CITY A.M.

BUSINESS WITH PERSONALITY

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GREEN LIGHT FOR BIG PHIL

TOPSHOP TYCOON WINS LIFELINE AS LANDLORDS NARROWLY PASS CONTROVERSIAL RESCUE PLAN

SEBASTIAN MCCARTHY

@SebMcCarthy

SIR PHILIP Green squeezed through a controversial rescue plan yesterday as his fashion empire came back from the brink of administration by winning a crunch vote.

Creditors passed a series of ballots that will give the embattled Topshop tycoon breathing space to embark on a major cost-cutting overhaul of his high street business Arcadia.

Last night, Green told *City A.M.*: "We're obviously happy – now the work begins."

Following five hours of tense discussions in the City, creditors voted to give Green a lifeline by approving seven separate company voluntary arrangements (CVAs), a contentious insolvency process used to slash rents and close stores.

Fears the retail giant would lose the vote and collapse into administration, sparking as many as 17,000 job losses, emerged after one of its largest creditors, shopping centre owner Intu, said it would vote against the proposals.

However, it is understood that other key landlords including Land Securities voted in favour of the CVAs, giving Arcadia enough support to press ahead with 23 outright closures and rent reductions of up to 70 per cent at nearly 200 stores.

Last night, Intu stuck by its decision to oppose the process.

"We firmly believe that the terms of the Arcadia CVA are unfair to our full rent paying tenants and not in the interests of any of our other stakeholders," a spokesperson said.

"While we are disappointed with the outcome of today's vote, we will work constructively with Arcadia to achieve the best outcome for both sides."

In a bid to woo over landlords, Green's wife and majority Arcadia shareholder Tina Green made a last-minute pledge to invest a further £50m of equity into the group, in addition to the £50m of funding already provided in March.

CONTINUES ON P3

Creditors tell High Court of 'ponzi' fund

JAMES BOOTH

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THE DIRECTORS of a forex firm that owes more than £40m to creditors have been accused of running a "fraudulent ponzi scheme", a court heard yesterday.

Hudspiths offered investors a five per cent a month return, in addition to a further two per cent to be paid per month to introductory brokers.

Hudspiths fell behind on its payments to clients in 2017 before largely ceasing payments late last year. The company went into voluntary liquidation earlier this month owing more than £40m.

A group of creditors is attempting to drive the company into compulsory liquidation, arguing that the greater powers available in compulsory liquidations are needed in this case.

Robert Amey, barrister for a group of creditors, said the case "cries out for a compulsory liquidation".

Citing a witness statement from a creditor, Amey told the High Court there were "concerns that the company has been operated as a fraudulent ponzi scheme".

Hudspiths' chief executive Karl Lubieniecki told *City A.M.* the claims about a ponzi scheme were "not true".

The case was adjourned for further hearings.

FTSE 100 ▼ 7,367.62 -30.83 **FTSE 250** ▼ 19,250.06 -75.66 **DOW** ▼ 26,004.83 -43.68 **NASDAQ** ▼ 7,792.72 -29.85 **£/$** ▼ 1.269 -0.003 **£/€** ▲ 1.124 +0.001 **€/$** ▼ 1.129 -0.004

CITY A.M.

THE CITY VIEW

We could soon see the death of help to buy

PERTINENT questions about the government's help to buy scheme are raised by the National Audit Office (NAO) this morning following a thorough review of the programme. Firstly, the report says that "three-fifths of buyers could have bought a property without the support of help to buy", while nearly a third could have bought the standard of property they ideally wanted even without the scheme. Secondly, the NAO notes that many users of the scheme are at risk of negative equity due to a 15 to 20 per cent premium they would have paid to secure a newly-built home. Then there's the risk to the government itself, which is forecast to have committed £25bn to the programme by 2023. While the scheme could result in a profit for the public purse, there remains "significant market risk". Moreover, the audit office stresses the opportunity cost of tying up such a large amount of cash in one scheme, rather than investing in other areas. The government could, for example, take a more direct approach to boosting the supply of homes in high-demand areas, instead of spending billions to dope-up demand even further. The report also alludes to criticisms that the scheme, dubbed help to bonus, has simply ramped up profits at some of the UK's biggest housebuilders. "The scheme has supported five of the largest developers in England to increase the overall number of properties they sell year on year, thereby contributing to increases in their annual profits," it says. The extent of help to buy's intervention in the sector is so great that NAO boss Gareth Davies says the "government's greatest challenge now is to wean the property market off the scheme". Its existence has become the norm, warping the UK's already-dysfunctional housing market and storing up problems for future administrations. Some positive sounds have emerged from the current batch of Tory leadership contenders with regards to exorbitant housing costs in key parts of the country. The reality of government is much tougher than the rhetoric of a campaign trail, however, and we must hope that the next Cabinet is more prepared than its predecessors to reform restrictive planning rules and plot the end of misguided demand-side policies such as help to buy.

The Tories' greatest challenge is to wean the market off the help to buy scheme

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As of last night 72 people had been hospitalised with injuries from the protests, including two cases classed as serious

MPs urge China to respect Hong Kong amid protests

ALEXANDRA ROGERS

@city_amrogers

MPS HAVE called on the government to put more pressure on Hong Kong and China to respect the rights of Hong Kong protestors as demonstrations against proposed law changes grew violent.

Police have fired tear gas and rubber bullets at protestors, who fear that the change, which would allow extradition to mainland China, could target political opponents of Beijing and undermine the principle of "one country, two systems" that has allowed Hong Kong to have its own laws to date.

The system, which was enshrined in the Chinese-British joint declaration of 1984 that guaranteed sovereignty to China, also promised that the way of life in Hong Kong would remain unchanged for at least 50 years.

Several major firms will allow staff to work from home today in anticipation of further action.

David Davis MP told *City A.M:* "We need to be pressing the Chinese government to stand by the terms of the original deal. This is a clear breach of those terms.

"The Chinese can come up with sophistries of all sorts but 'one country, two systems' was set up to protect freedom and civil rights in Hong Kong.

"Using tear gas against protestors is not what a modern civilised country should do. The more powerful and the more strong a country is, the more they need to be stood up to. This is a good example of that."

The law – a second reading of which has been pushed back – would permit extradition requests from authorities in mainland China, Taiwan and Macau for those accused of crimes such as rape and murder.

Critics fear that such a change would diminish the city's judicial independence and expose its citizens to China's very different justice system.

Foreign secretary Jeremy Hunt said yesterday the protests were a "clear sign of significant public concern" about the proposed legal changes.

"I urge the Hong Kong government to listen to the concerns of its people and its friends in the international community and to pause and reflect on these controversial measures," he said. "It is essential that the authorities engage in meaningful dialogue and take steps to preserve Hong Kong's rights and freedoms and high degree of autonomy, which underpin its international reputation.

"Upholding the principle of 'one country, two systems', provided for in the legally binding Sino-British joint declaration, is vital to Hong Kong's future success."

His concerns were echoed by outgoing Prime Minister Theresa May, who said the extradition arrangement must be in line with the principles of the declaration.

"We are concerned about potential effects of these proposals particularly obviously given the large number of British citizens there are in Hong Kong," May said.

"But it is vital that those extradition arrangements in Hong Kong are in line with the rights and freedoms that were set down in the Sino-British joint declaration."

WHAT THE OTHER PAPERS SAY THIS MORNING

FINANCIAL TIMES

CONCERNS OVER USE OF DRONES IN A SWARM ATTACK

A specialist police officer has warned that UK authorities will struggle to combat the "frightening" threat to UK infrastructure from drone attacks using emerging technologies. Sergeant Claire Dimmock of London's Metropolitan Police counter-terrorism unit said the combination of artificial intelligence, facial recognition, encrypted communications, cryptocurrencies and 3D printing was "painting a frightening picture".

LIBEL CLAIMANTS MUST PROVE 'SERIOUS HARM'

Individuals will now have to prove that they have suffered "serious harm" to their reputation if they want to bring a libel case in the UK following a landmark ruling by the country's highest court that effectively raised the bar for new claims.

THE TIMES

PARIS CLIMATE CHIEF SAYS EU MUST FOLLOW UK TARGET

A key architect of the Paris climate agreement has praised Britain's "historic commitment" to end carbon emissions by 2050. Laurence Tubiana, who helped to orchestrate the 2015 conference, said that Theresa May's promise the UK will produce "net zero" emissions would "reverberate right around the world".

SLACK LISTING VALUATION EXPECTED TO TOP $16BN

The British co-founder of Slack stands to be worth an extra $400m (£315m) next week after the message service which he created by accident 10 years ago lists on the US stock market.

THE DAILY TELEGRAPH

LA LIGA SLAPPED WITH FINE OVER MOBILE SPYING

Spain's football league, La Liga, has been hit with a €250,000 (£222,000) fine for using fans' mobile phones as spying tools to crack down on bars screening matches with pirated television signals.

CLIFF RAILWAY REINFORCED AMID HEAVIER PASSENGERS

Britain's steepest cliff railway has had to be reinforced because passengers are now so much heavier than when it had originally opened back in 1892. Parts stripped from a Land Rover had been used in order to strengthen the suspension to 18-passenger carriages on the 200ft climb at Bridgnorth in Shropshire.

THE WALL STREET JOURNAL

HUAWEI PRESSES VERIZON TO PAY FOR PATENTS

Huawei has told Verizon that the carrier should pay licensing fees for more than 200 of its patents, according to people familiar with the matter, further escalating tensions between the Chinese company and the US.

HOUSE VOTES TO HOLD BARR AND ROSS IN CONTEMPT

A Democratic-controlled US House committee has voted to hold attorney general William Barr and commerce secretary Wilbur Ross in contempt of Congress for ignoring its subpoena seeking information about efforts to add a citizenship question to the 2020 census.

Labour rebellion sinks bid to grab control of Brexit

OWEN BENNETT

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LABOUR's bid to make a no-deal Brexit illegal fell flat yesterday after the government defeated an attempt by the opposition to seize control of parliament.

The plan was thwarted when eight Labour MPs – including Poplar and Limehouse's Jim Fitzpatrick and Vauxhall's Kate Hoey – joined the Tories in the voting lobbies, giving the government a win of 309 against 298.

Had the motion passed, it would have allowed MPs to put forward a Brexit-related bill on 25 June which could block the UK leaving the EU without a withdrawal agreement.

Several Conservative leadership candidates have said they are prepared to push forward with a no-deal Brexit, while Dominic Raab has refused to rule out suspending parliament in the run up to 31 October to prevent MPs from blocking such a move.

Conservative MP Dominic Grieve, who has led attempts from the Tory benches to prevent a hard Brexit, said he would be prepared to vote down his own government if needs be.

The former attorney general said: "If we get to a point where a prime minister is intent on doing this, the only way of stopping that prime minister would be to bring down that prime minister's government.

"And I simply have to say here and now I will not hesitate to do that if that is what is attempted, even if it means my resigning the whip and leaving the party.

"I will not allow this country to be taken out of the EU on a no-deal Brexit without the approval of this house, in my view going back to the country and asking them if that is what they want."

Labour MPs supporting the motion were angry with the handful of colleagues who voted with the government to defeat the motion.

Boris Johnson doubled down on a pledge to take the UK out of the EU by 31 October

Johnson and Javid set out their stalls as Tories prepare for vote

OWEN BENNETT

@owenjbennett

CONSERVATIVE MPs will today begin selecting the next Prime Minister as voting gets underway in the battle to lead their party.

Heavyweight candidates Boris Johnson and Sajid Javid kicked off their campaigns on the eve of the ballot, with both using respected party figures to launch their bids to succeed Theresa May as Conservative party leader.

Attorney general Geoffrey Cox introduced Johnson, while Scottish Tory leader Ruth Davidson gave a speech backing Javid.

Johnson used his campaign event to vow to take the UK out of the EU with or without a deal on 31 October, warning his party would "kick the bucket" if Brexit is delayed beyond that date.

"With every week and month that goes by, in which we fail to deliver on our promise, I am afraid we will further alienate not just our natural supporters, but anyone who believes that politicians should deliver on their promises," he said.

Javid was the last of the 10 candidates to hold a campaign launch event, and attacked Johnson as "yesterday's news" as he tried to paint himself as a political outsider in the contest.

Conservative MPs will vote for who they want to be the next party leader between 10am and 12pm.

The result will be announced at around 1pm, and any contender who fails to get the support of at least 17 colleagues will be culled from the race, before another round of voting takes place on Tuesday.

Landlords pressure Green to evolve Arcadia after passing rescue deals

CONTINUED FROM FRONT PAGE

Arcadia boss Ian Grabiner said he was "confident about the future of Arcadia", which includes brands such as Topshop and Dorothy Perkins.

"From today, with the right structure in place to reduce our cost base and create a stable financial platform for the group, we can execute our business turnaround plan to drive growth," he added.

Yesterday's vote required 75 per cent approval from its creditors, which included landlords, councils and suppliers, in order to trigger the agreement. Arcadia did not say the margin by which the vote passed.

"It's the best news I've had all year," said Oliver Buhus, a supplier at the meeting who backed the CVA.

The decision comes a week after Green postponed an initial creditor vote, as he sought to shore up more support from landlords.

Retail Economics boss Richard Lim said: "Arcadia's CVA is a positive move for now, but this in no way ensures a successful turnaround of the business. There's still a huge battle ahead. It's not just fewer stores that are needed... It ultimately needs a leaner business model, including less staff and fewer brands, as well as investment into its identity and customer experience."

UK digital secretary: US stance on Huawei will affect our approach

SEBASTIAN MCCARTHY
@SebMcCarthy

DIGITAL secretary Jeremy Wright said yesterday that the US approach towards Huawei will affect how Britain's own stance towards the Chinese tech firm will play out.

At a Bloomberg conference yesterday, Jeremy Wright said what the "American administration decides to do will have an impact on what we consider when we come to think about Huawei".

The comments came hours before Huawei released a memo protesting a US Federal Communications Commission (FCC) move to ban its equipment on the grounds of national security.

The company has been continuing efforts to mitigate the effects of a series of moves by several US departments to limit usage of its equipment in the country.

Earlier this week, the US treasury secretary said US President Donald Trump may relax restrictions on the Chinese tech firm if the two sides make progress in trade talks.

Steven Mnuchin said the country may be willing to reconsider its approach towards Huawei if a deal can be reached, but warned tariffs would remain in place in the absence of progress.

TRAIN UPGRADE Transport for London to replace 30-year-old fleet on the DLR

TFL YESTERDAY signed a £350m contract with Spanish firm Construcciones y Auxiliar de Ferrocarriles (CAF) to design and manufacture 43 new Docklands Light Railway trains, which will enter service in 2023, and build thousands of new homes.

Housing market fights back while prices set to drop

CALLUM KEOWN AND SEBASTIAN MCCARTHY
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THE LONDON housing market showed signs of bouncing back last month as sentiment rose to its highest level since April 2017, according to the latest forecasts.

Negative trends in agreed sales and house prices eased in May after the Brexit deadline was extended to October, the Royal Institution of Chartered Surveyors' (Rics) UK housing market survey revealed.

Despite fresh optimism, the survey showed that house prices are still expected to fall over the next 12 months and sales expectations remained downbeat.

When it came to London house prices, 29 per cent more respondents predicted a fall than a rise in May, up from the April net balance of minus 59, which Rics said showed the pace of price decline slowing.

Rics chief economist Simon Rubinsohn said: "Some comfort can be drawn from the results of the latest Rics survey as it suggests that the housing market in aggregate may be steadying.

"However much of the anecdotal insight provided by respondents is still quite cautious, reflecting concerns about both the underlying political and economic climate."

In the lettings market, tenant demand increased slightly while landlord instructions declined in the capital, highlighting a persistent theme over much of the past three years, according to Rics.

A Nationwide building society report released late last month underlined fears of a subdued market when it reported a 0.2 per cent drop in house prices in May when compared with April.

Robert Gardner, chief economist at Nationwide, said: "Survey data suggests that new buyer inquiries and consumer confidence have remained subdued in recent months."

He added: "Nevertheless, indicators of housing market activity, such as the number of property transactions and the number of mortgages approved for house purchase, have remained broadly stable."

IN BRIEF

SORRELL GRABS FORMER WPP EXECS FOR S4 CAPITAL

Sir Martin Sorrell has hired two former WPP executives for his new venture S4 Capital in the ad veteran's latest broadside against his old firm. Scott Spirit, who was ousted by WPP just months after Sorrell's abrupt departure last year, will join S4 Capital as chief growth officer and board member. S4 has also announced the appointment of Elizabeth Buchanan as non-executive director. Buchanan previously worked with WPP after selling her agency to STW Group, which was later bought by the holding group. The announcements, which arrive on the same day that WPP is set to hold its annual general meeting, are the latest sign of a growing rivalry between Sorrell and his old firm.

ACTIVIST ELLIOTT MAKES BID FOR MAJESTIC WINE STORES

Activist investor Elliott has launched a bid for 200 Majestic Wine stores as the retailer switches its focus from the high street to online. US-based Elliott has pitted itself against private equity firm Opcapita and Fortress, the investment group owned by Japan's Softbank, in the sale, in which Majestic is hoping to recoup £100m. Majestic's shares closed up over nine per cent. The news of Elliott's involvement in the stores sale was first reported by Sky News. In April the company's board appointed Rothschild bankers to explore a potential sale of its retail and commercial portfolio, which includes around 200 stores. It wants to undergo a major rebranding under the Naked Wines brand which it acquired in 2015.

Watchdog tightens 'buy now, pay later' rules to save consumers £60m

CALLUM KEOWN

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THE CITY watchdog has launched a crackdown on 'buy now pay later' deals in a bid to save consumers up to £60m a year.

The Financial Conduct Authority (FCA) announced plans to ban retailers from charging backdated interest rates on loans repaid during the offer period.

Buy now pay later deals typically come with a 12-month period in which customers don't have to make payments and are not charged interest.

However, if the consumer does not repay the entire amount within this period, then interest will usually be charged from the date of purchase.

Those who repay part but not all of the amount owed are still charged backdated interest on that part.

The package of measures will ban the practice and also includes retailers being forced to provide better information to consumers about the offers.

Retailers will also need to prompt them before offer periods run out so they are more likely to repay the credit before incurring interest.

It is part of a wider FCA focus on the high cost credit sector to better protect vulnerable consumers.

GENERATION RENT Drivers increasingly turn their back on paying upfront for a car

THE PROPORTION of motorists renting, leasing or opting for motor finance instead of paying for a car outright has risen from 37 per cent to 43 per cent in the last year. The trend was driven by under 25s (60 per cent), said Close Brothers Motor Finance.

Pendragon loses a fifth of share value on slump

JAMES BOOTH

@Jamesdbooth1

SHARES in used car dealer Pendragon crashed by more than a fifth yesterday after it said it expected losses to accelerate.

The board said it expects underlying profit before tax for 2019 to be a small loss with the first-half of 2019 expected to be "significantly loss making" ahead of a return to profitability in the second half.

