D	731.0	3.8	1695.5	698.0
Wetherspoon (J.D.	1408.0	-24.0	1445.0	1066.0
Whitbread	4500.0	10.0	5114.0	3883.0
William Hill	148.0	2.8	304.0	132.3
Wizz Air Holdings	3322.0	-106.0	3797.0	2329.0

AIM 50

	Price	Chg	High	Low
Abcam	1440.0	5.0	1539.0	1017.0
Advanced Medical	299.0	0.0	370.0	260.0
Alliance Pharma	0.0	0.0	0.0	0.0
ASOS	2666.0	-177.0	6558.0	2128.0
Blue Prism Group	1308.0	-70.0	2575.0	1040.0
Camellia	10650.0	350.0	12000.0	9100.0
CareTech Holding	365.0	1.0	406.0	325.0
Central Asia Meta	218.0	-1.0	266.5	203.0
Clinigen Group	1009.0	-3.0	1069.0	721.0
CVS Group	657.5	7.0	1163.0	395.0
Dart Group	826.0	-10.0	1017.0	740.0
Diversified Gas &	112.0	-0.5	134.0	96.0
Draper Esprit	514.0	0.0	645.0	458.0
Eland Oil & Gas	119.4	-5.8	137.5	97.0
EMIS Group	1214.0	2.0	1220.0	860.0
Fevertree Drinks	2329.0	28.0	3956.0	2131.0
First Derivatives	3390.0	10.0	4680.0	2050.0
Frontier Developm	1046.0	-24.0	1455.0	740.0
Gamma Communicati	1130.0	15.0	1195.0	688.0
GB Group	515.0	0.0	631.0	410.5
Gooch & Housego	1055.0	-35.0	1880.0	954.0
Hurricane Energy	53.7	-0.8	60.8	39.0
Impax Asset Manag	290.0	16.0	295.0	184.0
Iomart Group	321.5	-3.0	475.0	308.0
IQE	55.9	0.3	112.5	53.9
James Halstead	520.0	4.0	532.0	367.0
Johnson Service G	152.0	1.0	168.4	113.6
Keywords Studios	1684.0	14.0	2065.0	900.0
Learning Technolo	93.5	1.9	166.5	62.2
M&C Saatchi	369.0	-4.0	394.0	270.0
M. P. Evans Group	687.0	27.0	800.0	637.0
Majestic Wine	258.0	-8.0	485.0	219.0
Midwich Group	588.0	-2.0	685.0	491.5
Mortgage Advice B	604.0	10.0	720.0	490.0
Next Fifteen Comm	605.0	-9.0	644.0	455.0
Nichols	1705.0	-65.0	1840.0	1240.0
Numis Corporation	258.0	-5.5	438.5	221.5
Polar Capital Hol	600.0	0.0	732.0	448.0
Purplebricks Grou	99.8	1.2	337.0	90.0
Redde	97.7	-1.3	196.0	90.0
Renew Holdings	416.0	-4.0	436.5	333.0
RWS Holdings	630.0	4.0	652.0	410.0
Scapa Group	202.5	3.5	473.4	157.0
Secure Income Rei	404.0	0.0	414.0	371.0
Serica Energy	131.0	-5.0	142.0	57.4
Smart Metering Sy	503.5	-13.0	778.0	480.0
Telford Homes	308.0	-7.5	430.0	267.0
Thorpe (F.W.)	320.0	1.0	340.0	248.0
Watkin Jones	205.0	-0.5	232.5	192.2
Young & Co's Brew	1725.0	-65.0	1885.0	1322.5
Young & Co's Brew	1065.0	0.0	1325.0	1030.0

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EU SHARES

	Price	Chg	High	Low
AB INBEV	78.23	-1.16	91.14	56.32
ADIDAS N	262.80	-2.85	273.50	178.30
AIR LIQUIDE	121.90	-0.05	123.90	101.85
AIRBUS BR	125.18	1.92	126.50	77.50
ALLIANZ	211.80	-0.90	216.20	170.38
AMADEUS IT GRP BR-A	67.98	-0.36	82.20	58.06
ASML HLDG	177.34	-0.34	189.50	130.12
AXA	23.12	-0.18	23.90	18.40
BANCO SANTANDER	4.00	0.02	4.82	3.80
BASF N	61.80	-0.29	84.80	57.26
BAYER N	55.40	-0.10	98.62	52.00
BBVA	4.88	-0.04	6.44	4.48
BMW	63.24	-0.31	86.71	61.31
BNP PARIBAS BR-A	40.46	-0.30	56.94	38.14
CRH PLC	28.40	0.32	34.87	26.53
DAIMLER N	47.53	-0.29	59.99	44.54
DANONE	75.28	0.08	75.34	59.72
DEUTSCHE POST N	28.08	-0.21	32.20	23.43
DEUTSCHE TELEKOM N	15.32	-0.07	15.88	13.09
ENEL N	6.20	-0.02	6.34	4.22
ENGIE	13.37	-0.07	14.28	11.31
ENI N	14.44	-0.08	16.71	13.39
ESSILORLUXOTT	109.80	-0.60	129.55	95.50
FRESENIUS	47.65	0.14	71.00	38.50
IBERDROLA	8.89	-0.06	9.13	5.81
INDITEX	25.24	-0.25	30.30	21.85
ING GROUP	9.73	-0.06	13.28	9.09
INTESA SANPAOLO N	1.87	-0.01	2.66	1.80
KERING	510.60	-7.40	539.80	351.70
KON AH DEL BR	19.69	-0.63	24.01	18.60
L'OREAL	254.10	-1.30	257.30	182.00
LINDE	178.50	-0.15	0.00	0.00
LVMH	371.70	0.45	373.95	242.30
MUENCHENER RUECKV N	223.30	-1.70	226.40	175.00
NOKIA	4.36	-0.06	5.76	4.17
ORANGE	13.88	-0.04	15.25	13.15
ROY.PHILIPS	37.88	0.13	40.01	29.05
SAFRAN	131.55	0.10	133.95	97.08
SANOFI	77.05	-0.07	80.44	68.05
SAP I	118.14	-0.66	119.60	84.02
SCHNEIDER EL	78.06	-0.22	79.50	57.54
SIEMENS N	104.80	-0.98	121.40	90.90
SOCIETE GENERALE	21.43	-0.14	35.06	20.81
TELEFONICA	7.28	0.02	8.06	6.59
TOTAL	48.95	-0.06	55.39	44.23
UNILEVER CERT	54.14	-0.25	55.33	45.12
VINCI	92.06	0.36	93.26	69.98
VIVENDI	24.78	-0.16	26.69	20.40
VOLKSWAGEN VZ I	146.00	-0.96	163.70	131.02

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COMMODITIES

Gold	1405.70	8.55
Silver	15.37	0.08
Brent Crude	64.86	-0.34
Krugerrand	1443.00	20.85
Palladium	1516.00	24.00
Platinum	810.00	5.00
Tin Cash Official	19125.00	-100.00
Lead Cash Official	1916.00	-29.00
Zinc Cash Official	2578.00	36.00
Copper Cash Official	5917.00	-24.00
Aluminium Cash Official	1743.00	4.00
Nickel Cash Official	12135.00	-75.00
Aluminium Alloy Cash Official	1160.00	-10.00
Cocoa Futures	2523.00	-4.00
Coffee 'C' Futures	106.43	3.43
Feed Wheat Futures	148.00	0.85
Soybeans Futures Continuation Contract	902.60	-6.20

CREDIT & RATES

BoE IR Overnight	0.750	0.00
BoE IR 7 days	0.750	0.00
BoE IR 1 month	0.750	0.00
BoE IR 3 months	0.750	0.00
BoE IR 6 months	0.750	0.00
LIBOR Euro - overnight	-0.472	0.00
LIBOR Euro - 12 months	-0.285	0.00
LIBOR USD - overnight	2.349	0.00
LIBOR USD - 12 months	2.179	-0.02
Halifax mortgage rate	3.990	0.00
Euro Base Rate	0.000	0.00
Finance house base rate	1.000	0.00
US Fed funds	2.36	0.00
US long bond yield	2.53	-0.02
Euro Euribor	-0.404	0.00
The vix index	16.28	1.02
The baltic dry index	1258.00	19.00
Markit iBoxx EUR	242.68	0.36
Markit iBoxx GBP	344.72	0.33
Markit iBoxx USD	255.14	0.86

WORLD INDICES

	Price	Chg	%chg
FTSE 100	7422.43	5.74	0.08
FTSE 250	19286.51	-13.17	-0.07
FTSE All-Share	4049.83	1.88	0.05
FTSE AIM All-Share	924.97	-4.54	-0.49
S&P 500	2917.38	-27.97	-0.95
Dow Jones I.A.	26548.22	-179.32	-0.67
Nasdaq Composite	7884.72	-120.98	-1.51
Xetra DAX	12228.44	-46.13	-0.38
CAC 40	5514.57	-7.14	-0.13
Swiss Market Index	9898.90	0.05	0.00
ISEQ Overall Index	6107.98	39.32	0.65
FTSEurofirst 300	1509.95	-1.79	-0.12
Hang Seng	28185.98	-327.02	-1.15
Shanghai Composite	2982.07	-26.07	-0.87
STI Index	3305.33	-4.52	-0.14
ASX All Ordinaries	6734.50	-11.00	-0.16

US SHARES

	Price	Chg	High	Low
3M	172.03	-1.35	219.75	159.32
ABBOTT LABORATOR	84.24	-0.47	85.45	60.32
ADOBE	287.97	-11.90	304.00	204.95
ALPHAB NON VTG-C	1086.35	-29.17	1289.27	970.11
ALPHABET-A	1087.58	-29.12	1296.98	977.66
AMAZON.COM	1878.27	-35.63	2050.50	1307.00
AMERICAN EXPRESS	123.16	-0.98	126.40	89.05
APPLE	195.57	-3.01	233.47	142.00
AT&T	32.55	-0.03	34.30	26.80
BANK OF AMERICA	27.76	-0.22	31.91	22.66
BERKSHIRE HATH RG-B	208.07	1.22	224.07	184.75
BOEING CO	369.32	-4.67	446.01	292.47
CATERPILLAR	133.71	-0.66	159.37	112.06
CHEVRON	123.64	-1.27	128.55	100.22
CISCO SYSTEMS	56.08	-1.10	58.15	40.25
CITIGROUP	66.54	-0.87	75.24	48.42
COCA-COLA CO	51.76	-0.16	52.20	42.99
COMCAST-A	42.75	-0.85	43.96	32.08
DOW	49.69	0.11	0.00	0.00
EXXON MOBIL	76.27	-0.68	87.36	64.65
FACEBOOK-A	188.84	-3.76	218.62	123.02
GOLDMAN SACHS GR	196.06	-1.43	245.08	151.70
HOME DEPOT	204.74	-0.76	215.43	158.09
HONEYWELL INTL	173.94	-0.67	177.36	123.48
IBM	138.36	-0.99	154.36	105.94
INTEL	46.85	-0.78	59.59	42.36
JOHNSON & JOHNSO	144.24	1.18	148.99	120.11
JPMORGAN CHASE	107.76	-0.90	119.24	91.11
MASTERCARD RG-A	259.73	-5.57	269.85	171.89
MCDONALD'S	205.71	1.79	206.39	153.13
MEDTRONIC	98.90	-0.26	100.15	81.66
MERCK	85.24	-0.27	86.50	59.80
MICROSOFT	133.43	-4.35	138.40	93.96
NETFLIX	360.30	-10.74	420.50	231.23
NIKE -B-	82.62	-1.88	90.00	66.53
ORACLE	56.07	-0.67	57.47	42.40
PAYPAL HOLDINGS	114.44	-2.06	119.95	74.66
PEPSICO	133.81	-0.33	135.24	104.53
PEPSICO	118.61	0.56	119.74	101.06
PFIZER	43.76	0.00	46.47	36.00
PROCTER&GAMBLE	111.72	-0.61	112.63	77.18
TRAVELERS COS	153.13	1.11	153.63	111.08
TWITTER	34.72	-0.86	46.90	26.19
UNITEDHEALTH GRO	247.66	-1.98	287.94	208.07
UTD TECHS	129.02	-1.16	144.40	100.48
VERIZON COMM	58.00	-0.27	61.58	49.01
VISA RG-A	171.28	-2.57	174.94	121.60
WALGREENS BOOTS	52.95	1.00	86.31	49.31
WALMART	110.72	-0.52	112.22	83.40
WALT DISNEY	139.94	0.72	143.51	100.35
WELLS FARGO	46.14	-0.13	59.53	43.02

FORUM

EDITED BY RACHEL CUNLIFFE

Istanbul has rekindled Turkey's fight against religious tyranny

Alan Mendoza

A quarter of a century of Erdogan's sway over the city has ended

ISTANBUL is one of the most famous cities in the world, on account of a storied history encompassing myriad great events. As Byzantium, it was first the fortress of the eastern Roman Empire and then the bastion of Orthodox Christianity.

