# CITY A.M.

BUSINESS WITH PERSONALITY





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# RED MIST DESCENDS

**OWEN BENNETT**

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CHINA has warned the UK to keep its "hands off Hong Kong" in a dramatic escalation in tensions between Beijing and London.

The Chinese ambassador to the UK Liu Xiaoming launched an extraordinary attack on Britain during a feisty press conference, saying relations between the two countries had been damaged over the Hong Kong row.

Foreign secretary and Tory leadership contender Jeremy Hunt summoned the ambassador to the Foreign Office – a diplomatic convention seen as a rebuke.

The former British colony has been gripped by mass protests against China's increasing attempts to seek influence over the city state – culminating with protesters storming Hong Kong's government building on Monday and spray-painting anti-Beijing slogans.

Hunt said the UK stands behind the people of Hong Kong and called for Beijing to respect the terms of the city state's handover to China in 1997 – which is meant to ensure a large degree of economic and political autonomy.

Yesterday, Liu told a press conference the UK should keep its "hands off Hong Kong and show respect".

He added: "They forget that Hong Kong has now returned to the embrace of the motherland."

Liu said the UK should "reflect on the consequences of its words and deeds", and "refrain from further interference" in the dispute between his country and the Hong Kong people.

Speaking to Channel 4 News, Hunt repeated his claim from earlier in the week that there would be repercussions if China did not respect the terms of the handover agreement.

"We are a serious country in the world and the point we are making is very simply that if that agreement between the United Kingdom and China was not honoured, then there would be serious consequences, of course there would be," he said.

Hunt's support for the protesters was echoed by his leadership rival Boris Johnson, with the former foreign secretary saying: "Yes, I do support them and I will happily speak up for them and back them every inch of the way."

He added: "I would stress to our friends in Beijing that the 'one country, two systems' approach has worked, is working and should not be cast aside."

The demonstrations were sparked by a row over a change to the extradition laws that would make it easier for Beijing to take individuals from Hong Kong for trial in mainland China.

The law change has been suspended, but many are still angry at attempts by Beijing to take greater control of the city's governance.

## Woodford staff jobs under threat

**JESS CLARK**

*@jclarkjourno*

EMBATTLED fund manager Neil Woodford told staff they were facing redundancy yesterday following the suspension of his flagship Equity Income fund.

The redundancies are expected to affect a small number of staff at Woodford Investment Management's Oxford headquarters.

The firm employed around 45 members of staff on 31 March last year, when it last published accounts.

A spokesperson for Woodford said: "We have reluctantly entered into redundancy consultations with a number of staff to advise them that their roles are at risk."

Woodford, who was once regarded as a star trader, has been battling to rebalance his Equity Income fund since trading was suspended last month following a spike in investor withdrawals.

He said he would use the suspension time to reduce the fund's exposure to illiquid and unquoted stocks down to zero.

However, the fund manager defended his strategy of focusing on "undervalued assets" in a video this week.

The fund's suspension will be reviewed on 29 July.


WOODFORD'S RIDDLE: P18


## City divided over Lagarde's ECB role as economists question her qualifications

**HARRY ROBERTSON**

*@henrygrobertson*

CITY economists digested the news of Christine Lagarde's nomination as European Central Bank (ECB) president yesterday, with some warning of a "credibility risk" while others welcomed her expected dovish stance.

European Union member state leaders surprised pundits on Tuesday night by picking Lagarde, currently head of the International Monetary Fund (IMF), to succeed Mario Draghi at the ECB's helm.

Bond yields fell and stock markets rose across Europe following the announcement.

Lagarde has led the IMF since 2011 and was formerly French finance minister. Yet she has no direct experience of central banking and faced criticism in debt-burdened Mediterranean states for the IMF's actions during the Eurozone crisis.

Andrea Iannelli, investment director at Fidelity, said Lagarde has "played more political than policy-related roles in her career".

Deutsche Bank research strategist Jim Reid said that "her relative inexperience" with the ECB's complex policies meant "there is a credibility risk, especially if and when things get more complicated economically".

Lagarde has been head of the IMF since 2011

However, Lagarde's support for unconventional measures pursued by Draghi, some of which are credited with saving the Eurozone after 2012, have reassured markets.

Franklin Templeton's David Zahn said it "reconfirmed the idea that the ECB will support the market over the short-to-mid-term at least".


A DEEPER DIVE: P12


FTSE 100 ▲ 7,609.32 +50.13 FTSE 250 ▲ 19,790.83 +131.50 DOW ▲ 26,966.00 +179.32 NASDAQ ▲ 8,170.23 +61.14 £/$ ▼ 1.258 -0.002 £/€ ▼ 1.115 -0.001 €/$ 1.128 unc.

CITY A.M.

THE CITY VIEW

# Sainsbury's Coupe yet to find a new song to sing

IT HAS been several months since the Mike Coupe dream of a merger with Asda was dealt a lethal blow by Britain's competition watchdog, but how much has the embattled chief executive changed his tune?

Not enough, it would seem, to quell anxiety among investors. Shares in the supermarket giant edged down a further 0.53 per cent last night as the City digested the news of a third consecutive quarterly drop in sales.

Intense competition, tough comparatives, weak consumer confidence and political uncertainty; by now, the City understands the problems facing Sainsbury's.

The trouble is that there still seems to be no clarity as to what the solutions are. If the botched tie-up with Asda was Plan A, then what could be the board's Plan B?

Coupe and his directors have vowed to cut costs, slash debt and refurbish 400 stores, but their pledges feel somewhat underwhelming in contrast to their retail rivals.

**If the botched tie-up with Asda was Plan A, then what could be Plan B?**

Take Tesco boss Dave Lewis, for example, who used the firm's capital markets day last month to reveal potential plans for "Tesco finest" stores, plant-based ready meals and more investment in its Clubcard loyalty scheme.

Lewis pulled the rabbit out of the hat, and if Coupe is to have any chance of winning back shareholder confidence, he must show the same energy and readiness to protect the firm's waning market share.

The distinct lack of any real recovery plan is made all-the-more controversial by coming at a time when Coupe cashes in on a hefty £3.8m pay cheque.

Investors are unlikely to be happy that the firm's boss has bagged himself a seven per cent pay rise in the same year that Sainsbury's shares have plunged to a near 20-year low.

On the phone yesterday, Coupe remained resilient, telling journalists that his pay is set by a remuneration committee, and his performance is matched against targets that determine what he earns. But it makes one wonder; if Coupe is getting a pay rise after the turmoil of the past year, what on earth are the targets that Sainsbury's is setting?

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**OLD MONEY** Fleet Street's C. Hoare & Co opens its doors for a rare sneak peek inside the UK's oldest surviving family-run bank

C. HOARE & Co, the UK's oldest surviving family bank, offered a rare glimpse behind its Fleet Street doors. Among the treasures inside is the original Golden Bottle, which marked the location of the bank before street numbers were invented. Richard Hoare started the City firm in 1672 and it has dealt with the affairs of diarist Samuel Pepys, poet Lord Byron and novelist Jane Austen.

# UK economy might have shrunk in second quarter

HARRY ROBERTSON

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THE UK economy shrank between April and June according to a closely-watched survey published yesterday, while separate data from across the pond painted a similarly bleak picture.

The part of IHS Markit's purchasing managers' index (PMI) relating to services – Britain's dominant sector – fell to 50.2 in June from 51 in May.

"The near-stagnation of the services sector in June is one of the worst performances seen over the past decade and comes on the heels of steep declines in both manufacturing and construction," said Chris Williamson, chief business economist at IHS Markit.

"The June reading rounds off a second quarter for which the surveys point to a 0.1 per cent contraction of GDP," he added.

The data added to growing signs that the UK economy is slowing due to ongoing political uncertainty and global headwinds.

Howard Archer, chief economic adviser to the EY Item Club, said: "The June set of purchasing managers' surveys fuel our belief that the economy likely contracted 0.2 per cent quarter-on-quarter in the second quarter."

Yesterday's PMI score marks the continuation of a period of weakness for Britain's service sector, which accounts for over 70 per cent of the UK economy.

March saw a contraction, and the PMI has not risen above 51 since.

The survey data showed a decline in new business, while volumes of new work have now fallen for five of the past six months. Managers reported a lack of new work to replace completed projects.

Meanwhile, a similar survey in the US revealed a sharp drop in American service sector growth. The Institute for Supply Management (ISM) said its non-manufacturing activity index fell to 55.1 in June, the lowest reading since July 2017, from 56.9 in May.

The ISM cited uncertainty around US President Donald Trump's trade war with China and other countries as one reason behind the growth dip.

The dispute over tariffs has also broadened America's trade gap, it was revealed yesterday.

The US trade deficit jumped to a five-month high in May as imports of goods increased – likely as businesses restocked ahead of a rise in tariffs on Chinese merchandise – overshadowing a broad rise in exports.

The trade deficit surged 8.4 per cent to $55.5bn (£44.1bn). Data for April was revised higher to show the trade gap widening to $51.2bn instead of the previously reported $50.8bn.

## WHAT THE OTHER PAPERS SAY THIS MORNING

### FINANCIAL TIMES

**COURT RULES IN FAVOUR OF EMPLOYMENT COVENANTS**

Companies can continue to enforce employment contracts that restrict the activities of staff who jump ship to work for competitors, the UK's Supreme Court has ruled. The UK's highest court handed down a decision in a case involving a former employee of headhunter Egon Zehnder, which lawyers say means that employers can continue to enforce restrictive covenants in employment contracts.

**JUDGE DEALS QUALCOMM BLOW IN LICENSEE EFFORTS**

A US judge has denied chipmaker Qualcomm's request to prevent its licensees from renegotiating their contracts while it appeals an antitrust ruling. Judge Lucy Koh ruled against Qualcomm's motion to stay the impact of her ruling in May that the company had "strangled competition".

### THE TIMES

**LABOUR POLL SUPPORT AT RECORD LOW**

Jeremy Corbyn has taken Labour to its lowest level of support in polling history, with fewer than one in five voters planning to back him at the next election. Labour are fourth for the first time, with 18 per cent saying they would vote for the party if an election were held today.

**BOSSES TAKE SMARTPHONES FROM WORKERS**

Unions are warning that a "new front for friction" between workers and organisations is opening as managers feel they cannot trust people to resist the temptation to post social media updates while at work.

### THE DAILY TELEGRAPH

**HUNT SAYS ONLY HE CAN SEE OFF CORBYN THREAT**

Jeremy Hunt has urged Tory members to look beyond Brexit in choosing their next leader as he said he is better-placed than Boris Johnson to defeat the "clear and present danger" of Jeremy Corbyn. The foreign secretary pointed to polls that put him ahead of Johnson with the public at large as evidence that he would win a general election.

**MILLENNIALS SET FOR LONGER RETIREMENT**

Young workers can look forward to longer retirements than their parents because life expectancies have risen more sharply than pension ages, according to the OECD.

### THE WALL STREET JOURNAL

**POLICE SEARCH RENAULT HEADQUARTERS**

Police searched Renault's headquarters for evidence related to the continuing investigation into former chief executive Carlos Ghosn, according to people familiar with the matter. More than 20 officers conducted the search at the French car makers' headquarters in Boulogne-Billancourt near Paris.

**BIDEN RAISES $21.5M IN PRESIDENTIAL RACE**

Former US vice president Joe Biden's presidential campaign reported raising $21.5m (£17.1m) since he entered the 2020 race in late April, putting him near the front of his Democratic rivals in fundraising.

# Santander to be hit by banker's €100m lawsuit

SEBASTIAN MCCARTHY

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SANTANDER is said to have been landed with a €100m (£90m) legal challenge from Andrea Orcel, the investment banker who was denied the role of chief executive just four months after being offered the post.

Orcel is understood to be filing a lawsuit claiming the Spanish multinational bank violated a contract between the two sides.

Sources familiar with the matter told Reuters that Santander will have about 20 days to respond to a civil lawsuit that 56-year old Orcel plans to file in Madrid.

The Italian banker is demanding he is given back his role of chief executive or paid damages adding up to roughly €100m.

The move is the latest twist in a high-profile battle between the two sides, which was first sparked when Santander announced in January that it was ditching plans to hire Orcel.

He was named to the post in September, leaving UBS to take a required six-month leave before starting his next chapter.

However, a disagreement over pay led to Santander withdrawing its offer several months later, raising questions about the Spanish bank's hiring process.

"It has now become clear that the cost to Santander of compensating Mr Orcel for the deferred awards he has earned over the past seven years, and other benefits previously awarded to him, would be a sum significantly above the board's original expectations at the time of the appointment," the Spanish bank said at the time.

Orcel, who carved out a reputation as a star investment banker at UBS, has since reportedly rejected an advisory role at the bank.

Santander and law firm Decarlos Remon, which represents Orcel, declined to comment.

## CAREER MOVE Former chancellor George Osborne eyes chance of taking top IMF job

FORMER chancellor George Osborne is considering putting himself forward to replace Christine Lagarde as head of the International Monetary Fund. The Evening Standard editor is said to be giving the role "serious thought", according to reports.

# Netflix picks iconic Shepperton Studios for UK production hub

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NETFLIX has signed a deal to set up a production hub in the world-famous Shepperton Studios, marking a major expansion of the streaming giant's UK presence.

Netflix will take over 435,000 square feet of space in the Surrey studio complex, which boasts a rich history of productions, including A Clockwork Orange and Gladiator.

The deal, first reported by Sky News, was secured with Shepperton owner Pinewood Group.

Netflix's new hub, due to open in October, will boast 14 sound stages, workshops and office space.

The blockbuster deal has been hailed as a huge boost for the UK's entertainment industry.

# Monsoon plan gets go-ahead from creditors

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CREDITORS approved Monsoon Accessorize's restructuring plan yesterday that will see rents slashed at more than half of the fashion retailer's leased stores.

The store said its company voluntary arrangement (CVA) proposals had passed "with a majority significantly above the required threshold".

In total, rent will be cut at 135 of Monsoon and Accessorize's 258 stores and the retailer's founder Peter Simon will inject an additional 18m into the business. This follows an emergency £12m loan provided earlier this year.

In a bid to win over landlords Simon had offered them up to £10m if the business makes a profit and beats its forecasts following the restructuring plan.

No stores are earmarked for closure under the plans.

Paul Allen, Monsoon Accessorize chief executive, said: "This action will help us to reshape our business for the future, and we will now turn our attention to the wider turnaround plan and delivering a sustainable and profitable business moving forward."

# Sainsbury's sales drop in tough market as boss issues warning on Brexit date

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SAINSBURY's sales fell in its latest quarter, the supermarket revealed yesterday as boss Mike Coupe warned against a no-deal Brexit.

Like-for-like sales slipped 1.6 per cent year on year for the four months to the end of June while retail sales dropped 1.2 per cent, piling pressure on Coupe after the supermarket's proposed Asda merger was blocked.

Meanwhile, clothing revenue declined 4.5 per cent compared with the same period last year and general merchandise sales also faltered, dipping 4.1 per cent.

Grocery sales also fell 0.5 per cent.

"We continue to adapt our business to changing shopping habits and made good progress in a challenging market," Coupe said.

"In a tough trading environment, we gained market share in key general merchandise categories and in clothing, where we are now the UK's fifth largest retailer by volume."

However, Sainsbury's warned that the merchandise and clothing markets "remain challenging".

Coupe also said the consumer outlook is uncertain ahead of the UK's deadline to leave the EU on 31 October, in the middle of Sainsbury's Christmas preparation.

"You couldn't choose a worse date," he said.

# Asda and Just Eat launch grocery delivery service

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ASDA is partnering with Just Eat to launch a grocery delivery service that will enable customers to order products to their door in just half an hour.

The express grocery delivery trial will initially operate from two stores and will apply to 100 product lines, the supermarket revealed at an event in London yesterday.

The grocers is also planning to roll out a pizza delivery service to 50 stores following a successful trial in 2018.

Chief executive Roger Burnley said: "This project demonstrated how partnering with complementary brands can enhance our offer to customers, as a result I am delighted to confirm that we're extending our work with Just Eat to trial an express grocery delivery service from two stores."

Burnley also said yesterday the timescale for a possible stock market listing of Asda, by its US parent Walmart, is two to three years, following a blocked merger with Sainsbury's.

# Unite signs £1.4bn student housing deal to acquire rival Liberty Living

**SEBASTIAN MCCARTHY**
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STUDENT housing giant Unite Group agreed yesterday to snap up rival provider Liberty Living in a £1.4bn deal.

The two companies confirmed the cash-and-shares deal, which will create a firm with control over more than 70,000 beds across the UK.

Liberty's sole shareholder, the Canada Pension Plan Investment Board, will keep a 20 per cent stake in the newly merged firm.

The move to create a leading student accommodation operator is set to establish a new portfolio of roughly 73,000 beds across 173 properties in 27 UK towns and cities, with a total valuation of approximately £5.2bn.

Richard Smith, chief executive of Unite, said: "This is a transformative acquisition which brings together the best of two companies with a wealth of expertise and experience in delivering for students and university partners."

Smith added: "By combining two highly complementary portfolios, the enlarged group will be well positioned to meet the growing need for affordable, high quality student accommodation in university towns and cities where demand is strong."

## EU PARLIAMENT European Union elects Italian social democrat as latest president

THE EUROPEAN Parliament named an Italian social democrat as its new president yesterday to complete a raft of new appointments to fill the highest-ranking roles in the EU. David Sassoli beat German, Spanish and Czech candidates to the role.

# London builder Telford Homes bought by CBRE

**SEBASTIAN MCCARTHY**
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REAL estate giant CBRE is set to buy housebuilder Telford Homes as it plans to cash in on the UK's growing build-to-rent (BTR) market.

The US property giant has reached an all-cash agreement to buy Telford for roughly 350p per share in cash, representing an 11.1 per cent premium on Telford's closing price on Tuesday and valuing the deal at £267m.

Shares in Telford, which is listed on London's Alternative Investment Market (Aim), closed up almost 14 per cent last night.

Under the leadership of Jon Di-Stefano, Telford has been focusing more on the BTR market as part of a strategy to offset waning house sales in the capital.

However, margins have been hit by its direction away from traditional private house sales and into the rental market.