In its car store business it said it expects to see losses of £11.9m incurred in 2018 "accelerate to circa £25m" during 2019.

The company blamed falling UK car sales and a build-up of unsold used car stock for its poor performance.

Shares fell as much as 27 per cent yesterday morning, before closing at a decline of 20.9 per cent.

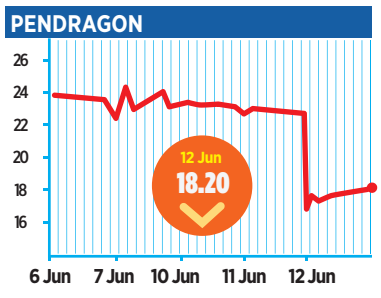
Pendragon said used car stock reached £458m at the end of the 2018 financial year, compared to £372m at the same stage in 2017.

It said it has an "action plan" in place to turn the business around which includes improvements in new vehicle sales and improved used car stock management and profiling.

It also said it will "significantly reduce" its levels of aged, pre-registered and ex-demonstrator stock in the second quarter.

Chief executive Mark Herbert said: "Notwithstanding the challenging market and uncertain macro outlook, the expected loss for the year is still disappointing. That said, we see significant addressable opportunities to improve the business and return to profitable growth."

In October, the firm's shares fell 20 per cent after it issued a profit warning on fears of new regulation.



Advisory groups urge investors to vote against Nissan chief exec

ALEX DANIEL

@alexmdaniel

PRESSURE is mounting on Nissan chief executive Hiroto Saikawa ahead of a vote on his re-election as a director at the firm later this month.

Two of the world's largest proxy voter services, ISS and Glass Lewis, have recommended shareholders do not retain him at the helm of the Japanese car maker.

It is believed he is likely to win the support of Renault, which controls 43 per cent of voting rights. But the proxy recommendations suggest he will lose the majority of remaining shareholders' votes.

Separately, Renault chairman Jean-Dominique Senard said it would prioritise strengthening its ties with the Japanese car maker.

"The priority now is to make the alliance successful, efficient and strong," Senard said during the company's shareholder meeting in Paris yesterday.

"There won't be any success for Renault if there is no success for the alliance."

Woodford issues second apology over frozen fund

JESS CLARK
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BELEAGUERED trader Neil Woodford has issued a second apology to investors in his frozen £3.7bn fund, saying he had been disappointed with its performance "for some time".

In his apology letter, which was sent to independent financial advisers yesterday, follows the suspension of Woodford's Equity Income fund last week.

The City veteran's flagship fund was suspended following a spike in investor redemptions.

"I realise this will be concerning and frustrating to you, and I am deeply sorry for putting you in this situation and for the impact on your workload," Woodford wrote.

"The performance of the fund has been disappointing for some time," he said. He added that the underperformance was due to company specific issues and poor market conditions.

Woodford promised a more liquid portfolio when the fund reopens, but defended the fund.

He said: "In my view, every position within the portfolio will continue to be united by one thing: undervaluation."

The letter came as Woodford faced pressure to back down and waive the fees on his fund.

Andrew Bailey, chief executive of the Financial Conduct Authority (FCA), and former business secretary Vince Cable have called on Woodford to cancel charges for investors during the period of suspension.

IN BRIEF

ZUCKERBERG MAY HAVE APPROVED PRIVACY RULES

Facebook emails appear to show Chief executive Mark Zuckerberg's involvement in discussions about its much criticised privacy practices, the Wall Street Journal reported yesterday, citing people familiar with the matter. The newspaper said reporters had not seen the emails and relied on unnamed people. The communications "appear to show chief executive Mark Zuckerberg's connection to potentially problematic privacy practices at the company", the report said. Shares of the company closed down 1.7 per cent. The US Federal Trade Commission has been investigating allegations that Facebook inappropriately shared information belonging to 87m users with the now-defunct British political consulting firm Cambridge Analytica.

BIG UK TAX INVESTIGATIONS TAKING OVER THREE YEARS

Government tax investigations into large UK businesses are now taking more than three and a half years, according to international law firm Pinsent Masons. The figure represents a 10 per cent rise from the time it took HM Revenue & Customs (HMRC) to settle cases in the 2017-19 financial year, according to new analysis from the law firm. However, HMRC said the rise was simply a result of more complex cases coming before it, which sometimes required lengthy legal action. An HMRC spokesperson defended its record, saying: "The tax we collect funds the UK's vital public services. We've secured over £62bn in additional tax revenue from large businesses since 2010 – tax that would otherwise have gone unpaid."

US INFLATION TEPID AHEAD OF FED RATES DECISION

US consumer price inflation slowed in May, official data revealed yesterday, in news that could add to pressure on the country's central bank to cut interest rates. The consumer price index rose 1.8 per cent in May compared to a year earlier, down from the two per cent rate seen in April, statistics from the US Labor Department revealed. The news came a day after US President Donald Trump called "very low inflation" a "beautiful thing", but said the Federal Reserve's interest rate was "way too high". Global trade tensions and signs of a slowing US economy have led the markets to price in a series of interest rate cuts this year. Yet the US department's data showed a robust rise in inflation, in both healthcare costs and rent.

City of London update

CITY OF LONDON

Festival of skills, experience and employability

CITY workers may notice a significant addition to the Square Mile's population next week as more than 5,000 school children take part in the first London Careers Festival (17-21 June).

Almost 200 firms will be opening their doors to give pupils from more than 130 London schools a taste of working life here and talk to them about the variety of careers available in the City.

If your company isn't taking part, why not get in touch with the organisers to get involved in 2020? Your involvement can be as big or as little as you like.

LCF LONDON CAREERS FESTIVAL

C4Festival@cityoflondon.gov.uk
www.londoncareersfestival.org.uk

New site for wholesale markets?

THE City of London Corporation has launched a public consultation on the proposed consolidation of its three wholesale markets to a new site at Dagenham.

Under the proposals, Billingsgate (fish), Smithfield (meat) and New Spitalfields (fruit and vegetables) Markets would be relocated to the new site in order to secure their future, offer more modern facilities and allow space for traders to grow.

The consultation runs until 6 August.

To have your say visit
www.cityoflondon.gov.uk/wholesalemarkets

News, info and offers at www.cityoflondon.gov.uk/eshot

Big on

winning drams for the main man

lidl.co.uk/whisky

While stocks last. Subject to availability. Selected stores. Excludes ROI & NI. Packaging, sizes & measurements may vary. Decorative items not included. Prices correct at time of going to print & valid for a limited period only. Abrachan Triple Oak with gift tube, 70cl, £17.49, Queen Margot 8 Year 70cl, £13.49, Ben Bracken Speyside Single Malt with gift tube, 70cl, £17.49.

drinkaware.co.uk for the facts

Big on quality
Lidl on price

LIDL

PARTNER CONTENT

EXPECTED CREDIT LOSSES IN UNEXPECTED TIMES

CFA INSTITUTE TALK

Kazim Razvi is a director of financial reporting policy, representing interests of CFA Institute on financial reporting and on wider corporate reporting developments

CFA Institute

A policy crafted to stop repeating past mistakes often misses the future challenges shaped by those very policies. Policymakers need to focus more on risks that could arise from lending or liquidity shocks in the future than the imprudent lending behaviour that resulted in the 2008 financial crisis.

The 2008 financial crisis happened because of the lax regulations and poor accounting standards for recognising losses "too little, too late." The IASB introduced a new standard, IFRS 9, which requires banks to account for credit losses on an expected basis. The Expected Credit Losses (ECL) estimate is expected to address the criticism on loss-provisioning accounting weakness and also avoid increased lending in an upturn and decreased lending in a downturn (pro-cyclicality). It is too early to say whether the ECL experiment will be successful: we will only find out after the next financial crisis.

IFRS 9 came into effect on 1 January 2018. Similar to the regulatory Expected Losses (EL), IFRS 9 ECL is required to capture macroeconomic and other specific trends relating to a loan. However, one key difference between the two is that regulatory estimate is measured through the economic cycle, to avoid provisioning volatility at any point in time during the economic cycle. In contrast, IFRS 9 ECL is measured at a point in time and will result in volatility.

We are living in interesting times: an ageing population, climate change, technological disruption, global indebtedness, unconventional monetary policy, and the rise of cryptocurrencies. All these factors individually or collectively will likely increase credit risk over time and will need to be reflected in credit risk assessments—and therefore in ECL and EL estimates. Social media makes us all aware of these risks and how they will affect our future. Therefore, these issues cause political disruption first before eventually becoming financial problems.

The interconnected markets and fast-paced financial innovation make risks more dynamic and global in nature. The ECL, as per the letter and spirit of IFRS 9, will have to consider, reassess and reflect these risks at each reporting date. In theory, this should be great, because it will force more responsible

Policymakers need to focus more on risks that could arise from lending in the future

lending. However, this could also amplify a lending shock to a sector or a bank if all lenders assess it as very risky at the same point in time. This is more likely than before because the new regulatory and accounting changes have resulted in an increased use of models to assess and manage risk.

The unintended consequences of IFRS 9 could also make lending behaviour more biased towards short-term and collateral-backed products, because these will be assessed as less risky—to the detriment of other sectors that require long-term, unsecured funding. This prudent form of lending could harm future economic growth, and there needs to be a right balance between risk taking and risk aversion. Having said that, the shadow banking sector stepped in to fill the vacuum after the 2008 financial crisis, when banks withdrew from the markets to repair their balance sheets. The big question remains whether the central banks would again indulge in an even more aggressive response to another economic crisis, and how effective that would be. This in turn will determine the ability and motivation of shadow banking institutions to assist in future lending or liquidity shocks. Unlike the banking sector, the shadow banking sector has no regulatory capital constraints on its risk appetite.

In order to level the playing field, it could be argued that depositors should be given an option of 'safe' and 'risky' deposit accounts. The safe deposit accounts would continue to exist under the current regulatory requirements, while the risky deposit accounts would be exempt from them.

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Reckitt Benckiser selects Pepsico exec as new boss

JESS CLARK

@jclarkjourno

PEPSICO chief commercial officer Laxman Narasimhan has been appointed as the new chief executive of Reckitt Benckiser, beating a selection of internal candidates.

Narasimhan will join the consumer goods company – which owns brands such as Dettol and Nurofen – as an executive director from 16 July, before succeeding Rakesh Kapoor as group chief executive on 1 September.

Reckitt Benckiser chairman Chris Sinclair said: "The board is delighted to have appointed Laxman as our new chief executive officer after a thorough and rigorous global selection process from a strong bench of internal and external."

Narasimhan's first goal will be to "focus on delivering outperformance", particularly in the company's health business. Prior to his current role, Narasimhan was chief executive of Pepsico's Latin America, Europe and sub-Saharan African operations, and senior vice president and finance chief of Pepsico Americas.

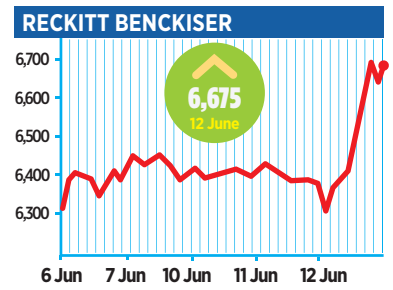
The food industry veteran also spent two decades at McKinsey as a director across Cleveland, Tokyo, Toronto, Silicon Valley and New Delhi.

"I'm looking forward to working with an exceptional group of leaders over the coming years to continue to transform Reckitt Benckiser," Narasimhan said.

Pepsico's chief executive for the Greater China region, Ram Krishnan, will replace Narasimhan in the chief commercial officer role. Krishnan joined the food and drink giant in 2006, becoming the head of its China business in 2017.

Pepsico chief executive Ramon Laguarta said "Ram's appointment comes as Laxman, a highly-respected leader, begins a new, exciting chapter in his career. We have benefitted from Laxman's strategic vision over the past seven years and are grateful for his contributions to Pepsico's success."

Reckitt Benckiser's shares closed up 4.4 per cent yesterday.



PERSONAL FINANCE

The scale of malpractice from the lettings industry is shocking

GEORGIE LAMING ON ENFORCEMENT OF THE TENANT FEE BAN
PAGE 21

CITY A.M.

End of the Saga: Chief exec Lance Batchelor set to hang up his boots

JAMES BOOTH

@Jamesdbooth1

4.70%

THE CHIEF executive of over 50s travel and insurance group Saga will retire next year, the company said yesterday.

Lance Batchelor will retire at the end of the financial year in January 2020 after six years with the business.

The recruitment of his successor is underway. In April, Saga shares sank 40 per cent after it warned Brexit uncertainty was hitting its travel business and price comparison sites were eating into its insurance margins.

It also announced the introduction of a three-year fixed-price home and motor insurance product, as it tried to revitalise its insurance business and move away from cheap introductory offers.

Yesterday, Saga announced a tie-up with Goldman Sachs, with plans to offer its customers savings products with Goldman's retail banking arm Marcus.

On 5 July, the company will launch its new cruise ship, the Spirit of Discovery.

Saga chair Patrick O'Sullivan said: "Lance has led Saga with a resolute focus on reinvestment and rebuilding a truly customer centric organisation."

TAKEAWAY TO THE SKIES Uber Eats to begin testing restaurant delivery by drone

UBER said yesterday it is ready to start testing drone delivery for its Uber Eats service in more urban environments. It was given permission to go ahead with the trial in San Diego, California by the US Federal Aviation Administration last year.

British American Tobacco ticks up in vaping boom

JESS CLARK

@jclarkjourno

BRITISH American Tobacco (BAT) announced yesterday sales of e-cigarettes and vaping products would accelerate in the second half of the year, as demand for traditional cigarettes declines.

Shares fell 4.4 per cent despite the positive trading update, as the company revealed it had lost market share.

The company, which makes Dunhill cigarettes, also said global industry volumes were expected to be down around 3.5 per cent.

However, it said its "new categories" range of products, which includes Vype e-cigarettes, would achieve revenue growth around the middle of the 30 to 50 per cent range.

BAT also announced plans to consolidate its tobacco alternatives business into fewer brands.

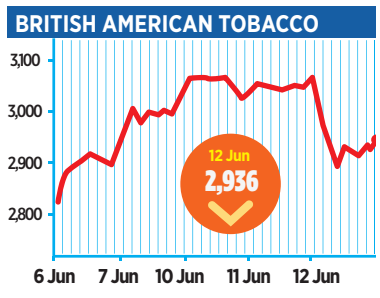
Chief executive Jack Bowles said: "We are creating a stronger, simpler business and driving a step change in new categories, built on the foundation of a strong combustible business.

"With our focus on building global brands, we intend to consolidate our new category portfolio into fewer brands."

The company also said it was on track to meet its full-year targets.

Richard Hunter, head of markets at Interactive Investor said: "The more recent improvement in fortunes cannot mask the longer term challenges, however and this is likely to prove a drag for some time to come."

He added: "That being said... the market seems sharply focused on the potential of BAT as it transforms its business model, with the general view of the shares as a strong buy remaining intact."



Connect appoints new boss as it awaits approval for Flybe deal

ALEXANDRA ROGERS

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CONNECT Airways, the consortium that has purchased Flybe, has appointed former Virgin Atlantic's customer chief Mark Anderson as its chief executive.

Connect, which is made up of Virgin Atlantic, Stobart and hedge fund Cyrus Capital, is currently waiting for the merger clearance from the EU commission, which is expected in July.

Struggling airline Flybe completed the sale of its assets and operations to Connect back in February for £2.8m. In March, shareholders in the regional airline voted to approve its sale to Connect for just 1p a share.

Anderson joins Connect from his current role as executive vice president of Virgin's customer experience, a role he has held since February 2017. Before that he was senior vice president and managing director of Virgin Holidays.

Anderson said it was "a real privilege and honour" to take on the role "at this exciting time".

Unilever backs influencer platform Creator IQ amid transparency push

JAMES WARRINGTON

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UNILEVER Ventures has partnered with TVC Capital to invest $12m (£9.4m) in influencer marketing platform Creator IQ as it looks to crack down on fraud in the industry.

Creator IQ said the series B funding will be used to boost its AI software, which validates the authenticity of an influencer's audience and helps to improve brand safety.

The investment comes a year after Unilever warned that fraud was undermining influencer marketing and vowed to improve integrity and transparency in the sector.

"Creator IQ is proactively developing solutions that empower Unilever to continue to set global measurement standards for the influencer marketing industry," said Vasiliki Petrou, executive vice president and group chief executive at Unilever Prestige.

"Their platform enhances the quality and integrity of our brands' campaigns by safeguarding against follower fraud and brand safety issues," he added.

Creator IQ has grown rapidly over the last 12 months, and now manages campaigns for brands including Disney, Airbnb and Ralph Lauren.

"We see organisations of all sizes embracing new ways of building relationships with their customers, and brand advocacy has proven to be a competitive advantage," said Igor Vaks, Creator IQ founder and chief executive.

Creator IQ manages influencer campaigns for brands including Disney

German 10-year Bunds shifted at record low yield

HARRY ROBERTSON

@henrygrobertson

GERMANY yesterday sold medium-term government bonds, or bunds, at the lowest yield on record as the stalling European economy drove investors towards the safe assets.

Europe's biggest economy sold 10-year Bunds – IOUs which will pay out in 10 years' time – with a yield of minus 0.24 per cent. It means investors holding them until they mature would lose money.

German 10-year Bund yields dipped below the zero mark for the first time since 2016 at the end of March. The previous record-low was minus 0.11 per cent, seen three years ago.

Hubert de Barochez, markets economist at Capital Economics, said: "The view that central banks are more likely to ease policy than tighten it is driving most safe bond yields down, including [US] Treasury yields, Bund yields and yields in the UK as well."

"We are in an environment where growth is weak, and trade tensions are increasing, so investors are rushing towards safety," he said.

The European Central Bank (ECB) announced that it will keep its main interest rate at the record-low level of zero per cent until at least the middle of 2020. It also said it expected the Eurozone economy to grow just 1.2 per cent in 2019.

Suggestions that the ECB may restart its so-called quantitative easing (QE) bond-buying programme have also pushed up bond prices and sent yields tumbling.

The Portuguese government similarly sold debt at a record-low yield yesterday. It sold €625m (£556m) worth of 10-year bonds with a yield of 0.64 per cent.

The sale marked the first time Portugal's 10-year borrowing costs were below one per cent. At the height of the Eurozone crisis in 2012, yields on Portuguese 10-year debt rocketed to 17 per cent.

Barochez said Capital Economics expects "the ECB to be restarting QE from next year". It also expects the bank to lower the deposit rate by 10 basis points before the end of 2019.

The deposit rate is the interest banks earn for leaving money with the ECB. It currently stands at minus 0.4 per cent, a figure designed to encourage banks to lend their excess money.

IMF boss Christine Lagarde, left, and ECB boss Mario Draghi

ECB and IMF chiefs caution over trade 'headwinds' in Eurozone

HARRY ROBERTSON

@henrygrobertson

THE PRESIDENT of the European Central Bank (ECB) and the head of the International Monetary Fund (IMF) yesterday warned that global trade "headwinds" could damage growth in Europe.

