Fiat-Renault merger plan revving up

JAMES BOOTH
@jamesbooth1

RENAULT and Fiat Chrysler (FCA) confirmed yesterday they were in talks over a proposed £28bn merger that would create the world's third-largest car company. The board of Renault met yesterday and said it was studying the details of FCA's offer “with interest”.

Investors in both companies welcomed the proposed deal, which aims to deliver €5bn (£4.4bn) annual savings.

Shares in Renault closed up 12 per cent yesterday at €56.03 while FCA’s rose nearly eight per cent to €12.37.

FCA’s proposal is for a business split 50-50 between FCA and Renault shareholders. It added no plants would close as a result of the deal.

FCA said savings would be “achieved through more capital-efficient investment in common global vehicle platforms, architectures, powertrains and technologies”.

It said the deal would allow the combined group to be a world leader in developing areas, such as electrification and self-driving cars.

The French state, the largest shareholder in Renault, said it supports the deal in principle. Italy’s deputy prime minister Matteo Salvini said last night the Italian government would seek to take a stake in the group, given its importance to the country’s economy.

ALEXANDRA ROGERS
@city_amrogers

THERESA May yesterday lamented a “very disappointing night” for the Tories as voters deserted them in their droves for the Brexit Party in the EU elections.

May, who has pledged to step down as leader on 7 June, said she hoped the results would “focus minds” on finding a Brexit deal in parliament after the Tories suffered their worst poll result in living memory. They won just four seats in the European Parliament and came fifth place overall, behind the Greens.

Nigel Farage said the results – in which his newly-formed Brexit Party won 31.6 per cent of the vote – meant there was a “clear mandate” for his 29 MEPs to have a say in the ongoing Brexit negotiations.

“I absolutely insist that we do have a mandate to now be part of that team,” he said. “We are quite happy to help the government get ready for 31 October;” he added, referring to the UK’s revised scheduled exit date from the EU.

He later said he thought it would be “extremely unlikely” that a future Tory leader would manage to take the UK out of the EU by that time, saying the party was “bitterly divided”.

The electorate’s disdain for the two main parties over Brexit was made clear in its rejection of Labour, which won 10 seats at just 14.1 per cent of the vote.

The election aftermath opened up a major rift in the party over the leadership’s stance on a second referendum. Shadow foreign secretary Emily Thornberry said Labour should now campaign to remain in the EU, and said they had been dealt a drubbing because the party lacked a coherent position on Brexit.

THE FALLOUT

BREXIT PARTY TOPS THE POLLS AND BIDS FOR A SEAT AT THE TABLE
LABOUR SCRAMBLES TO CLARIFY POLICY ON SECOND REFERENDUM
TORIES SUFFER WORST POLL DEFEAT IN LIVING MEMORY

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THE FALLOUT

THE CITY AM P2

For the investor

I know what I want

Your capital is at risk.
A vote nobody wanted has changed everything

THE ELECTIONS that were never meant to happen have had an immediate and dramatic impact on British politics. The Brexit Party, which didn’t exist six weeks ago, now has more seats in the European Parliament than any other party from any country. The Liberal Democrats, written off as a spent force before the local elections, are back in business. The Tories, beaten into fifth place, are set to fight a leadership election against the backdrop of humiliating results, and the Labour Party – trounced in Scotland and Wales – has finally succumbed to the fight it had been putting off and is in a state of open war over its position on a second referendum. There was a bizarre but concerted effort yesterday to deny the Brexit Party their victory. Despite winning a majority of UK regions, a majority of seats and a majority of votes cast, Remain campaigners rushed to tell everyone that actually, if you added up the votes of the Liberal Democrats, the Greens and the Welsh and Scottish nationalists then more people voted against Brexit than for it. This is only true if you ignore those plucky souls who voted Tory. As for Labour, the fence on which the party has balanced for three years finally shattered as their policy of constructive ambiguity turned out to be destructive confusion. Last night, shadow chancellor John McDonnell effectively seized control of his party. While Jeremy Corbyn clung to the line that a General Election is their preferred form of a “people’s vote”, McDonnell clearly believes that line has outlived its useful life and declared that a second referendum is now the “only option”. The Tory leadership candidates are all talking up a no-deal exit with varying degrees of enthusiasm; some see the prospect as the only way to extract concessions from the EU, while others see it as an end in itself. It’s likely we’ll get to the end of the summer and find a Labour party formally backing a second referendum, while a new Prime Minister seeks to make good on promises made to a Brexit-backing Tory party membership. In such a scenario, a General Election becomes ever more likely. Not for the first time, Nigel Farage has set the tune and now everyone else has to figure out the dance.

The fence on which Labour sat for three years has finally shattered

CONTINUED FROM FRONT PAGE

Shadow chancellor John McDonnell, who has been lukewarm about a public vote, yesterday called on the Labour party to make it policy, saying it was now the “only option”. He told Sky News: “Of course we want a General Election, but it is highly unlikely that the Conservatives are going to vote for that at the last minute. When Boris Johnson called an election, he was directly to the people in a referendum, and I think that’s the position we’re in now.”

The Liberal Democrats and the Green Party, meanwhile, capitalized on Remain voters’ frustrations with the two main parties to win 16 and seven EU seats respectively. Change UK, the party set up by dissenting former MPs, failed to register with voters and won no seats. Set up as the Independent Group in February, the party descended into infighting after former Tory MP Anna Soubry told the BBC yesterday that it was a “bizarre” for Change UK’s interim leader, Heidi Allen, to tell people to vote tactically for the Lib Dems. After the election results came in, minds quickly turned to the leadership race to replace Theresa May, who will leave office in June.

Former foreign secretary and front runner Boris Johnson warned that the voters who deserted the Tories for the Brexit Party would never come back, unless the UK left the EU on 31 October. In his column for the Telegraph, he said the next prime minister must be prepared to leave the EU with or without a deal on the crunch date. “No one sensible would aim exclusively for a no-deal exit. No one responsible would take no deal off the table,” he wrote.

Foreign secretary, Jeremy Hunt, said there was an “existential risk to our party unless we now come together and get Brexit done”, while home secretary Sajid, who also formally announced his decision to stand in the leadership race, said the party must “first and foremost” deliver Brexit.

The extent of Conservative voters’ disaffection with the party over its handling of Brexit was laid bare in a post-election poll by Tory donor Lord Ashcroft. Over half of the 2017 Conservative voters who cast a vote in the election switched to the Brexit Party, while 12 per cent went to the Lib Dems. Nearly 40 per cent of those who voted Labour in 2017 stayed with Labour, while 22 per cent went to the Lib Dems, 17 per cent to the Green Party and 13 per cent to the Brexit Party.
EU polls turn away from establishment

ALEXANDRA ROGERS @city_amrogers

The UK was far from alone in seeing its established politics ripped up in the European elections, as the major parties that traditionally dominate the EU parliament were squeezed by populists from the left and right.

Rightwing and anti-EU parties performed especially well in France, where National Rally leader Marine Le Pen beat France’s federalist President Emmanuel Macron, and in Italy, where Matteo Salvini’s 5-Star League party won more than 30 per cent of the vote.

However, the populist wave was not as big as expected. While the pro-EU establishment parties lost votes to nationalists, they also lost them to the likes of the liberals and Greens, who also champion the European project.

In Germany, Angela Merkel’s Christian Democrats still came out on top, but their vote shares dropped.

That allowed the Greens to scoop up second place, while far-right party Alternative für Deutschland came fourth place with nearly 11 per cent of the vote.

Thursday’s election results come just as EU heads consider who will take the top roles at the EU Commission, Council and Parliament at a summit today.

Macron and Merkel both want the process of selecting a successor to Jean-Claude Juncker, the current Commission head, to be “ideally” finished in June.

European stocks open higher as election results calm investors

ALEXANDRA ROGERS @city_amrogers

European stocks climbed higher yesterday after centrist pro-EU parties maintained a grip on power in the election to the European Parliament.

The Stoxx 600 index rose 0.2 per cent, while Germany’s Dax and the French Cac were up 0.5 per cent and 0.4 per cent, respectively, at market close.

In Italy, the FTSE Mib was down less than 0.1 per cent and Spain’s Ibex 35 edged up 0.5 per cent.

The FTSE 100 was closed for Bank Holiday Monday, as was the US stock market.

The stocks held firm after a feared populist, anti-EU surge failed to materialise and centrist pro-EU parties managed to maintain a majority in the EU Parliament.

“The impression of a fragmented political system remains, but perhaps when all is said and done, the message will be that Brexit has reduced appetite to leave the EU,” said Kit Juckes, foreign exchange strategist at Societe Generale.
Banks braced as sluggish growth impacts lending

JAMES WARRINGTON

THE UK economy’s sluggish growth shows no signs of letting up, with all three major lending classes set to grow less than two per cent this year, new figures out today revealed.

Despite an uptick in real incomes, demand for consumer credit is forecast to grow just 1.6 per cent this year and two per cent in 2020, the lowest rate of growth since 2013, according to the EY Item Club.

Mortgage lending will also remain stagnant, rising less than one per cent, as consumer confidence and a lack of supply continues to hit the property market.

Meanwhile, continued uncertainty around Brexit means business lending is expected to grow only 1.3 per cent this year, as businesses hit pause on major investment plans.

The sluggish forecast across lending classes is a best-case scenario based on a Brexit deal being reached by 31 October. Growth would be even lower if the UK were to crash out of the EU without a deal, according to EY.

“The weak economic outlook continues to hold back demand for lending,” said the EY’s UK financial services managing partner.

“It’s been a similar story for over a decade now and there’s little improvement in sight.

“Since the financial crisis, the expectation was that the economy would return to higher growth after a short period of sluggishness – this has never materialised and is not forecast to happen any time soon.”

It comes amid a slowdown in growth across the wider UK economy, which grew 1.4 per cent last year, its slowest rate since 2009.

GDP growth is forecast to be just 1.3 per cent this year, rising marginally to 1.5 per cent in 2020, though economists have warned a no-deal Brexit could plunge the UK into recession.

London overtaken by New York in perceptions of world’s financial hub

JAMES BOOTH

LONDON has fallen behind New York as the city that most represents the world’s financial centre, according to a report released today.

A survey of finance professionals by consultants Duff & Phelps found that 52 per cent of respondents chose New York at the world’s pre-eminent financial centre, up from 42 per cent a year previously, and 36 per cent chose London, down from 53 per cent the previous year.