Pre-tax profit plunged 13 per cent to £40.1m for the year to the end of March, as the group had warned earlier this year, with steeper discounting and a Brexit-led slowdown in the property market driving the drop.

In recent months, Telford has signed a number of investment partnerships to help increase its BTR pipeline in the capital.

Telford recommended yesterday that shareholders vote in favour of the deal with CBRE.

The company said that its directors considered the terms of the deal "to be fair and reasonable".

CBRE, which is listed on the New York Stock Exchange, said Telford will become a part of its Trammell Crow Company.

In a statement yesterday Di-Stefano said: "Being part of Trammell Crow Company will allow Telford Homes to enhance its growth in the build to rent/multi-family market in London.

"Our management team have found that Trammell Crow Company is aligned with both our culture and our current strategy and its platform will give Telford Homes access to greater resources, improved technology and wide-ranging expertise."

The deal is set to come into effect during the third quarter of 2019.

# Purplebricks quits US after two years following Australian exit

**AUGUST GRAHAM**
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ONLINE estate agent Purplebricks yesterday confirmed it is pulling out of the US just two years after launch.

The decision to quit the US market comes two months after Purplebricks shuttered its Australian business.

In its full-year results, the property company said the two businesses had stacked up a £52.9m operating loss. Overall the firm reported its loss before tax had shot up to £56m, from £29.2m a year earlier.

"Without a proper grasp of the new markets they were entering, and a downturn in Australia's domestic housing market, the entrepreneur's dream has quickly turned into a nightmare," said Julie Palmer, a partner at Begbies Traynor.

Revenue grew 55 per cent over the year to £136.5m in the year ending 30 April. Gross profit, meanwhile, increased 61 per cent to £79.9m. The firm held £62.8m in cash at the end of the year, down by £59m.

# Vodafone seeks to woo business with 5G launch

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VODAFONE has switched on its 5G network in seven cities across the UK, unveiling a range of new plans in a bid to attract business customers.

Vodafone is the second mobile provider to roll out the high-speed network in the UK, following EE's launch at the end of May.

In a bid to stand out, Vodafone has unveiled a string of business-focused plans as it seeks to stake its claim as a leader in the corporate market.

Under the firm's new business unlimited plans, customers will be able to access unlimited data and 5G for the same price as 4G.

The new schemes will initially be available only to small and medium-sized business customers, but the firm plans to expand the portfolio to larger organisations in the coming months.

Speaking at a launch event in London yesterday, Vodafone UK business director Anne Sheehan said: "5G is absolutely game-changing for businesses. We're going to do absolutely everything we can to help businesses get their hands on 5G."

Earlier this year, Vodafone revealed it would go ahead with plans to use equipment made by controversial Chinese tech firm Huawei in non-core parts of its network.

The US has moved to ban Huawei, but it is not yet clear whether the government will formally place restrictions on the Chinese firm.

Vodafone also unveiled new plans for consumers and said it will become the first provider to offer 5G roaming in four European cities this summer.

The launch comes at a challenging time for the FTSE 100 firm, which has slashed its dividend due to hefty costs linked to 5G investment. Telecoms analyst Paolo Pescatore said: "This should appease investors, but the consumer business model for 5G is still unproven and further investment is needed to rollout costly 5G networks."

Vodafone customers with 5G-enabled phones will now be able to access the high-speed network in London, Birmingham, Bristol, Cardiff, Glasgow, Manchester and Liverpool.

# Watchdog launches probe into tech giants over ad market dominance

JAMES WARRINGTON

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THE COMPETITION watchdog has launched an inquiry into major tech firms amid concerns over their dominance in the digital ad market.

The Competition and Markets Authority (CMA) has launched a market study into online platforms such as Facebook and Google, which are funded almost entirely by digital advertising revenues.

The watchdog said it will consider the monopoly power of these firms, the way they collect and use data, and whether there is enough competition in the market.

The inquiry comes after chancellor Philip Hammond called for greater regulation of the digital ad sector.

An independent review conducted earlier this year by former Barack Obama adviser Jason Furman raised concerns about the dominance of tech giants and warned the market suffered from a lack of transparency.

"The market study will help us further lift the lid on how major online platforms work, especially how they collect and use personal data, how they monetise their content through digital advertising, and what this means for competition," said CMA chief executive Andrea Coscelli.


The sports brand said it would meet full-year profit expectations

# JD Sports on track to meet profit forecasts after athleisure boost

SEBASTIAN MCCARTHY

@SebMcCarthy

SPORTSWEAR retailer JD Sports struck a confident tone in the City yesterday as it claimed it was on track to meet profit forecasts.

Shares in the high street brand closed almost three per cent up yesterday after the group said it expected to deliver headline pre-tax profit ahead of its full-year results next month.

Buoyed by the increasing popularity of athleisure, the leading trainer and sportswear firm has also been ramping up its US footprint, recently opening its sixth JD store across the pond.

At the firm's annual general meeting yesterday afternoon, more than 30 per cent of shareholder votes were against JD Sport's remuneration report.

The board announced that it would carry out a review of its corporate governance practices following the vote, which will engage with shareholders on issues including executive pay.

## IN BRIEF

### BREXIT SENDS LOGISTICS OPTIMISM TO RECORD LOW

Optimism in the logistics sector has plummeted to record lows as the industry battles Brexit fears. According to the Logistics Confidence Index compiled by Barclays and BDO, the industry has reported net pessimism for the first time since records began in 2012. The index showed an overall reading of 49.7, dipping below the 50 mark, which indicates that the sector is more pessimistic than optimistic about the state of the market. Increasingly challenging business conditions drove the drop in confidence, with many respondents to the survey citing Brexit concerns as a major issue. Almost half of businesses had made lower levels of investment or delayed decisions since the 2016 referendum.

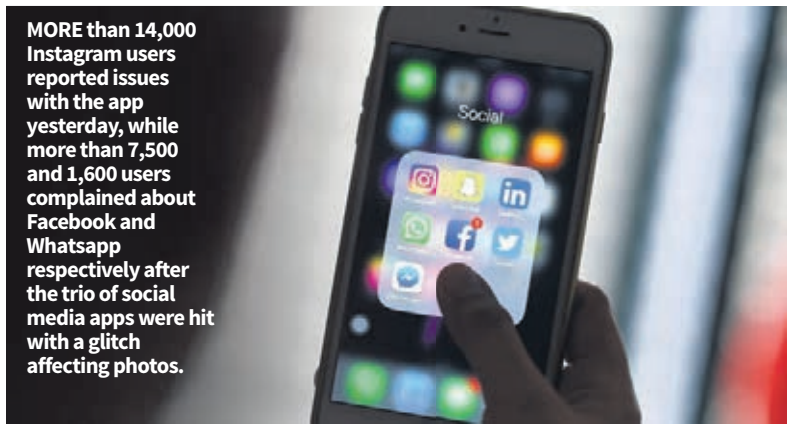
### INTERNET REGULATION WILL 'FALL SHORT' FOR BUSINESS

Government plans to regulate tech firms will not do enough to secure the UK's status as a hub for digital companies, businesses have warned. The CBI said proposals laid out in a recent white paper would not meet the government's ambition to create world-leading regulation. It said while new regulation was vital for rebuilding trust, further clarification was needed. The CBI added a duty of care for tech giants should be focused on illegal harms, while plans to address legal but harmful content needed revision. It argued the new regulator should be embedded in Ofcom and needed to be funded by both government and industry. CBI director general Carolyn Fairbairn warned poor regulation could dampen investment.

### ADVERTISERS SET TO RAMP UP SPEND IN AUDIO FORMATS

UK advertisers are set to ramp up their spend on audio formats in the coming years amid a surge in popularity of podcasts and digital radio. Roughly 85 per cent of advertisers will increase their investment in digital audio over the next 12 months, according to figures from media group Global. The report, which surveyed executives at top media agencies and UK brand owners, showed 78 per cent of advertisers plan to spend more across music and digital radio. An increasing number of brands have been turning to audio in a bid to cash in on the growing numbers of podcast listeners and a renewed interest in digital radio. Three-quarters of respondents said they will increase their investment in podcasts.

## SOCIAL ANXIETY Facebook, Instagram and Whatsapp struck by technical glitch



**MORE than 14,000 Instagram users reported issues with the app yesterday, while more than 7,500 and 1,600 users complained about Facebook and Whatsapp respectively after the trio of social media apps were hit with a glitch affecting photos.**

# Serco slammed with £19m fine in contract fight

**AUGUST GRAHAM**

*@AugustGraham*

OUTSOURCER Serco has been hit with a £19.2m fine from the Serious Fraud Office (SFO) after it overcharged the government for a contract.

The company will also cover the SFO's £3.7m costs. It has already paid back £70m to the Ministry of Justice in a settlement in 2013.

Subsidiary Serco Geografix took responsibility for three counts of fraud and two of false accounting between 2010 and 2013.

The firm misled the Ministry of Justice over its profits from a contract to electronically tag offenders after release.

As the scandal broke in 2013, Serco stopped bidding for contracts to supervise prisoners on their release.

"Serco Geografix engaged in a concerted effort to lie to the Ministry of Justice in order to profit unlawfully at the expense of UK taxpayers," said SFO director Lisa Osofsky yesterday.

The agreement between the SFO and Serco is still subject to approval in court today.

Serco stressed that all members of its board and executive management have since left the company.

Serco chief executive Rupert Soames said that those now in charge "are mortified, embarrassed and angry," about the fraud. "Serco apologised unreservedly at the time, and we do so again... The management and culture of Serco, and the transparency with which we conduct our affairs, have changed beyond all recognition, and we are pleased that this has been acknowledged by both the SFO and by the government."

Meanwhile, a separate criminal investigation continues into individuals linked to the case and a charging decision could come as soon as this year, an SFO spokesperson said.

An inquiry into G4S, another outsourcing company, also continues.


Budweiser, 20x300ml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£9.99

Stella Artois, 20x284ml


WHILE STOCKS LAST

£9.99

Diet Pepsi, 24x330ml


WHILE STOCKS LAST

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Big on quality
Lidl on price

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**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. Stella Artois, 20x284ml, 4.8% vol., £9.99, £1.76/L, Budweiser, 20x300ml, 4.5% vol., £9.99, £1.67/L, Diet Pepsi, 24x330ml, £4.99, 63p/L.

**drinkaware.co.uk** for the facts

# Deutsche Bank shake-up could cost up to £5bn

SEBASTIAN MCCARTHY

@SebMcCarthy

THE COST of a radical shake-up at Deutsche Bank could reportedly reach €5.6bn (£5bn), as the German lender presses ahead with a sweeping turnaround plan that is expected to hit its investment banking division.

A vast overhaul of the business is likely to cost several billion euros, a source told Reuters yesterday, amid speculation that the firm looks poised to axe between 15,000 and 20,000 jobs as part of a revamp.

Fears of cuts come several months after merger talks between Deutsche Bank and German rival Commerzbank collapsed.

A tie-up between the two sides would have created the second largest bank in Europe. However, after six weeks of negotiations, the potential deal collapsed, with both firms blaming the failure on the risks of doing a deal as well as major restructuring costs and capital demands.

Chief executive Christian Sewing, who replaced John Cryan as boss in April last year, has embarked on a major cost-cutting agenda since taking the reins at the firm.

"Sewing really wants to move the needle," a person familiar with the plans told Reuters.

In a statement Deutsche Bank said: "As we said at the [annual general meeting] on 23 May, Deutsche Bank is working on measures to accelerate its transformation so as to improve its sustainable profitability. We stated that we would update all stakeholders if and when required."

Last month, Deutsche Bank, which currently employs more than 90,000 people, was also dealt a fresh blow after the New York Times reported that federal authorities were investigating whether the company had complied with laws that are meant to stop money laundering and other crimes.

Elon Musk's firm delivered a record more than 95,000 cars in the second quarter

# Record car deliveries accelerates Tesla share price after slump

JESS CLARK

@jclarkjourno

SHARES in Tesla, the electric car company founded by tech billionaire Elon Musk, rose more than seven per cent yesterday after the firm announced it had made record deliveries in the second quarter.

The stock held on to gains it made in after-hours trading following Tuesday's announcement that the Silicon Valley firm delivered 95,200 cars, sending shares up as much as 7.6 per cent to $239.68 yesterday.

Analysts had previously raised concerns that demand for the cars had slumped and over recent delivery issues. In the first quarter deliveries fell by 31 per cent.

# Huawei is still blacklisted in US, staff told

JAMES WARRINGTON

@j_a_warrington

**A TOP US government official has reportedly told staff in the Department of Commerce that Huawei should still be treated as blacklisted, despite an apparent easing in tensions.**

**In a surprise move, US President Donald Trump last week rowed back on previous measures by saying American companies would be allowed to trade with the embattled Chinese tech firm.**

**The concession, made following trade talks with Chinese President Xi Jinping, has been welcomed by companies in Huawei's supply chain.**

**In an email to employees, seen by Reuters, deputy director of the Office for Expert Enforcement John Sonderman said Huawei remained on a US trade blacklist.**

**Sonderman added that any further guidance from the commerce department's Bureau of Industry and Security should also be taken into account when evaluating licence requests from firms looking to sell to Huawei.**

**It is unclear when the commerce department will provide additional guidance.**

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# Ferrexpo appoints new auditor after Deloitte quits over charity probe

**AUGUST GRAHAM**

*@AugustGraham*

UKRAINIAN miner Ferrexpo has appointed a new auditor months after Deloitte quit over alleged wrongdoing.

MHA MacIntyre Hudson, which is part of Baker Tilly International, will not review the company's half-year results, expected on 2 August, due to the timing of the appointment.

The appointment comes after Deloitte said it was unable to continue as Ferrexpo's auditor in April.

The Big Four firm said it was concerned about the chief executive's potential connections to a charity under investigation for its use of the company's donations.

Ferrexpo has said that some of the funds paid to Blooming Land could have been misappropriated.

But the company's board concluded that Kostyantin Zhevago, the billionaire chief executive and majority owner of Ferrexpo, did not control Blooming Land.

Deloitte said it was unable to reach the same conclusion. It also claimed the Ferrexpo board had delayed an investigation into Blooming Land's behaviour.

The payments have been estimated at around $110m (£88m) since 2013.

The FTSE 250 company's shares have recovered since dropping nearly 30 per cent on Deloitte's resignation.

The firm's share price closed 1.1 per cent lower yesterday.

The board said it "looks forward to working with MHA MacIntyre Hudson and Baker Tilly International, one of the top 10 audit networks in the world, which has significant audit capability in Ukraine having operated there since 1999."

Nouriel Roubini believes that cryptocurrencies will become museum pieces

# 'Dr Doom' riles bitcoin lovers

**AUGUST GRAHAM**

*@AugustGraham*

A TOP ECONOMIST has hit out at bitcoin, saying it will be confined to museums in five years and angering the crypto community.

Nouriel Roubini – nicknamed Dr Doom for his dire forecasts – said that cryptocurrencies will be consigned to the Museum of Failed Coins, according to reports.

He made the remarks at a debate in Taiwan yesterday with Arthur Hayes, boss of the Bitmex exchange.

The economist lashed out at Hayes, accusing him of a "scam" and calling him "a coward... He controls the only recording of [the remarks] and will only release heavily edited 'highlights'. I destroyed [Hayes] in the debate and he is hiding."

# City watchdog threatens ban on crypto trade

**AUGUST GRAHAM**

*@AugustGraham*

THE FINANCIAL Conduct Authority (FCA) yesterday proposed a ban on selling derivatives based on bitcoin to retail customers.

The City watchdog said that cryptoassets, including bitcoin, have extremely volatile prices. It thinks such products are "ill suited to retail consumers who cannot reliably assess the value and risks of derivatives or exchange-traded notes that reference certain cryptoassets."

Meanwhile, the FCA said that the secondary market for cryptoassets is prone to "market abuse and financial crime".

It warned that retail customers have a low understanding of the assets. "Most consumers cannot reliably value derivatives based on unregulated cryptoassets," said Christopher Woolard, executive director of strategy and competition at the FCA.

## City of London update

CITY OF LONDON

### Facing up to the challenges of a Plastic Free City

THE City of London Corporation is hosting a Plastic Free City Behaviours Forum and Networking Event today as part of Plastic Free July.

You can hear how individual behaviours with single use plastics may affect the environment. Why have we become so wedded to plastic bottles so quickly? How can businesses reduce and eliminate such plastics from operations without unintended consequences?

This event and forum will highlight the challenges faced in eliminating unnecessary single-use plastics.


It takes place 4-7pm at Nomura, 1 Angel Lane, EC4R 3AB. Register via www.plasticfreecity.london/new-events and just click on the eventbrite link to access the event.

### Take Pride in your City

The rainbow Pride flag is being flown this week over iconic City landmarks to celebrate the City Corporation's support for the LGBT+ community.

The instantly recognisable flag is flying over Tower Bridge, the Barbican, Central Criminal Court, The Mansion House and Guildhall (pictured) until 7 July.

Staff and elected Members will join the Pride in London parade on Saturday, along with students from the City Corporation's schools and academies, representatives from the City of London Police and the City Corporation's staff networks to send a clear and visible message of support for London and the UK's LGBT+ communities.

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

# Iran to increase uranium enrichment on Sunday

**AUGUST GRAHAM**

*@AugustGraham*

IRAN will ramp up uranium enrichment this Sunday, breaking the terms of the deal it signed four years ago with the US and five other countries.

President Hassan Rouhani said yesterday that Iran will enrich "whatever amount we feel like" above the limit set in the 2015 nuclear deal.

Earlier this week, the country exceeded the stockpiles of low-enriched uranium it was allowed under the deal.

The move came after US President Donald Trump broke his end of the bargain, re-imposing sanctions on Iran.

The Trump administration hoped to bring Iran back to the table to re-negotiate the deal.

However, Rouhani said his government's plans would be reversible.

"All of our actions can be returned to the previous condition within one hour, why are you worried?" he said.

The Iran nuclear deal was signed by Trump's predecessor Barack Obama. However, Trump pledged to withdraw from the agreement during his election campaign.

The Islamic Republic's President also threatened to switch on a heavy water reactor that was decommissioned in 2016.

