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WEDNESDAY 12 JUNE 2019 | ISSUE 3,390 CITYAM.COM FREE

COMPANY VOLUNTARY ANXIETY

RETAILERS' FAVOURED RESCUE TOOL UNDER FIRE AS ASHLEY PLOTS LEGAL ACTION AND GREEN SCRAMBLES TO SAVE HIS BUSINESS

SEBASTIAN MCCARTHY

@SebMcCarthy

SIR PHILIP Green's fashion group Arcadia and department store chain Debenhams face renewed opposition to their restructuring efforts as the role of a controversial rescue mechanism comes under growing pressure.

The future of Green's retail empire hangs in the balance after it emerged yesterday that shopping centre owner Intu plans to vote against the firm's company voluntary arrangement (CVA) – a cost-cutting insolvency process – in a crunch vote today, putting the mogul's fashion brands at risk of administration.

Separately, Sports Direct owner Mike Ashley ramped up the pressure on Debenhams by launching a legal challenge to the firm's CVA, it was revealed yesterday. The move is understood to have the backing of at least one landlord.

CVAs, which aims to stave off the threat of administration, have been used by retailers to slash rents, close stores, and even reduce tax bills – in some cases triggering outrage from landlords and councils.

Intu's plan to reject Arcadia's CVA proposals, first reported yesterday by Sky News, throws the outcome of this afternoon's vote into fresh doubt just a week after Green decided to postpone the ballot in a bid to win over the group's landlords.

The vote on Arcadia, which includes brands such as Topshop and Dorothy Perkins, requires 75 per cent approval from creditors in order to get the green light.

"From the landlord perspective, this is turning into a bit of a bluffing game," said Richard Lim, an industry expert and chief executive of Retail Economics.

He told *City A.M.*: "Landlords cannot be seen to take this lying down. If they're seen to accept every CVA, then obviously they put themselves in a very weak negotiating position. There has to be some point where they have to show their strength and try to negotiate on better terms."

Meanwhile, the legal bid from Sports Direct, which had its 29 per cent stake in Debenhams wiped out after the firm fell into the hands of its lenders, marks Ashley's latest move in a hard-fought tussle for control of the high street brand.

Sports Direct's attempt to block the CVA came just hours before a 28-day window to appeal the insolvency process expired.

Debenhams executive chairman Terry Duddy branded the attempts as "an unnecessary distraction as we implement our restructuring plans".

Ed Cooke, chief executive of Revo – a membership organisation for retail property – added: "Property owners, including pension funds, are the creditor group bearing most of the pain and in many cases are voting in favour of CVA proposals simply because there is no realistic alternative."

Sports Direct declined to comment.

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THE CITY VIEW

Landlords start to fight the rising tide of CVAs

IS THIS the week Britain's retail landlords fight back? After a slew of company voluntary arrangements (CVA) from the likes of Carpetright, Mothercare, New Look and House of Fraser, it seems there are only so many controversial rescue deals that high street property owners are willing to stomach. Today, the biggest and most high-profile CVA of all – that which is set to decide the fate of Sir Philip Green's retail empire – will return to the spotlight. If the vote goes ahead, the outcome will be exceptionally tight. Over the last seven days Green and his Arcadia directors have been frantically scrambling to shore up backing from landlords, pledging lower rent cuts at a personal cost of £9.5m to the tycoon's family wealth. But news yesterday that shopping centre owner Intu, which has the biggest single voice at today's meeting, is planning to vote against the revised proposals means Green's chances of winning enough support from creditors hangs by a thread. There is the very real possibility Green could once again look to delay today's vote, having seen he still does not have enough support, in a repeat of what happened last week. Much could depend on which way developer Land Securities chooses to vote. In many respects, landlords face a lose-lose situation in today's crunch meeting. If they approve the Arcadia CVA, they are agreeing to a swathe of rent cuts and potentially opening the floodgates to many of their other high street tenants demanding rent renegotiations. Yet if they block it, they risk losing a tenant in their store, thereby risking vacancy and losing their rent altogether. Elsewhere in the world of CVAs, several landlords (along with Mike Ashley) are said to have been putting their weight behind challenges to the Debenhams restructuring plan which was passed last month. That these retaliations are finally gaining steam is of little surprise in the context of the last 18 months: according to Colliers, nearly 900 stores covering 6m square feet have already become or are set to be vacant as a result of CVAs voted through since the start of 2018. But if the alternative to a CVA is an administration that would likely include even more closures, then landlords looking to reject the rescue plans should be careful what they wish for.

Creditors rejecting Arcadia's CVA should be careful what they wish for

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LEAVING AN IMPRESSION Monet, Modigliani and Miro among artists taking centre stage at lavish Sotheby's summer show

WORKS by some of impressionism's most sought-after artists are among those set to go on sale at Sotheby's summer show next week. Claude Monet's Nympheas, left, is set to reach £25 to 35m, while Modigiliani's 'Jeune homme assis, les mains croisees sur less genoux', right, is expected to go for £16 to £24m. Picasso and Matisse are also among the featured artists.

Woodford shuns fee plea as MPs query broker links

JESSICA CLARK

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BELEAGUERED trader Neil Woodford refused to back down and waive the fees on his suspended flagship fund yesterday despite mounting pressure from the City regulator and MPs.

Andrew Bailey, head of the Financial Conduct Authority (FCA), and Liberal Democrat leader Vince Cable called on Woodford to cancel charges for investors during the suspension.

Investors are unable to withdraw money from the Woodford Equity Income Fund after it was frozen last week following a spike in requests for redemptions.

Woodford charges investors fees of between 0.5 per cent and 0.75 per cent of assets under management.

Former business secretary Cable branded the decision to continue charging fees "unethical behaviour".

"If I were an investor I would be outraged to be told that the fund won't release my money but still charges for holding it," Cable told *City A.M.*

Bailey yesterday urged Woodford to "consider his position" on the fees.

The FCA boss joined Treasury Select Committee chair Nicky Morgan in calling for the former star fund manager to suspend fees.

"The suspension of the fund provided Mr Woodford with some breathing room, so he should afford his investors the same space and waive the fund's fees while it is suspended," Morgan said.

Meanwhile, the Treasury Select Committee is investigating the relationship between Hargreaves Lansdown and Woodford's fund.

Morgan yesterday wrote to Hargreaves Lansdown boss Chris Hill asking questions regarding its support of the Woodford fund, how much of its customers' money is tied up in Woodford-linked funds, and whether the broker had received commissions or other income for "arranging and administering [customer] investments" toward such funds.

Hargreaves Lansdown added the equities fund to its Wealth 50 recommended list in 2014, and only removed it following the suspension last week despite an increase in redemptions and poor performance.

Bailey told the BBC yesterday that the FCA would investigate the impartiality of the "best buy" lists.

The FCA's role in regulating the investment firm is also being probed.

On Monday, Morgan wrote to Bailey and asked him to outline the FCA's supervisory contact with the fund, and whether the regulator plans to launch a formal investigation.

A spokesperson for Woodford said: "The company will continue to charge the fees as the fund remains actively managed and we focus on repositioning the portfolio."

WHAT THE OTHER PAPERS SAY THIS MORNING

FINANCIAL TIMES

DEUTSCHE BANK THREATENS TO AXE 1,000 CLIENTS

Deutsche Bank has warned almost 1,000 corporate clients that they will lose access to basic banking services within weeks because it has not received documents needed to verify their identity. The Frankfurt-based lender has sent hundreds of the termination letters to blue-chip companies, underscoring how banks are scrambling to meet tougher anti-money laundering rules introduced by regulators around the world in recent years.

MI5 UNDER FIRE FOR 'UNLAWFUL' DATA HANDLING

The UK's surveillance watchdog has criticised the domestic security service MI5 over its "unlawful" handling of people's data, and warned that its use of such information is now the subject of intense regulatory scrutiny.

THE TIMES

OXFAM 'PUT VULNERABLE CHILDREN AT RISK'

Oxfam put destitute children at risk by not investigating allegations of sexual assault by aid workers, a highly-critical report into the Haiti abuse scandal said yesterday.

VIRGIN TRAINS PLANS CHEAP FARES AND NO STANDING

Virgin Trains is launching a bid for survival with plans for a budget rail service where standing in carriages is not allowed. The operator has applied to run the service on the west coast mainline from London to Liverpool from 2021. It said all tickets would be 10 per cent cheaper than comparable fares from rivals.

THE DAILY TELEGRAPH

CREDITORS BACK SECOND CVA FOR SELECT IN A YEAR

Fashion chain Select has received the green light for its second company voluntary arrangement (CVA) in just over a year after 87 per cent of its creditors backed the proposal.

GOOGLE UK BOSS: 'BRAND BRITAIN' A TOUGHER SELL

Selling "Brand Britain" to Silicon Valley bosses is becoming increasingly tough, Google's UK head has said, in a sign political uncertainty is unsettling America's technology giants. Ronan Harris, VP of Google's UK and Ireland operations, said he was having to "work a little bit harder to explain what's going on to my counterparts in California".

THE WALL STREET JOURNAL

T-MOBILE AND SPRINT TIE-UP FACES LEGAL CHALLENGE

A group of state attorneys general filed a lawsuit yesterday to block the proposed merger of T-Mobile US and Sprint, a highly unusual challenge that comes as federal antitrust officials are still reviewing the more than $26bn (£20bn) deal.

WALDORF ASTORIA SHRUGS OFF WOES WITH CONDOS

Luxury condos at the Waldorf Astoria hotel are expected to be put up for sale in the autumn, as the historic property's Chinese owner advances its redevelopment plans in spite of a market glut and political tensions with the US.

Labour launches Commons plan to block no-deal

OWEN BENNETT

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LABOUR is set to launch an audacious bid to make it illegal for the UK to leave the EU without a Brexit deal.

The party will force a vote in parliament this afternoon to make it possible for MPs to introduce legislation on 25 June ruling out a no-deal exit from the European Union.

The plan has the support of other opposition parties, including the SNP and Lib Dems, and also the Conservative MP Oliver Letwin.

The UK is set to leave the EU without a deal on 31 October unless a new agreement can be reached, MPs pass the deal agreed by outgoing PM Theresa May, or Brussels grants another delay.

Brexit has dominated the race to succeed May in Downing Street, with candidates such as Boris Johnson and Andrea Leadsom vowing to take the UK out of the EU by the end of October with or without a deal.

Michael Gove and Mark Harper are among those who believe another extension may be necessary to renegotiate the terms of the UK's departure.

Former Brexit secretary Dominic Raab has suggested he could effectively cancel parliament in the run up to 31 October to prevent MPs blocking a no-deal Brexit.

Shadow Brexit secretary Sir Keir Starmer said: "The debate on Brexit in the Tory leadership contest has descended into the disturbing, the ludicrous and the reckless.

"None of the likely candidates for the top job has a credible plan for how to break the deadlock before the end of October.

"Instead, we have witnessed candidates openly advocating a damaging no-deal Brexit and even proposing dragging the Queen into politics by asking her to shut down parliament to achieve this.

"MPs cannot be bystanders while the next Tory Prime Minister tries to crash the UK out of the European Union without a deal and without the consent of the British people.

"That's why we are taking this latest measure to end the uncertainty and protect communities across the country."

AIMING FOR THE STARS Musk remains bullish on a 'record quarter' for Tesla

TESLA boss Elon Musk said it has a "decent chance" of scoring a record quarter, with the carmaker on track to hit its production goal by the end of 2019. Deliveries fell 31 per cent in the first quarter, sparking concerns about the possibility of a profit.

City watchdog due to publish report into RBS GRG tomorrow

ALEXANDRA ROGERS

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THE CITY watchdog is due to release its highly-anticipated report into why it was unable to take action against senior figures within RBS' controversial GRG turnaround unit.

The Financial Conduct Authority (FCA) confirmed yesterday that it would release the report tomorrow morning. RBS' GRG unit was supposed to help struggling businesses, but instead stands accused of stripping their assets in an attempt to shore up its own balance sheet.

The findings originally came to light in a probe by independent investigators Promontory, which found "widespread inappropriate treatment" of customers by the GRG.

In stage two of its investigation, Promontory proposed to look at the "root causes" of the GRG misconduct, but the investigation was taken in-house by the FCA which said it would proceed straight to enforcement. The FCA then said it lacked the powers to discipline RBS.

New harassment claims emerge as Lloyd's of London scandal deepens

ALEX DANIEL

@alexmdaniel

A FRESH round of sexual harassment claims yesterday intensified the scandal engulfing Lloyd's of London.

Tokio Marine Kiln (TMK), one of the market's top insurance firms, has launched an investigation amid claims two executives harassed colleagues.

Allegations are believed to include one executive groping colleagues and making lewd sexual remarks. Another was accused of stalking a junior employee, according to Bloomberg. Both executives have now left the company, it is reported.

The allegations are said to have come to light after several colleagues contacted TMK senior lawyer Ifeanyi Okoh, who passed on their claims to management in April. A police spokesperson told *City A.M.* the force had received two allegations of sexual harassment in the workplace. One case, they said, has now closed after police spoke to the alleged victim, a man in his thirties.

But the second, which included "bullying", is ongoing. Officers have thus far been able to contact the alleged victim, a woman in her thirties. "If any allegations are received, the case will be transferred to City of London police."

Tinkler says he'll put Stobart fight behind him as appeal bid is refused

JAMES BOOTH

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FORMER Stobart boss Andrew Tinkler said he was putting his courtroom battle with the company behind him after a court refused him permission to appeal yesterday.

Tinkler told *City A.M.*: "I've always said I was about to move on, I thought it was only right trying to go for the appeal, all I was trying to do was protect shareholder value over that period."

In February, a judge ruled that Tinkler had made "serious" breaches of his duty as a director.

Tinkler had tried to oust the management of the Southend Airport owner, accusing them of destroying shareholder value.

He was supported by trader Neil Woodford in his unsuccessful bid to eject chair Iain Ferguson, to replace him with Edinburgh Woollen Mill boss Philip Day.

The Court of Appeal yesterday refused Tinkler permission to appeal against the February judgment.

"It's about moving on now," Tinkler said.

He said he belived there was still "value in the business," despite its recent share prices woes.

Stobart's share price rose 2.9 per cent yesterday to 106.6p.

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TELLY SALES Channel 4 revenue rises as digital growth offsets viewing figures slide

CHANNEL 4 has posted a modest rise in revenue for the year despite a "challenging" environment and a decline in traditional viewers. The broadcaster reported revenue of £975m in 2018, thanks to a rise in digital viewing of hit shows such as Derry Girls.

Job levels stay resilient in face of stalled Brexit

HARRY ROBERTSON

@henrygrobertson

THE UK UNEMPLOYMENT rate stayed at its near-record low level of 3.8 per cent in the three months to April, according to official statistics released yesterday, as the jobs market shrugged off Brexit uncertainty.

Record numbers in work helped push up wages, which rose 3.4 per cent in the three months to April. This was up from 3.3 per cent in three months to March, the Office for National Statistics (ONS) said.

The figures will please policymakers after suggestions from some economists that Britain's bright jobs picture may have turned in April as prolonged political uncertainty dragged on the figures.

Monday's GDP data from the ONS revealed the UK economy shrank 0.4 per cent in April as car production collapsed.

Yet Britain's unemployment rate has not been lower since the end of 1974, the ONS said.

The wage increase beat the expectations of economists, who had predicted a rise of 3.1 per cent. It takes the real wage rise – which is adjusted for inflation – to 1.5 per cent.

Sterling climbed against the dollar on the positive news. It finished the day 0.3 per cent higher to buy $1.2728.

However, the number of vacancies fell in the three months to May, the ONS said, indicating that the rate of employment could soon slow.

Tej Parikh, chief economist at the Institute of Directors, said: "The buoyant labour market is still going strong for the UK economy, even as it weathers widespread political uncertainty."

"Businesses' avid appetite for new hires has drawn many out of unemployment and inactivity into work, which has provided uplift to household incomes," he said.

"However, the employment boom cannot last forever, and is certainly showing signs of softening," he added.

"Business leaders are finding it harder to recruit as the supply of talent shrinks, and wage growth has failed to sustain the heights we saw earlier this year."

May backs bill calling for UK to hit net zero emissions by 2050

AUGUST GRAHAM

@AugustGraham

CAMPAIGN groups praised the Prime Minister yesterday after she announced a new effort to eliminate the UK's contribution to global warming by the middle of century.

A government bill, due to be introduced today, will put Britain on a path which is the most ambitious of any G7 economy, Theresa May said last night.

It calls for the country to reach net zero emissions by 2050.

The targets are being adopted by the government after they were recommended by its advisers, the Committee on Climate Change (CCC).

Last week, a leaked letter from chancellor Philip Hammond warned May a net zero target could cost the economy more than £1 trillion.

Lord Deben, who chairs the CCC, said it was now vital that the government backs up its commitment with credible policies.

May said the country must go "further and faster" to protect the environment.

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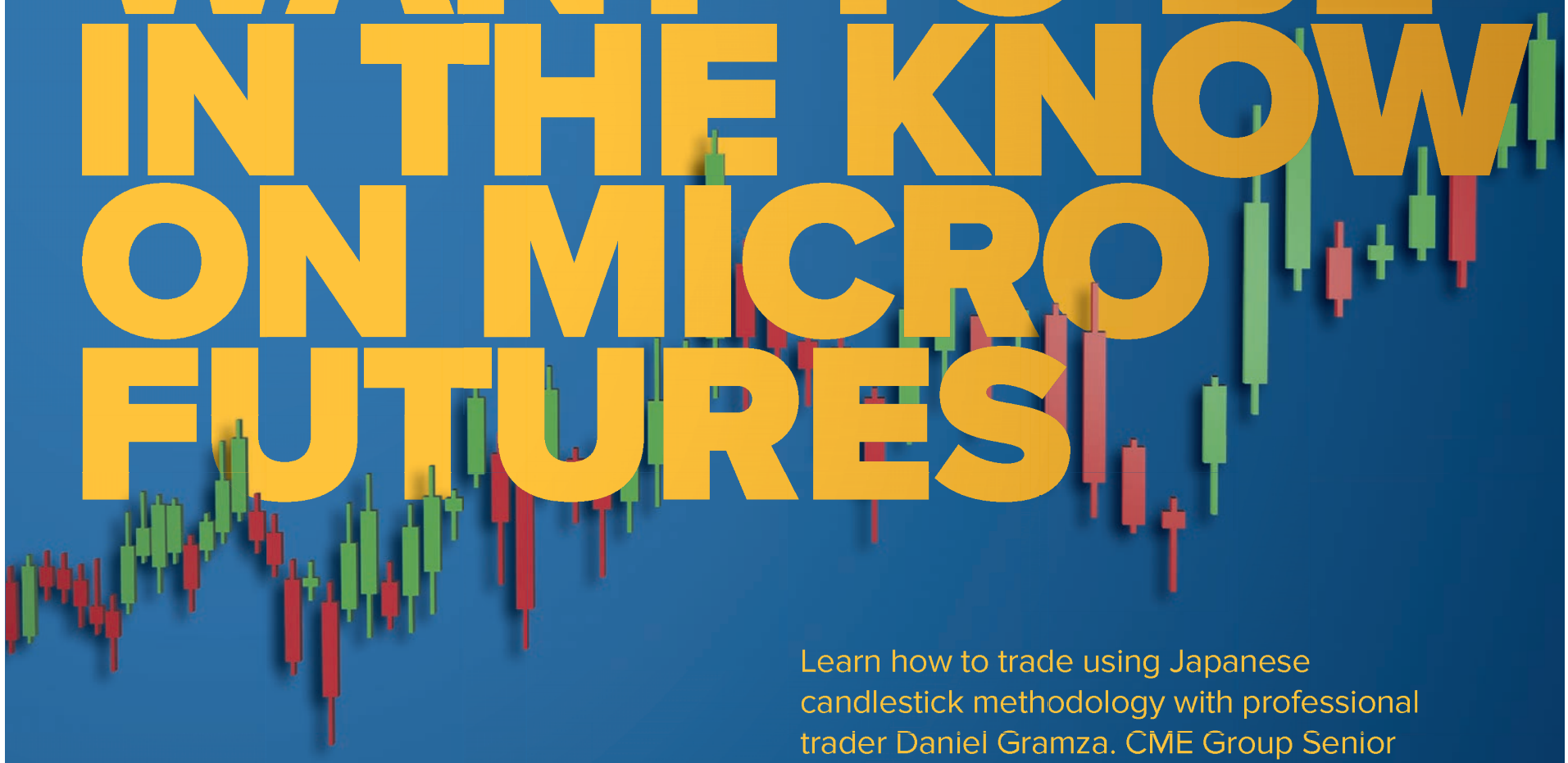

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IN BRIEF

AMAZON SHUTS SERVICE FOR RESTAURANT DELIVERY IN US

Amazon said yesterday it would end its restaurant food delivery service in the US later this month, giving in to intense competition from Grubhub, Doordash, and Uber's Uber Eats service. Amazon Restaurants was launched in 2015 in Seattle and was designed to give Prime members a way to order meals, apart from products and groceries, through the e-commerce giant. The service was expanded to more than 20 US cities and later to London. However, the company ended the program in London last November. However, Amazon still has ambitions in food delivery. In May, the company took a stake in UK online food delivery company Deliveroo, leading a $575m (£452m) funding round.

DROPBOX OVERHAULS ITS STRATEGY TO RIVAL GOOGLE

Software giant Dropbox reinvented its platform yesterday as it attempts to present a significant challenge to the likes of Google and Microsoft in managing the way workers collaborate with one another. It merged its services into one desktop app, and announced new deals with Slack, Gsuite and Zoom that will help encourage users to spend more time within the Dropbox platform. Technology boss Quentin Clark told *City A.M.* the move was "an evolution" for Dropbox as it continues to scale and take market share. Though Dropbox added a few features of its own making yesterday, Clark said the firm will seek to continue partnerships as a means of innovation for the foreseeable future.

US FORMALLY ASKS UK TO EXTRADITE JULIAN ASSANGE

The US Justice Department has formally asked Britain to extradite Wikileaks founder Julian Assange to the United States to face charges that he conspired to hack US government computers and violated an espionage law, the UK has confirmed. "Mr Assange was arrested in relation to a provisional extradition request from the United States of America. He is accused of offenses including computer misuse and the unauthorised disclosure of national defence information," a spokesperson for the Home Office said. US and British security sources said US prosecutors sent the formal extradition request to UK authorities last week, shortly before the expiration of a legal deadline.

BATTLE WITH BEIJING Hong Kong gears up for mass strikes as thousands protest

HONG Kong was braced for mass strikes today after thousands of people braved thunderstorms overnight to stage fresh protests against a controversial proposed extradition bill that would allow people to be sent to mainland China for trial.

FTSE 100 bosses opt to stay put in uncertain times

CALLUM KEOWN

@CallumKeown1

FTSE 100 bosses are staying in post for longer and more firms are turning to internal candidates when replacing chief executives.

The chief executive officer (CEO) merry-go-round slowed down last year as turnover fell to just 10 per cent among FTSE 100 firms, recruitment firm Robert Half said.

The average tenure of bosses rose by four months to five years and six months in the twelve months to 31 March 2019, the first rise in three years. The findings also revealed that 70 per cent of new bosses came from internal promotions last year as firms put their faith in insiders.

Advertising giant WPP replaced Sir Martin Sorrell with company man Mark Read over the period, while insurance firm Aviva hired Maurice Tulloch, with the company since 1992, to take over from Mark Wilson.

It takes the total of internally-promoted chief executives in the blue-chip index to 46 per cent, compared to 40 per cent in 2017.

Charlie Grubb , UK managing director of Robert Half executive search, said: "Following a long period of decline we have reached an inflexion point in the average tenure of today's CEOs, driven by lower rates of turnover.

"While workplaces are undoubtedly going through a period of substantial change and demanding new skillsets, it is encouraging that this isn't resulting in knee-jerk leadership changes."

As firms favoured internal appointments, the number of FTSE 100 bosses who have spent their whole career at just one company rose to 15 per cent – up from seven per cent in 2015.

Over the same period, chief executives with experience at the helm of multiple firms has fallen from 18 per cent to 13 per cent.

Grubb said: "The CEO merry-go-round is slowing in favour of candidates with a long track record at the companies they are to lead.

"Getting the leadership right throughout all levels of the organisation is something we are seeing becoming more important."

Financial services jobs could be slashed amid rise of the robots

JAMES WARRINGTON

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AS MANY as one in five jobs in the financial services sector could be replaced by robots within the next five years, a new survey has revealed.

Research by KPMG and Harvey Nash showed the rapid rise of new technology such as automation and AI could remove the need for up to 20 per cent of financial services roles.

More than 40 per cent of banks said they expected a fifth or more of their workforce to be replaced by robots, rising to nearly half for insurance companies. This compares to a global average of roughly a third.

"Sectors such as insurance are investing heavily in automation, with over half of IT leaders in this sector reporting that they are either piloting or implementing AI or machine learning," said Albert Ellis, chief executive of Harvey Nash.

Despite the threat, the majority of respondents in the banking and insurance sectors said they believed new jobs will emerge to compensate for the losses.

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Digital tech sector now accounts for a fifth of all British job vacancies

JAMES WARRINGTON

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JOBS IN the digital sector now account for 20 per cent of all vacancies in the UK as the boom in the tech economy shows no signs of slowing.

There were 1.7m digital tech job openings across the country last year, with tech now a major employer in some of the UK's biggest cities.

Research published by the government's Digital Economy Council revealed that while London remains a hub for the UK's digital economy, the tech sector is beginning to spread into new areas.