After its fall to the Turks in 1453, the newly-minted Constantinople became the capital of the Ottoman Empire, from where Sultans dispensed law and justice across a domain that at its peak spanned from the Middle East and North Africa to the gates of Vienna.

While diminished in the post-First World War settlement, Istanbul has retained its economic importance to contemporary Turkey, as well as a romantic hold on the hearts of many beyond its borders.

Secular and cosmopolitan, and straddling the divide between Europe and Asia, such is its political weight that it is said that as Istanbul goes, so ultimately, does Turkey.

One man who understands this implicitly is Recep Tayyip Erdogan. Long before a national political career that has seen him essentially run Turkey as Prime Minister from 2003 and then President from 2014, Erdogan was mayor of Istanbul.

And he was a pretty good one. Istanbulis recall a reformer who pared down municipal debt while tackling congestion and air pollution.

The city rewarded its former mayor by providing the political muscle for his transition into national politics, buoyed by the idea that his social conservatism would play second fiddle to his commitment to financial liberalisation and securing EU membership.

In a country where the threat of military rule – frequently exercised in the course of Turkey's tumultuous history – was long deemed by Istanbul's liberal elite to be the greatest danger to their interests, even Erdogan's Islamist beliefs were considered a price worth paying in exchange for stability and economic growth.

Erdogan has not looked back since, but Istanbul – along with much of the remainder of secular, liberal Turkey – has suffered buyer's remorse.

While Erdogan at first delivered on his early promises of economic development and the defanging of the military, it quickly became apparent that he had a loftier goal: the complete transformation of Turkish society and politics. And he was not going to allow little things like the norms of democracy and rule of law to stand in his way.

Under Erdogan, Turkey has begun to adopt the trappings of a police state. Press freedom has been crushed, and the country has the highest number of journalists imprisoned per capita in the world.

Opposition political parties are denied fair access to media outlets, and their activists have been harassed and jailed. The judiciary has been compromised, and show trials of military leaders and anyone deemed a threat by Erdogan – particularly after the failed coup d'etat of 2016 – occur on a regular basis.

Through it all, Turkey's secular settlement has been comprehensively undermined by a variety of laws ranging from the ending of the headscarf ban in public institutions to the restriction of the sale and advertising of alcohol.

Perhaps as they surveyed the wreckage of Turkish civil society occasioned by his period in office, Isanbulis recalled that, while he was their mayor, Erdogan pronounced that "democracy is like a train: you get off when you reach your destination", and decided that enough was finally enough.

Or maybe they noticed that even his economic bubble had burst, with the economy nose-diving as the bill for years of debt-fuelled growth came due.

Either way, in March this year, Istanbul rose to the occasion once more, determined to recapture its role in Turkey's destiny by electing opposition candidate Ekrem Imamoglu in its mayoral election by a margin of just 13,000 votes. This was narrow enough for an enraged Erdogan to pressurise the Electoral Commission to declare the vote invalid owing to "irregularities".

The resulting showdown has been epic, but decisive. Erdogan threw everything but the kitchen sink at Imamoglu, accusing him of being a terrorist, a coup supporter, an advocate of Egypt's militant secularist President Sisi, and even secretly a Greek.

Despite this, and the institutional bias against him occasioned by the President's party having control of all the levers of power and influence, Imamoglu won last weekend's rerun handsomely with some 54 per cent of the vote.

It is difficult to overplay the significance of this incredible result in unlikely circumstances. A quarter of a century of Erdogan's sway over the city has ended. But it is ultimately the refutation of his methods and direction for all of Turkey that will have the greater resonance.

Erdogan's reputation and rule has been built on the inevitability of his success, with victory after victory reinforcing the idea that there was no alternative. For the first time in many years, Turks now have a new star in the firmament to turn to. It is difficult to see how Erdoganism will long survive this revelation.

The path of democracy in Turkey may still resemble Erdogan's train journey. But while he may have decided to alight some time ago, Istanbul has proven that there is still plenty of track left before the end of the line.

Alan Mendoza is executive director of the Henry Jackson Society.

Tragedy awaits if we don't bridge the gap between beliefs and reality in the NHS

Paul Ormerod

A TRAGIC story over the weekend revealed how a man who died of lung cancer was failed abysmally by the NHS. Two separate sets of doctors omitted to tell him for over a year that he had the disease.

The added poignancy of the news item was that the victim was a relative of Nye Bevan, the Welsh socialist politician who founded the NHS in the late 1940s.

Almost everyone has an account of how either they or someone well-known to them has been let down by the NHS.

On a mundane level, a few years ago I had an accident which involved knee surgery, so I was on crutches for a few weeks. I had been waiting for months for a minor operation on my hand. By coincidence the date was fixed while I was on crutches.

The mere fact that I could not attend meant I went to the back of the queue. In vain, I pointed out that I had just had a knee operation at the same hospital and needed hands for the crutches. It was many weeks later I discovered that the knee and hand consultants had offices literally next door to each other. But their staff were somehow unable to communicate.

The evidence of poor performance by the NHS is not just based on casual empiricism and anecdote. In terms of survival from lung cancer, for example, a major study by the Swedish Institute for Health Economics shows that only one country in the EU has a worse record than the UK: Bulgaria.

Cancer survival rates are improving everywhere, but the UK lags behind. Five-year survival from colon cancer, for example, averages 58 per cent across the EU. It is 52 per cent in the UK.

Bevan was a great believer in Soviet-style central planning, so it was natural for him to set the NHS up on these lines. Significantly, no other developed country has chosen to design their own health service in a centrally-planned way.

Despite the widespread knowledge of the failings of the NHS, it continues to attract strong emotional support across the electorate and defensiveness whenever anyone tentatively suggests reforming it. Witness the frenzied rage which greeted the US ambassador's remarks earlier this month that America would want access to the NHS in any post-Brexit trade deal.

This dissonance between beliefs and reality is an example of an important challenge to the rational choice theory of economics.

The concept is known as confirmation bias. It is a cognitive bias which involves interpreting evidence in a way which confirms existing beliefs instead of weighing the facts in a rational way.

A classic example was provided by the psychologist Leon Festinger in the 1950s. He infiltrated a group which believed a massive flood would shortly bring the world to an end. When the deluge failed to appear on the appointed day, the belief of the members that it would happen actually became stronger.

Unless politicians discover a way of overcoming this widespread bias, the tragedy of Bevan's great-nephew will continue to be repeated.

Paul Ormerod is an economist at Volterra Partners LLP, a visiting professor in the Department of Computer Science at UCL, and author of Against the Grain: Insights of an Economic Contrarian, published by the IEA.

LETTERS
TO THE EDITOR

The last piece of the privacy puzzle

[Re: Is Facebook's libra a step towards the legitimisation of crypto?]

By creating libra, Facebook is offering people who are unbanked the opportunity and access to financial services for the first time. Facebook has said that it will work with the regulators across the globe to come up with the right governance, which is why it made the open announcement last week. However, there is much reason for concern – first, for fintech, mobile bank providers, and traditional banks.

Facebook has over two billion users; if this new initiative is successful, there will be no need for consumers to open up bank accounts with reams of paper documents when they can just use Whatsapp. This could definitely threaten the traditional bank model.

More generally, libra will give Facebook the last key to our lives. The company already knows almost everything about you: who you associate with, where you go, what you think (or share publicly), and what you like. But although it already knows what products you look at so its partners can advertise to you, the actual reality of what you buy has been a mystery. Until now.

Libra will give the advertising giant the full picture of its users. But at what cost? Is this the last piece of the privacy puzzle to go? And what does that mean for the future?

David Donovan, executive vice president, Publicis Sapient

BEST OF TWITTER

Re No Deal+GATT24 claims – is it an option as @BorisJohnson says? My understanding is that this can't be done unilaterally and therefore requires EU Agreement. But it is an option. One you might find in a magic forest with a gleaming horn.
@claireperrymp

GATT24 is a perfect example of a zombie fact. No matter how many tines it is debunked – Liam Fox, Geoffrey Cox, trade experts etc – it keeps getting repeated. Facts and counter narratives don't seem to work.
@SebastianEPayne

What do you do to switch off? Boris: "I like to paint. I make things. I make models. I make models of buses. I don't mean buses, I get old wooden crates and I paint them. And I paint the passengers enjoying themselves, on the low carbon bus. You really want to know this?"
@tnewtondunn

1) Take box containing two bottles of wine. 2) Drink all the wine 3) Create bus from cardboard box 4) Talk coherently about the process on the radio.
@Kerensd

Feel for the Boris campaign intern now desperately trying to make a convincingly amateurish cardboard bus
@Gilofthepeople

I feel while cardboard bus making is a little... wtf... it's worth remembering that Corbyn's hobby is taking photos of manhole covers.
@MRJKilcoyne

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

Through the smoke: The legal path to Britain's cannabis market

THE GREAT and the good of the global cannabis industry (which, for those behind the curve on such things, is no longer a contradiction in terms), are assembling in London for a dazzling set of events under the banner of European Cannabis Week.

Even those who follow the headlines about the industry's rapidly escalating size and changing regulatory landscape may be surprised both by the sheer scale of the exercise and by the profiles of those attending, many of whom have high-powered, successful backgrounds in more conventional sectors. This, lest there still be any doubt from anyone, is proper, serious business.

The question of how this brave new world fits with the UK's institutional attitude towards cannabis – which, of course, remains a controlled drug here, with no clear signs of that changing anytime soon – is one of those for discussion at the week's centrepiece, the two-day Cannabis Europa conference.

The answer divides into domestic and international issues.

Taking the domestic first, those who grow, sell or do research on cannabis in the UK itself need to register and obtain licences from a specialist Home Office unit, which is dealing at present with a very large number of applications and enquiries.

Businesses that expect an easy ride from the unit can become frustrated with its processes and mindset, which are – understandably, perhaps – particularly focused on the security aspects of what the law still considers a dangerous drug.

Unhelpful ambiguities also abound, a notable example being the status of cannabidiol products that contain negligible amounts of THC, cannabis' psychoactive component.

Confident assurances that products with a THC content below 0.2 per cent are lawful, even without a licence, are as ubiquitous as the products themselves. But the official guidance is more nuanced: in short, while the threshold is useful for licences to grow hemp, the only lawful amount of THC in the UK is zero.

The international issue, meanwhile, concerns businesses planning to invest in cannabis overseas and then bring the proceeds here. Such businesses should have UK money laundering laws in mind.

Under the Proceeds of Crime Act 2002, it is an offence to do virtually anything with the proceeds of "criminal conduct", which is defined to include conduct that is lawful overseas but that would be unlawful if it occurred here.

The UK has some considerable way to go before even strictly medicinal products are available to all who need them

That does not necessarily mean that a UK investor in a Canadian cannabis company, for instance, would be breaking the law. But there are judgement calls to be made about whether, when, and how the investment should be reported to the National Crime Agency, with the aim of obtaining consent. Importantly, these are not made in isolation but alongside similar judgement calls by banks and others in the regulated sector, which have their own responsibilities to consider.

In the background of both sets of issues is the divide between medicinal and recreational use. Various jurisdictions are still considering where to draw their lines, and the growing "wellness" market blurs the divide still further. The UK, it seems, has some considerable way to go before even strictly medicinal products are available to all who need them, notwithstanding the recent change in our laws after some high-profile and emotive cases.

In time, perhaps, the UK may follow the example of Canada and others, and adopt a more relaxed approach to cannabis. But for now, businesses that want to operate here must temper their enthusiasm by taking a proper look at their plans through a law enforcement lens, and ensuring that they stay on the right side of the law as it is today.

John Binns is a partner in the business crime and corporate regulatory department of BCL Solicitors.

DEBATE

Is the obsessive focus from politicians on increasing home ownership misguided?

YES

CLIVE DOCWRA

Politicians are obsessed with home ownership, including both contenders for Prime Minister. Jeremy Hunt has put a new "right to own" policy at the heart of his bid, while Boris Johnson has backed replacing Help to Buy. But many people are increasingly choosing to rent – and it's not always because they're priced out of the market.