They also cautioned that the vulnerability of Europe's emerging eastern economies to the current global slowdown could hinder integration in the European Union.

Speaking alongside ECB president Mario Draghi at a conference in Frankfurt, IMF head Christine Lagarde warned: "Global trade growth has been subdued for more than six years and the largest economies in the world are putting up new trade barriers."

Lagarde spoke of the lingering threat that US President Donald Trump may slap tariffs on car imports from the European Union.

"The losses from higher car tariffs would spread out across more European economies than the gross export data suggests," she said.

Getlink blames Brexit for traffic numbers slide

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CHANNEL Tunnel operator Getlink has blamed dwindling passenger traffic numbers on the political uncertainty caused by Brexit.

Getlink, which used to be called Eurotunnel, transports passenger vehicles and commercial vehicles across the Channel.

It reported an 11 per cent drop in truck traffic in May after British businesses de-stocked the items they had initially build up in preparation for the UK to leave the EU on the scheduled departure date of 29 March.

Meanwhile, passenger shuttles transported 213,613 tourist vehicles, down seven per cent on May last year, which Getlink said was the result of the later Easter holidays pushing down demand from the public.

Since the start of the year, more than 930,000 passenger vehicles crossed from France via the Channel Tunnel, while just under 690,000 trucks made the journey.

Getlink said: "An unfavourable calendar impact with the late Easter holidays coming in April, has resulted in a mechanical contraction of demand in May."

It added traffic had been hurt by "destocking activities by British firms in April and May, following stockpiling carried out during the first three months of the year".

Chernobyl has been ranked the most popular TV show ever

Sky doubles production budget as it reaps rewards of Chernobyl craze

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SKY HAS unveiled plans to double its investment in original programming as it looks to build on the success of hit show Chernobyl and take on streaming services such as Netflix.

The company said it has secured backing from new owner Comcast to launch Sky Studios, a new European development and production house.

Sky currently spends roughly £500m each year on its own programmes, but said it plans to double this investment over the next five years.

The move comes after the success of mini-series Chernobyl, which was the firm's most successful production to date and has been ranked the most popular TV show ever on IMDB.

"This is a transformational development for us," said Sky group chief executive Jeremy Darroch. "Sky Studios will drive our vision to be the leading force in European content development and production."

Sky, which owns streaming service Now TV, will hope the investment can help it take on its larger rival Netflix.

But Sky remains a long way behind the US streaming giant, which is set to spend $15bn (£11.8bn) on content this year.

Zara owner enjoys revenue surge as online expansion gathers pace

CALLUM KEOWN

@CallumKeown1

ZARA owner Inditex defied a weak retail market to boost sales at the beginning of the second quarter as its global expansion gathered pace.

The world's biggest clothing retailer bounced back from a weak start to 2019, damaged by cold weather, reporting a 9.5 per cent sales jump from 1 May to 7 June.

The Spanish fashion group put its success down to the expansion of Zara's online presence, which launched in Brazil in March.

The firm also launched online sales in eight countries in May, including Saudi Arabia, UAE and Egypt, as it responded to a slow second half of the first quarter.

Online sales will reach a further nine countries later this year, including South Africa and Qatar.

"This is particularly impressive in our view, notably in context of industry data we have so far for May," JP Morgan said in a note.

The firm, which also owns Massimo Dutti and Oysho, posted a 10 per cent earnings rise to €734m (£653.1m) in the three months to 30 April and a five per cent jump in sales to €5.9bn. It maintained full-year guidance of four to six per cent like-for-like sales growth.

Inditex owns Zara along with other high-level fashion brands, such as Massimo Dutti

Boohoo shrugs off retail gloom with sales boom

ALEX DANIEL

@alexmdaniel

FAST fashion retailer Boohoo has again defied a struggling retail sector, reporting 39 per cent sales growth in the last quarter.

The firm's offering of cheap own-brand clothing and accessories online has chimed with younger consumers in recent years. Boohoo's rise comes at the same time as high street rivals such as Topshop fight for survival amid declining footfall.

Boohoo's global revenue rose 39 per cent in the three months to 31 May, reaching £254.3m.

Revenue growth in Britain rose 27 per cent, while abroad it soared 57 per cent.

The firm had a net cash position of £194m, up on last year's figure of £151m, while its gross margin was flat at 55 per cent.

The group kept its guidance for the full year of 25 per cent to 30 per cent revenue growth, with a core profit margin of about 10 per cent.

Shares in the company rose a little over one per cent yesterday.

Boohoo's meteoric rise underlines the popularity of online shopping, while high street retail companies such as Philip Green's Arcadia Group, which owns Topshop, face restructuring just to survive.

But the fast fashion retailer has had its fair share of controversy, with the Union of Shop, Distributive and Allied Workers (Usdaw) last week claiming Boohoo has not done enough to give its workers an independent voice.

Boohoo also owns fashion brands Pretty Little Thing and Nasty Gal.

Brewin Dolphin investment manager John Moore said: "Boohoo is a timely reminder that, with the right approach, there is still a place for a carefully-considered and marketed retail offering that knows its customers and how to provide products they want."

Chief executive John Lyttle said in a statement yesterday: "The group has made a strong start to the year as we continue to disrupt and capture market share in the UK and internationally across all our brands.

"Our multi-brand strategy is really capturing our customers' attention."

Revolut goes Down Under with launch of accounts in Australia

EMILY NICOLLE

@emilyjnicolle

DIGITAL bank Revolut will today launch its first accounts in Australia, as it embarks on a public testing period in the region.

The startup said it will be opening its waiting list in the country today, which has so far amassed around 20,000 sign-ups.

Revolut has opened a regional headquarters in Melbourne to manage the rollout, but said it will seek to open additional spaces in Sydney and Perth as it ramps up hiring in tandem with expansion.

It added it will hire up to 30 skilled roles, as well as "invest millions in the Australian economy".

Users in Australia will initially only be able to access the banking app's prepaid card, foreign exchange and money management tools.

Regional head Will Mahon-Heap said the startup will offer additional services such as cryptocurrency, business accounts, commission-free stock trading and its premium metal product in due course.

US stockpiling boost weighs on global oil prices

AUGUST GRAHAM
@AugustGraham

OIL PRICES dropped around two per cent yesterday as news emerged that US stockpiles rose last week.

International standard Brent crude fell 2.2 per cent to $60.72 in the early evening yesterday.

Meanwhile, US standard was down 2.7 per cent to $51.86.

Oil inventories in the States grew by 4.9m barrels last week. Analysts had predicted they would fall by nearly half a million.

"Crude oil prices are falling this morning as a report from the American Petroleum Institute reported that the US crude stockpiles increased," said analysts at Deutsche Bank.

It came as US officials cut their forecasts for global demand in 2019.

Oil producing cartel Opec slashed output earlier this year in a bid to counter downwards pressure on the market by a glut of US crude.

The organisation is set to meet again at the end of the month to decide on whether to extend the cuts.

Goldman Sachs said it looks likely that the cuts will be extended.

"We expect such an outcome to only be modestly supportive of prices with our third-quarter Brent forecast at $65.5 per barrel," its analysts said.

Recent challenges to the oil markets came after months of rising prices brought about by the Opec cuts.

City Index senior market analyst Fiona Cincotta said that prices were also kept high as the US hit Venezuela and Iran with sanctions.

A decision to extend the production cuts would support the price, but this is already widely expected.

"The expectation is that they will roll over the output cuts so a good deal of that news will have already been baked into the price.

"At best we could expect a slight uptick in the third quarter," Cincotta said.

Prices reached lows of $60.30 yesterday morning, around three per cent on the day.

Brent reached prices of above $73 in April, a rise from lows of $52 in December last year.

Norway's sovereign wealth fund to divest from fossil fuel investments

AUGUST GRAHAM
@AugustGraham

THE WORLD'S biggest sovereign wealth fund appears set to sell its $1bn (£788m) stake in London-listed Glencore, after Norwegian politicians yesterday passed a bill to divest from fossil fuel investments.

The decision will see the country's $1 trillion fund sell stakes in companies which get more than 30 per cent of revenues from coal.

It will no longer invest in those mining more than 20m tonnes of coal annually, or which generate more than 10 gigawatts of power from the fossil fuel.

Environmental campaigners said the new rules would force the fund to sell its two per cent stake in Glencore.

It would also offload its $620m stake in Anglo American, the campaigners said.

"What this does do... is give a very clear signal to both governments and companies that the time for financing fossil fuels is coming to an end, for the benefit of both people and planet," said Martin Norman, sustainable finance campaigner at Greenpeace in Norway.

The fund may also have to divest from Germany's RWE, Australia's South32, and Germany's Uniper.

Ineos founder Jim Ratcliffe is one of the UK's richest people

Ineos plans $800m investment in Texas petrochemicals plant

AUGUST GRAHAM
@AugustGraham

BRITISH chemicals giant Ineos is looking to plough more than $800m (£630.4m) into a Texas project, according to local reports.

The money will be used to expand its La Porte petrochemical plant, the Houston Chronicle reported.

The 40-acre extension will bring 1,500 construction jobs to the site, and increase Ineos' permanent workforce by 25 people.

The company is also considering alternative investments in California, Wisconsin, Mississippi, Alabama, and a further addition in Texas.

Construction could start in the beginning of 2021, according to reports. The plant will come online towards the end of 2023.

It will produce 850,000 tonnes of ethylbenzene and styrene per year.

Run by one of Britain's richest men, Sir Jim Ratcliffe, Ineos has grown to be the country's largest private company.

It did not respond to inquiries.

Chinese car sales suffer worst ever monthly fall amid economic woes

ALEX DANIEL

@alexmdaniel

THE CHINESE car market suffered its largest ever monthly sales drop in May, bolstering concerns around the country's economic slowdown.

Sales fell 16.4 per cent last month compared to the same period last year, the China Association of Automobile Manufacturers (CAAM) said yesterday.

The drop is the 11th consecutive month of sales decline, after falls of 14.6 per cent in April and 5.2 per cent in March.

CAAM assistant secretary general Xu Haidong said the drop was in part down to provinces in China enforcing the country's strict upcoming emissions rules before central government brought them in, which he said was stoking uncertainty among manufacturers.

"We gave the manufacturers too little time to prepare," he said.

Haidong added the industry's supply chains are finding it difficult to keep up with changes in the market.

China's car sales declined on an annual basis last year for the first time in 20 years, as trade tensions with the US and a cooling economy curtailed desire to buy cars among its 1.4bn people

Podcast listeners outspend peers as brands plug in

JAMES WARRINGTON

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PODCAST listeners outspend their peers by as much as 179 per cent, a new study has revealed, in a sign that brands can cash in on avid on-demand audiences.

People who listen to podcasts spend significantly more in all areas than those who do not, with the starkest contrast found among millennials, according to figures from podcast agency 4DC.

The gulf in spending can be seen most clearly in the health and fitness markets, suggesting the medium could be a cash cow for healthcare firms, the report stated.

For example, podcast listeners spend 117 per cent more on vitamins each month than non-podcast listeners, and spend roughly a third more on gym membership.

"This research demonstrates that podcasts provide an opportunity for brands to capitalise on the growth of this medium – brands should take note of the podcast pound," said Howard Kosky, chief executive and founder of 4DC.

"Podcast listeners are systematically outspending their peers and engaging this audience could be the key to maximising millennial marketing."

The research also highlighted the high level of brand engagement among podcast listeners.

Almost a quarter of listeners are more likely to consider a product if they know the brand is sustainable, compared to 15 per cent of non-listeners.

Fans of the on-demand medium are also more discerning, with a higher proportion only buying from brands that have garnered positive reviews.

Popular podcasters such as Joe Rogan can attract millions of listeners

"Podcasts offer a unique opportunity for brands to communicate with their target audience in a focused environment, longer messaging can be discussed, and guest speakers can provide authentic advocacy moments," Kosky added.

The UK podcast industry has enjoyed sharp growth over recent years, with listener numbers almost doubling in the last five years, according to figures from regulator Ofcom.

Firms urged to focus on racial diversity at work

JESS CLARK

@jclarkjourno

THE INVESTMENT Association has called on the sector to act to increase the number of black asset managers.

Companies should modernise recruitment processes, establish mentoring schemes and networks, and improve education on inclusion, the Investment Association said in a report published this morning.

The organisation added that race is as important as gender or sexuality in discussions about diversity in the workplace.

Fewer than one per cent of investment managers are black, according to Investment Association research. However, people who identify as black make up three per cent of the UK population. In London – where the majority of the UK's finance industry is based – 13 per cent of the population identifies as black.

Justin Onuekwusi, head of retail multi-asset funds at Legal & General Investment Management and member of the #talkaboutblack diversity advocacy group, said: "It has long been taboo to discuss ethnicity, yet change can only come about once we have these conversations."

He added: "This is leading to tangible action and gives us a real opportunity to make the lasting change that we hope can inspire the next generation of aspiring black asset and investment management professionals."

"Diversity makes us all stronger," Chris Cummings, Investment Association chief executive said.

"Different voices, opinions and experiences help investment performance, widening horizons and discouraging group think.

"And we need to be connected with all our clients. Just as our customers come from all ethnic backgrounds, so should our people.

"Building a diverse and inclusive industry requires self-reflection and honesty.

"This report seeks to do that by giving a voice to black people who have not previously always been heard."

BACK TO THE FUTURE Science Museum wheels out driverless cars exhibition looking at the future of autonomous vehicles

THE FUTURE of driverless cars is set to be explored in a new exhibition at the Science Museum this month. The event will look at how close humans are to living in a world driven by thinking machines, from self-driving cars to autonomous flying drones. On show are land vehicles such as Duckiebots, which ferry rubber duck passengers through model cities to test programming.

Lidl reveals strategy to open 40 stores in the capital in five years

CALLUM KEOWN

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LIDL unveiled a £500m expansion plan to create 40 new stores in the capital yesterday, including its first central London store.

The German discount supermarket said the openings would create 1,500 new jobs over the next five years.

A Tottenham Court Road store, near Warren Street Tube station, will become the firm's most central London location.

The investment also includes a new headquarters in Tolworth, south west London, for the firm's 800 head office employees.

Lidl, along with fellow fast-growing German discounter Aldi, have consistently stolen market share from the Big Four supermarkets – Tesco, Asda, Sainsbury's and Morrisons – in recent years.

The pair are worth a combined £344m more than they were this time last year, and have reached a record market share of 13.8 per cent, according to data from Kantar released at the end of last month.

Lidl's London expansion will also include stores in Alperton, East Acton, Hackbridge and Watford.

Facebook set to create 500 London tech jobs as it opens Soho hub

JAMES WARRINGTON

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FACEBOOK has said it will create 500 new tech jobs in London by the end of the year as it launches a new engineering centre in Soho.

Roughly 100 of the new roles will be in artificial intelligence, with many of the employees working to detect and remove malicious content, fake accounts and other harmful behaviour, the company said.

The social media firm plans to employ more than 3,000 people across its three London sites by the end of 2019, as it ramps up its presence in the capital.

CITY TALK PARTNER CONTENT

CAN AMAZON REALLY BE A CLIMATE CHANGE CHAMPION?

SCHRODERS TALK

Simon Webber explains why Amazon and other e-commerce firms could be a future force for good.

Schroders

Amazon is not a company normally associated with meaningful strides towards a low carbon future. Although e-commerce is typically better for the environment than heavily air-conditioned, high street stores, speedy deliveries carry a high carbon cost. Any Amazon shopper may feel a pang of guilt – as I have – at using the one day delivery service. But the feeling may be unwarranted.

We believe the company's efforts to tackle its affect on climate change mean Amazon's environmental impact is set to fall dramatically. Climate change is a significant disruptive force for investors and we are focussed on finding companies with the foresight to engage and adapt.

From the use of cloud computing to electrifying the "last mile" of its deliveries, Amazon is an increasingly positive force for climate change efforts.

CLOUD COMPUTING

The business world is now hugely dependent on data centres, but these hubs of processing power consume huge amounts of energy and are expensive to run. The use of cloud computing (where data is stored, managed and processed through a network of remote servers on the internet rather than through a local server) can drastically improve the efficiency of data centres, leading to cost savings and reducing carbon production.

A large-scale cloud provider such as Amazon often achieves server utilisation rates of 65%, compared to as low as 15% for in-house servers. If companies move to the cloud, they would require less than a quarter of the servers they would need to install on their premises.

Furthermore, many of the large cloud providers committed to sourcing energy from renewables.

The demand for computing will continue to grow and scale is an important competitive advantage in cloud computing – not just from a commercial perspective but from a climate change perspective as well.

E FOR ELECTRIC?

There is compelling evidence which suggests that e-commerce compares favourably with traditional retailing as a low carbon model on a number of different metrics.

Firstly, online retailers have a much lower direct energy and emission footprint, as they operate a few centralised distribution warehouses.

Secondly and more significantly, it is important to consider how the goods are transported to customers. Here too, most journey types result in lower carbon emissions from the online delivery model.

This is because each delivery vehicle will be responsible for multiple packages ordered online, whereas in the traditional retail model people tend to drive to and from stores and retail parks in their cars.

E-commerce firms such as Amazon are deploying highly sophisticated technology to optimise delivery density and route planning, and will be faster to adopt electric vehicles than consumers (as delivery vehicles return to depot for charging frequently so are ideally suited to EV technology).

Companies with large delivery fleets are starting to convert their vans and trucks to electric. This will happen more quickly than in the consumer vehicle market because of rapidly tightening emission regulations and electric vehicles are becoming cheaper to run.

Although Amazon's own delivery fleet is comparatively small, the emissions associated with their deliveries will be reduced by this electric transition in delivery networks.

It remains unclear how Amazon will achieve its ambitious new plan to make 50% of its shipments carbon neutral by 2030. However, the pace of conversion away from combustion engine vehicles can and will happen fastest in the professional and e-commerce industry. What's more, companies such as Amazon, which adapt to global challenges such as climate change, put themselves on a far better footing.

As investors in climate change trends, we aim to look beyond the headlines to identify the companies actively engaging with climate change, and to imagine what the future will look like in a low carbon world. Amazon's approach puts it on the front foot to negotiate the disruption that could destabilise a number of its peers.

Simon Webber is a Lead Portfolio Manager at Schroders

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LONDON REPORT

FTSE rally out of steam as trade nerves return

THE MAIN index eased as the latest salvoes in the US-Chinese trade dispute kept investors on edge and weak demand outlook knocked oil shares, while **British American Tobacco** slid after warning of steeper declines in cigarette sales.

The FTSE 100, up for seven days straight after falling more than three per cent in a global stock market sell-off in May, and the mid-cap FTSE 250 dipped 0.4 per cent yesterday.

Oil majors were the biggest drags on the main index as oil prices slid more than two per cent.

British American Tobacco skidded 4.4 per cent on its worst day in seven months after it warned of steeper declines in cigarette sales globally mainly due to waning demand in its main US market.