In Cambridge, half the working population is employed in the digital tech sector, while in Reading the sector employs a third of the workforce.

Now Oxford, Belfast and Newcastle are climbing up the ranks as well, with more than 10 per cent of the population employed in tech.

"We are one of the best places in the world to start and grow a tech business and this new data shows the success is bringing good jobs and helping spread prosperity across the country," said digital secretary Jeremy Wright.

"We are determined to seize the future opportunities for technology to improve people's lives by investing heavily to boost the nation's digital skills."

The report also highlighted the value of tech jobs, which offer salaries on average 10 per cent higher than other industries.

While tech-driven roles are at the heart of the boom, the rise of digital tech companies has also driven demand for staff with broader skills such as consulting, accountancy and public relations.

TOY STORY Dollmaker Mattel rejects a merger bid from rival MGA Entertainment

BARBIE creator Mattel has rejected an unsolicited merger offer from privately-held rival MGA Entertainment. MGA chief Isaac Larian told the LA Times last night he had renewed an offer to merge the companies, after an initial bid a year ago.

City enquires on market move

ALEXANDRA ROGERS

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THE CITY of London Corporation is launching a public consultation on the floated move of three of its historic wholesale food markets in Smithfield, Billingsgate and New Spitalfields.

In April, the Corporation's main decision-making body, the Court of Common Council, chose a site in Dagenham Dock as its preferred option for the three markets.

The Corporation said bringing the three markets together in one site will help tackle traffic congestion and improve air quality. It says it will also provide tenants with better facilities to grow their businesses.

Euro investors worry on trade war escalation

HARRY ROBERTSON

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INVESTOR confidence in the Eurozone economy fell much more sharply than expected in May as markets weighed up the escalation of the US-China trade dispute, a survey showed yesterday.

Sentix, which gathered the survey data, said the Eurozone economy was "once again on the threshold of recession".

The overall index, which measures how confident investors are in the euro area's economy, fell eight points in May to minus 3.3. Economists had expected a positive score of 2.9.

In Germany, the investor confidence index registered its lowest score since 2010. Sentix said: "A recession is therefore just around the corner."

Yet the European Central Bank (ECB) predicts Eurozone growth of 1.2 per cent in 2019.

US presses Saudis for an update on Khashoggi

STEPHEN KALIN

THE TRUMP administration is pushing Saudi Arabia to show "tangible progress" toward holding to account those behind the killing of Saudi journalist Jamal Khashoggi and wants them to do so before the one-year anniversary of his murder, a senior administration official said.

Pushing back against critics who have accused US President Donald Trump of letting the Saudis off the hook after Khashoggi's death, the official told Reuters this week the message to the kingdom is that it remains a "very hot issue" and "they need to take it seriously".

Republican and Democratic lawmakers, citing evidence of Saudi Crown Prince Mohammed bin Salman's role in the Khashoggi case and incensed over the civilian toll from the Saudi air campaign in Yemen, have ramped up efforts to block Trump's arms sales to Saudi Arabia.

The official, speaking on condition of anonymity, said the Saudis needed to complete their investigation and take action ahead of the anniversary but did not specify any consequences if they failed to do so. The Trump administration has so far taken only minimal steps.

Khashoggi, a Washington Post columnist and US resident who had become a vocal critic of the prince, disappeared after entering the Saudi consulate in Istanbul on 2 October. Eleven Saudi suspects have been put on trial in secretive proceedings but only a few hearings have been held since January.

"There will be increased sensitivity around the anniversary," the official said. "It would be in everyone's best interest to have some tangible progress by then."

The CIA has determined with "medium to high confidence" that the Crown Prince, commonly considered de facto ruler of Saudi Arabia, ordered the killing, US government sources have said. The spy agency has continued to monitor and gather information but is not conducting a full-scale inquiry, a US official said. *Reuters*

Mobile operators call for clarity over UK's position on Huawei

JAMES WARRINGTON

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THE UK must clarify its position on Chinese tech firm Huawei or risk losing its position as a world leader in the telecoms market, mobile operators have warned.

In a letter which will be sent to cabinet secretary Mark Sedwill, seen by the BBC, the firms reportedly urged the government to reach a decision on whether or not Huawei equipment will be permitted in the UK's 5G network.

The operators warn they cannot invest in infrastructure while uncertainty over the use of Chinese technology persists.

The letter, which could be sent as early as this week, also asked for an urgent meeting between industry leaders and the government, according to the broadcaster.

Details leaked from a national security meeting earlier this year revealed the UK was considering allowing Huawei to participate in non-core parts of the country's 5G network.

The government has not confirmed these reports and has said it will issue its verdict in an upcoming telecoms supply chain review.

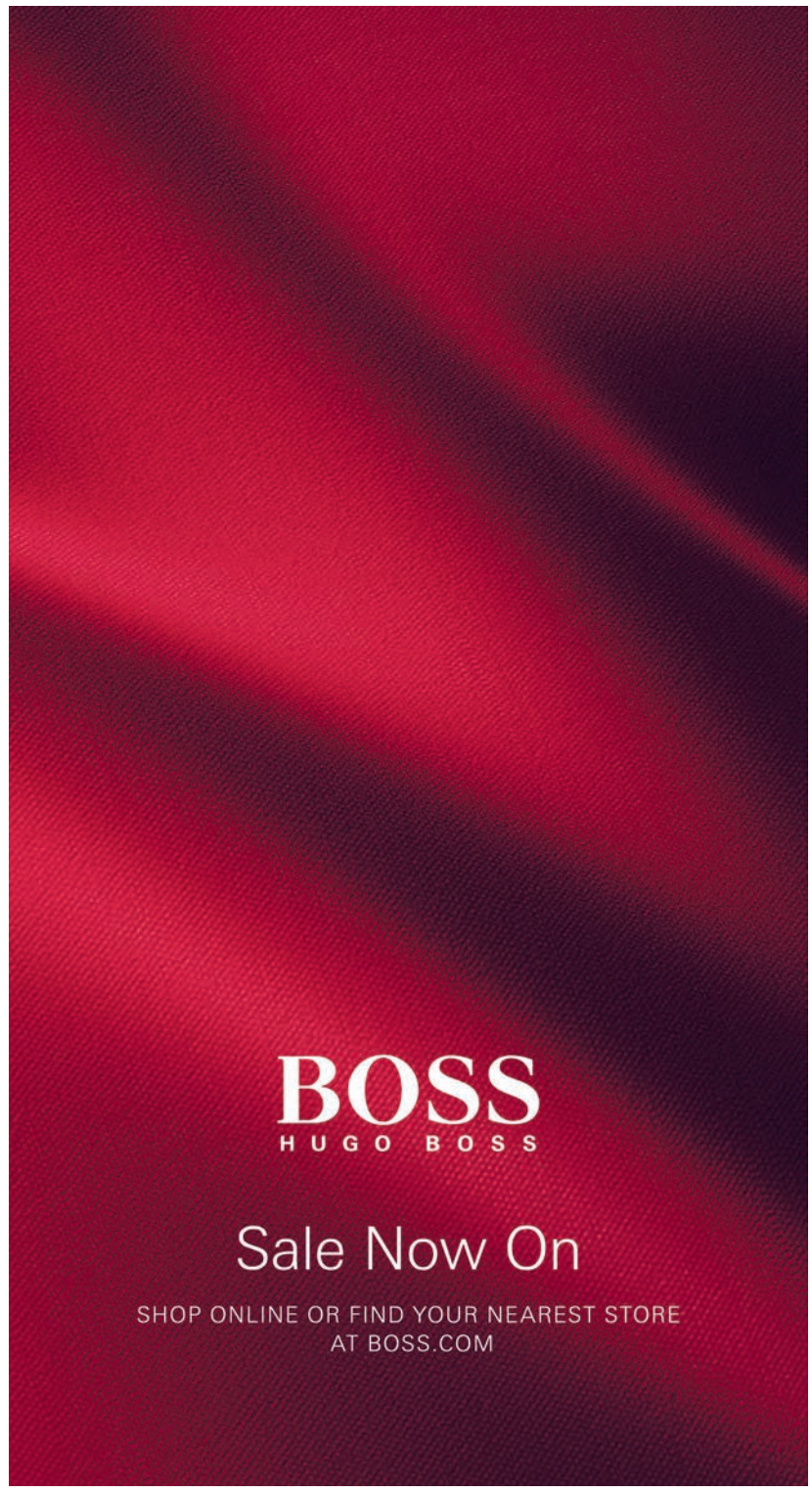
Foxconn has capacity to handle iPhone demand outside China

YIMOU LEE

FOXCONN, the world's top contract electronics assembler, said yesterday it had enough capacity outside China to meet Apple's demand in the American market if the need should arise for the iPhone maker to adjust its production lines due to the US-China trade war.

The comments come as US President Donald Trump has threatened to slap further tariffs on $300bn (£235.7bn) worth of goods from China – where the bulk of Apple's devices are assembled.

The country is also a key market for the firm. *Reuters*



Hong Kong billionaire sues West End property group Shaftesbury

CALLUM KEOWN

@CallumKeown1

HONG Kong billionaire Samuel Tak Lee has launched legal proceedings against Shaftesbury, one of London's largest landlords, over a controversial capital raise, the company revealed yesterday.

West End property group Shaftesbury said Lee, its largest shareholder, was suing the company over a share placing in December 2017, seeking £10.4m in damages.

The pair have been embroiled in a public and heated dispute over the past 18 months.

Lee, who owns a 26 per cent holding worth £700m, claims Shaftesbury's board approached rival shareholder Norges Bank more than a month before the capital raising, but only notified him on the morning of the announcement.

The property magnate, who threatened legal action earlier this year, said he was left with just hours to secure finance to acquire new shares and maintain his own stake.

Shaftesbury, which owns huge swathes of West End areas such as Carnaby Street and Chinatown, has denied any attempts to actively reduce Lee's stake and said yesterday that the claims had no merit and would be robustly defended.a

Samuel Tak Lee is suing the Carnaby Street landlord over a share placing in 2017

CITY SOCIAL

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CITY AM CLUB

IT'S BETTER ON THE INSIDE

Bellway posts strong sales rise hours after fire

CALLUM KEOWN

1.03%

@CallumKeown1

HOUSEBUILDER Bellway reported strong sales growth and said it was on track for an earnings boost yesterday just hours after a fire devastated one of its developments.

The FTSE 250 firm reported a 4.7 per cent jump in reservations over the period from 1 February to 2 June, to an average of 244 per week.

The developer also said it had acquired 10,620 "financially attractive" plots of land – an increase on the previous year – to keep it on course to meet next year's growth targets.

It added that customer confidence was "resilient" despite ongoing political uncertainty, and that the cancellation rate since 1 August had dropped 13 per cent in March to 12 per cent at the beginning of June.

Chief executive Jason Honeyman said: "Going forward, we are on track to deliver further earnings growth this financial year and beyond that, our strong balance sheet ensures that Bellway is in a good position to continue its long term strategy."

Its forward order book also rose 2.7 per cent to 6,312 homes.

The trading update came after a fire devastated a Bellway development in Barking on Monday, destroying 20 flats with wooden balconies and damaging a further 10.

Residents had previously raised concerns with the company over potential fire hazards, according to reports.

A residents' association group urged Bellway to review the De Pass Gardens flat after a BBC Watchdog investigation last month claimed Persimmon and Bellway new-build homes were not fire safe.

Bellway said it was a "very serious issue" and it was working to establish what happened.

A company spokesman added Bellway was "relieved that the fire protection measures... ensured that occupants were safely evacuated".

The developer ignored the fire in its trading update, instead focusing on entirely on its financial results.

Despite the positive numbers, shares in the company dropped more than one per cent to 2,796p in the aftermath of the blaze.

European builders lead the way in use of robots in construction

ALEX DANIEL

@alexmdaniel

EUROPE's construction sector is streets ahead of the US and China when it comes to the use of robots, according to research – but Britain remains in the slow lane.

Building sites in Eurozone countries average 1.2 robots per 10,000 workers, higher than the US, which has 0.2, and China, with 0.1.

A report by ING found there is a significant difference within European countries, however – with Britain trailing behind the likes of the Netherlands and Belgium.

Britain only has 0.3 robots per 10,000 workers, while the Netherlands and Belgium have 1.5 and Germany has 0.8.

ING senior economist Maurice van Sante said: "European builders are frontrunners when it comes to robotisation. However, there is still variation between European countries. High wage costs in these countries [Belgium and Netherlands] mean that robotisation is more likely to be financially attractive."

Mortgage loans grow in strong start to the year

CALLUM KEOWN

@CallumKeown1

THE UK mortgage market enjoyed a solid start to the year as residential lending and new mortgage commitments both rose.

The outstanding value of all residential mortgage loans rose to £1.45bn in the first quarter, a 3.4 per cent rise on a year earlier.

The value of new mortgage commitments also rose 4.5 per cent to £63.8bn, the Bank of England's latest mortgage lenders data revealed yesterday.

Mortgage loans with a loan to value (LTV) ratio of more than 90 per cent increased to 4.5 per cent, compared with 3.3 per cent the previous year, despite the Prudential Regulation Authority airing its concerns over "risky lending".

The proportion of high loan to income lending – loans higher than four times the annual income or three times for joint buyers – rose 0.8 percentage points to 45 per cent.

Private Finance mortgage consultant Chris Sykes said high LTV lending should not be written off as "risky practice".

He said: "For many first-time buyers high LTV loans are their only route onto the property ladder, and with today's stringent affordability checks in place, this should be seen as a viable choice."

However, the total loan balances in arrears continued to fall, reaching 0.99 per cent – the lowest since the Bank's research began in 2007.

Managing director of mortgage provider Responsible Lending, Keith Haggart, said "opportunistic" first-time buyers were taking advantage of high LTV mortgages.

He said: "There is a developing trend which means buyers are borrowing over longer periods, and this can drive up the LTV, helping them to keep more cash in their pocket.

"This means that what first appears to be a case of first-time buyers shrugging off the Brexit gloom and borrowing more, is actually really just a case of putting down smaller deposits.

"This may be because they want more flexibility in their household finances," he added.

Crest Nicholson reports profit slump on continued Brexit uncertainty

JESS CLARK

@jclarkjourno

CREST Nicholson reported a fall in half-year profit yesterday as Brexit uncertainty kept house prices flat across the south of England.

Revenue was £501.9m, up seven per cent on the same six-month period last year 2018 while profit before tax fell 11 per cent to £64.4m.

The company had net cash of £25.6m, less than the £58.2m it had in 2018, and net debt was £68.3m.

Basic earnings per share were 20.2p, down 12 per cent. The dividend per share remained the same at 11.2p, the company said in its half-year results.

The property developer is shifting its business from the high-end, south-east England-focused housing market to a focus on partnerships.

During the six months, the housebuilder partnered with the Sovereign Housing Group in a £230m joint venture in Bristol.

Last year, Crest Nicholson issued its third profit warning in three years, blaming the difficult market and uncertain political environment.

The company announced earlier this year that chief executive Patrick Bergin would be replaced by boss of rival firm Galliford Try in September.

US President Donald Trump has repeatedly attacked the US central bank

Trump attacks euro and repeats criticism of US Federal Reserve

HARRY ROBERTSON

@henrygrobertson

US PRESIDENT Donald Trump yesterday accused the Eurozone economies of devaluing the single currency to put the US at a disadvantage, and renewed his attack on his country's central bank.

Trump said on Twitter: "The euro and other currencies are devalued against the dollar, putting the US at a big disadvantage. The Fed Interest rate way too high, added to ridiculous quantitative tightening! They don't have a clue!"

Trump has repeatedly called on the Fed to cut interest rates, which he has said would make the economy "rocket". Yesterday, he claimed the central bank's rates policy was "very, very destructive".

Last week official data signalled that the US jobs boom was slowing, which could encourage the Fed board to consider an interest rate cut when it meets next week.

Trump also tweeted yesterday: "The United States has VERY LOW INFLATION, a beautiful thing!"

Waitrose goes plastic-free as Britons flock to greener pastures

SUPERMARKET chain Waitrose has begun a trial to cut down on plastic packaging by removing it from flowers and plants, offering loose fruit and vegetables and allowing customers to refill their own containers with produce such as pasta, rice and cereals. In a UK first, customers can also 'borrow a box' to take their produce home for £5, which is refundable once returned.

Large brands are increasingly changing their plastic policies in response to growing public sentiment on the issue.

Recent YouGov research found that almost half of Britons (46 per cent) feel guilty about the amount of plastic they use and the majority (82 per cent) are actively trying to reduce the amount they throw away. Additionally, the most common items where Brits are trying to reduce single-use plastic consumption are fresh fruit and vegetables (81 per cent).

A YouGov poll last week revealed that although most consumers would still prefer to buy individual packets of food (39 per cent), over a third (34 per cent) would prefer to use containers to buy and refill dry goods as now offered by Waitrose proving there is an interested market. This option is most popular with 18 to 24 year olds (42 per cent).

Since the trial was announced last week, YouGov Brandindex data shows a positive impact on Waitrose's brand. Buzz scores (a net measure of whether consumers have heard anything positive or negative about the brand in the last fortnight) increased from +5.8 to +9.4, and by 6.8 points among the 18 to 34 age range (from +6.7 to +13.5).

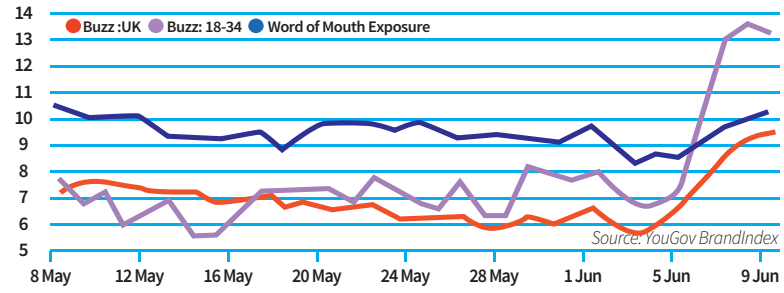
It's clear that brands which help consumers reduce their use of plastic provide something of real value to a public that has become very aware of the damage they cause.

Shops that can provide more eco-friendly options could also become more popular with younger audiences.

Waitrose's Word of Mouth Exposure score (whether someone has talked about the brand with friends and family in the last two weeks) increased from +8.3 to +10.2 since the trial began, suggesting that the initiative has resonated enough with consumers to be a topic of discussion.

Stephan Shakespeare is chief executive of YouGov

WAITROSE PLASTIC-FREE INITIATIVE GARNERS POSITIVE ATTENTION



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Saga teams up with Goldman in savings offering

JAMES BOOTH
@Jamesdbooth1

2.77%

OVER 50s insurance and tourism group Saga announced yesterday it is partnering with Goldman Sachs to offer savings products to its clients.

The move is part of a strategy aimed at turning the company around after a poor run of results.

In April its shares dived 40 per cent after it warned Brexit uncertainty was hitting its travel business and price comparison sites were eating into its insurance margins.

Saga is partnering with Goldman Sachs' retail banking offering, Marcus, which launched in the UK in September 2018 and has since attracted over 250,000 customers.

Saga said it will launch new products with Marcus from autumn 2019.

Saga said the announcement is "one of several strategic initiatives by the group that are aimed at returning Saga to its heritage of delivering high-quality products and services to its customers."

Chief executive Lance Batchelor said: "This is an exciting time for Saga and our customers as we announce our new long-term savings partnership. We know that our customers hold a large proportion of their wealth in savings and want to know that they're getting a great return with a brand they can trust."

Harit Talwar, global head of Marcus, said: "We are excited to collaborate with brands such as Saga and to provide savings products to their customers. This partnership is an example of our ambition to bring our global scale and deep capabilities to meet a broad range of personal finance and investment needs."

Marcus, named after the bank's co-founder Marcus Goldman, offers an annual equivalent rate of 1.5 per cent, including a 12-month bonus rate of 0.15 per cent.

Saga's share price fell 2.77 per cent to 40p.

UP DOWN UNDER Australia surge drives more passengers to fly from Heathrow

TRIPS to Australia spiked last month, helping to drive up the number of passengers at Heathrow for the 31st month in a row. More than 6.7m passengers travelled through London's biggest airport in May, up 1.4 per cent, it confirmed yesterday.

Ted Baker share price frays as it warns on profit

JESS CLARK

@jclarkjourno

TED BAKER's share price plunged nearly 30 per cent yesterday after the fashion retailer warned on profit amid "extremely difficult trading conditions".

The company said underlying profit before tax for the year ending 25 January 2020 is likely to be between £50m to £60m, compared to a company compiled consensus of £70.9m.

Ted Baker blamed the negative outlook on consumer uncertainty and increased promotional activity, which it expects will continue to impact its trading performance.

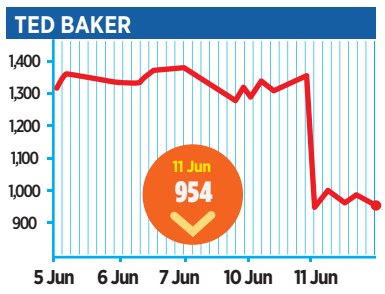
It reported a 3.8 per cent increase in group revenue between 27 January and 8 June in the trading update yesterday. Meanwhile, total retail sales, including e-commerce, declined 0.3 per cent.

The profit warning arrived as the retailer attempts to move on from a misconduct scandal that saw founder Ray Kelvin leave the firm.

Finance chief Lindsay Page replaced Kelvin in April after the firm posted its first annual profit drop since the financial crisis.

Page said: "As a team, we are proactively addressing the challenges we face as an industry.

"Several of our new product initiatives will commence imminently and we are confident in our collections for the coming season."



Compass has acquired Fazer Group, which has operations across the Nordic region

Due north: Compass snaps up Nordic food firm in €427m deal

JAMES BOOTH

@Jamesdbooth1

FTSE 100 catering business Compass said yesterday it had agreed to buy food business Fazer Group in a €475m (£422m) deal.

Fazer Food Services has operations in Finland, Sweden, Norway and Denmark across several sectors including business, industry, education, healthcare and defence.

Compass chief executive Dominic Blakemore said the deal would allow the company "to further enhance our customer proposition in the Nordic market."

It said the deal will achieve returns greater than the cost of capital by the end of its second year.

Ryanair grows with launch of Maltese branch

CHRIS SCICLUNA

RYANAIR agreed yesterday to establish a Malta-based carrier to grow its presence on the island and access to North Africa, adding another subsidiary to its group of airlines.

Ryanair has been moving to a structure similar to that of British Airways-owner IAG by operating an increasing number of subsidiaries, including Austrian and Polish airlines Laudamotion and Ryanair Buzz, as well as its main Dublin-based Ryanair.

After the Maltese government said it was in advanced talks with Ryanair about setting up the subsidiary, the Irish airline announced it would do so through the purchase of Maltese startup Malta Air, into which it will move its six aircraft currently based in the country.

"Malta Air will proudly fly the Maltese name and flag," Ryanair chief executive Michael O'Leary said in a statement.

Europe's largest low-cost airline said it planned to increase its fleet on the island to 10 aircraft within three years and rebrand them as Malta Air for summer 2020. *Reuters*

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HAS GOVE BLOWN IT?

City A.M.'s head of politics **Owen Bennett** – the man behind Michael Gove's cocaine confession – says there's still hope for the environment secretary

WHEN the front pages of weekend newspapers began to spill online last Friday night, I realised a story I had been working on for a year was about to explode.

'Gove: My cocaine confession' was the most stark headline, accompanied by the first instalment of a serialisation of my unauthorised biography of the environment secretary.

The book contained the revelation that during the preparation for his 2016 leadership bid, Gove admitted to aides he had previously taken cocaine. He was advised not to reveal that in public, and instead use the so-called David Cameron defence that everyone is entitled to a private life before entering politics.

When the story was put to Gove, he admitted he had taken the drug on "several social occasions" – leading a host of Sunday newspapers to splash the story on their front pages too.

The story dominated the weekend's news agenda and ultimately overshadowed Gove's leadership campaign launch on Monday.

For Gove, it was a devastating – perhaps fatal – blow to his hopes to succeed Theresa May as Conservative leader. While he was answering questions at his leadership launch about his past drug use, foreign secretary Jeremy Hunt was able to build his own campaign event around the unveiling of two high-profile new backers: work and pensions secretary Amber Rudd and defence secretary Penny Mordaunt.

Since the revelations, no new MPs have announced their support for Gove, and his pitch as being the man to stop the frontrunner – Boris Johnson – is faltering.

Gove is determined to get his campaign back on track, and there is no doubt he has the character and tenacity to succeed.

Unlike others in the so-called "Notting Hill set" of young Tories who sought to reform the party at the beginning of the millennium – David Cameron, George Osborne and Ed Vaizey – Gove did not come from great wealth or a family connected to the British establishment.

Born Graeme Logan on 26 August 1967, he was adopted by an Aberdeen couple, Ernest and Christine, when he was four months old.

The Gove family earned their living from the sea, with Ernest running the family fish processing business. Recognising Gove's prodigious talents – he was a voracious reader and sparkling debater – the family sent their son to a private school in Aberdeen, from which he went to Oxford University.

After university, he entered the world of journalism, but whereas his Oxford contemporary Boris Johnson walked into a job at the Times and then the Telegraph, Gove had to return to his home town of Aberdeen to work on the Press and Journal newspaper. From there, he fought his way on to the BBC and the Times, before entering parliament in 2005.

His battling spirit has shone through in his time in government, most notably during his four years as education secretary between 2010 and 2014. He was unafraid to take on the teaching establishment – which he nicknamed "the Blob" – as he delivered the most fundamental reforms to education provision in England and Wales since the 1960s.