"From [7 July] onward with the Arak reactor, if you don't operate [according to] the programme and time frame of all the commitments you've given us, we will return the Arak reactor to its previous condition," Rouhani said.

However, the Iranian President said that if the deal's other signatories – the UK, France, Germany, Russia and China – honour it, Iran would reduce its enriched uranium stockpile.

Iranian crude oil exports have dropped to around 300,000 barrels per day in June, according to reports.

That is down from 2.5m barrels before Trump ripped up the deal and imposed sanctions.

# Funding Circle makes hesitant recovery after share price drop

**JESS CLARK**

*@jclarkjourno*

7.27%

**SHARES in peer-to-peer lender Funding Circle made steps towards recovery yesterday following a sharp fall on Tuesday after it slashed its revenue projections in half.**

**The fintech's stock recovered by more than seven per cent to 125p following Tuesday's trading update that said full-year revenue growth is now expected to be 20 per cent, compared with a previous forecast of 40 per cent.**

**However, shares were still below the pre-announcement price of 163p and considerably below the initial public offering (IPO) level of 440p.**

**Analysts said the share price plunge was "brutally punishing" for investors who took part in the IPO last year.**

**Funding Circle blamed the slump in revenue growth on the "uncertain economic outlook".**

**Samir Desai, Funding Circle chief executive and co-founder, said yesterday: "The uncertain economic environment has reduced demand from small businesses and led us to proactively tighten lending criteria."**

# Turkish delight after inflation falls to its lowest level in a year

**ECE TOKSABAY**

TURKEY'S consumer inflation fell to its lowest level in a year in June thanks to a high so-called base effect and a drop in food prices.

This could potentially pave the way for the country's first interest rate cut since last year's currency crisis.

The consumer price index fell to 15.72 per cent year-on-year, official data showed, almost matching a Reuters poll forecast of 15.74 per cent and down from 18.71 per cent in the previous month. Month-on-month, inflation stood at 0.03 per cent in June, slightly less than a poll forecast of 0.05 per cent. *Reuters*

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# AMIR KHAN

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SPORTS EDITOR, CITY A.M

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## JULY 23

LEONARDO ROYAL HOTEL
45 PRESCOT ST, E1 8GP

**8.30am:** REGISTRATION
**9.00 - 12.30pm:** TRADING CONFERENCE
**12.30pm:** AMIR KHAN Q&A / DRINKS RECEPTION

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The City based broker, ThinkMarkets, joins forces with world boxing champion Amir Khan for a unique event dedicated to London's trading community. An exclusive opportunity to hear from Amir Khan, his secrets of success in the ring and how they can be applied when trading the markets. The day also involves discussions on the latest trends in trading from top industry experts.

# THE RIGHT TIME FOR A NOVICE?

**Harry Robertson** takes the City's temperature on the European Central Bank's newest president

AFTER three long days of horse trading in Brussels, EU member state leaders on Tuesday plumped for Christine Lagarde to take the helm at the hugely powerful European Central Bank (ECB).

The decision took many pundits by surprise. Of the names touted to take over from Mario Draghi, Lagarde's was far down the list – below ECB board member Benoit Coeure and Bundesbank president Jens Weidmann, among others.

Lagarde's CV is impressive. A lawyer by training, she has led the International Monetary Fund (IMF) since 2011, and before that was finance minister of France. As a supporter of Draghi's unconventional approach to monetary policy, she is set to bring continuity to the ECB.

Yet her lack of central banking experience has raised eyebrows in the City as it prepares to wave goodbye to the much-loved Draghi. Furthermore, her past as a politician and controversial role in the Eurozone crisis could undermine credibility in the independent ECB, economists warn.

"The big danger here is that people perceive this as risking an even bigger politicisation of the ECB," says Marc Ostwald of ADM Investor Services.

"Lagarde has no real experience in economics, she doesn't really have any experience in the formation of monetary policy."

Andrea Iannelli, investment director at Fidelity International, concurs, saying: "She brings no experience in central banking, having played more political than policy-related roles in her career."

Mike Hewson, CMC Markets chief market analyst, highlights Lagarde's role in the bailout of Greece as head of the IMF. She admitted the Fund made mistakes after it was accused of manipulating Greece's debt sustainability projections to allow it to contribute rescue money.

"It suggests to me that there was some political pressure brought to bear," says Hewson.

He adds that the ECB is "already fairly politicised as it is", saying it threatened to cut off the banking systems of Greece, Ireland and Italy during the Eurozone crisis of the early 2010s. "But this, putting a politician in charge, pretty much removes the veil," he says.

Andrew Kenningham, chief Europe economist at Capital Economics, says Lagarde "is likely to support [French President Emmanuel] Macron's push for "more Europe" in the form of closer banking and fiscal integration.

Yet many argue these sorts of policies have been, and will continue to be, required to preserve the euro and keep markets on their feet. The markets have certainly reacted well to the news of Lagarde's nomination, with bond yields falling and stocks rising.

"A more hawkish president would have posed a significant risk to the market, but Lagarde is probably more dovish than the departing president himself," says Ben Lord, fixed interest manager at M&G Investments.

He says: "She may even have a go at persuading Germany to change tack on its current account surplus," which has long been a source of disharmony among the Eurozone members.

Seema Shah, chief strategist at Principal Global Investors, says Lagarde's nomination came "as a positive surprise to markets, dissipating fears that hawkish Bundesbank president Jens Weidmann would be taking the helm".

David Zahn, head of European fixed income at Franklin Templeton, adds Lagarde's background means she would be "unconstrained" when considering "innovative approaches to monetary policy".

Jim Reid, research strategist at Deutsche Bank, says: "Markets will like the fact that she is a skilled and well-connected political operator."

And with questions over the limits of the ECB's asset purchasing programme and the risk of debt restructurings, Reid says, "a lawyer could prove to be useful".

# Freshfields ups equity partner pay to £1.89m

**JAMES BOOTH**

*@Jamesdbooth1*

FRESHFIELDS Bruckhaus Deringer has boosted average equity partner pay to £1.89m, it said yesterday.

The firm said average profit per equity partner (Pep) grew six per cent in the year to 30 April, putting the firm at the top of the Magic Circle partner pay tree.

Revenue grew five per cent to £1.47bn and net profit inched up one per cent to £688m.

Managing partner Stephan Eilers told *City A.M.* that the firm had benefitted from an increasingly turbulent world which suited its skillset.

"The more the world gets less organised, the more you need the lawyers to organise things in the transactions and the investigations and that plays to our strengths," he said.

Freshfields has been the target of some high-profile partner raids by US firms over the past two years, most notably the double defection of private equity stars Adrian Maguire and David Higgins to Kirkland & Ellis.

Freshfields' private equity chief Charlie Hayes said, however, that the firm's buyout practice is going from strength-to-strength.

"Private equity revenue now makes up 16 per cent of our global business, we think that shows our strategy is working. We have had double-digit growth across the piece, whether that be with Cinven, CVC, Permira, Warburg Pincus, Blackstone, Hellman & Friedman. It's across the board," he added.

London private equity head Victoria Sigeti said the growth was "very much testament to our team work and our building of international client teams across this piece, that being the core of our strategy rather than the star lawyer approach".

Earlier this month, the firm increased salaries for its first-year lawyers to £100,000.

Eilers said the firm had finished the year strongly and made a good start to 2019-20.

"We are quite optimistic... the world might change, but we think Freshfields is very well positioned to take up that challenge, maybe better than the American firms," he said.

On Tuesday, rival Clifford Chance announced revenue growth of 4.3 per cent to £1.69bn and a Pep increase of one per cent to £1.62m.

**MERRY BERRIES** UK strawberry servings increase as Wimbledon gets into its swing


**THE UK exported a record £3.9m of fresh strawberries around the world last year, an increase of 56.3 per cent, it was revealed as Wimbledon started. More than 166,000 portions of strawberries and cream will be served at this year's tournament.**

# Boeing promises $100m to help families hit by deadly crashes

**ERIC JOHNSON**

BOEING yesterday said it would give $100m (£80m) to organisations to help families affected by the deadly crashes of the planemaking giant's 737 Max jets in Indonesia and Ethiopia.

The multi-year payout is independent of lawsuits filed by families of the 346 people killed in the two crashes, in October 2018 and March of this year, a Boeing spokesperson said.

The funds will support education, hardship and living expenses for affected families, community programmes, and economic development in impacted communities, Boeing said.

Boeing also said it will match any employee donations through December.

"The families and loved ones of those on board have our deepest sympathies, and we hope this initial outreach can help bring them comfort," said Boeing chief executive Dennis Muilenburg.

The pledge comes as Boeing faces probes by global regulators and US politicians over the development of the 737 Max.

*Reuters*

# Shares in The Works rise after revenue boost

**HARRY ROBERTSON**

*@henrygrobertson*

**DISCOUNT UK retailer The Works' shares rose almost 10 per cent yesterday after its full-year results showed increased underlying profit in the year to April 2019.**

**Investors were not put off by the heavy costs The Works incurred related to its initial public offering (IPO) in July 2018, and debt refinancing as shares hit 69p.**

**The arts and crafts chain's adjusted profit before tax rose to £6.7m in the year to 28 April 2019, up 58.6 per cent from £4.2m a year earlier.**

**Yet its unadjusted profit before tax fell 9.6 per cent to £2.3m from £2.6m in the year ended April 2018.**

**The disparity was mainly due to a hit of £2.9m in IPO-related costs as well as charges for debt refinancing and relocation of e-commerce operations. Its revenue grew 13.2 per cent to reach £217.5m for the full year, from £192.1m previously.**

**Kevin Keaney, chief executive, said: "We delivered good like-for-like sales across all channels, as our continued focus on product newness and our nimble buying strategy enabled us to anticipate customer demand for current trends."**

**However, The Works noted that it faces a "challenging environment" and a "subdued" consumer spending backdrop at a time when high street stores are struggling.**

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

## LONDON REPORT

# FTSE 100 rises as bet on rate cuts weakens sterling

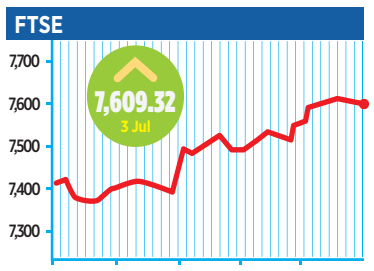
BRITAIN'S main index rallied to a 10-month high yesterday as sterling fell after weak economic data, which aided exporter firms, reinforced bets that the Bank of England would cut interest rates and drove investors to high-dividend stocks.

The FTSE 100 rose 0.7 per cent to 7,609.32 points, scaling its highest level since 29 August, boosted by shares of companies that book a major chunk of their revenue overseas. The mid-cap FTSE 250 added 0.6 per cent to 19,790.83 points.

Healthcare firms, consumer companies and utilities – a mix of stocks that benefit from a weaker pound and are considered "defensive" – were among the biggest boosts to the main index.

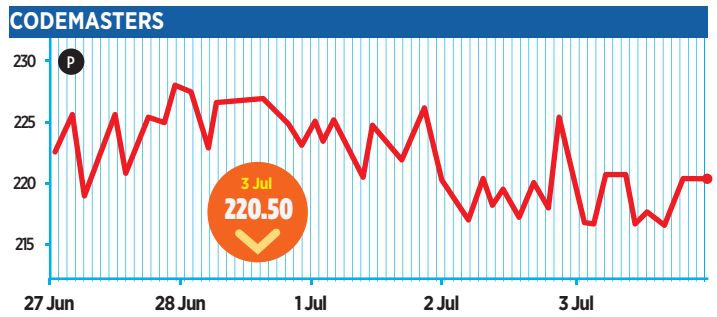
Drinks makers fizzed amid hopes of a favourable review into the so-called "sin taxes" on products high in salt, fat and sugar to be promised by Conservative party leadership frontrunner Boris Johnson.

Shares of Britvic and sweetener maker **Tate & Lyle** rose two per cent on the speculation.

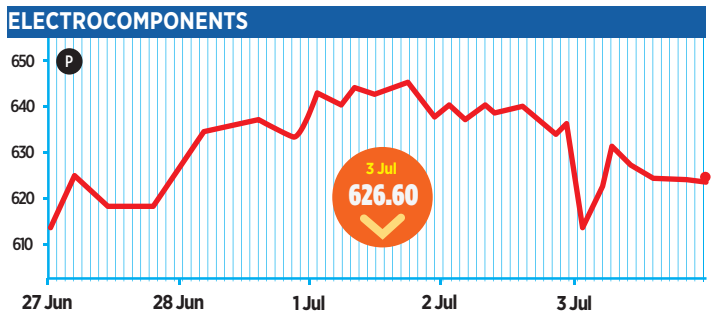



## BEST OF THE BROKERS

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




It's going to take longer than expected for Codemasters to get on the grid, as the game's release moved from September to October. But as it gets closer to the November launch of Google's cloud gaming service Stadia, no impact is seen on forecasts. Liberum has kept a "buy" rating, with a target price of 330p.




Electrocomponents has carried its current momentum into a positively charged new financial year, not least in Europe, the Middle East and Africa. But it is also facing an uncertain future. Analysts at Peel Hunt maintained an "add" rating on the shares, setting a target price of 650p.

## NEW YORK REPORT

# Wall Street breaks records

EXPECTATIONS that the Federal Reserve will take a dovish turn due to a slowing economy pushed US shares higher yesterday, with the three main indices hitting record highs.

The Dow Jones Industrial Average rose 179.32 points, or 0.67 per cent, to 26,966, the S&P 500 gained 22.79 points, or 0.77 per cent, to 2,995.8 and the Nasdaq Composite added 61.14 points, or 0.75 per cent, to 8,170.23.

Data on Wednesday showed the US trade deficit jumped to a five-month high while services sector data showed a slowdown in activity.

The reports come on the heels of data on housing, manufacturing, business investment and consumer spending that point to slowing economic growth in the quarter.

**Symantec** surged 13.57 per cent, the most on the S&P, after sources told Reuters that chipmaker **Broadcom** is in advanced talks to buy the cybersecurity firm. Broadcom fell 3.5 per cent. **Tesla** rose 4.61 per cent after the electric carmaker set a record for quarterly vehicle deliveries after months of questions about demand for its luxury electric cars.

## CITY MOVES WHO'S SWITCHING JOBS

**TAYLOR WIMPEY**

Taylor Wimpey has announced that it has appointed Irene Dorner as its new non-executive chair of the board. Irene will join as chair-designate and as an independent non executive director on 1 December. She will work closely with Kevin Beeston during a handover period and it is anticipated that she will become chair following the announcement of the company's 2019 full-year results on 26 February 2020, at which time Kevin will stand down from the board. He has been chair of the board since July 2010. Following her qualification as a barrister, Irene has had a long and distinguished career, largely at HSBC, where until the end of 2014 she held a number of senior positions for more than 30 years. Her roles included running HSBC's Malaysian operations, becoming chief executive and president of HSBC in the US. She has also been group managing director of HSBC Holdings and a member of the group management board. Irene currently holds independent non executive roles at Axa and Rolls-Royce and she also chairs Control Risks, a risk consultancy business. During last year, Irene also chaired Virgin Money (UK) prior to it being acquired by CYBG.

**RELENDEX**

Relendex, the peer-to-peer lender specialising in the UK property market, has announced the appointment of James Hodgson as its latest business development manager covering the north east region. James has joined from Assetz Capital, where he was an underwriter director. In this role, he worked with borrowers to provide a tailored funding package to undertake residential property development. James' long career in the sector has enabled him to build a significant portfolio of broker and lender contacts, with a focus on the north of England. James began his career at Yorkshire Bank where he held a variety of roles over two decades before moving to National Australia Bank where he was a commercial real estate manager.

**QUEENSBERRY**

Queensberry has appointed Kris Musial as Development Project Manager to support the London team on the growing number of projects in the south east. Kris is based in Queensberry's head office in Mayfair and joined the team in June, having previously worked as a project manager at independent construction and property consultancy Gardiner & Theobald. He has worked on numerous high-profile projects including the delivering of The Bermondsey Project, a £500m mixed-use development and 20 Manchester Square in Marylebone. His expertise spans across delivering projects within residential, commercial and mixed-use sectors of the construction industry.

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

NEWS

# Brokers urge investors to buy Topps Tiles shares as sales show growth

**JOE CURTIS**

*@joe_r_curtis*

TOPPS Tiles yesterday posted like-for-like sales growth of 3.8 per cent for its third quarter, as softer trading a year ago helped the retailer boost revenue.

A 2.3 per cent drop in sales for the four weeks to the end of June last year pushed like-for-likes higher over the same period this year.

Chief executive Matthew Williams said: "The business performed well over the third quarter with like-for-like sales growing by 3.8 per cent.

"While this is in part due to a softer trading period in the prior year we are encouraged that the successful execution of our strategy is delivering good trading results," he added.

The quarterly growth beats a growth rate of just 0.2 per cent in the first half of the firm's financial year, prompting Peel Hunt to issue a "buy" rating to the firm's stock.

The broker said the trading update "gives confidence in [Topps Tiles'] full year outcome".

Liberum also issued a buy rating, with a target share price of 95p.

"This is an encouraging performance, particularly in what we think has been a tougher retail environment across June," Liberum analysts said.

The broker raised its full-year profit forecasts by two per cent for the retailer. "We remain confident of the group's ability to capture long-term growth opportunities, including within the UK's commercial tile sector, which has doubled its addressable UK market size," it added.

The retailer recorded £5.2m in profit before tax for the first half of the year, around 20 per cent lower than the same period the year before. Adjusted profit before tax rose 11 per cent to £8m.

Topps Tiles shares closed up 2.39 per cent at 68.60p.

# Historic landlord's top team gets a reshuffle

**SEBASTIAN MCCARTHY**

*@SebMcCarthy*

ONE OF Britain's oldest landlords revealed an in-house shake-up of its senior management team yesterday.

The Duke of Westminster's property group Grosvenor, which owns swathes of London's Mayfair and Belgravia, has announced a succession plan that involves its group chief executive Mark Preston stepping down as boss.

Preston will continue as executive trustee of the Grosvenor Estate and head of the Family Office, while current Britain and Ireland chief executive Craig McWilliam will replace him.