“Last year, Brexit cast a shadow of uncertainty over the United Kingdom’s economy; it has now escalated to a full-blown crisis.

“Reflecting this, New York and London have switched places, as the share of those choosing the City as pre-eminent dropped from slightly more than half to slightly more than a third,” the report said.

Looking forward at which city would be the centre of world finance in five years’ time, 44 per cent chose New York, down from 52 per cent last year, while 21 per cent chose London, down from 29 per cent.

Hong Kong was selected by 12 per cent as the likeliest pre-eminent global financial centre in 2024.

The weak economic outlook continued to hold back demand for lending, according to the EY’s UK financial services managing partner.

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Austrian MPs oust conservative Chancellor after corruption video

AUSTRIAN MPs yesterday backed a motion of no confidence in the government of the country’s Chancellor.

The Chancellor’s fate was all but sealed when Parliament voted in favour of sacking the head of his coalition partner, the far-right Freedom Party (FPO), said it would back the motion.

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GREEK Prime Minister Alexis Tsipras called a snap election yesterday following his party’s defeat in the European Parliament elections, sparking a stock market rally and a drop in government bond yields.

Syriza, the left-leaning party that won power in 2015 following backlash against economic reforms, suffered a defeat to the conservative New Democracy party, which is considered to be more business friendly. Results showed Tsipras’ party trailing at least nine points behind the opposition.

Tsipras announced he would meet Greek President Prokopis Pavlopoulos to discuss calling elections after the conclusion of local elections scheduled for next week.

The markets reacted positively to the announcement yesterday as the Athens Stock Exchange general index was trading up more than five per cent and the yield on the benchmark 10-year government bond fell below three per cent.

Tsipras built his political career as a candidate who stood up to creditors and against demands to implement austerity. However, he was forced into a U-turn when Greece was offered the choice of a bailout or being kicked out of the Eurozone.

The Prime Minister has wound back some austerity measures since Greece came out from close economic supervision in August last year.

“Syriza were starting to spread some gifts ahead of the elections and investors were starting to worry about Greece not achieving the primary surplus they need,” DZ Bank analyst Rene Albrecht said.

“Now markets are hoping for a more conservative party who will be more disciplined on spending.”

THE PROSPECT of US President Donald Trump visiting the UK next month has elicited shock, disapproval and protest among the general public in recent months.

It even looks set to prompt the return of a giant inflatable baby-blimp version of the controversial leader of the free world.
Asda-owner in hot water over executive pay

THE US owner of Asda is facing pressure to make changes to its executive pay and sexual harassment policy, as two proxy advisers recommended shareholders vote against the company at its annual meeting next week.

Glass Lewis has recommended that shareholders vote against Walmart’s executive pay proposals, saying “overall, the company paid more than its peers, but performed worse than its peers”.

Walmart chief executive Doug McMillon took home a $23.6m (£18.6m) pay packet last year.

Meanwhile, Institutional Shareholder Services (ISS) said investors at the meeting in Arkansas should back a shareholder proposal to strengthen the firm’s policy around sexual harassment in the workplace.

ISS said a vote for the proposal, which is opposed by Walmart’s board, could “help shareholders better assess the company’s management of related risks”.

The proponents say that workplace sexual harassment can damage a company’s reputation and affect its share value, and is correlated with higher turnover and less employee productivity,” the advisory note added.

Bernie Sanders, a US Democratic presidential candidate and senator, is planning to attend the annual meeting to push for higher wages for Walmart employees.

“Walmart workers are sick and tired of being paid poverty wages, while the Walton family is worth over $170bn,” Sanders said on Twitter.

“I’m honoured to have been invited by Walmart workers to demand they have a seat on the company’s board.”

McMillon’s pay is 1,076 times the amount earned by the average Walmart worker, who collects around $14.26 an hour.

China’s new Silk Road could add $7 trillion to global GDP by 2040

CHINA’S monumental state-backed infrastructure investment scheme could inject $7.1 trillion (£5.6 trillion) a year into the global economy – or an extra 4.2 per cent of global expected GDP – by 2040, according to economists.

The Centre for Economic Business Research estimated the so-called Belt and Road Initiative would give a surge in cash of more than $10bn a year to 56 nations by 2040, with Britain standing to gain the seventh-most of any country in the world.

The GDP of western Europe is likely to be boosted five per cent as a result of the plan.

Germany’s job market stalls again for May

EMPLOYMENT growth in Germany has continued to slow in May, according to one of the country’s largest economic think tanks.

Berlin’s Ifo Institute’s employment barometer – a closely followed industry metric in Europe’s largest economy – fell to 100.3 points in May after measuring 101.5 points in April.

A score of above 100 indicates growth, while below shows a decline.

Manufacturing was the only sector in which companies expected a decline in the number of employees, continuing a three-month trend. In the trade sector, growth also slowed.

Willingness to hire new recruits has been in a continuous decline since the beginning of 2018, with most of the employment growth to be found in the service sector.

But here, too, the willingness to hire new recruits is cooling off, said Ifo.

Only in the construction industry has the willingness to hire new employees increased, according to the research firm.

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ROYCE CLARK, MANAGING DIRECTOR, GRAMPIAN FURNISHERS LIMITED

A £2m funding package helped Grampian Furnishers Limited open a new store, hire new staff and invest in the local economy.
German regulator to set new capital buffer for banks in case of downturn

MICHAEL NIENABER

GERMANY’s Financial Stability Board has suggested the introduction of a countercyclical capital buffer of 0.25 per cent for banks to bolster lending should there be a sustained downturn in Europe’s largest economy, the country’s finance ministry said yesterday.

The step is meant as a precaution as regulators currently see “no concrete signs of acute risks for financial stability” in Germany, deputy finance minister Joerg Rakies told reporters in Berlin.

Felix Hufeld, the president of Germany’s banking watchdog Bafin, said banks are given a 12-month time frame to implement the countercyclical capital buffer, starting from 1 July.

The step means that the German banking sector as a whole will have to hold back an additional sum of €5.3bn (£4.7bn) for lending purposes in case of an economic downturn, Hufeld added.

German banking association BDB has opposed the new buffer and Hans-Walter Peters, the lobby group’s president, said in April the current economic situation isn’t good enough to burden the banks with extra regulation.

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Euronext to win Oslo Bors race as Nasdaq drops bid

JAMES BOOTH

@Jamesbooth1

NASDAQ bowed out of the race for Norwegian exchange Oslo Bors yesterday, leaving the way clear for pan-European exchange Euronext to pursue its bid.

Euronext received approval from Norway’s finance ministry earlier this month to buy more than 50 per cent of Oslo Bors for 158 Norwegian crowns per share, effectively blocking Nasdaq’s bid. Both Nasdaq and Euronext valued Oslo Bors at 6.8bn Norwegian crowns (£620m).

Euronext, which runs exchanges in Paris, Amsterdam, Brussels, Lisbon and Dublin, gained the support of over half of Oslo Bors’ shareholders shortly after its surprise 24 December offer at 145 Norwegian crowns per share.

Neither Oslo Bors’ management – financial services firm DNB, which holds a 20 per cent stake – nor insurer KLP, which holds a 10 per cent stake, had been consulted about Euronext’s approach and began looking for an alternative bidder.

Nasdaq joined the race in late January, driving up the price to 158 Norwegian crowns per share, but it was unable to overcome Euronext’s level of shareholder support.

DNB and KLP, which had pledged their support to Nasdaq, said they had not decided whether to sell their shares to Euronext at this stage.

Euronext said it aims to complete the deal for Oslo Bors by June.

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GROWTH NEEDN’T BE FINANCIAL

CITY A.M. CLUB
IT’S BETTER ON THE INSIDE
Solactive buys stake in proxy fintech Minerva

JESS CLARK
@jclarkjourno

GERMAN index provider Solactive has taken a stake in UK proxy firm Minerva Analytics.

The deal will allow Minerva, which is based in Essex, to expand its research and client service capability through Solactive’s offices in Frankfurt, Hong Kong and Toronto.

Minerva, which also offers corporate governance consultancy service, will use Solactive’s technical capabilities to improve its products, while Solactive will use the UK firm’s data. The value of the deal was not disclosed.

The deal is the latest transaction between environmental, social and governance (ESG) firms and ratings providers, following Moody’s acquisition of a stake in Vigeo Eiris in April this year.

Solactive chief executive Steffen Scheuble said of the deal: “This is an important step for us in ensuring we stay relevant to the entire asset management ecosystem.

“Quality governance and sustainability data, research and analytics, as well as voting technology and services solutions are areas of increasing importance to all asset owners and asset managers.”

Sarah Wilson, Minerva chief executive, added that the deal would enable the company “to grow coverage and offer a truly 24-hour service”.

She said: “We are delighted to become part of the Solactive Group of companies. Stewardship, ESG and shareholder voting tools are growing in importance as investors seek to meet new and extended fiduciary responsibilities.”

Minerva was launched in March this year following Wilson’s acquisition of Manifest, the UK’s first proxy voting service which was founded in 1995.

Solactive was established in 2007 and serves around 400 clients across Europe, America and Asia.

Israel moves towards new vote in struggle to form government

JEFFREY HELLER

ISRAEL moved closer towards a new election yesterday as Prime Minister Benjamin Netanyahu’s efforts to form a government after last month’s national ballot remained deadlocked.

In a preliminary vote, parliament decided to dissolve itself. In order to disperse and set an election date, legislators would still have to hold a final vote. Netanyahu, who heads the right-wing Likud party, has until tomorrow night to put a government together, after being delegated the task by President Reuven Rivlin following the 9 April poll.

Netanyahu pledged to continue pursuing coalition talks and said: “A lot can be done in 48 hours.”

EU passes ball to Washington on trade talks

PHILIP BLENKINSOP

EUROPEAN talks with the US that could prevent the latter imposing punitive car tariffs have made some progress. However, Washington must decide if it wants to negotiate with Brussels on a broad removal of import duties, the EU trade chief said yesterday.

EU countries last month cleared the start of formal trade talks with the US on two fronts: cutting tariffs on industrial goods, and making it easier for companies to show their products meet the standards of the EU or US market.

EU trade commissioner Cecilia Malmström said the two sides had made progress on the latter, conformity assessment, as well as discussing potential for regulatory cooperation, which could avoid the need to test on both sides.