As justice secretary, he challenged traditional Conservative notions of crime and punishment, insisting society needed to search for the "treasure in the heart of man" and that rehabilitation was a vital part of incarceration. His time as environment secretary has seen him champion green causes – a reverse on his position in 2010 when he did not support a charge on plastic bags.

Gove is clearly a fighter, not a quitter, and if he was in charge of the Brexit negotiations there is no doubt he would strain every sinew to get a deal with Brussels but would also step up preparations for a no deal Brexit. Instead, he would return to May's much derided mantra that no deal really is better than a bad deal.

One blindspot for Gove is the world of enterprise. As a Conservative who grew up in the Thatcher era he is naturally pro-business and highly supportive of disruptive capitalism that challenges and remoulds conventional thinking. Yet his entire adult life has been in media and politics, meaning unlike rivals such as Jeremy Hunt and Sajid Javid, he does not know what it takes to start your own business or establish yourself in a global corporation.

Gove will know this. If he does become Prime Minister, we can expect him to launch a listening exercise with the City as he tries to absorb all the knowledge available to him – in the same manner he used to read encyclopedias when he was a schoolboy in Aberdeen.

Whether he becomes Prime Minister depends on if he can persuade enough MPs to back him as the man to beat Johnson, in a run-off to be decided by Conservative party members.

He insists his campaign is not dead, and once the conversation moves away from past misdemeanours and on to policy and competency, he will be victorious.

There are some signs of hope. Johnson has yet to submit himself to a grilling from the media, and he has questions to answer about his own past behaviour. Hunt may have assembled a broad church of supporters, but it will be interesting to see if he can keep to a line on Brexit which pleases the Remain-supporting Rudd and the Brexit-backing Mordaunt. Javid's campaign is yet to crank into life, while Hancock may be a little too junior for Tory MPs and members looking for a strong hand on the tiller at this time of national crisis.

Gove could bounce back. He has before – from the backbenches after betraying Johnson in 2016 – but making it to the final two in this race would be one of the greatest achievements of an already-successful political career.

I can beat Boris and I will stick up for the City

Rory Stewart tells **Alexandra Rogers** why big tent politics can make him PM

RORY Stewart may have walked through the Afghanistan desert, written several books and even served as a deputy governor in Iraq during the war, but the greatest challenge of his career to date could be far closer to home: beating Boris Johnson.

The international development secretary's softer stance on Brexit and conciliatory approach has forced people to question whether he can take on Johnson's soundbites, which so far include withholding the UK's £39bn divorce bill and leaving the EU with or without a deal come 31 October.

But Stewart, an outsider in the race who has upped his profile with a social media campaign targeting ordinary voters, does not share their scepticism. He believes he is the only candidate who is able to take on Johnson, the undisputed frontrunner in this race.

Having secured the support of the eight MPs needed to make it to the first round of the contest, Stewart told *City A.M.* he can find the 17 needed to progress to the next stage.

"I'm getting more and more support and I am confident I can make it to the second round," Stewart says.

"If I can get to the TV hustings stage, that's where I can perform. That's where my strengths are. I can outcommunicate Boris."

Certainly, Stewart has pitched himself as the antithesis to Johnson. "I am the only candidate that is acknowledging reality," he says. "Everyone else is pretending they can get a different deal from Brussels, and they will end up letting everyone down."

Cabinet minister Stewart officially launched his leadership campaign yesterday

Stewart claims his refusal to unveil any "fancy" spending plans places him apart from his rivals. Johnson caused a stir on Monday when he pledged to increase the higher rate income tax threshold to £80,000, in a move that would benefit 3m people. Foreign secretary Jeremy Hunt has come out with his own hawkish proposal to increase defence spending above the current two per cent of GDP, while environment secretary Michael Gove has vowed to ditch VAT.

"I won't spend money we don't have," Stewart – who counts Bank of England governor Mark Carney as a friend – declares. "Tax cuts have to be affordable and to do that we have to avoid a no-deal Brexit. The impact of a no-deal Brexit would far outweigh any of the fancy economic policies the other candidates are coming out with. Our brand is for economic competence, and we need to defend that."

One thing he says the country needs to be less defensive about is the success of the City. Stewart rejects the notion that the capital has received too much investment. On the contrary, he thinks it hasn't had enough.

> **I'm really proud of the City of London. If I look at the things driving this country, it is the City itself**

"I'm really proud of the City of London," he says. "If I look at things that drive this country, it is the City itself. We shouldn't be defensive about it, we should embrace it."

Stewart could have hardly chosen a more fitting place to join this crowded leadership race than the South Bank circus that hosted his launch last night. But the Tory who welcomes everyone into his tent will have to pull some tricks out the bag if he wants to win over his own troupe.

Trafigura profit almost doubles in strong half

JULIA PAYNE

TRADING house Trafigura's profit nearly doubled after strong performance from its oil and gas desks helped to offset weakness at the metals division and losses at key associates.

Net profit jumped 92 per cent in the first six months of the financial year, to $425.7m (£335.14m).

Trafigura put its fortunes down to good market conditions and a restructuring of its oil desk.

Rivals such as Vitol and Gunvor have also showed good profits in the first half of this year.

"Our performance was also enhanced by our market-leading position in strategic commodity flows, notably the increase in exports of crude oil and liquefied natural gas from the United States," Trafigura said yesterday.

Core earnings were up 69 per cent at $1.1bn, with gross profit rising 50 per cent to $1.47bn.

On the downside, the metals and minerals book's contribution to gross profit fell by about a third to $437m while key associates posted losses.

Trafigura said it had combined losses of $104.3m at its mid-stream company Puma Energy, Brazilian iron ore port Porto Sudeste and Tendril Ventures (Nayara Energy), its Indian refining venture with Russia's Rosneft.

Its total debt – the heaviest among trading houses – rose to $32.7bn from $32.2bn over the six-month period.

Adjusted debt, which excludes inventories and securitisation programmes and is the company's preferred metric, rose to $7.59bn from $6.04bn.

Total interest paid rose 30 per cent to $732m and net financing costs also increased by roughly the same percentage to $316m, as borrowings rose and one-week dollar Libor rates soared 68 per cent versus the same period last year. *Reuters*

Analysts believe there is "still appetite for big developments in UK waters"

Total cements place as UK's top gas producer with a new field

AUGUST GRAHAM

@AugustGraham

FRENCH oil major Total yesterday said it had started production at a gas field which at its height may provide 10 per cent of Britain's demand.

The Culzean field, which is a part-owned by BP and JX Nippon, came in ahead of time and under budget.

Culzean was discovered in 2008, becoming the UK's biggest gas discovery since 1991 at 1.4 trillion cubic feet of gas. Total's shares were up 1.4 per cent yesterday to €48.47.

"Culzean will play a big part in [Total] being the biggest UK gas producer for the foreseeable future," said Wood Mackenzie's Glenn Morrall.

Aero firms fight for sales before Paris Airshow

TIM HEPHER

AIRBUS and Boeing are battling for wide-body aircraft orders worth well over $10bn (£7.86bn) as the clock ticks towards next week's Paris Airshow, sources said.

The contests include a fight for business at Philippines budget airline Cebu Air as Airbus seeks a new foothold for its slow-selling A330 Neo airliner in the face of competition from Boeing's 787 Dreamliner.

The budget carrier is leaning towards breaking its exclusive ties with Airbus by selecting the Boeing 787 to meet its requirement for up to 16 wide-body jets to be delivered in 2020 and 2021, but negotiations are set to go down to the wire, the sources said.

None of the parties agreed to comment on any confidential aircraft negotiations.

Airbus is urgently looking for at least two new buyers for the upgraded A330 Neo model, while wrestling with some glitches and delays in production for the 250-300-seat aircraft.

Cebu Air has eight older versions of the A330 wide-body and a fleet of A320-family aircraft. *Reuters*

ADVERTISEMENT FEATURE

BACK TO BASICS

Richard J Hunter looks at the basics of investing and discusses what new investors should be taking into consideration

For some, the thought of putting together a portfolio is for "other people" and far too complicated. There will also be those who have covered most of their financial bases (such as the mortgage, life insurance and a "rainy day emergency fund") who are now ready to take the plunge with a full share portfolio.

In terms of absolute basics, these are some of the things to consider.

Before constructing a portfolio, you need to have decided on your attitude to risk (low, medium or high) and whether you require capital growth or income (or a mixture of both).

You can then begin thinking about the balance. The key thing to remember here is not to have all your eggs in one basket.

Just as the best companies have diversification within their business models, so investors should have a diversity of companies within their portfolio.

Diversity provides the ability to benefit from different sectors when they are performing well, rather than relying on just one.

So, if a particular share or sector is not performing, a range of stocks will mean that this poor performance does not disproportionately affect the whole portfolio.

A UK investor may be largely invested in UK stocks because these are businesses which we can feel, touch and thus understand – this is sometimes referred to as "home bias".

Richard J Hunter is Head of Markets at interactive investor

You may even already have a portfolio, perhaps by way of privatisations, inheritance or you have shares in the company you work for.

If this is the case, you may find that your portfolio is already skewed towards certain sectors, so bear this in mind when selecting future stocks to maintain balance.

For more experienced investors – and indeed those whose available funds to invest are sufficient – there is also the need to consider geographical diversification.

Growth opportunities exist everywhere. The recent correction in markets worldwide threw up some interesting buying opportunities.

Also, the economies of the likes of China and India continue to grow apace and certain developing countries' shares have shown significant growth.

One such way to access overseas shares could be via a fund, which will invest in a basket of shares, rather than investing in overseas shares directly, which can be more expensive. Alternatively, Exchange Traded Funds (ETFs) are now widely available to track a certain country and/or index.

There is also the need to consider diversification between what are known as "defensive" and "cyclical" shares.

Defensive shares are best described as being industries which are largely unaffected by different parts of the economic cycle, because they provide certain services.

For example, the utility companies are classically defensive shares. Whatever the state of the economy, we all continue to need water, electricity and gas.

Other sectors, however, are more cyclical by nature, and their fortunes will change as time goes on.

For example, at certain times during the economic cycle, the makers of luxury goods and certain retailers will benefit from the consumers' feel good factor.

> "The key thing to remember here is not to have all your eggs in one basket

Conversely, when things turn tough, so can the performance of these companies' shares. The different seasons of the year can also result in a company having busy and quiet periods.

Finally, there is the question of weighting. You may decide that you particularly favour banking and retail shares, for example.

Thus, your portfolio might consist of 20% invested in each of these sectors, with the remaining 60% spread around other sectors and regions.

The main thing to remember is that by spreading your choices, you have some protection if certain parts of your list perform badly.

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THE HIGH STREET IS IN GRAVE DANGER

We must act now to save our high streets across the UK from total collapse, writes **Andy Street**

British high streets have faced a tough few years at the hands of changing habits and online giants

FOR DECADES, the local high street has been the jewel in the crown of UK towns and cities, boasting an array of thriving local businesses and big-name stores. However an outdated business rates system, coupled with the rise of online retail giants, has left them in grave danger.

This is a watershed moment for our high streets, and we must act now to save them.

A first step in any response must be overhauling business rates which, at best, are past their sell-by date.

The current system – which we must not forget makes up only four per cent of overall taxation – penalises those businesses which rely disproportionately on having large properties, not least retailers and manufacturers.

There have been some valiant attempts to address this. In the autumn budget of 2018, Philip Hammond announced a one third relief for businesses with a rateable value of under £51,000. This was welcome news for many small retail businesses, but we cannot keep using reliefs as sticking plasters to fix a system which is fundamentally broken.

Since I was appointed managing director of John Lewis more than a decade ago, what to do about the business rates conundrum has been at the forefront of my mind. It is clear that the current system is having a detrimental effect on small businesses (SMEs), yet at the same time business rates are a key income generator for the Exchequer. And in areas of 'business rate retention', like the West Midlands, they help pay for significant strategic investments.

During my appearance at the Treasury Select Committee last week I suggested several options to help, including giving local authorities the power to reduce business rates for new and expanding businesses; and giving a 100 per cent relief to public sector organisations – such as the NHS – who would bring their services into high street locations.

These reliefs could be funded by greater online taxation and from increased council tax revenue, as more homes are built in town centres. This would give businesses much-needed help, whilst also boosting town centres and allowing local authorities to maintain their revenue streams.

This was offered as one potential idea and I am sure others will have many more, but these can only be incorporated if the new incoming Conservative government undertakes a wholesale review of the business rates system. The longer we wait the more strain will be put on our high streets, and so a review is needed urgently.

However business rates are only one form of taxation for SMEs, who also face corporation tax, employers' national insurance and VAT. For a small business trying to prosper and grow, administering these different taxes can be overwhelming.

Nick King and the Centre for Policy Studies in their report "Think Small" have suggested real simplification through an all-in-one flat turnover tax for businesses who make less than £1m a year. In principle this is an idea I would very much support, and would urge the Treasury to explore fully.

A final area of taxation that must be looked at again is the tax paid by online businesses. As an example last year Amazon paid only £4.6m in corporation tax, and that is, quite simply, not right. The chancellor has made a brave start start in addressing this by introducing a digital services tax in last year's Budget. Nevertheless, this area must be explored much further. As the digital economy grows, our tax system must reflect that change.

Despite this we must not fall into the trap of thinking reform of taxation alone will revive our high streets. That needs a much wider plan to re-define the make-up of town centres, looking beyond retail to encompass more homes, public services, and a range of businesses including startups.

To do this I have suggested designating town centres 'free trade zones', something that has unquestionably worked in Asia and the Middle East. These zones, which would be similar to our successful Enterprise Zones, would incorporate suggested changes to business rates whilst also improving local policing and infrastructure, and introducing special planning conditions to allow rapid change of uses – perhaps from retail to residential.

This builds on my 12-point blueprint for the modern town centre, which incorporates everything from taxation to housing and safety to transport.

Here in the West Midlands, we are absolutely committed to reimagining our town centres, which is why I have introduced a Regional Town Centre Task Force.

Chaired by Jon Bramwell, managing director at HSBC UK Commercial Banking, and incorporating prominent figures from the worlds of retail, development, finance, housing, education, community groups and government, the group is designed to think broadly about a problem which goes well beyond retail to the heart of our communities.

Our high streets are in peril. But if coordinated action is taken now, there is still time for them to thrive once more.

Andy Street is a former managing director of John Lewis and now mayor of the West Midlands region

Amazon steals crown as most valuable brand

JAMES WARRINGTON

@j_a_warrington

AMAZON has surged past tech rivals Apple and Google to be crowned the world's most valuable brand.

The e-commerce giant jumped in brand value by 52 per cent over the last year to reach $315.5bn (£405.9bn), according to the latest figures from WPP and Kantar.

It is the first time in 12 years that either Apple and Google have not held the number one spot.

Amazon's ability to offer a diverse range of products and services, combined with its customer service, was key to its success, according to the annual Brand Z report.

Microsoft and Visa enjoyed significant growth in brand value, taking fourth and fifth place respectively.

But it was a tough year for social media platforms, as declining trust took its toll.

Only Instagram bucked the trend, posting a massive 95 per cent growth to finish in 44th place.

"These brands are responding best to a volatile world in which they must continually anticipate, and re-set, evolving consumer needs and expectations," said Graham Staplehurst, Kantar's global strategy director for Brand Z.

THE BRAND Z TOP 10 MOST VALUABLE GLOBAL BRANDS 2019

NAME	BRAND VALUE ($BN)
Amazon	315
Apple	309
Google	309
Microsoft	251
Visa	178
Facebook	159
Alibaba	131
Tencent	131
McDonald's	111
AT&T	108

Beyond Meat sells vegan burgers, which look and cook more like traditional beef

Overcooked: Beyond Meat slides as JP Morgan downgrades stock

NIVEDITA BALU

SHARES of Beyond Meat fell as much as 26 per cent yesterday after one of the stock's lead underwriters, JP Morgan, downgraded it, saying the exponential growth expected from the plant-based burger was now priced in.

Beyond Meat has surged over 69 per cent in two days since it forecast overall sales to more than double.

JP Morgan analyst Ken Goldman cut the stock rating to "neutral" from "overweight" and said it was "purely a valuation call".

The stock, which has quadrupled in value since debut in May, is "beyond our price target," he said.

Beyond Meat's shares closed down 25 per cent on Wall Street last night.

However Goldman raised the firm's price target for the second time in three days to $121, after raising it by $23 last Friday on the upbeat forecast.

Beyond Meat's projections also prompted at least three brokerages, including JP Morgan's Goldman, to raise their price targets. *Reuters*

Augmentum to double in size in £150m raise

EMILY NICOLLE

@emilyjnicolle

LONDON-LISTED fund Augmentum Fintech is courting a £150m capital raise, which would more than double the size of the company.

The fintech-focused firm said in a filing it intends to create up to 150m new shares, valued at a total of £150m, subject to shareholder approval.

The capital would allow the firm "sufficient flexibility to take advantage of the identified pipeline and current fintech opportunity in the UK and wider Europe".

A spokesperson for Augmentum Fintech said it could not comment on timings for the raise, but that the capital would be used within the next 18 months.

The move comes as the fund released its first full-year results this morning, following its markets debut last year.

Its portfolio was valued at £77.6m as of the end of March, including gains of £12.2m in the valuation of its companies including peer-to-peer lender Zopa and Interactive Investor.

Net asset value per share increased 10.7 per cent to 109.6p.

CITY DASHBOARD

YOUR ONE-STOP SHOP FOR BROKER VIEWS AND MARKET REPORTS

LONDON REPORT

Price of Chinese iron ore helps pull up FTSE 100

Mining giants helped push up the FTSE 100 yesterday as China announced increased local government spending. Firms were also boosted by Chinese iron prices which jumped nearly six per cent.

Evraz, **Antofagasta**, **Rio Tinto**, **Glencore** and **BHP** rose between two and four per cent each. They were all among the highest risers on the blue chip index.

The FTSE 100 index, buoyed in the past week by hopes of more monetary and fiscal stimulus globally, rose 0.3 per cent to its highest in nearly six weeks, gaining for the seventh straight session.

The midcap index was up 0.1 per cent, while the main index is on course for its biggest monthly gain since January.

The price of iron ore futures for September delivery on the Dalian exchange increased 5.9 per cent to 760.5 yuan.

Troubles on the high street were reflected on the small- and mid-cap indexes, with **Ted Baker** falling nearly one-third to a six-and-a-half year low after warning profits would come in well below analysts' expectations.

Fast-fashion retailer **Quiz** fell 23.2 per cent after reporting a 94 per cent slump in underlying pre-tax profit.

Safety equipment maker Halma topped the FTSE 100 leaderboard with a 4.1 per cent gain after reporting a surge in earnings, driven by strong demand in the US, its largest market.

Among midcaps, shares in the listed fund run by money manger Neil Woodford, **Woodford Patient Capital Trust**, broke a seven-day losing streak to rise 7.5 per cent on their best day in over a year.

Ted Baker fell to a six-and-a-half-year low after a profit warning

Support services group **Stobart** climbed to a session high after saying that a court of appeal denied former boss Andrew Tinkler's application to challenge parts of an earlier ruling which was in favor of the company. Shares ended three per cent higher.

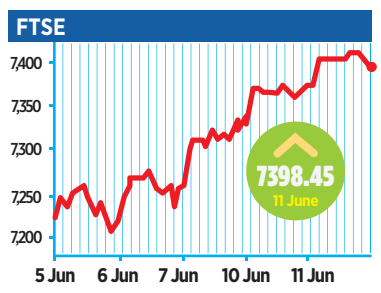
AIM-listed video advertising company **Taptica** tanked 40 per cent to a three-year low after it said Uber has alleged "fraudulent concealment, negligence and unfair competition" against the company in a complaint filed in a US court.

TOP RISERS

1. **Halma** Up 4.10 per cent
2. **Just Eat** Up 3.96 per cent
3. **NMC Health** Up 3.75 per cent

TOP FALLERS

1. **Centrica** Down 1.84 per cent
2. **Hargreaves Lans.** Down 1.80 per cent
3. **Tesco** Down 1.26 per cent



BEST OF THE BROKERS

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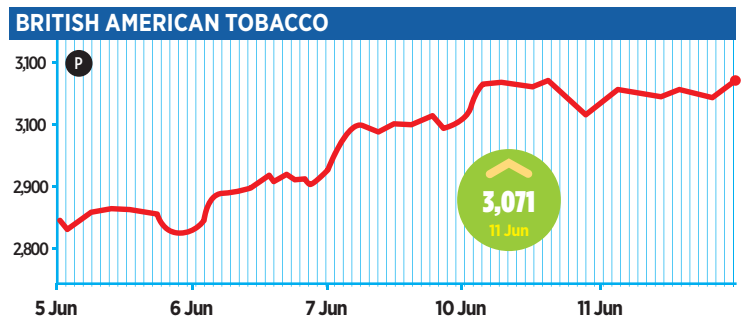
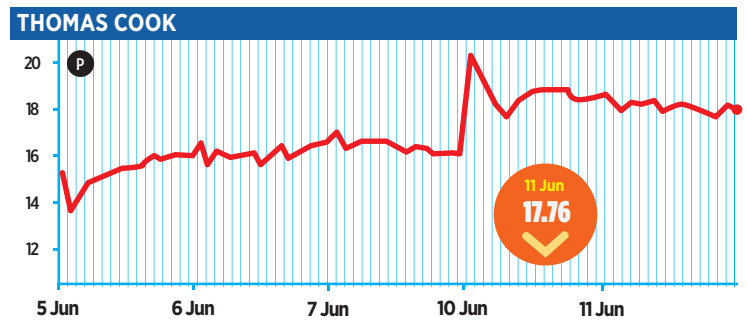
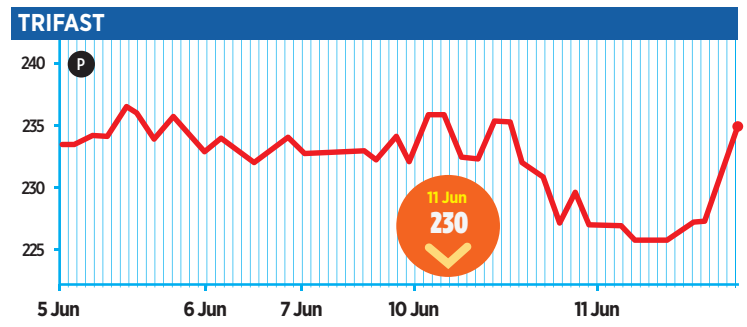


Analysts think British American Tobacco (BAT) shares will be sparking up after this morning's trading update. "Despite still looking very cheap, BAT's recent performance has been underwhelming , as renewed concerns about US industry volumes and continued regulatory overhang have weighed on the shares," said Jefferies. "BAT's overall cigarette volumes continuing to outperform the industry," they added. The trading update is expected to reaffirm trading in line with expectations. They gave it a "buy" rating and a target price of 4,800p.



Turmoil at Thomas Cook is hardly any surprise to investors these days, who have watched shares fall 85 per cent in the last year. But after Chinese company Fosun, which owns about 18 per cent of its stock, said it would buy the majority of the travel operator, things will either improve rapidly or come crashing down to earth, according to Barclays analysts. "Our break-up or sale scenario shows an upside case of 33p," they said. But they added: "If we step away from M&A, we think the fundamentals are challenging." They gave it an equal weight rating and a 17p target.



Industrial fastenings maker Trifast yesterday secured optimism among analysts, as its full-year profit before tax came in £200,000 ahead of expectations. Finncap researchers said the results were "pleasing". But they added: "The impact of UK automotive weakness and the effects of the Chinese-US trade dispute are being felt." "Market share and capabilities are still increasing and show the benefit of strong management and strategy." They gave it a target price of 270p, up on its closing price of 230p yesterday.

NEW YORK REPORT

Wall St treads water after recent rally

US STOCKS ended near flat and the Dow snapped a six-day winning streak yesterday, as investors paused following a run of gains and fresh worries emerged over the US trade war with China.

US President Donald Trump said yesterday he was holding up a trade deal with China and had no interest in moving ahead, unless Beijing agrees to four or five "major points" which he did not specify.

Separately, Trump said he would impose more tariffs on Chinese imports if there was no progress in talks with Chinese President Xi Jinping at the Group of 20 summit later this month.

Stocks were mostly higher in early trading amid lingering optimism over Trump's decision late on Friday to hold off import tariffs on Mexico.

Industrials and utilities indexes led the way lower, with the S&P 500 industrial index falling 0.9 per cent, weighed down by losses in **United Technologies** and **Raytheon**.

The Dow Jones Industrial Average fell 14.17 points, or 0.05 per cent, to 26,048.51, the S&P 500 lost 1.01 points, or 0.03 per cent, to 2,885.72 and the Nasdaq Composite dropped 0.60 points, or 0.01 per cent, to 7,822.57.

Recent optimism over trade tensions and the prospect of an interest rate cut by the Federal Reserve had helped stocks rally in recent sessions.

The market is betting the Fed will cut interest rates in July and cut two more times this year as Trump's hard bargaining on trade with Beijing and others could push the economy back into recession.

United Technologies fell four per cent and Raytheon shed 5.1 per cent, a day after Trump gave mixed signals on whether he believed the merger between the companies should go forward. On Monday, Raytheon edged higher while United Technologies lost 3.1 per cent.

The S&P utilities index on Tuesday was down 0.7 per cent.

Symantec fell after Morgan Stanley downgraded its stock.