Many of London's increasingly mobile, young population choose to live in build-to-rent developments. They benefit from amenities such as gyms, communal areas, and office services that they wouldn't have in a traditional home. They prioritise a higher standard of accommodation over simply joining the property ladder, along with the relative ease of moving and absence of costs like stamp duty and fees.

Moreover, ownership policies don't always work. A recent report on Help to Buy showed how the scheme actually helped inflate property prices.

Yes, we need to build more homes for sale too, but the new Prime Minister should also back plans that enable Londoners to rent should they wish.

Clive Docwra is managing director of McBains.

NO

PAULA HIGGINS

Our recent Home Owners Survey found almost eight in 10 renters want to get on the property ladder, but six in 10 who want to own fear that they never will.

UK home ownership is among the lowest in the EU, and the percentage of renters is highest in London because we have one of the world's most pronounced gaps between earnings and house prices, plus a chronic housing shortage.

Home ownership offers security. While mortgage costs are fixed, rents tend to rise with inflation, with no returns. Meanwhile, with a lack of social housing, most private renters are on short contracts – home ownership offers families more stability.

Home owners can decorate as they wish and invest in home improvements. In contrast, our survey also found that four in 10 renters have trouble getting landlords to conduct essential repairs.

People without access to the Bank of Mum and Dad should not be locked out of the housing market. Owning a home is an investment offering stability and a safety net in old age.

Paula Higgins is chief executive of the HomeOwners Alliance.

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Valuing a culture of diversity and inclusion is at the heart of our business. Through The Lord Mayor's Appeal our people have gained insight into some of the most important conversations on diversity and inclusion which they can take into their day to day roles.
Peter Harrison, Group Chief Executive, Schroders

OFFICE POLITICS

Feeling lactose intolerant? A guide to office milk etiquette

A Doncaster Council worker padlocked a bottle, so let's get some things straight

Benedict Spence

Like all history's great heroes, the person who actually buys the milk is unappreciated in their lifetime

GOT MILK? The answer, if you're reading this in the office or on your commute, is probably "no". And if "yes", it will be followed with "but not for much longer".

We're all having a good laugh this week at the employee of Doncaster Council, who took the ingrained culture of petty office protectionism to a new height by drilling through the cap and neck of a plastic milk bottle and attaching a padlock to deter thieves. It's exactly the sort of behaviour one expects from the average council employee, but it caught the world off-guard nonetheless.

Milk, from the moment it is set down in an office environment, is one of those things that falls into the "fair game" category, like biscuits, satsumas, or the intern. If it's there and unattended, it is liable to be used by anyone who happens upon it.

As I type, I am sipping from a cup of tea garnished with, yep, someone else's Co-op own-brand dairy goodness. I don't know who bought it, nor do I care. I took a furtive look around the kitchen and, with the single, fluid movement of a ninja, opened the fridge, removed the pint, unscrewed the cap, added a dash, and replaced the bottle back behind the door in all of 3.4 seconds.

This proves, if nothing else, that there are more Thatcherites out there than many would readily admit. Milk snatching is de rigueur, now. The few drops that it takes to improve a beverage are barely missed – only noted when the whole office has partaken in the sinful business, and the bottle has mysteriously emptied itself.

It can be infuriating, as – inevitably – the person who buys the milk is always the same.

They are, to the team, like the person in a family or flat share who pays for the Netflix subscription: uncomplaining, and like all history's great heroes and characters, unappreciated in their lifetime.

Few would deny the right of any Englishman to half-inch a few drops of milk for his tea.

But where things cross the line is when people milk the system for bigger projects – a bowl of porridge or cereal in the morning, for instance, or to lace someone's post-workout protein shake. Or when a Prime Minister goes mad with power and takes it away from a generation of children in a single fell swoop.

It's at the point when people treat milk as a plentiful and expendable resource, rather than the social glue of the workplace, that the kitchen turns into the bar from A Clockwork Orange.

It isn't enough that office jargon borders on Nadsat at the best of times, a nightmarish blend of "tolchocks" and "synergy". When the milk enters this realm, it becomes a weapon, to be denied to the rest of the populace by a milk baron (as in Doncaster), or deployed as a ballistic against an enemy. It's no wonder that "milkshaking" has spilled out onto the streets.

Milk is meant to preserve harmony. The person who buys it should recognise that when they do so, they are doing so for all. And in turn, everyone else should recognise that person's noble role in society, as the bearer of 50 per cent of the luxuries the Israelites were prepared to wander around a desert for 40 years seeking.

It's okay to steal milk. But thou shalt steal it responsibly.

Benedict Spence is a freelance writer. He is on Twitter @BenedictSpence.

SLIPS YOUR MIND

Remember the Milk
Free

You grimace as the lumpy milk plops into your coffee cup. "Not again," you cry, wondering how you will make it through your morning without an immediate injection of caffeine. You've let yourself down – after all, remembering to buy milk is the only way that you can prove yourself as a fully-fledged adult. Download this to-do list app, and you will no longer cry over forgotten milk ever again.

COFFEE BREAK

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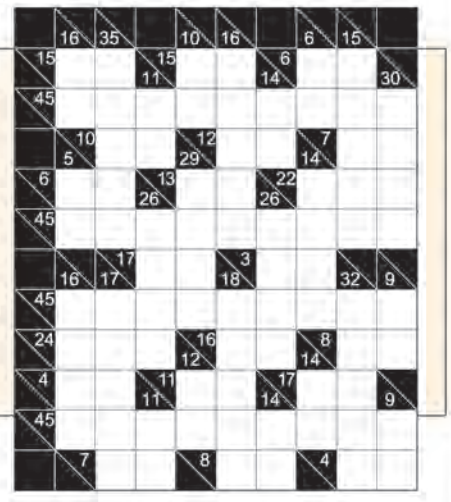
SUDOKU

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

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

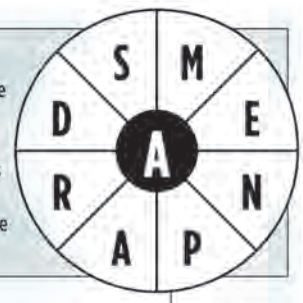
KAKURO

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.

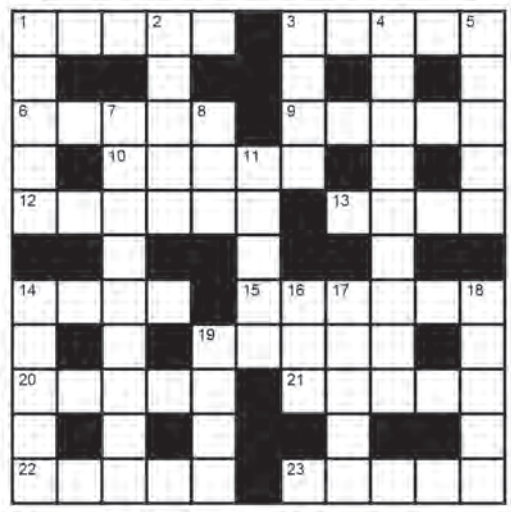


WORDWHEEL

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 Examine so as to determine accuracy (5)
3 Urge a horse to go faster (3,2)
6 Enfolds (5)
9 Large ladle (5)
10 45th president of the USA (5)
12 Part of the eye (6)
13 Pros and ___ (4)
14 Armoured fighting vehicle (4)
15 Ludicrous acts done for fun (6)
19 Divisions of a day (5)
20 Superficial abrasion (5)
21 Sibling's daughter (5)
22 Long journeys on foot (5)
23 Fully mature (5)

DOWN

1 Show submission or fear (5)
2 Island in the Bay of Naples (5)
3 Puff, pant (4)
4 Cut down on spending or waste (9)
5 Conduits used to convey liquids or gases (5)
7 Reduce in strength, weaken (9)
8 Earth's nearest star (3)
11 Former Portuguese province in China (5)
14 Not slack (5)
16 Holy woman (3)
17 Attempted (5)
18 Aroma (5)
19 Belonging to that woman (4)

LAST ISSUE'S SOLUTIONS

QUICK CROSSWORD

KAKURO

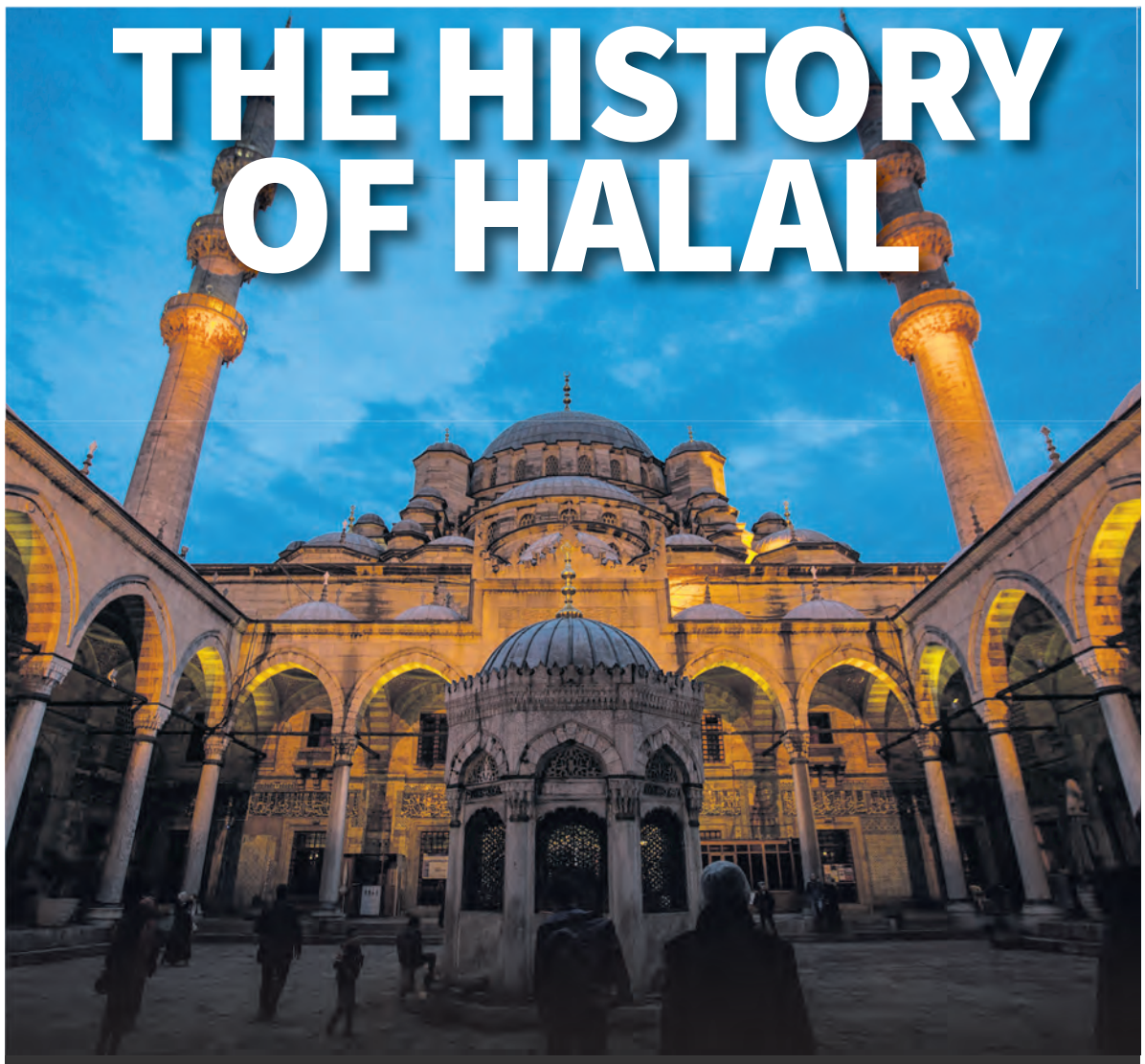
SUDOKU

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

WORDWHEEL

The nine-letter words were **BACTERIAL** and **CALIBRATE**

ISLAMIC FINANCE



THE HISTORY OF HALAL

James Douglass explains the centuries-old roots of Islamic finance

ISLAMIC finance is often heralded as one of the fastest-growing financial sectors in the world. Last year, it was estimated that Islamic finance assets totalled around $2.2 trillion.

A decade of near-exponential growth, often over 10 per cent each year, has led to projections that it will reach $3.5 trillion by 2021.