“The aim is not to change our respective systems,” she said after a meeting of EU ministers. “Here, we are making some progress.”

However, Malmström recognised that the two sides had conflicting mandates over tariff reduction.

She said: “The ball is now in the US’ court to start these negotiations.”

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AUGUST GRAHAM
@AugustGraham

BRITAIN outdid its record for coal-free power generation over the bank holiday weekend, hitting 10 days without burning the fuel for the first time since 1882 yesterday afternoon.

Coal-fired power stations have been dormant since the afternoon of 17 May, as wind, solar, nuclear and gas generation prop up the grid.

It smashed a previous eight-day record set earlier this month.

British coal has faced a steep decline since 1990 when it accounted for around two-thirds of the UK’s electricity generation.

The decline in coal has helped the country slash greenhouse gas emissions by 44 per cent over the period, reaching 449m tonnes of carbon dioxide equivalent last year.

However, critics pointed out that the change has meant Britain now leans heavily on natural gas as the biggest generator of electricity. Although cleaner than coal, this reliance on gas will present a new challenge when power generators have switched off coal for good.

Renewables have stepped in to fill part of the gap caused by the retreat of coal. Solar generation was supplying around 18 per cent of Britain’s power needs yesterday afternoon, with wind accounting for 10 per cent, according to Grid Watch.

The grid has also been boosted by the laying of cables to Europe, meaning French, Dutch, Belgian and Irish power generation supplied around 12 per cent of Britain’s needs.

The result means that so far in May, British power stations have been switched on for only three days.

On 9 May, the country reached a then-record 193 hours without burning coal, before the next day starting a new coal-free run which lasted for 133 hours. The new record reached 240 hours yesterday afternoon.

ALGERIA's energy minister said yesterday that he would seek a "good compromise" when asked about his earlier comments that Algiers would block a plan by France’s Total to buy Anadarko’s Algerian assets.

Occidental Petroleum agreed to sell Anadarko Petroleum’s assets in Algeria, Ghana, Mozambique and South Africa to Total for $8.8bn (£6.9bn) if the US oil company succeeds in completing its plan to take over of Anadarko.

Algerian energy minister, Mohamed Arkab said that Algiers would block Total’s acquisition. Algeria remains wary of investments by firms from its former colonial occupier, although Total signed energy deals with the country in 2018.

“Sonatrach needs to maintain good ties with foreign partners to develop its programmes,” Arkab told reporters, adding that state-owned Sonatrach would “preserve its interests. Sonatrach will seek a good compromise,” he said about the acquisition, speaking during a visit to Tindouf gas field, southwest of Algiers.

JESS CLARK @jclarkjourno

THE CO-OP has raised £300m to support Fairtrade businesses through issuing a sterling-denominated Sustainability Bond, the company announced yesterday.

The five-year bond will pay investors an annual interest rate of 5.125 per cent and has been assessed by independent environmental, social and governance adviser Vigeo Eiris.

The bond, which is the first in a series of refinancing measures designed to fund the company’s growth plans, will cover the costs of proving Fairtrade products in Co-op stores.

JHN LEWIS & PARTNERS

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Need for speed?
Square Mile in for 15mph limit

City workers may have to get used to life in the slow lane, writes Alex Daniel

As the home of London’s bustling financial sector, the Square Mile is not known for moving slowly. But that could soon be about to change for motorists, after the City of London Corporation agreed to make it the first area in the country with a 15 miles per hour (mph) speed limit.

The plan, voted through by the Court of Common Council – the CLC’s most senior decision-making body – is part of a bid to make more efficient use of street space for pedestrians in the City.

The CLC also hopes it will help cut harmful CO2 emissions by halving motor traffic over the next 25 years.

Now that the Court of Common Council has agreed on the 15mph proposal, it will be forwarded for government approval.

It follows research which shows 90 per cent of all journeys made on the City’s streets are either partially or entirely made on foot.

The so-called New Transport Strategy also includes proposals to improve conditions for cyclists by launching a six-month trial for dockless cycle hire in the Square Mile, run by two chosen operators.

“The City of London is one of the most well-connected parts of the UK, with 15 Tube stations, seven Tube lines, eight mainline stations, multiple bus routes and a fast-evolving bicycle network,” says CLC Planning and Transportation committee chair Alastair Moss.

City workers may have to get used to life in the slow lane, writes Alex Daniel

Research shows that 90 per cent of all journeys in the City are made on foot

“We are working tirelessly to support the 513,000 workers that commute to the Square Mile every day, and to deliver the forward-thinking City that Londoners want to see.

“These radical plans will ensure the continued success of not just the City, but wider London and the UK as a leading global business and cultural destination.”

Walking charity Living Streets’ policy director Stephen Edwards believes the move is an “excellent intervention”.

“Slower speeds in highly congested areas where huge volumes of people are working are vital to ensuring people’s safety. If a pedestrian is struck by a vehicle at 20mph, they have a 97 per cent chance of survival. This reduces with every mile per hour driven faster.

“Slower speeds not only save lives, they also contribute hugely to making people feel more comfortable walking. This will help encourage people to choose healthier and cleaner ways to travel.”

However City workers are not as sure of the move.

Jez Cole, 57, a risk engineer at Chubb Insurance, tells City A.M.: “It doesn’t sound like it would be enforceable, and the Square Mile isn’t terribly unsafe. People are quite cavalier crossing the road around here, so perhaps there is something in it from a learning perspective.

“But unless there has been a spate of pedestrian deaths in the area, I can’t imagine it would make a blind bit of difference,” he adds.

Alex Cater, 32, who works for an insurance company near the Gherkin, says: “I cycle to work and don’t feel like people drive too fast – it’s more of an awareness thing.

“From an air quality perspective I don’t know if slowing cars down would actually do anything. If it does, I could get behind it.”

Meanwhile, Will Barlow, 24, a financial analyst, adds: “I’d be surprised if anyone gets above 15mph in the Square Mile anyway.”

I’d be surprised if anyone gets above 15mph in the Square Mile anyway

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Top UK restaurants fall to £82m loss

JAMES WARRINGTON
@j_a_warrington

THE UK’s top restaurant chains posted a loss of £82m last year as they struggled to stay afloat in the increasingly competitive casual dining sector.

The top 100 restaurant groups fell to the heft loss in the 12 months to the end of March, compared with a pretax profit of £102m the previous year, according to accountancy firm UHY Hambro.

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New code on fraud promises victim payouts

JAMES BOOTH
@JamesBooth1

A NEW code that will allow victims of one of the UK’s fastest growing forms of fraud to receive reimbursement from banks comes into force today.

Authorised push payment fraud occurs when a victim authorises a bank transfer into an account they believe is legitimate, but is actually controlled by a fraudster.

The number of reported cases jumped 93 per cent in 2018 to 84,600, up from 43,900 in 2017.

According to UK Finance statistics, customers lost £354m to authorised push payment scams in 2018, with just £83m recovered.

The code aims to ensure that people are able to report the scams or if they did not take steps to ensure the person receiving the money was legitimate.

The code covers only consumers, charities and micro-enterprises of up to 10 people.

Alan Sheeley, head of civil fraud at law firm Pinsent Masons, said: “The code is a welcome step towards tackling this fast-growing type of fraud and its often devastating consequences.

“However, we see larger businesses fall prey to authorised push payment fraud who will not be covered by this scheme. It is important that these businesses are aware of the effective methods of recovering lost monies under the civil law.”

The code aims to ensure consumers remain vigilant, while incentivising banks and other payment providers to take action and respond to scams with the aim of reducing their number.

Indi Go turns positive on Jet collapse boost

ADITI SHAH
INTERGLOBE Aviation, owner of Indian budget airline Indi Go, forecast a strong year ahead after the collapse of Jet Airways helped the company report a fivefold jump in fourth-quarter profit.

Indi Go, the country’s largest airline by market share, gained passengers in recent months after Jet Airways shut down operations in April, having been forced to ground its fleet since early this year.

Indi Go also gained by optimising its domestic network and growing its international routes, chief executive Ronojoy Dutta said on an analyst call.

“Jet Airways’ cessation of service added a significant number of passengers to our network and opened up opportunities to utilise our fleet and capacity,” Dutta said.

Interiglobe shares set a record closing high, up 2.5 per cent at 1,662.35 rupees in a broader Mumbai market, which ended up 0.7 per cent.

Dutta said the shutdown at Jet increased revenue per available seat kilometre by between three and four per cent. That number, a measure of the carrier’s operating earnings, rose 5.9 per cent in total to 3.63 rupees (4p) in January through March.

Huawei’s boss hits back in US trade dispute

JAMES WARRINGTON
@j_a_warrington

HUawei’s founder has criticised US President Donald Trump over new trade restrictions on his firm, but insisted China should not retaliate against the measures.

Ren Zhengfei, chairman of Huawei, admitted new laws effectively banning US companies from doing business with Huawei would hamper the firm’s growth, but said Beijing was unlikely to retaliate against American rival Apple.

“That will not happen, first of all. Second of all, if that happens, I’ll be the first to protest,” he told Bloomberg.

Ren said Trump’s ban was likely to cost his company billions of dollars in lost revenue as it did not have the capital to build up alternative supplies.

A host of major tech companies including Google, Qualcomm and Apple, have halted trade with Huawei in the wake of Trump’s executive order, sparking speculation over whether the Chinese company could survive the impact on its business.

Huawei currently sources 50 per cent of its chips from the US, but would reduce its reliance on American manufacturers if further restrictions are put in place. Ren said.

However, he said his company will continue to work with any US company that has permission from Washington to do business with Huawei.

Tensions between the US and China have been mounting in recent weeks, as the dispute over Huawei became a central battlefield in a wider trade war between the world’s two largest economies.

Trump last week described Huawei as “very dangerous”, but suggested the row could be resolved as part of a broader trade deal.

Ren hit back at the US President’s comments, saying: “Even if the US wants to buy our products in the future, I may not sell to them.”

The top 100 restaurant groups fell to the heft loss in the 12 months to the end of March, compared with a pretax profit of £102m the previous year, according to accountancy firm UHY Hambro.
UK’s richest men back London firm that harvests energy from footsteps

AUGUST GRAHAM
@AugustGraham

The UK’s richest men have thrown their support behind a technology that transforms footsteps on a pavement into electricity. Hinduja Group, run by brothers Sri and Gopi Hinduja who topped the Sunday Times Rich List earlier this month, is supporting a £1m fundraiser by Pavegen.