While the blue-chip index's losses last month were driven by fears that US President Donald Trump's spats with trade partners were set to weaken global growth, the rises since have seen markets convinced that the US Federal Reserve and other central banks will respond quickly with stimulus if needed.

However, a timid US inflation report seemed to bolster hopes of interest rate cuts.

Reckitt Benckiser erased earlier losses to end 4.4 per cent higher. The consumer goods firm named **Pepsico** executive Laxman Narasimhan to succeed outgoing chief Rakesh Kapoor.

Small-cap car dealership chain **Pendragon** lost more than a fifth of its value and slumped to a more than six-and-a-half-year low as significant declines in new car and used car registrations caused it to warn on full-year profit. Shares of larger peer **Auto Trader** shed 2.4 per cent on the FTSE 100.

Reckitt Benckiser picked Pepsico's Laxman Narasimhan as its boss

Shares of sub-prime lender **Provident Financial** tumbled 6.6 per cent on the mid-caps after Canaccord Genuity cut its rating to "sell", citing precarious capital position and dividend risks.

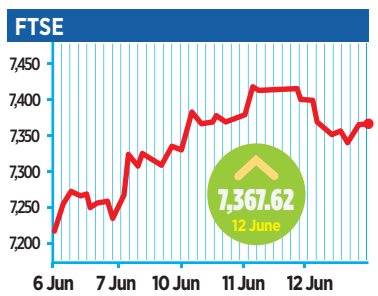
AIM-listed **Majestic Wine** surged nearly 10 per cent after a Sky News report that activist fund Elliott Advisors had launched a bid for 200 of the specialist wine retailer's outlets.

TOP RISERS

1. **Reckitt Benckiser** Up 4.38 per cent
2. **Ferguson** Up 2.91 per cent
3. **Fresnillo** Up 2.18 per cent

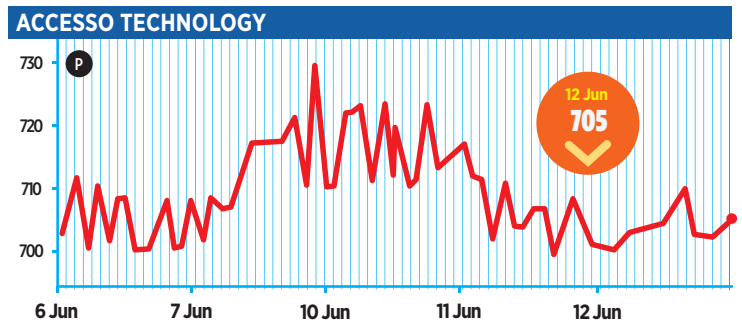
TOP FALLERS

1. **Brit. Am. Tobacco** Down 4.40 per cent
2. **BP** Down 2.91 per cent
3. **CRH** Down 2.77 per cent

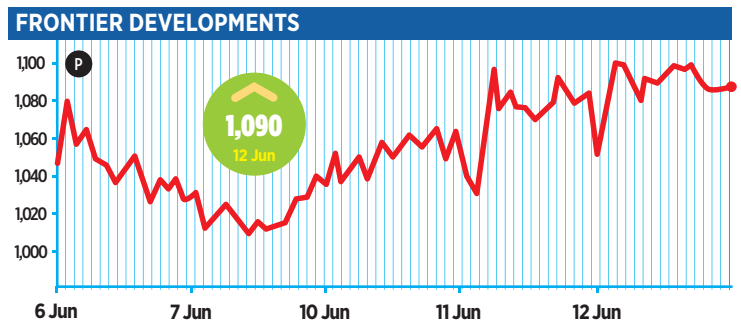


BEST OF THE BROKERS

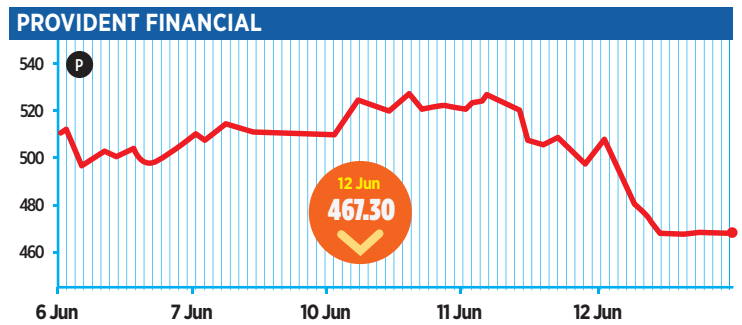
To appear in Best of the Brokers, email your research to notes@cityam.com



Peel Hunt's analysts are an intrepid lot, judging by their note on Accesso Technology. They visited the Bear Grylls Adventure in Birmingham to test Accesso's wearable tech device the Beartag. Although they do not say if they followed the example of Grylls in sleeping inside a dead camel or eating a raw snake, they say the visit did allow them to experience the tech first hand. The analysts give the device a positive write up and say the park's owner Merlin "sees great potential for Accesso's technology in other parks too". They give a "buy" rating and a target price of 730p.



Computer games company Frontier Developments this week announced its first publishing partnership. The Cambridge firm has developed games such as Rollercoaster Tycoon 3, Elite Dangerous and Jurassic World Evolution. Broker Liberum says its publishing partnership adds "medium-term financial upside" and says there are indications "there are more to come". The broker retains its 1,800p target price based on "the increasing visibility of a rising profit curve". Liberum gives the stock a "buy" rating.



Doorstep lender Provident Financial has had a soap opera-worthy recent history, with more twists and turns than an episode of Eastenders. Having successfully seen off Non-Standard Finance's hostile takeover its management must be hoping for a quieter life. Brokers Canaccord Genuity think the collapse of the potential deal reduces the attraction of the stock. They downgrade it to a "sell" from a "hold" and cut their target price from 595p to 430p. The broker flags capital concerns and raises doubts about future earnings and dividend potential. So much for a peaceful life.

NEW YORK REPORT

Banks fall on prospect of US Fed rate cut

WALL Street ended down slightly yesterday, with bank stocks declining as prospects of a US interest rate cut rose and energy shares tumbling along with oil prices.

The S&P 500 energy index slid 1.4 per cent, the most among the 11 S&P sectors, as demand worries drove US crude prices down four per cent. The day's losses made energy the worst-performing S&P 500 sector for the year-to-date.

A report from the Labor Department showed US consumer prices rose 0.1 per cent in May, in line with expectations of economists polled by Reuters, pointing to moderate inflation. This backed the case for a rate cut by the Federal Reserve.

Banking stocks, which tend to benefit from higher interest rates, dropped 1.4 per cent. The broader financial sector fell one per cent.

Still, hopes that the Fed will act to counter a slowing global economy due to the escalating trade war with China have spurred a rally in stocks this month. The S&P 500 index is up 4.6 per cent so far in June.

Fed policymakers will meet on June 18-19. Markets have priced in at least two rate cuts by the end of 2019. Fed fund futures imply around an 80 per cent chance of an easing in rates as soon as July.

Investors are reducing exposure to stocks after the recent rally and as they brace for the Fed meeting.

The Dow Jones Industrial Average fell 43.68 points, or 0.17 per cent, to 26,004.83, the S&P 500 lost 5.88 points, or 0.20 per cent, to 2,879.84 and the Nasdaq Composite dropped 29.85 points, or 0.38 per cent, to 7,792.72.

S&P 500 utilities, which are positively affected by falling rates, was the day's best-peforming sector, rising 1.3 per cent.

Semiconductor stocks, which get sizeable revenue from China, declined. The Philadelphia Semiconductor index dropped 2.3 per cent. **Micron Technology**, **Applied Materials** and **Lam Research** dropped more than five per cent each.

CITY MOVES WHO'S SWITCHING JOBS

FIRSTPORT

Residential property management company Firstport has appointed Heather Payne as chief technology officer. She will be responsible for Firstport's digital transformation programme. Heather has spent her whole career successfully delivering digital transformation across multiple sectors. She was previously chief technology officer at Avon Cosmetics responsible for technical delivery, innovation, information security and enterprise architecture, including unlocking the business' digital and e-commerce capabilities across mobile and online applications. Prior to Avon, Heather held roles as chief technology officer of engineering at DMG Media, and group head of software development and head of IT at Thomas Cook Group and Hotels4U.

DELOITTE

Deloitte has appointed Clive Buesnel as its new UK head of insurance. A well-known figure in the insurance sector, Clive has been Deloitte's global head of reinsurance for the past four years. He leads on a number of key insurance accounts for Deloitte and is a member of Deloitte's global insurance executive. Clive brings over 30 years of experience to the role. Before Deloitte he was the chief executive of a Lloyds of London managing agency and a founder and executive director of Xchanging – a technology-based insurance solutions provider. Clive officially stepped into the role on 1 June replacing David Rush, who is taking on the role of head of insurance for Deloitte north and south Europe.

EY

EY has announced the appointment of Justine Belton to its UK LLP board and Tonia Lovell as a UK independent non-executive (INE). Justine takes up her new role on 1 July. Tonia joined on 1 June and will sit on EY's UK Independent Non-Executive Oversight Committee - a governance body responsible for overseeing compliance and public interest matters in relation to EY in the UK. In addition to joining the UK LLP Board, Justine will take over as EY's UK professional practice director and UK audit compliance principal. Justine will play a key role in the delivery of high quality audits, ensuring compliance with EY's audit responsibilities and providing technical and learning support to the UK audit practice. Justine brings a wealth of experience to the role, having been at EY for 27 years and an assurance Partner for 16 years. .Tonia Lovell joins EY following a 20-year career at Unilever. Tonia held a number of senior global roles at Unilever, including chief legal officer, company secretary to the Unilever group and general counsel for corporate governance.

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
7367.62	19250.06	4024.80	26004.83	7792.72	2879.84
30.83	75.66	16.57	43.68	29.85	5.88

£/€	1.1238	0.0007	€/$	1.1290	0.0037
£/$	1.2689	0.0032	€/£	0.8895	0.0006
£/¥	137.64	0.4106	€/¥	122.50	0.4533

GILTS

	Price	Chg	High	Low
Tsy 3.750 19	100.72	-0.01	103.8	100.7
Tsy 2.000 20	101.44	-0.04	102.7	101.4
Tsy 4.750 20	102.96	-0.04	107.1	103.0
Tsy 3.750 20	103.76	-0.05	106.8	103.8
Tsy 2.500 20	355.95	-0.03	361.4	355.9
Tsy 8.000 21	114.64	-0.09	121.4	114.3
Tsy 4.000 22	109.31	-0.10	111.7	109.0
Tsy 0.500 22	99.74	-0.10	100.0	97.7
Tsy 1.875 22	117.13	-0.05	118.5	115.5
Tsy 2.250 23	106.80	-0.11	107.2	104.7
Tsy 2.500 24	369.32	-0.00	370.9	358.7
Tsy 0.125 24	114.31	-0.04	114.8	110.9
Tsy 5.000 25	124.32	-0.13	125.5	122.1
Tsy 4.250 27	128.58	-0.15	129.3	122.6
Tsy 1.250 27	136.48	0.01	137.4	128.4
Tsy 6.000 28	146.93	-0.15	147.8	140.5
Tsy 0.125 29	128.69	-0.01	129.9	118.8
Tsy 4.750 30	141.07	-0.16	142.0	132.1
Tsy 4.125 30	383.18	0.05	386.2	355.2
Tsy 4.250 32	138.15	-0.20	139.3	128.5
Tsy 1.250 32	157.59	-0.11	159.2	144.1
Tsy 0.125 36	149.41	-0.32	151.5	133.4
Tsy 4.250 36	144.76	-0.23	146.3	133.1
Tsy 4.750 38	158.43	-0.24	160.3	144.9
Tsy 0.625 40	170.11	-0.53	173.5	152.8
Tsy 4.500 42	161.13	-0.28	163.4	145.9
Tsy 3.500 45	143.16	-0.30	145.4	128.0
Tsy 4.250 46	162.52	-0.31	165.1	145.7
Tsy 4.025 49	168.70	-0.34	171.6	150.0
Tsy 0.500 50	198.71	-1.07	207.7	173.7
Tsy 0.250 52	195.02	-1.17	204.9	168.8

AEROSPACE & DEFENCE

	Price	Chg	High	Low
BAE Systems	481.4	-1.7	676.4	443.9
Cobham	104.5	1.0	131.7	96.8
Meggitt	518.0	-0.8	572.0	458.0
QinetiQ Group	290.2	-1.0	312.4	256.6
Rolls-Royce Holdi	893.6	-8.4	1094.0	759.2
Senior	232.6	-1.2	334.4	185.4
Ultra Electronics	1612.0	-2.0	1743.0	1232.0

BANKS

	Price	Chg	High	Low
Bank of Georgia G	1620.0	-28.0	1987.2	1310.0
Barclays	150.5	-1.7	200.6	146.1
Close Brothers Gr	1413.0	-11.0	1660.0	1374.0
CYBG	179.0	-2.0	364.2	173.9
HSBC Holdings	648.9	-7.0	734.6	600.8
Lloyds Banking Gr	58.0	-0.1	66.6	50.0
Metro Bank	605.5	2.5	3422.0	475.0
Royal Bank of Sco	213.9	-2.3	270.4	203.0
Standard Chartere	683.8	-17.8	736.8	519.8
TBC Bank Group	1642.0	-38.0	1774.0	1290.0

BEVERAGES

	Price	Chg	High	Low
Barr (A.G.)	948.0	-22.0	975.0	666.0
Britvic	905.0	-4.0	956.0	745.0
Coca-Cola HBC AG	2940.0	-1.0	2945.0	2244.0
Diageo	3430.0	35.5	3432.0	2523.5

CHEMICALS

	Price	Chg	High	Low
Croda Internation	5250.0	-10.0	5447.7	4576.0
Elementis	139.9	-1.1	270.9	137.9
Johnson Matthey	3145.0	-48.0	3823.0	2620.0
Sirius Minerals	15.8	-0.1	38.5	15.0
Synthomer	369.4	0.6	575.5	347.4
Victrex plc	2098.0	-16.0	3408.0	1950.0

CONSTRUCTION & MATERIALS

	Price	Chg	High	Low
Balfour Beatty	239.0	-1.6	300.2	223.4
CRH	2490.0	-71.0	2848.0	1971.5
Galliford Try	637.5	-14.5	1104.0	512.0
Ibstock	239.2	0.2	300.0	193.1
Kier Group	182.0	13.7	1022.0	145.4
Marshalls	643.0	2.5	669.0	399.8
Polypipe Group	433.0	-4.2	439.6	307.8

ELECTRICITY

	Price	Chg	High	Low
Contour Global	213.5	0.5	250.0	150.1
Drax Group	289.8	-7.2	427.2	289.6
SSE	1124.0	2.0	1400.0	1008.0

ELECTRONIC & ELECTRICAL EQ.

	Price	Chg	High	Low
Halma	2004.0	22.5	2004.0	1237.0
Morgan Advanced M	265.4	-0.8	363.0	237.0
Renishaw	3926.0	-36.0	5685.0	3670.0
Spectris	2670.0	1.0	2908.0	1966.5

EQUITY INVESTMENT INSTRUM.

	Price	Chg	High	Low
Aberforth Smaller	1242.0	-10.0	1442.0	1120.0
Alliance Trust	777.0	-2.0	789.0	672.0
Apax Global Alpha	147.5	1.0	153.0	127.0
AVI Global Trust	754.0	1.0	767.0	660.0
Baillie Gifford J	791.0	-3.0	869.0	663.0
Bankers Inv Trust	913.0	-3.0	918.7	766.0
BBGI SICAV S.A. (	161.0	2.0	168.0	133.0
BlackRock Smaller	1480.0	2.0	1600.0	1160.0
BMO Global Smalle	1334.0	-8.0	1495.0	1220.0
Caledonia Investm	3055.0	5.0	3065.0	2650.0
City of London In	419.5	-1.0	439.0	376.0
Edinburgh Inv Tru	590.0	-2.0	712.0	587.0
F&C Investment Tr	699.0	-4.0	741.0	616.0
Fidelity China Sp	211.0	-5.0	268.0	182.4
Fidelity European	245.0	-0.5	245.8	202.0
Fidelity Special	258.0	-1.5	280.0	220.0
Finsbury Growth &	894.0	0.0	899.0	740.0
GCP Infrastructur	128.8	0.8	130.8	119.0
Genesis Emerging	735.0	2.0	739.0	615.0
Greencoat UK Wind	139.8	-0.6	143.2	122.6
HarbourVest Globa	1590.0	2.0	1628.0	1234.0
Herald Investment	1348.0	-2.0	1365.0	1055.0
HGCapital Trust	218.0	0.0	219.0	175.0
HICL Infrastructu	157.6	-0.6	170.1	140.0
International Pub	146.8	-1.2	163.4	141.4
JPMorgan American	450.0	-4.0	472.0	386.5
JPMorgan Emerging	960.0	4.0	972.0	759.0
JPMorgan Indian I	766.0	-4.0	776.0	566.0
JPMorgan Japanese	428.5	-1.5	472.0	367.0
Jupiter European	851.0	-1.0	895.0	666.0
Law Debenture Cor	604.0	-4.0	636.0	534.0
Mercantile Invest	206.8	-0.2	226.0	168.0
Monks Inv Trust	883.0	-6.0	891.0	710.0
Murray Internatio	1156.0	-6.0	1208.0	1056.0
NB Global Floatin	89.4	0.2	94.5	87.6
NextEnergy Solar	119.5	1.5	124.5	107.5
Pantheon Internat	2185.0	5.0	2225.0	1955.0
Perpetual Income	305.0	-3.0	365.5	301.5
Pershing Square H	1356.0	12.0	1398.0	990.0
Personal Assets T	41700.0	-50.0	41800.0	38900.0
Polar Capital Tec	1318.0	-16.0	1386.0	1066.0
RIT Capital Partn	2045.0	-20.0	2130.0	1892.0
Riverstone Energy	855.0	5.0	1282.0	840.0
Schroder Asia Pac	436.0	0.0	479.0	379.0
Scottish Inv Trus	803.0	1.0	902.0	748.0
Scottish Mortgage	510.5	-5.5	568.3	441.4
Sequoia Economic	112.4	0.4	114.2	106.0
Smithson Investme	1208.0	0.0	1222.0	1000.2
Syncona Limited N	233.0	-7.0	302.5	223.0
Temple Bar Inv Tr	1240.0	-10.0	1366.0	1116.0
Templeton Emergin	767.0	-5.0	792.0	649.0
The Renewables In	127.4	-0.6	128.8	106.9
TR Property Inv T	410.0	-4.5	433.5	353.5
Vietnam Enterpris	442.0	1.0	472.0	390.0
VinaCapital Vietn	342.0	-2.0	350.0	306.0
Witan Inv Trust	209.5	-1.0	227.6	189.6
Woodford Patient	60.9	-2.5	91.0	59.0
Worldwide Healthc	2605.0	-25.0	2915.0	2325.0