While the majority of this is in Muslim-majority countries, London has long eyed a piece of the action.

The City started developing Shariah-compliant financial services at the turn of the millennium, but a major milestone was the issuance of the first sovereign sukuk, or Shariah-compliant bond, in 2014.

The first issued by a western nation, the UK government sukuk marked the first time global Islamic investors could acquire sterling-backed Shariah-compliant paper – in a market hitherto dominated by dollar-denominated issues. But it was also a statement of confidence.

It is tempting to view this as a modern phenomenon, enabled primarily by the globalisation of banking. And this is certainly driving unprecedented growth levels.

But the roots of Islamic finance are centuries-old, and understanding the philosophies behind it may help explain why its expansion looks set to continue – beyond selling to the Muslim community.

Islamic finance is required to be Shariah-compliant, which in practice has three fundamental principles.

First, it prohibits "unethical" investments, meaning certain sectors – such as alcohol, the arms trade, or gambling – are banned.

Second, it forbids gharar, or high levels of uncertainty or deception. This means strict rules against highly volatile investments, some derivatives speculation, and activities like short-selling.

Finally, it proscribes riba, or charging interest. Historically this has allowed some alternative business models for financial products, such as Islamic mortgages, which have been available in the west since the 1980s.

Contrary to the usual model for a mortgage, where the profits are interest-based, Islamic mortgages usually operate with the provider buying the house outright.

The buyer will then either sell it on to the ultimate owner at a profit, payable in instalments over time (murabaha), or sell it on at the same price, but in addition to the monthly instalments the occupier also pays a sum for "rent" over the lifetime of the payments (Ijara). In both cases charging interest is negated.

These requirements would seem to prove a significant barrier to the majority of other financial services growth, precluding the majority of derivatives and bond issuances.

But with over $50bn raised on the LSE to date, the success of sukuk shows that this is not the case.

What has changed is the willingness of Islamic scholars to embrace sophisticated ways of enabling profits that do not conflict with the fundamental principles of Islam.

Sukuk is a case in point. Unlike a traditional bond, where the buyer loans money to the issuer for a fixed period in return for a predetermined interest rate, with sukuk, the buyer receives a certificate of ownership signifying investment in a Shariah-compliant project, which entitles them to periodic profit payments, and the right to recoup their principal upon maturity. Thus riba, or interest, is never generated or received.

Sukuk has been around since the 1990s, but the next major milestone was when the International Islamic Financial Market, a Bahrain-based Islamic capital markets body, and the International Swaps and Derivatives Association launched the Tahawwut Master Agreement in 2010.

Using a sophisticated blend of existing Shariah-compliant contracts and concepts, this agreement set out standards that allowed for Islamic financial instruments which mirrored conventional derivatives trading. By enabling hedging and risk management, this paved the way for significant expansion.

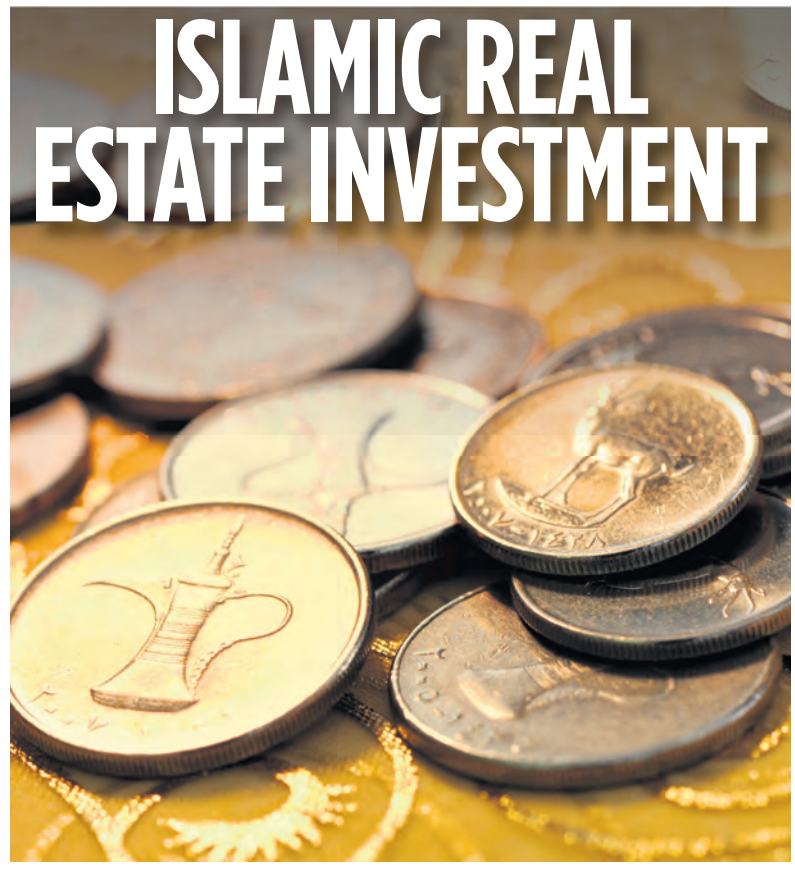
So why do the principles matter? Because one of the major attractions of Islamic finance is the emphasis on ethical investment, and social purpose.

Over the last decade, we have seen a growing clamour for a financial services sector that not only mitigates against volatility, but also remembers that it is fundamentally a service – and that it should enable, rather than profit from, society.

This means that the appeal of such principles-based finance goes well beyond simple religious prohibition. While it may come with higher costs, or lower profits, it is probable that the idea of banking with clearly stated values has an intrinsic appeal for many.

Failing that, even the most cynical investor can't fail to be interest in a market that grows 10 per cent every year.

ADVERTISEMENT FEATURE



ISLAMIC REAL ESTATE INVESTMENT

ROSETTE

Stuart Jarvis
Investment Director at Rosette Merchant Bank

The synergies between Islamic Finance and real estate have provided the UK with a rich vein of inward investment that is all too rarely reported. Yet, the flows of Shariah compliant capital from the Middle East and South East Asia have funded real estate the length and breadth of the UK, across all real estate sectors.

The tenets of Shariah compliant finance require an underlying asset in which to invest, with property being an obvious first choice. There is a prohibition however, against owning properties which have tenants that have haram or illicit business activities: gambling, alcohol, tobacco, pork, 'conventional' finance and weapons.

When combined with the principles of fairness and transparency that are required in all Islamic investment activities, the sector has seen a recent surge in interest from ethical and ESG focused funds. This additional capital has only served to increase the funding deployed by Shariah compliant investment houses, such as Rosette Merchant Bank. As an independent financial services firm, Rosette is committed to aligning our interests with those of the investor, delivering tailored Islamic real estate solutions.

The draw of UK real estate for international investors is not just a question of risk adjusted returns. Alongside portfolio diversification, at least part of the attraction is the strength of the legal system in the UK and recording of property titles at the Land Registry.

From a commercial perspective, Rosette is able to advise its clients on the risks and rewards of all real estate investment themes. Whether a residential development delivering much needed affordable housing in the Midlands, or a prime city centre commercial office on a long lease to a blue chip tenant, there has and will continue to be wide and varied demand from Shariah compliant real estate investors.

The field of fixed income, in the form of real estate backed Islamic bonds or sukuk, is also a vibrant home for Shariah compliant capital. Most often

> **The sector has seen a recent surge in interest from ethical and ESG focused funds**

structured as a sale and lease-back transaction, sukuk issuers receive a capital receipt in return for a fixed schedule of rental payments. At maturity of the sukuk, the issuer buys back the property at par value.

The UK Government's first sovereign sukuk was a sale and leaseback style transaction, issued in 2014 and ground-breaking at the time. The £200m issuance was significantly over-subscribed, highlighting the considerable demand for such product. Maturing in July this year, a reissuance is hotly anticipated by investors. It remains one of the strongest signals that the UK Government can make that it is serious about attracting international Islamic capital.

The clamour for UK Government sukuk is such that Rosette is working in partnership with a global issuer of sukuk to offer local government institutions and authorities sukuk financing opportunities. Given the dearth of sterling denominated sukuk, the finance rates that the councils could attract may well beat their traditional funding sources.

Rosette continues to build new long term partnerships with investors and believes that Shariah compliant private equity real estate acquisitions and sukuk issuances show remarkable promise in otherwise uncertain times.

For more information please see www.rosette.co.uk or email stuart@rosette.co.uk sam@rosette.co.uk

ROSETTE MERCHANT BANK

LIFE&STYLE

CITY AM CLUB PARTNER SPOTLIGHT

The world's most ethical luxury swimwear brand partners with the City A.M. Club

One of the City A.M. Club's partners is an ethical swimwear brand that's changing the way people consume fashion. Naeco uses innovative techniques to turn plastic waste into quality clothing, helping to save our oceans as well as make us look great on our holidays.

Members of the Club receive an incredible 25 per cent off every shop, not limited to their first purchase. We caught up with NAECO founder Zak Johnson to get the lowdown.

NAECO CREATES LUXURY SWIMWEAR OUT OF RECYCLED DISCARDED PLASTIC. WHY IS THIS CAUSE SO CLOSE TO YOUR HEART?

NAECO was born out of a need to rid the ocean of the terrible plastic contamination mankind is pouring into it daily. As an avid kite surfer and scuba diver I spend a large amount of my time in the ocean. Over the years I saw more and more plastic spoiling our ecosystem. It's a huge problem: 8m tonnes of plastic waste end up in the oceans every year, and the figure keeps rising.

NAECO symbolises what we believe the fabrics of the future should be, and what we believe a luxury fashion brand of the future needs to be. Using state of the art recycling methods, textile research and technology, we are able to make fabrics re-born and repurposed for new lives as luxury clothing that is made to last.

WHERE DOES 'NAECO' COME FROM?

It's actually 'OCEAN' spelled backwards. The brand was always going to be centred around water – you can even spot Poseidon's trident in the logo. I wanted the brand name to be short and catchy and NAECO felt right.

WHAT IS YOUR DEFINITION OF 'ETHICAL FASHION'?

For me 'ethical fashion' is not just making a product from sustainable materials, paying higher wages or reducing your carbon footprint. It's about making a product that's world class, the best it can be. First of all it needs to look fantastic, feel good and look great on you.

Once you have created a design, *then* you can consider sustainable fabrics, shipping, carbon footprint, ethical manufacturing, and the salary of your team and external companies. I have seen many brands create sustainable products that just don't look great – being made from a sustainable material won't sell your products and won't make an impact on our environment. We need to create beautiful products that people love that are actually sustainable. We have a number of customers who never knew our product was sustainable. They bought it as they loved the design and quality.

HOW DO YOU MAKE SUCH SOFT, LUXURIOUS FABRIC FROM DISCARDED PLASTIC?

Plastic bottles, straws and other plastic waste is collected and passed through a series of steps, cleaning and crushing to obtain plastic flakes which, through a mechanical process, are converted into luxurious spun fibre. This recycled yarn is then used to develop our fabrics, going through a number of processes to make the fabric soft and durable, and to ensure comfort in and out of the water.

Each pair of NAECO swim shorts are made from the equivalent of 15 plastic bottles that were destined to pollute our planet. Now they live life as a sustainable luxury garment.

For more information on Naeco go to naeco.co.uk

HOW YOU CAN JOIN THE CITY A.M. CLUB

The City A.M. Club is your passport to the City, giving you access to networking opportunities, events and exclusive offers. City A.M. has collected more than 50 partners, each providing a totally unique, curated experience for City A.M. Club Members. They range from leading lifestyle brands, to your favourite restaurants.

An annual membership costs £240 – an amount that could easily be recouped in a matter of weeks. To apply, log on to our Club website at club.cityam.com. We look forward to seeing you on the inside.

For more information, visit: CLUB.CITYAM.COM

Try my pea 'tofu' and you'll never look back

Our resident chef recreates one of his fondest food memories

MY FOOD DIARY

Mark Hix

This is a great, simple way to make your own tofu – and believe me, you won't ever go back to the pre-made packet stuff. Okay, confession time: this recipe isn't technically tofu, it's a Burmese version usually made with chickpea flour, although I prefer to use green pea flour. It reminds me of the silky green pea tofu I had when I went to a specialist tofu restaurant in Tokyo – they made the tofu in front of you in a sunken, heated well in the middle of the table. After each course they gave it a stir until it finally set, then they served the warm tofu on its own.

I like to serve this in a vegetable broth garnished with peas, shredded sugar snaps, spring onions, pea shoots and coriander. I've also served it with a pea, tomato and mint dressing – the options are endless for a real vegan treat.