CITY MOVES WHO'S SWITCHING JOBS

KPMG

KPMG has announced the appointment of Phil Abram as chair for its London region practice. Phil will work closely with management teams to oversee operations and drive the growth strategy across the five offices which make up KPMG's London region, (Cambridge, Norwich, Gatwick, Milton Keynes and Watford). In addition, he will lead the national market teams based in the firm's headquarters in Canary Wharf, which specialise in working with mid-market businesses. There are approximately 1,500 staff based across the firm's London region. Phil, who joined the firm in 1996, has been a partner for the last 14 years and previously led the firms transaction services practice and regional deal advisory team. Alongside his role as chair of the London region practice, he will continue to advise clients on their M&A activity and lead a portfolio of ongoing client relationships. Phil succeeds Kevin Smith who has been London region chair for the last four years.

REVIRAL

Reviral, a clinical-stage company focused on developing novel, antiviral compounds that target respiratory syncytial virus has announced that Alex C. Sapir has been appointed chief executive officer (CEO) and elected to the board of directors, effective 10 June 2019. Alex succeeds Dr. Eddy Littler, who will serve as chief operating officer. He brings to Reviral many years of combined strategic and commercial experience in the biotechnology industry. From 2016 through 2018, Alex was the president and CEO at Dova Pharmaceuticals. From January 2006 to May 2016, he served as executive vice president for United Therapeutics, During his 10-year tenure at United Therapeutics, Alex was responsible for all commercial-related activity, seeing the company grow to a firm generating $1.6bn (£1.3bn) annually. He began his career at Glaxosmithkline, where he served in a variety of strategic and commercial roles.

FTI CONSULTING

Romy Comiter has joined FTI Consulting as a managing director within the insurance global services team. Prior to her appointment she held senior positions at Mazars where she was a partner in the financial services team. Romy has been working in the insurance sector for more than 30 years, developing computer models and technology solutions to assist clients in managing large complex sets of data. Her primary focus has been claims, helping clients to assess, manage and mitigate liability, and her speciality is long tail claims such as asbestos, environmental contamination and various health hazard losses. Romy has designed and led large international claim audit programmes.

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

FTSE 100	FTSE 250	FTSE ALL SHARE	DOW JONES	NASDAQ	S&P 500
7398.45	19325.72	4041.37	26048.51	7822.57	2885.72
22.91	16.12	10.81	14.17	0.60	1.01

£/€	1.1228	0.0015	€/$	1.1326	0.0014
£/$	1.2723	0.0040	€/£	0.8898	0.0013
£/¥	138.11	0.5793	€/¥	122.95	0.2931

GILTS

	Price	Chg	High	Low
Tsy 3.750 19	100.73	-0.01	103.8	100.7
Tsy 2.000 20	101.48	-0.04	102.7	101.4
Tsy 4.750 20	102.99	-0.03	107.1	103.0
Tsy 3.750 20	103.81	-0.04	106.8	103.8
Tsy 2.500 20	356.14	-0.01	361.4	355.6
Tsy 8.000 21	114.74	-0.07	121.4	114.4
Tsy 4.000 22	109.43	-0.07	111.7	109.0
Tsy 0.500 22	99.86	-0.08	100.0	97.7
Tsy 1.875 22	117.46	-0.01	118.5	115.5
Tsy 2.250 23	106.96	-0.11	107.2	104.7
Tsy 2.500 24	370.82	0.04	370.9	358.7
Tsy 0.125 24	114.77	0.02	114.9	110.9
Tsy 5.000 25	124.55	-0.14	125.5	122.1
Tsy 4.250 27	128.87	-0.20	129.3	122.6
Tsy 1.250 27	137.41	0.04	137.6	128.4
Tsy 6.000 28	147.26	-0.20	147.8	140.5
Tsy 0.125 29	129.73	0.05	129.9	118.8
Tsy 4.750 30	141.43	-0.23	142.0	132.1
Tsy 4.125 30	386.20	0.06	386.6	355.2
Tsy 4.250 32	138.68	-0.26	139.3	128.5
Tsy 1.250 32	158.89	0.04	159.3	144.1
Tsy 0.125 36	151.02	0.00	151.5	133.4
Tsy 4.250 36	145.46	-0.30	146.3	133.1
Tsy 4.750 38	159.37	-0.34	160.3	144.9
Tsy 0.625 40	172.37	-0.11	173.6	152.8
Tsy 4.500 42	162.26	-0.42	163.4	145.9
Tsy 3.500 45	144.27	-0.47	145.4	128.0
Tsy 4.250 46	163.82	-0.49	165.1	145.7
Tsy 4.025 49	170.15	-0.52	171.6	150.0
Tsy 0.500 50	202.90	-0.48	207.7	173.7
Tsy 0.250 52	199.49	-0.54	204.9	168.8

AEROSPACE & DEFENCE

	Price	Chg	High	Low
BAE Systems	483.1	-1.9	676.4	443.9
Cobham	103.5	0.8	131.7	96.8
Meggitt	518.8	4.6	572.0	458.0
QinetiQ Group	291.2	1.2	312.4	256.6
Rolls-Royce Holdi	902.0	1.8	1094.0	759.2
Senior	233.8	2.2	334.4	185.4
Aston Martin Lago	1079.0	56.0	1810.0	818.8

BANKS

	Price	Chg	High	Low
Bank of Georgia G	1648.0	-8.0	2001.0	1310.0
Barclays	152.2	-0.9	200.6	146.1
Close Brothers Gr	1424.0	-2.0	1660.0	1374.0
CYBG	181.0	-1.1	364.2	173.9
HSBC Holdings	655.9	-2.5	734.6	600.8
Lloyds Banking Gr	58.1	-0.3	66.6	50.0
Metro Bank	603.0	-23.5	3422.0	475.0
Royal Bank of Sco	216.2	0.1	270.4	203.0
Standard Chartere	701.6	-5.6	745.7	519.8
TBC Bank Group	1680.0	38.0	1774.0	1290.0

BEVERAGES

	Price	Chg	High	Low
Barr (A.G.)	970.0	-5.0	980.0	666.0
Britvic	909.0	-9.5	956.0	745.0
Coca-Cola HBC AG	2941.0	20.0	2946.0	2244.0
Diageo	3394.5	-8.5	3432.5	2523.5

CHEMICALS

	Price	Chg	High	Low
Croda Internation	5260.0	30.0	5447.7	4576.0
Elementis	141.0	1.0	271.6	139.0
Johnson Matthey	3193.0	36.0	3823.0	2620.0
Sirius Minerals	15.9	0.0	38.5	15.0
Synthomer	368.8	8.8	575.5	347.4
Victrex plc	2114.0	42.0	3408.0	1950.0

CONSTRUCTION & MATERIALS

	Price	Chg	High	Low
Balfour Beatty	240.6	-2.2	301.8	223.4
CRH	2561.0	3.0	2857.0	1971.5
Galliford Try	652.0	-3.0	1104.0	512.0
Ibstock	239.0	-1.0	300.0	193.1
Kier Group	168.3	7.2	1022.0	145.4
Marshalls	640.5	0.0	669.0	399.8
Polypipe Group	437.2	-0.2	442.2	307.8

ELECTRICITY

	Price	Chg	High	Low
Contour Global	213.0	-0.5	250.0	150.1
Drax Group	297.0	-0.2	427.2	291.8
SSE	1122.0	2.0	1400.0	1008.0

ELECTRONIC & ELECTRICAL EQ.

	Price	Chg	High	Low
Halma	1981.5	78.0	1986.5	1237.0
Morgan Advanced M	266.2	4.6	363.0	237.0
Renishaw	3962.0	82.0	5685.0	3670.0
Spectris	2669.0	-11.0	2908.0	1966.5

EQUITY INVESTMENT INSTRUM.

	Price	Chg	High	Low
Aberforth Smaller	1252.0	-14.0	1442.0	1120.0
Alliance Trust	779.0	1.0	789.0	672.0
Apax Global Alpha	146.5	0.0	153.0	127.0
AVI Global Trust	753.0	2.0	767.0	660.0
Baillie Gifford J	794.0	9.0	869.0	663.0
Bankers Inv Trust	916.0	-1.0	922.0	766.0
BBGI SICAV S.A. (	159.0	0.5	168.0	133.0
BlackRock Smaller	1478.0	8.0	1600.0	1160.0
BMO Global Smalle	1342.0	-2.0	1495.0	1220.0
Caledonia Investm	3050.0	5.0	3065.0	2650.0
City of London In	420.5	-0.5	439.0	376.0
Edinburgh Inv Tru	592.0	-2.0	712.0	588.0
F&C Investment Tr	703.0	-3.0	741.0	616.0
Fidelity China Sp	216.0	4.0	268.0	182.4
Fidelity European	245.5	1.5	247.0	202.0
Fidelity Special	259.5	0.5	280.0	220.0
Finsbury Growth &	894.0	-3.0	899.3	740.0
GCP Infrastructur	128.0	-0.8	130.8	119.0
Genesis Emerging	733.0	-1.0	739.0	615.0
Greencoat UK Wind	140.4	0.4	143.2	122.6
HarbourVest Globa	1588.0	6.0	1628.0	1234.0
Herald Investment	1350.0	-2.0	1370.0	1055.0
HGCapital Trust	218.0	1.5	219.5	175.0
HICL Infrastructu	158.2	0.8	170.1	140.0
International Pub	148.0	0.4	163.4	141.4
JPMorgan American	454.0	-1.0	472.0	386.5
JPMorgan Emerging	956.0	5.0	972.0	759.0
JPMorgan Indian I	770.0	-1.0	779.4	566.0
JPMorgan Japanese	430.0	-0.5	472.0	367.0
Jupiter European	852.0	8.0	895.0	666.0
Law Debenture Cor	608.0	0.0	636.0	534.0
Mercantile Invest	207.0	0.5	226.0	168.0
Monks Inv Trust	889.0	-2.0	898.0	710.0
Murray Internatio	1162.0	8.0	1208.0	1056.0
NB Global Floatin	89.2	-0.2	94.5	87.6
NextEnergy Solar	118.0	1.0	124.5	107.5
Pantheon Internat	2180.0	-10.0	2225.0	1955.0
Perpetual Income	308.0	-3.0	365.5	301.5
Pershing Square H	1344.0	-28.0	1398.0	990.0
Personal Assets T	41750.0	50.0	41772.0	38900.0
Polar Capital Tec	1334.0	-8.0	1386.0	1066.0
RIT Capital Partn	2065.0	5.0	2130.0	1892.0
Riverstone Energy	850.0	-2.0	1282.0	840.0
Schroder Asia Pac	436.0	3.0	479.0	379.0
Scottish Inv Trus	802.0	-1.0	902.0	748.0
Scottish Mortgage	516.0	-5.5	568.3	441.4
Sequoia Economic	112.0	-0.2	114.2	106.0
Smithson Investme	1208.0	-6.0	1222.0	1000.2
Syncona Limited N	240.0	-3.0	302.5	223.0
Temple Bar Inv Tr	1250.0	-2.0	1366.0	1116.0
Templeton Emergin	772.0	6.0	792.0	649.0
The Renewables In	128.0	-0.4	128.8	106.9
TR Property Inv T	414.5	3.5	433.5	353.5
Vietnam Enterpris	441.0	0.0	472.0	390.0
VinaCapital Vietn	344.0	1.0	350.0	306.0
Witan Inv Trust	210.5	0.5	227.6	189.6
Woodford Patient	63.4	4.4	91.0	58.2
Worldwide Healthc	2630.0	0.0	2915.0	2325.0

FINANCIAL SERVICES

	Price	Chg	High	Low
3i Group	1068.0	8.0	1088.5	756.2
3i Infrastructure	292.0	0.0	295.0	221.0
AJ Bell	390.0	-10.0	477.0	220.0
Allied Minds	80.0	-2.0	115.0	37.3
Amigo Holdings	292.0	6.5	310.0	154.5
Arrow Global Grou	208.8	-1.8	288.5	167.2
ASA International	376.0	24.0	510.0	336.0
Ashmore Group	487.0	7.6	488.0	337.0
Brewin Dolphin Ho	307.8	2.0	372.8	295.4
Charter Court Fin	323.0	-4.5	375.0	228.8
City of London In	420.0	9.5	430.5	360.0
CMC Markets	88.4	0.5	206.0	77.4
Coats Group	77.6	-1.2	91.3	69.8
Georgia Capital	1022.0	12.0	1260.0	941.0
Hargreaves Lansdo	1878.5	-34.5	2433.0	1633.0
IG Group Holdings	570.4	10.2	954.5	474.8
IntegraFin Holdin	383.2	-5.7	406.1	269.0
Intermediate Capi	1360.0	7.0	1363.0	899.0
International Per	159.2	-5.8	248.8	157.4
Investec	482.4	8.4	571.0	423.4
IP Group	75.0	2.0	142.8	72.9
John Laing Group	378.6	-1.2	402.0	264.2
JTC	355.0	-8.0	440.0	287.0
Jupiter Fund Mana	379.5	2.7	472.4	287.6
Liontrust Asset M	701.0	7.0	710.0	532.0
LMS Capital	53.0	0.8	53.5	44.0
London Finance &	39.5	0.0	45.5	39.5
London Stock Exch	5448.0	-16.0	5500.0	3867.0
Man Group	147.1	2.2	190.5	126.8
OneSavings Bank	396.2	-5.6	449.6	330.0
Paragon Banking G	434.6	-1.8	524.0	379.2
Plus500 Ltd (DI)	605.6	-13.0	2040.0	495.0
Provident Financi	500.4	-19.6	692.6	446.0
Quilter	137.6	-0.1	156.6	110.6
Rathbone Brothers	2110.0	-20.0	2652.0	2055.0
Real Estate Credi	170.5	-1.0	175.5	163.0
Record	29.0	0.0	47.0	27.3
River and Mercant	263.0	5.0	330.0	212.0
S&U	2420.0	30.0	2685.0	1767.5
Sanne Group	683.0	-8.0	724.0	450.0
Schroders	2996.0	9.0	3297.0	2334.0
Standard Life Abe	279.3	2.2	406.3	224.9
TP ICAP	276.9	2.6	431.5	259.7
VPC Specialty Len	68.2	0.4	84.4	67.0
Walker Crips Grou	25.0	0.0	39.0	24.0
XPS Pensions Grou	155.5	-2.5	192.0	132.0

FIXED LINE TELECOMS

	Price	Chg	High	Low
BT Group	208.7	0.8	264.7	193.8
TalkTalk Telecom	117.5	-0.8	137.0	96.6
Telecom Plus	1508.0	8.0	1524.0	1010.0

FOOD & DRUG RETAILERS

	Price	Chg	High	Low
Greggs	2216.0	6.0	2224.9	942.0
Morrison (Wm) Sup	196.0	-1.7	269.4	195.7
Ocado Group	1168.0	3.0	1435.0	749.8
Sainsbury (J)	198.0	-0.9	341.5	194.6
SSP Group	660.0	-14.0	744.4	615.1
Tesco	227.5	-2.9	266.2	189.6
UDG Healthcare Pu	727.0	1.5	900.0	551.0

FOOD PRODUCERS

	Price	Chg	High	Low
Associated Britis	2507.0	-15.0	2836.0	2041.0
Bakkavor Group	124.0	2.0	198.0	113.0
Cranswick	2614.0	-12.0	3460.0	2472.0
Greencore Group	208.8	0.9	230.0	162.9
Hilton Food Group	956.0	-16.0	1088.0	884.0
Tate & Lyle	754.2	10.6	800.4	622.6
Unilever	4918.0	19.0	4932.0	3931.0

FORESTRY & PAPER

	Price	Chg	High	Low
Mondi	1711.5	31.5	2236.0	1584.0

GAS, WATER & MULTIUTILITIES

	Price	Chg	High	Low
Centrica	93.9	-1.8	163.7	92.6
National Grid	816.1	-0.8	889.2	748.7
Pennon Group	744.8	-2.2	812.4	684.2
Severn Trent	2055.0	1.0	2091.0	1770.0
United Utilities	816.0	-7.0	873.6	682.4

GENERAL INDUSTRIALS

	Price	Chg	High	Low
RPC Group	792.0	-0.6	834.8	632.2
Smith (DS)	343.9	11.4	538.9	292.2
Smiths Group	1501.5	6.5	1801.0	1279.5
Smurfit Kappa Gro	2329.0	45.0	3292.0	1934.0
Vesuvius	523.5	11.0	662.0	473.2

GENERAL RETAILERS

	Price	Chg	High	Low
Auto Trader Group	606.0	7.8	606.8	388.5
B&M European Valu	342.5	-1.5	426.3	278.6
Card Factory	192.5	1.1	212.4	162.6
Dixons Carphone	124.3	0.2	200.1	113.9
Dunelm Group	911.0	5.0	928.5	482.8
Inchcape	619.5	5.0	799.0	486.6
JD Sports Fashion	612.8	-8.2	635.6	318.5
Just Eat	619.6	23.6	883.4	533.8
Kingfisher	212.6	-0.3	318.1	205.4
Marks & Spencer G	218.9	-1.6	300.8	218.4
Next	5626.0	48.0	6202.0	3991.0
Pets at Home Grou	180.3	-2.0	187.3	110.0
Saga	40.0	-1.1	138.7	39.7
Sports Direct Int	291.8	-1.4	436.1	233.2
Ted Baker	955.0	-391.0	2386.0	939.5
Vivo Energy	137.0	-1.4	157.1	96.0
WH Smith	2042.0	30.0	2186.0	1697.0

MAIN CHANGES UK 350

Risers		%
Woodford Patient C	63.4	7.5
Kaz Minerals	574.2	6.6
Aston Martin Lagon	1079.0	5.5
Kier Group	168.3	4.5
Games Workshop Gro	4946.0	4.1
Halma	1981.5	4.1
Just Eat	619.6	4.0
NMC Health	2353.0	3.8
Weir Group	1565.0	3.6
Smith (DS)	343.9	3.4

Fallers		%
Essentra	0.0	0.0
Ted Baker	955.0	-29.1
Funding Circle Hol	234.5	-9.6
Entertainment One	375.2	-4.9
Stagecoach Group	124.9	-4.6
Just Group	49.3	-4.3
Provident Financia	500.4	-3.8
Metro Bank	603.0	-3.8
McCarthy & Stone	133.2	-3.3
Saga	40.0	-2.8

HEALTH CARE EQUIPMETN & S.

	Price	Chg	High	Low
Assura	64.3	0.3	64.5	52.4
Convatec Group	141.5	0.3	239.0	118.6
Mediclinic Intern	311.5	2.7	565.4	301.3
NMC Health	2353.0	85.0	4120.0	2192.0
Smith & Nephew	1683.5	-5.5	1696.5	1258.0

HHOLD GDS & HOME CONSTR.

	Price	Chg	High	Low
Barratt Developme	570.0	5.6	625.8	434.0
Bellway	2796.0	-29.0	3409.0	2419.0
Berkeley Group Ho	3595.0	28.0	4305.0	3226.0
Bovis Homes Group	1017.0	-1.0	1273.5	828.0
Countryside Prope	292.6	-7.4	372.2	270.0
Crest Nicholson H	356.6	-1.2	446.2	296.4
McCarthy & Stone	133.2	-4.5	142.4	97.5
Persimmon	2055.0	10.0	2860.0	1859.5
Reckitt Benckiser	6395.0	1.0	7155.0	5593.0
Redrow	568.0	2.0	674.6	460.8
Taylor Wimpey	157.9	0.6	192.3	129.3

INDUSTRIAL ENGINEERING

	Price	Chg	High	Low
Bodycote	793.5	9.0	1055.0	676.0
Hill & Smith Hold	1192.0	-6.0	1523.0	902.5
IMI	983.2	17.0	1242.0	870.0
Melrose Industrie	174.0	1.3	240.5	146.3
RHI Magnesita N.V	4732.0	96.0	5085.0	3318.0
Rotork	303.6	1.6	361.4	235.7
Spirax-Sarco Engi	8760.0	0.0	8870.0	5900.0
Weir Group	1565.0	54.0	2195.0	1240.0

INDUSTRIAL METALS & MINING

	Price	Chg	High	Low
Evraz	663.0	14.0	670.0	442.1
Ferrexpo	257.9	6.1	301.3	143.5

INDUSTRIAL TRANSPORTATION

	Price	Chg	High	Low
BBA Aviation	265.2	0.4	350.0	207.0
Clarkson	2450.0	10.0	2900.0	1878.0
Fisher (James) &	1998.0	-22.0	2260.0	1600.0
Royal Mail	199.6	-2.7	512.4	194.5
Stobart Group Ltd	106.6	3.0	266.5	102.2

NON LIFE INSURANCE

	Price	Chg	High	Low
Admiral Group	2082.0	-7.0	2281.0	1870.0
Beazley	565.5	4.0	599.0	492.6
Direct Line Insur	325.3	-0.1	366.5	304.9
Hastings Group Ho	179.3	-1.5	274.2	174.0
Hiscox Limited (D	1683.0	9.0	1711.0	1418.0
Lancashire Holdin	708.0	-1.0	714.8	530.0
RSA Insurance Gro	573.0	2.4	681.8	496.6
Sabre Insurance G	256.0	0.5	294.0	249.0

LIFE INSURANCE

	Price	Chg	High	Low
Aviva	418.5	0.6	517.0	364.6
Just Group	49.3	-2.2	143.9	44.6
Legal & General G	272.0	2.1	291.2	223.7
Phoenix Group Hol	704.8	1.2	724.8	544.0
Prudential	1641.5	6.0	1866.5	1340.0
St James's Place	1059.5	3.0	1240.5	914.0

MEDIA

	Price	Chg	High	Low
4imprint Group	2580.0	-20.0	2700.0	1715.0
Ascential	377.8	-4.4	465.0	337.2
Bloomsbury Publis	233.0	2.0	254.0	190.5
Centaur Media	48.5	0.0	56.5	34.7
Entertainment One	375.2	-19.4	483.4	336.4
Euromoney Institu	1274.0	-18.0	1434.0	1132.0
Gocompare.com Gro	83.5	0.5	139.0	64.6
Haynes Publishing	227.0	0.0	246.0	160.0
Huntsworth	103.0	-0.5	139.0	81.0
Informa	799.6	4.6	859.0	605.8
ITE Group	75.6	-0.3	90.0	56.3
ITV	110.7	0.7	180.4	105.2
Moneysupermarket.	391.2	7.7	392.2	264.0
Pearson	807.4	-2.2	1027.5	769.2
Reach	77.0	2.0	83.2	54.6
Relx plc	1877.5	-0.5	1884.0	1491.5
Rightmove	580.0	-5.0	585.7	420.9
STV Group	360.5	-3.5	458.0	318.0
Tarsus Group	431.0	-1.0	433.0	243.0
WPP	1003.0	4.6	1301.0	800.4

MINING

	Price	Chg	High	Low
Acacia Mining	165.0	-4.1	256.6	96.1
Anglo American	2058.5	49.0	2226.0	1464.6
Antofagasta	859.0	24.6	1092.5	727.2
BHP Group	1894.2	42.2	1944.2	1490.6
Centamin (DI)	99.6	0.6	136.2	79.8
Fresnillo	787.6	-2.2	1207.0	724.8
Glencore	270.9	6.0	398.5	254.7
Hochschild Mining	167.6	1.0	208.4	149.1
Kaz Minerals	574.2	35.4	1002.0	436.7
Polymetal Interna	877.6	3.2	894.0	597.2
Rio Tinto	4696.5	109.5	4776.0	3486.0

MOBILE TELECOMS

	Price	Chg	High	Low
Inmarsat	542.4	2.4	632.2	362.8
Vodafone Group	130.2	-0.2	191.0	123.3

OIL & GAS PRODUCERS

	Price	Chg	High	Low
BP	557.0	1.5	598.3	485.9
Cairn Energy	148.4	-0.8	258.8	140.0
Energean Oil & Ga	816.0	10.0	846.0	493.5
Premier Oil	75.0	0.5	143.6	55.6
Royal Dutch Shell	2542.5	1.0	2694.5	2213.0
Royal Dutch Shell	2548.0	-2.0	2780.5	2227.0
Tullow Oil	206.1	0.9	266.3	165.2

OIL EQUIPMENT & SERVICES

	Price	Chg	High	Low
Hunting	524.0	0.5	849.0	453.6
Petrofac Ltd.	432.0	4.6	663.4	381.5
Wood Group (John)	409.2	3.5	796.4	389.9

PERSONAL GOODS

	Price	Chg	High	Low
Burberry Group	1807.5	27.5	2325.0	1623.5
PZ Cussons	200.0	0.0	244.0	178.6

PHARMACEUTICALS & BIOTECH

	Price	Chg	High	Low
AstraZeneca	6137.0	33.0	6525.0	5182.0
BTG	833.5	0.0	853.0	475.0
Dechra Pharmaceut	2788.0	-16.0	3168.0	2014.0
Genus	2648.0	0.0	2992.0	2098.0
GlaxoSmithKline	1573.8	-3.2	1621.6	1418.0
Hikma Pharmaceuti	1649.0	35.5	2025.0	1376.0
Indivior	45.1	0.9	494.5	30.1

REAL ESTATE INVEST. & SERV.