Group executive director Peter Vernon will also retire in 2020, the firm said.

The reshuffle is set to be completed by the end of next year.

In a statement yesterday, Preston said: "Craig's appointment will allow me to focus on the role of Executive Trustee to further promote and develop the Grosvenor Estate's increasingly diversified activities, supporting Grosvenor Group, Wheatsheaf Group and the Family Office [directly leading the last of these] to achieve our purpose of delivering lasting commercial and social benefit."

# FORUM

EDITED BY RACHEL CUNLIFFE

# Corporate reputation is too valuable to leave to chance

Neil Bennett

CORPORATE reputation is a ubiquitous phrase today. Companies spend enormous sums trying to burnish their reputations.

An army of corporate governance experts, politicians, regulators and, dare I say, journalists queue up to judge those efforts – and often find them wanting.

Shakespeare, as you might expect, has the best lines on the subject. "I have lost my reputation. I have lost the immortal part of myself and what remains is bestial," wails Cassio in Othello. Or if you prefer, there is Iago's more sinister retort: "Reputation is an idle and false imposition, oft got without merit and lost without deserving."

Paul Polman versus Mike Ashley, perhaps, in Elizabethan tragedy.

As one of the world's leading corporate communications groups, we at AMO spend a great deal of time promoting and defending corporate reputation. A little while ago, though, we asked ourselves what all this is really worth. Not in any existential way, but really, what value does a company's reputation actually have, how is that value created, and what can it be attributed to?

And which equity markets around the globe do best in the corporate reputation stakes?

To try to find out, we enlisted Reputation Dividend, one of the leading consultancies in the area, who use a range of statistical tools to drill out the value of a company's reputation in its market capitalisation – the premium it holds over the value it would have if it was judged on financial metrics such as net assets and cash flow alone.

Over the past nine months, they have done a deep analysis of the financials of more than 1,000 leading companies that comprise the indices of the 15 main equity markets around the globe.

The results are both impressive and fascinating, and were published yesterday in our report "What Price Reputation?".

Overall corporate reputation is today worth an astounding $16.77 trillion, amounting to 35.3 per cent of the market capitalisation of the world's 15 leading indices (which in turn make up the vast majority of the value of all quoted equities worldwide).

Reassuringly, the value of that reputation is actually rising – up 2.1 per cent in the 12 months to the end of March 2019 – even while overall share prices stagnated.

It is worth noting that when we say reputation, we mean it in the broadest sense – the reputation of a company to deliver profits and earnings long into the future, for example, and its reputation to continue to grow (what many in the City would term "expectations"). These are all part of the intangible essence that makes up corporate reputation.

I am pleased to say that London's FTSE 100 scored particularly highly in the reputation stakes, coming first of all the 15 indices examined, with reputation being valued at well over 40 per cent of total market cap. Bottom of the pile by contrast was the Russian RTSI index, where reputation was only worth a lowly 14 per cent of the total value of the leading stocks.

**As Peter Drucker put it: 'what gets measured, gets managed'**

Significantly, while most of the companies in the survey had a positive reputation value, 21 per cent actually had a negative one, and that value destruction is worth a total of $436bn. These are companies that need to look at themselves pretty carefully and work out where they are going wrong.

In terms of industry sectors, the data also threw up some wide disparities. Not surprisingly technology was the clear winner, given the high expectations for growth. Here, reputation was worth 43 per cent of total market value, against utilities, the worst performer, at only 25.2 per cent. These are all facts that we perhaps have sensed, but it is interesting that the data is there to confirm our suspicions.

Then Reputation Dividend cut the numbers further, to look at what specific factors drive corporate reputation. They looked at the nine categories used by Fortune Magazine's "Most Admired Companies" annual survey.

The most valuable factor in reputation was long-term investment value – or growth potential in more simple terms – which was worth a total of $2.2 trillion. Quality of management came second at $2.1 trillion.

Items that spring to mind more easily when talking about corporate reputation, such as social responsibility, actually scored quite low on the scale, but were still undeniably valuable. The total value of social responsibility came in at $1.65 trillion, which is not to be sniffed at.

So what does all this actually mean? The data gives each company a roadmap on how to enhance the value of their reputation, areas where they are strong, and others where they score less highly.

Companies that score low in terms of long-term investment value, for example, need to do more to prove the strength of their business model to investors, while others may need to focus on demonstrating the strength of their management.

This report has given us a wealth of data to chart the reputations of our clients and other businesses.

As Peter Drucker put it: "what gets measured, gets managed". This survey shows that reputation is too important to not be managed.

*Neil Bennett is chief executive of Maitland/AMO, a founder member of AMO.*

# Britain's fintech champions face an uphill climb if they want to expand into America

David Richards

WHEN did you last pay with a cheque? I'd be willing to bet that many of you don't even know where your cheque book is, and if you do, that it's probably gathering dust.

If you're living and working in a UK city, you're totally accustomed to new ways of banking – from Apple Pay to contactless – with challenger banks popping up every day.

But given that today is US Independence Day, it's worth considering what things are like for our American cousins.

In the US, the banking culture couldn't be more different. Cheques are very much alive and well, as are trips to your local branch, Christmas cards from your bank manager, and daily visits to the ATM.

Why does this matter? To most people, it may not, but if you're a fintech company planning to launch across the pond, these entrenched cultural differences should be front of mind.

Challenger bank Monzo recently announced that it will be launching in the US, aiming to build on the customer base of two million that it has established in the UK. Elsewhere, Revolut unveiled plans to do the same, as did the German challenger N26.

The achievements and ambitions of these businesses should be applauded. After all, a British tech company scaling globally is as rare these days as a cheque payment in London. However, it's well known that British fintech firms face challenges when expanding to the US.

While fintech has skyrocketed in the UK, propelling a digital revolution in personal and corporate finance, the landscape is fundamentally different in the US.

Put simply, digital and mobile banking has not yet taken off in America. As a Brit living in Silicon Valley for over 20 years, I can tell you that banking remains a personal affair, far removed from technological disruption.

I was recently at a three-day Microsoft conference. There were sessions on artificial intelligence, cloud computing, and machine learning, but no mention of fintech. The technology isn't on anyone's radar here, which gives the UK an edge, but it also raises its own challenges.

A fintech startup looking to grow in the US needs to navigate the complex world of state-by-state regulation. Trust me, it's no easy feat, and a core reason why domestic fintech has not made its mark in the States.

A regulatory sandbox was a central piece of the success that fintech has experienced in Britain. America is light years behind on that front, and there are entirely different governing principles across the nation.

I will admit that it may well be too early to say how fintech will fair in the US. In the end, a good business with a strong product that resonates with customers is hard to beat.

Just think back to the dotcom bubble, and the struggles of Adobe and Netscape. Both businesses faced fundamental challenges from incumbents. While Netscape failed to compete with Microsoft as it rolled out Internet Explorer, the quality of Adobe's range of services ultimately allowed it to see off the competition.

As things stand, it remains unclear who the Adobe or Netscape of British fintech will be. But what we can bank on is that fintech faces an uphill climb in the US.

*David Richards is co-founder and chief executive of WANdisco.*

# LETTERS
TO THE EDITOR

## Panglossian hope

**[Re: Next PM must put free trade at the centre of the global stage]**

Your editorial said that Brexit will only be truly deemed a success if it delivers economically for the people of Britain, and this entails more free trade and liberalisation. The corollary of this is that Brexit will be a failure if these things do not happen. That is a very big if. Will it happen? It is possible. Is it probable? With Donald Trump in the White House, a trade war with China, mutterings of tariffs on EU goods, and sanctions on Iran, in the medium to short term, probably not. There has been lots of Panglossian enthusiasm about what Britain can achieve post-Brexit, not least from the editorials of *City A.M.* Britain joined the Common Market in 1973 because its old empire business model, among other things, was broken. I have lived in the UK for nearly 35 years. I am very realistic about what it can achieve in the future. Getting exactly what this country needs on free trade and liberalisation of trade is a very tall order. Optimism is all very well, but it does not amount to economic achievement. And it is a fallacy that the EU has held Britain back. The EU may work better for some than for others, but the Single Market has not done disservice to Britain. The Liberal Democrats' EU slogan may be a bit on the crude side, but it is bang on.

**Eamonn Richardson**

## BEST OF TWITTER

Boris Johnson wants to review the government's sugar tax and veto proposals to extend it to milkshakes. "Rather than just taxing people more, we should look at how effective the so-called 'sin taxes' really are, and if they actually change behaviour."
***@MattChorley***

The sweet smell of success.
***@Jacob_Rees_Mogg***

Great from @BorisJohnson. Taxes on treats hits those on lowest incomes. We should be #freetochoose.
***@trussliz***

I disagree with Liz and many other Tories on this. It's fiscally conservative to discourage forms of behaviour that will cost the taxpayer/NHS a great deal in the years ahead. @George_Osborne's sugar tax was a good initiative.
***@montie***

Boris Johnson is siding with big sugar over ordinary families trying to get healthy. Today I've challenged Health Secretary @matthancock to quit the Cabinet if his drive to tackle obesity is undermined by Johnson.
***@tom_watson***

Boris Johnson announces plan to freeze "sin taxes", although mainly because he's in the top bracket.
***@haveigotnews***

Just asked a barman if they had plastic straws for disabled people to which I got the response "no we care about turtles". @DefraGovUK need to make it clear to restaurants and pubs that they need to keep *some* straws for disabled people for who plastics straws are vital.
***@SophieJarvis94***

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

# Planning for the future is great, but we need a better NHS today

**Victor Adebowale**

THE NHS was built with one key purpose: to address social inequality by making the best healthcare available to everyone. For years, that aim has driven technological innovations that power better provision of care.

However, as we mark 71 years from when it was founded, the NHS is operating in a very different world – one where the discussions about innovation are focused on what can be done in three, five or 10 years' time, instead of right now.

The exciting technology of the future might be an interesting conversation, but it's not going to help the patients and clinicians that need support now. Overwhelmed by demand, our healthcare system needs tools and partners that help it continue to deliver on its much-loved mission today.

With so many opportunities to digitalise, it is not original to suggest that tech might be at least part of the answer. Each and every NHS plan that a government has delivered has included improving healthcare efficiencies through technology in some shape or form.

Yet there is still an underlying misconception that it is impossible for the NHS to successfully adopt new technologies. The truth is that previous programmes have failed to recognise reality, costing too much and delivering too little – that's why a digital NHS remains a promise on paper, rather than a true reality.

The issue is that we are having the wrong conversations about the wrong technologies.

All too often, solutions focus on a top-down or "one-size-fits-all" approach, such as forcing tools built for the corporate world into the "uncorporate" NHS. These technologies aim for flashy disruption, rather than supporting and working with the grain of the much-loved institution.

The reality is that the NHS is inherently complex. Doctors across the country face very different challenges, so to be truly effective, technology used at any stage of care must be unique to the needs of patients and clinicians.

The NHS has the ability and opportunity to digitalise now, but only if we focus on the right elements of healthcare and do it for the right reasons. Developments in artificial intelligence and wearables certainly hold promise, but the primary focus should be the opportunities with technologies that already exist and are in use today.

Medical innovations such as robotic surgery, IVF, and 3D printing have taught us huge lessons on the potential of technology in healthcare.

**The primary focus should be the opportunities with technologies that already exist**

The greatest opportunities lie in connecting the dots between what's needed and what's possible now to empower clinicians to do what they do best, more effectively, and in a shorter time frame. They are the real heroes, so successful adoption relies on using technology that works with the grain of the NHS and facilitates clinicians in their role, rather than adding to the complexity.

Here's one example that's happening right now. Under the current NHS Long Term Plan, all GP practices must offer virtual clinic capabilities by April 2020. A lot of work is needed to get ready for that shift, and the best way is by integrating virtual appointments within existing GP practices, not replacing them.

Last week, NHS England outlined ways to reform patient registration, funding and contracting rules to ensure choice and the right access to integrated care. Having listened to the teething issues of integrating virtual GP appointments into the system, the report suggested adding a requirement for face-to-face consultations to help iron out those problems.

Building a better NHS today means providing the tools that help deliver better ways of working for clinicians, as well as better patient care. Video collaboration and virtual appointments are the start of this journey, as well as the future of healthcare provision that will place the NHS in people's pockets.

*Lord Victor Adebowale is chair and co-founder at Visionable.*

# DEBATE

## Is Christine Lagarde a smart pick to take over from Mario Draghi at the European Central Bank?

### YES

**PIERRE ORTLIEB**

Christine Lagarde's tentative appointment reflects the challenges that the ECB will face in its third decade. Post-crisis unconventional monetary policy and the Bank's prominence in the continent's capital markets have put it in a glaring, deeply political spotlight unlikely to dim anytime soon. Appointing an astute communicator, accustomed to grappling with political pressure, is a wise move.

Furthermore, her appointment will provide a welcome sense of continuity for financial markets already anxious about economic growth and lacklustre inflation in the Eurozone. To some degree, Mario Draghi's policies are locked in over the medium-term horizon, as forward guidance remains set. Yet Lagarde's IMF speeches suggest that she is someone likely to continue her predecessor's policies either way.

Indeed, her lack of central banking experience could prove to her advantage here: it could enhance the role of the ECB's internal technical experts, who have orchestrated the current monetary stance.

*Pierre Ortlieb is an economist at OMFIF.*

### NO

**ANDREA HOSSO**

Christine Lagarde is the ultimate political candidate. What she lacks in central banking expertise is abundantly compensated for in political acceptance. Renowned as an effective political operator and a beacon of the prevalent establishment world view, she can be expected to hold up the EU status quo.

The EU, however, is facing turbulent times, and the ECB is expected to manoeuvre the euro in the midst of lacklustre growth, as the transient impact of massive and controversial monetary easing is tapering off.

Meanwhile, economic and political tensions are mounting between the winners and losers of the euro. Lagarde will be caught between the demands of a strong, albeit somewhat weakening, Germany and a struggling French President desperately trying to force the unfeasible completion of the federal European project.

Rather than a talented political nominee, the ECB would need someone with the courage to diagnose the Eurozone's true economic situation, and the expertise to act accordingly.

*Andrea Hosso is an economist and investment specialist.*

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|---|---|---|---|---|---|
| 7609.32 | 19790.83 | 4150.07 | 26966.00 | 8170.23 | 2995.82 |
| 50.13 ▲ | 131.50 ▲ | 26.97 ▲ | 179.32 ▲ | 61.14 ▲ | 22.81 ▲ |

| | | | | | |
|---|---|---|---|---|---|
| £/€ | 1.1152 | ▼ 0.0002 | €/$ | 1.1278 | ▼ 0.0011 |
| £/$ | 1.2577 | ▼ 0.0016 | €/£ | 0.8967 | ▲ 0.0004 |
| £/¥ | 135.54 | ▼ 0.3261 | €/¥ | 121.61 | ▼ 0.1943 |

| | Price | Chg | High | Low |
|---|---|---|---|---|
| **GILTS** | | | | |
| Tsy 3.750 19 | 100.55 | 0.00 | 103.7 | 100.5 |
| Tsy 2.000 20 | 101.49 | 0.08 | 161.9 | 101.4 |
| Tsy 4.750 20 | 102.82 | 0.04 | 106.9 | 102.8 |
| Tsy 3.750 20 | 103.73 | 0.09 | 106.7 | 103.6 |
| Tsy 2.500 20 | 356.20 | 0.03 | 361.4 | 355.8 |
| Tsy 8.000 21 | 114.48 | 0.12 | 121.2 | 114.1 |
| Tsy 4.000 22 | 109.49 | 0.19 | 111.7 | 109.0 |
| Tsy 0.500 22 | 100.18 | 0.24 | 100.3 | 97.7 |
| Tsy 1.875 22 | 116.87 | 0.23 | 118.5 | 115.5 |
| Tsy 2.250 23 | 107.38 | 0.34 | 107.6 | 104.7 |
| Tsy 2.500 24 | 371.77 | 0.39 | 372.0 | 358.7 |
| Tsy 0.125 24 | 114.18 | 0.36 | 114.8 | 110.9 |
| Tsy 5.000 25 | 125.19 | 0.43 | 125.5 | 122.1 |
| Tsy 4.250 27 | 130.16 | 0.59 | 130.2 | 122.6 |
| Tsy 1.250 27 | 136.80 | 0.59 | 137.4 | 128.4 |
| Tsy 6.000 28 | 148.84 | 0.61 | 149.1 | 140.5 |
| Tsy 0.125 29 | 129.16 | 0.71 | 129.7 | 118.8 |
| Tsy 4.750 30 | 143.24 | 0.75 | 143.4 | 132.1 |
| Tsy 4.125 30 | 386.22 | 0.71 | 386.4 | 355.2 |
| Tsy 4.250 32 | 140.55 | 0.87 | 140.6 | 128.5 |
| Tsy 1.250 32 | 158.81 | 0.93 | 159.1 | 144.1 |
| Tsy 0.125 36 | 151.69 | 1.26 | 151.8 | 133.4 |
| Tsy 4.250 36 | 147.79 | 1.04 | 147.9 | 133.1 |
| Tsy 4.750 38 | 161.99 | 1.15 | 162.4 | 144.9 |
| Tsy 0.625 40 | 173.22 | 1.34 | 173.8 | 152.8 |
| Tsy 4.500 42 | 165.26 | 1.35 | 165.4 | 145.9 |
| Tsy 3.500 45 | 147.43 | 1.49 | 147.5 | 128.0 |
| Tsy 4.250 46 | 167.43 | 1.52 | 167.6 | 145.7 |
| Tsy 4.025 49 | 174.05 | 1.63 | 174.6 | 150.0 |
| Tsy 0.500 50 | 203.77 | 1.83 | 207.7 | 173.7 |
| Tsy 0.250 52 | 200.21 | 1.94 | 204.9 | 168.8 |
| **AEROSPACE & DEFENCE** | | | | |
| BAE Systems | 496.8 | 0.6 | 676.4 | 443.9 |
| Cobham | 112.8 | 1.7 | 131.7 | 96.8 |
| Meggitt | 540.2 | 4.8 | 572.0 | 458.0 |
| QinetiQ Group | 280.4 | 0.0 | 312.4 | 264.3 |
| Rolls-Royce Holdi | 873.6 | 15.8 | 1094.0 | 759.2 |
| Senior | 225.4 | 0.0 | 334.4 | 185.4 |
| Ultra Electronics | 1703.0 | -5.0 | 1743.0 | 1232.0 |
| **BANKS** | | | | |
| Bank of Georgia G | 1469.0 | 4.0 | 1898.0 | 1310.0 |
| Barclays | 155.0 | 1.2 | 194.0 | 146.1 |
| Close Brothers Gr | 1469.0 | 23.0 | 1660.0 | 1374.0 |
| CYBG | 202.8 | 3.3 | 364.2 | 173.9 |
| HSBC Holdings | 671.5 | 2.6 | 731.4 | 600.8 |
| Lloyds Banking Gr | 58.3 | 0.6 | 66.6 | 50.0 |
| Metro Bank | 567.5 | 13.0 | 3422.0 | 475.0 |
| Royal Bank of Sco | 223.6 | 1.1 | 270.4 | 203.0 |
| Standard Chartere | 734.0 | 12.0 | 735.2 | 519.8 |
| TBC Bank Group | 1570.0 | -18.0 | 1774.0 | 1290.0 |
| **BEVERAGES** | | | | |
| Barr (A.G.) | 926.0 | 3.0 | 975.0 | 666.0 |
| Britvic | 918.5 | 18.5 | 956.0 | 745.0 |
| Coca-Cola HBC AG | 3074.0 | 34.0 | 3094.5 | 2244.0 |
| Diageo | 3482.5 | 51.5 | 3500.5 | 2523.5 |
| **CHEMICALS** | | | | |
| Croda Internation | 4938.0 | 50.0 | 5447.7 | 4576.0 |
| Elementis | 140.4 | -0.1 | 247.8 | 136.3 |
| Johnson Matthey | 3393.0 | 31.0 | 3760.0 | 2620.0 |
| Sirius Minerals | 15.0 | 0.2 | 38.5 | 13.5 |
| Synthomer | 376.0 | 4.8 | 575.5 | 344.5 |
| Victrex plc | 2130.0 | 28.0 | 3408.0 | 1950.0 |
| **CONSTRUCTION & MATERIALS** | | | | |
| Balfour Beatty | 249.4 | 6.6 | 296.5 | 223.4 |
| CRH | 2660.0 | 24.0 | 2740.0 | 1971.5 |
| Galliford Try | 635.0 | 2.0 | 1104.0 | 512.0 |
| Ibstock | 241.8 | 0.2 | 296.2 | 193.1 |