GREEN PEA TOFU (SERVES 4-6)

INGREDIENTS

- 700ml water or oat milk
- 1 tbsp rapeseed oil
- Sea salt and freshly ground black pepper
- 100g shelled peas, fresh or frozen
- 1 cup green pea flour

METHOD

- Whisk the water, green pea flour and rapeseed oil together, season and heat gently on the stove, whisking as it's heating. Add more flour if necessary.
- Cook on a very low heat for 2-3 minutes, giving the occasional stir.
- Cook the peas in boiling salted water until soft, drain most of the water away leaving about a tablespoon then blend until smooth in a liquidiser or NutriBullet.
- Add the green pea flour mixture to it and give it a final blend until very smooth then transfer to a shallow 2cm deep container.
- The mixture will be a soft, creme fraiche consistency; just like I had in Tokyo many years ago.

Happy Hour Oysters at
HIX Oyster & Chop House
www.hixrestaurants.co.uk

WEEKLY GRILL

Kebab Queen chef **Manu Canales** on his best ever meal and accidentally eating finger nail clippings

WHO ARE YOU AND WHAT DO YOU DO?

I am Manu Canales, and you can find me cooking at Kebab Queen in Covent Garden. For as long as I remember, I've been fascinated by food, which is the reason I became a chef.

TELL US ABOUT KEBAB QUEEN

It's the icing on the cake of our Kebab project, which also includes Le Bab and Maison Bab. It's a beautiful little place where we work hard to give our guests a memorable and tasty experience.

YOU COME HOME DRUNK AND HUNGRY – WHAT DO YOU COOK?

Fried eggs with a crispy edge, with plenty of bread to dip.

WHAT'S THE STRANGEST ENCOUNTER YOU'VE HAD IN YOUR RESTAURANT?

A customer liked my hair and kept trying to touch it – so irritating, and weird.

WHAT'S YOUR EARLIEST FOOD MEMORY?

Having yoghurt at nursery. Mrs Elena had a peculiar way to open it; instead of tearing the lid, she'd poke it with the handle of the spoon, give it to you and let you dig your way in. It felt rewarding.

TELL US ABOUT THE BEST MEAL YOU EVER HAD

It was a dinner I had somewhere in Northern Thailand. We'd been trekking for a week in the jungle, going up and down, through rain, crossing rivers with the water up to our necks when we finally made it to a village. We shared a chicken and rice dish with the locals, eating it with our hands. It couldn't have been a more authentic experience.

WHAT'S THE WORST THING YOU'VE EVER PUT IN YOUR MOUTH?

Funny one – I was watching Spain during the World Cup nine years ago with a friend. We had eaten some Pringles, and finished the tub. We were very nervous, my friend was biting his nails and spitting them into the tub. I thought that they were the crumbs of the Pringles and went for it... Yuk!

WHAT DO MOST PEOPLE GET WRONG WHEN COOKING?

Failing to learn the right cooking times for different ingredients. I also see a lot of people incorrectly seasoning their dishes.

WHAT SHOULD EVERYONE HAVE IN THEIR KITCHEN CUPBOARD?

A large selection of spices. They will help you to break the monotony in your cooking, giving you access to an endless range of flavours.

WHAT'S THE BEST THING ABOUT THE LONDON FOOD SCENE?

Despite being a large city, away from nature, chefs are growing more conscious about the environment and trying to achieve more sustainable ways of delivering food and eating it.

WHAT'S THE MOST OUTRAGEOUS THING YOU'VE SEEN A CHEF DO?

Someone forgot to cook some langoustines and, when the order was called, the chef ran them under hot water from the tap to quickly warm them up and make them look as if they were cooked – not good.

To book a table at Kebab Queen go to its website at kebabqueen.com, email info@kebabqueen.com, call 07751 240029 or pop in to the restaurant at 4 Mercer Walk, Covent Garden, WC2H 9FA

KALIFORNIA KITCHEN
19 PERCY STREET

WHAT? A plant-based diner on a health kick, walking into Kalifornia Kitchen is like slipping through a Goodnight Sweetheart-style portal, except rather than arriving in World War Two you've been teleported across the Atlantic to Venice Beach as seen through an Instagram lens. It's as though a block of West Coast America has been surreptitiously airlifted to Tottenham Court Road in the dead of night.

When we arrived for lunch a yoga group had just finished a meeting upstairs and was recuperating with a round of CBD oil-infused smoothies. A capricious, handbag-sized dog was throwing a microscopic tantrum beneath the table next to us, demanding another paprika fry. A neon pink hashtag adorns one wall. The only clue that we were still in London was the kind of wobbly service that wouldn't last a minute in LA, as well as the incongruous deep fat fryer by the entrance, which gave the air in this health-conscious café the unmistakable aroma of a high street chip shop, rather than a shrine to clean living. You'll leave craving a battered sausage.

WHO? This is the second restaurant of Loui Blake, founder of the UK's largest vegan restaurant, Erpingham House in Norwich.

WHERE? 19 Percy Street, between Goodge Street and Tottenham Court Road tube stations. Or, if you want to sound like an American, it's on the corner of Percy and Tottenham.

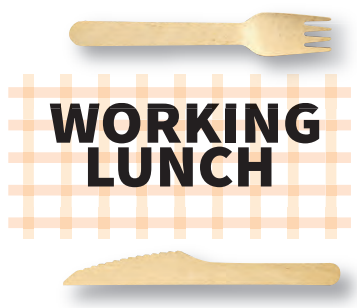
ORDER THIS: The health vibe is quickly dispelled by the menu, which features some artery-friendly salads and rainbow bowl highlights, but isn't afraid to include such indulgences as the much-hyped Beyond Meat "bleeding" burger, a butternut squash curry, and a plant-based take on traditional fish and chips, made with a battered banana blossom. I had the burger, a meatless yet still meaty patty that's part of this new generation of high-end, state-of-the-art beef surrogates. My partner had the curry, which was mild to the point of boring, to the further point that I had to eventually share my burger.

We finished by slamming a couple of "health shots", tiny jars of ginger, pepper and apple juice that made us feel immediately revitalised. Though I suppose downing a shot of ginger will do that to you. It also makes your eyes water a bit. I can recommend it.

WHAT ABOUT THE CBD? Inspired by the yogis – who genuinely seemed pretty relaxed by the time they left through the haze of chip fat – I ordered a CBD oil-infused chocolate smoothie. It arrived lukewarm, the glass still hot from the dishwasher, but after it was quickly swapped for a chilled one it was a sweet end to an unexpectedly filling lunch.

The fashionable, cannabis-derived oil is perfectly legal and has no psychoactive effects – there's no good research to suggest it has any measurable benefits beyond a placebo effect – but later that evening, while dancing to Sergio Mendes at the Royal Festival Hall, I couldn't help but wonder if the CBD oil coursing through my veins was making the bossa nova beats that little bit more alluring. (It wasn't, of course, that was all Sergio).

NEED TO BOOK? It's not the biggest venue and it can fill up around lunchtimes, especially at the weekend, so book online at *kaliforniakitchen.co.uk*



Steve Hogarty on the best places to grab a quick bite around the city

THE PUNTER

HONG KONG TRADER

Hong Kong racing expert **Wally Pyrah** previews today's action from Happy Valley

Bullish Brother set to Cruz to victory at Valley

Bullish Brother is ideally drawn and should go well for connections

HONG Kong racing returns to Happy Valley this afternoon after a week of respite to allow the grass to grow. Local racing fans weren't short of excitement last week though, with Royal Ascot televised live throughout the territory.

The Hong Kong Jockey Club had devised a worldwide betting pool which saw tote pools from ten countries around the globe, including the United Kingdom, Australia, United States, Canada and Hong Kong join forces to produce both bigger pools and better value over the five days at Royal Ascot.

The world pool was obviously a huge success, with around £100million bet across the five days. Fingers crossed the world pool will be used once again on Champions Day at Ascot in October.

Back in Hong Kong, jockey Zac Purton continues to hog the headlines in his relentless quest to overtake Joao Moreira's record-breaking 170 winners in a season.

Another treble last Sunday saw Purton reach 151 victories, but time is running out. With just six meetings left, he needs 19 wins to equal the record which is a huge task.

With his card marked in seven races on the eight-race card, it would take a brave man to bet against him leaving the inner-city track empty-handed – the last time that happened was over two months ago, but this time even the gods of fortune appear to have turned their back on him.

None of his rides are drawn below six, and despite the 'B' course being the fairest of the seven different tracks on the Happy Valley circuit, the reigning champ is going to need plenty of luck to overcome a draw bias which favours low numbers throughout the afternoon.

Purton's best chances appear to be on a couple of last-start winners who are expected to be well backed.

Hat-trick seeking Le Terroir made the most of an ideal draw when winning at odds-on over course and distance at the end of last month and will be expected to defy his penalty in the 1.45pm over six furlongs.

The petrol tank appeared to be flashing on red in the latter stages of that contest and from an awkward draw he may not be able to give 9lbs to ultra-consistent **BULLISH BROTHER** who is ideally drawn in three, and should step out fast and lead all the way.

Purton will also be expected to keep his unblemished record intact aboard Win Win, who will be short odds in the 2.45pm over the extended mile.

The Zac-Man has won twice on the Benno Young-trained gelding this season and a recent impressive trial suggests he is going to be difficult to beat, even with an 8lb penalty.

This time he has an outside draw to overcome though and will probably have to be ridden more patiently than normal.

Lurking near the bottom of the handicap is well-rated **FLYING QUEST** who looked to be returning to his best when fourth to progressive True Grit over course and distance in May.

He broke the magical 23 second barrier for the final 400m sectional time in that race and now racing from a similar mark he last won from, is capable of returning to winning form.

POINTERS

Bullish Brother	**1.45pm**	Happy Valley
Flying Quest e/w	**2.45pm**	Happy Valley

Punters should put faith in Godspeed for Ho and Hall

FORMER Hong Kong champion apprentice Vincent Ho looks set for an afternoon to remember at Happy Valley.

The talented 29-year-old has already surpassed his best ever total of winners in the territory with 52 victories and rode his third local Group winner on Sunday, when partnering Rise High in the Group Three Premier Plate at Sha Tin.

Ho has a full book of rides at the Valley and all can be given chances. He is certainly capable of leaving the inner-city track with at least a couple of winners, and maybe even more.

Ho, who has a gilt-edged chance on Bullish Brother in the 1.45pm, also teams up with the Caspar Fownes-trained **THE JUDGE** in the 1.15pm over the extended mile.

The six-year-old's recent form figures are not inspiring, but they were all at Sha Tin and it's at the tight Valley circuit where he excels.

Having dropped 9lbs in the handicap in recent times, he now finds himself 10lbs below his last course and distance win earlier in the season.

He showed a glimmer of encouragement over a trip short of his best last start and is capable of causing a surprise, especially with draw one a bonus.

