CITY A.M.

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FALLING BACK TO EARTH ENGLAND BOWLED OVER ON FARCICAL FIRST DAY **P20**

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THURSDAY 25 JULY 2019 | ISSUE 3,421 CITYAM.COM FREE

BORIS ASSEMBLES QUICKFIRE CABINET

PRIME MINISTER WASTES NO TIME IN APPOINTING HARDLINERS TO KEY JOBS WHILE WAVING GOODBYE TO THE BULK OF THERESA MAY'S TOP MINISTERS

OWEN BENNETT AND JULIAN HARRIS

@owenjbennett @hariboconomics

BORIS Johnson oversaw one of the most brutal cabinet culls in UK political history yesterday, replacing a string of big-name MPs with some of his closest supporters.

Within hours of arriving in Downing Street, Johnson had appointed Sajid Javid as chancellor, Dominic Raab as foreign secretary, Priti Patel as home secretary, and Liz Truss as international trade secretary.

Supporters of his leadership rival Jeremy Hunt were the first to be ousted, with Brexiters Liam Fox and Penny Mordaunt sacked. Hunt will also return to the backbenches after turning down the job of defence secretary, which will be taken by Ben Wallace.

Former City lawyer Nicky Morgan returns to the government as culture secretary, opening up the chair of the Treasury Select Committee – largely seen as Westminster's leading financial watchdog.

Andrea Leadsom was appointed business secretary, replacing Greg Clark.

Former leadership contender Michael Gove, with whom Johnson fell out during the 2016 race to replace David Cameron, was made chancellor of the Duchy of Lancaster, while Gavin Williamson returns to the government as education secretary and Amber Rudd takes the work and pensions brief. Her predecessor Esther McVey becomes housing minister.

Another leadership contender, Matt Hancock, who backed Johnson after dropping out of the race, remains health and social care secretary. Theresa Villiers is the new environment secretary, while Grant Shapps becomes transport secretary, replacing Chris Grayling.

Hardline Brexiter Jacob Rees-Mogg was appointed leader of the House of Commons, and Rishi Sunak was made chief secretary to the Treasury.

Earlier in the day prominent MPs – including Theresa May, Philip Hammond, Rory Stewart, David Gauke and David Lidington – confirmed they were leaving the government. At the time of going to print late last night nearly 20 ministers had left their posts.

As well as making sweeping changes to the Cabinet, Johnson has also installed new faces in Downing Street, with former Vote Leave campaign director Dominic Cummings given a role alongside a slew of other names who worked with Johnson during the 2016 EU referendum.

Conservative MP Nigel Evans said: "It's not so much a reshuffle as a summer's day massacre."

Ahead of the switch-up, Johnson said he would take personal responsibility for a range of improvements he wanted to see to the UK.

"Never mind the backstop, the buck stops here," he said.

With his new Downing Street team looking on, Johnson argued that should the UK leave the EU without an agreement, it would be the fault of Brussels.

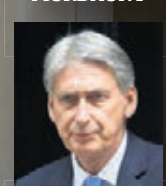
He said: "I am convinced we can do a deal without checks at the Irish border because we refuse under any circumstances to have such checks and get rid of that anti-democratic backstop."

OUT

JEREMY HUNT

LIAM FOX

PENNY MORDAUNT



PHILLIP HAMMOND

CHRIS GRAYLING

IN

DOMINIC RAAB

PRITI PATEL

SAJID JAVID

LIZ TRUSS

ANDREA LEADSOM

FTSE 100▼ 7,501.46 -55.40 FTSE 250▲ 19,787.78 +35.44 DOW▼ 27,269.97 -79.22 NASDAQ▲ 8,321.50 +70.10 £/$ ▲ 1.249 +0.005 £/€ ▲ 1.121 +0.006 €/$ ▼ 1.114 -0.001

CITY A.M.

THE CITY VIEW

Boris' chancellor must stand up to his boss

ANALYSTS at Deutsche Bank triggered sighs across the City yesterday with an attempt to coin the term "Borisnomics". The portmanteau, as clunky as the new Prime Minister's debut speech, is unlikely to catch on. But whatever we call it (Bojonomics, Johnsonomics...), how should we judge Boris Johnson's likely approach to public finances and the economy?

There were some bright notes to Johnson's verbal manifesto, delivered on the steps of Downing Street. The former London mayor name-checked financial services when listing "the enormous strengths of this economy" and has suggested he will avoid the kind of banker-bashing so beloved of politicians.

Johnson also reeled off policies that point to supply-side reform – free ports, tax incentives to boost investment, the slashing of red tape around some of the UK's more competitive industries, and so on. Such measures are desperately required to boost the UK's lagging levels of productivity and business investment.

On Tuesday of this week, the Bank of England's chief economist, Andy Haldane, explained that now is not the time for doping-up demand, and endorsed a supply-side focus instead.

So far, so good. But there were also worrying elements to Johnson's speech yesterday; primarily, a string of spending commitments that would add tens of billions to the Treasury's spending plans. Social care, police, GPs, hospitals, the pupil premium, roads, trains, broadband – all very noble, yet extremely costly.

Conservative chancellors have taken nearly a decade to all-but-eliminate the government's annual deficit, with George Osborne's former chief of staff Rupert Harrison boasting last night that Sajid Javid "inherits sound public finances left by his predecessors". Harrison is right, and he is also right to warn that a firm grip on the purse strings can easily be loosened once discipline slips.

Discipline is not a word one would associate with Britain's new Prime Minister, and it is not a quality one would expect to find in "Borisnomics". Johnson is naturally attracted to grand projects, to big giveaways and, frankly, to anything that will earn him power.

Javid is a welcome addition to Number 11. As a man who once proposed strict spending laws to rein in profligate politicians, the former banker will need to keep a close eye on his boss' spending habits.

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NOT MY PRIME MINISTER Protesters take to the streets to voice disapproval of Boris Johnson's succession to Theresa May

PROTESTS swarmed Whitehall yesterday evening, causing disruption just steps down the street from Boris Johnson's cabinet reshuffle. Groups of anti-Johnson activists, mobilised by the group Fck Boris, carried placards which read "Boris is a no no" and "No to racism, no to Boris Johnson", as they chanted their disapproval of the UK's newest Prime Minister and his cabinet.

Facebook sales surprise after record $5bn penalty

EMILY NICOLLE

@emilyjnicolle

REVENUE at Facebook in its second quarter topped analysts' estimates last night, hours after it agreed to pay a record $5bn (£4bn) penalty to the US Federal Trade Commission (FTC) relating to violations of its users' privacy.

In the second consecutive quarter for beating expectations, its revenue rose to $16.9bn from $13.2bn a year ago, surpassing the average estimate of $16.5bn. Shares bounced as much as two per cent after-hours.

The $5bn settlement is the culmination of a probe into the role of Facebook in 2017's Cambridge Analytica scandal, in which the personal data of millions of Facebook users was misused for political purposes.

The social media giant also yesterday settled an investigation by the US Securities and Exchange Commission on the same topic, agreeing to a further $100m penalty.

Facebook had set aside $3bn in anticipation of the settlement last quarter, and said yesterday it took a $2bn charge in the second quarter to account for the remainder.

It reported 2.7bn monthly users and 2.1bn daily users across its portfolio of apps – Facebook, Messenger, Instagram and Whatsapp – showing little growth from last quarter.

The FTC said Facebook will create an independent board to handle privacy issues at all its companies as part of the deal, and will better police its app developers.

The social media giant also revealed in its results that it now faces another investigation by the FTC into whether it engages in anti-competitive practices, alongside a slew of other major digital firms.

The FTC alleged in its settlement yesterday that Facebook "deceived users about their ability to control the privacy of their personal information", and in turn provided that data to third-party apps.

FTC chairman Joe Simons said the terms of the settlement were "unprecedented in the history of the FTC".

"The relief is designed not only to punish future violations but, more importantly, to change Facebook's entire privacy culture to decrease the likelihood of continued violations."

The FTC said the penalty against Facebook is the "largest ever imposed on any company for violating consumers' privacy, and almost 20 times greater than the largest privacy or data security penalty ever imposed worldwide".

Facebook's general counsel Colin Stretch said the settlement will "mark a sharper turn toward privacy, on a different scale than anything we've done in the past".

WHAT THE OTHER PAPERS SAY THIS MORNING

FINANCIAL TIMES

UBER LOSES TWO EXECS IN LATEST BOARD SHAKE-UP

Uber is losing two board members in the latest shake-up at the ride-hailing company following its May initial public offering. Yesterday, the company said media entrepreneur Arianna Huffington and Matt Cohler, a partner at early Uber investor Benchmark, had resigned as directors. They followed Ryan Graves, Uber's first employee and first chief executive, who left the board two weeks after the markets debut.

PAYPAL CUTS FULL-YEAR SALES GUIDANCE

Paypal shares fell yesterday as the US payments company reported lower than expected revenue in the second quarter and lowered its full-year sales guidance. The shares were down 6.8 per cent in after-hours trading as investor concerns over the sales figures offset an profit boost from Paypal's investments.

THE TIMES

IRAN OFFERS TO SWAP SEIZED OIL TANKERS

The president of Iran has offered a deal to swap the British-flagged tanker it impounded in the Gulf last Friday for the Iranian oil tanker being held in Gibraltar. President Rouhani made the offer as officials in Tehran claimed that Britain had sent a mediator to Iran to beg for the return of the Stena Impero.

JOHNSON'S WIN BRINGS BREXIT PARTY VOTERS BACK

A Times/YouGov poll conducted over the past 24 hours in the wake of Boris Johnson's election as Conservative leader put the Tories on 25 points, the LibDems on 23 points, Labour on 19 and the Brexit Party on 17.

THE DAILY TELEGRAPH

MAY LEAVES WITH WORST RATINGS SINCE THATCHER

Theresa May leaves Number 10 with the lowest satisfaction rating of any outgoing Prime Minister since Margaret Thatcher. May ends her three-year tenure with a net satisfaction of minus 44, according to Ipsos Mori.

NISSAN SET TO SLASH THOUSANDS OF JOBS

Concerns about the health of the global car industry have been heightened with fears that Nissan is about to slash 10,000 jobs after profits collapsed. Nissan said yesterday that its first-quarter operating profit would decline, confirming Japanese reports claiming the figure would fall 90 per cent.