| | Price | Chg | High | Low |
|---|---|---|---|---|
| Marshalls | 671.5 | -3.5 | 690.0 | 401.0 |
| Polypipe Group | 453.8 | 5.6 | 453.8 | 307.8 |
| **ELECTRICITY** | | | | |
| Contour Global | 186.0 | 6.0 | 250.0 | 150.1 |
| Drax Group | 273.2 | 6.4 | 427.2 | 260.2 |
| SSE | 1157.0 | 0.0 | 1400.0 | 1008.0 |
| **ELECTRONIC & ELECTRICAL EQ.** | | | | |
| Halma | 2094.0 | 64.0 | 2099.0 | 1237.0 |
| Morgan Advanced M | 275.2 | -1.4 | 363.0 | 237.0 |
| Oxford Instrument | 1424.0 | 12.0 | 1468.0 | 842.0 |
| Renishaw | 4280.0 | -30.0 | 5650.0 | 3670.0 |
| Spectris | 2898.0 | 18.0 | 2898.0 | 1966.5 |
| **EQUITY INVESTMENT INSTRUM.** | | | | |
| Aberforth Smaller | 1208.0 | -4.0 | 1406.0 | 1120.0 |
| Alliance Trust | 820.0 | 8.0 | 820.0 | 672.0 |
| Apax Global Alpha | 150.5 | 0.5 | 153.0 | 127.0 |
| AVI Global Trust | 771.0 | 7.0 | 772.9 | 660.0 |
| Baillie Gifford J | 819.0 | -3.0 | 869.0 | 663.0 |
| Bankers Inv Trust | 962.0 | 5.0 | 965.0 | 766.0 |
| BBGI SICAV S.A. ( | 151.5 | 0.0 | 168.0 | 135.5 |
| BlackRock Smaller | 1452.0 | 0.0 | 1600.0 | 1160.0 |
| BMO Global Smalle | 1366.0 | 8.0 | 1495.0 | 1220.0 |
| Caledonia Investm | 3090.0 | 15.0 | 3098.3 | 2650.0 |
| City of London In | 430.0 | 1.5 | 436.0 | 376.0 |
| Edinburgh Inv Tru | 588.0 | 1.0 | 699.0 | 571.0 |
| F&C Investment Tr | 716.0 | 4.0 | 741.0 | 616.0 |
| Fidelity China Sp | 224.5 | -2.0 | 250.0 | 182.4 |
| Fidelity European | 257.5 | 4.5 | 258.0 | 202.0 |
| Fidelity Special | 265.0 | -1.0 | 278.0 | 220.0 |
| Finsbury Growth & | 937.0 | 12.0 | 937.0 | 740.0 |
| GCP Infrastructur | 127.4 | 0.0 | 130.8 | 119.0 |
| Genesis Emerging | 771.0 | 4.0 | 773.0 | 615.0 |
| Greencoat UK Wind | 141.0 | 0.2 | 143.2 | 122.8 |
| HarbourVest Globa | 1618.0 | -2.0 | 1628.0 | 1282.0 |
| Herald Investment | 1338.0 | 6.0 | 1364.0 | 1055.0 |
| HGCapital Trust | 218.0 | -1.5 | 221.8 | 175.0 |
| HICL Infrastructu | 162.6 | -0.4 | 170.1 | 143.6 |
| International Pub | 149.2 | -0.4 | 163.4 | 142.0 |
| JPMorgan American | 471.0 | 4.0 | 472.0 | 386.5 |
| JPMorgan Emerging | 1022.0 | 0.0 | 1030.0 | 759.0 |
| JPMorgan Indian I | 785.0 | 3.0 | 787.0 | 566.0 |
| JPMorgan Japanese | 449.0 | 1.0 | 470.0 | 367.0 |
| Jupiter European | 875.0 | 1.0 | 895.0 | 666.0 |
| Law Debenture Cor | 606.0 | 2.0 | 636.0 | 534.0 |
| Mercantile Invest | 206.1 | 0.0 | 220.9 | 168.0 |
| Monks Inv Trust | 941.0 | 5.0 | 943.8 | 710.0 |
| Murray Internatio | 1182.0 | 8.0 | 1208.0 | 1056.0 |
| NB Global Floatin | 89.4 | 0.0 | 94.0 | 87.6 |
| NextEnergy Solar | 119.5 | -0.5 | 124.5 | 107.5 |
| Pantheon Internat | 2155.0 | -10.0 | 2225.0 | 1955.0 |
| Perpetual Income | 313.0 | 1.0 | 365.5 | 301.5 |
| Pershing Square H | 1430.0 | 8.0 | 1438.0 | 990.0 |
| Personal Assets T | 42550.0 | 50.0 | 42600.0 | 38900.0 |
| Polar Capital Tec | 1368.0 | 8.0 | 1386.0 | 1066.0 |
| RIT Capital Partn | 2115.0 | 10.0 | 2130.0 | 1892.0 |
| Riverstone Energy | 850.0 | 0.0 | 1282.0 | 840.0 |
| Schroder Asia Pac | 468.0 | 1.0 | 469.5 | 379.0 |
| Scottish Inv Trus | 836.0 | 7.0 | 902.0 | 748.0 |
| Scottish Mortgage | 551.5 | 5.0 | 568.3 | 441.4 |
| Sequoia Economic | 113.4 | -0.2 | 114.4 | 106.0 |
| Smithson Investme | 1268.0 | 6.0 | 1270.0 | 1000.2 |
| Syncona Limited N | 223.0 | -3.5 | 302.5 | 220.0 |
| Temple Bar Inv Tr | 1284.0 | 10.0 | 1366.0 | 1116.0 |
| Templeton Emergin | 801.0 | 0.0 | 803.2 | 649.0 |
| The Renewables In | 130.0 | 0.2 | 130.0 | 106.9 |
| TR Property Inv T | 414.5 | -0.5 | 433.5 | 353.5 |
| Vietnam Enterpris | 443.0 | 2.5 | 472.0 | 390.0 |
| VinaCapital Vietn | 341.0 | -1.5 | 350.0 | 306.0 |
| Witan Inv Trust | 219.5 | 2.0 | 227.6 | 189.6 |
| Woodford Patient | 58.0 | 1.9 | 91.0 | 53.8 |
| Worldwide Healthc | 2790.0 | 20.0 | 2915.0 | 2325.0 |

| | Price | Chg | High | Low |
|---|---|---|---|---|
| **FINANCIAL SERVICES** | | | | |
| 3i Group | 1158.5 | 16.5 | 1162.0 | 756.2 |
| 3i Infrastructure | 300.5 | 3.0 | 301.0 | 225.5 |
| AJ Bell | 398.0 | 2.0 | 477.0 | 220.0 |
| Allied Minds | 72.8 | -1.1 | 104.0 | 37.3 |
| Amigo Holdings | 185.2 | -4.8 | 310.0 | 154.5 |
| Arrow Global Grou | 242.2 | -6.4 | 267.0 | 167.2 |
| ASA International | 354.0 | 4.0 | 510.0 | 336.0 |
| Ashmore Group | 521.5 | 2.5 | 523.0 | 337.0 |
| Brewin Dolphin Ho | 312.0 | 0.8 | 366.0 | 295.4 |
| Charter Court Fin | 297.5 | 4.0 | 375.0 | 228.8 |
| City of London In | 410.5 | 2.5 | 430.0 | 360.0 |
| CMC Markets | 96.9 | 4.4 | 206.0 | 77.4 |
| Coats Group | 78.9 | -2.0 | 91.3 | 69.8 |
| Georgia Capital | 1066.0 | -6.0 | 1260.0 | 941.0 |
| Hargreaves Lansdo | 2018.0 | 39.0 | 2433.0 | 1633.0 |
| IG Group Holdings | 597.2 | 10.0 | 954.5 | 474.8 |
| IntegraFin Holdin | 379.9 | -9.2 | 406.1 | 269.0 |
| Intermediate Capi | 1395.0 | 4.0 | 1408.0 | 899.0 |
| International Per | 116.2 | -0.8 | 248.8 | 109.0 |
| Investec | 518.6 | 4.6 | 568.0 | 423.4 |
| IP Group | 74.2 | 0.1 | 138.0 | 72.5 |
| John Laing Group | 393.2 | 0.2 | 402.0 | 273.0 |
| JTC | 360.0 | 10.0 | 440.0 | 287.0 |
| Jupiter Fund Mana | 402.8 | 7.5 | 452.2 | 287.6 |
| Liontrust Asset M | 770.0 | 6.0 | 778.0 | 532.0 |
| LMS Capital | 51.5 | 0.0 | 53.5 | 44.0 |
| London Finance & | 37.5 | 0.0 | 45.5 | 37.5 |
| London Stock Exch | 5762.0 | 86.0 | 5768.0 | 3867.0 |
| Man Group | 163.3 | 0.4 | 184.9 | 126.8 |
| OneSavings Bank | 363.0 | 0.2 | 449.6 | 330.0 |
| Paragon Banking G | 448.4 | -1.8 | 524.0 | 379.2 |
| Plus500 Ltd (DI) | 585.2 | 22.4 | 2040.0 | 495.0 |
| Provident Financi | 411.3 | -0.7 | 692.6 | 403.4 |
| Quilter | 145.2 | 0.4 | 156.6 | 110.6 |
| Rathbone Brothers | 0.0 | 0.0 | 0.0 | 0.0 |
| Real Estate Credi | 171.5 | 0.0 | 175.5 | 163.0 |
| Record | 31.0 | -0.2 | 44.5 | 27.3 |
| River and Mercant | 277.0 | 2.0 | 330.0 | 212.0 |
| S&U | 2380.0 | 0.0 | 2605.0 | 1767.5 |
| Sanne Group | 726.0 | 12.0 | 728.0 | 450.0 |
| Schroders | 3127.0 | 44.0 | 3268.0 | 2334.0 |
| Standard Life Abe | 303.5 | 4.9 | 378.9 | 224.9 |
| TP ICAP | 306.2 | 3.5 | 422.4 | 259.7 |
| Walker Crips Grou | 27.0 | 0.0 | 39.0 | 24.0 |
| XPS Pensions Grou | 108.5 | 7.5 | 185.0 | 95.0 |
| **FIXED LINE TELECOMS** | | | | |
| BT Group | 200.0 | 3.0 | 264.7 | 193.8 |
| TalkTalk Telecom | 112.7 | 1.7 | 137.0 | 96.6 |
| Telecom Plus | 1416.0 | -22.0 | 1528.0 | 1010.0 |
| **FOOD & DRUG RETAILERS** | | | | |
| Greggs | 2374.0 | 44.0 | 2376.5 | 942.0 |
| Morrison (Wm) Sup | 207.0 | 1.5 | 269.4 | 195.3 |
| Ocado Group | 1220.0 | 28.5 | 1435.0 | 749.8 |
| Sainsbury (J) | 198.5 | -1.1 | 341.5 | 187.9 |
| SSP Group | 690.0 | 2.0 | 744.4 | 615.1 |
| Tesco | 233.8 | 2.1 | 266.2 | 189.6 |
| UDG Healthcare Pu | 792.5 | 15.5 | 851.0 | 551.0 |
| **FOOD PRODUCERS** | | | | |
| Associated Britis | 2444.0 | 8.0 | 2725.0 | 2041.0 |
| Bakkavor Group | 115.6 | -4.8 | 193.0 | 113.0 |
| Cranswick | 2654.0 | 24.0 | 3454.0 | 2472.0 |
| Greencore Group | 223.6 | 3.6 | 230.0 | 162.9 |
| Hilton Food Group | 970.0 | -2.0 | 1088.0 | 884.0 |
| Tate & Lyle | 767.0 | 12.6 | 800.4 | 622.6 |
| Unilever | 5083.0 | 67.0 | 5100.0 | 3931.0 |
| **FORESTRY & PAPER** | | | | |
| Mondi | 1821.5 | 22.0 | 2236.0 | 1584.0 |

| | Price | Chg | High | Low |
|---|---|---|---|---|
| **GAS, WATER & MULTIUTILITIES** | | | | |
| Centrica | 89.1 | -0.8 | 163.7 | 86.3 |
| National Grid | 867.0 | 4.3 | 889.2 | 748.7 |
| Pennon Group | 775.8 | 14.8 | 812.4 | 684.2 |
| Severn Trent | 2153.0 | 46.0 | 2153.0 | 1770.0 |
| United Utilities | 813.2 | 20.0 | 873.6 | 682.4 |
| **GENERAL INDUSTRIALS** | | | | |
| Smith (DS) | 368.5 | 0.7 | 513.4 | 292.2 |
| Smiths Group | 1620.5 | 20.5 | 1749.5 | 1279.5 |
| Smurfit Kappa Gro | 2537.0 | 72.0 | 3292.0 | 1934.0 |
| Vesuvius | 562.0 | 0.5 | 662.0 | 473.2 |
| **GENERAL RETAILERS** | | | | |
| Auto Trader Group | 554.0 | 15.0 | 606.0 | 388.5 |
| B&M European Valu | 337.1 | 3.2 | 426.3 | 278.6 |
| Card Factory | 175.0 | -0.3 | 212.4 | 162.6 |
| Dixons Carphone | 114.0 | 3.7 | 190.1 | 107.6 |
| Dunelm Group | 913.0 | 9.0 | 981.0 | 482.8 |
| Inchcape | 628.0 | 8.0 | 799.0 | 486.6 |
| JD Sports Fashion | 620.0 | 17.6 | 635.6 | 318.5 |
| Just Eat | 623.6 | 9.2 | 883.4 | 533.8 |
| Kingfisher | 220.8 | 2.4 | 318.1 | 202.2 |
| Marks & Spencer G | 213.3 | 3.3 | 300.8 | 204.2 |

| | Price | Chg | High | Low |
|---|---|---|---|---|
| Reckitt Benckiser | 6405.0 | 40.0 | 7155.0 | 5593.0 |
| Redrow | 552.0 | 4.0 | 674.6 | 460.8 |
| Taylor Wimpey | 162.2 | 2.1 | 192.3 | 129.3 |
| **INDUSTRIAL ENGINEERING** | | | | |
| Bodycote | 840.0 | 1.0 | 1055.0 | 676.0 |
| Hill & Smith Hold | 1177.0 | -8.0 | 1523.0 | 902.5 |
| IMI | 1048.5 | -15.0 | 1242.0 | 870.0 |
| Melrose Industrie | 188.5 | 3.7 | 233.9 | 146.3 |
| RHI Magnesita N.V | 4944.0 | 44.0 | 5085.0 | 3318.0 |
| Rotork | 318.7 | -1.3 | 361.4 | 235.7 |
| Spirax-Sarco Engi | 9400.0 | 90.0 | 9445.0 | 5900.0 |
| Weir Group | 1525.0 | -25.0 | 2020.0 | 1240.0 |
| **INDUSTRIAL METALS & MINING** | | | | |
| Evraz | 672.4 | 2.2 | 709.4 | 442.1 |
| Ferrexpo | 278.0 | -3.1 | 301.3 | 143.5 |
| **INDUSTRIAL TRANSPORTATION** | | | | |
| BBA Aviation | 292.0 | 3.6 | 350.0 | 207.0 |
| Clarkson | 2510.0 | -10.0 | 2900.0 | 1878.0 |
| Fisher (James) & | 1900.0 | -16.0 | 2260.0 | 1600.0 |
| Royal Mail | 211.7 | 1.8 | 498.0 | 194.5 |