The company’s pavement slabs transform the kinetic energy from footsteps into electricity and harvest data on footfall. It has a deal with Siemens to co-create smart city projects, and is being connected to the firm’s operating system. The firm has also worked with Coca-Cola, Heathrow, Shell and Westfield shopping centre. It has similar projects with Transport for London and the New West End Company.

“We’re helping people to change the world for the better, through the power of a footprint. “Our product isn’t hidden away on roofs or offshore somewhere – people can physically participate in a smarter, more sustainable future,” said Pavegen chief executive and founder Laurence Kemball-Cook.

Grannies back to work as over-70s reject retirement

AUGUST GRAHAM
@AugustGraham

The number of over-70s working is rising, what would otherwise be their retirement has more than doubled in the past decade as pensioners try to supplement their incomes.

Around one in 12 Brits over the age of 70 is choosing full- or part-time work over full retirement, analysis of data from the Office for National Statistics, the organisation found that nearly 498,000 people over 70 are working today, up from 212,000, or one in 22, a decade ago.

“With far fewer ‘gold-plated’ pensions available and ever increasing life expectancy, many are actively looking to top up their pension savings while they still can,” said Rest Less founder Stuart Lewis.

He also pointed to the health benefits of staying active in old age as another driving force behind the growth. The trend is particularly affecting men, with those over 70 in full-time employment having trebled to more than 113,000 since 2009. However, the number of women working full-time grew even faster, from 9,500 to 32,000 over the same period. Women are generally becoming more likely to work past their 70th birthday, up 131 per cent to 175,000, but are still lagging behind men.

“With generational lows in the unemployment rate, the over-50s offer a talented, and up to now largely untapped opportunity, to many employers,” Lewis said.

LEGAL AND PUBLIC NOTICES

CITY OF LONDON

The planning acts and the orders and regulations made thereunder

This notice gives details of applications registered by the Department of the Built Environment Code: FULL/FULMAJ/FULEIA/FULLR3 – Planning Permission; LBC – Listed Building Consent; TPO – Tree Preservation Order; OUTL – Outline Planning Permission

The Whitbread Brewery, Hotel, 52 Chiswell Street, London, EC1Y 4SA
19/00521/FULL & 19/00520/LBC
Installation of plant screen around existing roof level plant.

Dixon House, 1 Lloyd’s Avenue, London, EC3N 3DQ
19/00526/LBC
Internal fit out of Grade II listed building – Part Ground and second to sixth floors

City Point Plaza, Ropemaker Street, London, EC2Y 8AW
19/00522/FULL
Temporary use of the public realm for an open-air market four days per week from the 17th June 2019 to 22nd July 2019.

19/00523/FULL
Application under section 73 of the Town and Country Planning Act 1990 to vary condition 20 of planning permission dated 14.02.2018 (17/00077/FULLMAJ) to incorporate a minor material amendment to replace the existing window with a modern bar, replacement of modern timber elevation.

St Paul’s Cathedral School, 38 St Mary Axe, London, EC3A 8EX
19/00524/LBC
Upgrade of the existing telecommunications apparatus comprising replacement of 4no. existing antenna, replacement of two existing equipment cabinet and development ancillary thereto.

Applications can be viewed at www.planning.cityoflondon.gov.uk or at the Department of the Built Environment, North Wing, Guildhall, Basinghall Street, London EC2, between 09.30 and 16.30. Representations must be made within 21 days of the date of this newspaper online or in writing to PLMCommunications@cityoflondon.gov.uk or the Chief Planning Officer, PO Box 276, Guildhall, London, EC2P 2EJ. In the event that an appeal against a decision of the Council proceeds by way of the expedited procedure, any representations made about the application will be passed to the Secretary of State and there will be no opportunity to make further representations.

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Police fail to keep pace with the UK’s cyber crime boom

JAMES WARRINGTON
@j_a_warrington
LESS than one per cent of British cyber crimes results in prosecution, new figures have revealed, highlighting the difficulty of tracking down online hackers.

There were 65 prosecutions for computer hacking in the UK last year, up 38 per cent on the 47 prosecutions recorded in 2017, according to City law firm RPC. But the figure still represents less than one per cent of all reported cyber crimes in the UK.

The data showed there were 17,900 reported cases of computer hacking in 2018, a sharp increase on the year before, with social media and email accounts the most common targets for cyber criminals.

The low success rate in prosecuting attackers demonstrates the challenges faced by police to identify criminals and bring them to justice.

“Cyber crime has become accepted as a low-risk, potentially high-reward activity for organised criminals,” said Richard Breavington, partner at RPC.

“Understandably the priorities for policing cyber crime have been in areas which have a potential nation state impact. A result is that the rise of less sensitive cyber crime has gone largely unchecked and it has been left largely to the private sector to deal with.”

Cobra Beer founder poised to be appointed as next CBI president

CALLUM KEOWN
@CallumKeown1
COBRA Beer founder and second referendum-backer Lord Bilimoria is the leading candidate to become the next president of the CBI.

The entrepreneur has been lined up to replace Tesco chairman John Allan at the helm of the influential business lobbying group, Sky News reported over the weekend.

The crossbench peer, who founded Cobra Beer from a flat in Fulham in 1989, would become the first British Asian to lead the CBI.

CBI presidents typically serve a two-year term, with a year as vice-president either side of the presidency.

The group confirmed that Bilimoria would be standing for election as the new vice-president at its annual meeting on 18 June, replacing outgoing vice-president Paul Drechsler.

Bilimoria has publicly backed a second EU referendum and called Brexit as an “unmitigated disaster”, paving the way for a potential clash with other CBI members.

CBI director general Carolyn Fairbairn said Bilimoria’s experience would be “invaluable to the CBI and the UK business community”.

Supporting City Giving Day

WHY ARE YOU SUPPORTING CGD?
This year will be RSM’s first time participating in City Giving Day to raise awareness of the firm’s various charitable causes. The day will give people at RSM the opportunity to learn more about the firms chosen charities and give them the chance to consider supporting those causes themselves.

WHICH CHARITIES DO YOU SUPPORT?
This year the firm is providing support and funding to Noah’s Ark Children’s Hospice. RSM also works with the UK’s leading homelessness charity Centrepoint through their Rough Sleepout event, and we hold clothing drives to donate to both Smart Works and Susted and Booted, charities that help vulnerable people find work.

HOW WILL YOU CELEBRATE CGD?
RSM’s London office will ‘Go Red’ by wearing red to celebrate our community initiatives. We will also be challenged by a Trivia night and will get involved with the activities organised by The Lord Mayors Appeal, such as the Tour de City static bike challenge, The City Walk or the Treasure Hunt.
Big thinkers developed a way to get better mileage out of the planet.

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**Italian firm Leonardo could seek tie-ups in specific business areas**

FRANCESCA LANDINI

ITALIAN aerospace and defence company Leonardo could seek partnerships in specific business areas, boss Alessandro Profumo said, ruling out a merger involving the entire group.

Profumo said yesterday he expected Europe’s fragmented defence industry to consolidate, with tie-ups emerging in specific business areas as companies embark on joint projects and strive to cut costs.

As a parent company, Leonardo isn’t planning to join a potential merger and acquisition (M&A) trend in the defence industry but I think there is room for M&A in Europe at business area level,” Profumo said.

“We want to remain in the driving seat and lead the M&A process in those business areas where Leonardo is a leader, on the opposite side, in those areas where the group is not a leader it is open to cede control in a combination,” he added.

The group is currently working on a potential alliance in torpedoes. Apart from this and a preliminary bid for the maintenance business of Italian aviation technology company Piaggio Aerospace, there is no concrete deal on the table at the moment, Profumo noted.

Since taking the helm in May 2017, Profumo has managed to turn around the company’s core helicopter division.

The division last year contributed to a five per cent rise in group revenue to €12.4bn (£10.95bn).

**Bitcoin nears $9,000 mark at 10-month high**

AUGUST GRAHAM

@AugustGraham

BITCOIN edged close to the $9,000 mark yesterday, as the cryptocurrency extended its strong run since the beginning of the year.

The world’s most valuable cryptocurrency rose as high as $8,827.98 yesterday, according to data from Luxembourg-based crypto exchange Bitstamp.

It underlines a boom in the digital currency since January, having recorded a 236 per cent rise since the beginning of the year from $3,719.

The increase has helped reinforce the currency since January, having reached a 10-month high yesterday, as the cryptocurrency rose as high as $8,827.98 mark yesterday, as the cryptocurrency rose as high as $8,827.98.

The boost still leaves the famous “bear market shell,” said Thinkmarket, a spring season; breaking out of the bear market shell, “said Thinkmarket.

Wood believes Pikl will appeal to a fast-growing, underserved market

**Esure founder Sir Peter Wood leads startup funding round**

JAMES BOOTH

@Jamesbooth1

Esure Directline founder Sir Peter Wood has led a £2.5m funding round in insurance startup Pikl.

Wood received £360m when he sold his stake in Esure to private equity firm Bain Capital last year.

Pikl, founded in 2016 by former

**South Africa’s Telkom shares hit record levels**

NQOBILE DLUDLA

SOUTH Africa’s Telkom yesterday reported a forecast-beating full-year core profit, as an upbeat performance in its mobile business offset declines in the traditional fixed-line unit, sending its shares to a record high.

Telecom groups across Africa have been investing heavily as demand for internet speed and data surges with growing smartphone usage.

Fourty per cent state-owned Telkom, which still runs South Africa’s biggest fixed-line network, has been transforming its business by migrating customers to wireless services and focusing on data.

“Analysts is paying off, evidenced by its 8.5 per cent growth in earnings before interest, tax, depreciation and amortisation (EBITDA) to 11.3bn rand (£616.7m) and 3.3 per cent rise in revenue, mainly driven by a 58 per cent jump in mobile service revenue.

“The significant growth in mobile service revenue was supported by an 85.9 per cent growth in active subscribers to 49.7m,” chief executive Sipho Maseko said.

“Last year we said that value for money data-led offers had attracted customers.

Analysts polled by Refinitiv had expected Ebitda of 10.6bn rand.