FINANCIAL SERVICES

	Price	Chg	High	Low
3i Group	1074.0	6.0	1088.5	756.2
3i Infrastructure	291.0	-1.0	292.2	221.0
AJ Bell	386.0	-4.0	477.0	220.0
Allied Minds	78.7	-1.4	115.0	37.3
Amigo Holdings	276.0	-16.0	310.0	154.5
Arrow Global Grou	210.0	1.2	288.5	167.2
ASA International	375.0	-1.0	510.0	336.0
Ashmore Group	490.4	3.4	490.8	337.0
Brewin Dolphin Ho	305.0	-2.8	367.4	295.4
Charter Court Fin	319.5	-3.5	375.0	228.8
City of London In	418.0	-2.0	430.5	360.0
CMC Markets	87.0	-1.4	206.0	77.4
Coats Group	77.2	-0.5	91.3	69.8
Georgia Capital	1020.0	-2.0	1260.0	941.0
Hargreaves Lansdo	1867.0	-11.5	2433.0	1633.0
IG Group Holdings	570.4	0.0	954.5	474.8
IntegraFin Holdin	379.4	-3.8	406.1	269.0
Intermediate Capi	1352.0	-8.0	1360.0	899.0
International Per	158.8	-0.4	248.8	157.6
Investec	480.4	-2.0	571.0	423.4
IP Group	73.4	-1.6	140.6	70.2
John Laing Group	379.4	0.8	402.0	264.2
JTC	375.0	20.0	440.0	287.0
Jupiter Fund Mana	376.2	-3.3	472.4	287.6
Liontrust Asset M	698.0	-3.0	710.0	532.0
LMS Capital	53.5	0.5	54.9	44.0
London Finance &	39.5	0.0	45.5	39.5
London Stock Exch	5408.0	-40.0	5464.0	3867.0
Man Group	146.9	-0.2	190.5	126.8
OneSavings Bank	394.0	-2.2	449.6	330.0
Paragon Banking G	434.4	-0.2	524.0	379.2
Plus500 Ltd (DI)	601.8	-3.8	2040.0	495.0
Provident Financi	467.3	-33.1	692.6	446.0
Quilter	137.2	-0.4	156.6	110.6
Rathbone Brothers	2175.0	65.0	2652.0	2055.0
Real Estate Credi	170.5	0.0	175.5	163.0
Record	29.0	0.0	47.0	27.3
River and Mercant	255.0	-8.0	330.0	212.0
S&U	2340.0	-80.0	2685.0	1767.5
Sanne Group	687.0	4.0	724.0	450.0
Schroders	2977.0	-19.0	3295.0	2334.0
Standard Life Abe	275.0	-4.3	404.8	224.9
TP ICAP	281.2	4.3	430.4	259.7
VPC Specialty Len	69.0	0.8	84.4	67.0
Walker Crips Grou	25.7	0.7	39.0	24.0
XPS Pensions Grou	153.5	-2.0	192.0	132.0

FIXED LINE TELECOMS

	Price	Chg	High	Low
BT Group	208.5	-0.2	264.7	193.8
TalkTalk Telecom	118.2	0.7	137.0	96.6
Telecom Plus	1528.0	20.0	1542.0	1010.0

FOOD & DRUG RETAILERS

	Price	Chg	High	Low
Greggs	2234.0	18.0	2250.0	942.0
Morrison (Wm) Sup	195.3	-0.7	269.4	194.7
Ocado Group	1167.0	-1.0	1435.0	749.8
Sainsbury (J)	195.9	-2.1	341.5	194.3
SSP Group	660.0	0.0	744.4	615.1
Tesco	227.5	0.0	266.2	189.6
UDG Healthcare Pu	728.0	1.0	900.0	551.0

FOOD PRODUCERS

	Price	Chg	High	Low
Associated Britis	2510.0	3.0	2836.0	2041.0
Bakkavor Group	122.6	-1.4	198.0	113.0
Cranswick	2604.0	-10.0	3454.0	2472.0
Greencore Group	209.2	0.4	230.0	162.9
Hilton Food Group	962.0	6.0	1088.0	884.0
Tate & Lyle	752.4	-1.8	800.4	622.6
Unilever	4972.5	54.5	4983.0	3931.0

FORESTRY & PAPER

	Price	Chg	High	Low
Mondi	1703.5	-8.0	2236.0	1584.0

GAS, WATER & MULTIUTILITIES

	Price	Chg	High	Low
Centrica	91.7	-2.2	163.7	91.3
National Grid	822.8	6.7	889.2	748.7
Pennon Group	748.8	4.0	812.4	684.2
Severn Trent	2076.0	21.0	2091.0	1770.0
United Utilities	816.0	0.0	873.6	682.4

GENERAL INDUSTRIALS

	Price	Chg	High	Low
RPC Group	792.0	0.0	834.8	632.2
Smith (DS)	343.2	-0.7	538.9	292.2
Smiths Group	1501.5	0.0	1801.0	1279.5
Smurfit Kappa Gro	2279.0	-50.0	3292.0	1934.0
Vesuvius	526.0	2.5	662.0	473.2

GENERAL RETAILERS

	Price	Chg	High	Low
Auto Trader Group	591.6	-14.4	606.0	388.5
B&M European Valu	335.4	-7.1	426.3	278.6
Card Factory	191.2	-1.3	212.4	162.6
Dixons Carphone	122.4	-2.0	200.1	113.9
Dunelm Group	902.0	-9.0	928.5	482.8
Inchcape	620.5	1.0	799.0	486.6
JD Sports Fashion	610.0	-2.8	635.6	318.5
Just Eat	621.8	2.2	883.4	533.8
Kingfisher	210.8	-1.8	318.1	205.4
Marks & Spencer G	219.2	0.3	300.8	217.7
Next	5646.0	20.0	6202.0	3991.0
Pets at Home Grou	181.1	0.8	187.3	110.0
Saga	38.1	-1.9	138.7	37.3
Sports Direct Int	290.0	-1.8	436.1	233.2
Ted Baker	950.0	-5.0	2378.0	941.5
Vivo Energy	132.8	-4.2	156.3	96.0
WH Smith	2038.0	-4.0	2186.0	1697.0

HEALTH CARE EQUIPMETN & S.

	Price	Chg	High	Low
Assura	64.2	-0.1	65.0	52.4
Convatec Group	142.0	0.5	239.0	118.6
Mediclinic Intern	306.5	-5.0	565.4	301.3
NMC Health	2325.0	-28.0	4120.0	2192.0
Smith & Nephew	1694.5	11.0	1698.0	1258.0

HHOLD GDS & HOME CONSTR.

	Price	Chg	High	Low
Barratt Developme	570.6	0.6	625.8	434.0
Bellway	2780.0	-16.0	3287.0	2419.0
Berkeley Group Ho	3594.0	-1.0	4220.0	3226.0
Bovis Homes Group	1013.0	-4.0	1238.0	828.0
Countryside Prope	292.2	-0.4	366.8	270.0
Crest Nicholson H	355.2	-1.4	428.0	296.4
McCarthy & Stone	133.9	0.7	142.4	97.5
Persimmon	2047.0	-8.0	2806.0	1859.5
Reckitt Benckiser	6675.0	280.0	7155.0	5593.0
Redrow	564.0	-4.0	674.6	460.8
Taylor Wimpey	157.6	-0.3	192.3	129.3

INDUSTRIAL ENGINEERING

	Price	Chg	High	Low
Bodycote	787.5	-6.0	1055.0	676.0
Hill & Smith Hold	1195.0	3.0	1523.0	902.5
IMI	979.4	-3.8	1242.0	870.0
Melrose Industrie	172.7	-1.4	240.5	146.3
RHI Magnesita N.V	4680.0	-52.0	5085.0	3318.0
Rotork	303.9	0.3	361.4	235.7
Spirax-Sarco Engi	8785.0	25.0	8870.0	5900.0
Weir Group	1533.5	-31.5	2099.0	1240.0

INDUSTRIAL METALS & MINING

	Price	Chg	High	Low
Evraz	673.0	10.0	675.6	442.1
Ferrexpo	262.9	5.0	301.3	143.5

INDUSTRIAL TRANSPORTATION

	Price	Chg	High	Low
BBA Aviation	264.4	-0.8	350.0	207.0
Clarkson	2440.0	-10.0	2900.0	1878.0
Fisher (James) &	1920.0	-78.0	2260.0	1600.0
Royal Mail	196.6	-3.0	512.4	194.5
Stobart Group Ltd	109.4	2.8	266.5	102.2

NON LIFE INSURANCE

	Price	Chg	High	Low
Admiral Group	2085.0	3.0	2281.0	1870.0
Beazley	566.5	1.0	599.0	492.6
Direct Line Insur	323.2	-2.1	366.5	304.9
Hastings Group Ho	181.0	1.7	274.2	174.0
Hiscox Limited (D	1695.0	12.0	1711.0	1418.0
Lancashire Holdin	724.5	16.5	731.0	530.0
RSA Insurance Gro	570.2	-2.8	681.8	496.6
Sabre Insurance G	256.5	0.5	294.0	249.0

LIFE INSURANCE

	Price	Chg	High	Low
Aviva	415.5	-3.0	517.0	364.6
Just Group	50.5	1.2	143.9	44.6
Legal & General G	271.9	-0.1	291.2	223.7
Phoenix Group Hol	701.6	-3.2	724.8	544.0
Prudential	1617.0	-24.5	1864.5	1340.0
St James's Place	1056.0	-3.5	1240.5	914.0

MEDIA

	Price	Chg	High	Low
4imprint Group	2590.0	10.0	2700.0	1715.0
Ascential	374.0	-3.8	465.0	337.2
Bloomsbury Publis	235.0	2.0	254.0	190.5
Centaur Media	48.0	-0.5	56.5	34.7
Entertainment One	385.8	10.6	483.4	336.4
Euromoney Institu	1274.0	0.0	1434.0	1132.0
Gocompare.com Gro	82.9	-0.6	139.0	64.6
Haynes Publishing	227.0	0.0	246.0	160.0
Huntsworth	104.0	1.0	139.0	81.0
Informa	804.4	4.8	859.0	605.8
ITE Group	74.4	-1.2	90.0	56.3
ITV	110.9	0.2	180.4	105.2
Moneysupermarket.	390.9	-0.3	391.4	264.0
Pearson	804.8	-2.6	1027.5	769.2
Reach	77.0	0.0	83.2	54.6
Relx plc	1893.0	15.5	1901.5	1491.5
Rightmove	581.8	1.8	587.7	420.9
STV Group	364.0	3.5	458.0	318.0
Tarsus Group	433.0	2.0	433.0	243.0
WPP	1001.5	-1.5	1301.0	800.4

MINING

	Price	Chg	High	Low
Acacia Mining	169.7	4.7	256.6	96.1
Anglo American	2071.5	13.0	2226.0	1464.6
Antofagasta	856.6	-2.4	1081.5	727.2
BHP Group	1908.6	14.4	1944.2	1490.6
Centamin (DI)	103.4	3.7	136.2	79.8
Fresnillo	804.8	17.2	1206.0	724.8
Glencore	269.6	-1.4	398.5	254.7
Hochschild Mining	176.3	8.7	208.4	149.1
Kaz Minerals	570.0	-4.2	993.4	436.7
Polymetal Interna	884.0	6.4	894.0	597.2
Rio Tinto	4712.5	16.0	4776.0	3486.0

MOBILE TELECOMS

	Price	Chg	High	Low
Inmarsat	542.2	-0.2	632.2	362.8
Vodafone Group	129.3	-0.8	191.0	123.3

OIL & GAS PRODUCERS

	Price	Chg	High	Low
BP	540.8	-16.2	598.3	485.9
Cairn Energy	143.1	-5.3	258.8	140.0
Energean Oil & Ga	822.0	6.0	846.0	493.5
Premier Oil	70.0	-5.0	143.6	55.6
Royal Dutch Shell	2515.5	-27.0	2694.5	2213.0
Royal Dutch Shell	2526.0	-22.0	2780.5	2227.0
Tullow Oil	194.7	-11.4	266.3	165.2

OIL EQUIPMENT & SERVICES

	Price	Chg	High	Low
Hunting	510.0	-14.0	849.0	453.6
Petrofac Ltd.	420.7	-11.3	663.4	381.5
Wood Group (John)	391.0	-18.2	796.4	388.1

PERSONAL GOODS

	Price	Chg	High	Low
Burberry Group	1773.5	-34.0	2325.0	1623.5
PZ Cussons	202.0	2.0	244.0	178.6

PHARMACEUTICALS & BIOTECH

	Price	Chg	High	Low
AstraZeneca	6198.0	61.0	6525.0	5182.0
BTG	835.0	1.5	853.0	475.0
Dechra Pharmaceut	2834.0	46.0	3168.0	2014.0
Genus	2622.0	-26.0	2992.0	2098.0
GlaxoSmithKline	1583.2	9.4	1621.6	1418.0
Hikma Pharmaceuti	1659.5	10.5	2025.0	1376.0
Indivior	44.9	-0.3	494.5	30.1

REAL ESTATE INVEST. & SERV.

	Price	Chg	High	Low
BMO Commercial Pr	116.0	-3.0	155.0	115.3
Capital & Countie	210.4	-3.4	303.2	210.4
CLS Holdings	221.5	1.5	255.0	195.4
Daejan Holdings	5600.0	50.0	6400.0	5500.0
Grainger	240.0	-4.0	290.9	205.8
NewRiver REIT	188.6	-5.0	290.0	188.6
Safestore Holding	651.5	8.0	658.5	499.4
Savills	864.0	-7.5	949.5	678.5
St. Modwen Proper	429.0	-2.0	441.5	365.0
UK Commercial Pro	89.7	-0.1	92.7	81.0

REAL ESTATE INVEST. TRUSTS

	Price	Chg	High	Low
Big Yellow Group	1022.0	-6.0	1062.0	852.5
British Land Comp	538.4	-3.6	692.0	523.0
Civitas Social Ho	78.0	-1.5	114.0	77.7
Derwent London	3200.0	2.0	3328.0	2761.0
Great Portland Es	698.4	-6.2	773.6	652.3
Hammerson	283.5	-1.1	547.6	266.9
Intu Properties	87.3	-1.6	201.5	84.9
Land Securities G	843.4	-7.8	965.1	791.8
LondonMetric Prop	205.8	-0.8	209.2	172.7
Primary Health Pr	137.4	0.0	137.8	106.4
SEGRO	717.8	1.2	721.2	585.2
Shaftesbury	824.0	0.0	946.0	817.0
Tritax Big Box Re	150.1	-0.9	155.7	129.0
Unite Group	947.0	-5.5	973.5	797.5
Workspace Group	852.0	-8.0	1151.0	789.5

SOFTWARE & COMPUTER SERV.

	Price	Chg	High	Low
Avast	307.4	-5.2	319.4	208.2
Aveva Group	3924.0	58.0	3946.0	2284.0
Computacenter	1291.0	-12.0	1620.0	952.0
FDM Group (Holdin	962.0	-18.0	1128.0	734.0
Funding Circle Ho	244.0	9.5	440.0	221.5
Micro Focus Inter	1990.0	-12.5	2491.6	1427.2
Playtech	426.0	-10.9	811.0	361.8
Sage Group	768.6	7.6	772.0	525.6
Softcat	950.0	-0.5	967.0	565.0

SUPPORT SERVICES

	Price	Chg	High	Low
Sophos Group	394.8	-1.6	639.0	298.2
Aggreko	798.0	-1.0	882.0	641.8
Ashtead Group	1959.0	-7.0	2438.0	1586.5
BCA Marketplace	192.4	-2.6	242.0	178.5
Bunzl	2170.0	-4.0	2551.0	2059.0
Capita	103.1	-2.1	169.1	101.8
DCC	7008.0	62.0	7390.0	5555.0
Diploma	1563.0	27.0	1634.0	1150.0
Electrocomponents	627.6	-7.6	761.6	480.0
Equiniti Group	217.8	-1.0	266.0	186.2
Essentra	410.8	5.0	507.0	325.4
Experian	2397.0	9.0	2405.0	1728.5
Ferguson	5310.0	150.0	6556.0	4749.0
G4S	216.7	-2.1	282.0	175.9
Grafton Group Uni	916.5	14.0	937.0	630.0
Hays	153.6	-1.4	212.0	135.7
Homeserve	1246.0	-2.0	1263.0	849.0
Howden Joinery Gr	506.4	1.6	539.0	416.4
Intertek Group	5452.0	-28.0	6014.0	4387.0
Pagegroup	515.5	3.0	623.5	432.2
Rentokil Initial	386.8	3.4	391.1	284.8
Robert Walters	662.0	-4.0	475.0	814.0
Serco Group	133.8	0.3	136.9	84.1
SIG	134.0	1.0	153.0	102.2
Travis Perkins	1331.0	15.5	1465.0	970.0
Spirent Communica	153.2	-3.4	166.2	112.8

TOBACCO

	Price	Chg	High	Low
British American	2936.0	-135.0	4222.5	2375.0
Imperial Brands	2023.5	-34.0	2987.5	1871.0

TRAVEL & LEISURE

	Price	Chg	High	Low
888 Holdings	158.0	0.0	288.6	129.3
Carnival	4030.0	17.0	5000.0	3659.0
Cineworld Group	284.8	-7.2	323.6	245.0
Compass Group	1862.5	6.0	1871.0	1483.0
Domino's Pizza Gr	239.5	1.5	361.4	224.4
easyJet	920.2	-4.8	1796.0	854.8
EI Group	204.0	4.0	224.8	145.0
FirstGroup	100.0	-0.7	116.6	79.3
Flutter Entertain	5832.0	-28.0	8565.0	5525.0
Go-Ahead Group	2000.0	28.0	2080.0	1388.0
Greene King	652.2	-1.6	704.4	472.8
GVC Holdings	619.2	-16.2	1170.0	507.5
InterContinental	5190.0	0.0	5232.0	3958.4
International Con	459.3	-7.7	726.6	449.1
Merlin Entertainm	369.9	0.9	410.5	307.1
Millennium & Copt	680.0	0.0	685.0	436.0
Mitchells & Butle	289.0	-0.5	292.1	238.0
National Express	399.4	4.6	433.2	361.4
Rank Group	159.8	-0.2	194.0	135.0
Restaurant Group	127.7	-2.4	222.1	111.9
Stagecoach Group	124.5	-0.4	177.0	115.5
TUI AG Reg Shs (D	757.2	-3.6	1764.5	698.0
Wetherspoon (J.D.	1400.0	16.0	1404.0	1066.0
Whitbread	4731.0	-16.0	5114.0	3883.0
William Hill	145.4	-0.5	312.6	132.3
Wizz Air Holdings	3600.0	49.0	3797.0	2329.0