## MAIN CHANGES UK 350

| Risers ▲ | | % |
|---|---|---|
| Flutter Entertainm | 6838.0 | 11.5 |
| Sophos Group | 423.0 | 8.1 |
| Ted Baker | 864.5 | 8.1 |
| Funding Circle Hol | 124.0 | 7.3 |
| William Hill | 163.7 | 4.5 |
| Plus500 Ltd (DI) | 585.2 | 4.0 |
| Restaurant Group | 141.3 | 3.4 |
| Woodford Patient C | 58.0 | 3.4 |
| Dixons Carphone | 114.0 | 3.4 |
| Contour Global | 186.0 | 3.3 |

| Fallers ▼ | | % |
|---|---|---|
| Diploma | 1480.0 | -5.1 |
| Bakkavor Group | 115.6 | -4.0 |
| Amigo Holdings | 185.2 | -2.5 |
| Coats Group | 78.9 | -2.5 |
| IntegraFin Holding | 379.9 | -2.4 |
| Vivo Energy | 125.0 | -2.3 |
| Petrofac Ltd. | 418.3 | -2.3 |
| Sports Direct Inte | 266.4 | -2.1 |
| Anglo American | 2220.0 | -2.0 |
| Ti Fluid | 199.8 | -1.8 |

| | Price | Chg | High | Low |
|---|---|---|---|---|
| Next | 5472.0 | 42.0 | 6136.0 | 3991.0 |
| Pets at Home Grou | 192.8 | 0.5 | 196.4 | 110.0 |
| Sports Direct Int | 266.4 | -5.6 | 436.1 | 233.2 |
| Ted Baker | 864.5 | 64.5 | 2378.0 | 800.0 |
| Vivo Energy | 125.0 | -3.0 | 156.3 | 96.0 |
| WH Smith | 2042.0 | 32.0 | 2186.0 | 1697.0 |
| **HEALTH CARE EQUIPMETN & S.** | | | | |
| Assura | 65.4 | 1.1 | 65.9 | 52.4 |
| Convatec Group | 148.8 | 3.6 | 239.0 | 118.6 |
| Mediclinic Intern | 322.9 | 5.2 | 544.4 | 293.4 |
| NMC Health | 2454.0 | -26.0 | 4120.0 | 2192.0 |
| Smith & Nephew | 1761.0 | 31.0 | 1767.0 | 1258.0 |
| **HHOLD GDS & HOME CONSTR.** | | | | |
| Barratt Developme | 585.2 | 5.8 | 625.8 | 434.0 |
| Bellway | 2830.0 | 15.0 | 3226.0 | 2419.0 |
| Berkeley Group Ho | 3833.0 | 56.0 | 3981.0 | 3226.0 |
| Bovis Homes Group | 1038.0 | 3.0 | 1177.0 | 828.0 |
| Countryside Prope | 298.0 | 0.4 | 353.2 | 270.0 |
| Crest Nicholson H | 360.8 | 4.8 | 404.8 | 296.4 |
| McCarthy & Stone | 142.4 | 3.3 | 144.6 | 98.5 |
| Persimmon | 1987.5 | 21.0 | 2509.0 | 1859.5 |

| | Price | Chg | High | Low |
|---|---|---|---|---|
| **NON LIFE INSURANCE** | | | | |
| Admiral Group | 2300.0 | 50.0 | 2300.0 | 1870.0 |
| Beazley | 568.5 | -1.5 | 599.0 | 492.6 |
| Direct Line Insur | 341.7 | 3.1 | 366.5 | 304.9 |
| Hastings Group Ho | 197.7 | -0.1 | 274.2 | 174.0 |
| Hiscox Limited (D | 1777.0 | 21.0 | 1777.0 | 1418.0 |
| Lancashire Holdin | 722.5 | 7.5 | 727.0 | 530.0 |
| RSA Insurance Gro | 593.8 | 3.8 | 658.4 | 496.6 |
| Sabre Insurance G | 281.0 | 5.0 | 294.0 | 249.0 |
| **LIFE INSURANCE** | | | | |
| Aviva | 433.2 | 2.4 | 502.8 | 364.6 |
| Legal & General G | 276.3 | 2.0 | 291.2 | 223.7 |
| Phoenix Group Hol | 718.1 | -1.0 | 725.3 | 544.0 |
| Prudential | 1768.0 | 14.5 | 1824.0 | 1340.0 |
| St James's Place | 1136.0 | 19.5 | 1216.5 | 914.0 |
| **MEDIA** | | | | |
| 4Imprint Group | 2660.0 | 10.0 | 2700.0 | 1730.0 |
| Ascential | 349.4 | -1.8 | 465.0 | 337.2 |
| Bloomsbury Publis | 231.0 | -1.0 | 243.0 | 190.5 |
| Centaur Media | 47.4 | 0.0 | 56.5 | 34.7 |
| Entertainment One | 419.0 | 12.8 | 483.4 | 336.4 |
| Euromoney Institu | 1336.0 | -2.0 | 1434.0 | 1132.0 |

| | Price | Chg | High | Low |
|---|---|---|---|---|
| Future | 990.0 | 15.0 | 1248.0 | 375.0 |
| Goco Group | 89.3 | -1.5 | 135.4 | 64.6 |
| Haynes Publishing | 224.0 | 0.0 | 238.0 | 160.0 |
| Huntsworth | 97.8 | 0.8 | 139.0 | 81.0 |
| Informa | 831.6 | 11.6 | 859.0 | 605.8 |
| ITE Group | 74.0 | 2.0 | 90.0 | 56.3 |
| ITV | 110.1 | 0.9 | 180.4 | 104.7 |
| Moneysupermarket. | 417.3 | 6.6 | 419.1 | 264.0 |
| Pearson | 844.6 | 14.6 | 1027.5 | 769.2 |
| Reach | 76.9 | -0.1 | 83.2 | 54.6 |
| Relx plc | 1973.5 | 12.0 | 1982.7 | 1491.5 |
| Rightmove | 546.2 | 2.9 | 585.1 | 420.9 |
| STV Group | 358.0 | 0.0 | 458.0 | 318.0 |
| Tarsus Group | 427.0 | -1.0 | 438.0 | 243.0 |
| WPP | 994.4 | 4.4 | 1301.0 | 800.4 |
| **MINING** | | | | |
| Acacia Mining | 174.8 | 1.3 | 256.6 | 96.1 |
| Anglo American | 2220.0 | -45.0 | 2266.0 | 1464.6 |
| Antofagasta | 915.0 | -7.8 | 1022.5 | 727.2 |
| BHP Group | 2044.5 | -4.5 | 2078.5 | 1490.6 |
| Centamin (DI) | 112.9 | 0.7 | 136.2 | 79.8 |
| Fresnillo | 875.4 | 11.4 | 1149.5 | 724.8 |
| Glencore | 276.9 | -2.7 | 341.5 | 254.7 |
| Hochschild Mining | 193.0 | -2.9 | 208.4 | 149.1 |
| Kaz Minerals | 584.8 | -5.6 | 850.6 | 436.7 |
| Polymetal Interna | 1015.5 | 13.5 | 1030.5 | 597.2 |
| Rio Tinto | 4966.5 | -10.0 | 5039.0 | 3486.0 |
| **MOBILE TELECOMS** | | | | |
| Inmarsat | 553.0 | 1.0 | 581.4 | 362.8 |
| Vodafone Group | 131.4 | 2.7 | 191.0 | 123.3 |
| **OIL & GAS PRODUCERS** | | | | |
| BP | 546.3 | -9.6 | 598.3 | 485.9 |
| Cairn Energy | 174.0 | -1.0 | 250.0 | 140.0 |
| Energean Oil & Ga | 841.0 | 12.0 | 855.0 | 507.0 |
| Premier Oil | 74.9 | -1.1 | 143.6 | 55.6 |
| Royal Dutch Shell | 2579.0 | -14.0 | 2694.5 | 2213.0 |
| Royal Dutch Shell | 2580.5 | -14.5 | 2780.5 | 2227.0 |
| Tullow Oil | 207.2 | -0.7 | 266.3 | 165.2 |
| **OIL EQUIPMENT & SERVICES** | | | | |
| Hunting | 513.0 | -8.0 | 849.0 | 453.6 |
| Petrofac Ltd. | 418.3 | -10.0 | 663.4 | 381.5 |
| Wood Group (John) | 470.6 | 9.5 | 796.4 | 389.9 |
| **PERSONAL GOODS** | | | | |
| Burberry Group | 1912.5 | 22.0 | 2325.0 | 1623.5 |
| PZ Cussons | 216.0 | 2.0 | 244.0 | 178.6 |
| **PHARMACEUTICALS & BIOTECH** | | | | |
| AstraZeneca | 6602.0 | 70.0 | 6634.0 | 5182.0 |
| BTG | 837.0 | 0.0 | 853.0 | 475.0 |
| Dechra Pharmaceut | 2818.0 | 42.0 | 3168.0 | 2014.0 |
| Genus | 2708.0 | 36.0 | 2992.0 | 2098.0 |
| GlaxoSmithKline | 1641.2 | 21.0 | 1651.0 | 1418.0 |
| Hikma Pharmaceuti | 1792.0 | -3.0 | 2025.0 | 1436.0 |
| **REAL ESTATE INVEST. & SERV.** | | | | |
| BMO Commercial Pr | 113.2 | 1.0 | 152.6 | 110.8 |
| Capital & Countie | 221.0 | 4.3 | 289.7 | 209.5 |
| CLS Holdings | 220.0 | -0.5 | 255.0 | 195.4 |
| Daejan Holdings | 5480.0 | -30.0 | 6400.0 | 5420.0 |
| Grainger | 251.6 | 3.2 | 279.8 | 205.8 |
| NewRiver REIT | 178.0 | -1.8 | 281.5 | 176.2 |
| Safestore Holding | 641.5 | 13.0 | 658.5 | 499.4 |
| Savills | 905.0 | 4.5 | 949.5 | 678.5 |
| St. Modwen Proper | 434.5 | 4.5 | 441.5 | 365.0 |
| UK Commercial Pro | 88.4 | 0.7 | 92.7 | 81.0 |
| **REAL ESTATE INVEST. TRUSTS** | | | | |
| Big Yellow Group | 1026.0 | 11.0 | 1062.0 | 852.5 |
| British Land Comp | 553.0 | 5.6 | 666.2 | 523.0 |

| | Price | Chg | High | Low |
|---|---|---|---|---|
| Derwent London | 3130.0 | 18.0 | 3328.0 | 2761.0 |
| Great Portland Es | 699.8 | 10.2 | 773.6 | 652.3 |
| Hammerson | 291.0 | 5.0 | 547.6 | 266.9 |
| Intu Properties | 76.5 | 1.8 | 201.5 | 74.7 |
| Land Securities G | 850.2 | 0.6 | 960.0 | 791.8 |
| LondonMetric Prop | 214.2 | 3.2 | 214.2 | 172.7 |
| Primary Health Pr | 137.6 | 1.4 | 139.0 | 106.4 |
| SEGRO | 751.6 | 8.0 | 756.4 | 585.2 |
| Shaftesbury | 815.0 | 7.0 | 935.0 | 799.5 |
| Tritax Big Box Re | 158.4 | 2.4 | 158.5 | 129.0 |
| Unite Group | 1018.0 | 20.5 | 1045.0 | 797.5 |
| Workspace Group | 897.0 | 10.0 | 1127.0 | 789.5 |
| **SOFTWARE & COMPUTER SERV.** | | | | |
| Avast | 313.6 | 6.6 | 322.0 | 209.5 |
| Aveva Group | 4170.0 | 4.0 | 4232.0 | 2284.0 |
| Computacenter | 1354.0 | 11.0 | 1620.0 | 952.0 |
| FDM Group (Holdin | 941.0 | -2.0 | 1000.0 | 734.0 |
| Funding Circle Ho | 124.0 | 8.4 | 440.0 | 115.6 |
| Kainos Group | 652.0 | 12.0 | 676.0 | 340.0 |
| Micro Focus Inter | 2156.0 | 8.5 | 2491.6 | 1427.2 |
| Playtech | 445.0 | -0.2 | 560.4 | 361.8 |
| Sage Group | 820.4 | 7.0 | 826.0 | 525.6 |
| Softcat | 993.5 | 19.0 | 1001.0 | 565.0 |
| Sophos Group | 423.0 | 31.8 | 623.0 | 298.2 |
| **SUPPORT SERVICES** | | | | |
| Aggreko | 808.6 | -1.2 | 882.0 | 641.8 |
| Ashtead Group | 2338.0 | 30.0 | 2438.0 | 1586.5 |
| BCA Marketplace | 247.0 | 3.0 | 247.2 | 178.5 |
| Bunzl | 2150.0 | 40.0 | 2551.0 | 2059.0 |
| Capita | 110.2 | 1.7 | 169.1 | 99.9 |
| DCC | 7156.0 | 6.0 | 7390.0 | 5555.0 |
| Diploma | 1480.0 | -80.0 | 1634.0 | 1150.0 |
| Electrocomponents | 626.6 | -8.8 | 761.6 | 480.0 |
| Equiniti Group | 224.6 | 3.4 | 266.0 | 186.2 |
| Essentra | 426.4 | -0.6 | 507.0 | 325.4 |
| Experian | 2437.0 | -3.0 | 2463.0 | 1728.5 |
| Ferguson | 5844.0 | -10.0 | 6556.0 | 4749.0 |
| G4S | 208.4 | 1.7 | 282.0 | 175.9 |
| Grafton Group Uni | 814.0 | -3.0 | 937.0 | 630.0 |
| Hays | 163.3 | 1.8 | 212.0 | 135.7 |
| Homeserve | 1195.0 | 14.0 | 1263.0 | 849.0 |
| Howden Joinery Gr | 511.0 | 2.6 | 539.0 | 416.4 |
| Intertek Group | 5746.0 | 34.0 | 6014.0 | 4387.0 |
| Network Internati | 584.0 | -2.0 | 602.0 | 500.0 |
| Pagegroup | 528.5 | 1.0 | 623.5 | 432.2 |
| PayPoint | 947.0 | 4.0 | 1118.0 | 748.0 |
| Rentokil Initial | 411.5 | 5.8 | 411.5 | 284.8 |
| Robert Walters | 632.0 | 6.0 | 475.0 | 814.0 |
| Serco Group | 144.4 | -1.4 | 145.8 | 84.1 |
| SIG | 133.3 | 0.8 | 153.0 | 102.2 |
| Travis Perkins | 1300.0 | 10.0 | 1465.0 | 970.0 |
| **TOBACCO** | | | | |
| British American | 2973.0 | 72.5 | 4222.5 | 2375.0 |
| Imperial Brands | 1984.0 | 47.0 | 2987.5 | 1846.8 |
| **TRAVEL & LEISURE** | | | | |
| Carnival | 3524.0 | 11.0 | 5000.0 | 3412.0 |
| Cineworld Group | 257.8 | 1.8 | 323.6 | 249.0 |
| Compass Group | 1953.5 | 32.5 | 1955.5 | 1483.0 |
| Domino's Pizza Gr | 273.8 | 5.4 | 357.7 | 224.4 |
| EI Group | 203.6 | 0.8 | 224.8 | 146.0 |
| FirstGroup | 101.7 | 1.5 | 116.6 | 79.3 |
| Flutter Entertain | 6838.0 | 704.0 | 8510.0 | 5525.0 |
| Go-Ahead Group | 2054.0 | 22.0 | 2080.0 | 1388.0 |
| Greene King | 627.2 | 10.2 | 704.4 | 472.8 |
| GVC Holdings | 684.0 | 18.2 | 1170.0 | 507.5 |
| InterContinental | 5355.0 | 120.0 | 5363.0 | 3958.4 |
| International Con | 486.9 | 11.2 | 711.4 | 439.5 |
| Marston's | 118.0 | 1.4 | 118.8 | 89.9 |
| Merlin Entertainm | 448.7 | -0.8 | 450.0 | 307.1 |