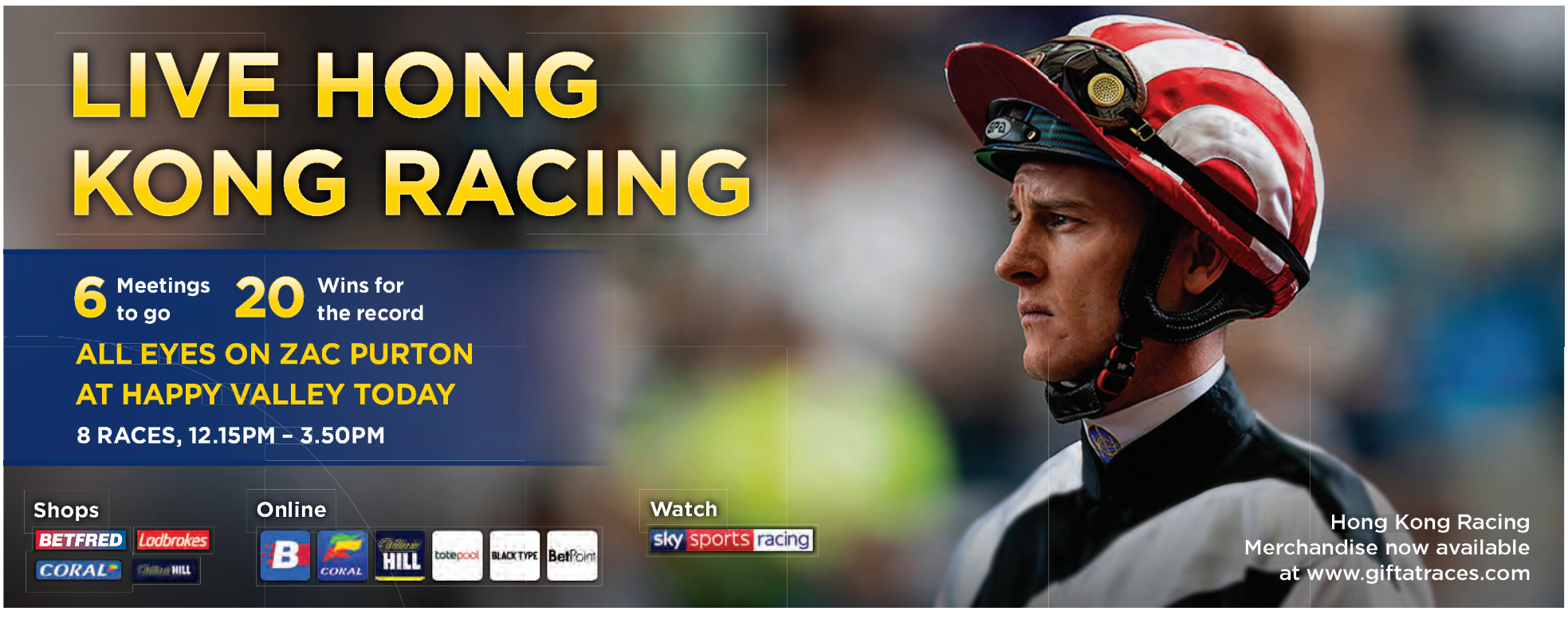
Earlier in the afternoon, Ho partners last-start winner **GODSPEED** in the 12.45pm over the extended mile.

In-form trainer David Hall and Ho have struck up a fruitful partnership this season, including with recent Group Three winner Ho Ho Feel.

They can continue their winning spree with a horse who won with plenty in hand on his recent start and is drawn again for an ideal journey.

POINTERS

Godspeed	**12.45pm**	Happy Valley
The Judge e/w	**1.15pm**	Happy Valley



HAPPY VALLEY

Going: GOOD

Godspeed was a winner last time out and could go in again

12.15 PO TOI HANDICAP (CLASS 4) (3YO+) (COURSE B) (TURF) 5f 3yo plus12 dec.

1 (1) 9-9000 **CAO CAO** (49) (B) (D) (G)
A Millard 5-9-7 ..... **G Van Niekerk 78**
Runs: 18 Wins: 2 Places: 2

2 (9) 878074 **EPTIMUM** (46) (HT) (G)
L Ho 5-9-1 ..... **T So(2) 78**
Runs: 20 Wins: 2 Places: 0

3 (4) 470073 **GENTLE BREEZE** (18) (B[1]) (CD) (G)
P Yiu 5-9-1 ..... **M Chadwick★ 78**
Runs: 13 Wins: 1 Places: 4

4 (11) 5-2328 **TRAVEL DATUK** (56) (B)
Richard Gibson 6-9-0 ..... **N Callan 74**
Runs: 37 Wins: 1 Places: 11

5 (10) **AURORA PEGASUS**
C Fownes 5-8-13 ..... **Z Purton -**
Runs: 0 Wins: 0 Places: 0

6 (2) **HARDLY SWEARS** (H[1])
J Ting 5-8-13 ..... **M Poon(3) -**
Runs: 0 Wins: 0 Places: 0

7 (6) 050070 **CASIMIRO** (21) (H) (GF)
C Yip 5-8-12 ..... **H T Mo(3) 75**
Runs: 18 Wins: 2 Places: 1

8 (8) 86 **AIOLOS** (42) (HT)
W So 4-8-11 ..... **K Leung 69**
Runs: 2 Wins: 0 Places: 0

9 (12) -89808 **FLYING MONKEY** (28) (T) (CD) (GF)
T Yung 7-8-10 ..... **A Sanna 74**
Runs: 22 Wins: 2 Places: 3

10 (5) 088952 **DEMONS ROCK** (21) (P) (G,GS)
D Hall 4-8-7 ..... **C Y Ho 78**
Runs: 25 Wins: 4 Places: 3

11 (3) 429661 **VERY SWEET ORANGE** (28) (V) (CD) (G)
Y Tsui 5-8-7 ..... **J Moreira 77**
Runs: 15 Wins: 1 Places: 2

12 (7) 530303 **GOUTEN OF GARO** (35) (T)
D Ferraris 6-8-4 ..... **M Yeung(2) 76**
Runs: 20 Wins: 0 Places: 5

13 (13) 80 **COBY WIN** (10) (TB)
C Shum 4-8-10 ..... **RESERVE 55**
Runs: 2 Wins: 0 Places: 0

14 (14) **BEST SMILE** (HT[1])
W So 4-9-4 ..... **RESERVE -**
Runs: 0 Wins: 0 Places: 0

★BETTING: 3 Demons Rock, 4 Aurora Pegasus, Very Sweet Orange, 5 Gentle Breeze, 10 Eptimum, 12 Travel Datuk, 14 Gouten Of Garo, 16 Cao Cao, 20 Others

12.45 PENG CHAU HANDICAP (DIV I) (CLASS 4) (3YO+) (COURSE B) (TURF) 1m 3yo plus12 dec.

1 (5) 0-0070 **VILLA FIONN** (56) (V[1])
J Ting 5-9-6 ..... **C Schofield 74**
Runs: 10 Wins: 0 Places: 2

2 (11) -00770 **RAZOR QUEST** (31) (TB) (CD) (G)
C Chang 8-9-4 ..... **Z Purton★ 76**
Runs: 35 Wins: 4 Places: 4

3 (1) 1-6058 **PEARL CHAMPION** (39) (B) (G)
A Millard 5-9-2 ..... **J Moreira 70**
Runs: 11 Wins: 1 Places: 1

4 (10) -30538 **FRESH POWER** (10) (T) (G)
Y Tsui 6-9-1 ..... **A Sanna 76**
Runs: 20 Wins: 1 Places: 5

5 (3) 017170 **GENTRY** (28) (CD) (G)
C Yip 8-9-1 ..... **G Van Niekerk 70**
Runs: 34 Wins: 4 Places: 4

6 (12) 609097 **FAITHFUL TRINITY** (21) (HET) (CD) (G)
Richard Gibson 5-8-13 ..... **N Callan 78**
Runs: 25 Wins: 2 Places: 1

7 (8) 538432 **FLAME LILY** (21) (T)
F Lor 5-8-10 ..... **U Rispoli 75**
Runs: 15 Wins: 0 Places: 5

8 (9) 777098 **THIS ONE'S FOR YOU** (21) (HB)
K Lui 4-8-8 ..... **M Yeung(2) 75**
Runs: 7 Wins: 0 Places: 0

9 (7) 274593 **DIAMOND LEGEND** (24) (TV) (C) (GF,G)
A Cruz 7-8-7 ..... **A Domeyer 76**
Runs: 31 Wins: 2 Places: 5

10 (2) 73-561 **GODSPEED** (21) (CD) (G)
D Hall 6-8-5 ..... **C Y Ho 73**
Runs: 16 Wins: 1 Places: 3

11 (6) 248406 **LE PANACHE** (24) (B) (D) (GF,G)
W So 6-8-4 ..... **T So(2) 76**
Runs: 43 Wins: 3 Places: 9

12 (4) 532830 **MAJESTIC ENDEAVOUR** (31) (TP) (G)
C Fownes 6-8-2 ..... **M Chadwick 78**
Runs: 26 Wins: 1 Places: 3

13 (13) 035974 **CONFUCIUS DAY** (14) (T)
C Chang 5-9-7 ..... **RESERVE 75**
Runs: 11 Wins: 0 Places: 1

14 (14) 0008 **WINNERS BROTHER** (21) (B)
J Ting 4-8-6 ..... **RESERVE 63**
Runs: 4 Wins: 0 Places: 0

★BETTING: 3 Flame Lily, 7 Faithful Trinity, Godspeed, Pearl Champion, Razor Quest, 8 Diamond Legend, 10 Le Panache, 12 Fresh Power, Gentry, 16 Majestic Endeavour, 20 Others

1.15 PENG CHAU HANDICAP (DIV II) (CLASS 4) (3YO+) (COURSE B) (TURF) 1m 3yo plus12 dec.

1 (4) 000632 **HERO TIME** (21) (HTB) (C) (G,GF)
Richard Gibson 6-9-7 ..... **N Callan 78**
Runs: 14 Wins: 2 Places: 2

2 (10) 509338 **NITRO EXPRESS** (42) (T) (CD)
D Ferraris 8-9-5 ..... **A Sanna 79**
Runs: 28 Wins: 2 Places: 6

3 (1) 060009 **THE JUDGE** (18) (CD) (G)
C Fownes 7-9-4 ..... **C Y Ho★ 79**
Runs: 29 Wins: 2 Places: 3

4 (9) 179054 **CHARITY WINGS** (21) (B) (CD) (G,GF)
C Shum 6-9-3 ..... **A Domeyer 76**
Runs: 26 Wins: 3 Places: 6

5 (8) 336863 **PLAY WISE** (28)
C Yip 6-9-2 ..... **Z Purton 78**
Runs: 22 Wins: 0 Places: 6

6 (3) 745571 **HIGH REV** (3) (B) (GF)
D Hall 5-8-11 ..... **T So(2) 79**
Runs: 9 Wins: 1 Places: 1

7 (7) 0685 **DREAM WARRIORS** (21) (HTP)
A Cruz 4-8-7 ..... **C Schofield 74**
Runs: 4 Wins: 0 Places: 0

8 (12) 8-8129 **RIGHTEOUS MATE** (21) (CD,BF) (G)
A Millard 6-8-6 ..... **J Moreira 78**
Runs: 26 Wins: 1 Places: 4

9 (11) 170007 **DRAGON DANCE** (24) (T) (C) (G)
Y Tsui 7-8-5 ..... **K Leung 75**
Runs: 24 Wins: 3 Places: 2

10 (6) 054665 **MISTER MONTE** (18) (P) (CD) (G)
C Chang 6-8-5 ..... **M Poon(3) 79**
Runs: 30 Wins: 1 Places: 5

11 (5) 565872 **POLYMER LUCK** (28) (B) (CD) (G)
J Ting 7-8-5 ..... **J Wong(3) 79**
Runs: 30 Wins: 2 Places: 12

12 (2) 040008 **LITTLE ISLAND** (28) (CD) (GF,G)
K Man 8-8-1 ..... **H T Mo(3) 79**
Runs: 41 Wins: 3 Places: 1

13 (13) 170019 **THE FULL BLOOM** (42) (CD) (GY,GF,G)
C Yip 6-8-9 ..... **RESERVE 73**
Runs: 48 Wins: 6 Places: 4

14 (14) 00 **OLD HAVANA** (73)
C Fownes 4-9-1 ..... **RESERVE 64**
Runs: 2 Wins: 0 Places: 0

★BETTING: 2 Play Wise, 7 High Rev, Righteous Mate, 8 Hero Time, Polymer Luck, 10 Charity Wings, Dream Warriors, Mister Monte, 12 Nitro Express, 20 Others

1.45 LANTAU ISLAND HANDICAP (CLASS 4) (3YO+) (COURSE B) (TURF) 6f 3yo plus12 dec.

1 (8) 444211 **LE TERROIR** (28) (HP) (CD) (G)
L Ho 4-9-7 ..... **Z Purton★ 73**
Runs: 12 Wins: 2 Places: 1

2 (2) 811400 **LONDON MASTER** (42) (TB) (CD) (GF,G)
C Chang 8-9-4 ..... **N Callan 74**
Runs: 30 Wins: 4 Places: 3

3 (10) 5-2324 **DOLLAR REWARD** (95) (TP) (BF)
C Shum 6-9-0 ..... **G Van Niekerk 73**
Runs: 36 Wins: 1 Places: 11

4 (6) 908064 **CHEEKY BEE** (28) (B)
D Ferraris 5-8-13 ..... **A Sanna 77**
Runs: 10 Wins: 0 Places: 0

5 (5) 050 **KING'S TROOPER** (59)
P Yiu 4-8-13 ..... **M Harley 73**
Runs: 3 Wins: 0 Places: 0

6 (3) 912322 **BULLISH BROTHER** (28) (TB) (CD,BF) (G)
A Cruz 4-8-12 ..... **C Y Ho 76**
Runs: 12 Wins: 1 Places: 5