THE WALL STREET JOURNAL

US SET TO APPROVE MERGER OF T-MOBILE AND SPRINT

The US Justice Department is poised to approve T-Mobile's merger with Sprint under a divestiture plan that would equip satellite-TV operator Dish Network with the building blocks for a new wireless network, according to people familiar with the matter.

SOFTBANK SEEKS GOLDMAN, APPLE FOR SECOND FUND

Softbank Group is expected to invest $40bn (£32bn) into its new technology megafund after securing backing from an unlikely coalition of investors including Apple, Goldman Sachs Group and Kazakhstan's government, according to sources.

Chairman leaves as Metro Bank's profit tumbles

SEB MCCARTHY AND HARRY ROBERTSON

@SebMcCarthy @henrygrobertson

METRO Bank's woes were laid bare last night after the troubled high street lender posted a downbeat financial performance and called time on its colourful founder's role as chairman.

The embattled challenger bank reported a sharp drop in profit for the six months to 30 June as it counted the costs of a major balance sheet blunder that rocked investor and customer confidence.

Pre-tax profit hit £3.4m in the first half of 2019, plummeting from £20.8m a year earlier. Customers also withdrew £2bn of deposits.

Vernon Hill, the 73-year-old American billionaire who founded the self-styled "dog-friendly high street bank", confirmed his plans last night to leave his role as chairman as part of a management shake-up.

The hunt for Hill's successor begins amid a flurry of new appointments that the firm has made in recent days, as it seeks to bolster its senior ranks in the wake of its recent crisis.

This week's reshuffle is the first since the firm spooked the City in January by slashing its growth plans and revealing an accountancy error in which some loans had been classified as less risky than they were.

Metro Bank's share price has crashed more than 75 per cent since the revelation, which prompted fears of a regulatory crackdown and wider questions over the its business model.

"We've faced more challenges in the first half of this year than we've ever faced," said chief executive Craig Donaldson. He added that Metro wanted to "draw a line" under events in May when intense speculation about the bank's future led to £1.4bn of outflows.

SLIPPED GEAR Tesla revenues fall short of expectations despite record car builds

TESLA posted second-quarter revenue below analysts' expectations last night, pushing its shares down as much as 12 per cent in after-hours trading. Yet the US firm, led by entrepreneur Elon Musk, built a record number of cars in the quarter.

Embattled Deutsche Bank misses forecast as losses exceed €3bn

SEBASTIAN MCCARTHY

@SebMcCarthy

THE SCALE of troubles at Deutsche Bank were laid bare yesterday after the German lender posted worse-than-expected losses over the last quarter.

Dented by costs from a major business overhaul, the embattled bank reported quarterly losses of €3.15bn (£2.7bn) over the three-month period, missing its own previous estimates of €2.8bn and falling from profits of €401m in the previous year.

Earlier this month Deutsche's boss Christian Sewing revealed plans to axe 18,000 jobs across the firm's global offices. He added yesterday that 900 employees have already been given notice or informed their role will be cut.

Shares in Deutsche Bank closed down 1.85 per cent at €7.

Uber and Ola eyeing Addison Lee acquisition

HARRY ROBERTSON

@henrygrobertson

UBER and Indian ride-hailing firm Ola are mulling bids for London-based taxi firm Addison Lee, which could create a powerful force in one of the world's biggest private transport markets.

The US giant and Ola are two of "a handful" of companies talking to private equity firm Carlyle, Addison Lee's owner, according to Sky News.

Uber, which recently listed in New York, has signed a non-disclosure agreement with Carlyle and met members of Addison Lee's management.

At least two other groups are sniffing around Addison Lee, one of which is another private equity group.

Yet Uber and Ola's interest is at an early stage and could well come to nothing, sources told Sky.

Addison Lee has struggled with competition from ride-hailing apps such as Uber which offer cheaper rides at the tap of a screen.

Earlier this month, London's transport agency gave India's Ola a licence to operate its ride-hailing service in the capital.

China's SDIC hires banks to prepare for $1bn London Stock Exchange flotation

SEB MCCARTHY

@SebMcCarthy

A CHINESE state-backed energy group is gearing up for a potential listing in London, giving the capital's financial centre a much-needed boost as it prepares to leave the EU.

China's State Development and Investment Corp (SDIC) has drafted in bankers to look at a float that would involve it selling Global Depositary Receipts in London to raise as much as $1bn (£801.2m).

The flotation, first reported by Reuters last night, could take place in the second half of this year.

SDIC plans to list through the much-anticipated Stock Connect scheme, a recently-launched reciprocal arrangement between the Shanghai Stock Exchange (SSE) and London Stock Exchange.

In June one of China's largest brokerages, Huatai Securities, became the first business to put its name on the Stock Connect scheme, sparking hopes that many other Chinese companies would follow suit.

Its launch comes as the City ramps up its efforts to strengthen ties with non-EU countries ahead of Brexit.

"Connect essentially kicked off with much fanfare a year ago, but was only officially launched last month. The risk was that various administrative and technical delays might have caused permanent embarrassment if the concept withered on the vine," Ken Odeluga, a market analyst at City Index, told *City A.M.*

WRONG KIND OF HEAT Londoners brace for commuter chaos because of hot rails

LONDONERS face sweltering rush-hour delays tomorrow with rail groups urging travellers to avoid using trains as record temperatures could buckle the tracks. Providers will cut services as the heat may physically damage the infrastructure.

Make the most of summer

with a little help from Google

Freefall: Boeing suffers $3.4bn loss on continued grounding of 737 Max

ALEX DANIEL

@alexmdaniel

BOEING yesterday posted a $3.4bn (£2.7bn) quarterly loss, as it continues to struggle with mounting costs relating to the grounded 737 Max plane.

The massive losses come after Boeing's surprise announcement last week that it would set aside $4.9bn to compensate airlines for the disruption caused by the jet's grounding.

In March, global aviation authorities put a temporary flying ban on the 737 Max after the second of two deadly crashes, which killed 346 people overall.

Shares dipped 3.12 per cent yesterday.

Boeing's $3.4bn loss for the second quarter of 2019 comes after a $2.7bn profit in the same period last year. Revenue was $15.8bn, down 35 per cent on last year's $24.3bn.

The drop in revenue is mainly down to the fact Boeing has halted deliveries of the Max to airlines. This is despite the fact it has continued producing the planes, albeit at a reduced speed.

As a result of this, it has planes with a combined value of more than $30bn waiting to be delivered.

The world's biggest planemaker remains unable to give any forward financial guidance for the rest of 2019, having suspended its previous forecast after the jet was grounded.

Chief Dennis Muilenberg said it is "a defining moment for Boeing".

Grounded: Boeing is unable to deliver $30bn worth of 737 Max aircraft

Aston Martin's warning crashes shares further

ALEX DANIEL

@alexmdaniel

ASTON Martin shares crashed 25 per cent yesterday after it cut wholesale sales expectations to 6,300-6,500 vehicles, down from 7,100 to 7,300 cars.

Shares slipped to 766p from an open of 841p as Aston Martin slashed its sales expectations in the face of market "softness" for the rest of 2019.

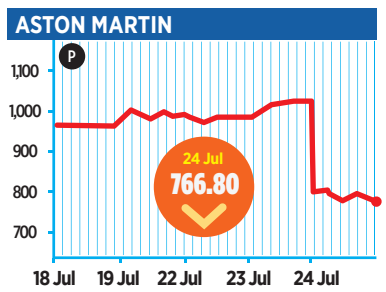
The car maker's share value has been obliterated since its October stock market float. Shares hit the market at 1,900p, but have crashed more than 60 per cent since then.

AJ Bell analyst Russ Mould said: "One of the worst things a newly-listed company can do in the first year of being on the stock market, namely issue a revenue warning."

Aston Martin has struggled in the face of a cooling global car market. The ongoing trade war between the US and China has hit manufacturers across the globe.

The CBI this week warned British manufacturing output shrank at the fastest pace since the financial crisis over the past three months.

Chief executive Andy Palmer said the firm would take "decisive action" to manage the firm for the long term, stoking fears for its 850 UK manufacturing jobs.



The high street has been struggling amid an economic downturn in the UK

Retail loses 70,000 jobs as sector is hurt by high street slowdown

JESS CLARK

@jclarkjourno

MORE than 70,000 retail jobs were lost over the last year as high street stores battled slowing sales and changing consumer habits.

The total number of employees fell 2.3 per cent in the second quarter, amounting to around 72,000 jobs being lost year-on year.

Full-time jobs are being shed at a faster rate, falling three per cent compared to a two per cent drop in part-time jobs in the second quarter.

The three months to the end of June marked the 14th consecutive quarter of year-on-year decline in the retail workforce.

However, June represented a slight slowing in employment decline, as in the first quarter the number of workers fell by 2.4 per cent and hours fell by 2.7 per cent.

Store growth slowed to 1.7 per cent compared with growth of 2.3 per cent in the first three months of the year.

Miner quits as lobbyist joins team Johnson

ALEXANDRA ROGERS

@city_amrogers

THE TORIES' chief executive officer (CEO) and treasurer Mick Davis yesterday resigned from his party roles, citing the need for a new team under Boris Johnson.

Davis' decision to quit came as the chief executive of the London Chamber of Commerce, David Frost, resigned from his post to take up the role as EU adviser to the new Prime Minister.

In a letter to Tory party donors, Davis, who was the chief executive of multinational mining company Xstrata before it merged with Glencore, said he was resigning as CEO, treasurer and member of the Conservative party board with immediate effect.

"I have so much enjoyed my time as treasurer and CEO, but circumstances change and I think that our new leader, Boris Johnson, should be free to choose a team at CCHQ who can work together to ensure that this organisation realises its central purpose – a clear and decisive victory at the next general election," he wrote.

Competition watchdog starts probe into JD Sports' Footasylum purchase

JESS CLARK

@jclarkjourno

THE COMPETITION watchdog has kicked off its probe into JD Sports' acquisition of Footasylum.

JD Sports bought the remaining shares in the footwear retailer in a deal worth £90m in March this year, with shareholders approving the sale the following month.