AIM 50

	Price	Chg	High	Low
Abcam	1459.0	-5.0	1539.0	1017.0
Advanced Medical	326.5	-0.5	370.0	260.0
Alliance Pharma	76.7	-0.3	102.0	60.0
ASOS	3250.0	-41.0	6834.0	2128.0
Blue Prism Group	1952.0	12.0	2575.0	1040.0
Camellia	10650.0	100.0	12000.0	9100.0
CareTech Holding	368.0	0.0	406.0	325.0
Central Asia Meta	218.0	-2.0	280.5	203.0
Clinigen Group	1040.0	15.0	1069.0	721.0
CVS Group	654.0	-7.0	1163.0	395.0
Dart Group	910.0	-4.5	1017.0	740.0
Diversified Gas &	109.0	-2.5	134.0	94.2
Draper Esprit	506.0	8.0	645.0	458.0
Eland Oil & Gas	125.0	-1.0	137.5	97.0
EMIS Group	1180.0	4.0	1206.0	860.0
Fevertree Drinks	2568.0	-100.0	3956.0	2131.0
First Derivatives	3470.0	65.0	4680.0	2050.0
Frontier Developm	1090.0	18.0	1780.0	740.0
Gamma Communicati	1095.0	-5.0	1195.0	688.0
GB Group	587.0	6.0	631.0	410.5
Gooch & Housego	1110.0	-10.0	1880.0	954.0
Hurricane Energy	53.3	-1.5	60.8	39.0
Iomart Group	355.0	13.5	475.0	308.0
IQE	77.0	-1.0	116.1	56.3
James Halstead	520.0	-2.0	532.0	367.0
Johnson Service G	162.6	1.2	163.6	113.6
Keywords Studios	1748.0	42.0	2065.0	900.0
Learning Technolo	90.9	3.8	166.5	62.2
M&C Saatchi	360.0	-6.0	394.0	270.0
M. P. Evans Group	683.0	0.0	800.0	637.0
Majestic Wine	318.0	27.0	485.0	219.0
Midwich Group	591.0	-7.0	685.0	491.5
Mortgage Advice B	608.0	9.0	720.0	490.0
Next Fifteen Comm	604.0	6.0	604.0	455.0
Nichols	1805.0	20.0	1840.0	1240.0
Numis Corporation	259.0	1.0	438.5	221.5
Polar Capital Hol	554.0	6.0	732.0	448.0
Purplebricks Grou	111.0	3.4	356.4	90.0
Redde	104.8	1.8	196.0	90.0
Renew Holdings	417.0	-8.0	436.5	333.0
RWS Holdings	615.0	12.0	628.0	389.5
Scapa Group	191.0	8.0	473.4	157.0
Secure Income Rei	402.0	-1.0	414.0	371.0
Serica Energy	133.6	2.6	142.0	57.4
Smart Metering Sy	497.0	7.8	778.0	480.0
Staffline Group	250.0	3.0	1340.0	239.0
Telford Homes	309.0	-1.0	443.0	267.0
Thorpe (F.W.)	319.0	5.0	340.0	248.0
Watkin Jones	209.0	-3.0	232.5	192.2
Young & Co's Brew	1770.0	2.5	1885.0	1322.5
Young & Co's Brew	1055.0	-25.0	1325.0	1030.0

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MAIN CHANGES UK 350

Risers	%
Kier Group 182.0	8.1
Hochschild Mining 176.3	5.2
Reckitt Benckiser 6675.0	4.4
Funding Circle Hol 244.0	4.1
Centamin (DI) 103.4	3.7
Rathbone Brothers 2175.0	3.1
Ferguson 5310.0	2.9
Acacia Mining 169.7	2.9
Entertainment One 385.8	2.8
Games Workshop Gro 5085.0	2.8

Fallers	%
Premier Oil 70.0	-6.6
Provident Financia 467.3	-6.6
Tullow Oil 194.7	-5.5
Amigo Holdings 276.0	-5.5
Saga 38.1	-4.7
Wood Group (John) 391.0	-4.5
British American T 2936.0	-4.4
Woodford Patient C 60.9	-3.9
Fisher (James) & S 1920.0	-3.9
Cairn Energy 143.1	-3.6

EU SHARES

	Price	Chg	High	Low
AB INBEV	76.93	0.96	91.14	56.32
ADIDAS N	257.25	-2.25	267.25	178.30
AIR LIQUIDE	118.30	1.10	119.10	101.85
AIRBUS BR	122.28	-1.12	124.16	77.50
ALLIANZ	205.90	-0.05	216.20	170.38
AMADEUS IT GRP BR-A	69.34	-1.96	82.20	58.06
ASML HLDG	175.00	-2.38	189.50	130.12
AXA	22.60	-0.06	23.90	18.40
BANCO SANTANDER	3.97	-0.04	4.82	3.80
BASF N	61.97	-0.93	88.89	57.26
BAYER N	53.17	-0.63	101.40	52.00
BBVA	4.94	-0.06	6.44	4.48
BMW	62.73	-0.16	86.80	61.31
BNP PARIBAS BR-A	41.14	-0.42	56.94	38.14
CRH PLC	27.93	-0.93	34.87	26.53
DAIMLER N	48.15	-0.08	63.53	44.54
DANONE	72.40	0.02	72.96	59.72
DEUTSCHE POST N	27.43	0.02	32.20	23.43
DEUTSCHE TELEKOM N	15.49	0.15	15.88	13.09
ENEL N	5.89	0.04	5.94	4.22
ENGIE	13.01	-0.07	14.28	11.31
ENI N	13.82	-0.23	16.71	13.39
ESSILORLUXOTT	105.50	-1.25	129.55	95.50
FRESENIUS	45.48	-1.36	71.10	38.50
IBERDROLA	8.89	0.09	8.91	5.81
INDITEX	25.02	-0.26	30.30	21.85
ING GROUP	10.02	-0.11	13.28	9.09
INTESA SANPAOLO N	1.83	-0.02	2.66	1.80
KERING	487.15	-3.45	539.80	351.70
KON AH DEL BR	20.15	-0.23	24.01	18.60
L'OREAL	247.20	1.60	248.40	182.00
LINDE	178.35	1.85	0.00	0.00
LVMH	356.80	-2.80	363.70	242.30
MUENCHENER RUECKV N	221.40	1.50	224.00	175.00
NOKIA	4.47	-0.05	5.76	4.17
ORANGE	13.86	0.01	15.25	13.15
ROY.PHILIPS	36.53	0.33	40.01	29.05
SAFRAN	124.15	-0.60	130.00	97.08
SANOFI	76.57	0.47	80.44	65.64
SAP I	113.62	0.54	117.02	84.02
SCHNEIDER EL	74.44	0.12	78.66	57.54
SIEMENS N	104.94	-0.96	121.40	90.90
SOCIETE GENERALE	21.85	-0.46	35.06	21.45
TELEFONICA	7.59	0.06	8.06	6.59
TOTAL	46.95	-1.32	55.39	44.23
UNILEVER CERT	54.81	0.55	55.01	45.12
VINCI	90.16	-0.50	90.88	69.98
VIVENDI	24.51	0.31	26.69	20.40
VOLKSWAGEN VZ I	142.18	-1.68	165.88	131.02

COMMODITIES

Gold	1324.30	-4.30
Silver	14.69	-0.05
Brent Crude	63.29	1.62
Krugerrand	1362.80	5.15
Palladium	1386.00	34.00
Platinum	803.00	4.00
Tin Cash Official	19275.00	80.00
Lead Cash Official	1887.00	1.00
Zinc Cash Official	2619.50	50.50
Copper Cash Official	5787.00	3.00
Aluminium Cash Official	1720.50	33.50
Nickel Cash Official	11575.00	250.00
Aluminium Alloy Cash Official	1260.00	-40.00
Cocoa Futures	2562.00	25.00
Coffee 'C' Futures	98.95	1.95
Feed Wheat Futures	151.75	3.80
Soybeans Futures Continuation Contract	878.40	19.20

CREDIT & RATES

BoE IR Overnight	0.750	0.00
BoE IR 7 days	0.750	0.00
BoE IR 1 month	0.750	0.00
BoE IR 3 months	0.750	0.00
BoE IR 6 months	0.750	0.00
LIBOR Euro - overnight	-0.471	0.00
LIBOR Euro - 12 months	-0.232	0.01
LIBOR USD - overnight	2.351	0.00
LIBOR USD - 12 months	2.343	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	-0.396	-0.01
The vix index	15.91	-0.08
The baltic dry index	1105.00	-20.00
Markit iBoxx EUR	240.03	-0.14
Markit iBoxx GBP	342.10	-1.28
Markit iBoxx USD	252.41	0.05

WORLD INDICES

	Price	Chg	%chg
FTSE 100	7367.62	-30.83	-0.42
FTSE 250	19250.06	-75.66	-0.39
FTSE All-Share	4024.80	-16.57	-0.41
FTSE AIM All-Share	944.31	-0.98	-0.10
S&P 500	2879.84	-5.88	-0.20
Dow Jones I.A.	26004.83	-43.68	-0.17
Nasdaq Composite	7792.72	-29.85	-0.38
Xetra DAX	12115.68	-40.13	-0.33
CAC 40	5374.92	-33.53	-0.62
Swiss Market Index	9859.73	23.86	0.24
ISEQ Overall Index	6131.58	-90.87	-1.46
FTSEurofirst 300	1494.18	-4.87	-0.32
Hang Seng	27308.46	-480.88	-1.73
Shanghai Composite	2909.38	-16.34	-0.56
STI Index	3203.84	-3.38	-0.11
ASX All Ordinaries	6628.90	4.50	0.07

US SHARES

	Price	Chg	High	Low
3M	169.01	0.10	219.75	159.32
ABBOTT LABORATOR.	81.95	0.83	82.00	60.32
ADOBE	276.84	0.85	291.71	204.95
ALPHAB NON VTG-C	1077.03	-1.69	1289.27	970.11
ALPHABET-A	1079.10	-1.94	1296.98	977.66
AMAZON.COM	1855.32	-8.38	2050.50	1307.00
AMERICAN EXPRESS	122.03	-1.20	124.74	89.05
APPLE	194.19	-0.62	233.47	142.00
AT&T	32.18	0.07	34.30	26.80
BANK OF AMERICA	27.95	-0.29	31.91	22.66
BERKSHIRE HATH RG-B	204.57	-2.06	224.07	184.75
BOEING CO	347.03	-2.30	446.01	292.47
CATERPILLAR	127.10	-0.18	159.37	112.06
CHEVRON	120.19	-0.98	128.55	100.22
CISCO SYSTEMS	55.86	-1.25	57.56	40.25
CITIGROUP	66.81	-1.07	75.24	48.42
COCA-COLA CO	51.64	0.31	52.19	42.96
COMCAST-A	41.45	0.23	43.96	30.99
DOW	52.49	0.45	0.00	0.00
EXXON MOBIL	74.03	-0.81	87.36	64.65
FACEBOOK-A	175.04	-3.06	218.62	123.02
GOLDMAN SACHS GR	190.22	-4.51	245.08	151.70
HOME DEPOT	198.94	0.93	215.43	158.09
HONEYWELL INTL	172.90	1.25	174.34	123.48
IBM	134.87	-1.08	154.36	105.94
INTEL	46.32	-0.53	59.59	42.36
JOHNSON & JOHNSO	141.68	1.90	148.99	120.11
JPMORGAN CHASE	109.27	-1.41	119.24	91.11
MASTERCARD RG-A	263.85	0.19	269.85	171.89
MCDONALD'S	204.93	1.67	206.39	153.13
MEDTRONIC	97.53	-0.03	100.15	81.66
MERCK	83.71	0.73	84.27	59.80
MICROSOFT	131.49	-0.61	134.24	93.96
NETFLIX	345.56	-5.71	423.21	231.23
NIKE -B-	82.63	-0.63	90.00	66.53
ORACLE	53.62	-0.32	55.53	42.40
PAYPAL HOLDINGS	114.50	-0.10	117.45	74.66
PEPSICO	133.14	-0.06	134.71	102.27
PEPSICO	118.61	0.56	119.74	101.06
PFIZER	43.08	0.41	46.47	35.73
PROCTER&GAMBLE	109.68	0.30	110.66	75.39
TRAVELERS COS	149.73	0.54	150.61	111.08
TWITTER	37.49	0.28	47.79	26.19
UNITEDHEALTH GRO	244.50	-1.37	287.94	208.07
UTD TECHS	124.07	1.13	144.40	100.48
VERIZON COMM	57.36	0.53	61.58	47.13
VISA RG-A	171.59	1.28	172.18	121.60
WALGREENS BOOTS	52.12	-0.76	86.31	49.31
WALMART	108.82	0.88	108.97	82.37
WALT DISNEY	135.72	0.64	142.37	100.35
WELLS FARGO	44.91	-1.35	59.53	43.02

FORUM

EDITED BY RACHEL CUNLIFFE

Don't ignore the powder keg sitting on the EU's doorstep

Tim Marshall

TWO DECADES since 50,000 Nato troops entered Kosovo, the region on the EU's eastern doorstep remains a potential powder keg.

This week has been dominated in the UK by the launch of the Conservative leadership contest and the drama over who is to be the next Prime Minister. But it also marks 20 years since the end of the 78-day aerial bombing campaign which forced the Serbian army out of the province after Nato sided with the Kosovo Liberation Army.

The former US President Bill Clinton was at the celebrations in Pristina, the capital of what is now recognised as an independent Kosovan state by more than 100 countries, including the UK.

There is much to celebrate in both Kosovo and Serbia – an end to the mass killing and the birth of democracy. However, the ongoing tensions between the two, and indeed their neighbours, mean that the situation is never more than an "incident" away from escalating.

This is why 3,500 troops remain on the ground even though several Nato members, including the US, are mulling a draw-down.

Western attention is at best fitful – this is a mistake. When Europe takes its eye off the Balkans, things rarely go well.

Serbia and Kosovo remain hostile to one another to the extent that the 2018 announcement of plans for a Kosovan army brought the threat of war from Belgrade. Several times in the past two years, the Serbian army has been put on full alert, and even moved elite forces to the border.

It could have been different. Losing Kosovo led to the revolution in Serbia which overthrew President Milosevic the following year. In came a genuine liberal, Zoran Djindjic, who had called the EU "Serbia's fresh air".

However, he soon announced complete cooperation with the International Crimes Tribunal for the former Yugoslavia and swore to root out organised crime from government and big business. This ensured retaliation.

In March 2003, Djindjic was shot and killed by a sniper in Belgrade. A bullet hit him in the back, went through his heart, exited his abdomen, and hit a bodyguard. He was 51 and left behind a wife, two young sons, and a divided nation.

The outside world barely noticed. It was just eight days before the invasion of Iraq began. The news channels mentioned Djindjic's death, and moved on. There was a war in Afghanistan, another was about to break out. Following on would be the 2008 financial crash, the Arab uprisings and civil wars, and then Russia's annexation of Crimea.

Meanwhile in Serbia, corruption surged back, democratisation slowed, and the gangs running guns, drugs, and illegal immigration into western Europe flourished.

Today, a former ultra-nationalist, Alexander Vucic, is President, giving hope to the hardliners who still want to "freeze" the Kosovo question in the hope that eventually the EU will fall apart, Nato will disband, and Russia will ride to their rescue and help rebuild their shattered dream of "Greater Serbia".

> **Western attention is at best fitful, but when Europe takes its eye off the Balkans, things rarely go well**

That is highly unlikely, but those who dream of that nightmare are still playing. They include President Vladimir Putin. In January, he showed up in Serbia for his third visit in eight years to shore up both countries' non-recognition of an independent Kosovo.

The situation needs a solution. One proposal to draw a line under the past involves a land swap in which Kosovo gives up territory in its north which has a Serb-majority population, and Serbia gives land which is Kosovan majority.

This sounds attractive, but is problematic as any land swap would attract the envious attention of others in the region.

The Serbs in Bosnia might step up efforts to join their territory, Republika Srpska, into Serbia proper – a move which would be supported by those in Belgrade who still believe in a "Greater Serbia".

And the Albanians of Macedonia, kindred spirits of the Kosovans, might reignite their 2001 military effort to create a separate state. This in turn means both Kosovans and Macedonian Albanians might wish to merge into a "Greater Albania".

These are, indeed, just "mights", but given the region's history over the past 120 years, they are plausible. It follows that if the above scenarios came to pass, what was left of Macedonia would fall prey to division as Serbia, Greece and Bulgaria scrambled to protect their interests.

The outside world is still busy elsewhere, but now, after the drawdown from Afghanistan, the retreat from Iraq, and a partial recovery from the financial crash, there is enough diplomatic bandwidth for the Balkans to come back onto the radar. And a glance at the screen shows how much work remains to be done.

Tim Marshall is an author and journalist. His latest book about the Kosovo War, "Shadowplay: The Inside Story of Europe's Last War", is out now, published by Elliot and Thompson. He tweets @ltwitius.

The age of fax machines is long gone, and now the pensions industry must catch up

Guy Opperman

WHEN people think pensions, they probably don't think tech and they probably don't think innovation. I want to change that.

This week is London Tech Week, when the brightest and best from across the planet come together in our great city to showcase the technologies of tomorrow.

Some of the most exciting tech innovators and the biggest names in technology are currently in the capital, introducing innovations which will transform our daily lives and discussing the future of work, the impact of artificial intelligence on society, and the most exciting ideas from every corner of the planet.

In comparison to this, the pensions industry is playing catch-up. I can book a holiday miles away in seconds, manage all my finances through my banking app, and keep tabs on any sporting event anywhere in the world on my smartphone. But I still can't see all my pensions in one place online.

This is particularly crucial when you consider the huge advances that have been made to pensions saving in the last few years.

Automatic enrolment has brought 10m people into workplace pension saving. This means that it's more important than ever before that savers can easily keep track of their investments. British people today will have an average of 11 jobs in their lifetimes, with multiple pension pots from different employers.

As people move jobs more often, there is a risk that their various pensions will become confusing, with some pension pots being forgotten entirely.

The priority now is building trust in the pension industry, with more transparency and greater control for consumers.

Online pensions dashboards are the innovation that will unlock that potential. Dashboards will bring pensions power to the people, showing all their pensions savings at the touch of a smartphone screen, and giving them the control that they need to plan for the retirement they want.

The government is working to make pensions dashboards a reality, and we expect to see the first models being tested later this year.

We will introduce legal compulsion to make sure that all the data that savers need is available and, for our part, will ensure that all state pension data can be accessed in the same place. But the government cannot unshackle the pensions industry alone – we need providers themselves to take the lead and provide the innovation that their consumers want and need.

We know that people want more power over their savings – after all a pension is one of the biggest financial assets a person will have over the course of their lives.

During London Tech Week, we will see just how far the world has come and the future that awaits us all. The pensions industry must keep up. If it does not become more transparent – and fast – pensions will be left behind in this brave new digital world.

The pensions industry stands at a crossroads; the age of fax machines, filing cabinets, and mountains of paperwork is well and truly over.

I am determined to put pensions at the heart of our hugely exciting digital future, and that's why I'll be driving forward the innovations to push the industry into the twenty-first century.

Guy Opperman MP is minister for pensions and financial inclusion.

LETTERS
TO THE EDITOR

Running out of time

[Re: Government plan sets UK on track to cut emissions to zero by 2050]

Climate change makes investment change an imperative, and the wider investment and finance community needs to take this to heart. Thankfully, the signs are that finance is starting to take this issue seriously beyond having it as a fashionable panel debate topic.