**Oil price up to $69 as Middle East tensions and Opec cuts fuel rise**

ALEX LAWLER

OIL ROSE to about $69 a barrel yesterday, supported by Middle East tensions and supply cuts led by Opec, though concern over the US-China trade dispute and global economy capped gains.

Supply cuts – both voluntary by the cartel of oil-producing countries and allies, plus those resulting from US sanctions – have helped Brent crude rise about 29 per cent this year. Brent was up 33 cents at $69.62 a barrel, having fallen by about 45 per cent last week.

US West Texas Intermediate crude was down 30 cents at $58.33.

“The main factor preventing the market from going higher on the geopolitical news is really the concern about the global economy,” said Petromatrix oil analyst Olivier Jakob.

Both crude contracts registered their biggest weekly price declines of the year last week.

Public holidays in the US and Britain yesterday limited participation, keeping volumes low.

Tension between the US and Iran, with Washington’s announcement on Friday that it would deploy more troops to the Middle East, is supporting the market but some analysts said its impact could be limited.

Brent crude has risen by almost a third this year
### Thailand’s pro-army party seeks alliances with two political groupings in bid to cement power

**PANARAT THEPGUPTANAT**

TWO THAI political parties have been invited to join a new government led by military junta chief general Prayuth Chan-o-cha as Prime Minister, a pro-army party said yesterday.

A deal with the unaligned Democrat and Bhumijaithai parties would likely sink the opposition Democratic Front coalition’s bid to keep junta members from retaining dominance over the government five years after the army seized power in a coup.

“We invited two parties, but did not expect a conclusion today,” Utama Savanavany, leader of Palang Pracharat, the pro-military party formed last year by members of the junta’s Cabinet, said after yesterday’s meeting.

“We understand there are internal processes, but it was a very good starting point,” he added.

The two parties would give the pro-army coalition a slim majority in the House of Representatives.

Bhumijaithai said it accepted the invitation and its executive committee would deliberate on policies with a view to forming a government soon.

“Leaders will connect and quickly resolve any issues. . . so Palang Pracharat will not have any headaches,” party leader Anutin Charnvirakul noted.

“It’s time we go to work for the country.”

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**In the UK, sterling’s weakness has been a positive contributor to the FTSE100**

Richard J Hunter, discusses the themes and concerns for investors in 2019

O r, put another way, (Brexit, (Interest rates, (Sterling, (China, (United States), (Inflation and (Trump). Indeed, these have proved to be the dominant themes so far.

The trade spat between the world’s two largest economies has amounted to billions of dollars of tariffs either being implemented or threatened. Talks have stalled on several occasions and, even now, there is no immediate sign of a truce.

Both countries are remaining resolute and whenever the US has been the aggressor, the Chinese have responded in kind. What troubles investors is that this escalation of tensions threatens global growth, let alone those two economies.

In the UK, sterling’s weakness has been a positive contributor to the FTSE100, where the majority of company earnings come from overseas and are therefore more valuable when translated back into our home currency. In addition, corporate earnings generally have been strong, even against the spectre of Brexit.

In the year to date, the FTSE100 has jumped by over 8% - this figure does not include dividends, so in terms of real return the figure is higher – and there have been a number of star performers.

The top five performing stocks so far this year are Ocado (up 52%), software company Micro Focus (43%), retailer Next (36%),累了)

Throughout the year, investor sentiment has been split, with optimism over US-China trade talks and concerns for investors in 2019.

Richard J Hunter is the Head of Markets at CityAM.

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**WIBF AWARDS FOR ACHIEVEMENT**

Celebrating the top talent in financial services, WIBF’s Awards for Achievement is an inspiring event which has shone the spotlight on influential leaders for over two decades.

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A limited number of tables remain for what will be a sell-out event.

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**CHAMPIONING WOMEN OF NOTE IN FINANCIAL SERVICES**

MARK CARNEY, GOVERNOR OF THE BANK OF ENGLAND

2019 AWARDS KEYNOTE SPEAKER

“Greater diversity in all its forms can help transform the financial sector. Financial services will benefit from more women in senior roles and it is crucial we champion top talent in the industry as we develop the next generation of women leaders. The WIBF Awards for Achievement plays a key role in celebrating the successes of women in the sector.”

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**Read More Online**

Read more at: cityam.com/talk/interactive-investor
THE FTSE 100 held its gains on Friday after Prime Minister Theresa May announced her resignation date in a widely expected move that nevertheless raises the prospect of a successor likely to seek a more hardline Brexit deal.

The blue-chip index added 0.7 per cent on the day to 7,277.73 points, while the mid-cap FTSE 250 rose 0.5 per cent to end at 1,277.26 points. Slightly off its opening levels, as traders and investors said the market had already priced in May’s move when speculation first started circulating.

Housebuilders, considered prone to any hit of the economy, from a chaotic “no-deal” Brexit, barely budged after May’s resignation.

“It’s been so well-flagged and UK assets have been hammered all week. Realistically, we know no more or less than we did yesterday,” said a trader. Housebuilders, retailers, domestic banks and other Brexit-sensitive stocks fell sharply earlier this week when pressure grew on May and investors grappled with the likelihood that its water business might be renationalised by a possible Labour government at below market value.

In March the company announced it had taken a provision of £16m on the back of the collapse of Interflora.

Meanwhile, Pennon Group, the owner of South West Water as well as a waste management company, will announce its full-year results on Thursday. It has seen its shares underperform in recent weeks largely over concerns that its water business might be renationalised by a possible Labour government at below market value.

In March the company announced it had taken a provision of £16m on the back of the collapse of Interflora.

The looming tech cold war between the US and China could cause collateral damage to British semiconductor supplier IQE, the company warned last week. Broker Canaccord Genuity says the uncertainty is related to US semiconductor company Qorvo which is exposed to Huawei and recently lowered guidance. The company warned last week.

The escalating US-China trade war has sent dividend-rich sectors such as utilities higher, but investors don’t need to get all defensive just yet, according to strategists who say there are plenty of growth stocks with some insulation from China.

While the prospect of a prolonged trade war has shaken the market, investors are also trying to protect themselves from the risk that they could miss out on gains in the event that the US and China reach a surprise agreement. Because of the difficulty handicapping the chance of a US-China deal, John Plvenko Portfolio manager at QNA in Newark, New Jersey, said he would not “completely sell out” of stocks.

However, he added: “If I was five per cent overweight stocks, I might reduce it to three per cent and see if I could reduce exposure to semiconductors and technology.”

Meanwhile, investors hope the markets will turn around after the Dow’s longest weekly losing streak in eight years.

There are earnings reports to consider from retailers Costco, Dollar General and Gap.
UR BRAINS have been humanity’s best adaption. Despite sharing 90 per cent of our DNA with our primate cousins, it’s the faster evolution of our grey matter which has helped us rise to dominance while others are still chewing grass.

Our cerebral cortex (the part responsible for higher cognition) is disproportionately larger than those of the rest of the animal kingdom, and accounts for more than 80 per cent of our total brain mass. Overall, our total grey matter is seven times the mass of similar-sized animals – complete with 100bn neurons, 100,000km of interconnections, and an estimated storage capacity of a million gigabytes.

And scientists are discovering that our ability to create new brain cells is continuous. It’s possible at any age, and only requires a little application.

Why is this important? Unless you’ve been immune to technological change happening around you, all the signs are that the workplaces of the future could be automated rather than human, with decisions taken by silicon processors rather than molecular ones.

This is one of the key themes that will be debated at the Chartered Institute of Personnel and Development’s inaugural Festival of Work on 12-13 June at Olympia London.

By as early as 2029, it’s thought that robots will reach the tipping point where they have the processing power to outsmart their makers. Humans will have to work hard to prove that their thinking is better than a machine’s. In short, the future only favours those with the greatest ability to stay relevant, adapt, and demonstrate mental agility.

Could there be an answer to staying ahead of the pack? For many, the saviour is neuroscience, which seeks to understand more about how the human brain works.

A key part of neuroscience is its observation that our brains demonstrate “neuroplasticity” – they have the ability to reorganise neural pathways based on new experiences, something that is able to impact our cognitive function and lessen its decline. Studies have sought to show that this gives us the potential to increase our brain power.

For instance, a now-famous Harvard Medical School experiment found that mindfulness meditation can actually rebuild the brain, by increasing grey matter in the hippocampus – a region which plays an important role in learning.

So can we tap into our brains’ untouched potential? For some, brain training games do just that – short-lasting tricks and tips that improve our memories, but don’t really rewire who we are. However, others believe that we can increase our potential through science.

NO PAIN, NO GAIN

We all know the benefits of physical workouts, but we should also make time for mental exercise. This app provides over 40 brain training games to keep your mind sharp and boost your cognitive skills like focus and memory. It also has performance tracking, so that you can measure your progress.

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Anton Riolo is head of content for CIPD Events at Haymarket Business Media.

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OFFICE POLITICS

Let’s unlock your brain’s true potential

Boosting our minds may be the only way that humans can stay ahead of machines

(CIPD)
As Brexit rages, the European project unravels before our eyes

WILL the London foreign policy community obsess over the pathetic soap opera that is Brexit? Sadly, it almost entirely misses the obvious and strategically vital point next door: the European project is in irretrievable decline, becoming increasingly peripheral to any serious global geopolitical discussion.

The just-concluded European election, which may have underlined the rise of populism and the slow fall of the establishment, are just the latest chapter in what is a long process of absolute decline.

Economic growth in Germany is estimated by the OECD as 0.6 per cent this year. Italy has a GDP smaller than it did before the recession. Poland has a populist eurosceptic government. Spain is in the throes of political fracturing that has led to a series of weak governments. And Britain is chaotically heading for the door.

Any upside to this?

Further, Europe remains hopelessly historically divided - northsouth over Eurozone issues and east-west over the migration crisis - with growing frictions. In addition, the continent has vast demographic problems and a safety net that is simply no longer affordable, which has led to a series of weak governments. And Britain is chaotically heading for the door.

Let’s recognise the value of Modi’s India as a partner for Britain in tumultuous times

AST week, we witnessed two momentous elections, and two nations at a crossroads.

In the UK, the country engaged in a strategic game of votes in the European elections, and Theresa May met her inevitable fate as the latest victim of Brexit.

In India, Narendra Modi won the largest democratic election to ever take place, securing overwhelming levels of support.

While the UK is stuck spinning in its electoral circles, India is decisive in its choice. Modi’s party secured the largest victory by any party in 30 years, retaining power in his second consecutive election.