However, the Competition and Markets Authority (CMA) handed an initial enforcement order to the companies in May, which banned the integration of the two businesses.

The CMA has now announced it will launch a full merger inquiry. The watchdog will decide whether to refer the merger for a phase two investigation by 19 September.

JD Sports initially bought a 19 per cent stake in Footasylum in February before the retailer's board removed a restriction that prevented JD making an offer on the rest of the business.

JD Sports bought the remaining shares in Footasylum for £90m

In March JD Sports' executive chairman Peter Cowgill said that the business was "complementary" to its portfolio in the UK.

"We believe that there will be significant operational and strategic benefits through the combination of the very experienced and knowledgeable management team at Footasylum and our own expertise," he added.

Footasylum warned on profit twice last year and saw its initial £171m market value fall to less than £49m before the take over.

There is a close relationship between the two companies. Footasylum founder David Makin was one of the two co-founders of JD Sports, while JD Sports co-founder John Wardle was appointed chief executive at Footasylum in 2008, remaining in that post until 2015.

Court finds in favour of Khan minicab charge

ALEXANDRA ROGERS

@city_amrogers

SADIQ Khan's decision to impose a congestion charge on private hire vehicles (PHVs) was lawful and appropriate, the High Court ruled yesterday.

The Independent Workers' Union of Great Britain (IWGB) challenged the London mayor's decision to lift the exemption on the congestion charge for PHVs, arguing that the policy disproportionately affects female and black and ethnic minority drivers.

The congestion charge exemption remains in place for black taxis.

In his judgment, Mr Justice Lewis ruled Khan's decision to lift the exemption from the congestion charge for minicabs was "an appropriate and suitable method of reducing the number of vehicles in the congestion charge zone".

"The aim that the defendant sought to pursue, namely achieving a reduction in the number of private hire vehicles in the congestion charge zone, is a legitimate one adopted as a measure of economic, social and environmental policy," he added.

"There are no other less-intrusive measures which could realistically achieve the same aim."

The union said it would appeal against the ruling.

Yaseen Aslam of the IWGB said: "Large ride-share firms will pick up a strategic advantage while precarious workers are saddled with the environmental costs which should rightly be borne by corporations and their consumers."

A mayoral spokesperson said: "We are pleased with the judge's decision.

"Removing the congestion charge exemption for private hire vehicles, apart from those that are wheelchair-accessible, is an important part of our plans both to reduce traffic volumes and congestion in London, with the additional benefits of reduced air pollution."

The Peugeot maker's operating margin was lifted to a new 8.7 per cent record

PSA's Opel savings drive a fresh profit record despite sales drop

LAURENCE FROST

FRENCH carmaker PSA yesterday delivered a sharp increase in first-half profit, defying a global industry downturn as new models and cost savings from the integration of Opel-Vauxhall more than made up for weaker emerging market sales.

Standing out against profit warnings from peers such as Daimler, PSA said yesterday its efficiency drive produced a 10.6 per cent operating income gain even as deliveries went the other way – with a 12.8 per cent decline posted earlier this month.

That lifted the Peugeot maker's operating margin to a new 8.7 per cent record from 7.8 per cent a year earlier, boosted by a €270m (£241m) increase in cost savings on purchasing, research and development, and overheads.

PSA shares closed up 1.5 per cent in Paris, at €23.06. *Reuters*

KPMG is to quit audit of quarter of building socs

HARRY ROBERTSON

@henrygrobertson

KPMG will stop auditing around a quarter of the UK's building societies in a move away from the financial sector that has caused it a series of problems.

The Big Four firm will end its audit work for around 12 building societies, according to Sky News.

The shift in focus comes as KPMG deals with the rising costs of complying with rules on auditing financial companies.

A higher level of scrutiny has led the firm to hike fees substantially on a number of building society clients, sources told Sky.

KPMG was slapped with a £4m fine last year for its auditing of the Co-operative Bank during the financial crisis.

The Big Four firm was "severely reprimanded" by regulators for its work when Co-op Bank came close to collapsing.

It was also fined £5m for its auditing of US bank BNY Mellon, according to the Financial Times.

The move away from finance comes amid the government carrying out a major shake-up of the regulation of auditors.

ITV profit drops as broadcaster bets on Britbox

JOE CURTIS

@joe_r_curtis

6.59%

ITV'Sshare price rose yesterday despite seeing profit fall 16 per cent in the first half of 2019, as the broadcaster surpassed downbeat expectations in an "uncertain" political and economic backdrop.

The broadcaster's profit before tax dropped 16 per cent year-on-year to £222m, down from £265m in 2018.

Revenue also fell, with external revenue down seven per cent to £1.47bn and advertising revenue falling five per cent – better than the broadcaster had guided to.

ITV notched up savings of £5m so far this year on top of the £35m-£40m full-year target it is seeking to hit, and hopes to save another £15m by 2022.

Net debt rose by £48m year on year to £1.1bn for the six months ending 30 June while cashflow fell from £184m in 2018 to £137m this year.

Basic earnings per share slipped 13 per cent to 6.2p while ITV kept its interim dividend flat at 2.6p per share.

Stronger advertising figures during last year's World Cup contrasted sharply with this year as advertisers wound down their budgets amid economic uncertainty ahead as Brexit drags on.

But the broadcaster took heart as online revenues spiked sharply, growing 18 per cent year on year amid a wider push towards digital.

ITV has invested £25m in its joint streaming venture with the BBC, called Britbox, as the channels try to compete with online giants Netflix and Amazon Prime.

Chief executive Carolyn McCall said: "ITV delivered another good viewing performance in the first half of the year. Online revenues grew strongly up 18 per cent despite tough comparatives, with Love Island providing a strong finish to the half. This was reflected in better than expected total advertising revenue."

ITV chief exec Carolyn McCall

Hilton operates the Waldorf Astoria and Conrad hotel chains

Hilton cuts its forecast amid slowing of economic growth

ASHWINI RAJ

HOTELIER Hilton yesterday cut its full-year outlook for a key revenue measure, citing a slowing global economy which was weighing on spending plans of businesses.

The forecast comes a day after the International Monetary Fund lowered its estimate for global growth in 2019, as the US-China trade spat and Brexit uncertainties are seen eroding business confidence and weakening investment spending.

The slowing growth is known to directly affect travel budgets of corporations.

"[People including corporate heads] are incrementally more cautious because of what's going on in the broader [political] environment," Hilton chief executive Chris Nassetta said yesterday.

Hilton, the owner of Waldorf Astoria and Conrad hotel chains, said it now expects global corporate profit growth to be positive but "incrementally" lower than previous estimates, as global economies, including China, see a slowdown.

"China is clearly going to be worse in the second half of the year than the first," Nassetta said.

Hilton now expects full-year revenue per available room – a key performance metric for the hotel industry – to increase between one and two per cent, down from an earlier range of a one to three per cent rise.

Reuters

Unite the union puts Heathrow strikes on hold

ALEXANDRA ROGERS

@city_amrogers

STRIKES that threatened to shut down Heathrow Airport tomorrow and Saturday have been put on hold while Unite the union considers a new pay offer.

More than 4,000 workers, including security guards, engineers and those in passenger services, were due to strike over pay, tomorrow and Saturday and on the 5, 6, 23 and 24 August – the peak school holiday season.

Yesterday, Unite said that members needed to consider the new pay offer, which it refused to comment on. It warned that the August strikes "remained on the table" while the results of the ballot came in.

In a statement, Heathrow said: "We welcome this outcome, as will thousands of passengers, whose holidays will now go to plan this weekend.

"The proposed deal provides significantly above inflation pay rises for all colleagues.

"We believe this offer is rewarding and importantly gives our colleagues long term wage certainty and job security."

Unite threatened to grind the airport to a halt after workers backed strike action in eight separate strike ballots. Union members rejected an 18-month pay offer amounting to a 2.7 per cent rise.

Unite said this amounts to just £3.75 extra a day for the lowest paid workers involved in the dispute.

Heathrow said 70 per cent of front line workers will receive at least a 4.6 per cent pay increase.

Crash in retirement income sales takes a toll on insurer Just Group

SEBASTIAN MCCARTHY

@SebMcCarthy

9.40%

JUST Group's share price tumbled as much as 10 per cent yesterday, as the specialist insurer posted a fall in retirement income sales.

In a trading update released yesterday, the financial services firm said that sales during the first half of the year tumbled 30 per cent to £831m.

The group said that a "challenging" environment had hit its capital efficiency, as it prepares for new regulations from the UK's Prudential Regulation Authority (PRA) that require more capital to be put behind lifetime mortgages.

Lower risk-free rates and house prices also impacted its solvency position, the firm said.

Interim chief executive David Richardson said that the message from its shareholders "has been clear".

"We have good businesses in attractive markets, which are performing well commercially. However, we must reduce new business capital strain and achieve capital self-sufficiency by 2022," he said in a statement.

Richardson, who said the firm was continuing a "constructive dialogue" with the PRA, added: "I am focused on adapting to the changing regulatory environment and putting the business on a surer footing for the future."

He is currently filling in as the group's chief executive following the resignation of Rodney Cook after nine years in the role.

The value of the insurance company's share price has nearly halved over the course of the past 12 months.

Numis recommended a "Buy" rating yesterday.

Analysts at the broker wrote in a market report: "New business sales have recovered following a quiet quarter one and the company says it remains comfortable with [full-year] guidance.

"Just says the economic environment has remained challenging [lower bond yields and softer house price data], but says capital strength remains satisfactory."

Just Group was among the top market fallers last night after shares in the FTSE company closed down 9.4 per cent, falling to a price of 49.06p.

SPORT Fan engagement in China is a key priority for Premier League clubs

WHY TEAMS ARE TOURING FAR EAST PAGE 19

London's retail property hit as Brexit takes toll

HARRY ROBERTSON

@henrygrobertson

DEMAND for retail property continued to fall across London in the second quarter of the year and is now approaching financial crisis-level lows, according to a new survey published today.

Meanwhile, demand from overseas investors has also continued to drop as Brexit looms, the latest commercial market survey from industry body the Royal Institution of Chartered Surveyors (Rics) showed.

Rics' gauge of the demand for commercial property in London stayed in negative territory for the 12th quarter in a row. This means more of the 700 chartered surveyors who responded to the survey said demand was falling than maintained it was rising.