Central bank officials, including our own Bank of England governor Mark Carney, have all made heartening comments about how climate change is a threat not just to our planet but our financial stability, proposing the incorporation of climate risks into their macro-economic modelling.

In private finance, capital is being pulled out of carbon-intensive assets due to the very real risk that they become stranded as climate change begins to bite with a growing number of investors refusing to partner with firms which still invest in sinful assets like coal.

But more can always be done. All of us in finance need to make sure that our actions take us towards making triple net investing – judged on planetary, social and financial impact – the standard. It's crucial that finance starts moving in this direction now, as time is running out.

Nick Jacobs, chief executive, Rowan

BEST OF TWITTER

This is the voting method at the EU parliament. Just practicing voting "No". From what I am finding it seems that legislation proposed by the unelected commission always passes. Have only been here a day, but it's very clear, there is no democracy here.
@LanceForman

There is "no democracy here" says the guy who was literally democratically elected, calls himself "MEP Elect," and is literally advertising his democratic right to vote democratically in the democratically-elected European parliament.
@NinaDSchick

Prepare to see the Establishment media, civil servants and opinion formers throw everything they can at Boris. Like all monstrous oligarchies, they are desperate to preserve the old order
@DouglasCarswell

Yes Douglas, the "monstrous oligarchy" is terrified that the "old order" is going to be overthrown by the anti-establishment Etonian, Oxford graduate, £250K a year Telegraph columnist, career politician, Alexander Pfeffel Johnson. Uh-huh.
@TheScepticIsle

People who like Boris will think he's played a blinder, people who can't stand him will think he's done appallingly. People who are unsure about him will be conflicted. Because what he's mostly doing is "be Boris".
@JamesLDouglass

Boris Johnson admits he may have tried cocaine at university, but contrary to appearances denies there's still some in his system.
@haveigotnews

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

Remainers rejoice, a second referendum seems inevitable

Dinesh Dhamija

WHAT a noisy week in politics. The Tory leadership contest is now fully underway, with contenders trying to out-Brexit each other with their visions of how to get Britain out the EU. There's even been the threat from some Brexiteers to prorogue parliament, much to the outrage of many. But there are some Remainers watching smugly as events unfold. Because with every twist and turn, a people's vote looks increasingly like the only solution.

Before he dropped out of the Tory leadership race, Sam Gyimah let slip that a growing number of Conservative MPs have admitted, albeit privately, that a second referendum is the only way to resolve Brexit. And those outside of parliament are preparing. The Electoral Commission has drawn up contingency plans in order to respond quickly to any unscheduled poll.

For Remain parties like mine – the Liberal Democrats – we are practically popping the champagne cork. Because how can we not have a second referendum?

Parliament just hasn't got the maths to crash out without a deal. Despite the chronic disarray within the Labour party, there is a determination to prevent the disaster of a no-deal scenario. Yesterday's motion may have failed, but only by a whisker, and it is clear that MPs will do all they can to block no-deal from coming to pass.

As for proroguing parliament to push a no deal through, Commons speaker John Bercow has said it's "blindingly obvious" that this won't happen.

This leaves few other options. We could revoke Article 50, which would not require the permission of the other 27 member states, but that would be political suicide for the new leader.

We could seek alternative arrangements for the Irish border to replace the backstop, as many of the Conservative leadership hopefuls say that they can and will do. But this is a complete fantasy. The EU has said over and over again that the backstop is not up for renegotiation.

And even if the EU were open to the idea, there simply isn't enough time. Whoever the next Prime Minister is, they won't be in office until late July, and will have to renegotiate the deal with Brussels and get it passed by parliament – all before 31 October, alongside the threat of a General Election.

So that leaves the third and only other solution: a people's vote on the direction of Brexit. And if that happens, I believe that support for stopping Brexit entirely would outweigh the other options.

> **With every twist and turn, a people's vote looks increasingly like the only solution**

When Britain first went to the polls in 2016, a no-deal Brexit was not on the cards. Now three years later, the electorate knows that the only Brexit choices are the terms of Theresa May's widely unpopular withdrawal agreement, or crashing out, with all the economic and political chaos that entails.

Last week's by-election result in Peterborough was evidence that the public's mind has shifted. The Brexit Party, despite its success in the European elections, came second.

This might sound good at first, until you take into account that Peterborough is a Leave constituency.

The Brexit Party got a vote share of 30 per cent – in a constituency which voted 60 per cent Leave in the 2016 referendum, you would have expected it to get higher. Even if you add in the votes for the Conservatives, it still only comes to 43 per cent – hardly a mandate for Brexit.

The European elections were widely heralded as a success for the Brexit Party. But look a little closer: the five collective Remain parties (including SNP and Plaid Cymru) outnumbered the collective votes of the Brexit Party and Ukip by 1.1m.

The country has never been more engaged in the Brexit debate. With parliament deadlocked and the government lacking both a leader and a mandate, the only way to deliver closure on this issue is a second referendum.

And if, as the recent trajectory suggests, the people show that they have changed their minds, Britain will finally be able to move on.

Dinesh Dhamija is a newly elected Liberal Democrat MEP for London.

DEBATE

Should we get rid of best-buy lists for investment funds following the Neil Woodford scandal?

YES

SHAUN PORT

As the Financial Conduct Authority highlighted in its 2017 study, there are concerns around links between funds on so-called "best-buy lists" and the platform providers. The suspension of the Woodford Equity Income Fund has brought this sharply into focus – as retail investors with some of the country's largest investment platforms are wondering when they'll be able to access their money.

The fallout calls into question a number of issues for the industry, including: the appropriateness of the fund recommendations for a mass market retail audience; the frequency and transparency of the due diligence process for funds on best-buy lists (especially given questions around Woodford's fund started some time ago); and, perhaps the most concerning for all involved in the investment industry, the far-reaching damage to consumer confidence in investing that this scandal could cause.

It's time that the regulator revisited best-buy fund lists and whether they're acting in the best interest of consumers – before those who've had their fingers burnt are put off the industry forever.

Shaun Port is chief investment officer of Nutmeg.

NO

HOLLY MACKAY

Over four million people in the UK manage their own investments. But eight out of 10 people rate their confidence in choosing a fund at six out of 10 or less. We need and want validation and help. Adding to the headache are the 33,000 investment funds in Europe – all tooting their own horns about how wonderful they are. It's a nightmare. Filtered, shorter recommended lists are essential.

About a third of DIY investors' money last year went to funds in best-buys list. With great power comes great responsibility, and they obviously need a rethink when it comes to oversight, scrutiny, and justification. Also, the finance industry is awful at telling stories and using digital and visual assets to explain and highlight need-to-know information. It's time for them to up their game.

Best-buy lists need to be better communicated, probably independently scrutinised, and clearer about what they are trying to achieve. But they are fundamentally important – they are seen as promises of quality.

Holly Mackay is chief executive and founder of boringmoney.co.uk.

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OFFICE POLITICS

Give your staff a real Father's Day gift

Here's why you should encourage the dads in your office to take shared parental leave


John Coote

A SHIRT with the word "legend" plastered across the front? A trio of "bad boy" chili sauces? A customisable BBQ branding iron? Father's Day really is an object exercise in gifting tat.

Such tokens are inconsequential and ephemeral – destined for a cluttered kitchen drawer. Better to get dads something they actually want. Simply, more time with their kids.

I'm one of the lucky ones. When the right to request shared parental leave (SPL) was introduced in 2015, my wife was pregnant with our first child, Federico. Rather than the standard 52 weeks of maternity leave and two for paternity, the change meant that we could share up to 50 weeks between us.

Thankfully, the firm I work for – 23red – is more progressive than most, and encouraged me to take time off.

But I'm an anomaly. Anecdotally, my industry peers don't take more than the prescribed fortnight. Nationally, the number of parents taking advantage of SPL is tiny. Just 9,200 parents did so in 2018. When one considers that there were 679,106 kids born in the UK last year, this paints a stark picture.

Starker still is the stigma attached to "stay-at-home dads". The notion that men need to play the role of breadwinner certainly seems to contribute to the dearth of uptake. Indeed, HR directors interviewed in 2016 suggested that taking SPL could be "frowned upon or career limiting"... for men.

Outmoded preconceptions of masculinity aren't the responsibility of businesses (except for, ironically, those in my game – advertising). But highlighting the policy, and being prepared for fathers who want to take extended paternity leave, definitely is.

Alarmingly, almost half of HR professionals admit that they don't actively promote shared parental leave within their organisation.

Stories about businesses making it difficult or impossible are rife. It's a crying shame when the benefits are so clear.

A mounting body of evidence makes clear the benefits of shared parental leave to wider society

I can't imagine having missed Fede's first birthday, clambering over the obstacles at a soft play in Barbican, or taking him to swimming lessons every Tuesday morning, singing "Old McDonald" while hopping around the shallow end. Although, it has to be said, spending half an hour coaxing him into eating one mouthful of solid food was only a subtle change from some conference calls I've been on.

Most important to me, though, was the first day that I was fully in charge, rather than merely supporting his mum. It was slightly terrifying, but being the primary carer, rather than a bit player, allowed me to bond with my son during the most formative part of his life, in a way that many fathers will never experience.

Getting to take a hands-on role in raising Fede was incredibly satisfying and made me reflect on why more new fathers aren't choosing to take the option. After all, a mounting body of evidence makes clear the benefits of SPL to wider society.

For instance, SPL fundamentally reduces gender pay inequality: when women can go back to work, their careers thrive. Also, families that take SPL are more likely to stay together. And in those that don't, the father takes a more active role. Kids achieve higher marks at school, are better adjusted, and have greater self-confidence. The list goes on.

The role of fathers in their children's lives is changing. However, it is still the case that mothers in two-parent families take on responsibility for twice as much of the childcare, and most of the domestic work. It's archaic, and it means that both kids and fathers miss out.

So this year, after the dog has eaten that miniature drone, why not get your staff a proper Father's Day gift, and let them know that they have the option of taking SPL?

John Coote is account director at 23red.

PARENT TRAP

Virtual Dad: Happy Family 3D
Free

Put your parenting skills to the virtual test in this "dad simulator". This Sims-style game places you in the role of a father and sets you various tasks to complete. The promotional material for the game includes the following exciting slogans: "wash the car", "take children to school", and "fulfil your responsibilities".

COFFEE BREAK

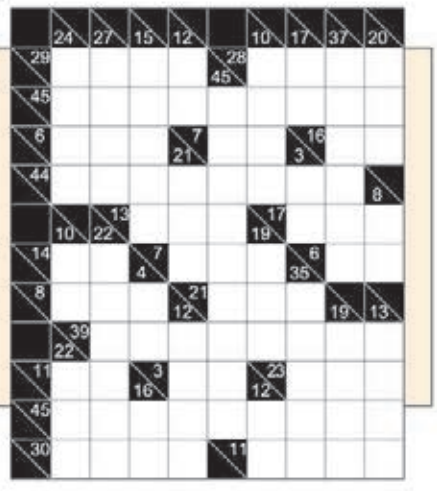
SUDOKU

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

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

KAKURO

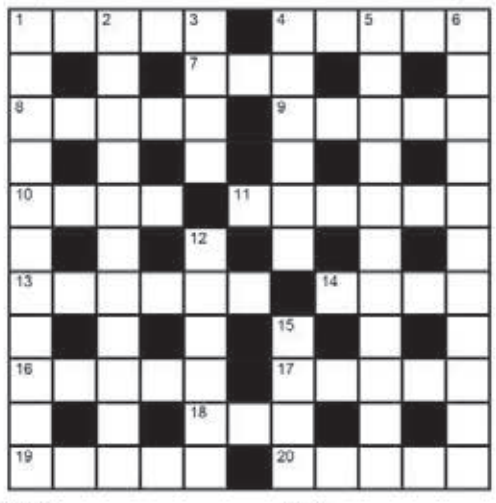
Fill the grid so that each block adds up to the total in the box above or to the left of it.
You can only use the digits 1-9 and you must not use the same digit twice in a block. The same digit may occur more than once in a row or column, but it must be in a separate block.



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 Secret store of valuables or money (5)
4 Arise suddenly (3,2)
7 Garland of flowers (3)
8 Bottomless gulf or pit (5)
9 Bike (5)
10 Word expressing a motion towards the middle (4)
11 Bordering (6)
13 Mould (6)
14 Stare at (4)
16 Two times (5)
17 Accumulate (5)
18 Obtain (3)
19 Greek island, capital Heraklion (5)
20 Belonging to them (5)

DOWN

1 Possessing an extraordinary ability to attract (11)
2 Make free from confusion (11)
3 Other than what is under consideration (4)
4 Protester stationed outside a place of work (6)
5 Large crate in which goods are placed for shipment (7,4)
6 Person who comes before one in time (11)
12 Fail to fulfil a promise (6)
15 Unit of power (4)

LAST ISSUE'S SOLUTIONS

QUICK CROSSWORD

KAKURO

WORDWHEEL

The nine-letter words were CHARTERED and RECHARTED

SUDOKU

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

PERSONAL FINANCE

LET LOOSE

Katherine Denham looks at the potential consequences of the Tenant Fee Ban

WELCOME to a new era, where unscrupulous letting agents are no longer allowed to demand that tenants pay hundreds of pounds in unjustified fees.

The new law has been several years in the making, but at the start of this month, it finally became illegal for letting companies in England to charge tenants rip-off fees.

Cue the sighs of relief from the millions of renters, who – according to Generation Rent – were paying up to £813 in fees every time they moved.

With these fees combined with the added burden of deposits (which are refundable, but payable upfront), it's not surprising that many young people have had to ask family or friends to help them with the costs of moving.

It's estimated that a third of millennials will rent for their entire lives, so a better, fairer system has become increasingly necessary.

So here's what could happen now.

WHAT ARE THE NEW RULES?

Under the new Tenants Fee Act, letting agents are now significantly restricted in what they can charge tenants. Renters in England can no longer be charged fees for referencing, renewals, admin, or inventory, meaning that, for the most part, you'll only have to pay rent and a refundable deposit.

The government has also imposed thresholds, capping deposits at five weeks' rent (or six weeks where the annual rent exceeds £50,000). With tenants in London paying an average of £420 in rent each week, this caps the average upfront cost of a deposit at £2,099.

Meanwhile, refundable holding deposits – which are used to reserve a property – are capped at the equivalent of one week's rent. And unless the letting agent can justify a greater expense, they can now only charge tenants a maximum of £50 for any amendments to be made to the agreement during the tenancy.

If you are more than 14 days late on your rent, you can also be liable for a "default" fee, which is charged as interest – though it cannot be more than three per cent above the Bank of England's base rate (currently 0.75 per cent) for each day that the payment has been outstanding.

To put this in monetary terms, for those in London, you would only be liable to pay £5.18 on average for the whole month your rent is late. "Don't be fooled by any hefty charges for late rental fees," says Tom Gatzen, co-founder of Ideal Flatmate. "Although, of course, it's much easier to be a good tenant and pay your rent on time."

A default fee also applies if you need a lock or key fob replaced, but the letting agent has to provide written evidence to show that any costs are reasonable. Bear in mind that fees still apply if you want to terminate your contract early – in fact, that's the one area of the letting industry where the charge remains variable.

"Early termination of a contract can put a landlord at a disadvantage, and early termination fees can include any outstanding rent plus an additional charge from the letting agent," says Gatzen. "Fees will be dependent on the agent, so try to avoid exiting early at all costs in order to dodge any unfair fees."

RISING RENTS?

With such a massive overhaul of the rental rules, it's possible that there will be some knee-jerk reactions, particularly as letting agents grapple with new business models.

Since the ban was promised by the government three years ago, much of the private rental sector has warned that rents could climb as a result. Whether this will happen is up for debate – rents haven't increased in Scotland, where a tenant fee ban has been in place since 2012.

Andrew Turner, chief executive at Commercial Trust Limited, thinks it's unlikely that rents will rise. "On the whole, landlords are not out to make a quick buck, and many would rather retain a good tenant than risk losing them over rental hikes."

> "Cue sighs of relief from renters who were paying up to £813 in fees every time they moved

Indeed, Turner suggests that rental increases will be a last resort for most landlords, particularly as letting agent fees and management fees are tax-deductible, meaning that landlords don't bear the brunt of the cost because they can reclaim the tax on additional charges. But if your landlord does insist on a rent hike, they must give you at least one month's notice, and you must have agreed to it.

WILL THEY COMPLY?

With community union Acorn warning that some letting agents are planning to disregard the new rules, there are concerns about how effectively the fees ban will be enforced.

One way to gauge how compliant these companies will be is to look at how they've behaved with older laws.

Back in 2017, Generation Rent published research which found that 131 of 1,088 letting agents were in breach of the Consumer Rights Act by failing to display the fees they charge to tenants. This Act, which came into force in 2015, requires letting agents to outline their fees in-branch and on their website. The penalty for failing to do so is £5,000.

When Generation Rent conducted new research this year, looking at the 131 agents that weren't compliant in 2017, plus an additional 61 (some of which had been reported to the campaign group), it found that 21 letting agents were breaking the law.

"The scale of malpractice from the lettings industry is shocking, and in some instances, they were found to be deliberately misleading tenants," says Georgie Laming, campaigner at Generation Rent. "While the Tenant Fees Act is a brilliant victory for renters, it is clear that we need better enforcement of the law if it is to work properly."

AND IF THEY BREAK THE LAW?

If your landlord or agent is asking you to fork out on any unlawful fees, you should refuse.

If they insist, get evidence in writing, and make sure that you keep a record of any correspondence.

For renters who pay a prohibited fee after 1 June, there are ways of getting this money back – first by asking your letting agent directly. If they still refuse, you can lodge a complaint with the relevant redress scheme, before escalating to your local authority. Make sure you keep written confirmation from the agent, as well as any receipts, invoices, and bank statements.

Letting agents who breach the ban will be liable for a fine of up to £5,000. If they breach the ban again, the penalty ramps up to £30,000 or prosecution.

Hopefully, this will be enough to deter dodgy letting agents, but for this ban to be properly enforced, part of the responsibility lies in the hands of tenants to report any wrongdoings to local authorities.

But more positively, let's hope that these new rules will be the catalyst that encourages letting agents to provide a good service.

Who knows, perhaps tenants will finally be treated like customers, rather than a cash cow.