This stability is what a country needs - and it is what grows - but it is rusty. Lacking. But in these tumultuous times, we are fortunate that we can rely on our special relationship with India to remain consistent, and it is more imperative than ever that we continue to strengthen this winning partnership.

This relationship deserves more widespread appreciation - because the UK and India in particular are already reaping the rewards. Modi’s success will ensure that this is set to continue, as the Prime Minister has extended his leadership to actors that have turned India into such an important partner.

Under his leadership, India has surged in the World Bank’s Ease of Doing Business ranking, rising an unprecedented 65 places since 2014 to become the only South Asian country in the top 100, coming in at 77.

This has transformed the country’s business landscape and illuminated the potential for prosperous trade and investment to grow between the two countries. Last year alone saw bilateral trade grow 14 per cent between our two nations.

Further to this, there are now a record 842 Indian companies operating in the UK, with combined revenues of almost €48bn - up by €1.6bn from 2018.

Investment from India increased an incredible 321 per cent in 2018 over the previous year, and London sits at the epicentre of this prosperity, attracting more investment projects from India than any other major European city.

London’s skills and talent sector has also been bolstered hugely from this relationship.

According to the Office for National Statistics, falling European migration since the referendum has led to Britain turning to India to provide the much-needed talent, particularly in the technology sector, and Indian workers now receive more skilled work visas to the UK than the rest of the world combined.

The UK and India are truly dedicated to supporting their UK counterparts. During the upcoming UK-India Year of Culture, which is set to begin in June, a significant number of Indian businesses will descend upon India Inc Leaders’ Summit.

Some of the largest names in business are making the journey solely to consolidate relationships and engage in industry-shaping dialogue. Whether be future-Harry Potter books, or the future of our Westminster government.

Whatever you think of Theresa May, watching her walk back into Number 10 choking back her tears is quite a contrast with watching David Cameron walk in whistling a jolly tune. I know which I respect more.

Interesting that Theresa May would choose to resign now... quite well timed, to get her way in as the new European Commission president, wouldn’t you say.

That’s what she’s wanted all along! A three-year secret plan between May and the Tory party to get an EU top job.

Is it Tory leadership race time again? Or “The Conservative Handicap Steeplechase”, to give it its full name (given half the riders fall at the first fence, the favourite pulls up early, the winner always comes late from outside, and it was meant to be run in 1919).

That’s not a single Brexit politician who would make it to the end of a William Hill Sweepstake. Would you?

BEST OF TWITTER

“Nothing in office brings her like the leaving it”. An unquestionably dutiful person left with dignity and the Conservatives must get on and deliver Brexit.

@Jacqui_Rees_Mogg

Whatever you think of Theresa May, watching her walk back into Number 10 choking back her tears is quite a contrast with watching David Cameron walk in whistling a jolly tune. I know which I respect more.

@sarahoconnor

LETTERS TO THE EDITOR

On the threshold

[IE: London’s status as headquarters hub threatened by immigration rules]

The reports that the home secretary has written to the Migration Advisory Committee to reconsider its proposals for post-Brexit UK immigration is refreshing. London Chamber of Commerce Industry (LCCI) has voiced concern over the proposed £30,000 threshold as published in December 2018. UK businesses rely on foreign nationals, especially in key sectors like construction, retail, and hospitality. While businesses accept the need to develop a talent pipeline domestically, access to labour from overseas is crucial in many of their skills needs in the short term. Blanket restrictions such as the £30,000 cap should therefore be removed.

LCCI and other business organisations wrote to the home secretary asking for the threshold to be lowered. His letter asking the MAC to review wage limits and exemptions are therefore welcome.

London has a unique footprint with migrants from all over the world contributing to our growth. As the LCCI London Tomorrow project found that the right migration policy is deemed necessary for London to continue to thrive post-Brexit. The question of immigration will be central to any debate on the imminent change of leadership in the Conservative Party. However, it is hoped that the MAC will come out with realistic and pragmatic proposals which will not be negatively impacted by whoever the new leader is or whatever their leanings.

ExxonMobil, London Chamber of Commerce and Industry

TO THE EDITOR

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

TUESDAY 28 MAY 2019 | OPINION | 23

DEBATE

Is the government right to ban single-use plastics like straws in a bid to reduce ocean pollution?

YES

AMELIA WOACK

The government’s ban on straws, stirrers and plastic-stalked cotton buds is an important development in the right direction. It should be supported, but on the understanding that it is a small and sadly inadequate step. How many plastic straws have you used in your lifetime, given to you whether you wanted them or not? A lot, but by volume they make up only a tiny fraction of the plastics pressed on you by companies, supermarkets and fast food chains.

What’s needed is a ban on all unnecessary single-use plastics. Our planet is choked with plastic. It is in the food we eat, the water we drink, and killing our wildlife. We can stop adding more. And we should acknowledge that “recyclable” doesn’t mean “going to be recycled”. It is no answer. If the UK stays in the EU, we’ll have to make these changes anyway, and go further, ending the use of plastic cups and food containers by 2021. If it leaves, we’re likely to carry on polluting while our European neighbours continue cleaning up their act.

EMMA REVELL

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Farewell to the most ineffectual
Prime Minister in modern history

HEN Theresa May de- parts from Number 10 for the final time, her portrait will be added to the collection which snakes down the main staircase.

It is the ritualised ending for all Prime Ministers, good, bad or indifferent. It will be hard for her to walk down those stairs without thinking of her legacy, and how it matches up to those before her.

A Prime Minister has four real duties – to implement the agenda on which they were elected; to manage the crises of their day; to maintain the confidence of the Commons; and to lead their party to electoral success.

There are perhaps five post-War PMs who can say that they have achieved all four – Clement Attlee, Harold Macmillan, Harold Wilson, Margaret Thatcher, and Tony Blair. While each has its critics, their ability to do the job they were elected to do is in no doubt.

Each drove through significant economic and social change and produced decisive responses to events that arose. The positives and negatives of this discussion – the important thing moderated the defeat the Tories suffered in 1945.

The remainder come with neither such achievements or excuses. Their tenures may have been marked by a failure to rise to the challenge, to maintain order in their own party, or to carry it over to the electorate. Yet most also managed to flirt with success, and sometimes even achieve it.

Were it not for his gamble on the referendum, David Cameron might have been considered one of the greats. He returned the Tories to power, seeing through cuts to the deficit and big reforms, and won an increased majority. He even got within 1,269,502 votes of exercising the European ghost in the Tory machine.

Gordon Brown may have ended 13 years of Labour rule, but he acted decisively and effectively in the financial crisis. Sir John Major managed what May categorically could not, steering a controversial EU agreement through the Commons, and laid the groundwork for many of Blair’s successes, from the economy to Northern Ireland.

James Callaghan and Edward Heath each saw single terms marked by industrial discontent and economic crises. Each lost the only elections they fought as Prime Minister. Neither, however, faced the ignominious rebellions and coups from within their own ranks that May has.

Even Anthony Eden, who bungled into Suez and did little else, won an increased majority and popularised a new type of hat – two claims to popularity which May cannot make.

On surveying our leaders since the War, it’s clear that none has the record that May enjoys: the failure to achieve any major programme, to record that May enjoys: the failure to achieve any major programme, to

The government’s ban on straws, drinks stirrers and plastic-stalked cotton buds is an important development in the right direction. It should be supported, but on the understanding that it is a small and sadly inadequate step. How many plastic straws have you used in your lifetime, given to you whether you wanted them or not? A lot, but by volume they make up only a tiny fraction of the plastics pressed on you by companies, supermarkets and fast food chains.

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Crypto AM shines its Spotlight on Pynk

During the past 12 months in the life of our fledgling firm Pynk, we’ve seen a rollercoaster ride of emotional highs and crushing lows. Whilst this is not uncommon in the life of start-up founders, at Pynk, any trough in our fortunes is an intense learning experience that we use to propel the company to greater heights.

Last week we won our first award; out of 35 short-lists we took the title at the Malta AI and Blockchain Summit’s AI Pitch Battle. It’s the first of many we hope, as we open our inboxes. Whilst it feels wonderful to win awards like this, it is in fact testament to the team and our burgeoning community that’s been nurtured since our inception. It is this that has helped us become a growing player in the fintech arena.

SO WHAT SETS PYNK APART?

The problem with digital asset or stock market investment is that it is very easy to lose money. It also consumes a huge amount of time, especially for beginners. So the obvious solution would be to invest in a high returning fund, but sadly this is not an option for most people as they are deemed too poor or not sophisticated enough to be eligible. This is financial discrimination and we don’t believe this is right.

We are open to all. We are unique in combining the Wisdom of the Crowd (our community’s predictions & research) with proprietary AI tech known as ‘Rose’ and in-house expert analysis. So, it’s irrelevant whether our investors are rich or poor, or where they come from or even their beliefs we have way to provide access. Either by providing their time to help us predict market movements and being part of the crowd or through direct investment to benefit from the crowds wisdom in picking assets to invest in.

There are hundreds of investment funds and a handful of crowdfunding prediction systems out there, Pynk however is the only one that combines these technologies and provides access in a compliant regulated manner.

Over the past 8 months our crowd has been correctly predicting market moves with an average accuracy of 87% with an average variance of 87% we have used this to trade our test investments and provided staggering returns to our early investors.

We have been pleased with the initial results, but we believe there is far more growth to come with the development of our product.

After all the challenges the team have faced, the validation of our model from others and our bottom line has injected us all at Pynk with a renewed sense of belief and purpose.

Today we reach another milestone with the launch of our Beta product which you can sign up and become part of the crowd at www.pynk.io.

We believe our future is bright. We believe the future is Pynk.

© Rupert Barksfield is the CEO of Pynk
Indeed three crypto-friendly bills were launched during the last Summit in November 2018. This year the Maltese government is set to enact a fourth bill – the first of its kind in the world – that will give Decentralized Autonomous Organizations (DAOs) their own legal personality.

Regular readers of Crypto A.M. will no doubt be familiar with Pigzbe. The UK start-up is creating the piggy bank for friendly cryptocurrency Wollo, and its UK-based blockchain business will connect to the larger financial industry. If successful, it will be the first of its kind in the world – that can be used to engage with the world. So why are cross border payments so far behind?