| | Price | Chg | High | Low |
|---|---|---|---|---|
| Millennium & Copt | 685.0 | 5.0 | 685.0 | 436.0 |
| Mitchells & Butle | 288.5 | 1.5 | 291.4 | 238.0 |
| National Express | 409.6 | 1.8 | 433.2 | 361.4 |
| PPHE Hotel Group | 1850.0 | 0.0 | 1990.0 | 1480.0 |
| Rank Group | 161.2 | 1.2 | 194.0 | 135.0 |
| Restaurant Group | 141.3 | 4.7 | 221.9 | 111.9 |
| Stagecoach Group | 123.6 | 2.2 | 177.0 | 115.5 |
| TUI AG Reg Shs (D | 785.4 | 12.4 | 1695.5 | 698.0 |
| Wetherspoon (J.D. | 1451.0 | 1.0 | 1465.0 | 1066.0 |
| Whitbread | 4781.0 | 92.0 | 5114.0 | 3883.0 |
| William Hill | 163.7 | 7.0 | 303.2 | 132.3 |
| Wizz Air Holdings | 3539.0 | 34.0 | 3797.0 | 2329.0 |
| **AIM 50** | | | | |
| Abcam | 1483.0 | 3.0 | 1539.0 | 1017.0 |
| Advanced Medical | 297.5 | -2.0 | 370.0 | 260.0 |
| Alliance Pharma | 71.9 | 3.8 | 99.8 | 60.0 |
| ASOS | 2635.0 | 95.0 | 6558.0 | 2128.0 |
| Blue Prism Group | 1498.0 | 60.0 | 2575.0 | 1040.0 |
| Camellia | 10600.0 | 400.0 | 11850.0 | 9100.0 |
| CareTech Holding | 380.0 | 0.0 | 406.0 | 325.0 |
| Central Asia Meta | 210.0 | -4.0 | 266.5 | 203.0 |
| Clinigen Group | 1002.0 | -1.0 | 1069.0 | 721.0 |
| CVS Group | 786.5 | 32.5 | 1163.0 | 395.0 |
| Dart Group | 858.0 | 8.0 | 1017.0 | 740.0 |
| Diversified Gas & | 111.0 | 1.0 | 134.0 | 100.0 |
| Draper Esprit | 528.0 | 14.0 | 645.0 | 458.0 |
| Eland Oil & Gas | 120.0 | 1.6 | 137.5 | 97.0 |
| EMIS Group | 1242.0 | 14.0 | 1262.0 | 860.0 |
| Fevertree Drinks | 2337.0 | -43.0 | 3956.0 | 2131.0 |
| First Derivatives | 3040.0 | -280.0 | 4520.0 | 2050.0 |
| Frontier Developm | 1016.0 | 8.0 | 1395.0 | 740.0 |
| Gamma Communicati | 1085.0 | -20.0 | 1195.0 | 688.0 |
| GB Group | 564.0 | 14.0 | 631.0 | 410.5 |
| Gooch & Housego | 1157.5 | 20.0 | 1880.0 | 954.0 |
| Hurricane Energy | 44.7 | 0.9 | 60.8 | 39.0 |
| Impax Asset Manag | 261.0 | -4.0 | 295.0 | 184.0 |
| Iomart Group | 338.0 | -7.0 | 475.0 | 308.0 |
| IQE | 63.1 | -3.5 | 112.5 | 53.9 |
| James Halstead | 510.0 | 0.0 | 532.0 | 367.0 |
| Johnson Service G | 161.0 | 3.0 | 168.4 | 113.6 |
| Keywords Studios | 1820.0 | 31.0 | 2065.0 | 900.0 |
| Learning Technolo | 97.4 | 0.1 | 166.5 | 62.2 |
| M&C Saatchi | 345.0 | -5.0 | 394.0 | 270.0 |
| M. P. Evans Group | 677.0 | 3.0 | 800.0 | 637.0 |
| Majestic Wine | 270.0 | 5.5 | 485.0 | 219.0 |
| Midwich Group | 546.0 | -4.0 | 685.0 | 491.5 |
| Mortgage Advice B | 610.0 | 0.0 | 720.0 | 490.0 |
| Next Fifteen Comm | 658.0 | 18.0 | 668.0 | 469.0 |
| Nichols | 1660.0 | -10.0 | 1840.0 | 1240.0 |
| Numis Corporation | 267.0 | -5.5 | 438.5 | 221.5 |
| Polar Capital Hol | 604.0 | 6.0 | 710.0 | 448.0 |
| Purplebricks Grou | 95.0 | 2.0 | 325.2 | 90.0 |
| Redde | 115.0 | 8.0 | 196.0 | 90.0 |
| Renew Holdings | 415.0 | 5.0 | 436.5 | 333.0 |
| RWS Holdings | 640.0 | 4.0 | 652.0 | 415.5 |
| Scapa Group | 175.8 | 2.0 | 473.4 | 157.0 |
| Secure Income Rei | 400.0 | 0.0 | 414.0 | 371.0 |
| Serica Energy | 125.4 | 1.4 | 142.0 | 59.0 |
| Smart Metering Sy | 542.5 | 11.5 | 747.0 | 480.0 |
| Telford Homes | 358.0 | 43.0 | 430.0 | 267.0 |
| Thorpe (F.W.) | 320.0 | 0.0 | 340.0 | 248.0 |
| Watkin Jones | 207.5 | -0.5 | 232.5 | 192.2 |
| Young & Co's Brew | 1705.0 | 0.0 | 1885.0 | 1322.5 |
| Young & Co's Brew | 1065.0 | 0.0 | 1325.0 | 1030.0 |

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## EU SHARES

| | Price | Chg | High | Low |
|---|---|---|---|---|
| AB INBEV | 83.21 | 3.29 | 91.14 | 56.32 |
| ADIDAS N | 278.85 | 5.00 | 279.25 | 178.30 |
| AIR LIQUIDE | 123.65 | 0.70 | 124.35 | 101.85 |
| AIRBUS BR | 125.64 | 1.68 | 126.50 | 77.50 |
| ALLIANZ | 216.80 | 1.20 | 217.20 | 170.50 |
| AMADEUS IT GRP BR-A | 71.28 | 0.14 | 82.20 | 58.06 |
| ASML HLDG | 189.70 | 0.00 | 191.00 | 130.12 |
| AXA | 23.68 | 0.17 | 23.90 | 18.40 |
| BANCO SANTANDER | 4.18 | 0.07 | 4.82 | 3.80 |
| BASF N | 62.78 | 0.18 | 84.80 | 57.26 |
| BAYER N | 61.00 | 0.50 | 96.97 | 52.00 |
| BBVA | 5.03 | 0.10 | 6.44 | 4.48 |
| BMW | 66.47 | 1.23 | 86.71 | 61.31 |
| BNP PARIBAS BR-A | 42.57 | 0.71 | 56.94 | 38.14 |
| CRH PLC | 29.66 | 0.26 | 34.87 | 26.53 |
| DAIMLER N | 49.06 | 0.36 | 59.99 | 44.54 |
| DANONE | 75.64 | 0.74 | 75.90 | 59.72 |
| DEUTSCHE POST N | 29.40 | 0.18 | 32.20 | 23.43 |
| DEUTSCHE TELEKOM N | 15.34 | 0.13 | 15.88 | 13.31 |
| ENEL N | 6.41 | 0.15 | 6.41 | 4.22 |
| ENGIE | 13.90 | 0.23 | 14.28 | 11.31 |
| ENI N | 14.57 | 0.07 | 16.71 | 13.39 |
| ESSILORLUXOTT | 114.70 | 0.55 | 129.55 | 95.50 |
| FRESENIUS | 48.40 | 0.04 | 71.00 | 38.50 |
| IBERDROLA | 9.00 | 0.12 | 9.13 | 5.81 |
| INDITEX | 26.87 | 0.34 | 30.30 | 21.85 |
| ING GROUP | 10.30 | 0.13 | 13.28 | 9.09 |
| INTESA SANPAOLO N | 1.98 | 0.10 | 2.66 | 1.80 |
| KERING | 526.70 | 0.10 | 539.80 | 351.70 |
| KON AH DEL BR | 20.30 | 0.31 | 24.01 | 18.60 |
| L'OREAL | 256.90 | 2.90 | 257.80 | 182.00 |
| LINDE | 179.70 | 0.85 | 0.00 | 0.00 |
| LVMH | 380.00 | 2.50 | 381.95 | 242.30 |
| MUENCHENER RUECKV N | 227.60 | 2.00 | 228.30 | 179.30 |
| NOKIA | 4.49 | 0.05 | 5.76 | 4.17 |
| ORANGE | 13.84 | -0.01 | 15.25 | 13.15 |
| ROY.PHILIPS | 39.52 | 0.35 | 40.01 | 29.05 |
| SAFRAN | 131.45 | 1.40 | 133.95 | 99.98 |
| SANOFI | 78.24 | 1.15 | 80.44 | 69.04 |
| SAP I | 124.50 | 1.42 | 125.00 | 84.02 |
| SCHNEIDER EL | 80.68 | 0.34 | 81.18 | 57.54 |
| SIEMENS N | 105.22 | 0.06 | 121.40 | 90.90 |
| SOCIETE GENERALE | 22.34 | 0.20 | 35.06 | 20.81 |
| TELEFONICA | 7.32 | 0.01 | 8.06 | 6.59 |
| TOTAL | 49.12 | -0.48 | 55.39 | 44.23 |
| UNILEVER | 55.10 | 0.75 | 55.40 | 45.30 |
| VINCI | 92.38 | 1.90 | 93.26 | 69.98 |
| VIVENDI | 24.94 | 0.20 | 26.69 | 20.40 |
| VOLKSWAGEN VZ I | 153.30 | 2.64 | 163.70 | 131.02 |

## COMMODITIES

| | | |
|---|---|---|
| Gold | 1391.05 | 0.95 |
| Silver | 15.17 | -0.09 |
| Brent Crude | 65.06 | 0.32 |
| Krugerrand | 1405.30 | -27.50 |
| Palladium | 1551.00 | 3.00 |
| Platinum | 835.00 | 2.00 |
| Tin Cash Official | 18495.00 | -405.00 |
| Lead Cash Official | 1922.00 | -10.00 |
| Zinc Cash Official | 2545.50 | -54.50 |
| Copper Cash Official | 5999.00 | 7.00 |
| Aluminium Cash Official | 1777.00 | -22.50 |
| Nickel Cash Official | 12330.00 | -310.00 |
| Aluminium Alloy Cash Official | 1170.00 | 6.00 |
| Cocoa Futures | 2472.00 | -29.00 |
| Coffee 'C' Futures | 112.95 | 3.30 |
| Feed Wheat Futures | 149.55 | 3.10 |
| Soybeans Futures Continuation Contract | 885.60 | 9.40 |

## 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 | -0.468 | 0.00 |
| LIBOR Euro - 12 months | -0.321 | 0.02 |
| LIBOR USD - overnight | 2.351 | -0.01 |
| LIBOR USD - 12 months | 2.203 | 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 | 2.39 | 0.03 |
| US long bond yield | 2.47 | -0.04 |
| Euro Euribor | -0.397 | 0.00 |
| The vix index | 12.57 | -0.36 |
| The baltic dry index | 1446.00 | 65.00 |
| Markit iBoxx EUR | 244.94 | 1.11 |
| Markit iBoxx GBP | 348.77 | 1.85 |
| Markit iBoxx USD | 256.07 | 0.83 |

## WORLD INDICES

| | Price | Chg | %chg |
|---|---|---|---|
| FTSE 100 | 7609.32 | 50.13 | 0.66 |
| FTSE 250 | 19790.83 | 131.50 | 0.67 |
| FTSE All-Share | 4150.07 | 26.97 | 0.65 |
| FTSE AIM All-Share | 924.27 | 3.74 | 0.41 |
| S&P 500 | 2995.82 | 22.81 | 0.77 |
| Dow Jones I.A. | 26966.00 | 179.32 | 0.67 |
| Nasdaq Composite | 8170.23 | 61.14 | 0.75 |
| Xetra DAX | 12616.24 | 89.52 | 0.71 |
| CAC 40 | 5618.81 | 41.99 | 0.75 |
| Swiss Market Index | 10066.53 | 45.60 | 0.46 |
| ISEQ Overall Index | 6347.28 | 115.01 | 1.85 |
| FTSEurofirst 300 | 1545.15 | 12.66 | 0.83 |
| Hang Seng | 28855.14 | -20.42 | -0.07 |
| Shanghai Composite | 3015.26 | -28.68 | -0.94 |
| STI Index | 3366.59 | -0.51 | -0.02 |
| ASX All Ordinaries | 6770.10 | 29.00 | 0.43 |

## US SHARES

| | Price | Chg | High | Low |
|---|---|---|---|---|
| 3M | 174.98 | 0.96 | 219.75 | 159.32 |
| ABBOTT LABORATOR | 85.64 | 0.69 | 85.65 | 60.63 |
| ADOBE | 305.70 | 4.31 | 305.86 | 204.95 |
| ALPHAB NON VTG-C | 1121.58 | 10.33 | 1289.27 | 970.11 |
| ALPHABET-A | 1122.99 | 10.39 | 1296.98 | 977.66 |
| AMAZON.COM | 1939.00 | 4.69 | 2050.50 | 1307.00 |
| AMERICAN EXPRESS | 125.86 | 0.76 | 126.40 | 89.05 |
| APPLE | 204.41 | 1.68 | 233.47 | 142.00 |
| AT&T | 33.98 | 0.14 | 34.30 | 26.80 |
| BANK OF AMERICA | 29.05 | -0.10 | 31.91 | 22.66 |
| BERKSHIRE HATH RG-B | 215.16 | 0.62 | 224.07 | 185.72 |
| BOEING CO | 354.47 | 0.31 | 446.01 | 292.47 |
| CATERPILLAR | 135.59 | -0.26 | 159.37 | 112.06 |
| CHEVRON | 123.35 | 0.42 | 128.55 | 100.22 |
| CISCO SYSTEMS | 56.48 | 0.67 | 58.15 | 40.25 |
| CITIGROUP | 70.85 | 0.41 | 75.24 | 48.42 |
| COCA-COLA CO | 52.10 | 0.12 | 52.33 | 43.99 |
| COMCAST-A | 43.32 | 0.43 | 43.96 | 32.42 |
| DOW | 49.33 | -0.07 | 0.00 | 0.00 |
| EXXON MOBIL | 76.44 | 0.72 | 87.36 | 64.65 |
| FACEBOOK-A | 197.20 | 2.20 | 218.62 | 123.02 |
| GOLDMAN SACHS GR | 206.04 | 0.06 | 245.08 | 151.70 |
| HOME DEPOT | 212.10 | 1.96 | 215.43 | 158.09 |
| HONEYWELL INTL | 178.40 | 1.78 | 178.47 | 123.48 |
| IBM | 141.54 | 1.32 | 154.36 | 105.94 |
| INTEL | 48.52 | 0.40 | 59.59 | 42.36 |
| JOHNSON & JOHNSO | 142.14 | 2.11 | 148.99 | 121.00 |
| JPMORGAN CHASE | 112.82 | -0.98 | 119.24 | 91.11 |
| MASTERCARD RG-A | 273.08 | 2.51 | 273.08 | 171.89 |
| MCDONALD'S | 212.81 | 3.23 | 212.87 | 153.13 |
| MEDTRONIC | 98.81 | 0.76 | 100.15 | 81.66 |
| MERCK | 86.90 | 1.39 | 87.07 | 60.55 |
| MICROSOFT | 137.46 | 0.88 | 138.40 | 93.96 |
| NETFLIX | 381.72 | 6.29 | 419.77 | 231.23 |
| NIKE -B- | 86.20 | 1.24 | 90.00 | 66.53 |
| ORACLE | 58.86 | 0.40 | 58.95 | 42.40 |
| PAYPAL HOLDINGS | 117.68 | 1.51 | 119.95 | 74.66 |
| PEPSICO | 118.61 | 0.56 | 119.74 | 101.06 |
| PEPSICO | 133.99 | 1.56 | 135.24 | 104.53 |
| PFIZER | 44.40 | 0.18 | 46.47 | 36.24 |
| PROCTER&GAMBLE | 114.08 | 2.60 | 114.27 | 77.54 |
| TRAVELERS COS | 154.30 | 1.47 | 154.62 | 111.08 |
| TWITTER | 36.02 | -0.20 | 46.90 | 26.19 |
| UNITEDHEALTH GRO | 245.21 | 1.24 | 287.94 | 208.07 |
| UTD TECHS | 133.00 | 1.04 | 144.40 | 100.48 |
| VERIZON COMM | 58.13 | 0.00 | 61.58 | 50.05 |
| VISA RG-A | 176.87 | 1.59 | 176.99 | 121.60 |
| WALGREENS BOOTS | 55.19 | 0.23 | 86.31 | 49.31 |
| WALMART | 112.32 | 0.72 | 112.40 | 83.82 |
| WALT DISNEY | 142.98 | 0.45 | 143.51 | 100.35 |
| WELLS FARGO | 47.66 | 0.43 | 59.53 | 43.02 |

# OFFICE POLITICS

# Defusing a cyber security nightmare

## In the age of flexible working, how can businesses keep all of their data safe?


AT LEAST half of us are expected to embrace flexible working by 2020, according to the Office for National Statistics.

This is excellent news for employees who crave the ability to work when and where it suits them. Unfortunately, it might not be such good news for your company's data security.

Along with the rising popularity of flexible working cultures, there has also been a dramatic increase in data portability.

Today's data storage methods and devices are powerful and ultra-convenient – hundreds of gigabytes of data can be stored on mobile devices, more than one terabyte of data can be put on microSD cards, and data can be easily transferred to personal cloud storage services.

Such technology is so convenient that it straddles the line between helping employees be more collaborative and productive, while also making data so portable that it is difficult to track and protect.

Not surprisingly, while data has become more portable, it has also become more exposed to attacks and breaches.

Whether this relationship is based on causation or correlation is a moot point. The bottom line is that the risks to data are definitely growing.

The Data Exposure Report revealed that 61 per cent of chief information security officers (CISOs) admit that their company was breached in the past 18 months – 11 per cent more than the year before.

Even more concerning is that, among those CISOs, 64 per cent believe that their company will have a public breach in the next 12 months.

And according to Freedom of Information figures published earlier this week, there was a 1,000 per cent rise in the number of cyber incidents reported by the UK's financial sector between 2017 and 2018.

The fact remains that data today is more vulnerable and distributed than it was even a year ago.

The more often sensitive data moves outside the traditional security perimeter of the office network – to personal devices, endpoints or the cloud – the greater the security risk.

**It's time for businesses to change their approach from prevention to protection**

These risks are compounded by the ways in which employees access, share and save data, making it especially difficult for IT security teams to see where data lives and moves.

So, in the age of flexible working, how do you keep data safe?

The answer used to be simple: lock it down.

But with today's distributed workforce, that is not a realistic option.

**HACKER'S PARADISE**

**Kaspersky**
*Free*

It's hard enough finding a quiet coffee shop to work in these days, you don't want to worry about data security as well. Perhaps consider downloading an app like Kaspersky to protect you on public wifi. The app makes sure hackers can't read your communications by encrypting them via a secure channel.

To accommodate new, more flexible working patterns, a completely new approach to data security is needed.

We know that prevention strategies alone are inadequate because high-value data is lost every day.

Instead of trying to prevent data from moving outside traditional security perimeters, organisations should focus on gaining visibility over their data lives; when and what data leaves their organisation; and who has access to it.

The newest generation of data protection strategies are based on how quickly organisations can detect and respond to threats.

Quick response to threats is especially important during situations when data is at high risk. In particular, businesses need visibility to their data during M&A, organisational changes, and employee departures, as well as when data is accidentally leaked.

Today's employees expect flexible working to be the norm, not the exception. If businesses don't change their approach to security – from prevention to protection – there will be an ongoing problem with employees putting data at risk as they handle, move and save it.

The data security approaches of today must therefore flex as much as employees' hours.