In the latest sign of malaise in the sector, retail was responsible for pulling the overall figure below zero, with a net balance reading of minus 61 on the demand gauge.

By contrast, surveyors reported seeing demand rise for industrial buildings, a large part of which was for warehouse space for online shopping.

Respondents to the survey reported that many firms were looking to relocate some of their businesses as Brexit looms and said London was becoming less attractive to overseas investors.

"The overall picture remains little changed across the UK commercial property market in the second quarter," said Rics economist Tarrant Parsons. "The disparity between a strong backdrop for the industrial sector and weakness in retail is "still very evident".

Niall Lindsay of London surveyor Lapar said: "The key issue is Brexit. The market is less concerned about whether we remain in or out. It just wants certainty one way or the other... If we have certainty, the market will adjust accordingly and confidence levels will return."

HOUSING BENEFITS Approvals for UK mortgages jump as home purchases boom

THE NUMBER of mortgages approved in the UK reached one of its highest levels in the past two years in June. Last month, the number of mortgages given the go-ahead for house purchases rose to 42,653 up from 42,407 in May and close to April's two-year high of 42,792, according to data from UK Finance.

Segro profit slumps but revenue rises on increased rental income

ALEX DANIEL

@alexmdaniel

REAL estate investment firm Segro said yesterday that half-year profit had narrowed, but rental income had helped to push revenue up.

For the six months to 30 June, the company's profit before tax was £410m, down 28 per cent year on year.

Revenue rose to £233.3m after a 3.7 per cent rise in like-for-like net rental income.

Chief executive David Sleath said: "Momentum has continued throughout our business in the first half of 2019 and we are on track for another strong year.

"Our portfolio of high quality and well-located warehouse assets is performing well, as evidenced by strong rental growth and the low vacancy rate."

Manufacturing in Eurozone in the doldrums

JOE CURTIS

@joe_r_curtis

EUROZONE economic woes deepened as the manufacturing downturn hit a three-month low for July, according to a closely-watched measure of the industry's health.

Manufacturing output relapsed to fall to a score of 51.5 this month after two months of growth, IHS Markit's Flash Eurozone Purchasing Managers' Index (PMI) found yesterday.

That compares to June's 52.2 score. While anything above 50 signals growth, the drop was the worst since April and one of the weakest PMI readings in six years.

Chris Williamson, chief business economist at IHS Markit, said: "Geopolitical worries, Brexit, growing trade frictions and the deteriorating performance of the auto sector in particular has pushed manufacturing into a deeper downturn."

Germany was one of the Eurozone's worst performers, seeing manufacturing output crash to a four-month low of 51.4 due largely to a steep fall in export orders – the sharpest drop since April.

Scorchio! Barbecue and paddling pool sales registered three-digit rises

Heatwave set to boost retailers

JAMES BOOTH

@Jamesdbooth1

THIS WEEK'S heatwave could prove a bonus for retailers and pub chains which have struggled this year in comparison with 2018.

Temperatures today could smash the UK record for the hottest day ever with the Met Office predicting it could rise to 39 degrees celsius.

Russ Mould, investment director at AJ Bell, said: "The supermarkets always get very excited about the hot weather and pub groups will probably get a bit of a tailwind as well."

The hot weather will come as a relief for supermarkets, which have struggled to match last summer's performance when blazing sunshine and England's run to the semi-finals of the men's football World Cup helped to boost sales.

Figures from Kantar showed supermarket sales declined 0.5 per cent in the 12 weeks to 14 July in comparison with last year.

Richard Lim, chief executive at Retail Economics, said: "The weather is a key factor in boosting short-term demand. That usually plays out with food... It will also be helpful for the apparel retailers and its is also quite supportive for DIY, gardening and toys focused on the outside like slides and paddling pools."

Asda predicts barbecue sales will increase 250 per cent this week, ice-cream sales 90 per cent and outdoor furniture 70 per cent.

According to Argos, paddling pool sales are up 400 per cent week-on-week as shoppers rush to cool down.

The hot weather should provide a boon for drinks companies and bar chains, with Swedish cider brand Rekorderlig anticipating sales of an extra 1.5m pints of cider this week.

However, despite the short-term boost provided by a spell of hot weather, other factors will have a greater long-term impact on firms in the retail and leisure sectors.

"The weather can be an important driver of short-term demand, but the other economic fundamentals are much more important in the long run," Lim said.

Mueller says he did not exonerate Trump as Republicans assail inquiry

DAVID MORGAN

FORMER Special Counsel Robert Mueller said yesterday in his long-awaited US congressional testimony he had not exonerated Donald Trump of obstruction of justice, as the president has claimed. He also defended the integrity of his inquiry under repeated attacks by Trump's conservative Republican allies.

Mueller, a reluctant witness who appeared only after being subpoenaed, often gave terse responses such as "I can't speak to that" or merely referred the politicians to the text of his report.

The White House painted Mueller's testimony as a "disaster" for Democrats. "The American people understand that this issue is over. They also understand that the case is closed," Trump lawyer Jay Sekulow said.

Mueller's 448-page report, released in redacted form on 18 April, did not reach a conclusion on whether Trump committed the crime of obstruction of justice in a series of actions aimed at impeding the inquiry, but did not exonerate him.

The report also said the inquiry found insufficient evidence to establish that Trump and his campaign engaged in a criminal conspiracy with Russia. *Reuters*

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FORUM

There is an entire generation of African innovators, doers and trailblazers

LARRY MADOWO ON HOW WESTERN MEDIA GETS AFRICA ALL WRONG
PAGE 14

CITY A.M.

Soft drinks giant Britvic loses its fizz due to a 'more challenging' market

JESS CLARK

@jclarkjourno

DRINKS producer Britvic warned yesterday that revenue dipped in the third quarter of the year due to a "more challenging" market.

The company, which owns brands such as 7up, Tango and Robinsons, said revenue was £360.1m, a decrease of 1.5 per cent on last year.

In a trading update yesterday, Britvic said revenue in the UK grew despite the market declining in value and volume.

The company's Brazil and international businesses also continued to deliver solid revenue growth. However, its performance in France and Ireland was more challenging.

Britvic chief executive Simon Litherland said: "Overall we have delivered a solid performance against a more challenging backdrop in [the third quarter].

"We remain confident of achieving market expectations for the full year, underpinned by the strength of our brand portfolio, exciting commercial plans and a tight focus on cost control."

In the company's interim results for the 28 weeks to 14 April, Britvic reported that organic revenue increased 1.9 per cent to £769.2m, while earnings before interest and tax were up five per cent to £83.7m.

Britvic shrugged off concerns about the sugar tax, saying the levy had "accelerated" its low- and no-sugar brands.

Britvic said the sugar tax has actually accelerated sales of its low- and no-sugar drinks

Glaxo's revenue boosted by new shingles vaccine

HARRY ROBERTSON

@henrygrobertson

DRUGMAKER Glaxosmithkline (GSK) yesterday said it expects higher than predicted earnings in 2019 after sales of vaccines jumped 23 per cent in the second quarter.

The higher vaccine sales of £1.6bn were due mostly to GSK's shingles vaccine Shingrix, sales of which rose to £386m in the US in the second quarter.

The strong performance helped to offset lower growth in its pharmaceuticals section after a rival firm got the green light to make a version of its profitable asthma drug Advair.

GSK has predicted earnings for 2019 will now fall by three to five per cent, whereas it previously foresaw a drop of five to nine per cent.

It also announced the appointment of Jonathan Symonds as its new chairman, succeeding Sir Philip Hampton on 1 September.

Chief executive Emma Walmsley said GSK "delivered continued good operating performance in the second quarter despite the loss of exclusivity of Advair". She added the firm expects "new product launches" this year.

GSK expects to "shortly" complete the deal to merge its consumer health unit with drug maker Pfizer.

Walmsley said this would lay "the foundation for the creation of two great companies: one in pharmaceuticals and vaccines; one in consumer healthcare".

GSK chief executive Emma Walmsley

The pub chain said poor weather after last year's heatwave hurt sales

Pub operator Marston's reports damp sales after poor weather

JESS CLARK

@jclarkjourno

PUB OPERATOR Marston's reported yesterday that beer sales growth slumped due to poor weather.

Shares closed almost 12 per cent down after the pub chain said sales were hit by 2019's "relatively poor weather" following last summer's heatwave and the England football team's World Cup success.

Like-for-like sales growth at Marston's managed and franchised pubs increased by 0.5 per cent in the 42 weeks to 20 July. However, the company said it had seen weaker sales in the past 16 weeks.

Marston's will accelerate its plan to cut net debt by £200m to generate an extra £40m to £50m of cash flow over the next three years.

Tom Rosser, investment research analyst at The Share Centre, said: "With warmer weather predicted over the coming months the company will hope that customers flock to local pubs."

Daimler skids to a loss as car demand drops

JESS CLARK

@jclarkjourno

MERCEDES-BENZ owner Daimler swung to a €1.2bn (£1.06bn) loss in the second quarter after it was forced to make payments for diesel-related legal issues and to cover the costs of replacing Takata airbags, as it battled a global slump in car demand.

The German manufacturer reported a net loss of €1.2bn between April and June down from €1.8bn profit in the second quarter of 2018.

The group said earnings before tax fell to a €1.6bn loss, down from €1.8bn profit last year.

Revenue increased by five per cent from €40.8bn to €42.7bn. However, total unit sales fell one per cent to 822,000.

Ola Kallenius, Daimler chairman and head of Mercedes-Benz cars, said: "Our second quarter results were mainly impacted by exceptional items of €4.2bn. Therefore, our focus for the second half of this year is on improving our operating performance and cash-flow generation."

Makeup and beauty brands L'Oreal and Estee Lauder are among Croda's clients

Chemicals firm Croda takes big hit from trade war and Chinese laws

ALEX DANIEL

@alexmdaniel

CHEMICALS group Croda's shares fell 3.4 per cent yesterday after it said the US-China trade war and new Chinese sales laws contributed to a fall in first-half profit.

The British company, which also supplies agrochemicals and auto industries, said sales were 3.6 per cent lower at its personal care business.

Personal care accounts for 40 per cent of the firm's annual revenue.