	Price	Chg	High	Low
BMO Commercial Pr	119.0	-0.8	155.0	117.0
Capital & Countie	213.8	-3.5	303.2	213.0
CLS Holdings	220.0	-3.0	255.0	195.4
Daejan Holdings	5550.0	-50.0	6400.0	5500.0
Grainger	244.0	-2.0	291.0	205.8
NewRiver REIT	193.6	0.2	290.0	191.6
Safestore Holding	643.5	0.0	658.5	499.4
Savills	871.5	-2.5	949.5	678.5
St. Modwen Proper	431.0	1.0	441.5	365.0
UK Commercial Pro	89.8	-0.2	92.7	81.0

REAL ESTATE INVEST. TRUSTS

	Price	Chg	High	Low
Big Yellow Group	1028.0	-3.0	1062.0	852.5
British Land Comp	542.0	1.2	692.0	523.0
Civitas Social Ho	79.5	-0.5	114.0	79.5
Derwent London	3198.0	-74.0	3328.0	2761.0
Great Portland Es	704.6	-9.2	773.6	652.3
Hammerson	284.6	4.1	547.6	266.9
Intu Properties	88.9	0.7	201.5	84.9
Land Securities G	851.2	2.0	965.1	791.8
LondonMetric Prop	206.6	0.2	209.2	172.7
Primary Health Pr	137.4	0.6	137.8	106.4
SEGRO	716.6	0.6	719.0	585.2
Shaftesbury	824.0	-1.0	960.0	817.0
Tritax Big Box Re	151.0	-0.8	155.7	129.0
Unite Group	952.5	-1.5	973.5	797.5
Workspace Group	860.0	-5.0	1151.0	789.5

SOFTWARE & COMPUTER SERV.

	Price	Chg	High	Low
Avast	312.6	-1.6	319.4	208.2
Aveva Group	3866.0	0.0	3926.0	2284.0
Computacenter	1303.0	18.0	1620.0	952.0
FDM Group (Holdin	980.0	10.0	1128.0	734.0
Funding Circle Ho	234.5	-25.0	440.0	221.5
Micro Focus Inter	2002.5	23.7	2491.6	1427.2
Playtech	436.9	9.0	811.0	361.8
Sage Group	761.0	3.0	772.0	525.6
Softcat	950.5	5.0	967.0	565.0

SUPPORT SERVICES

	Price	Chg	High	Low
Sophos Group	396.4	-2.5	639.0	298.2
Aggreko	799.0	-0.6	882.0	641.8
Ashtead Group	1966.0	16.0	2438.0	1586.5
BCA Marketplace	195.0	3.0	242.0	178.5
Bunzl	2174.0	19.0	2551.0	2059.0
Capita	105.2	-2.7	169.1	102.3
DCC	6946.0	30.0	7390.0	5555.0
Diploma	1536.0	9.0	1634.0	1150.0
Electrocomponents	635.2	11.0	761.6	480.0
Equiniti Group	218.8	-1.2	266.0	186.2
Essentra	0.0	0.0	0.0	0.0
Experian	2388.0	-17.0	2417.0	1728.5
Ferguson	5160.0	60.0	6556.0	4749.0
G4S	218.8	2.1	282.0	175.9
Grafton Group Uni	902.5	18.5	937.0	630.0
Hays	155.0	2.3	212.0	135.7
Homeserve	1248.0	-9.0	1267.0	849.0
Howden Joinery Gr	504.8	1.2	539.0	416.4
Intertek Group	5480.0	20.0	6014.0	4387.0
Pagegroup	512.5	1.0	623.5	432.2
Rentokil Initial	383.4	2.6	391.1	284.8
Robert Walters	666.0	2.0	475.0	814.0
Serco Group	133.5	0.8	136.5	84.1
SIG	133.0	-0.5	153.0	102.2
Travis Perkins	1315.5	19.0	1465.0	970.0
Spirent Communica	156.6	4.6	166.2	112.8

TOBACCO

	Price	Chg	High	Low
British American	3071.0	51.0	4222.5	2375.0
Imperial Brands	2057.5	17.0	2987.5	1871.0

TRAVEL & LEISURE

	Price	Chg	High	Low
888 Holdings	158.0	0.7	293.2	129.3
Carnival	4013.0	5.0	5000.0	3659.0
Cineworld Group	292.0	-3.0	323.6	245.0
Compass Group	1856.5	-1.5	1872.0	1483.0
Domino's Pizza Gr	238.0	-1.6	385.3	224.4
easyJet	925.0	0.6	1796.0	854.8
El Group	200.0	-5.0	224.8	144.8
FirstGroup	100.7	-2.2	116.6	79.3
Flutter Entertain	5860.0	-32.0	8595.0	5525.0
Go-Ahead Group	1972.0	-38.0	2080.0	1388.0
Greene King	653.8	-1.2	704.4	472.8
GVC Holdings	635.4	7.2	1170.0	507.5
InterContinental	5190.0	-20.0	5231.0	3958.4
International Con	467.0	-1.6	726.6	449.1
Merlin Entertainm	369.0	-5.4	410.5	307.1
Millennium & Copt	680.0	0.0	680.0	436.0
Mitchells & Butle	289.5	0.5	291.4	238.0
National Express	394.8	-1.4	433.2	361.4
Rank Group	160.0	1.6	194.0	135.0
Restaurant Group	130.1	0.0	222.1	111.9
Stagecoach Group	124.9	-6.0	177.0	115.5
TUI AG Reg Shs (D	760.8	1.0	1764.5	698.0
Wetherspoon (J.D.	1384.0	0.0	1404.0	1066.0
Whitbread	4747.0	-21.0	5114.0	3883.0
William Hill	145.9	0.5	312.6	132.3
Wizz Air Holdings	3551.0	1.0	3797.0	2329.0

AIM 50

	Price	Chg	High	Low
Abcam	1464.0	-1.0	1539.0	1017.0
Advanced Medical	327.0	3.0	370.0	260.0
Alliance Pharma	77.0	0.2	102.0	60.0
ASOS	3291.0	-43.0	6834.0	2128.0
Blue Prism Group	1940.0	35.0	2575.0	1040.0
Camellia	10550.0	-100.0	12000.0	9100.0
CareTech Holding	368.0	-1.0	406.0	325.0
Central Asia Meta	220.0	-2.0	288.0	203.0
Clinigen Group	1025.0	-10.0	1069.0	721.0
CVS Group	661.0	12.0	1163.0	395.0
Dart Group	914.5	9.5	1017.0	740.0
Diversified Gas &	111.5	4.0	134.0	94.0
Draper Esprit	498.0	24.0	645.0	458.0
Eland Oil & Gas	126.0	0.8	137.5	97.0
EMIS Group	1176.0	-2.0	1206.0	860.0
Fevertree Drinks	2668.0	9.0	3956.0	2131.0
First Derivatives	3405.0	-20.0	4680.0	2050.0
Frontier Developm	1072.0	8.0	1780.0	740.0
Gamma Communicati	1100.0	5.0	1195.0	688.0
GB Group	581.0	1.0	631.0	410.5
Gooch & Housego	1120.0	20.0	1880.0	954.0
Hurricane Energy	54.8	-0.3	60.8	39.0
Iomart Group	341.5	-8.5	475.0	308.0
IQE	78.0	3.0	116.1	56.3
James Halstead	522.0	2.0	532.0	367.0
Johnson Service G	161.4	0.2	163.6	113.6
Keywords Studios	1706.0	45.0	2065.0	900.0
Learning Technolo	87.1	0.6	166.5	62.2
M&C Saatchi	366.0	6.0	394.0	270.0
M. P. Evans Group	683.0	3.0	800.0	637.0
Majestic Wine	291.0	8.0	485.0	219.0
Midwich Group	598.0	5.0	685.0	491.5
Mortgage Advice B	599.0	9.0	720.0	490.0
Next Fifteen Comm	598.0	5.0	607.0	455.0
Nichols	1785.0	30.0	1840.0	1240.0
Numis Corporation	258.0	3.0	438.5	221.5
Polar Capital Hol	548.0	-14.0	732.0	448.0
Purplebricks Grou	107.6	-1.0	356.4	90.0
Redde	103.0	5.1	196.0	90.0
Renew Holdings	425.0	9.0	436.5	333.0
RWS Holdings	603.0	-2.0	628.0	389.5
Scapa Group	183.0	0.0	473.4	157.0
Secure Income Rei	403.0	0.0	414.0	371.0
Serica Energy	131.0	3.6	142.0	57.4
Smart Metering Sy	489.2	1.8	778.0	480.0
Staffline Group	247.0	3.0	1340.0	240.0
Telford Homes	310.0	2.0	444.0	267.0
Thorpe (F.W.)	314.0	-4.0	340.0	248.0
Watkin Jones	212.0	2.0	232.5	192.2
Young & Co's Brew	1767.5	12.5	1885.0	1322.5
Young & Co's Brew	1080.0	-30.0	1325.0	1030.0

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EU SHARES

	Price	Chg	High	Low
AB INBEV	75.97	0.27	91.14	56.32
ADIDAS N	259.50	-5.35	267.25	178.30
AIR LIQUIDE	117.20	1.10	119.10	101.85
AIRBUS BR	123.40	2.34	124.16	77.50
ALLIANZ	205.95	2.20	216.20	170.38
AMADEUS IT GRP BR-A	71.30	-0.06	82.20	58.06
ASML HLDG	177.38	2.38	189.50	130.12
AXA	22.66	0.24	23.90	18.40
BANCO SANTANDER	4.01	-0.03	4.82	3.80
BASF N	62.90	1.31	88.89	57.26
BAYER N	53.67	0.70	101.40	52.00
BBVA	5.00	-0.07	6.44	4.48
BMW	62.89	0.59	86.80	61.31
BNP PARIBAS BR-A	41.56	0.08	56.94	38.14
CRH PLC	28.86	0.19	34.87	26.53
DAIMLER N	48.23	0.55	63.53	44.54
DANONE	72.38	-0.22	72.96	59.72
DEUTSCHE POST N	27.41	0.07	32.20	23.43
DEUTSCHE TELEKOM N	15.34	0.01	15.88	13.09
ENEL N	5.85	0.02	5.94	4.22
ENGIE	13.07	-0.03	14.28	11.31
ENI N	14.05	0.05	16.71	13.39
ESSILORLUXOTT	106.75	-0.05	129.55	95.50
FRESENIUS	46.84	0.98	71.10	38.50
IBERDROLA	8.80	-0.02	8.91	5.81
INDITEX	25.28	-0.15	30.30	21.85
ING GROUP	10.13	0.06	13.28	9.09
INTESA SANPAOLO N	1.85	0.00	2.66	1.80
KERING	490.60	8.85	539.80	351.70
KON AH DEL BR	20.37	0.01	24.01	18.60
L'OREAL	245.60	0.40	246.80	182.00
LINDE	176.50	1.40	0.00	0.00
LVMH	359.60	1.40	363.70	242.30
MUENCHENER RUECKV N	219.90	-0.70	224.00	175.00
NOKIA	4.52	0.14	5.76	4.17
ORANGE	13.85	0.09	15.25	13.15
ROY.PHILIPS	36.20	0.16	40.01	29.05
SAFRAN	124.75	1.45	130.00	97.08
SANOFI	76.10	-1.20	80.44	65.64
SAP I	113.08	-0.72	117.02	84.02
SCHNEIDER EL	74.32	0.30	78.66	57.54
SIEMENS N	105.90	1.82	121.40	90.90
SOCIETE GENERALE	22.30	0.03	35.06	21.45
TELEFONICA	7.53	0.07	8.06	6.59
TOTAL	48.27	0.02	55.39	44.23
UNILEVER CERT	54.26	0.43	54.90	45.12
VINCI	90.66	0.12	90.88	69.98
VIVENDI	24.20	-0.35	26.69	20.40
VOLKSWAGEN VZ I	143.86	1.58	165.88	131.02

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COMMODITIES

Gold	1328.60	-12.05
Silver	14.74	-0.16
Brent Crude	63.29	1.62
Krugerrand	1362.80	5.15
Palladium	1352.00	5.00
Platinum	799.00	-4.00
Tin Cash Official	19625.00	-350.00
Lead Cash Official	1836.50	50.50
Zinc Cash Official	2620.00	-0.50
Copper Cash Official	5770.00	17.00
Aluminium Cash Official	1732.00	-11.50
Nickel Cash Official	11575.00	14.00
Aluminium Alloy Cash Official	1200.00	60.00
Cocoa Futures	2537.00	63.00
Coffee 'C' Futures	97.38	-1.22
Feed Wheat Futures	151.50	1.80
Soybeans Futures Continuation Contract	859.20	0.70

CREDIT & RATES

BoE IR Overnight	0.750	0.00
BoE IR 7 days	0.750	0.00
BoE IR 1 month	0.750	0.00
BoE IR 3 months	0.750	0.00
BoE IR 6 months	0.750	0.00
LIBOR Euro - overnight	-0.472	0.00
LIBOR Euro - 12 months	-0.225	0.00
LIBOR USD - overnight	2.352	0.00
LIBOR USD - 12 months	2.346	0.00
Halifax mortgage rate	3.990	0.00
Euro Base Rate	0.000	0.00
Finance house base rate	1.000	0.00
US Fed funds	1.91	0.00
US long bond yield	2.62	0.00
Euro Euribor	-0.391	0.00
The vix index	15.99	0.05
The baltic dry index	1125.00	-13.00
Markit iBoxx EUR	240.17	0.34
Markit iBoxx GBP	343.38	-0.33
Markit iBoxx USD	252.36	-0.59

WORLD INDICES

	Price	Chg	%chg
FTSE 100	7398.45	22.91	0.31
FTSE 250	19325.72	16.12	0.08
FTSE All-Share	4041.37	10.81	0.27
FTSE AIM All-Share	945.29	1.91	0.20
S&P 500	2885.72	-1.01	-0.03
Dow Jones I.A.	26048.51	-14.17	-0.05
Nasdaq Composite	7822.57	-0.60	-0.01
Xetra DAX	12155.81	110.43	0.92
CAC 40	5408.45	25.95	0.48
Swiss Market Index	9835.87	86.74	0.89
ISEQ Overall Index	6222.45	21.37	0.34
FTSEurofirst 300	1499.05	9.89	0.66
Hang Seng	27789.34	210.70	0.76
Shanghai Composite	2925.72	73.59	2.58
STI Index	3207.22	15.18	0.48
ASX All Ordinaries	6624.40	99.20	1.52

US SHARES

	Price	Chg	High	Low
3M	168.91	0.62	219.75	159.32
ABBOTT LABORATOR	81.12	-0.15	82.00	60.32
ADOBE	275.99	-4.35	291.71	204.95
ALPHAB NON VTG-C	1078.72	-1.66	1289.27	970.11
ALPHABET-A	1081.04	-1.72	1296.98	977.66
AMAZON.COM	1863.70	3.07	2050.50	1307.00
AMERICAN EXPRESS	123.23	0.57	124.74	89.05
APPLE	194.81	2.23	233.47	142.00
AT&T	32.11	0.18	34.53	26.80
BANK OF AMERICA	28.24	0.17	31.91	22.66
BERKSHIRE HATH RG-B	206.63	-0.53	224.07	184.75
BOEING CO	349.33	-4.47	446.01	292.47
CATERPILLAR	127.28	1.54	159.37	112.06
CHEVRON	121.17	-1.12	128.55	100.22
CISCO SYSTEMS	57.11	0.69	57.56	40.25
CITIGROUP	67.88	0.76	75.24	48.42
COCA-COLA CO	51.33	-0.05	52.19	42.96
COMCAST-A	41.22	-0.07	43.96	30.99
DOW	52.04	0.42	0.00	0.00
EXXON MOBIL	74.84	-0.07	87.36	64.65
FACEBOOK-A	178.10	3.28	218.62	123.02
GOLDMAN SACHS GR	194.73	0.61	245.08	151.70
HOME DEPOT	198.01	-0.04	215.43	158.09
HONEYWELL INTL	171.65	0.37	174.34	123.48
IBM	135.95	1.21	154.36	105.94
INTEL	46.85	0.05	59.59	42.36
JOHNSON & JOHNSO	139.78	0.76	148.99	120.11
JPMORGAN CHASE	110.68	0.34	119.24	91.11
MASTERCARD RG-A	263.66	-2.44	269.85	171.89
MCDONALD'S	203.26	1.96	206.39	153.13
MEDTRONIC	97.56	-0.19	100.15	81.66
MERCK	82.98	0.50	83.85	59.80
MICROSOFT	132.10	-0.50	134.24	93.96
NETFLIX	351.27	-0.74	423.21	231.23
NIKE -B-	83.26	0.68	90.00	66.53
ORACLE	53.94	-0.07	55.53	42.40
PAYPAL HOLDINGS	114.60	-1.02	117.45	74.66
PEPSICO	118.61	0.56	119.74	101.06
PEPSICO	133.20	-0.39	134.71	101.18
PFIZER	42.67	-0.40	46.47	35.73
PROCTER&GAMBLE	109.38	0.66	109.60	75.39
TRAVELERS COS	149.19	-0.13	150.07	111.08
TWITTER	37.21	-0.43	47.79	26.19
UNITEDHEALTH GRO	245.87	-2.27	287.94	208.07
UTD TECHS	122.94	-5.07	144.40	100.48
VERIZON COMM	56.83	0.68	61.58	47.13
VISA RG-A	170.31	-0.51	172.18	121.60
WALGREENS BOOTS	52.88	0.59	86.31	49.31
WALMART	107.94	0.42	108.97	82.37
WALT DISNEY	135.08	-1.99	142.37	100.35
WELLS FARGO	46.26	-0.01	59.53	43.02

FORUM

EDITED BY LUKE GRAHAM

These are the four criteria for judging the next Tory leader

Alan Mendoza

What is it that Conservative MPs and members are actually voting for?

AND THEN there were ten. Nominations closed for the leadership of the Conservative Party on Monday. What had appeared to be turning into a grand melee – where it appeared easier to identify which Tory MPs were not running rather than were, so prolific was the announcement of candidatures – instead became a manageable scrum.

A last-minute rule change by the 1922 Committee seemingly scuppered the hopes of several candidates, who struggled to reach the threshold of eight names in support or decided that their efforts would be more sensibly spent backing others. It is now expected that, following the commencement of voting tomorrow, the final two candidates will be known in just a week's time – which is a small mercy, given that the whole process could otherwise have dragged on interminably.

But with minds now focused, this raises a real question: what is it that Conservative MPs and then members are actually voting for?

There are four distinct criteria by which the candidates can be judged: when they will be able to deliver Brexit, how they can keep the Conservative Party together while achieving that goal, whether they can win a General Election against Jeremy Corbyn, and if they will be able to govern with vision.

Judging by the discourse to date – and in an inversion of a leadership election in more normal times, when electability and an exciting vision for government would be the criteria of choice – it appears that the main preoccupation of the party electorate is an obsession with Brexit to the detriment of all else.

For leaving aside the issue of which candidates inhaled, smoked or snorted what substances and when – something which briefly threatened to overshadow the entire contest over the weekend – it is the candidates' Brexit positions that have attracted the most attention. Their manifesto commitments and even appeal to the electorate have largely fallen by the wayside.

Perhaps this is because it is only over Brexit that our field of runners and riders are really split down the middle.

The candidates have all agreed that tax cuts of various kinds will be required, and have come up with a range of eye-catching policies that are variants along a general theme of ensuring that the "squeezed middle" will have more money in their pockets, without abandoning those in society who need help the most. There is a broad consensus here, even if some are more interventionist in instinct than others.

Nor is there any real disagreement that almost any of the candidates will be able to put up a better fight against a Corbyn-led Labour Party – one that has its own deep divisions and doubts about its ability to govern – than that afforded by Theresa May. A certain blonde bombshell may fancy his chances more than others, but almost any decently-led Conservative Party with a coherent set of policies should be able to see off the kind of political challenge posed by Jeremy Corbyn and his far-leftist ideas.

Which brings us back to Brexit.

There is a clear divide between those who insist that 31 October is a realistic and final deadline for it – with the implicit threat that a no-deal Brexit will be entered into if a negotiated one has not come to pass by that point – and others who believe that this deadline is either unachievable or can be fudged if significant progress can be made with a Brussels renegotiation by that date.

The reality is that both sides are delusional to a point.

The first camp has failed to recognise that parliamentary arithmetic means that they will not be able to drive their backstop position of no deal through should negotiations fail. Parliament may have rejected every deal and indicative vote put in front of it, but the one thing it has supported is a rejection of no deal. A Prime Minister attempting to force that outcome would likely be toppled in a vote of no confidence, with an election to follow in an atmosphere of chaos.

As to the second camp, their weakness is that the much maligned deal struck by Theresa May happens to be the best one that the Europeans will offer.

The EU will not abandon Ireland for political reasons, whatever the economic implications of such a stand. So while the EU may reopen negotiations, it will only be to push the UK into a position of more interaction with European institutions – not less. It is difficult to see any Conservative Prime Minister being able to take this course of action.

So what is to be done? A second referendum, taking this toxic issue out of the realm of party politics and back into the national arena where it belongs, is the obvious answer. But for whatever reason, the candidates will not countenance it.

As a result, Conservative MPs and members should consider the only remaining leadership criteria when making their minds up about who to vote for: which candidate will be best able to keep their party together in the coming maelstrom?

With only difficult choices ahead, regardless of the path chosen, the ability to provide unity between the different wings of the party will prove to be the most important factor in determining whether the Conservatives survive as the party of government.

It is the candidate who can best deliver that who ought to be crowned leader. Without it, all will be lost.

Alan Mendoza is executive director of the Henry Jackson Society.

The rental economy is blossoming, but it could spell trouble for manufacturers

Paul Ormerod

MY SON recently had a holiday in Greece. His experience at Gatwick airport made it particularly interesting – which is possibly the first time that phrase has ever been written.

He drove to the airport and his car was picked up, not by a valet service, but by a company which will rent your car while you are away.

This is just one example of a current movement which could have a major impact on how we live.

Airbnb is probably the largest and most famous of the many ventures which have sprung up to expand the scope of renting. But even trivial items can now be rented.

The website Library of Things, for example, proclaims it is on "a mission to make borrowing better than buying". All sorts of, well, things can be hired from places around the world – hedge trimmers, jigsaws, in fact almost anything can be rented by the day or even by the hour, rather than purchased.

For many, renting may have negative connotations, especially in the housing market. The highly respected Institute for Fiscal Studies published a report last year which showed that the chances of a young adult owning a home had halved in the last 20 years. Of those born in the late 1980s, only a quarter are homeowners, compared to almost half of those born a decade earlier.

Reports like this are discussed negatively in the media. Renting rather than owning a home is regarded as a "bad thing", and surveys routinely suggest that young people still aspire to own.

But in many aspects of actual behaviour, the younger generation is revealing a preference to rent.

This trend has only become feasible on a large scale through the internet. Of course, the concept of borrowing rather than owning has been around for a long time for items such as books or toys. But it is modern communications technology which enables the rapid growth of borrowing rather than buying.

Much of the marketing material around this movement emphasises how progressive the participants believe themselves to be. "Borrowing" is the word, rather than "renting" – even though you pay for the privilege. By doing this, rather than, say, buying a trowel for your garden, you are in some way rejecting materialism and saving the planet.

Ironically, these right-on "borrowers" are participating in a massive extension of the market economy. The "borrowing" movement is shaping the world to be more – not less – like the nirvana of the free-market textbooks.

However, almost any company which makes things should be concerned. At the moment, much of the activity is low key, bilateral trades between small outlets and individual borrowers.

But the internet enables much more efficient markets to be created and for this movement to be scaled enormously. It opens up the potential of applying the just-in-time principle to the domestic, household economy.

Such revolutionary technologies can take decades for their full impact to become clear, but the internet may be heralding the demise of many manufacturing companies.

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

LETTERS
TO THE EDITOR

AI's not so scary

[Re: AI to boost British GDP by a fifth in the next decade]

McKinsey's recent artificial intelligence (AI) report says that "the UK has impressive pockets of innovation, but is failing to scale to business". This is largely due to the scaremongering around AI, which has been a barrier to adoption, particularly for small businesses and the public sector, with many viewing it as intrusive.

Big tech organisations continue to make breakthroughs in the use of AI, but its use does not need to be all-singing, all-dancing. In fact, many of us interact with AI daily, without even knowing it – from your email provider automatically filtering out spam, to receiving product recommendations when you're shopping online or downloading music.

Small steps can be taken to ease the AI journey. Innovation can be broken down into achievable chunks, so that organisations can make and show progress on a regular basis.

Looking to the public sector, some councils have introduced an AI-powered digital colleague that can automate frontline services – such as taking residents' queries or authenticating licences. Once workers and the public start to see improvements and use cases such as this, support will grow.

As the McKinsey report shows, AI is no longer a nice thing to have, but an organisational necessity in the digital age.

Steve Thorn, executive director, Civica Digital.

The 5G headache

[Re: Three becomes latest UK mobile operator to set 5G launch date]

While the advent of 5G is upon us, there's still work to be done before widespread availability is a reality.

The network in its current form can only handle a small amount of the capacity that 5G promises. The volume of "Internet of Things" devices such as smart vehicles and smart meters, plus 5G handsets, will require vast amounts of bandwidth that the current network simply can't support.

Many network operators are working to deploy 5G cell sites across urban areas first to increase densification, such as on the sides of buildings and on lampposts, with more rural areas to follow.

As more businesses join the race to deliver 5G to consumers, reaching optimum capacity will be achievable, but only if there's collaboration between operators, government, and infrastructure providing partners.

Sarah Mills, sector director of network operators, SSE Enterprise Telecoms

BEST OF TWITTER

Next stages of the Tory leadership contest:
- Swimsuit round
- GCSE maths
- Random drug test
- Judges' houses
- Litter tray changing speed contest
- Paper, scissors, stone...

@Number10cat

Freelancing is great because you're your own boss, so you have to stare directly into the fact that you're both a terrible boss and a terrible employee.

@aliterative

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Trump's bluster shows why we need a rethink on world trade

David McCourt

HELICOPTERED in to London and driven around in The Beast – an armoured limousine – what will the US President have seen during his state visit to the UK? A man who famously eyes up every opportunity, Donald Trump saw a weakened UK, lost in the Brexit escape rooms and vulnerable to the dark arts of the deal.