7 (9) 09 **DR RESPECT** (39) (E/S)
J Size 5-8-11 ..... **J Moreira 55**
Runs: 2 Wins: 0 Places: 0

8 (1) 9-7907 **APPLAUSE** (46) (B) (CD) (G)
J Ting 7-8-8 ..... **M Poon(3) 76**
Runs: 31 Wins: 2 Places: 4

9 (12) 754952 **JUNZI** (35) (CD) (GF,G)
W So 7-8-6 ..... **M Chadwick 77**
Runs: 27 Wins: 3 Places: 3

10 (11) 0000 **BLISSFUL EIGHT** (21) (B)
John Moore 4-8-4 ..... **J Wong(3) 50**
Runs: 4 Wins: 0 Places: 0

11 (4) 800954 **COMPASSION STAR** (21) (G,GY)
K Man 6-8-3 ..... **M Yeung(2) 78**
Runs: 19 Wins: 2 Places: 0

12 (7) 60-044 **PRAWN YEAH YEAH** (21) (TB)
Richard Gibson 5-8-2 ..... **H T Mo(3) 78**
Runs: 7 Wins: 0 Places: 0

13 (13) 121770 **THE SHOW** (21) (B) (CD) (G,GF)
C Yip 9-8-12 ..... **RESERVE 73**
Runs: 44 Wins: 4 Places: 8

14 (14) 542 **GUNNAR** (24)
C Fownes 4-8-13 ..... **RESERVE 74**
Runs: 3 Wins: 0 Places: 1

★BETTING: 6/4 Le Terroir, 6 Bullish Brother, 7 Compassion Star, 10 Cheeky Bee, Dollar Reward, King's Trooper, Prawn Yeah Yeah, 14 Applause, 20 Others

2.15 LAMMA ISLAND HANDICAP (CLASS 3) (3YO+) (COURSE B) (TURF) 6f 3yo plus12 dec.

1 (6) 180009 **BREEDERS' STAR** (28) (H) (CD) (G,GF)
D Ferraris 7-9-6 ..... **A Sanna★ 95**
Runs: 38 Wins: 5 Places: 5

2 (10) 008772 **VICTORY MACHINE** (24) (TB) (D) (G,GF,GY)
John Moore 7-9-6 ..... **A Domeyer 91**
Runs: 31 Wins: 5 Places: 3

3 (8) 017212 **PLANET STAR** (35) (B) (CD) (G)
P O'Sullivan 6-9-2 ..... **M Poon(3) 95**
Runs: 27 Wins: 4 Places: 9

4 (12) 266725 **MOST BEAUTIFUL** (35) (TB) (CD) (GF,G)
C Shum 7-8-13 ..... **G Van Niekerk 91**
Runs: 40 Wins: 2 Places: 13

5 (1) -36026 **DIAMOND KING** (31) (TV) (G,GF)
T Yung 8-8-9 ..... **M Chadwick 95**
Runs: 21 Wins: 2 Places: 6

6 (4) 1-000 **E GENERATION** (31) (D) (G)
K Man 4-8-7 ..... **K Leung 70**
Runs: 4 Wins: 1 Places: 0

7 (9) 001315 **JOLLY CONVERGENCE** (28) (P) (CD) (G)
Richard Gibson 6-8-6 ..... **M Yeung(2) 93**
Runs: 39 Wins: 5 Places: 4

8 (5) 120-90 **MR PICASSO** (144) (HB) (CD) (G)
D Hall 7-8-6 ..... **C Y Ho 91**
Runs: 20 Wins: 3 Places: 4

9 (11) 497300 **JENERATOR** (14)
C Fownes 5-8-4 ..... **T So(2) 95**
Runs: 6 Wins: 0 Places: 1

10 (3) 261800 **VERY RICH MAN** (28) (H) (CD) (G)
L Ho 7-8-4 ..... **H T Mo(3) 91**
Runs: 26 Wins: 3 Places: 6

11 (2) 8-6888 **ZERO HEDGE** (21) (CD) (G)
J Size 6-8-4 ..... **J Moreira 94**
Runs: 23 Wins: 4 Places: 1

12 (7) 713 **VALIANT DREAM** (39) (BF) (G)
K Lui 4-8-3 ..... **J Wong(3) 94**
Runs: 3 Wins: 1 Places: 1

13 (13) -74305 **TELECOM PUMA** (18) (T)
J Ting 5-9-7 ..... **RESERVE 94**
Runs: 7 Wins: 0 Places: 1

14 (14) 210-36 **CALIFORNIA ARGENT** (77) (HT) (D) (S,GS)
A Cruz 4-9-6 ..... **RESERVE 91**
Runs: 10 Wins: 2 Places: 3

★BETTING: 9/2 Planet Star, Zero Hedge, 5 Victory Machine, 11/2 Jolly Convergence, 13/2 Valiant Dream, 12 Jenerator, 14 Diamond King, Very Rich Man, 16 Breeders' Star, 20 Others

2.45 THE MANAWATU RACING CLUB CHALLENGE TROPHY (HANDICAP) (CLASS 3) (3YO+) (COURSE B) (TURF) 1m 3yo plus12 dec.

1 (6) 0-9876 **STIMULATION** (21) (TP) (D) (VS)
A Cruz 5-9-7 ..... **C Schofield★ 97**
Runs: 17 Wins: 3 Places: 2

2 (4) 459184 **RICKFIELD** (21) (CD) (G)
A Millard 7-9-3 ..... **A Domeyer 93**
Runs: 31 Wins: 6 Places: 2

3 (10) 272101 **WIN WIN** (35) (B) (CD) (GF,G)
T Yung 4-9-3 ..... **Z Purton 93**
Runs: 8 Wins: 2 Places: 3

4 (7) 455134 **BIG BANG BONG** (35) (T) (CD) (G)
J Ting 6-9-1 ..... **U Rispoli 95**
Runs: 49 Wins: 5 Places: 10

5 (3) 307025 **XIANG BAI QI** (28) (D) (G)
D Ferraris 5-9-1 ..... **A Sanna 97**
Runs: 23 Wins: 2 Places: 4

6 (5) 800069 **HEAVENLY THOUGHT** (21) (H) (G)
F Lor 5-8-13 ..... **K Leung 90**
Runs: 12 Wins: 1 Places: 1

7 (12) 058640 **LET'S TAKE IT EASY** (28) (HV) (CD) (GF,G)
L Ho 6-8-12 ..... **N Callan 94**
Runs: 31 Wins: 4 Places: 3

8 (2) 079090 **FARSHAD** (24) (B) (D) (G)
Y Tsui 5-8-9 ..... **J Wong(3) 94**
Runs: 15 Wins: 2 Places: 0

9 (11) 8006 **SHOUSON** (18) (B)
John Moore 4-8-8 ..... **M Harley 84**
Runs: 4 Wins: 0 Places: 0

10 (1) 692431 **ACCLAIMED LIGHT** (35) (B) (CD) (G,GF)
P O'Sullivan 7-8-7 ..... **M Chadwick 93**
Runs: 33 Wins: 3 Places: 9

11 (9) -86084 **FLYING QUEST** (28) (B) (CD) (GF,G)
D Hall 7-8-6 ..... **M Poon(3) 95**
Runs: 29 Wins: 3 Places: 2

12 (8) 634510 **PERFECT TO PLAY** (14) (HT) (CD) (GF,G)
C Fownes 5-8-6 ..... **C Y Ho 91**
Runs: 22 Wins: 2 Places: 3 €15,195

13 (13) 0-2000 **POWERMAX** (28) (B) (C) (GF)
Richard Gibson 7-8-9 ..... **RESERVE 92**
Runs: 26 Wins: 4 Places: 8

14 (14) 222947 **HAR HAR HEART** (56) (CD) (GF,G,GY)
J Size 6-9-5 ..... **RESERVE 90**
Runs: 27 Wins: 4 Places: 8

★BETTING: 9/4 Win Win, 9/2 Big Bang Bong, 11/2 Acclaimed Light, 8 Others

3.15 GRASS ISLAND HANDICAP (CLASS 2) (3YO+) (COURSE B) (TURF) 5f 3yo plus12 dec.

1 (7) 1-2110 **COUNTRY STAR** (112) (C,BF) (G)
J Size 4-9-7 ..... **J Moreira 106**
Runs: 9 Wins: 5 Places: 2

2 (10) 9-0191 **MOMENT OF POWER** (91) (B) (CD) (G,GF)
P O'Sullivan 7-9-1 ..... **J Wong(3) 110**
Runs: 25 Wins: 5 Places: 2

3 (6) -60204 **SAUL'S SPECIAL** (46) (HB) (CD) (GF,G)
C Chang 6-8-13 ..... **Z Purton 113**
Runs: 25 Wins: 3 Places: 5

4 (2) 243121 **SPEEDY KING** (46) (CD) (GF,G,A)
P Yiu 6-8-12 ..... **M Chadwick 110**
Runs: 18 Wins: 6 Places: 6

5 (1) 427687 **SUPER TURBO** (35) (B) (C) (GF)
D Hall 6-8-10 ..... **N Callan★ 115**
Runs: 36 Wins: 4 Places: 8

6 (5) 97-040 **BALTIC WHISPER** (46) (TB) (D) (G)
C Shum 6-8-6 ..... **G Van Niekerk 111**
Runs: 14 Wins: 2 Places: 2

7 (8) 106-09 **DIVINE UNICORN** (31) (G)
Y Tsui 5-8-7 ..... **A Sanna 115**
Runs: 5 Wins: 1 Places: 0

8 (12) 40-610 **PERFECT GLORY** (31) (C) (G,GF)
C Fownes 5-8-6 ..... **C Y Ho 112**
Runs: 7 Wins: 2 Places: 1

9 (11) 198606 **CALIFORNIA ARCHER** (24) (HT) (D) (GF)
A Cruz 6-8-4 ..... **M Poon(3) 112**
Runs: 16 Wins: 2 Places: 5

10 (9) 067300 **SICHUAN DAR** (39) (T) (C) (GF)
A Millard 8-8-4 ..... **T So(2) 115**
Runs: 30 Wins: 2 Places: 3

11 (3) 827649 **HANDSOME BO BO** (35) (G)
K Man 5-8-3 ..... **H T Mo(3) 115**
Runs: 19 Wins: 3 Places: 5

12 (4) -80368 **FANTASTIC FEELING** (14) (C) (G)
D Ferraris 8-8-3 ..... **M Yeung(2) 110**
Runs: 30 Wins: 4 Places: 8

13 (13) 28-708 **LIMITLESS** (24) (HE) (C) (G)
C Fownes 6-9-0 ..... **RESERVE 114**
Runs: 28 Wins: 5 Places: 4

★BETTING: 3 Country Star, 9/2 Moment Of Power, 11/2 Saul's Special, 7 Others

3.50 CHEUNG CHAU HANDICAP (CLASS 3) (3YO+) (COURSE B) (TURF) 1m 3yo plus12 dec.

1 (7) -32753 **HARMONY HERO** (28) (B) (GS,G)
Richard Gibson 5-9-7 ..... **N Callan★ 96**
Runs: 14 Wins: 2 Places: 3

2 (6) 160052 **MAGNIFICENT** (35) (P) (CD) (G)
L Ho 4-9-1 ..... **U Rispoli 96**
Runs: 16 Wins: 1 Places: 6

3 (11) 216225 **CORDYCEPS** (21) (B) (D,BF) (GF,G)
K Lui 5-9-0 ..... **A Domeyer 93**
Runs: 12 Wins: 2 Places: 7

4 (3) 33-111 **TRUE GRIT** (28) (V) (CD) (G)
J Size 5-8-13 ..... **J Moreira 93**
Runs: 7 Wins: 3 Places: 2

5 (10) 2-0000 **KUNGFUMASTER PANDA** (24) (T) (D) (HY,GF)
T Yung 5-8-12 ..... **M Yeung(2) 98**
Runs: 19 Wins: 4 Places: 3

6 (1) 307975 **MY ALLY** (35) (T) (D)
C Chang 5-8-11 ..... **M Poon(3) 98**
Runs: 23 Wins: 1 Places: 7

7 (9) 324205 **LAST KINGDOM** (14) (D) (G)
P O'Sullivan 5-8-10 ..... **A Sanna 94**
Runs: 24 Wins: 3 Places: 4

8 (5) 002017 **TRAVEL FIRST** (42) (TB) (C,D) (A,G)
C Yip 8-8-9 ..... **T So(2) 95**
Runs: 48 Wins: 5 Places: 7