Croda said this was due to the trade war between the US and China, which had weighed heavily on consumer confidence, together with new legislation on cross-border selling in China.

So-called Daigou selling is where Chinese consumers who visit Japan or South Korea on holiday buy Japanese or Korean cosmetics products to sell when they get back to China often on social media sites. The new laws aim to regulate the practice.

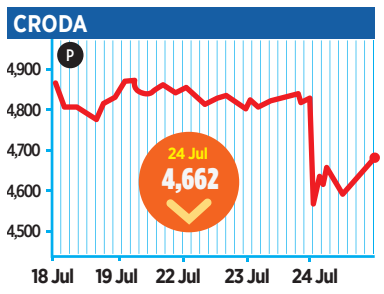
Chief executive Steve Foots said: "Daigou is a thriving, big business in China... the legislation changes, that process is taking a bit of time.

"Demand has just naturally slowed down because they are not allowed to sell until they register the products," Foots said.

He said some of Croda's smaller customers had stopped making products, while others were taking longer to get set up, citing the new legislation.

Croda is smaller in size in Asia and North America. The company also counts Unilever, L'Oreal and Procter & Gamble among its customers.

"Today's results will raise concerns that this is more than a cyclical blip," Liberum analyst Adam Collins said.



Chilean copper production jumps as Antofagasta expands flagship mine

ALEX DANIEL

@alexmdaniel

MINER Antofagasta yesterday reported a nearly 22 per cent jump in copper output in the second quarter, helped by better quality ore from its Centinela mine in northern Chile, and maintained its annual production outlook.

Copper production for the quarter was 198,600 tonnes compared with 163,200 tonnes, a year earlier.

The FTSE 100 company reduced its annual forecast for net cash cost, a measure of cost of production per pound of copper produced, to $1.25 per pound as it expects to benefit from a weaker Chilean peso and higher by-product prices.

Prices of copper have been volatile due to the protracted trade dispute between China – the world's top copper consumer – and the US, with the company expecting continued tightness in the copper market and prices to rise this year.

Production at Los Pelambres was 91,200 tonnes of copper in the reported quarter.

Antofagasta chief executive Ivan Arriagada said: "Our priorities for the year remain our safety performance, and sustaining the strong momentum on operational reliability and efficiency, while also progressing the Los Pelambres expansion project.

"Copper production was strong during the quarter and together with our rigorous control of costs this has reduced our unit costs."

Antofagasta mainly mines copper, with by-products of gold and silver

Miners pull down FTSE after iron ore prices drop

JAMES BOOTH

@jamesbooth1

BRITISH mining stocks tumbled yesterday on news that Brazilian giant Vale was resuming operations at one of its major facilities.

Shares in Rio Tinto fell 4.6 per cent to 4,606.50p, shares in BHP fell four per cent to 1,960.80p and shares in Anglo American slipped 3.25 per cent to 2,187p.

The poor performance was driven by Vale's decision to resume operations at its Vargem Grande iron ore complex.

Brazil's National Mining Agency authorised the partial resumption of dry processing at the mine, totalling around 5m tonnes of additional output.

"This is small... but it is a positive in that the regulator is presumably willing to accept evidence demonstrating safe operational performance," said Edward Sterck, analyst at BMO Capital Markets.

Regulators had ordered Vale to halt production in February to guarantee the stability of its dams after the collapse of one of its dams in January led to a mudslide that killed 248 people.

David Madden, chief market analyst at CMC Markets, said: "The FTSE 100 is firmly in the red as mining stocks are weighing on the index.

"A sell-off in iron ore prices in China has prompted a decline in major mining stocks... and seeing as the London equity benchmark has a relatively large portion of natural resources stocks in its makeup, the British market is underperforming its continental counterparts."

Analysts at Liberum also downgraded BHP, Anglo American and Rio Tinto to "Hold" yesterday on data that it said showed iron ore prices could be set for a slide.

"Steel inventories at traders have been unseasonably restocking, iron ore port inventory declines have stalled [actually built last week], spot steel mill profitability in China has now fallen to break-even levels and supply from scrap steel and domestic iron ore appear to have accelerated," Liberum analysts said in a note.

Credit Suisse downgraded Rio Tinto to "underperform", expecting iron ore prices to approach a turning point with momentum in China port inventory drawdown slowing, and supply recovering.

Brent crude rose, but two-month futures traded lower for the first time in two months

Oil price steadies after large US stock decline despite early rises

STEPHANIE KELLY

OIL PRICES steadied yesterday, failing to draw support from a large decrease in US crude stockpiles as investors also worried about global demand.

Brent crude futures rose 23 cents to $64.06 a barrel at 5pm BST, while West Texas Intermediate futures fell seven cents to $56.70 a barrel.

Earlier in the session, the front-month Brent contract flipped to trade at a discount to the second-month contract, a market structure known as contango, for the first time since March.

Prices initially gained after US Energy Information Administration data showed a large drawdown in crude stockpiles. Crude inventories fell by 10.8m barrels in the week to 19 July, while analysts had expected a fall of 4m barrels. However prices later pared gains.

"The market is going to try to say that [the drawdown] was probably due to [Hurricane Barry], and so the market is not overreacting to it," said Phil Flynn, an analyst with Price Futures Group in Chicago. *Reuters*

UPS delivery of profit exceeds expectations

LISA BAERTLEIN

UPS YESTERDAY reported a jump in demand for its Next Day Air service had driven better-than-expected profit in the second quarter as large retailers rushed packages to online shoppers.

UPS has been spending billions of dollars to modernise its network. Those investments – which include more automated package sorting facilities and new cargo planes – are helping to contain the cost of delivering small numbers of e-commerce packages to far-flung home addresses.

"We've got momentum here and we believe we can continue," said chief executive David Abney, who added that the company is at an "important turning point" in its nearly 112-year history.

Next Day Air volume surged an unexpected 30 per cent in UPS' key domestic business during the second quarter, as Amazon and other large retailers adopted one-day shipping.

Abney said some competitors lost second-day air business to its Next Day Air service.

"Fedex would be the only other rival that offers such a service," said Cathy Morrow Roberson, founder of consulting firm Logistics Trends & Insights.

Several analysts said the Next Day Air volume bump likely came from Amazon. *Reuters*

The two companies will share masts in 23 large cities across the UK

Vodafone and O2 sign deal to share equipment to speed up 5G rollout

JOE CURTIS

@joe_r_curtis

TELECOM giants Vodafone and O2 yesterday agreed to share their 5G networks in order to speed up their rollouts of the next-generation technology.

Customers of both networks should get 5G sooner than expected after the mobile operators agreed to cooperate, sharing equipment such as radio antennas across the UK.

The operators will share masts in 23 large cities but here they will also install their own 5G equipment at around 2,700 sites, building their own radio equipment, fibre connections and power supplies. That is in addition to London, which was covered in an agreement last year.

"Greater autonomy in major cities will allow us to accelerate deployment, and together with active network sharing, ensures that our customers will get super-fast 5G in even more places more quickly, using fewer masts," Nick Jeffery, Vodafone UK's chief executive, said.

"We can boost capacity where our customers need it most so they can take full advantage of our new unlimited plans... It demonstrates our commitment to further invest in our multi-billion-pound network in the years to come."

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

LONDON REPORT

Aston Martin in crash as miners drag down FTSE

MINERS dragged London's main index to its worst day in two months yesterday as iron ore prices fell after **Vale** prepared to resume operations at its Vargem Grande complex, while luxury carmaker **Aston Martin** lost a quarter of its value after cutting annual targets.

The FTSE 100 ended down 0.7 per cent at 7,501.46 points, lagging its European counterparts which held steady on hopes of more monetary stimulus following weak business growth data and signs of progress in US-China trade talks. The FTSE 250 mid-cap index added 0.2 per cent, at 19,787.78.

Aston Martin's shares dropped 26 per cent after European sales fell

Among earnings related moves yesterday, Aston Martin dropped 25.9 per cent after it cut its 2019 volumes forecast, with sales to dealers in Europe down by almost a fifth in the first half.

The guidance cut from followed a disappointing quarterly update from German peer **Daimler**.

Vale said it had been authorised to partially resume dry processing operations at the complex in Brazil, months after the country's mining regulatory agency had ordered the company to halt operations there to guarantee the stability of its dams.

Rio Tinto was among the biggest fallers with a 4.6 per cent drop, while **Anglo American** and **BHP** were also lower, as Liberum analysts downgraded the iron ore majors and flagged warning signs after rising iron ore port inventories.

Exporters also weighed on the index as sterling recovered after falling in the last session after Brexit hard-liner Boris Johnson won the leadership of the Conservative party to become prime minister.

Investors were quick to dump financial shares, spooked by **Deutsche Bank**'s bigger than forecast quarterly loss of €3.15bn (£2.8bn).

The UK's biggest banks **RBS, Barclays, Standard Chartered** and **Lloyds Banking** are set to report earnings next week.

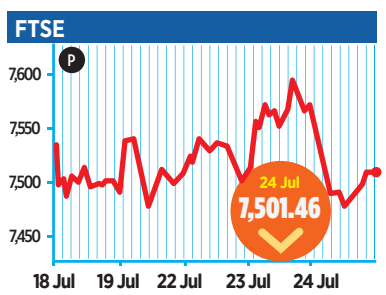
Pub operator **Marston's** slumped 12 per cent after reporting like-for-like sales numbers that Peel Hunt analysts called "slightly worse than we expected."