Alongside all those spectacular photo opportunities with the Royal Family and comforting words about allies, the President will primarily have been concerned with showing his base back home that he is protecting US jobs within the framework of any new trade deal.

Trump may claim that trade between the US and its longest-standing and closest friend will "double or triple", but we can see who will wear the trousers in any future negotiations. "Everything will be on the table," he said at his press conference with lame-duck Prime Minister Theresa May.

Initially, Trump was insistent that US healthcare companies and contractors must have access to the NHS – to the horror of the British liberal establishment. Of course, the President later rowed back on this point – but back across the Atlantic, diplomatic niceties will be packed away in a box along with his swallow-tailed morning coat.

All through the Trump presidency, the markets have struggled to find the right reaction to his predictions on trade deals. If the markets believed that US trade with the UK would triple, we would see considerable upwards movement in share prices. But we have not.

The problem is that we have a President who tweets a new policy or opinion seconds before shaking the hand of a foreign head of state on a red carpet, which makes things difficult. The markets don't trust Trump, and so they will find it difficult to price any new UK trade agreement – not least because, as Trump has shown once again with Mexico, a deal is not a deal.

With presidents in the past, markets would have been able to evaluate the details of any trade deal and price it accurately. Now, we don't really know if what is said (or tweeted) will match what happens.

The USMCA deal with Mexico and Canada was agreed upon last year, but not ratified. Yet late last month, the president slapped a five per cent tariff on all Mexican imports, and threatened much worse later unless illegal immigration is dealt with. The markets reacted to that reality, and share prices took a tumble, especially those of the vehicle manufacturers serving the US from across the Rio Grande.

To be fair to Trump, he is a great disruptor, knowing full well that his capriciousness can work as a bludgeon in trade negotiations. When you are never sure what your powerful opposite number will do and are aware that it may be very unpleasant and painful, there is a tendency to pay attention.

But by outlining policy in 280 characters on Twitter, the President effectively gives markets the "start and the end" of the deal, and makes it difficult for them to have confidence in the substance. The truth is that he makes these deals largely for effect, to rally his core constituency and give off the perception of success.

He can do this with impunity in an arena where the World Trade Organisation (WTO), which has made incremental changes over the years, has become steadily more bureaucratic and ineffective.

What we need is a revived WTO that is part of a wider rules-based rethink in order to address the realities of trade in the era of global digitisation, increased national friction, and Chinese expansion.

Trump may well win a second term in office, just as we need an injection of innovation and consensus. We may end up receiving more headline-grabbing "deals" and threats, but the broader international community needs to play its own part in dragging world trade into the mid twenty-first century.

The President makes it difficult for markets to have confidence in the substance of deals

David McCourt is an Irish-American entrepreneur and author of Total Rethink.

DEBATE

Are local councils right to shut down delivery-only kitchens operated by Deliveroo?

YES

PAULA HIGGINS

If councils find that Deliveroo is operating illegally in particular locations and bypassing planning rules, they are right to shut down these so-called dark kitchens.

Planning laws exist to protect the local community and clearly need to adapt to emerging trends.

Although the HomeOwners Alliance is loathe to stifle the entrepreneurial spirit of Deliveroo, a location that was originally set aside for light industrial use may not be appropriate given the knock-on effect of the rise in scooter traffic, which is causing a disturbance to local residents.

We appreciate Deliveroo's desire to innovate while keeping costs down, but it must be frustrating and potentially dangerous living in a location where scooters congregate, speed by, and cause noise disturbance.

This must be particularly disruptive in the evenings for residents with young children or those who need to get up early for work. We recommend that people think hard before buying in such a location.

Paula Higgins is chief executive of the HomeOwners Alliance.

NO

PAUL YEWMAN

With more people grabbing their smartphones instead of facing the kitchen, demand for online takeaway food shows no sign of slowing down. Customers now expect that they can order any meal on an app for free – or relatively cheap – and it's putting pressure on the industry to keep up.

Efficiency is key, and the sector must adapt to feed the masses. Deliveroo has jumped on this, creating satellite kitchens to house several delivery-only restaurants under one roof to boost productivity and ensure that your food arrives piping hot. These kitchens, called Deliveroo Editions, are also helping to prop up communities. They create thousands of local jobs, while giving restaurants who can't afford drivers a chance to enter the delivery market and widen their customer base.

This next stage of delivery is the future, yet councils across the UK are hampering progress with red tape.

They are missing the point. Deliveroo Editions will help councils survive as populations grow, and it's time that they stepped up to the table.

Paul Yewman is chief executive of PostTag.

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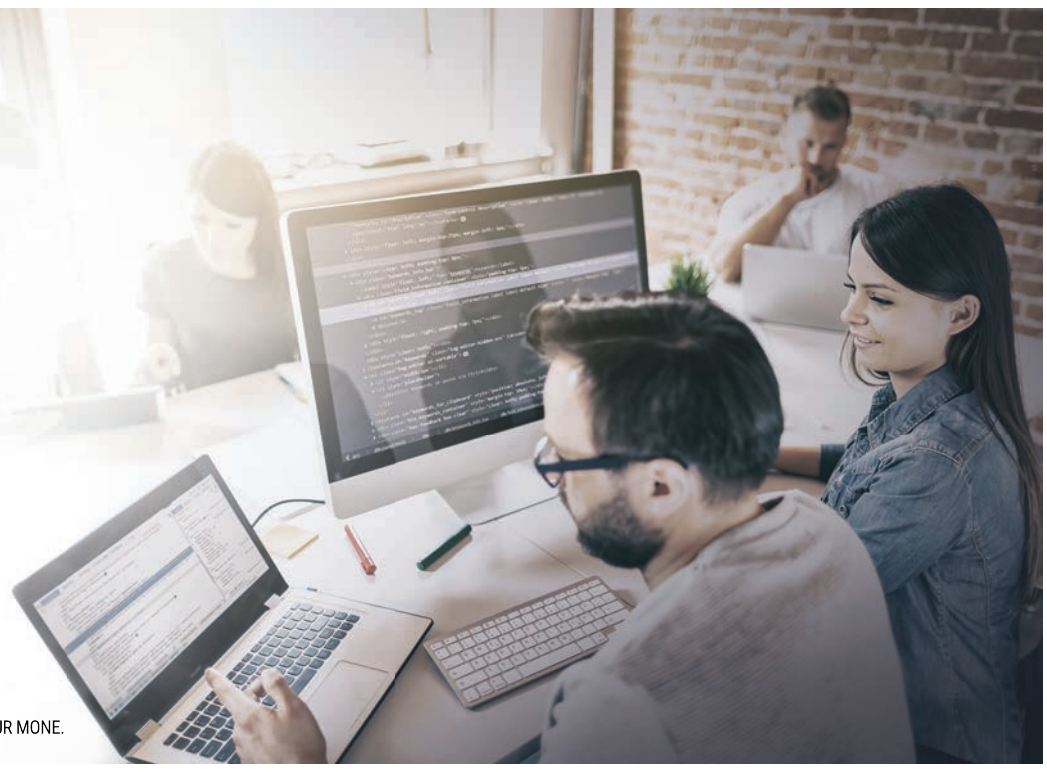

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OFFICE POLITICS

Creating the co-working dream team

Shared workspaces can nurture creativity, but is the UK holding the sector back?

Annabel Denham

SECOND Home isn't your average co-working space. I'm not just referencing the kooky aesthetic – though it's famed for the 1.5 tonne flying table at its Spitalfields site.

No, these are offices meticulously engineered to optimise business potential. Second Home's website proudly claims that businesses there grow 10 times faster than the national average.

It's a barometer that co-founders Rohan Silva and Sam Alderton can set themselves against, and Second Home now has four sites in London, one in Lisbon, and another opening later this year in LA.

The founders say that they obsess over the speed at which jobs are being created, as well as how their educational programmes can help startups make the leap from three to 300 employees.

They are vexed by an issue that troubles us all: automation. As technology sweeps through the economy, jobs lost will be substituted by alternative trades – and we will need support in transitioning from the old era to the new, Silva tells me.

Indeed, if Silva – who is a former Number 10 policy adviser – had the ear of our current Prime Minister or chancellor, he would make creativity a "macroeconomic priority".

But is it a quirk of fate, or can we build communities that make "creative collisions" more likely?

Second Home hopes to answer this question, by placing publishers next to refugee charities, architects next to tech firms. Startups sit alongside accountants, lawyers, PR experts – the support that they might need to take their ideas to the next level.

At Downing Street, Silva was the brains behind Tech City and the first Entrepreneur Visa. Today, he calls for business rates reform because they "clobber smaller firms".

He longs for the UK to mimic the US in its celebration of entrepreneurship and insistence that the profit motive is encouraging, rather than exploitative.

Silva longs for the UK to mimic the US in its insistence that the profit motive isn't exploitative

At the LA site, Second Home has planted 7,500 trees. Here, they couldn't plant eight, because the council said that "fruit trees make a mess".

These daily struggles keep Silva on edge. "It's my neck on the line," he says. "I wasn't expecting it to be this hard, despite my history. When I worked in Number 10, I never had a sleepless night." Now they are two a penny – though this may also be because nine months ago Silva became a father. This brings us to Second Home's newest USP: the nursery at its London Fields site.

It's a delightful, bright space, designed to match the co-working space it sits within. The idea was executed by nursery chain N Family Club.

Though the childcare sector is in dire need of innovation, regulation is stifling those who dare.

"We wanted to apply the Uber model to childcare, where parents could spontaneously decide to use it. But the UK's staff:child ratios made that difficult," he says. Within the restricted parameters, Silva hopes the nursery will be the best it can be, adding: "why is it that only Google can offer good childcare?"

Whether the trend for new, stylish co-working spaces is here to stay remains to be seen.

While each Second Home location is now profitable, one question rests on how much entrepreneurs or freelancers are willing to spend to avoid working from the kitchen table.

In fact, our biggest concern need not be the disappearance of these working destinations, but the loss of Silva to the US. "If the LA opening is successful, the US will become our centre of gravity. It's sad."

If he does make LA his home, it would be a blow to the UK's entrepreneurial ecosystem, second only to the loss to entrepreneurship policy when he left government.

Annabel Denham is communications director of The Entrepreneurs Network.

PYJAMA PARTY

WeWork
Free

Contrary to popular belief, freelancers don't sit around in their pyjamas all day. In fact, they are increasingly hitting up co-working spaces. One of the biggest players is WeWork, which happens to have a handy little app. As well as booking space, it can put you in touch with other members to help you solve business problems.

COFFEE BREAK

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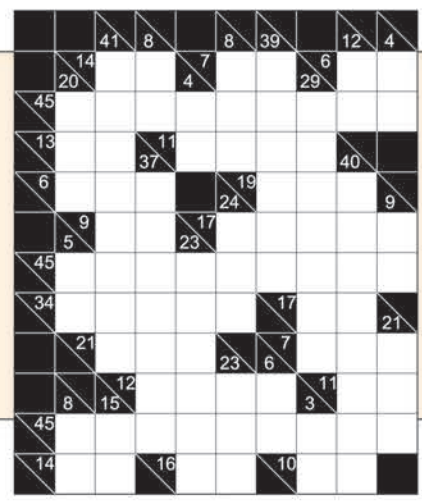
SUDOKU

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

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

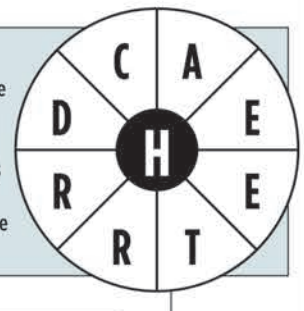
KAKURO

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

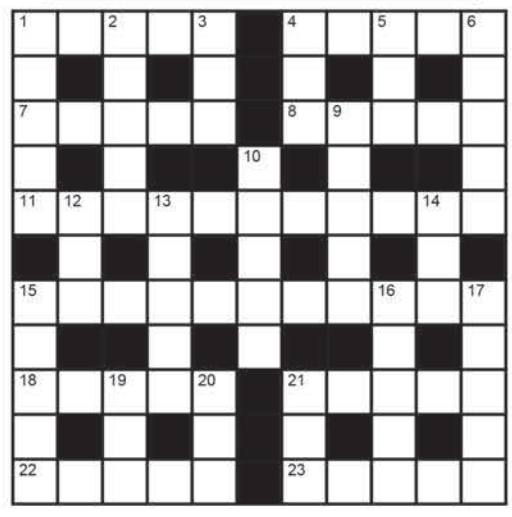


WORDWHEEL

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



QUICK CROSSWORD



ACROSS

1 Sacred writings of the Christian religion (5)
4 Bereaved wife (5)
7 Commence (5)
8 Teach (5)
11 Very large or ungainly (11)
15 Catch fire (11)
18 Offensively bold (5)
21 Egg-shaped object (5)
22 Inexpensive (5)
23 Royal family (5)

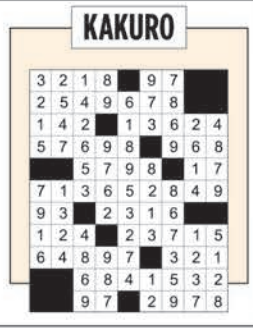
DOWN

1 Coat in fat (5)
2 Part of a knife (5)
3 Juvenile newt (3)
4 Drenched with water (3)
5 Speck (3)
6 Less good (5)
9 Vocalise (5)
10 Country, capital Tokyo (5)
12 Sign of the zodiac (3)
13 Gasps (5)
14 Web (3)
15 Three-dimensional (5)
16 Not silently (5)
17 Duck valued for its soft down (5)
19 Top card (3)
20 Pelvic joint (3)
21 Away from home (3)

LAST ISSUE'S SOLUTIONS

QUICK CROSSWORD

KAKURO



SUDOKU

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

WORDWHEEL

The nine-letter word was **TOLERABLE**

TRADING & INVESTMENT

OPENING THE FUND-GATE

After the Neil Woodford saga, how can investors be protected going forward? **Katherine Denham** explains

THE UK's most famous fund manager has been having a terrible time recently – or perhaps infamous is a better way to describe Neil Woodford these days.

Trading in Woodford's £3.7bn Equity Income fund was suspended last week after a stampede of investors rushed to get their money back. Those remaining are now stuck, and have been advised to brace themselves for a suspension longer than 28 days.

Despite the anger and frustration, Woodford has refused to waive the management fee, which many (including Financial Conduct Authority chief Andrew Bailey) have argued would have been an appropriate gesture of goodwill towards savers.

Unsurprisingly, investors – many of whom have used Woodford's fund for their Isa or pension – are concerned, with some questioning why they were not sufficiently warned that their money could be locked in.

In reality, a suspension can happen to any open-ended fund, but the risk is greater when managers are invested in hard-to-sell illiquid holdings, such as property or unlisted stocks.

With open-ended funds (otherwise known as mutual funds), there are no limits to how many shares can be issued. This means that when investors buy shares in the fund, more shares are created. While this isn't a problem when people are buying, if lots of investors decide to sell their shares at once, the fund manager might be forced to sell assets at discounted prices in order to quickly raise the cash to pay them.

Essentially, the fund manager has to manage the portfolio to accommodate inflows and outflows, ensuring that they have enough money available to give investors back their money, says Annabel Brodie-Smith from the Association of Investment Companies. "When the chips are down, the fund manager cannot sell the illiquid assets quickly enough to meet investor redemptions, despite retaining a cash cushion for these situations."

The other issue is that fund-gating – that is, temporarily preventing people from withdrawing their money – inevitably brings bad publicity to the open-ended fund, therefore creating a sort of negative feedback loop, potentially prompting a further run on a fund once the suspension is lifted.

Where Woodford is concerned, his problems really arose when he ramped up his allocation to unquoted stocks to exceed the regulator's 10 per cent limit in his flagship fund. What's worse is that some of the positions in these unlisted stocks were quite large, making them all the more difficult to sell.

> We can no longer afford to turn a blind eye to the structural flaw of these investment vehicles

Perhaps if Woodford had stuck to the rules and not gone beyond the unquoted threshold, the fund wouldn't have been forced to suspend. But really there is a bigger issue at play here, because this scandal has drawn attention to the risks when the underlying investments don't align with the intended flexibility that the structure of the product is meant to provide.

"Open-ended funds which hold illiquid assets have a fundamental mismatch, as their daily dealing structure simply doesn't match the reality of trading the underlying investments," says Edward Park, deputy chief investment officer at Brooks Macdonald. "For this reason, within the property fund sector we now exclusively buy closed-ended listed investment vehicles."

Issues around this really came to light in the months after the Brexit vote in 2016, when a string of large property funds were forced to suspend trading after thousands of investors panicked and cashed in.

It's a mechanism that is designed to protect the remaining investors, giving managers time to sell off the underlying investments. But it's also a predicament that could be avoided simply by preventing illiquid investments from being held in open-ended funds.

This is something that the Financial Conduct Authority is currently looking into, and Bailey has warned that daily withdrawals from funds holding illiquid assets could be banned.

The regulator is due to publish a policy statement containing final rules by the end of this month.

That's not to say that illiquid investments are bad, it's just that other structures are better suited to holding these types of assets.

For example, listed investment companies (commonly known as investment trusts) with a closed-ended structure are more suitable for investing in assets like unquoted shares, because managers don't have to worry about money coming in or leaving the fund. Investment companies only have a set amount of shares available, which can be bought on an exchange like individual stocks.

The share price is affected by supply and demand, meaning it can trade at a premium or discount to its net asset value, without directly impacting the underlying businesses that the investment trust is invested in.

"While negative news might prompt a fall in the investment company's share price, the portfolio will be unaffected," says Brodie-Smith. "Investors may not like the investment company's share price, but they can continue to buy and sell the investment company if they wish to."

So essentially, for investors who want the assurance of daily liquidity, investment companies may be a better idea.

As Marc Haynes from Cohen & Steers says: "Investors can no longer afford to turn a blind eye to the structural flaw of open-ended funds – the inherent mismatch of trying to create daily liquidity in an investment vehicle when the underlying assets are illiquid. It means that the ability to sell may at times be illusory and unreliable."

After the Woodford debacle, it's time to make funds safer for investors.

A Fed rate cut might not work this time

CNBC COMMENT

Karen Tso

A PHRASE often used by American market commentators over the years is "don't kill the goose that lays the golden eggs". And while no one has slaughtered global markets yet, feathers have been sharply plucked.

If our bird is the markets, the trade war is the latest cause of stress – and not everyone believes that the US Federal Reserve can prescribe an antidote this time.

Hans Redeker, global head of FX strategy at Morgan Stanley, says that the market was wrong to buy stocks last week, after Fed chair Jerome Powell hinted at a response to any fallout from trade.

Redeker says that investors need to watch the warning signs.

For instance, one red flag, which has been waving for weeks, is the inverted yield curve.

Redeker thinks that many people are simply putting it down to the US repatriating money, but ignoring its knock-on effect. He questions how US banks will act in future if they suffer limited profitability thanks to low interest rates.

Surely if growth slows and inflation falters, the Fed just steps in to reduce the cost of money? But not so fast.

While the Fed may cut, it's not a slam dunk that the dollar will fall. In fact, the Morgan Stanley team raked over the history books and found that, in two cases, the dollar went down on the back of a rate cut, but in three other cases it went up.

The FX specialist warns that the dollar, which funds 80 per cent of global trade, needs to fall because at current levels, it is actually suppressing growth.

According to Redeker, the problem is so acute that it would not be a surprise if the US led a discussion on FX at the G20 at the end of this month.

Perhaps it's why the ECB's Mario Draghi didn't "out dove" Powell last week, weakening the euro.

Other assets standing at an important crossroads for markets last week also weighed economic slowdown against the firepower of the Fed.

Michael Howell, chief executive at CrossBorder Capital, warns investors to prepare for a rush to safety, and predicted that the 10-year US Treasury yield would fall by 100 basis points within 12 months.

Howell says that he sees a reduced appetite by investors to gamble on returns. He explains that investors are shuffling down the risk curve into safer assets, and shrinking their investment horizons.

More than 10 years on from the financial crisis and faith in global growth is worsening.

Karen Tso is an anchor on Squawk Box Europe, CNBC. Follow her @cnbckaren.

LIFE&STYLE

THE FITNESS GURU

Personal trainer **Harry Thomas** answers your burning fitness questions

I HAVE A KNEE INJURY AND HAVE TO REST IT, WHAT EXERCISE CAN I DO AND HOW DO I KNOW WHEN IT'S SAFE TO USE IT AGAIN?

Having an injury doesn't mean you can't do anything, although it is an excuse many people use. Most of us live very sedentary lives and having an injury seems to promote even more inactivity. Just remember: doing *something* is almost always better than doing nothing.

First up, it should go without saying that if you're in a lot of discomfort, you should get advice from a professional. But there are ways to work around common niggles. Cardiovascular training is a great way to get the blood pumping but it can be hard to work around a knee injury. Depending on the type of problem, you could look to the cross trainer, which is a great non-weight bearing exercise. Swimming is another good recovery strategy, allowing you to work the affected area without exacerbating the problem.

If you want to do weight training, resistance machines may be your best bet, allowing you to focus on specific areas of the body. When you feel ready, they are also a great way to slowly build your strength back up, slowly increasing your range and weights. It's important to gradually build back up to your pre-injury level: there's no rush.

Moving the area around the injury can also help with recovery. If a particular movement causes pain, don't do it, but what you *can* do is slowly build up movement, starting with small circles, which helps to improve circulation to the area. This should give you a good idea of the range of movement across the affected muscle or joint, which you can extend incrementally over time.

Sleep is also an essential component for recovery, so the more shut-eye you get, the quicker your recovery time will be.

I'M NEW TO THE GYM AND FEEL A BIT INTIMIDATED, WHAT ARE SOME EXERCISES TO GET ME STARTED?

Lack of confidence comes from lack of knowledge. The worst thing you can do if you're new to the gym is just turn up and try to cobble together a routine on the fly. Having a plan to follow will make the entire process easier, and give you more of a sense of accomplishment each time you complete a session.

Think about your goals and tailor your work-out accordingly. I recommend starting with a full body approach so you can gauge your fitness over a number of areas. Take a notebook and record the weights you lift. Once you get into a routine, you will soon notice your strength improving, and the amount you get through in the session will increase too.

If it's your first time at the gym, ask for an induction or invest in a personal trainer. Another great way to train is to join a group session, which will be overseen by a professional and is likely to have other relative novices to make you feel better. It will also help to keep you accountable.

It's very easy to talk yourself out of going to the gym – that little voice in your head will tell you not to bother today, stay in bed an extra 30 minutes instead. Ignore it.

There are countless ways to exercise so it's worth keeping your options open until you find something you like. Some people love classes, others love weights, others yoga or boxing. It doesn't matter, as long as you enjoy it and can continue to do it.

I'M REALLY INFLEXIBLE, IS THIS A PROBLEM AND WHAT CAN I DO ABOUT IT?

When people say 'I want to improve my flexibility' I always ask what flexibility means to them.

Some people say touching their toes, others want to improve their posture, others want to alleviate stiffness. Once you've settled on your definition, you can start to work towards it, measuring your progress as you go.

Increased flexibility can help improve performance, decrease aches and pains, prevent injury and make you feel better. The fitness industry spends a lot of time focusing on muscles but this is only a small component of a healthy training regime – we could all benefit from spending a bit more time working and moving our joints.

It's also worth bearing in mind that the more efficiently your joints are functioning, the less hard your muscles have to work. The body is connected with layers of connective tissue called fascia that run like a huge web from head to toe. All the time new tissue is being laid down, and if you sit in the same position every day, your body will lay down this connective tissue in a familiar way, growing thicker over time, limiting your mobility.

Yoga, pilates and stretching are great ways to improve your flexibility, as is the kind of three dimensional training we promote at my gym No.1 Fitness. This is an area that's becoming more popular in the wider industry, involving resistance and weight training that promotes movements in more than one direction.

During your workouts, set yourself at least 10-15 minutes where you can introduce some mobility or stretching drills. If you don't have time at the gym, you can always do this when you get home – do it while watching TV or in bed.

To book a session at No.1 Fitness go to no1fitness.co.uk

Herbs on the way out? Time for some sauce

Our resident chef on how to get the most out of your bolting parsley

MY FOOD DIARY

Mark Hix

My terraced garden down in Dorset is coming along a treat this year, and to make sure that nothing is wasted I sometimes like to throw together a herb soup.

Hot or cold, it's a great way to use up herbs that have started bolting (or going to seed, which stops them producing new leaves).

Don't skimp on the parsley here. You need to add it in quantity to really get the delicious flavours, and you won't taste a thing by scattering chopped parsley on top. It needs to cook and infuse. Make sure you're planting lots of extra parsley too – you can never have too much.

This sauce goes well with a nice plump fillet of cod or pollack. If you're boiling a ham, then the recipe is just the same, swapping out fish stock for the ham cooking liquid, and adding a little Dijon or Tewksbury mustard.

PARSLEY SAUCE

(SERVES 4-6)

INGREDIENTS

- *20g butter*
- *1 medium shallot, peeled, halved and finely chopped*
- *20g plain flour*
- *150ml milk mixed with 150ml fish stock*
- *4tbs curly parsley, washed and finely chopped*
- *50-60ml double cream*
- *Salt and freshly ground white pepper*

METHOD

- Melt the butter in a thick-bottomed pan and gently cook the shallots on a low heat for about a minute until soft.
- Add the flour and and stir well, then gradually add the milk and stock, stirring constantly to avoid lumps.
- Bring to the boil, season with a little salt and freshly ground white pepper and simmer gently for about 20 minutes, stirring every so often.
- The sauce should be quite thick by now; if not, simmer a little longer.
- Add the double cream and parsley and simmer for another minute or so.