TECHNOLOGY

THE BIGGEST GAMES OF E3

As gaming's biggest event draws to a close, here are the most exciting games from the show

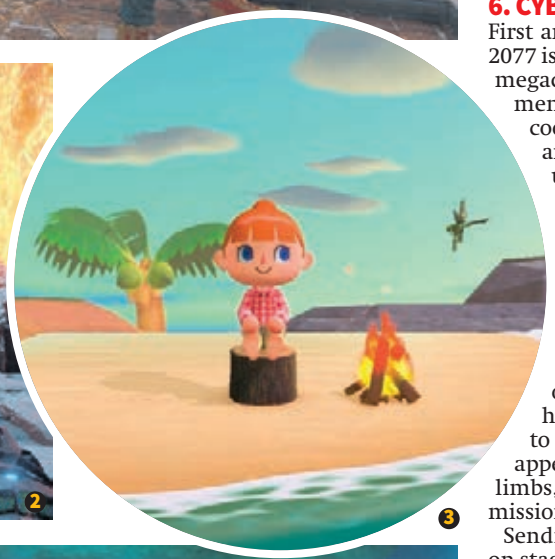
1. WATCH DOGS LEGION

British politics has now well and truly seeped into the cultural groundwater. According to the game's French publisher Ubisoft, the latest entry in the Watch Dogs series is set in a dystopian vision of "post-Brexit" London.

The Grand Theft Auto-alike allows you to freely drive and roam around a near-future version of the capital, in which advanced surveillance technology has been used to George Orwell the place up a bit.

You're part of the hacker resistance, able to recruit members of the British public to join your ranks. In practice this means you can take control of anyone you see, from random pedestrians to little old ladies waiting for the bus, and have them enthusiastically hurl themselves into danger with the goal of freeing the city from the clutches of the tactfully-left-nameless authoritarian regime.

Out March 2020, Ubisoft



2. DOOM ETERNAL

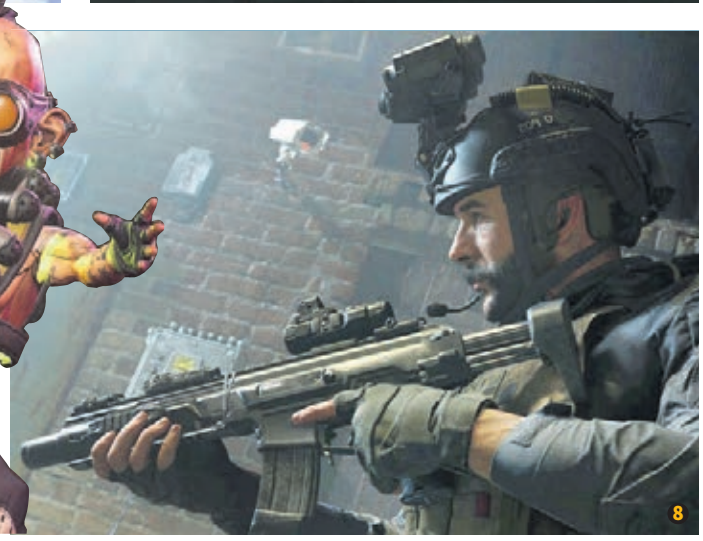
While other franchises have matured, adding characterisation, branching storylines and settings that subtly satirise modern geopolitics, Doom has remained defiantly straightforward since conception. You are a man with lots of guns who strolls through a portal to hell to kill as many demons as possible. In this year's Doom Eternal, your massacre begins on a Martian moonbase on Phobos, before taking the fight into Hades. New improvements include drop-in multiplayer (a la Dark Souls), and demons that blast into their constituent limbs in an anatomically accurate and bloody fashion.

Out November 2019, Bethesda

3. ANIMAL CROSSING: NEW HORIZONS

The only game anybody really needs to care about, Animal Crossing simulates an idyllic village life where your primary concerns are shaking trees, digging up furniture, and convincing little virtual animals to be your pals. New Horizons – the first entry in the series since 2012 – invites players to set up home on a desert island.

Out March 2020, Nintendo



4. DEATH STRANDING

Death Stranding is the first game by mercurial Japanese director Hideo Kojima following his acrimonious split from Konami. It appears to be an Inception-style psychological drama set in a post-apocalyptic future where the protagonist can flit between different historical conflicts using babies as a kind of portal. Or something. It will star Norman Reedus, Mads Mikkelsen and Léa Seydoux, as well as film directors Guillermo del Toro and Nicolas Winding Refn. The mo-cap acting looks first class and the gameplay appears to have all of the polish of Kojima's genre-defining Metal Gear Solid V.

Out November 2019

5. HALO INFINITE

Halo Infinite has been confirmed as a launch title for Microsoft's new generation console, codenamed Project Scarlett, but the good news for current-gen owners is that it will also be available on Xbox One. The trailer confirmed – as if any confirmation were needed – that Infinite will be more of the silly space opera we know and love, with breathtaking graphics and some nice shooty shooty to boot.

Out late 2020, Microsoft

6. CYBERPUNK 2077

First announced in 2012, Cyberpunk 2077 is an RPG about a vast, futuristic megacity in which everyone's augmented their flesh-bodies with cool bionic eyes and flashy knife arms. Now, with less than a year until its release in 2020, it's by far the most anticipated game at this year's E3.

CD Projekt Red, developer of the wildly successful The Witcher series, promises an enormous, open-ended sci-fi world to explore, populated by criminal bio-hackers and organ harvesters, as well as a host of characters who all react to your actions, body-mods and appearance. You can upgrade your limbs, hijack vehicles and take on missions as a gun for hire.

Sending fans into a frenzy was an on-stage appearance by the actual Keanu Reeves, who'll play a sort of digital ghost-mentor in the game, haunting your microchip addled cyberbrain and giving you tips. It looks fantastic, an intricately detailed vision of a hard-edged dystopian future inviting you to get thoroughly lost inside of it, and a very early contender for the biggest game of next year.

Out April 2020, CD Projekt Red

7. BORDERLANDS 3

It's been seven long years since Gearbox's last mainline entry into the Borderlands series, and fans had all but given up hope. But a third game will finally drop in September, and judging by the latest gameplay trailer at E3, it looks like everything we've been hoping for. Packed with cartoon violence and frenetic gunplay, this will be the shooter to beat this year.

Out September 2019, 2K Games

8. CALL OF DUTY: MODERN WARFARE

It's been eight years since Modern Warfare 3 was released, which is apparently enough time for Activision to drop the number 4 from the new entry and hope that nobody notices we've been here before. The return to contemporary combat after the series' giddy detour into near-future science-fiction also brings with it the return of a full-featured single player campaign. This time it's about the SAS thwarting baddies all around London.

Out October 2019, Activision

England's need for speed against Gayle

CRICKET COMMENT

Chris Tremlett

ENGLAND play West Indies at the Rose Bowl tomorrow and I'm sure they won't be complacent about what Jason Holder's side can do.

West Indies' fast bowling attack have shown how good they can be, demolishing Pakistan for just 105 in their opening game and reducing Australia to 79-5 in their second with aggressive short-pitch bowling.

While Trevor Bayliss and his players will have spoken about how to combat bouncers, I think it's a batsman they will fear the most.

Chris Gayle may be 39 years old but he's still one of the most dangerous batsmen in the world – a fact England know all too well, having been on the receiving end of his destruction already this year.

Gayle smashed scores of 135 from 129 balls, 162 from 92 and 77 from 27 in February's 2-2 one-day international series draw and he always seems to find form against England.

Once he gets his eye in and on a roll pretty much everything in his arc disappears so I think the hosts need to focus on dismissing him early on. Chris Woakes generally takes the new ball for England, but I would like to see Mark Wood paired with Jofra Archer in Southampton.

Woakes can swing the ball, but at 83mph to 85mph he is more likely be hit off his line by Gayle, whereas Wood and Archer have genuine pace.

Unlike at Trent Bridge or The Oval, where a top-edge can fly 65m for a six, the Rose Bowl is a big ground with long boundaries square of the wicket. It would take a good clean hit to send a well-directed bouncer 80m, so bouncers can be a defensive tactic as well as a wicket-taking option.

Gayle smashed 424 runs in just four innings against England in February

FEAR FACTOR

Wood spoke this week about his friendly competition with Archer to see who can bowl the fastest and, having reached 95mph in Saturday's win over Bangladesh, they can both bring the fear factor – even to someone as experienced as Gayle.

If England can unsettle him and rough him up with some short stuff early on he might fall or be susceptible to full deliveries which follow.

The longer boundaries should also help spin, so I expect to see Moeen Ali back in the side alongside Adil Rashid for one of the fast bowlers, unless the wet weather provides a really juicy, seamer-friendly wicket.

England bounced back impressively against Bangladesh after the defeat by Pakistan and I fully expect them to win once more.

The batting is in a good place after Jason Roy's excellent 153 in Cardiff and if the rain stays away and Gayle doesn't fly out of the blocks I'm confident of another victory.

Chris Tremlett is a former England and Surrey fast bowler. Follow him @ChrisTremlett33

GATLAND'S UNFINISHED BUSINESS

Wales head coach will lead the Lions for a third time despite claiming he would never coach them again, writes **Michael Searles**

IN THE wake of the tour to New Zealand two years ago he insisted he would never coach the British and Irish Lions again, but Warren Gatland is back in the hot-seat for South Africa in 2021 as he looks to continue his unblemished record.

Having led the Lions in undefeated series against Australia and the All Blacks, Gatland has the opportunity to become the first Lions coach in history to go three tours unbeaten – and will be just the second to lead three tours at all.

He will return to where it all began, back in 2009, when as a forwards coach under Sir Ian McGeehan the Lions lost the series to the Springboks.

"Being part of the Lions and the opportunity to go to South Africa, there's some unfinished business," Gatland said.

"When asked if I was interested, I couldn't turn my back on this. I know it's going to be tough, I know it's going to be a real rugby hotbed, and the Lions have always found it tough over there with their physicality and passion, but it's something I couldn't really turn my back on."

His record since taking charge in 2013 is impressive, winning 13 of 20 matches and three of six Tests. His Lions beat Australia 2-1 before drawing against New Zealand in 2017, the third Test ending in a tie.

He had previously said he would never coach the iconic side again, claiming he "hated the tour" of New Zealand during the aftermath, but says it was aspects of the attention he received in his home country that affected him negatively.

"I struggled with New Zealand media," he said. "I have no doubt there was an orchestrated campaign from the start to try and unsettle me. It took me by surprise.

"I had this romantic view of this ex-All Black coming home, leading the Lions and it being a celebration of rugby, but that wasn't the case, and it really threw me."

There was also an element of the squad being under-prepared and expected to play just days after touching down in a new time zone that left Gatland frustrated.

But while issues around the 2021 tour's schedule are yet to be ironed out, the Kiwi has said the prospect of a reduced eight matches over five weeks is "manageable".

GATLAND'S LIONS RECORD

2013: Australia
The Lions claimed the first Test 23-21, before losing the second 16-15. They would go on to win the third Test with a record haul of points, 41-16, and end a 16-year wait for a series win.

2017: New Zealand
The Lions bounced back from a 30-15 defeat in the first Test to claim the second 24-21 and end the All Blacks' 47-game winning run at home. The final test at Eden Park ended 15-15 and ensured the series was drawn 1-1.

NEXT STEPS

The 55-year-old will have plenty of time to prepare for the tour himself – he will take on the role exclusively from August 2020 given he is stepping down as Wales boss following this autumn's World Cup.

He also ruled out any chance of replacing Eddie Jones as England head coach.

"I can tell you definitely now, I will not be coaching England," Gatland said. "There's no way I will be coaching England, unless I put a blazer on or something," he added in a jibe at Jones, who previously said the Lions role was "a job for a bloke in a blazer".

When asked about Jones's comments, Gatland said: "I was bemused by that. As I've said it was one of the hardest things I've ever had to do as a coach. I don't know if that was a subtle way to rule himself out of contention."

> "I can tell you definitely now, there's no way I will be coaching England

He also dismissed the idea of coaching the All Blacks, but admitted he is looking to return to New Zealand to join a club side.

"I'm talking to a couple of people about what I'm going to do post-Lions, but there's nothing formal," he said. "My plan is to go back to New Zealand, and if there's an opportunity, some Super Rugby, that's where I see my pathway."

Whatever happens in 2021, Gatland will go back to his native country as a great servant to the red jerseys of both Wales and the Lions.

CONTINUED FROM BACK PAGE

Dr Shah says hip-resurfacing procedures are usually done for young men with physically demanding jobs, such as policemen or firemen, but warns that elite sport is a level above in terms of hip movement. However, Murray does have many things going for him.

"He's not an everyday patient," says Shah. "He was an elite level athlete before – his muscles were primed and he was in the best physical condition he could be.

"He's got the best physios, nutrition and daily exercises and he's highly motivated. All these factors give him the best possible outcome.

"Even at four and a half months it's incredible that he's ready to get back to competitive tennis. That's fantastic. Most people wouldn't expect that – they'd say six months at the earliest – but he's an elite athlete, so he's got everything in position to allow him to return as quickly as possible.

"I'd be cautionary as to how far he'll get, because he won't be the same as when he was at his prime and I suspect he knows he'll never get back to that level."

After years of continual pain, struggles with putting on his socks and completing everyday tasks, Murray himself is realistic about his prospects. His time away from tennis has given him a new approach. If he can return to singles it will be on his own terms.

"If I do come back to play [singles] I'm going to have a completely different perspective on things for sure than what I had for most of my career," Murray said.

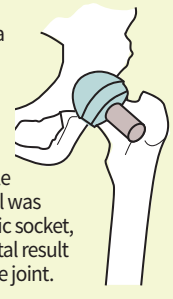
"It will be very different and I'd want to enjoy it a lot more than what I did [before] and experience different things and not just concentrate on the winning and success.

"I would be OK with not playing again as well."

Queen's, then, will be the tentative toe in the water before, hopefully, the full submergence – hips and all – at Wimbledon.

WHAT IS HIP RESURFACING?

Murray underwent a procedure known as a "Birmingham hip" operation. The ball at the top of his thigh bone was smoothed down and covered with a metal cap, while another layer of metal was placed in the the pelvic socket, with the metal on metal result reducing friction in the joint.



SPORT

GATLAND'S BACK The Kiwi will lead the Lions for a third and final time in 2021 PAGE 23

REDEMPTION Warner's battling century leads Australia to 41-run victory over Pakistan

David Warner hit a century as Australia beat Pakistan by 41 runs in the World Cup yesterday. Warner made 107 from 111 balls to register his first hundred since his 12-month ban for ball-tampering as Australia posted 307 in Taunton. Imam-ul-Haq (53) and Mohammad Hafeez (46) had things under control on 136-2 before a collapse of 4-24 saw the pendulum swing. Hassan Ali (32) and Wahab Riaz (45) reignited the chase, but Pakistan were dismissed for 266 as Australia moved second with a third win from four games.

SPORT DIGEST

FROOME OUT OF TOUR DE FRANCE AFTER CRASH

Four-time champion Chris Froome has been ruled out of the Tour de France following a serious crash before stage four of the Criterium du Dauphine yesterday. Team Ineos principle Dave Brailsford said Froome had fractured his right leg, elbow and ribs after hitting a wall at 60kmph while taking his hands off his handlebars to try and blow his nose. The 34-year-old would have been chasing a record-equalling fifth victory in the Tour, which starts in Brussels on 6 July.

HOSTS FRANCE BEAT NORWAY FOR SECOND WIN

France all but secured a place in the knockout stage of the Women's World Cup last night with a 2-1 win over Norway. Valerie Gauvin gave the hosts the lead, but an own-goal from Wendie Renard made it 1-1 before Eugenie Le Sommer's penalty secured a second victory. Earlier, Sara Daebritz's goal was enough for Germany to beat Spain 1-0, while Nigeria sunk South Korea 2-0.

BUTTLER & MOEEN BACK FOR WEST INDIES MATCH

Jos Buttler and Moeen Ali are expected to be in England's side for tomorrow's World Cup match against West Indies in Southampton. Buttler trained on Wednesday after shaking off a bruised hip which hindered him in Saturday's win over Bangladesh, while Moeen has rejoined the squad following the birth of his second child.

SWANSEA'S JAMES JOINS UNITED IN £15M TRANSFER

Manchester United completed the £15m signing of Swansea winger Daniel James yesterday. The 21-year-old penned a five-year contract to become Ole Gunnar Solskjaer's first signing. "Daniel is an exciting young winger with lots of skills, vision, exceptional pace and a good work ethic," said Solskjaer.

BACK FROM BREAK POINT?

Andy Murray will find it 'very difficult' to return to elite level, leading hip surgeon tells **Felix Keith**

AFTER 154 days without competitive tennis – a period which involved a much-discussed operation, extensive rehabilitation, plenty of pain, but also time with his family and friends – Andy Murray will make his long-awaited return at Queen's Club next week.

It may come on the doubles court rather than the singles and may be in Kensington rather than Wimbledon, but following a near five-month hiatus the Fever-Tree Championships represent a significant, potentially make-or-break moment in Murray's career.

The 32-year-old has often spoken of his desire to play at Wimbledon again – be it as a last hurrah or as the starting point of a new chapter in his career – and his run-out alongside Feliciano Lopez next week will provide the first indication of which it's most likely to be.

"I'm pretty relaxed about whether I got back onto a court competing again, or not," he told Amazon Prime recently. "It would be nice to, but if I don't I'm OK with that as well. If my match in Australia [in January] was my last one then it'd be a great one to finish on."

Murray has long suffered with hip problems, with the injury hampering his performance increasingly in recent years. Having already had keyhole surgery in January 2018, the Scot decided after his epic five-set defeat by Roberto Bautista Agut in the first round of this year's Australian Open to undergo another one in a last attempt to solve the problem.

On 29 January he took the plunge, undergoing a hip resurfacing procedure, which, unlike a conventional hip replacement, involves smoothing down the ball at the top of the thigh bone, covering it with a metal cap and putting another layer of metal in the pelvic socket to reduce friction. Since then it's been a long road back for the three-time grand slam champion.

"The first six or seven weeks were pretty hard – it's just uncomfortable and then trying to exercise through that as well isn't particularly nice," Murray explained.

"Then I'd probably say from weeks eight and nine it really started to go quite nicely and I've been able to do a lot of things I've not done for a really long time without pain, like playing golf and walking the dogs."

TIMELINE OF HIP TROUBLES

ALWAYS THERE Murray says he has struggled with and played through hip pain "for a number of years".

JULY 2017 Murray battles injury to reach Wimbledon quarter-finals, but is then forced to take the rest of the season off, losing his world No1 ranking to Rafael Nadal.

JANUARY 2018 Scot withdraws from Australian Open and undergoes keyhole surgery.

JANUARY 2019 Murray has hip resurfacing procedure in a final bid to overcome the issue.

Murray is now at a stage where he can do more than just walk the dogs, but hip specialist Dr Zameer Shah, a consultant orthopaedic surgeon at Guy's and St Thomas', says fans should temper their expectations.

"The metal bearing that he has allows him to be more adventurous in what he can do – he can hit it hard, jump on it and land on it," he tells *City A.M.* "But it's very unusual for someone who's had this operation to get back to elite level sport of any kind. It's very difficult. That's not to say it's impossible."

Murray said yesterday that although he is "feeling good and pretty much pain free" it was "baby steps" for the time being.

Having chosen to ease himself back with doubles at Queen's and Wimbledon as it is less physically demanding, he will also be encouraged by the experience of American doubles player Bob Bryan, who is back playing following a similar operation.

CONTINUED ON PAGE 23