TOP RISERS

1. **ITV** Up 6.59 per cent
2. **Informa** Up 6.53 per cent
3. **Taylor Wimpey** Up 3.89 per cent

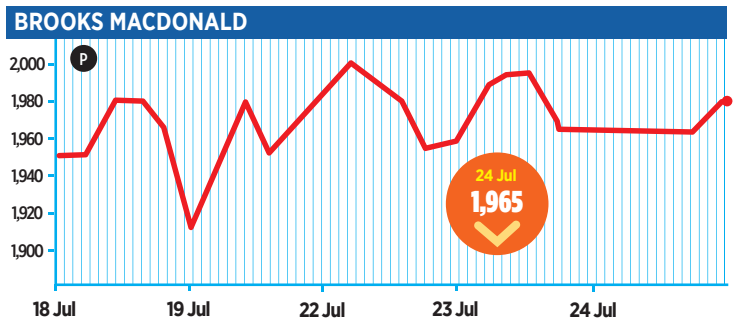
TOP FALLERS

1. **Rio Tinto** Down 4.6 per cent
2. **Stan Chart** Down 4.51 per cent
3. **BHP** Down 4 per cent

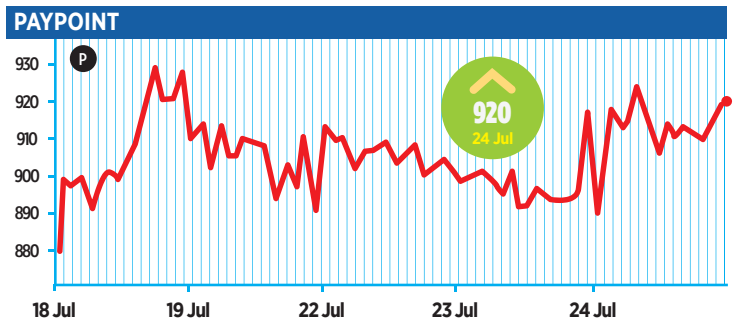


BEST OF THE BROKERS

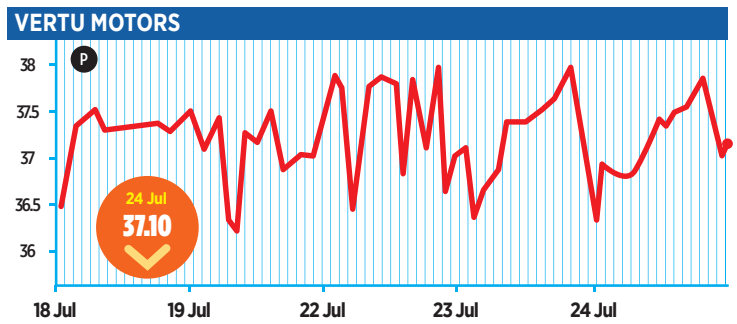
To appear in Best of the Brokers, email your research to notes@cityam.com



Broker Peel Hunt has kept its faith in asset manager Brooks Macdonald, despite new figures released yesterday showing that its organic growth of assets under management slowed in the fourth quarter. The analysts said that the slowdown "should be seen in the context of a difficult market backdrop and weak client sentiment". The Peel Hunt analysts said the slowdown in flows was "very much a function of lower levels of adviser and client activity". The broker continues to rate the stock as a "Buy" and gives a target price of 2,350p.



Payments firm Paypoint delivered a solid first-quarter statement yesterday, according to broker Canaccord Genuity. The positive update was driven by an increase in service fees, a return to growth in the parcel division and a strong performance in bill payments in Romania and the UK. The analysts said: "We continue to view Paypoint as an attractive value + income play with growth optionality." Canaccord gives the stock a "Buy" rating, but trims its target price slightly from 1,140p to 1,070p.



Broker Liberum has kicked the tyres of used car dealer Vertu Motors and reckons it is not an old banger. Its recent update "shows an overall resilient performance relative to peers", the analysts said. This is despite a fall in profit-before tax compared to last year. Despite the bumps in the road, the analysts think it could be a good long-term bet. "We maintain our view that Vertu is well positioned to consolidate what is a fragmented market, given its excellent management team, strong track record and balance sheet," they said. They give the stock a "Buy" and a target price of 52p.

NEW YORK REPORT

Nasdaq and S&P 500 reach record highs

THE S&P 500 and Nasdaq hit record highs yesterday after reassuring comments from **Texas Instruments** about global chip demand blunted the impact of weak earnings reports from **Boeing** and **Caterpillar**.

The Dow Jones Industrial Average dipped 0.29 per cent to end at 27,269.97 points, while the S&P 500 gained 0.47 per cent to 3,019.56. Nasdaq added 0.85 per cent to 8,321.50. The S&P 500 and Nasdaq each closed at record high levels.

Texas Instruments jumped 7.4 per cent after the company hinted that a global slowdown in microchip demand would not be as long as feared.

"Semiconductor investors are looking past right now and saying that maybe in the second half of this year, economic concerns will start to abate a little," said Willie Delwiche, an investment strategist at Robert W Baird in Milwaukee.

However, trade-sensitive Caterpillar dropped 4.5 per cent following disappointing earnings on weak sales in China and higher production and restructuring costs.

Boeing fell 3.1 per cent after the world's largest planemaker posted its largest-ever quarterly loss on the back of this year's grounding of its best-selling 737 Max after two deadly crashes in Indonesia and Ethiopia, in October 2018 and March 2019.

Those two companies' bleak reports left the Dow Jones Industrial Average in negative territory.

Two weeks into an earnings' season with mute investor expectations, about 77 per cent of the 138 S&P 500 companies that have reported so far have topped earnings estimates, according to Refinitiv data.

In extended trade, **Facebook** jumped 4.3 per cent after the social network posted quarterly revenue above analysts average estimates.

Another bright spot was **UPS**, up 8.7 per cent and among the biggest gainers on the S&P 500 index. The world's largest package delivery company reported a better-than-expected quarterly profit.

CITY MOVES WHO'S SWITCHING JOBS

FAEGRE BD

Amy Comer and Adrian Jones have joined Faegre Baker Daniels as partners within the corporate group and business litigation group respectively. Both Amy and Adrian join Faegre Baker Daniels' London office from Crowell and Moring. Amy has lived and practised in the UK, US and Russia, enabling her to understand the nuanced legal and cultural factors that affect cross-border transactions. Amy has advised on transactions and deals in the UK, Europe, China, Hong Kong, Singapore, Egypt, Turkey, Russia, South Africa, the UAE, Kazakhstan and Israel. She specialises in financial matters, mergers and acquisitions, joint ventures, strategic partnerships, restructurings, and corporate and project financing transactions. Adrian centres on international arbitration in the oil & gas, mining and metals sector but extends to construction projects and pharmaceutical companies. His extensive experience in this realm has led to an accumulation of clients spanning from mining companies in South Africa to corporations with a focus in the Confederation of Independent States region. Adrian is recognised in Legal 500 as a 'leading individual' and in Chambers and Partners. He was until 2016 head of the London office of Crowell and Moring.

CARD FACTORY

Card Factory, the specialist retailer of greeting cards, dressings and gifts, has announced the appointment of Adam Dury as chief commercial officer, effective 26 August. Adam has extensive experience in the retail industry having worked for Tesco for 14 years in several roles ,including most recently category director of home, seasonal and design in the UK and central Europe. Adam was responsible for the transformation of Tesco's home and seasonal categories, launching two new innovative home brands, identifying new tactical products and implementing a multichannel home and seasonal sales strategy. Prior to Tesco, Adam worked for Marks & Spencer, where he was head of merchandising for homeware.

EBURY

Martin Fest has been appointed chief financial officer of Ebury, one of the UK and Europe's largest fintechs. Ebury, which services a global client base through its global trade and transaction banking platform, has appointed Martin to strengthen Ebury's finance function. He will work directly with chief executive officer and co-founder Juan Lobato as the company embarks on its ambitious growth strategy outside of Europe. He joins Ebury from fellow fintech Molo, where he was also CFO. Prior to Molo he led investment management strategy at Man Group and spent seven years at Barclays as an investment banker. Before banking, Martin worked in McKinsey's risk management and financial service practice.

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

FTSE 100	FTSE 250	FTSE ALL SHARE	DOW JONES	NASDAQ	S&P 500
7501.46	19787.78	4100.36	27269.97	8321.50	3019.56
↓ 55.40	↑ 35.44	↓ 23.86	↓ 79.22	↑ 70.10	↑ 14.09

£/€	1.1208	↑ 0.0054	€/$	1.1136	↓ 0.0016
£/$	1.2483	↑ 0.0044	€/£	0.8920	↓ 0.0044
£/¥	135.07	↑ 0.4823	€/¥	120.49	↓ 0.2050

GILTS

	Price	Chg	High	Low
Tsy 3.750 19	100.38	-0.01	103.4	100.3
Tsy 2.000 20	101.45	0.01	102.5	101.4
Tsy 4.750 20	102.61	0.00	106.5	102.4
Tsy 3.750 20	103.61	0.01	106.4	103.5
Tsy 2.500 20	356.42	0.01	361.4	355.8
Tsy 8.000 21	114.11	0.01	120.6	113.7
Tsy 4.000 22	109.34	0.04	111.3	109.0
Tsy 0.500 22	100.23	0.05	100.3	97.7
Tsy 1.875 22	116.77	0.07	118.3	115.5
Tsy 2.250 23	107.40	0.07	107.4	104.7
Tsy 2.500 24	373.23	0.15	373.6	358.7
Tsy 0.125 24	114.39	0.13	114.8	110.9
Tsy 5.000 25	125.07	0.10	125.3	122.1
Tsy 4.250 27	130.07	0.18	130.3	122.6
Tsy 1.250 27	137.15	0.25	137.4	128.4
Tsy 6.000 28	148.68	0.19	149.1	140.5
Tsy 0.125 29	129.65	0.30	129.7	118.8
Tsy 4.750 30	143.21	0.21	143.4	132.1
Tsy 4.125 30	389.27	0.27	390.0	355.2
Tsy 4.250 32	140.51	0.18	140.7	128.5
Tsy 1.250 32	158.73	0.26	159.1	144.1
Tsy 0.125 36	151.00	0.30	151.7	133.4
Tsy 4.250 36	147.76	0.20	148.1	133.1
Tsy 4.750 38	161.82	0.25	162.2	144.9
Tsy 0.625 40	171.65	0.34	173.5	152.8
Tsy 4.500 42	165.09	0.30	165.7	145.9
Tsy 3.500 45	147.35	0.33	147.6	128.0
Tsy 4.250 46	167.34	0.36	167.7	145.7
Tsy 4.025 49	173.79	0.39	174.8	150.0
Tsy 0.500 50	201.63	0.42	207.7	173.7
Tsy 0.250 52	197.93	0.46	204.9	168.8