9 (12) -90587 **BEST ALLIANCE** (10) (H) (S,G)
John Moore 4-8-8 ..... **Z Purton 97**
Runs: 16 Wins: 2 Places: 0

10 (2) 8-8377 **TANGMERE** (28) (V[1])
C Fownes 5-8-5 ..... **C Y Ho 98**
Runs: 11 Wins: 0 Places: 1

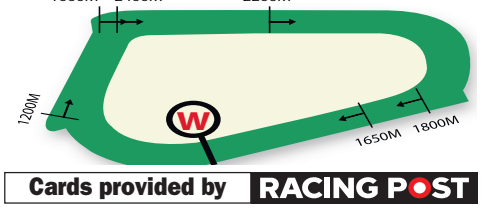
11 (4) -83450 **ZHAN JIANG ROCKS** (39) (HT) (D) (GS,G)
W So 4-8-4 ..... **K Leung 95**
Runs: 15 Wins: 2 Places: 2

12 (8) 366673 **MAGNETISM** (21) (TB) (CD) (G,GF)
D Ferraris 7-8-3 ..... **M Chadwick 97**
Runs: 45 Wins: 6 Places: 9

13 (13) -08860 **BABY** (18) (B)
J Ting 4-8-8 ..... **RESERVE 89**
Runs: 6 Wins: 0 Places: 1

14 (14) 898730 **JOLLY HONOUR** (21) (TB) (HY,G)
Y Tsui 5-8-11 ..... **RESERVE 94**
Runs: 11 Wins: 2 Places: 1

★BETTING: 5/2 True Grit, 7/2 Harmony Hero, 11/2 Magnificent, 8 Others



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SPORT

ENGLAND WOBBLING

Australia loss puts out-of-form hosts' World Cup hopes in jeopardy with two games left, writes **Felix Keith**

THEY say it's the hope that kills you. When Mitchell Starc ran in and delivered a rapid, inch-perfect inswinging Yorker to hit the base of the off-stump, send the zing bails flying and send Ben Stokes trudging off to the pavilion that's when most Englishmen inside Lord's yesterday felt theirs' slip away.

Stokes was at the non-strikers' end for England's disappointing slump on Friday against Sri Lanka; this time he was on the balcony for the closing stages of another damaging defeat by Australia.

Since their nadir at the 2015 World Cup England have grown in stature, confidence and climbed the rankings. In that period they haven't lost many games – but when they did they invariably regathered, recalibrated and hit back decisively.

Until yesterday England hadn't lost successive one-day internationals since January 2017. To lose twice towards the business end of a home competition in which they were strong favourites and when they haven't yet sealed a semi-final place is concerning.

Considering England's final two games are against the only two unbeaten sides in the competition, India and New Zealand, and they've not beaten either at a World Cup since 1992 it's understandable that many who left St Johns Wood yesterday might be worried.

Eoin Morgan is not unduly worried. "I think it [our confidence] has taken a little bit of a hit," England's captain conceded post-match. "I certainly don't think it's in danger, but when you lose games of cricket we have to go back to what we do well.

"Our chances are in our hands. Things are within our control. We just need to win either one or both of the next two games."

That is, of course, true. All may not be lost. But when you've just been defeated in two games by margins of 64 and 20 runs chasing totals which used to be considered meagre ones it's not that simple.

STRUGGLING WITH BASICS

And to think the day started so positively. Under leaden skies, after a night of rain and amid humid conditions Morgan won the toss and the crowd breathed a sigh of relief. The thinking was conventional and understandable. At the home of cricket England would bowl first, make the most of the conditions and put Australia on the back-foot early on.

Unfortunately for them they encountered the tournament's hottest opening partnership. David Warner and Aaron Finch were undoubtedly fortunate, but they battled on to give their side a platform of 123 runs. According to analytics app CricViz the duo had a false shot percentage of 32 per cent in the first 15 overs – the highest of 134 instances in ODIs when teams have not lost a wicket.

But although it could be argued England erred on the short side – Jason Behrendorff said they did, Morgan politely disagreed – it is irrefutable that, Stokes (89) aside, Australia out-batted their opponents.

Finch lead from the front with 100, Warner made a belligerent 53 and Steve Smith and Alex Carey both added useful knocks of 38 as Australia reached 285-7.

In contrast, England were undone by some high-quality left-arm swing bowling at the top, subsiding to 26-3 and never recovering. Both World Cup and Lord's debutant Behrendorff (5-44) and tournament leading wicket-taker Starc (4-43) were good, but the batting – which not so long ago used to be strong suit – was misguided.

Morgan was caught at fine-leg hooking; Jos Buttler on the square leg boundary from a Marcus Stoinis gentle long-hop.

"Both in this game and the last we've struggled with the basics – what we call our batting mantra: our intent, batting in partnerships and doing it in the right way," Morgan explained. "We haven't done those for long enough."

With 18 days to go until the final, home favourites are supposed to be hitting their stride, refining their tactics and perhaps enjoying the luxury of rotating their squad. Instead, they are struggling with the basics.

As Morgan was at pains to make clear, England's fate is still in their hands. But with Bangladesh, Sri Lanka and Pakistan all potentially breathing down their necks and two crunch games against unbeaten sides to come, they are faced with a situation they would much rather have avoided.

Tigers up for sale and on the prowl for investors

Leicester open to takeover offers in bid to return to top of rugby. By **Michael Searles**

ON Monday, Coventry City owner Joy Seppala claimed Premiership rugby clubs had "topped out" and reached their potential, in reference to Wasps, who she believes want to buy her League One side.

But the news yesterday that Leicester Tigers have launched a formal sale process following a string of interested investors, shows a clear refusal to buy into that thinking.

The investment from CVC Capital Partners for a 27 per cent stake in Premiership Rugby – providing £13m per team – last December has "created an attractive environment for investment at club level", Tigers claim, as the sport expands its commercial reach.

"The CVC deal that was announced has changed the game's landscape," Tigers chairman, Peter Tom, tells *City A.M.* "Over the past six months we have had interest from several individuals and groups."

As such, the Leicester board have decided to undertake a strategic review of the club, including the implementation of a formal sale process, which will be led by financial advisers Zeus Capital.

It comes after the worst season in the club's history: 2018-19 was the first time the Tigers did not finish in the top six since the game turned professional, as the 10-time Premiership winners were embroiled in a relegation scrap, finishing 11th.

But despite those difficulties, they have sold more than 11,000 season tickets for next season, with 90 per cent renewing, and produced around £20m in revenue.

"We've had three or four not good seasons, one awful season, and we've had a full review of what's gone wrong and put in place a series of changes," Tom explains. "I think you can tell from the signings we've made that we are heading in the right direction."

Significant changes look set to be made to the club's ownership too, which is currently comprised of around 10,000 shareholders, including Tom, who owns a nine per cent stake and is open to selling it.

"I've been chairman for a long time," the 78-year-old says. "We are custodians of the club. It's about the long-term transition and if it's in the club's best interest [for me] to stay or go then that's what I will do, it's all about the future of the club."

The other shareholders include businessman Tom Scott, who owns around 46 per cent of the Tigers, and a large number of supporters who hold around 250 to 300 shares each.

Leicester's George Ford won the Golden Boot last season

They were all notified of the club's intentions yesterday, to a mixed reception, although any talks are still at a preliminary stage.

While the Tigers are keen to highlight that no sale may arise, Tom stated they are "looking to have a resolution to this over the next six months."

When asked about the club's value, the former-player-turned-chairman added: "It's been reported at around £60m, based on football calculations of three times revenue, but what's most important for us is how much the investor would look after the club and its values."

The Tigers are the first club to make such a move following the investment from CVC and it is the latest sign, following a string of investment bids across rugby union, to suggest the sport has plenty of potential left in yet.

DOUBLE DUTCH Martens' late spot-kick sends Holland into World Cup last eight

Lieke Martens scored a 90th-minute penalty as Holland beat Japan 2-1 to reach the quarter-finals of Women's World Cup last night. Yui Hasegawa cancelled out Martens' opener, but Japan missed several chances before Saki Kumagai's handball allowed Martens the chance to win it. Holland will face Italy, who beat China 2-0 to progress.

No better candidate than Lampard to take over at Chelsea

FOOTBALL COMMENT

Trevor Steven

ON the face of it, one year of experience in management is not enough to take on a challenge like Chelsea. But if one man can do it, it's Frank Lampard.

Chelsea were granted permission to speak with Lampard yesterday over their vacant manager's position. If I was the decision-maker I'd consider him to be the perfect candidate.

He would be joining the club with a set of circumstances that are ideal for an inexperienced manager and which will help buy him time.

They have just lost their talisman in Eden Hazard, who has joined Real Madrid, and are currently undergoing a transfer ban, although they are appealing it.

In isolation, last year's results were good, winning the Europa League and finishing third in the Premier League, but it was topsy-turvy throughout and the fans didn't enjoy the football or lack of communication from previous boss Maurizio Sarri.

Lampard will garner huge affection from the supporters and give them reason to be positive, despite some negativity in the background.

As a Chelsea legend he will come into a warm environment and that, combined with the scenario Chelsea find themselves in, means fans will be lenient with him.

Although he fell at the final hurdle in the Championship play-offs, I think Lampard had a great season at Derby, implementing his own style of play and demanding a high energy throughout the side.

He also got the best out of Derby's young players, including Chelsea loanee Mason Mount, something he will likely have to do again should he get the job.

USING YOUTH

Being able to bring Chelsea's former academy manager Jody Morris back to Stamford Bridge with him as his assistant will be crucial in that department.

Together they have a vast knowledge of the Chelsea players, both young and senior, and getting the best out of what they have will be vital due to their inability for the time-being to spend any money.

I can't see a single negative with appointing Lampard. He is a mature individual who will not be surprised by the demands of the club and he knows how to win, having done it so regularly there for more than a decade.

As one of the club's legends, no one can say to him, "you don't know what it's like out there", because he's been there and done it.

And what's more, he probably won't be that expensive. Don't get me wrong, he'll still be on a great salary, but it will likely be very dependent on results and how well he does come the end of the season.

Lampard won't command the same kind of salary as someone like Rafa Benitez, who is available after leaving Newcastle, and he won't have loads of backroom staff he wants to bring with him, so I'd imagine a lot of the current team will stay in place.

There will probably even be players on more money than him, but he wouldn't even have that discussion. His only priority will be to lead the club he loves.

Trevor Steven is a former England footballer who has played at two World Cups and two European Championships. Follow him @TrevorSteven63

SPORT DIGEST

MURRAY TO DECIDE ON MIXED DOUBLES AT WIMBLEDON

Andy Murray will "most likely" add mixed doubles to his Wimbledon schedule next week after suffering his first defeat since starting his comeback at Eastbourne yesterday. Murray and Brazilian Marcelo Melo lost 6-2, 6-4 to top seeds Robert Farah and Juan Sebastian Cabal and the Scot will now turn his attention to SW19, where he partners Pierre-Hugues Herbert. He will decide today whether to play mixed doubles too. He said: "I just need to be certain that my body's ready for that."

BARCA MIDFIELDER GOMES JOINS EVERTON FOR £22M

Everton have completed the signing of midfielder Andre Gomes from Barcelona for £22m. The 25-year-old, who made 29 appearances while on loan at the Premier League club last season, has signed a five-year contract with the Toffees. "It wasn't hard to decide, it was an easy decision and I'm very happy to have made it," he said. "Last year was a really good experience for me. I just wanted to feel part of something special and I found it here."

COMMONWEALTH GAMES COSTS ROCKET TO £778M

The 2022 Commonwealth Games in Birmingham are set to cost £778m, according to the government. It is more than the initial estimate of £750m, with the majority of the funding for the 11-day event coming from central government. The Birmingham City Council will have to provide £184m, making it the most expensive sports event in the UK since the 2012 Olympics. "The Games will be the biggest sporting and cultural event ever held in the city," said sports minister Mims Davies. "Watched by one and a half billion people worldwide, this is a massive opportunity to showcase the best that Birmingham, the West Midlands and the whole UK has to offer."

KONTA THROUGH TO THIRD ROUND AT EASTBOURNE

Johanna Konta has reached the third round of the Nature Valley International in Eastbourne after beating Greece's Maria Sakkari. "There was so little in this match," said Konta, who won 6-4, 7-6. "I felt she was playing better than me for most of that match. I'm really pleased to have stayed tough and created as many opportunities as possible." The British No1 plays Ons Jabeur in the next round.

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