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WEEKLY GRILL

Restaurateur Levent Büyükuğur on cricket protein bars and his grandma's amazing Turkish helva dessert

WHO ARE YOU AND WHAT DO YOU DO?
I am Levent Büyükuğur, a restaurateur and a director at the Good Food Society.

TELL US ABOUT CAFFÈ CINQUANTA
I just launched a new Italian restaurant at Baker Street and it's called Caffè Cinquanta. It's designed to bring people together with good, simple food served in a relaxed, 1950s Italian setting.

WHAT'S THE STRANGEST ENCOUNTER YOU'VE HAD IN YOUR RESTAURANT?
An incident that happened 15 years ago is hard for me to forget. A guest came for lunch to one of our restaurants, ordered half the items from the menu, drank two bottles of wine, half a bottle of grappa and a coffee. He then sat around for two hours until dinner service, when he ordered the other half of the menu: ten starters, ten main dishes, desserts, another bottle of wine and more coffee. I've never ever seen a person like him in any of my restaurants. We later found out he came from another city just to eat at our restaurant.

WHAT'S YOUR EARLIEST FOOD MEMORY?
My grandmother was a very good cook. I remember her cooking a famous Turkish dessert called helva. It took four to five hours to make and all the family helped out. I was about six years old; I'll never forget the smell of helva.

YOU COME HOME DRUNK AND HUNGRY – WHAT DO YOU COOK?
I never eat before I sleep and unfortunately I can't cook.

WHAT'S YOUR FAVOURITE DISH?
My new favorite is pollo Milanese and zucchini trombetta with bagna càuda, which we serve at Caffè Cinquanta. I love simple creations with quality, fresh ingredients. And don't forget the tiramisu to wake me up after long working days.

WHAT'S THE WORST THING YOU'VE EVER PUT IN YOUR MOUTH?
I tried a cricket protein bar recently in order to understand how we can maintain ourselves with sustainable protein resources. Definitely not for me.

WHAT SHOULD EVERYONE HAVE IN THEIR KITCHEN CUPBOARD?
Garlic and olive oil.

YOU'RE MAYOR FOR A DAY – WHAT FOOD LAW WOULD YOU INTRODUCE?
I would initiate a "food pledge" that would cover the whole city, obliging companies to donate any spare food. It's crucial that we reduce food waste both for environmental and social reasons. We need to act now.

To book a table at Caffè Cinquanta email reservations@caffecinquanta.com, pop in to the restaurant at 50 Baker St, Marylebone, W1U 7BT or call 020 3019 6282

FLAMBOREE!

154 OLD STREET, EC1V 9BW

WHAT? The first tarte flambee spot in London, Flamboree! has an exclamation mark right there in the name, meaning you're obliged to shout it out of a window or pop a balloon every time you say it. But let's not get too far ahead of ourselves: what exactly is a tarte flambee? Tarte flambee is a specialty from the Alsace region of France, where bakers would test whether their ovens were hot enough by shoving in a thin piece of dough. It's essentially a crispy pizza on an especially light and flaky pastry base, with any reasonable toppings you could consider plonked on top. The yeast-free dough makes it less of an encumbrance on your digestive system, eliminating the usual bread-induced, post-lunch fatigue and allowing you to continue to do your dramatic twirls and jumping jacks all afternoon, should you wish.

WHERE? On Old Street, near the big roundabout that's currently undergoing renovations to make it less than 100 per cent fatal to cyclists who try to navigate it.

WORKING LUNCH

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

ORDER THIS: Any notion that these pizza-adjacent interlopers were somehow healthy goes out the window when you see what they're putting on top of them. The Charcut-oree comes with bacon lardons, salami, sausages and kassler ham. The Great Veganer drops a heady mix of slow roasted tomatoes, onions, aubergine and peppers on a coriander and lemon hummus base. And, proving we're far outside the bounds of what could be considered a pizza, the Salmon Dance is topped with, well, smoked salmon. In the world of tarte flambee, there are no rules.

BUSINESS OR PLEASURE? This is an ideal spot for a quick and casual catch-up over lunch, but a better option still is to order a stack of them next time you're hosting a meeting. They're on Deliveroo.

NEED TO BOOK? There's seating for walk-ins, but you can book at flamboree.co.uk

ONE MORE THING: They do dessert flambees too. Check out the inexplicably named Grandma-ma's New Man, which is topped with rum-soaked fruits and served over Tahitian vanilla ice cream.

THE PUNTER

Hong Kong racing expert **Wally Pyrah** previews today's action from Sha Tin

RACING TRADER

Touch Of Luck to help Purton grab Moore winners

Touch Of Luck should go close in the 12.45pm with Zac Purton in the saddle

RACING returns to Sha Tin's all-weather track for the final time this season and conditions in Hong Kong suggest it may be for the best.

While the UK population have swapped their sun cream for umbrellas for the foreseeable future, the weather in Hong Kong has been even worse.

The territory, renowned for constant sunshine and high humidity, hasn't had more than two consecutive days of sun in the past six weeks, with unremitting rain and thunderstorms.

The official weather forecast for this afternoon is showers with squally thunderstorms, which will make it tough for bettors who are used to studying form on either good or fast ground.

It was a similar scenario at the last all-weather meeting a month ago, when rain turned the dirt track into a bit of a bog.

Normally horses with fast starts and low draw numbers have a big advantage on dirt but on that occasion, winners were coming from all over the track.

One trainer who will be hoping the gods of fortune continue to smile on him is John Moore.

After saddling four winners at Sha Tin last Saturday, he is now only a handful of victories behind current champion John Size in his quest to gain his eighth trainers' title.

Moore, responsible for giving jockey Zac Purton his 1000th winner in HK when saddling Thanks Forever to victory on Saturday, has booked the champion to partner his two stand-out hopes, **TOUCH OF LUCK** in the 12.45pm and Buddies in the 3.50pm.

Touch Of Luck, who confirmed earlier promise with a clear-cut win over a mile last month, makes his first appearance on dirt from an inside draw over the extended mile trip.

This flashy looking four-year-old, whose sire Hard Spun won a Group One on dirt in the US, travelled particularly well on a sloppy surface in a trial back in April.

He is clearly progressive and is capable of defying a 6lb penalty against mainly ordinary opposition.

In the same race, keep an eye on Good Fit who drops down in class after some below-par efforts recently. He is a seven-time winner in this company, all on this surface, and could make the frame at attractive odds.

Moore and Purton also team up with hat-trick seeking Buddies, who lines up in the finale at 3.50pm over the extended mile.

This son of So You Think steps up in class after making light work of the opposition in his two wins, including once over course and distance in similar conditions, last month.

He is surely better than his present handicap mark, but will need to overcome the dreaded outside draw and his odds are going to be short.

This looks a highly-competitive handicap and it could be worth taking a chance with the Frankie Lor-trained **KINGS SHIELD** who finally makes his first appearance on dirt.

This former UK galloper, who was trained by John Gosden, was a dual winner on the all-weather surface at Kempton and Newcastle.

Other notable efforts included a sixth in the French 2000 Guineas and a fifth in the St James's Palace Stakes at Royal Ascot.

He has taken some time to acclimatise to conditions in Hong Kong, but his latest effort was encouraging and he has now dropped to an attractive mark in the handicap.

POINTERS

Touch Of Luck
12.45pm Sha Tin
Kings Shield e/w
3.50pm Sha Tin

Lor and Chan have the Spirit to bloom on the all-weather

TRAINER Me Tsui is synonymous with all-weather racing in Hong Kong.

The 58-year-old local handler has been known for so long as the 'Dirt King' in the territory, and rightfully so.

This season alone, Tsui has saddled a dozen winners on the surface, including an incredible 11 wins and 10 places from just 46 runners in six-furlong contests.

However, Tsui has found himself surpassed this season by another local handler in Frankie Lor, who heads the all-weather table with 15 victories.

Lor, who is just six winners shy of equalling his first-season total of 65, has booked the stables 10lb claimer Alfie Chan to ride four of his horses, and all can be given first-rate chances.

Star Luck, who disappointed at the Valley a fortnight ago, has been given a chance to redeem his reputation on a surface he has already won on in the 2.15pm.

While the fast-starting Speed Vision has shown plenty of promise in dirt trials in his run-up to the six-furlong dash at 3.15pm.

The Lor and Chan combination will have high hopes that the incredibly fast **SIMPLY BIG** will resume winning form when he returns to his favourite surface in the 2.45pm.

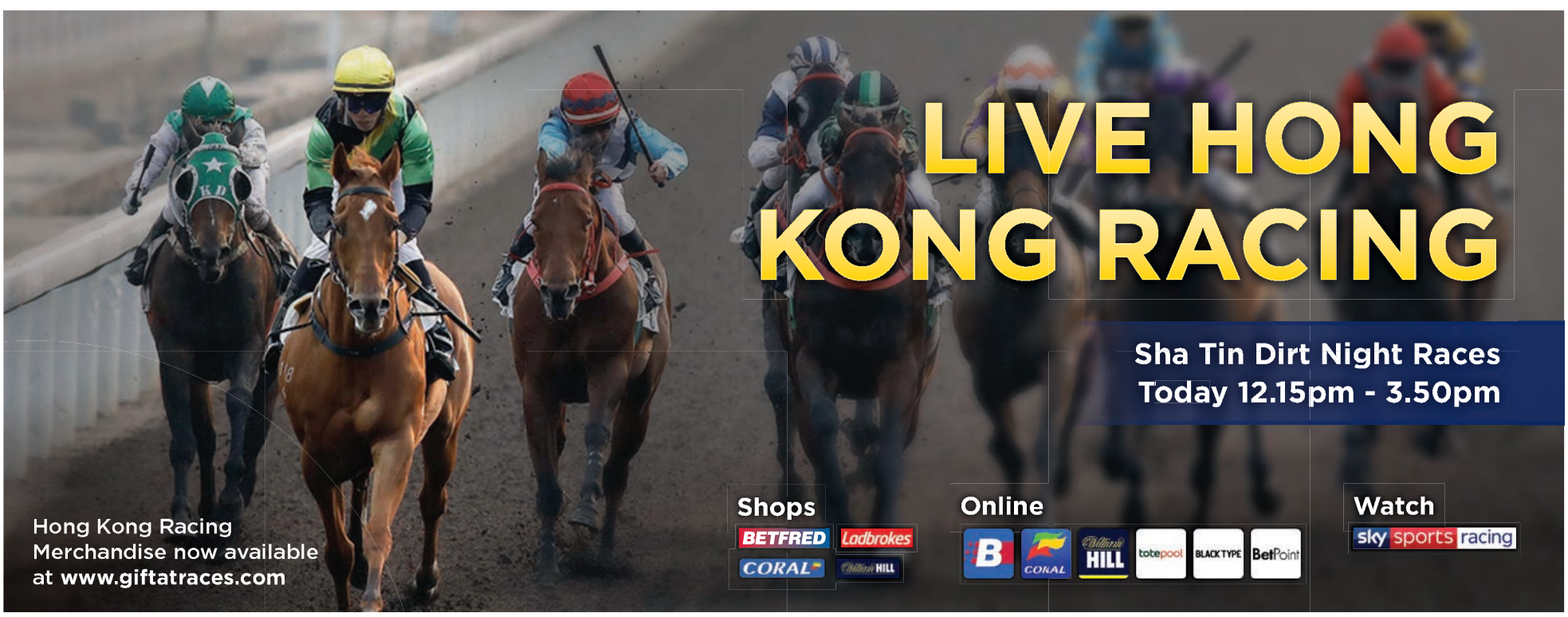
This son of Bated Breath has already won in sloppy conditions and with a good draw in his favour, he should get the run of the race.

Earlier in the afternoon, the partnership will be hoping to overturn hot favourite Lucky Thought with **BLOOMING SPIRIT** in the 1.45pm.

This progressive three-year-old should now be at his peak after five runs and looks well-handicapped.

POINTERS

Blooming Spirit e/w
1.45pm Sha Tin
Simply Big
2.45pm Sha Tin



SHA TIN

Going: DIRT - STANDARD

12.15 TONG FUK HANDICAP (DIV I) (CLASS 4)
(3YO+) (ALL WEATHER TRACK) (DIRT) 1m 3yo plus 9 dec.

1 980986 **SPLENDID TIMING** (10) (B) (D) (G)
(3) C Chang 5-9-7 ..... **Z Purton 77**
Runs: 8 Wins: 1 Places: 0

2 0008-0 **DARK KNIGHT** (38) (B) (D) (G,GS)
(2) L Ho 5-9-3 ..... **T So(2) 68**
Runs: 16 Wins: 2 Places: 4

3 964416 **ENJOY LIFE** (7) (E/S) (D) (G,GF)
(7) Y Tsui 6-9-1 ..... **A Sanna 78**
Runs: 31 Wins: 3 Places: 7

4 000585 **PERFECT BUDDY** (14) (H)
(9) K Lui 5-9-1 ..... **J Wong(3) 78**
Runs: 9 Wins: 0 Places: 0

5 989107 **HAY RUN** (51) (HT) (C) (SW)
(5) L Ho 7-9-0 ..... **M Poon(3) 74**
Runs: 29 Wins: 1 Places: 5

6 204840 **REMARKABLE** (7) (E/S) (CD) (A)
(6) J Size 6-8-13 ..... **J Moreira★ 77**
Runs: 27 Wins: 3 Places: 5

7 284639 **FLASH FAMOUS** (17) (ET) (G)
(8) F Lor 5-8-12 ..... **K Teetan 78**
Runs: 21 Wins: 1 Places: 2

8 887472 **CROWN AVENUE** (14) (V) (CD) (A,G)
(1) C Yip 7-8-11 ..... **C Y Ho 69**
Runs: 33 Wins: 4 Places: 2

9 60039 **WONDER EXPRESS** (14) (TB)
(4) C Shum 4-8-6 ..... **C Schofield 75**
Runs: 5 Wins: 0 Places: 1

★BETTING: 3 Remarkable, 7/2 Splendid Timing, 9/2 Crown Avenue, 6 Perfect Buddy, 8 Flash Famous, 10 Wonder Express, 12 Hay Run, 14 Enjoy Life, 20 Others

12.45 TONG FUK HANDICAP (DIV II) (CLASS 4)
(3YO+) (ALL WEATHER TRACK) (DIRT) 1m 3yo plus 10 dec.

1 003597 **CONFUCIUS DAY** (14) (ET)
(4) C Chang 5-9-3 ..... **N Callan 79**
Runs: 10 Wins: 0 Places: 1

2 216608 **GOOD FIT** (28) (ET) (CD) (A)
(10) F Lor 9-9-3 ..... **K Teetan★ 77**
Runs: 32 Wins: 6 Places: 4

3 050749 **STARLIT KNIGHT** (32) (D) (GF,G)
(6) Y Tsui 7-9-0 ..... **J Moreira 79**
Runs: 35 Wins: 3 Places: 4

4 395062 **ENFOLDING** (35)
(8) C Fownes 5-8-13 ..... **C Y Ho 81**
Runs: 17 Wins: 2 Places: 6

5 3-0031 **TOUCH OF LUCK** (17) (E/S) (D) (GY)
(1) John Moore 5-8-11 ..... **Z Purton 75**
Runs: 8 Wins: 1 Places: 2

6 005070 **LASTING FRIENDSHIP** (32) (HE)
(7) L Ho 6-8-10 ..... **U Rispoli 77**
Runs: 11 Wins: 0 Places: 1

7 001326 **COOLCELEB** (10) (B) (C) (A)
(2) T Yung 4-8-9 ..... **M Yeung(2) 81**
Runs: 9 Wins: 1 Places: 2

8 365940 **BRING IT ON** (35) (T) (G)
(9) C Yip 6-8-8 ..... **T So(2) 80**
Runs: 41 Wins: 2 Places: 10

9 124506 **GOLDEN FOUR** (17) (B) (G)
(5) C Chang 5-8-7 ..... **C Schofield 81**
Runs: 16 Wins: 1 Places: 3

10 00 **STRATHBARRA** (32) (B)
(3) A Millard 4-8-6 ..... **M Poon(3) 36**
Runs: 2 Wins: 0 Places: 0

★BETTING: 6/4 Touch Of Luck, 4 Enfolding, 11/2 Coolceleb, 7 Starlit Knight, 10 Confucius Day, Good Fit, 14 Golden Four, 20 Others

1.15 TUNG WAN HANDICAP (CLASS 5)
(3YO+) (ALL WEATHER TRACK) (DIRT) 1m1f 3yo plus 14 dec.

1 7-4005 **ART OF RAW** (35) (HT) (G)
(14) K Lui 6-9-7 ..... **C Y Ho 60**
Runs: 24 Wins: 2 Places: 0

2 240165 **ENJOYABLE SUCCESS** (14) (E/S) (D) (G)
(8) C Chang 5-9-7 ..... **N Callan 57**
Runs: 34 Wins: 3 Places: 4

3 123207 **THE JOY OF GIVING** (14) (B) (D) (G)
(1) C Chang 5-9-7 ..... **A Chan(10) 55**
Runs: 36 Wins: 3 Places: 10 €31,740

4 35-070 **SPEEDY WALLY** (10) (T) (D) (G,GF)
(6) C Fownes 9-9-6 ..... **M Harley 64**
Runs: 35 Wins: 4 Places: 8

5 61-026 **LUCKY WIN WIN** (32) (B) (C) (A)
(5) T Yung 5-9-4 ..... **Z Purton 61**
Runs: 11 Wins: 1 Places: 1

6 0-0073 **OPEN HOUSE** (21) (B)
(4) D Hall 6-9-4 ..... **K Leung 62**
Runs: 19 Wins: 1 Places: 2 €6,765

7 607877 **ABOVE** (10) (E/S)
(2) John Moore 4-9-2 ..... **J Moreira 66**
Runs: 8 Wins: 0 Places: 0

8 769508 **WHAMPOA STAR** (25) (D) (A)
(10) Y Tsui 5-9-1 ..... **M Poon(3)★ 57**
Runs: 29 Wins: 3 Places: 3

9 00-066 **SHINING BRIGHT** (21) (TB)
(9) C Chang 5-8-9 ..... **C Schofield 60**
Runs: 9 Wins: 0 Places: 0

10 443331 **LITTLE FANTASY** (21) (TP) (G)
(3) K Man 8-8-8 ..... **A Domeyer 62**
Runs: 30 Wins: 1 Places: 6

11 -79038 **MI BLANCO** (49) (TB) (C) (A)
(12) P O'Sullivan 6-8-8 ..... **A Sanna 65**
Runs: 24 Wins: 1 Places: 5

12 -00565 **MASTER BERNINI** (21) (B)
(13) D Ferraris 6-8-7 ..... **K Teetan 61**
Runs: 20 Wins: 0 Places: 3

13 -49755 **CELEBRATION** (10) (B)
(7) J Ting 6-8-3 ..... **M Yeung(2) 59**
Runs: 24 Wins: 0 Places: 3

14 699407 **SURE SUPREME** (35) (B)
(11) W So 5-8-1 ..... **T So(2) 57**
Runs: 16 Wins: 0 Places: 0

15 007274 **GOBI STORM** (21) (TP)
(15) T Yung 6-8-1 ..... **RESERVE 63**
Runs: 27 Wins: 0 Places: 3

★BETTING: 7/2 Lucky Win Win, 6 Above, Mi Blanco, 7 Art Of Raw, Enjoyable Success, 12 Little Fantasy, Master Bernini, Open House, Speedy Wally, 16 The Joy Of Giving, Whampoa Star, 20 Others

1.45 SILVERSTRAND HANDICAP (DIV I) (CLASS 4)
(3YO+) (ALL WEATHER TRACK) (DIRT) 6f 3yo plus 12 dec.

1 3286-0 **DASHING GAINER** (136) (H)
(10) Y Tsui 7-9-7 ..... **K Leung 74**
Runs: 17 Wins: 0 Places: 6

2 892208 **VIVA COUNCIL** (10) (HV) (CD) (G,Y,A)
(1) L Ho 6-9-5 ..... **A Domeyer★ 76**
Runs: 34 Wins: 4 Places: 5

3 0-0084 **ELITE BOY** (35) (TB) (CD) (A)
(8) J Ting 5-9-4 ..... **M Poon(3) 73**
Runs: 13 Wins: 1 Places: 4

4 0323 **LUCKY THOUGHT** (21) (TB) (BF)
(3) C Shum 4-9-2 ..... **Z Purton 76**
Runs: 4 Wins: 0 Places: 3

5 005067 **DALRADIAN** (17) (T)
(5) C Yip 6-9-1 ..... **M Harley 74**
Runs: 18 Wins: 0 Places: 1

6 9 **SPRINT FORWARD** (10)
(11) John Moore 4-9-0 ..... **C Y Ho 43**
Runs: 1 Wins: 0 Places: 0

7 5/4 **PROMISE KEPT** (25) (T)
(9) A Millard 6-8-13 ..... **U Rispoli 71**
Runs: 2 Wins: 0 Places: 0

8 902-58 **JOYFUL CONTENDER** (130)
(6) Richard Gibson 5-8-10 ..... **K Teetan 76**
Runs: 6 Wins: 0 Places: 1

9 -00009 **STORM SOLDIER** (45) (T)
(7) C Chang 6-8-10 ..... **M Yeung(2) 76**
Runs: 21 Wins: 2 Places: 1

10 -80834 **BLOOMING SPIRIT** (21) (TB)
(4) F Lor 4-8-8 ..... **A Chan(10) 71**
Runs: 6 Wins: 0 Places: 1

11 489-28 **FORMULA GALORE** (28) (T) (D) (G)
(12) C Fownes 7-8-3 ..... **K Ng(3) 76**
Runs: 34 Wins: 3 Places: 8

12 5-4652 **FAME AND FORTUNE** (35) (E/S)
(2) D Hall 5-8-4 ..... **J Moreira 73**
Runs: 9 Wins: 0 Places: 1

13 080900 **PRINCE HARMONY** (14) (D) (GF)
(13) W So 7-9-1 ..... **RESERVE 64**
Runs: 29 Wins: 4 Places: 3

14 468387 **STAR SUPERIOR** (10) (CD) (SW,A)
(14) C Chang 7-8-3 ..... **RESERVE 75**
Runs: 37 Wins: 2 Places: 4

★BETTING: 6/4 Lucky Thought, 6 Promise Kept, 7 Blooming Spirit, Fame And Fortune, Viva Council, 8 Elite Boy, 12 Joyful Contender, 16 Dashing Gainer, 20 Others

2.15 SILVERSTRAND HANDICAP (DIV II) (CLASS 4)
(3YO+) (ALL WEATHER TRACK) (DIRT) 6f 3yo plus 12 dec.

1 0106 **STAR LUCK** (14) (CD) (A)
(3) F Lor 4-9-7 ..... **A Chan(10)★ 74**
Runs: 4 Wins: 1 Places: 0

2 408141 **SKY TREASURE** (35) (H) (CD) (A,G,SW)
(4) Y Tsui 6-9-3 ..... **K Leung 71**
Runs: 26 Wins: 4 Places: 6

3 50 **KANBEKI MOLLY** (25) (B[1])
(2) P Yiu 4-8-11 ..... **N Callan 73**
Runs: 2 Wins: 0 Places: 0

4 007069 **VERY LUCKY** (21) (B)
(7) K Lui 6-8-11 ..... **J Wong(3) 70**
Runs: 11 Wins: 0 Places: 0

5 073942 **BOND ELEGANCE** (35) (E/S) (CD) (G)
(9) J Size 6-8-10 ..... **J Moreira 75**
Runs: 37 Wins: 3 Places: 8

6 975201 **GRAND HARBOUR** (35) (TB) (CD) (A,SW)
(10) C Chang 9-8-10 ..... **C Schofield 75**
Runs: 47 Wins: 3 Places: 12

7 053543 **HEARTS KEEPER** (14) (TB) (CD) (A)
(1) D Ferraris 10-8-9 ..... **A Domeyer 76**
Runs: 31 Wins: 3 Places: 9

8 30-005 **FLYING GODSPELL** (14) (CD) (A)
(12) J Ting 6-8-8 ..... **M Poon(3) 76**
Runs: 33 Wins: 3 Places: 6

9 -14933 **EVER STRONG** (35) (E/S) (CD) (A)
(11) K Man 6-8-7 ..... **C Y Ho 74**
Runs: 22 Wins: 3 Places: 3

10 209008 **LUNAR ZEPHYR** (35) (T) (G)
(6) W So 6-8-5 ..... **K Ng(3) 74**
Runs: 32 Wins: 2 Places: 5

11 2-0117 **CORRE RAPIDO** (35) (B) (CD,BF) (A)
(8) Richard Gibson 7-8-2 ..... **K Teetan 77**
Runs: 23 Wins: 2 Places: 4

12 00805 **DATING** (35) (HTB)
(5) C Yip 5-8-2 ..... **T So(2) 68**
Runs: 5 Wins: 0 Places: 0

13 0 **DR LUCKY STAR** (21)
(13) D Hall 4-8-13 ..... **RESERVE 46**
Runs: 1 Wins: 0 Places: 0

14 -43730 **SAM'S LOVE** (17) (D)
(14) C Yip 6-9-6 ..... **RESERVE 74**
Runs: 21 Wins: 1 Places: 8