AEROSPACE & DEFENCE

	Price	Chg	High	Low
BAE Systems	532.8	2.2	670.0	443.9
Cobham	122.8	2.9	131.6	96.8
Meggitt	572.8	3.8	573.8	458.0
QinetiQ Group	285.4	8.2	312.4	264.3
Rolls-Royce Holdi	873.8	-3.4	1094.0	759.2
Senior	200.4	-1.4	334.4	185.4
Ultra Electronics	1872.0	54.0	1873.0	1232.0

BANKS

	Price	Chg	High	Low
Bank of Georgia G	1516.0	-43.0	1878.8	1310.0
Barclays	159.9	-0.2	194.0	146.1
Close Brothers Gr	1366.0	-14.0	1660.0	1366.0
CYBG	202.3	-2.7	364.2	173.9
HSBC Holdings	656.4	-14.5	731.4	600.8
Lloyds Banking Gr	57.0	-0.0	66.6	50.0
Metro Bank	476.4	-21.0	3422.0	472.2
Royal Bank of Sco	228.2	-0.4	270.4	203.0
Standard Chartere	682.4	-32.2	736.8	519.8
TBC Bank Group	1314.0	-176.0	1774.0	1290.0

BEVERAGES

	Price	Chg	High	Low
Barr (A.G.)	626.0	6.0	975.0	610.0
Britvic	890.0	5.5	956.0	745.0
Coca-Cola HBC AG	2741.0	-15.0	3074.0	2244.0
Diageo	3353.5	-54.0	3482.5	2523.5

CHEMICALS

	Price	Chg	High	Low
Croda Internation	4662.0	-164.0	5447.7	4519.2
Elementis	136.3	1.4	247.8	129.8
Johnson Matthey	3184.0	-6.0	3760.0	2620.0
Sirius Minerals	15.0	-0.9	38.5	13.5
Synthomer	328.0	-4.2	537.2	324.3
Victrex plc	2066.0	50.0	3408.0	1944.0

CONSTRUCTION & MATERIALS

	Price	Chg	High	Low
Balfour Beatty	221.0	2.2	296.5	218.2
CRH	2628.0	-14.0	2720.0	1971.5
Galliford Try	637.0	-0.5	1104.0	512.0
Ibstock	234.6	-0.6	282.6	193.1
Marshalls	653.0	5.5	690.0	412.2
Polypipe Group	420.8	1.0	453.8	307.8

ELECTRICITY

	Price	Chg	High	Low
Contour Global	178.6	1.4	248.0	150.1
Drax Group	303.6	16.8	427.2	260.2
SSE	1165.0	10.0	1338.5	1008.0

ELECTRONIC & ELECTRICAL EQ.

	Price	Chg	High	Low
Halma	2005.0	7.5	2094.0	1237.0
Morgan Advanced M	257.8	2.4	363.0	237.0
Oxford Instrument	1362.0	14.0	1424.0	842.0
Renishaw	3790.0	42.0	5650.0	3670.0
Spectris	2737.0	-13.0	2898.0	1966.5

EQUITY INVESTMENT INSTRUM.

	Price	Chg	High	Low
Aberforth Smaller	1190.0	4.0	1394.0	1120.0
Alliance Trust	819.0	-3.0	827.0	672.0
Apax Global Alpha	157.5	-1.5	159.5	127.0
AVI Global Trust	772.0	0.0	782.0	660.0
Baillie Gifford J	808.0	-2.0	869.0	663.0
Bankers Inv Trust	960.0	-4.0	969.9	766.0
BBGI SICAV S.A. (	155.0	1.5	168.0	142.5
BlackRock Smaller	1398.0	16.0	1600.0	1160.0
BMO Global Smalle	1362.0	2.0	1495.0	1220.0
Caledonia Investm	3055.0	0.0	3110.0	2650.0
City of London In	428.0	-2.5	436.0	376.0
Edinburgh Inv Tru	597.0	3.0	699.0	571.0
F&C Investment Tr	714.0	-1.0	741.0	616.0
Fidelity China Sp	222.5	1.0	250.0	182.4
Fidelity European	254.0	-2.5	257.5	202.0
Fidelity Special	262.5	0.0	278.0	220.0
Finsbury Growth &	932.0	-3.0	940.0	740.0
GCP Infrastructur	128.0	0.0	130.8	122.2
Genesis Emerging	780.0	4.0	781.0	615.0
Greencoat UK Wind	139.8	-0.4	143.2	122.8
HarbourVest Globa	1698.0	-18.0	1720.0	1288.0
Herald Investment	1300.0	12.0	1364.0	1055.0
HGCapital Trust	216.5	-1.5	220.0	175.0
HICL Infrastructu	158.0	-0.4	170.1	149.9
International Pub	157.0	0.0	163.4	146.8
JPMorgan American	483.0	3.0	485.0	386.5
JPMorgan Emerging	1040.0	0.0	1050.0	759.0
JPMorgan Indian I	739.0	-3.0	790.0	566.0
JPMorgan Japanese	442.5	1.0	470.0	367.0
Jupiter European	840.0	2.0	895.0	666.0
Law Debenture Cor	592.0	2.0	636.0	534.0
Mercantile Invest	202.0	0.0	219.8	168.0
Monks Inv Trust	941.0	-1.0	946.0	710.0
Murray Internatio	1178.0	2.0	1208.0	1056.0
NB Global Floatin	89.6	0.0	93.3	87.6
NextEnergy Solar	121.0	0.0	124.5	108.0
Pantheon Internat	2325.0	-5.0	2340.0	1955.0
Perpetual Income	316.0	-2.5	365.0	301.5
Pershing Square H	1442.0	2.0	1478.0	990.0
Personal Assets T	42550.0	150.0	42600.0	38900.0
Polar Capital Tec	1428.0	-2.0	1436.0	1066.0
RIT Capital Partn	2130.0	5.0	2130.0	1892.0
Riverstone Energy	850.0	0.0	1282.0	840.0
Schroder Asia Pac	465.5	-2.5	469.5	379.0
Scottish Inv Trus	833.0	0.0	902.0	748.0
Scottish Mortgage	552.0	-0.5	568.3	441.4
Sequoia Economic	115.0	0.0	115.4	106.0
Smithson Investme	1254.0	2.0	1274.0	1000.2
Syncona Limited N	253.0	0.0	302.5	213.5
Temple Bar Inv Tr	1260.0	-4.0	1366.0	1116.0
Templeton Emergin	812.0	1.0	819.0	649.0
The Renewables In	127.4	-0.4	133.2	109.1
TR Property Inv T	422.0	3.5	433.5	353.5
Vietnam Enterpris	463.0	1.5	472.0	420.0
VinaCapital Vietn	341.5	-2.5	350.0	318.0
Witan Inv Trust	221.0	0.0	227.6	189.6
Woodford Patient	53.6	0.1	91.0	53.0
Worldwide Healthc	2745.0	-10.0	2915.0	2325.0

FINANCIAL SERVICES

	Price	Chg	High	Low
3i Group	1134.0	13.0	1164.5	756.2
3i Infrastructure	281.0	-3.0	303.0	232.5
AJ Bell	428.2	10.2	477.0	220.0
Allied Minds	72.0	2.1	87.1	37.3
Amigo Holdings	160.6	2.4	297.5	153.0
Arrow Global Grou	268.0	-4.0	272.8	167.2
ASA International	358.0	11.0	510.0	320.0
Ashmore Group	523.0	-2.5	531.0	337.0
Brewin Dolphin Ho	315.0	0.8	366.0	295.4
Charter Court Fin	313.5	0.5	375.0	228.8
City of London In	436.0	3.5	442.0	360.0
CMC Markets	96.1	-1.1	197.0	77.4
Coats Group	81.4	-0.8	91.3	69.8
Georgia Capital	998.0	-2.0	1260.0	941.0
Hargreaves Lansdo	2100.0	8.0	2433.0	1633.0
IG Group Holdings	575.4	-4.6	954.5	474.8
IntegraFin Holdin	386.0	2.0	406.1	269.0
Intermediate Capi	1412.0	17.0	1423.0	899.0
International Per	107.0	-1.8	248.8	105.2
Investec	511.4	0.4	561.0	423.4
IP Group	70.6	3.2	131.2	66.9
John Laing Group	382.8	0.6	402.0	283.2
JTC	354.0	-1.0	440.0	287.0
Jupiter Fund Mana	378.5	-1.3	450.2	287.6
Liontrust Asset M	786.0	-10.0	810.0	532.0
LMS Capital	49.8	-1.3	53.5	44.0
London Finance &	38.5	0.0	44.5	37.5
London Stock Exch	5628.0	-10.0	5784.0	3867.0
Man Group	167.9	0.8	184.9	126.8
OneSavings Bank	384.0	2.0	447.4	330.0
Paragon Banking G	448.0	-3.6	505.5	379.2
Plus500 Ltd (DI)	649.0	2.4	2040.0	495.0
Provident Financi	415.4	6.2	692.6	394.9
Quilter	152.3	0.8	156.6	110.6
Rathbone Brothers	2205.0	30.0	2634.0	2085.0
Real Estate Credi	168.5	-0.5	175.5	163.0
Record	32.0	0.0	42.1	27.3
River and Mercant	263.0	-1.0	330.0	212.0
S&U	2310.0	-10.0	2605.0	1767.5
Sanne Group	732.0	-3.0	741.0	450.0
Schroders	3018.0	21.0	3223.0	2334.0
Standard Life Abe	310.4	3.2	378.9	224.9
TP ICAP	318.1	0.9	324.5	267.2
Walker Crips Grou	27.0	0.0	39.0	24.0
XPS Pensions Grou	115.0	1.0	181.0	95.0

FIXED LINE TELECOMS

	Price	Chg	High	Low
BT Group	189.8	-0.2	264.7	187.0
TalkTalk Telecom	108.6	-0.9	137.0	96.6
Telecom Plus	1350.0	10.0	1528.0	1010.0

FOOD & DRUG RETAILERS

	Price	Chg	High	Low
Greggs	2390.0	0.0	2476.0	942.0
Morrison (Wm) Sup	201.4	-3.2	269.4	195.3
Ocado Group	1211.0	7.5	1435.0	749.8
Sainsbury (J)	203.2	-0.1	341.5	187.9
SSP Group	691.0	3.0	744.4	615.1
Tesco	228.0	-1.9	266.2	189.6
UDG Healthcare Pu	788.5	-3.0	850.0	551.0