The problem is that international payments are reliant upon a system of messages sent between correspondent banks that slow down processing of payments and add more complexity to the already fragmented payments ecosystem. This, coupled with the plethora of other players in the marketplace, creates multiple ‘pockets of value’ which operate independently from one another and cannot talk to each other. Isn’t it crazy that PayPal owns the mobile payments space? Yet they can’t significantly benefit their new host country. It would allow for people to easily apply for mortgages where they don’t have a credit score. This can lead to a change in the market. One bank’s coin isn’t interchangeable with another bank’s coin. It is the lack of interoperability, money networks and the Interledger open protocol suite that underpins it which makes up an SSI system. The price of bitcoin faced resistance last week that the UK will have a sizeable impact in shaping blockchain’s future.

The CryptoCompare Digital Asset Summit will take place in London on June 12th. With an afternoon keynote from Wall Street veterans and panelists such as Robert Martin, the summit will feature presentations from some of the key figures in the space including Coinbase, Binance, UBS, and Nasdaq.

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Regular readers of Crypto A.M. will no doubt be familiar with Pigzbe. The UK start-up is creating the piggy bank for friendly cryptocurrency Wollo, and developing a fun and interactive learning environment where children can learn good financial habits. Simon Martin, Pigzbe’s Head of Commercial Strategy & Partnerships, found a veritable goldmine of “potential investors and partners, great feedback about our product and token, and the seeds of some great business relationships and friendships” at the Summit. Adam Funnell, Business Development Director at UK-based blockchain business booster Blockhouse also had a fruitful visit, including meeting a potential new Board member, Robert Cooke of development house Chain Enabler had a similarly successful event, finding a host of new collaborators. Many critics of cryptocurrency can, quite rightly, point to a murky history of scams, hacks and other criminal un-dertakings for the roots of its misgivings. However, it is easily forgotten that there are blockchain projects that simply exist to make the world a better place.

DustAid is one such project. The UK-based not-for-profit is focused on bringing transparency to the charity sector. By partnering with crypto exchanges they aim to “wring out the dust (small untraceable quantities of assets) which accumulates and donate it to charity. Whilst at the Summit, DustAid Managing Director Duncan Murray announced a partnership with crypto exchange fHIO.

Banking, Finance and Asset Management Consultant Peter Longworth also told Crypto AM that the Global Blockchain London, a full service incubator providing office space, tech resource and mentoring for early stage projects, launched in soft-mode at the Summit, accepting new applications for its service. Walking the halls of the Summit, there was an almost palpable collective sense of pride, seasoned with quiet disbelief at how far the industry has progressed since the blockchain circus last rolled up. Many of the prevailing sentiment next time around; it’s clear on the evidence of this past week that the UK will have a sizeable impact in shaping blockchain’s future.

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FINALLY able to buy your first home, you skip away from the rat race that is the rental system, proudly boasting the much-revered title of "homeowner".

And yet, if you’ve bought a leasehold property, it might not be the picket-fenced dream that you’d bargained for. Millions of UK properties, typically flats, are sold as leasehold. This means that you don’t own the land underneath, but rent from the freeholder for a period of time – typically decades or centuries. Leaseholders pay rent to the freeholder on an annual basis, which isn’t a problem until some developers started inserting dubious clauses into contracts stating that ground rents would double every 10 years.

Not only is this expensive for the homeowners (the average ground rent is around £319 per year), but with lenders reluctant to grant mortgages for homes burdened by these types of leasehold contracts, thousands of people are trapped in properties which are now unsellable.

Over recent years, there has also been a growing trend for new-build houses to be sold as leasehold.

Even more worryingly, some conveying solicitors have failed to warn homeowners of the risks of their leasehold contracts, according to a report from NAEA Propertymark, 62 per cent of leasehold homeowners felt that they were mis-sold a leasehold, while a further 93 per cent wouldn’t buy another leasehold property.

"For too long, housebuilders and developers have not been transparent enough about what it is standard practice to buy a leasehold property," says Mark Hayward, chief executive of NAEA Propertymark, pointing out that thousands of homeowners are locked into confusing contracts with freeholders.

It’s hardly surprising, then, that the Competition & Markets Authority has followed in Scotland, including ones promised by Labour in the 2019 General Election).

"Rental market reform is a political no-brainer for tenants in England to be finally able to buy their first home," says Simon Heawood, chief executive of Bricklane.com.

Rental market reform is a political no-brainer for tenants in England to be finally able to buy their first home. As it stands, some sell the freehold to investment companies, ratcheting up the price of purchasing it later down the line.

While there are challenges, it’s not to say that all leasehold contracts are bad, and homeowners can try to circumvent some of the current issues.

Bears in mind that a property with a longer lease generally has a higher value on the market. This is why Louise Burns, managing director of the Leasehold Group of Companies, advises homeowners to protect the value of their property by extending their lease before it drops below 80 years, warning that the cost sky-rockets thereafter.

“Leaseholders have a statutory right to extend their lease by an additional 90 years and reduce the ground rent to zero, which would make it more attractive to potential purchasers.”

However, he points out that leaseholds will still need to pay service charges and any permission fees that remain in the extended lease.

Burns also advises homeowners to avoid informal leasehold extensions “like the plague”. These casual agreements aren’t legally binding, and you could end up continuing to pay fees to the freeholder for permission to alter your own home.

Such agreements, he claims, are made so that predatory freeholders can extract as much money as possible by “Signing up to an informal deal is often the worst decision that a leaseholder could possibly make, because it means that they have no legal protection whatsoever under statutory legislation.”

Another tactic for leaseholders is to pursue collective action with their neighbours to try to get the best deals in terms of lease extensions, service charges, major works, and unreasonable permission fees.

Of course, you could also consider purchasing the freehold of the property. However, as Burns points out, if you’re a leaseholder in a block of flats, you need at least 50 per cent of your neighbours to get involved, and you’ll then need to set up a management company to oversee the block once the freehold has been acquired.

Finally, the leasehold scandal has shown that huge numbers of leaseholders aren’t given proper legal advice when they purchase their property. With this in mind, Burns advises leaseholders to use a solicitor with expertise in enfranchisement, adding: “certainty you never trust that a solicitor proposed by a developer will be acting in the leaseholder’s best interest.”

Half of homeowners who have bought new-builds on leasehold contracts are first-time buyers. For people who have worked hard finally to get on the housing ladder, it should be their own home, rather than another rental property. At the moment, too many people are stuck in this grey area between renting and homeownership – and that needs to change.

SPECIAL FEATURE

Simon Heawood looks at how homeowners could stop themselves falling victim to skyrocketing ground rents
Some Like It Hot

The original Volkswagen Golf GTI defined the hot hatchback for generations to come. Tim Pitt drives one of UK’s best examples

In 1975, Hungarian inventor Erno Rubik patented a new type of puzzle. Within three years of reaching the shops, his Rubik’s Cube had sold 200 million. At the same time, another surprise success was brewing in Germany. A team of Volkswagen engineers had been working weekends on an unofficial project called ‘Sport Golf’. After some arm-twisting, managers sanctioned a run of 5,000 cars to homologate the Golf for racing. But the new model – swiftly renamed Golf GTI – was such a hit with press and public alike, production was immediately ramped up from 50 to 500 cars a day. One of motoring’s few true icons had arrived.

The Rubik’s Cube and the Golf GTI are both simple concepts. The Cube is but three layers of coloured plastic, yet it has 42 quintillion possible permutations. Yet it was brilliant to drive, without sacrificing practicality or reliability. It captured the zeitgeist and defined a wholly new type of car: the hot hatchback.

Today, that basic formula has hardly changed. The Golf GTI is into its seventh (soon to be eighth) generation, while the original has graduated to bona fide classic status. The car pictured here, owned by GTI enthusiast James Bullen, will soon be at London Concours as part of the ‘Made in Germany’ display, sharing lawn-space with a BMW M1, Mercedes-Benz SLR McLaren 722 and Porsche 930 Turbo LE. Exalted company indeed.

This isn’t just any Mk1 GTI, though. One of 1,000 Campaign editions built to round-off production of Das Original, it boasts a punchier 112hp 1.8 engine, 14-inch Pirelli ‘P-slot’ alloys and (slightly) better brakes. Yet it was brilliant to drive, without sacrificing practicality or reliability. It captured the zeitgeist and defined a wholly new type of car: the hot hatchback.

Now to think I once bought one for £800...

Those memories of my much-loved Mk1 soon come flooding back. Giugiaro’s ‘folded paper’ styling still looks fresh, while that red go-faster stripe – endlessly imitated – hints at excitement to come. Inside, it’s less evocative: upright, functional and slightly austere. Still, a dimpled golf-ball gear knob lightens the mood, and there’s no faulting the textbook Teutonic build quality. The unassisted steering feels heavy and the Golf’s five-speed ‘box is obstinate when cold, but it immediately feels peppy and well-suited to city streets. At 3,725mm long and 1,625 wide, it’s actually smaller than a current VW Polo.

On open roads, the featherweight 840kg Mk1 is plenty fast enough to be fun. Its fuel-injected engine punches confidently out of corners, revving beyond 6,000rpm with real verve, while a fluid, forgiving chassis helps you maintain momentum, despite the modest grip. Push hard and you can lift an inside rear wheel, or even provoke a slide, yet it never feels edgy or unpredictable like the equally iconic Peugeot 205 GTI. Then as now, Volkswagen has always played it safe.

As for the brakes – the Achilles’ heel of right-hand-drive Mk1s, due to a convoluted cross-linkage – they’re actually better than I remembered. Then again, my Golf GTI was hardly perfectly preserved like this one, and I too am erring on the side of caution. Much as I’ve relished driving James’s pride and joy, I’m quietly glad to hand it back unscathed.

For a closer look, search ‘London Concours’ online, then head to the Honourable Artillery Company, City Road on 5-6 June. I’ll see you there.

Tim Pitt works for motoringresearch.com

Not convinced? Check out these alternatives...