*Richard Agnew is vice president EMEA at global security company Code42.*

# 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.

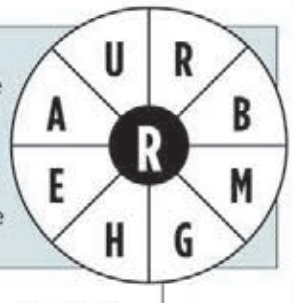
| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 3 | 5 | 1 | | | 2 | | | |
| | | | | 9 | | | 4 | |
| | | | | | | | | |
| | | 7 | | | | | | 6 |
| | 1 | | | 5 | | | | |
| | 6 | | | 8 | 7 | 9 | | 2 |
| | | 2 | | | | 4 | 1 | |
| | | | 9 | | | 3 | | 8 |
| 6 | 3 | | | | 8 | | 2 | |

## KAKURO

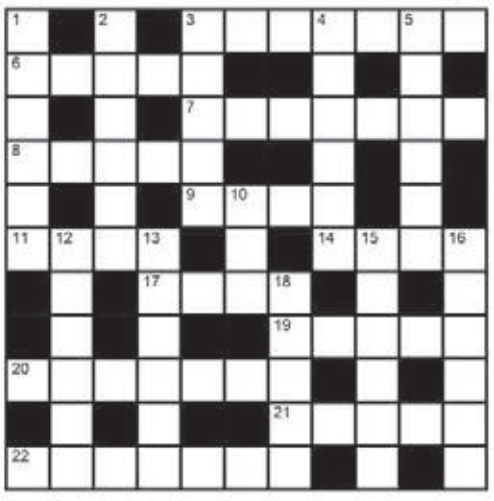
Fill the grid so that each block adds up to the total in the box above or to the left of it.
You can only use the digits 1-9 and you must not use the same digit twice in a block. The same digit may occur more than once in a row or column, but it must be in a separate block.

## WORDWHEEL

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




## QUICK CROSSWORD



**ACROSS**

3 Restrain with fetters (7)
6 Look forward to (5)
7 Flight-operating company (7)
8 Substance used to make cheese (5)
9 Exhibiting vigorous good health (4)
11 Sounded like a bell (4)
14 Layer of dirt or froth on the surface of a liquid (4)
17 Highly excited (4)
19 Consumers (5)
20 Undergoes a change in form or nature (7)
21 Full amount (5)
22 Conflagration (7)

**DOWN**

1 Performer who moves to music (6)
2 Infertile (6)
3 Secret store (5)
4 Young cattle (6)
5 Four-wheeled covered carriage (6)
10 Fuss and bother (3)
12 Season of the year (6)
13 Repair shop where vehicles are serviced (6)
15 Invent (6)
16 Mixture of ground spices used in Indian cookery (6)
18 Vigorous and enthusiastic enjoyment (5)

## LAST ISSUE'S SOLUTIONS

### QUICK CROSSWORD

### KAKURO

### WORDWHEEL

The nine-letter words were
PREMISING and SIMPERING

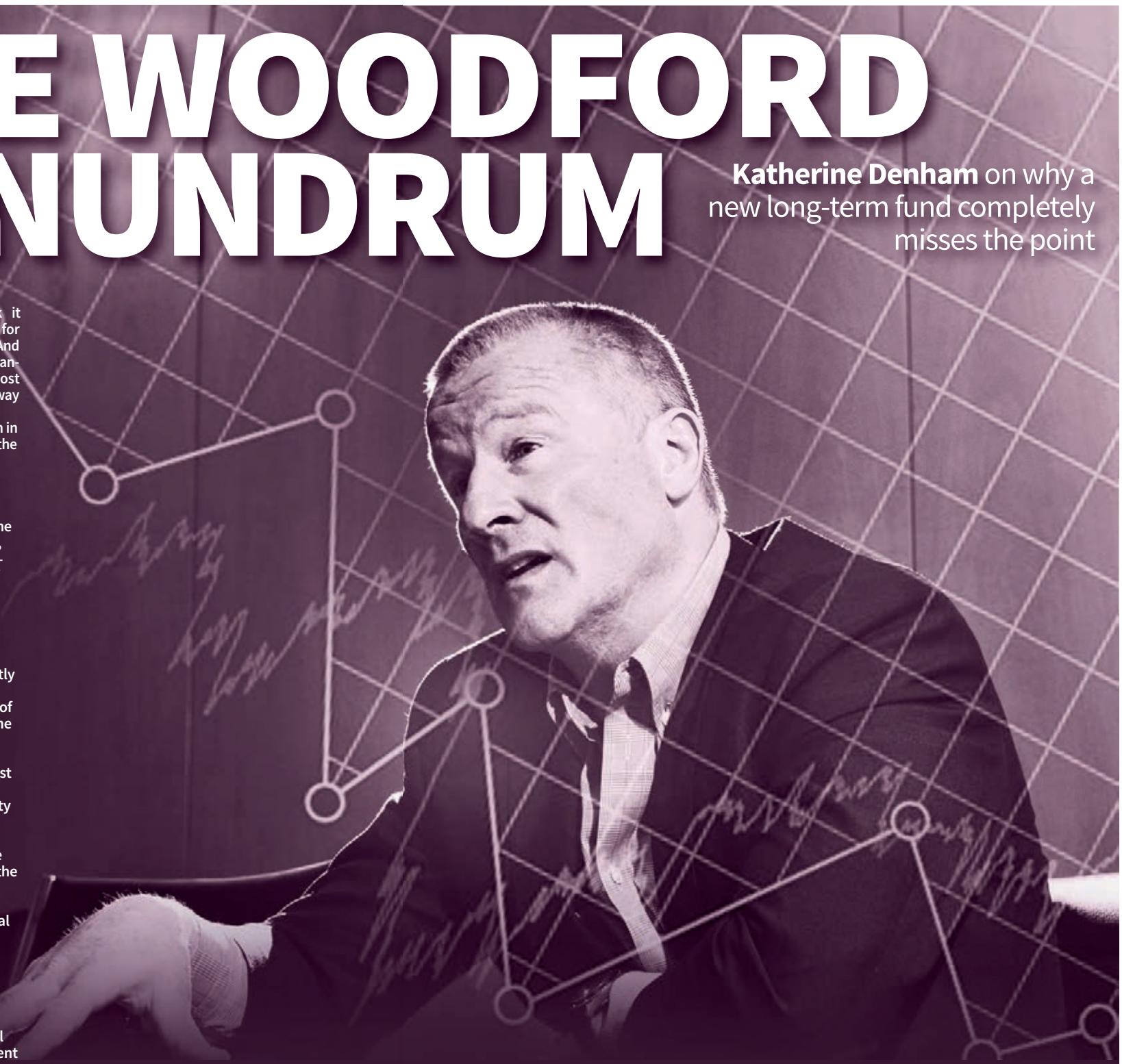
### SUDOKU

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

# PERSONAL FINANCE

# THE WOODFORD CONUNDRUM

**Katherine Denham** on why a new long-term fund completely misses the point



WHEN you don't think it could get much worse for Neil Woodford, it does. And now it seems that the scandal around Britain's most famous fund manager could pave the way for a new type of investment fund.

While a new fund had technically been in the pipeline for a while, the timing of the announcement – coming shortly after the Woodford fund suspension – is poignant.

Last week, the Bank of England governor Mark Carney waded into the debate about Woodford-style funds, saying that they are "built on a lie" – referring of course to the paradox of funds that hold hard-to-sell illiquid assets but which also claim to allow investors to take their money out whenever they like.

As we have seen with Woodford's equity income fund, which is currently suspended until at least 29 July, it's really not that simple. In fact, if lots of people flock to cash-in all at once, the reality is that your money could end up being locked in for months.

While Woodford's certainly isn't first fund to ever suspend (think back to the Brexit vote when several property funds suspended for months), the former star manager has really highlighted the conflict between the structure of open-ended funds and the underlying assets.

Carney warned that half of investment funds have this structural mismatch. "Under stress, they may need to fire-sell assets, magnifying market adjustments and triggering further redemptions – a vicious feedback loop that can ultimately disrupt market functioning."

Over recent weeks, the rallying call for regulators to take action to prevent another Woodford debacle has grown louder, though the launch of a whole new investment fund was perhaps not what most people had in mind.

Last week, the Investment Association published a report containing details of a new so-called "long-term asset fund". A more detailed blueprint will be published later this year, but it's thought that the fund would only allow investors to trade on a monthly or quarterly basis, rather than daily.

The industry seems less than enthusiastic about the idea, with some arguing that this tries to turn open-ended funds into something that they are not.

It also seems to ignore the fact that we already have a vehicle perfectly suited to holding long-term, illiquid assets in the form of investment trusts. Investment trusts do not have this inherent liquidity mismatch because they do not offer redemption. Instead, investors buy and sell their shares on the stock market, which means that trading has no impact on the underlying portfolio.

Ian Sayers, chief executive of the Association of Investment Companies (AIC), says that the proposals do not address the fundamental issues raised by the recent suspension of the Woodford fund. "We appear to be heading towards a world with less frequent redemption opportunities, more frequent suspensions, and the likelihood that open-ended managers will hold ever greater amounts of cash, reducing investment returns," he says.

The AIC suggests that asset managers which offer open-ended funds holding illiquid assets should publish reasons why the structure chosen is in the best interest of consumers.

As Sayers adds: "There are many commercial reasons why asset managers favour open-ended funds over closed-ended funds, even when it is clear that the closed-ended structure is better suited to illiquid assets. We believe that the time has come to put consumers' interests first."

It's strange that attention has focused on creating something new, rather than looking at how we can better utilise what is already available. And in fact, launching a new type of fund could create more problems than it solves.

For one, there are questions around how popular this long-term fund would actually be, as it fails to address the fact that investors want easy access to their own cash.

Adrian Lowcock, head of personal investing at Willis Owen, warns that he would be very cautious about recommending the fund, because many clients expect to be able to sell their investments and get their money back quickly. "Execution-only platforms are designed around this convenience, and for many of those investors, having some funds with monthly dealing makes the investment experience more complex."

> "Fund managers think the answer to everything can be found by an engineer or an actuary

The worry is that investors could get confused by all the various rules that apply to different types of fund, and only really be reminded when they want to cash-in.

Meanwhile, monthly dealing doesn't necessarily remove the issue of liquidity, because in extreme circumstances, the fund manager could still be forced to sell. And of course, a fund doesn't have to hold a significant amount of illiquid assets to run into trouble.

It's understandable that regulators want to be seen to be taking action, but perhaps the question is not whether we need more rules, but whether existing regulation is being properly enforced. Note that the FCA started investigating Woodford over his breach of the unquoted cap as early as February 2018.

Shaun Port, chief investment officer at Nutmeg, does not think that a new fund is the answer: "The Woodford crisis was avoidable through more appropriate liquidity and risk analysis by the fund manager, and through robust due diligence by those promoting the fund," he says. "It is not the fund structure that is at fault here, rather the way that the portfolio was structured and managed."

But there is another way that creating a new fund misses the point. Woodford has damaged investors' trust in the industry, so for many people, the prospect of having your savings locked away in a long-term fund is unlikely to sound very appealing.

Indeed, Holly Mackay, founder of Boring Money, thinks that this is the bigger issue that needs resolving.

"Fund managers are very good at thinking that the answer to everything can be found by an engineer or an actuary, but a new product structure should be a secondary consideration," she says. "The bigger problem is to sort out people's mistrust of the industry. This means being clearer about what a fund is trying to do, and precisely how much it costs."

At the moment, the launch of a long-term fund seems like an unhelpful knee-jerk reaction. For the investment industry and its regulator, it's really time to reassess their priorities.

# SPORT

## England could be peaking at the right time

CRICKET COMMENT

Chris Tremlett

WHAT a difference a week makes. England have lifted the gloom that had begun to surround them following two poor performances by embracing the pressure and proving some people wrong. They got themselves into a position where they needed to win two World Cup matches and having come through them in impressive fashion, beating India and New Zealand, they could now be peaking at the right time.

They will be very happy because the last two games have been packed full of positives, with senior players standing up when it mattered. The return of Jason Roy has been huge. Jonny Bairstow has been fired up and brilliant, scoring two centuries. Liam Plunkett has returned to the side and shown just how important his dependable bowling in the middle overs is.

England deserve an enormous amount of credit. Before the World Cup started there was a lot of hype around them as favourites and I think they've shown they can perform under pressure and in different conditions.

Some have said Eoin Morgan's side are flat-track bullies. Of course they are brilliant on good pitches, but they can also adapt if necessary. England know how to play the conditions which isn't the case with every side, with South Africa and the West Indies struggling.

England now turn their attention to the semi-finals, where they could play Australia or India. I don't think they will mind which. India might bring louder support, but if England want to win it they'll likely have to beat both anyway.

Having essentially come through two knockout games already I think England could have the edge. They've dealt with the pressure their competitors haven't.

If they continue to play their best game and adapt to the conditions they will have a great chance.

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

# SUPER SMASH BROS

## Openers are the key to England's World Cup after vital partnership, says **Felix Keith**

THE conduct of Ben Stokes and Alex Hales on 25 September 2017 outside a Bristol nightclub may have sent shockwaves through England's cricket team, but it also had a knock-on effect which has played a huge part in making them the side they are today – a side in a World Cup semi-final for the first time since 1992.

Hales's removal from the side and subsequent prolonged absence following a second failed drugs test has left the floor clear for Jason Roy and Jonny Bairstow to become England's not-so-secret weapon at the top of the order.

Considering they first came together to open the batting in one-day internationals in September 2017 their achievements are remarkable. The right-handed duo began their combination with partnerships of 126 and 156 against the West Indies and never looked back.

Following yet another match-defining 123-run partnership in a crucial must-win final group game against New Zealand at Chester-le-Street yesterday, Roy and Bairstow have now scored 2,186 runs together at a rate of faster than seven runs per over.

According to statistics app CricViz, none of the other 89 ODI partnerships to have managed over 2,000 runs together have scored at a quicker rate.

Roy and Bairstow score quickly, invariably getting England off to a rapid start, but they are also consistent, averaging over 65 per partnership – the most of any established ODI opening pair in history. This summer they average 99.7 in seven ODI innings together.

Put simply Roy and Bairstow are a statistical marvel – the perfect bedrock for England's patented ultra-aggressive ODI batting style.

### QUICK-FIRE STARTS

Much was made of the impact Roy's hamstring injury could have on England's World Cup campaign when he pulled up in the outfield on 14 June against West Indies in Southampton. His importance is now clearer than ever.

His replacement, James Vince, made scores of 26, 14 and 0 in Roy's absence, with defeats by Sri Lanka and Australia threatening to derail the hosts' entire campaign. Since Roy returned to the fold England have gone back to resembling what they are: one of the best ODI sides in the world.

While it has been Bairstow who has taken the headlines through back-to-back hundreds against India and now New Zealand, the Surrey opener has been crucial too, scoring 66 from 57 balls and 60 from 61 to give England the confident starts they've needed when batting first in pressure situations.

In Chester-le-Street yesterday, as on many occasions previously, their quick-fire opening salvos have given the impression of a flat wicket which is easy to score on.

After seeing off an opening over of left-arm spin from Mitchell Santner, which threatened to break the spell, both Roy and Bairstow looked comfortable, hitting the ball over the off-side field and piercing the gaps all around the wicket.

Making the most of the hard new balls was vital because, as their lower-order team-mates found later, it was not easy at all, with cross-seam deliveries and slower balls sticking in the pitch to make scoring freely a struggle for the vast majority.

But having plundered 123 from the opening 18.4 overs England were afforded the luxury of being ahead of the game. Despite something of a slump England's score of 305-8 was imposing.

In stark contrast to the free-flowing blades of their opponents, New Zealand's top order was hesitant in the face of quality bowling and it cost them dear. Once the kingpins of Kane Williamson and Ross Taylor had been toppled the game was only heading in one direction, with England's progression to the semi-finals confirmed when the Black Caps were dismissed for 186 in 45 overs.

England have sometimes been accused of being flat-track bullies. In reality it's a fallacy their opening partnership perpetuate through their consistent brilliance.

## SPORT DIGEST

### EDMUND RUES FITNESS AFTER CRASHING OUT TO VERDASCO

Kyle Edmund says he must improve his fitness after letting a commanding lead slip to lose in five sets to Fernando Verdasco at Wimbledon yesterday. The British No1 was three games from victory in the third set after taking the opening two, but faded to lose 4-6, 4-6, 7-6, 6-3, 6-4 to the veteran Spaniard. "The sort of physical intensity that I showed in the first part of the match gradually just declined," Edmund said. "I was not able to keep that level up." British No2 Heather Watson was also knocked out by Anett Kontaveit.

### GAUFF PROLONGS WIMBLEDON DREAM WITH RYBARIKOVA WIN

Cori Gauff continued her dream run at Wimbledon by beating former semi-finalist Magdalena Rybarikova in straight sets last night. The 15-year-old American backed up her first-round win over Venus Williams by showing talent and composure to overcome her opponent 6-3, 6-3 in an hour and nine minutes. "I'm still shocked I am even here," Gauff said. "I believe I can beat anyone across the court."

### LATE WINNER SENDS HOLLAND INTO THE WORLD CUP FINAL

Jackie Groenen scored an extra-time winner as Holland beat Sweden 1-0 to reach the Women's World Cup final last night. Groenen rifled into the bottom corner from the edge of the penalty area in the 99th minute to break the deadlock after Holland's Vivianne Miedema and Sweden's Nilla Fischer both struck the woodwork in a tight game. Groenen's precise strike sends Holland through to face the United States in Sunday's final in Lyon, while Sweden will play England in Saturday's third place play-off in Nice.

### MAN CITY TO BREAK TRANSFER RECORD FOR £63M RODRI

Manchester City are set to break their transfer record to sign Atletico Madrid midfielder Rodri. The 23-year-old is expected to join the Premier League champions for £63m (€70m) after Atletico confirmed yesterday that City had met his release clause. The signing will trump the £60m City paid Leicester City for winger Riyad Mahrez in 2018. Rodri, who has won six caps for Spain, joined Atletico from Villarreal in May 2018 and made 34 La Liga appearances to help them finish second behind Barcelona last season.

### FIJI INTERNATIONALS GONEVA AND CAVUBATI JOIN QUINS

Harlequins have signed Fiji internationals Vereniki Goneva and Tevita Cavubati from Newcastle Falcons. Winger Goneva, 35, who has scored 58 Premiership tries and 20 in 55 Tests for his country, replaces Tim Visser, who retired at the end of the season. "It's a real coup for us," said Quins director of rugby Paul Gustard. Lock Cavubati, 31, will join after playing for Fiji at the World Cup in Japan this autumn. The duo follow Travis Ismaiel to Quins, after the South Africa winger joined from Super Rugby side Bulls.