★BETTING: 7/2 Sky Treasure, 5 Bond Elegance, 11/2 Ever Strong, 7 Grand Harbour, 17/2 Hearts Keeper, 10 Dating, Star Luck, 12 Corre Rapido, 16 Flying Godspell, 20 Others

2.45 HOI MEI HANDICAP (CLASS 3)
(3YO+) (ALL WEATHER TRACK) (DIRT) 6f 3yo plus 12 dec.

1 4-6375 **ENCORE BOY** (14) (CD) (G,SW)
(11) P Yiu 6-9-7 ..... **A Domeyer 97**
Runs: 23 Wins: 3 Places: 9

2 041217 **SIMPLY BIG** (17) (CD) (A,SW)
(5) F Lor 4-9-3 ..... **A Chan(10) 89**
Runs: 18 Wins: 4 Places: 3

3 -75462 **HANDSOME REBEL** (35) (HB)
(9) Y Tsui 4-9-2 ..... **Z Purton★ 102**
Runs: 8 Wins: 0 Places: 1

4 6-3553 **JOYFUL MOMENTS** (35) (B) (CD) (A)
(2) Richard Gibson 8-9-1 ..... **N Callan 100**
Runs: 27 Wins: 2 Places: 4

5 31-545 **HAPPY TOUR** (51) (TB) (CD) (G,A)
(3) C Shum 5-9-0 ..... **C Schofield 90**
Runs: 7 Wins: 2 Places: 1

6 4072-0 **MASSIVE POCKET** (35)
(4) K Lui 6-8-11 ..... **C Y Ho 91**
Runs: 7 Wins: 0 Places: 1

7 0-7647 **NUCLEAR POWER** (35) (CD) (A)
(6) D Hall 5-8-9 ..... **M Poon(3) 96**
Runs: 31 Wins: 2 Places: 8

8 49730 **JENERATOR** (10) (E/S)
(7) C Fownes 5-8-7 ..... **K Leung 93**
Runs: 5 Wins: 0 Places: 1

9 -78476 **MEGA HEART** (28) (T) (GF)
(8) C Chang 7-8-7 ..... **M Yeung(2) 98**
Runs: 13 Wins: 1 Places: 0

10 590058 **CEREFINO** (21) (T) (GF)
(1) W So 6-8-6 ..... **K Ng(3) 100**
Runs: 13 Wins: 1 Places: 0

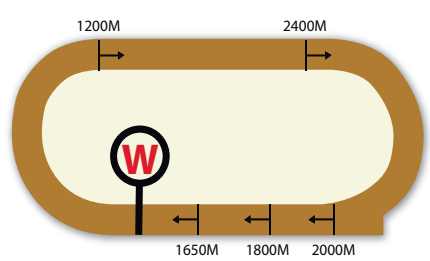
11 862643 **CALIFORNIA GUNGHO** (17) (TB) (G)
(12) A Cruz 4-8-4 ..... **K Teetan 82**
Runs: 15 Wins: 1 Places: 3

12 34-890 **STRATHCLYDE** (51) (TB) (CD) (A)
(10) A Millard 6-8-4 ..... **J Moreira 97**
Runs: 18 Wins: 3 Places: 6

13 960090 **HAPPY FAMILY** (21) (HE) (D) (A)
(13) L Ho 4-9-5 ..... **RESERVE 99**
Runs: 14 Wins: 2 Places: 3

14 20-195 **JUST NOT LISTENING** (35) (B) (CD,BF) (A)
(14) John Moore 5-9-3 ..... **RESERVE 89**
Runs: 15 Wins: 3 Places: 3

★BETTING: 11/4 Simply Big, 7/2 Handsome Rebel, 11/2 Joyful Moments, 8 Happy Tour, 10 Mega Heart, 12 Strathclyde, 14 Encore Boy, 16 Jenerator, 20 Others



3.15 BUTTERFLY BAY HANDICAP (CLASS 2)
(3YO+) (ALL WEATHER TRACK) (DIRT) 6f 3yo plus 12 dec.

1 04-060 **FIGHT HERO** (45) (H) (CD) (A)
(2) C Chang 8-9-7 ..... **K Leung★ 114**
Runs: 32 Wins: 7 Places: 5

2 415-11 **KING GENKI** (94) (T) (C) (A,SW)
(6) A Cruz 7-9-6 ..... **M Poon(3) 113**
Runs: 34 Wins: 7 Places: 3

3 7-5985 **JUMBO LUCK** (32) (D) (GY,G,GF)
(11) K Lui 7-9-5 ..... **J Wong(3) 109**
Runs: 22 Wins: 5 Places: 3

4 794415 **FORTUNE BOOTH** (21) (E/S) (CD) (GF,G,A)
(10) John Moore 6-9-1 ..... **C Y Ho 110**
Runs: 25 Wins: 4 Places: 5

5 -22522 **RAGING BLITZKRIEG** (35) (H) (CD) (G,A)
(5) J Size 5-9-0 ..... **J Moreira 114**
Runs: 28 Wins: 3 Places: 10

6 -01313 **LEAN PERFECTION** (32) (D) (G)
(8) C Yip 5-8-13 ..... **Z Purton 109**
Runs: 13 Wins: 5 Places: 3

7 13-654 **UGLY WARRIOR** (51) (CD,BF) (A)
(7) Y Tsui 5-8-13 ..... **K Teetan 113**
Runs: 10 Wins: 5 Places: 2

8 084095 **BIG TIME BABY** (17) (CD) (A)
(1) K Man 5-8-11 ..... **N Callan 114**
Runs: 24 Wins: 5 Places: 4

9 10400- **PICK NUMBER ONE** (192) (TB) (CD) (FT,A)
(3) C Shum 5-8-10 ..... **A Domeyer 109**
Runs: 10 Wins: 5 Places: 1

10 081010 **SPEED VISION** (32) (ET) (D) (GF,G)
(4) F Lor 4-8-9 ..... **A Chan(10) 109**
Runs: 14 Wins: 4 Places: 0

11 57-015 **ROYAL PERFORMER** (35) (HE) (C) (G,A)
(9) C Fownes 6-8-7 ..... **C Schofield 110**
Runs: 21 Wins: 5 Places: 6

12 1-8036 **FANTASTIC FEELING** (21) (D) (G)
(12) D Ferraris 8-8-3 ..... **M Yeung(2) 110**
Runs: 29 Wins: 4 Places: 8

13 3-0120 **HIGH FIVE** (21) (D) (GF,G)
(13) A Millard 8-8-10 ..... **RESERVE 112**
Runs: 33 Wins: 4 Places: 5

14 9-1139 **KASI FARASI** (17) (HT) (GF,G)
(14) J Ting 5-8-2 ..... **RESERVE 111**
Runs: 7 Wins: 2 Places: 1

★BETTING: 5/2 Raging Blitzkrieg, 7/2 Lean Perfection, 5 Ugly Warrior, 10 King Genki, 14 Fantastic Feeling, Pick Number One, 16 Jumbo Luck, Royal Performer, 20 Others

3.50 LIDO HANDICAP (CLASS 3)
(3YO+) (ALL WEATHER TRACK) (DIRT) 1m 3yo plus 14 dec.

1 431218 **PING HAI TREASURE** (17) (E/S) (CD) (A,SW)
(11) J Size 4-9-6 ..... **J Moreira 93**
Runs: 10 Wins: 2 Places: 2

2 -51159 **CHUNG WAH SPIRIT** (10) (ET) (CD) (A)
(6) C Yip 6-9-5 ..... **J Wong(3) 92**
Runs: 28 Wins: 3 Places: 6

3 909400 **JADE FORTUNE** (35) (HB) (CD) (GF,A,SW,G)
(9) K Man 7-9-5 ..... **N Callan 99**
Runs: 37 Wins: 5 Places: 4

4 0- **THE SUN ALSO RISES** (501)
(13) A Millard 5-9-5 ..... **A Sanna -**
Runs: 1 Wins: 0 Places: 0

5 -09563 **KINGS SHIELD** (56) (P) (D) (A)
(7) F Lor 4-9-4 ..... **K Leung★ 99**
Runs: 13 Wins: 2 Places: 2

6 -68340 **BEAR SLAM** (28) (G,A,GS,GF)
(2) D Ferraris 4-9-1 ..... **K Teetan 95**
Runs: 17 Wins: 4 Places: 2

7 376108 **SUMSTREETSUMWHERE** (38) (HV) (D) (G)
(3) L Ho 5-9-1 ..... **M Harley 90**
Runs: 15 Wins: 1 Places: 2

8 732420 **LAST KINGDOM** (21) (D,BF) (G)
(8) P O'Sullivan 5-8-12 ..... **A Domeyer 92**
Runs: 23 Wins: 3 Places: 4

9 95511 **BUDDIES** (10) (HT) (CD) (SW,GF)
(14) John Moore 4-8-9 ..... **Z Purton 97**
Runs: 5 Wins: 2 Places: 0

10 600802 **TANG FLEMING** (35) (TB) (CD) (A)
(4) C Chang 6-8-9 ..... **A Chan(10) 99**
Runs: 34 Wins: 3 Places: 10

11 5-1142 **CLEAR CHOICE** (51) (TB) (D,BF) (G,GF)
(1) C Shum 6-8-4 ..... **C Y Ho 99**
Runs: 20 Wins: 3 Places: 3

12 7-7088 **LUCKY TIME** (21) (B) (D) (GF,GY)
(10) D Hall 7-8-3 ..... **M Poon(3) 98**
Runs: 18 Wins: 2 Places: 4

13 -18590 **NAVAS** (25) (B) (G)
(5) Richard Gibson 7-8-3 ..... **T So(2) 93**
Runs: 29 Wins: 3 Places: 2

14 163451 **PERFECT TO PLAY** (14) (HT) (D) (GF,G)
(12) C Fownes 5-8-4 ..... **C Schofield 88**
Runs: 21 Wins: 2 Places: 3

15 323809 **FAMOUS WARRIOR** (35) (TV)
(15) A Cruz 6-8-9 ..... **RESERVE 99**
Runs: 16 Wins: 0 Places: 7

16 965983 **PEOPLE'S KNIGHT** (35) (ET) (CD) (G,A)
(16) John Moore 7-9-7 ..... **RESERVE 96**
Runs: 36 Wins: 5 Places: 4

★BETTING: 3 Buddies, 7/2 Clear Choice, 8 Tang Fleming, 10 Bear Slam, 12 Kings Shield, 14 Jade Fortune, Ping Hai Treasure, Sumstreetsumwhere, 16 Navas, 20 Others

Cards provided by RACING POST

US OPEN PREVIEW

Sam Torrance

RED-HOT RORY

RORY McIlroy played the best golf I've seen anywhere for a long time as he romped to a seven-shot victory with an extraordinary final round of 61 at the Canadian Open on Sunday.

He was like Tiger Woods, demoralising the chasing pack right from the word go with five birdies on the front nine and leaving the commentators in awe. It was pure exhibition stuff at times and a reminder that when Rory is at his best nobody can touch him.

McIlroy looks to have a lot more control of his short irons now which, while you couldn't call it a weakness, was an area open to improvement.

His putting looks solid, although it hardly needs to be when the rest of his game is that good – Stevie Wonder could have carded a 65 if left with Rory's putts on Sunday. He's playing without fear, and when you get in that zone it's a wonderful feeling. It would be fantastic to see more of that from Rory this week at the US Open.

DOMINATION

If McIlroy's display in Canada was the best golf of the year then the leading performance overall has been Tiger's to win the Masters. At Majors the pressure is at a different level.

Woods is also responsible for the greatest Major performance of all

US OPEN 2019

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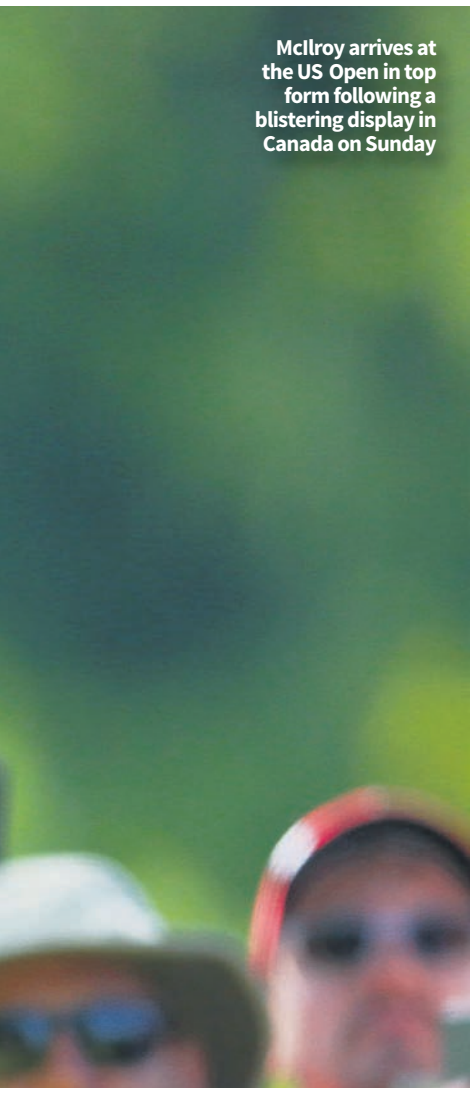

McIlroy arrives at the US Open in top form following a blistering display in Canada on Sunday

time, his total domination of the 2000 US Open at Pebble Beach, where the tournament is returning this year. Ernie Els says he played the golf of his life to finish three over par, 15 shots behind Tiger. When a player of Ernie's quality says that, it tells you how exceptional it was.

Woods will be raring to go this week. In fact, he would have loved to walk off the 18th green at Augusta in April and straight onto the first tee at Pebble Beach. He is definitely a contender.

His record-breaking win 19 years ago means that he has memories from this place that nobody else does. Having ended his 11-year wait for another Major, the gates are open and No16 could come at any time now.

It's not sticking my neck out but Brooks Koepka is my other fancy this week. He is seeking a third consecutive US Open and, like McIlroy, is a great driver with a terrific set of attributes.

They say players are judged by their Major performances. With four wins from his last eight Major starts, that department seems to be very much Koepka's strength. It's obvious that the US PGA champion knows how to get the job done. He isn't scared in the big events and that is a huge quality that marks out the very best.

Of the rest, Tommy Fleetwood is good enough to break through at any Major, but having finished second last year and grown up playing coastal courses, Pebble Beach offers a good chance for the man from Southport.

> McIlroy is playing without fear. When you get in that zone it's wonderful

Fleetwood is aiming to go one better than his second place last year

Francesco Molinari can shine too, despite his recent dip in form. The Open champion's machine-like accuracy comes to the fore when the wind picks up, as it can on the Monterey peninsula.

Graeme McDowell is a similar type and has great heart, as he showed when winning the last US Open at Pebble Beach in 2010. He arrives on a high, having just secured his place at the Open in his native Portrush.

Shane Lowry, second in Canada to McIlroy, seems to be back to his best this year and is another Irishman with a great game in windy conditions.

It's going to be a fabulous week and any one of about 10 players could win. If all three of my picks play to their absolute maximum, however, there is no question that McIlroy triumphs.

He doesn't have any flaws – if you stopped his swing at any point his club would always be in the perfect position – and it feels as though his fifth Major has been coming for a while.

INNOVATIVE

Away from Canada and California, I enjoyed watching the European Tour's GolfSixes event in Portugal, where Thailand beat England in the final of the six-hole team tournament at the weekend.

Like the Made In Denmark's mix of stroke play and match play last week, this was another well-run and innovative event. I'll admit that I wasn't sure about new formats at first but I am enjoying them now.

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PADDYPOWER.

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biggest scalp came on 10 June last year when they smashed 371-5 before bowling out England for 365 to record a famous six-run victory in Edinburgh. And yet there would be no follow-up game in which to continue their momentum. They would have to wait 333 days, until May against Afghanistan, for their next ODI with a full member.

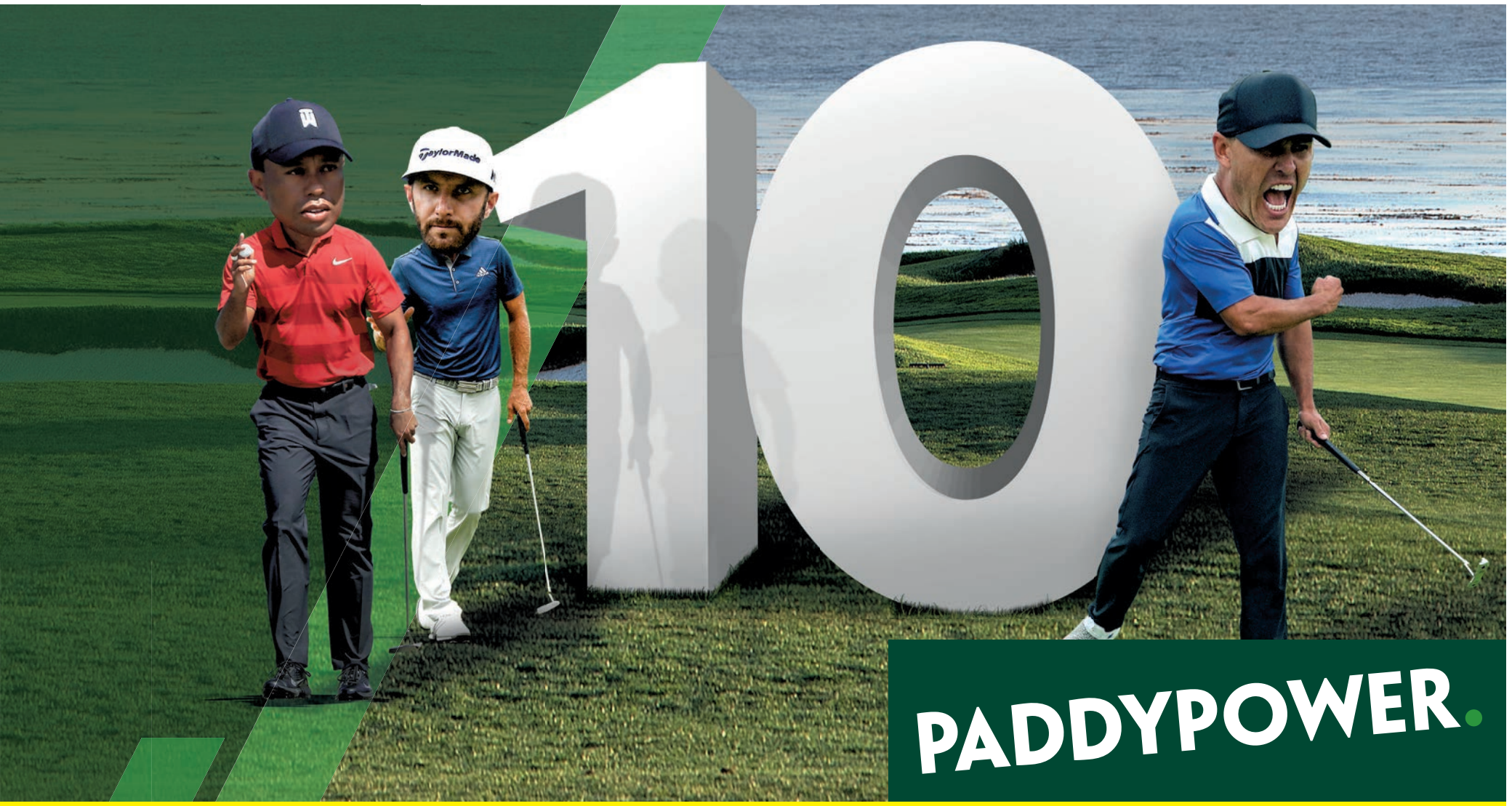
Schedules are organised years in advance. The best sides are busy, which is exactly why the World Cup represents the perfect chance for nations like Scotland.

"No one is actually given the chance to get better," Cannon explains. "We all have to negotiate matches. The difference being we don't have the funds to attract full members to play us.

"When you host someone you pay for everything and of course we don't have those funds. To pay travel, accommodation, match costs, transport, security – it costs a fortune to play anyone, but full members, they expect a step up. We cannot afford it, even if full members were available."

For now there is no World Cup for Scotland. But raising awareness and fundraising never stops, while attention now turns to qualifying for the 2020 Twenty20 World Cup and attaining full member status.

"I think we've proven to the ICC full members that the sides bubbling just below the 10-team cut-off are more than capable of holding our own against the big sides," Cannon adds. "There are no longer mismatches."



SPORT

WHO'LL ROCK PEBBLE BEACH?
Sam Torrance previews this week's US Open PAGE 26

UNLUCKY FOR SOME Ruthless USA put 13 past Thailand in record-breaking victory

Holders the United States thrashed Thailand by a Women's World Cup record score line of 13-0 to begin their tournament in style last night. Striker Alex Morgan netted five times in Reims as the 2015 winners produced a ruthless performance to score 10 second-half goals and blow away a side ranked 34 places below them. Sam Mewis and Rose Lavelle bagged two goals each, while Megan Rapinoe, Linsey Horan, Mallory Pugh and Carli Lloyd all got on the score sheet in the Group F tie. "We wanted to showcase ourselves," Morgan (pictured, centre) said. "Every goal matters in this tournament and that is what we were working on. We were really clinical in the attacks we did get."

SPORT DIGEST

LUKAKU LEADS BELGIUM TO WIN OVER SCOTLAND

Romelu Lukaku scored twice as Belgium eased to a 3-0 win over Scotland in their Euro 2020 qualifier in Brussels last night. Scotland had their chances, but Lukaku headed in on the stroke of half-time before smashing in a rebound to double the hosts' lead. Manchester City midfielder Kevin De Bruyne fired in a powerful finish late on to wrap up the win and leave Scotland fourth in Group I after four games. Elsewhere, Paddy McNair scored late on to give Northern Ireland a 1-0 win over Belarus, but Wales slumped to a damaging 1-0 defeat in Hungary.

IRISH SPONSOR UNHAPPY WITH JACKSON SIGNING

London Irish's main sponsor yesterday voiced "serious concerns" over the signing of fly-half Paddy Jackson. Irish, who will play in the Premiership next season following promotion, signed the former Ireland and Ulster back last month. Jackson was found not guilty of rape last year, but Diageo, which owns Guinness, is unhappy with his addition. "We are meeting the club this week to discuss our serious concerns regarding their decision, which is not consistent with our values," said a Diageo spokesman.

ANGER AFTER THIRD WORLD CUP WASHOUT

Bangladesh's match against Sri Lanka in Bristol became the third World Cup game to be abandoned due to rain yesterday. The match was supposed to start at 10.30am but was called off at 2pm, with Bangladesh coach Steve Rhodes bemoaning the competition's lack of a reserve day. However, International Cricket Council chief executive David Richardson said reserve days would "significantly increase the length of the tournament and practically would be extremely complex to deliver." Australia's game against Pakistan in Taunton today has a clearer forecast.

LOCKED OUT OF THE PARTY

Spare a thought for Scotland amid the razzmatazz of the Cricket World Cup, says **Felix Keith**

THE WORLD Cup may be in full swing across the country right now, but not everyone involved in cricket is revelling in the occasion.

With the focus solely on the 10 teams competing, it is easy to get swept up by the occasion and forget the longstanding debate surrounding tournament's format. Not if your name is Malcolm Cannon though.

Like many, Cricket Scotland's chief executive has been an interested spectator of the World Cup, but unlike the majority his enjoyment has been tempered by an unshakeable sense of what could have been.

That's because Scotland are one of the sides stuck on the outside looking in on the sport's grandest yet most exclusive occasion.

Had Richie Berrington not been given out lbw to a ball heading down the legside in Harare on 21 March last year it would have been Scotland, not West Indies, playing on the biggest stage this summer.

Yet, in a cruel twist of fate, Berrington had to walk and once the rain came soon after Scotland were left five runs short of Duckworth-Lewis-Stern's par score in the decisive qualifier.

Although that decision still understandably rankles in Scottish cricket, its significance stems from the overall direction the International Cricket Council (ICC) is steering the sport.

Scotland, ranked 13th in ODIs, were competing against West Indies, Afghanistan, Ireland, Holland, Nepal, Papua New Guinea, United Arab Emirates and Zimbabwe last year for the final two places in the World Cup, after the top eight ranked sides qualified automatically.

Scotland paid the price for the World Cup field being reduced to 10 teams

It is this 10-team format – a reduction of four from 2015 and the smallest edition since 1996 – not a dodgy lbw decision that is the main area of contention for Cannon, who draws unfavourable comparisons with other more inclusive sports.

"This year in particular, given the nature of our exit from the qualifier, I think it feels even more important that it [the format] is reviewed, that we look again at the structure," the 57-year-old tells *City A.M.*

"The rationale for 10 teams is a commercial one brought about by the broadcasters, in particular the importance of India in the financial security of the sport. I get that, and I think everyone understands it.

"But ultimately the ICC has to also consider strongly how best to grow the game of cricket globally. And while other sports are giving more countries the opportunity to compete in their world cups, cricket appears to be reducing those opportunities and I'm not sure that's logical in terms of growing the game.

"So, irrespective of how Scotland might feel about our exit – the fairness, whether we should be there or not – it's actually irrelevant. We don't want to be those whinging Scots going on about it. Other people are doing the arguing for us."

Cannon, who worked in retail for Hunter Boots, property and marketing before joining Cricket Scotland in 2015, is grateful for the funding his organisation receives from the ICC, but the stark reality of the situation bears out his points.

Had things gone differently in Harare, Scotland would be playing in their fourth World Cup and would be $1m richer from additional funding – the equivalent of doubling their annual ICC payment.

Crucially, they would also get to play a minimum of nine one-day internationals against the world's best teams – more games than they have managed to arrange against full ICC members in the past four years. Scotland's

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