Volkswagen Golf GTI

| Price: £8,000 |
| Top Speed: 112mph |
| Horsepower: 112G/KM |
| MPG Combined: 36.7MPG |

THE VERDICT: ★★★★★ |

FORD ESCORT XR3

| Price: £7,000 |
| Top Speed: 116mph |
| Horsepower: 105G/KM |
| MPG Combined: 32.0MPG |

THE VERDICT: ★★★★☆ |

PEUGEOT 205 GTI 1.9

| Price: £10,000 |
| Top Speed: 112mph |
| Horsepower: 130G/KM |
| MPG Combined: 36.5MPG |

THE VERDICT: ★★★★★ |

RENAULT 5 GT TURBO

| Price: £7,000+ |
| Top Speed: 127mph |
| Horsepower: 120G/KM |
| MPG Combined: 39.8MPG |

THE VERDICT: ★★★★★

Tim Pitt works for motoringresearch.com
Konta breaks French Open duck as draw opens up

British No1 clears first hurdle at last and can now see second week, says Frank Dalleres

I Took seven visits to Roland Garros but, finally, Johanna Konta is into the second round of the French Open and entitled to feel cautiously optimistic that her campaign in Paris will not end there.

The British No1 – beaten in the first round for the last four years and defeated in qualifying in both attempts before that – reached the milestone by overcoming Germany’s Antonia Lottner 6-4, 6-4 on Monday morning.

This was a straight-sets victory over a qualifier ranked 147th in the world, yet it was no cakewalk. Konta’s serve, back to its trusty best this year, faltered in the first set, and the match might have taken a different course had she not fended off break points at 4-4 in the second.

But it was huge psychological barrier cleared. Konta had been keen to play down its magnitude beforehand, however its significance in light of her previous record of just two French Open wins out of six from February to April on the hard courts.

This had already been a year of firsts for Konta on clay, traditionally her weakest surface. She reached a maiden clay-court final at the Morocco Open earlier this month and repeated that feat at the prestigious Italian Open, seeing off grand slam winners Sloane Stephens and Venus Williams in the process.

In between those tournaments, it took world No1 Simona Halep to outwit her in Madrid.

That form is reason enough to believe that, at 28, Konta can at last make it to the second week of the French Open, as she has at all the other grand slam events. Now the draw has also taken on a more favourable complexion. Venus, fifth seed Angelique Kerber and Caroline Wozniacki have already exited Konta’s half of the draw, while an arm injury forced two-time Wimbledon champion Petra Kvitova to withdraw before her first-round match with Sorana Cirstea.

If she can beat American wildcard Lauren Davis next, Konta is likely to face a tough third-round match with Kiki Bertens, although the Dutchwoman was another of her victims this month in Rome.

There is no name to unduly daunt Konta among the potential fourth-round opponents, who include Belinda Bencic and Donna Vekic, but a quarter-final against ninth seed Elina Svitolina or 2016 champion Garbine Muguruza, who sent her packing in Melbourne this year, would be another matter.

All that can wait, though. For now, Konta has already outdone herself and consigned talk of her Roland Garros drought to the past.

KONTA’S CLAY IMPROVEMENT

Fed Cup: Konta began the spring clay court season in form, having inspired Britain to Fed Cup promotion with six wins out of six from February to April on the hard courts.

Morocco Open (30 April – 4 May): Konta began the clay season in promising fashion, reaching the final in Rabat, only to be beaten by Greece’s Maria Sakkari.

Madrid Open (5 – 7 May): The British No1 was beaten in the round of 32 by French Open champion Simona Halep, but retained the confidence in her form.

Italian Open (13 – 19 May): The 28-year-old’s game on her previous least-favourite surface begins to click. Konta beats grand slam winners Venus Williams and Sloane Stephens and world No4 Kiki Bertens on the way to the final, where she is defeated by world No7 Karolina Pliskova.

Brits are relishing World Cup opener with South Africa after beating sub-par Afghanistan, writes Felix Keith

N THE end it wasn’t so much a warm-up as a cool down – an opportunity to get loose before Thursday’s World Cup grand opening.

England craved a win after Saturday’s 12-run warm-up defeat by Australia, but when it came at The Oval against Afghanistan yesterday (its nature diminished its significance, the home side chosing 160 in 17.3 overs for the loss of one wicket without breaking sweat.

Although there were positives – Jofra Archer’s aggressive opening spell, Joe Root’s spinners – the sharp fielding and the continued controlled explosion of Jason Roy and Jonny Bairstow’s opening partnership – the biggest ones lay off the pitch.

CLEAN BILL OF HEALTH

The fact that captain Eoin Morgan’s “small fracture” in his finger was not the terrible news first feared and that, although he did not play yesterday, Mark Wood’s foot is not nursing a shoulder complaint. Or, indeed, by running out the spinners without so much as a tempting to clear boundary riders off their stumps.

That should mean that, barring any last-minute calamities, England will be ready for the hard work you’ve done in training, when they get an opportunity.

“We will now hope to carry on that trademark game, which has taken them from embarrassments to world Nols before the former took over, crushing four-sixes in an imperious 89 from 46 balls – an innings Afghanistan skipper Gulbadin Naib thought was more Twenty20 format.

HAPPY CAPTAIN

Taken together, all of the above added up to a happy Morgan, whose work for the day was just the flipping of a coin.

“When you’ve played as convincingly as that it builds confidence in the hard work you’ve done in training and in games,” he said.

“The other side is it does give you the afternoon and the early evening to switch off, because you’re not playing another close game.

“When Jason is hitting it as well as that I think not only does it impose our game on the opposition but it feeds right through the changing room. The aggressive, authoritative nature in which he plays builds a lot of confidence.

“Jonny is the same – the two of them impose themselves on the game when they get an opportunity.”

With their preparation complete England will now be hoping to carry on that trademark game, which has taken them from 2015 World Cup embarrassments to world Nols and tournament favourites.

The anticipation is nearly over. South Africa await.
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IT TENDS to take a gamble to escape the bear pit of the Championship. Aston Villa have bet bigger than most and now, with victory in the play-off final over Derby County on Monday, they have scooped the £170m jackpot that promotion to the Premier League guarantees.

Villa were rewarded for rolling the dice on the day, carrying the fight through captain Jack Grealish and winger Anwar El Ghazi, who met Ahmed Elmohamady’s cross for the opening goal just before half-time. El Ghazi also prompted their second in the 59th minute, which John McGinn bundled in when Derby goalkeeper Kelle Roos fumbled. By the time Derby had landed a blow themselves, when Jack Marriott’s low strike deflected in off Martyn Waghorn the 81st minute, it was too late.

This was also reward for the decision to sack Steve Bruce just 13 games in the season and replace him with Dean Smith, a less well-known name but a manager respected for his work at Walsall and Brentford. A lifelong Villa supporter who grew up in the club’s Birmingham heartlands, Smith struggled to turn the team around at first but struck gold with a 10-game winning run spanning March and April that propelled them back into promotion contention.

He in turn gambled by making Grealish – part boy wonder, part enfant terrible – club skipper. Villa’s calculated risks go back further still. Their squad is stacked with former Premier League players, but that comes at a considerable cost. It is the second most expensively assembled in the division, after Stoke, and last season led to a £71m wage bill – higher than Wolves and Fulham, who successfully bet the house on going up. This year it has also been bolstered by high-profile loan signings such as El Ghazi, Tyrone Mings, Tammy Abraham and Axel Tuanzebe. While El Ghazi provided the cutting edge against Derby, centre-back Mings was superb in shutting out the Rams.

The consequences of all this are enormous. Villa are assured of at least £170m for returning to the big time after a three-year absence: a minimum of around £95m even if they come last next season and more if they finish higher, plus approximately £85m in parachute payments to soften the financial blow of relegation if they suffer the drop again.

In all likelihood it will be worth considerably more to Villa, while their promotion will also help to render questions about their compliance with the English Football League’s financial fair play rules close to irrelevant.

Can they stay up? They will want to retain the key loan players behind their resurgence, namely Mings, Abraham – whose availability may be complicated by his parent club Chelsea’s current threat of a transfer ban – and El Ghazi, who is owned by Lille. Now Villa have the funds to make those deals happen. Wolves followed a similar path with the likes of Raul Jimenez, Ruben Neves and Jonny Castro. They may not like it, but Villa might want to take a leaf out of their West Midlands rivals’ book.
EDMUND HALTED BY BAD LIGHT AT THE FRENCH OPEN
British No1 Kyle Edmund saw his French Open first-round clash against Jeremy Chardy suspended deep into the final set last night. The match was halted due to bad light with the score poised at 7-6, 5-7, 6-4, 4-6, 5-5 after four hours of play at Roland Garros. Edmund will have to conclude the match today, with compatriots Cameron Norrie and Dan Evans also set for action in Paris.

KANE READY FOR LIVERPOOL CHAMPIONS LEAGUE CLASH
Tottenham captain Harry Kane says he is “ready to go” for Saturday’s Champions League final against Liverpool following injury. Kane is back training after suffering ankle ligament damage on 9 April and manager Mauricio Pochettino said he was “positive about his progression”. Kane added: “I feel good. There have been no problems so far. This week now is to get the fitness as high as possible. Then it’s down to the manager.”

TRIPPIER AND WINKS CUT FROM SOUTHGATE’S SQUAD
England manager Gareth Southgate has confirmed his final 23-man squad for next month’s Nations League finals. Tottenham’s Kieran Trippier and Harry Winks and Southampton’s Nathan Redmond and James Ward-Prowse have been trimmed from the group who will travel to Portugal to play Holland on 6 June. “There were some difficult decisions to make,” Southgate said. “It’s been complicated by so many players being involved in the Champions League final, but we’re excited by the squad we’ve chosen.”

ASHLEY IN TALKS FOR £350M SALE OF NEWCASTLE UNITED
Newcastle United owner Mike Ashley is in talks to sell the club to Sheikh Khaled bin Zayed Al Nahyan in a deal thought to be worth £350m. In a statement on behalf of United Arab Emirates billionaire Sheikh Khaled, the cousin of Manchester City owner Sheikh Mansour, The Bin Zayed Group said they hoped to complete a deal “at the earliest opportunity.” Sports Direct owner Ashley, who bought the club in 2007, put it up for sale in October 2017.

TOKYO 2020 MARATHON MY MAIN GOAL, SAYS FARAH
Sir Mo Farah has admitted he may never run a track race again because he is focused on improving in the marathon. Farah won the Vitality London 10km for a seventh time yesterday in a time of 28 minutes and 14 seconds, but will now train towards October’s Chicago Marathon and the Olympic Marathon at Tokyo 2020. “The strategy is to build up in the marathon,” Farah said. “The more marathons I do, and the more experience I get, the better chance I have of a medal.”
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