FOOD PRODUCERS

	Price	Chg	High	Low
Associated Britis	2393.0	43.0	2638.0	2041.0
Bakkavor Group	110.4	-0.4	192.0	108.6
Cranswick	2580.0	92.0	3454.0	2472.0
Greencore Group	224.7	-2.1	230.0	162.9
Hilton Food Group	957.0	13.0	1088.0	884.0
Tate & Lyle	757.6	-0.4	800.4	624.0
Unilever	4998.0	-44.0	5091.0	3931.0

FORESTRY & PAPER

	Price	Chg	High	Low
Mondi	1845.5	24.5	2236.0	1584.0

GAS, WATER & MULTIUTILITIES

	Price	Chg	High	Low
Centrica	89.0	-0.0	155.6	86.3
National Grid	840.7	-1.3	889.2	748.7
Pennon Group	750.8	-4.0	792.8	684.2
Severn Trent	2040.0	14.0	2153.0	1770.0
United Utilities	789.6	5.2	873.6	682.4

GENERAL INDUSTRIALS

	Price	Chg	High	Low
Smith (DS)	383.6	4.0	513.4	292.2
Smiths Group	1626.0	11.0	1649.0	1279.5
Smurfit Kappa Gro	2686.0	14.0	3292.0	1934.0
Vesuvius	529.5	1.0	662.0	473.2

GENERAL RETAILERS

	Price	Chg	High	Low
Auto Trader Group	535.6	4.2	606.0	388.5
B&M European Valu	375.3	18.2	426.3	278.6
Card Factory	171.4	0.5	212.4	162.6
Dixons Carphone	122.3	1.4	179.8	107.6
Dunelm Group	934.0	29.0	981.0	482.8
Inchcape	609.0	-7.5	796.5	486.6
JD Sports Fashion	614.6	3.8	635.6	318.5
Just Eat	623.8	1.6	883.4	533.8
Kingfisher	221.7	-1.4	311.7	202.2
Marks & Spencer G	211.7	5.1	299.1	204.2
Next	5658.0	196.0	5944.0	3991.0
Pets at Home Grou	203.6	0.8	209.8	110.0
Sports Direct Int	254.6	26.2	422.3	226.8
Ted Baker	905.0	6.5	2378.0	800.0
Vivo Energy	122.2	0.2	156.0	96.0
WH Smith	2142.0	26.0	2186.0	1697.0

HEALTH CARE EQUIPMETN & S.

	Price	Chg	High	Low
Assura	66.2	1.1	67.0	52.4
Convatec Group	148.6	-1.2	239.0	118.6
Mediclinic Intern	342.0	0.1	522.2	293.4
NMC Health	2479.0	59.0	4120.0	2192.0
Smith & Nephew	1759.5	3.0	1784.0	1258.0

HHOLD GDS & HOME CONSTR.

	Price	Chg	High	Low
Barratt Developme	653.8	8.2	660.0	434.0
Bellway	2985.0	76.0	3226.0	2419.0
Berkeley Group Ho	3855.0	72.0	3981.0	3226.0
Bovis Homes Group	1093.0	20.0	1177.0	828.0
Countryside Prope	298.6	7.2	353.2	270.0
Crest Nicholson H	367.0	7.2	404.8	296.4
McCarthy & Stone	140.4	1.4	142.7	104.0
Persimmon	2065.0	39.0	2501.0	1859.5
Reckitt Benckiser	6475.0	-84.0	7155.0	5593.0
Redrow	569.0	15.0	674.6	460.8
Taylor Wimpey	173.5	6.5	192.3	129.3

INDUSTRIAL ENGINEERING

	Price	Chg	High	Low
Bodycote	755.0	-19.5	1041.0	676.0
Hill & Smith Hold	1170.0	-2.0	1516.0	902.5
IMI	1031.0	11.0	1242.0	870.0
Melrose Industrie	196.2	3.3	233.9	146.3
RHI Magnesita N.V	4612.0	-26.0	5085.0	3318.0
Rotork	307.5	2.7	361.4	235.7
Spirax-Sarco Engi	8770.0	5.0	9400.0	5900.0
Weir Group	1540.0	8.5	1977.5	1240.0

INDUSTRIAL METALS & MINING

	Price	Chg	High	Low
Evraz	653.6	-18.0	709.4	442.1
Ferrexpo	263.9	-3.9	301.3	143.5

INDUSTRIAL TRANSPORTATION

	Price	Chg	High	Low
BBA Aviation	296.8	2.0	350.0	207.0
Clarkson	2645.0	10.0	2900.0	1878.0
Fisher (James) &	2075.0	20.0	2260.0	1600.0
Royal Mail	224.0	-1.9	489.0	194.5

NON LIFE INSURANCE

	Price	Chg	High	Low
Admiral Group	2221.0	-36.0	2300.0	1897.0
Beazley	567.5	3.0	599.0	492.6
Direct Line Insur	331.0	-1.8	366.5	304.9
Hastings Group Ho	198.1	-2.9	274.2	174.0
Hiscox Limited (D	1735.0	2.0	1777.0	1418.0
Lancashire Holdin	697.5	13.5	725.5	530.0
RSA Insurance Gro	574.2	-0.6	644.2	496.6
Sabre Insurance G	283.0	0.5	294.0	249.0

LIFE INSURANCE

	Price	Chg	High	Low
Aviva	414.2	-3.9	502.8	364.6
Legal & General G	269.3	-0.1	291.2	223.7
Phoenix Group Hol	720.2	2.4	724.9	544.0
Prudential	1718.0	-17.0	1824.0	1340.0
St James's Place	1087.5	2.0	1216.5	914.0

MEDIA

	Price	Chg	High	Low
4Imprint Group	2620.0	40.0	2700.0	1800.0
Ascential	378.8	-11.2	434.8	337.2
Bloomsbury Publis	241.0	2.0	247.0	190.5
Centaur Media	47.0	0.0	56.5	34.7
Entertainment One	451.0	2.4	483.4	336.4
Euromoney Institu	1314.0	14.0	1412.0	1132.0
Future	1064.0	12.0	1248.0	375.0
Goco Group	83.3	-1.6	132.0	64.6
Haynes Publishing	224.0	0.0	227.0	160.0
Huntsworth	96.8	2.4	125.0	81.0
Informa	881.0	54.0	885.6	605.8
ITE Group	74.0	-0.5	85.8	56.3
ITV	113.3	7.0	172.0	104.7
Moneysupermarket.	361.0	1.2	417.7	264.0
Pearson	879.4	-7.0	1027.5	769.2
Reach	83.6	-1.2	88.4	54.6
Relx plc	1939.0	-8.5	1973.5	1491.5
Rightmove	513.4	0.8	585.1	420.9
STV Group	360.0	-3.0	455.0	318.0
Tarsus Group	425.0	1.0	438.0	243.0
WPP	936.6	10.6	1301.0	800.4

MINING

	Price	Chg	High	Low
Acacia Mining	230.6	2.6	256.6	96.1
Anglo American	2187.0	-73.5	2266.0	1464.6
Antofagasta	954.0	8.0	1022.5	727.2
BHP Group	1960.8	-81.7	2049.0	1490.6
Centamin (DI)	116.1	-0.1	136.2	79.8
Fresnillo	782.6	-4.0	1106.0	724.8
Glencore	277.3	1.8	341.5	254.7
Hochschild Mining	211.6	-4.0	217.2	149.1
Kaz Minerals	577.8	-6.2	846.4	436.7
Polymetal Interna	1003.5	11.5	1031.0	597.2
Rio Tinto	4606.5	-222.0	4976.5	3486.0

MOBILE TELECOMS

	Price	Chg	High	Low
Inmarsat	558.8	2.6	581.4	362.8
Vodafone Group	131.8	1.0	186.7	123.3

OIL & GAS PRODUCERS

	Price	Chg	High	Low
BP	523.5	-3.8	598.3	485.9
Cairn Energy	162.9	-0.3	250.0	140.0
Energean Oil & Ga	1020.0	-12.0	1051.0	507.0
Premier Oil	81.5	1.3	143.6	55.6
Royal Dutch Shell	2541.5	-24.0	2671.0	2213.0
Royal Dutch Shell	2545.5	-24.5	2745.0	2227.0
Tullow Oil	207.3	-0.9	266.3	165.2

OIL EQUIPMENT & SERVICES

	Price	Chg	High	Low
Hunting	565.0	5.0	849.0	453.6
Petrofac Ltd.	414.6	6.6	663.4	381.5
Wood Group (John)	553.6	10.4	796.4	389.9

PERSONAL GOODS

	Price	Chg	High	Low
Burberry Group	2251.0	-51.0	2345.0	1623.5
PZ Cussons	220.0	-4.5	244.0	178.6

PHARMACEUTICALS & BIOTECH

	Price	Chg	High	Low
AstraZeneca	6359.0	-105.0	6602.0	5325.0
BTG	836.0	-0.5	853.0	508.5
Dechra Pharmaceut	2898.0	14.0	3168.0	2014.0
Genus	2626.0	0.0	2920.0	2098.0
GlaxoSmithKline	1653.6	-7.0	1701.6	1418.0
Hikma Pharmaceuti	1804.5	7.0	2025.0	1510.5

REAL ESTATE INVEST. & SERV.

	Price	Chg	High	Low
BMO Commercial Pr	115.6	-0.2	149.4	110.8
Capital & Countie	217.6	2.9	285.3	209.5
CLS Holdings	226.0	-0.5	255.0	195.4
Daejan Holdings	5650.0	50.0	6400.0	5420.0
Grainger	239.0	2.8	278.5	205.8
NewRiver REIT	170.8	0.4	280.5	163.4
Safestore Holding	640.5	-2.5	659.0	499.4
Savills	911.5	17.5	949.5	678.5
St. Modwen Proper	436.0	8.5	441.5	365.0
UK Commercial Pro	85.6	-0.6	92.7	81.0

REAL ESTATE INVEST. TRUSTS

	Price	Chg	High	Low
Big Yellow Group	1007.0	-3.0	1062.0	852.5
British Land Comp	542.2	6.8	660.2	523.0
Derwent London	3048.0	22.0	3328.0	2761.0
Great Portland Es	685.0	6.2	773.6	652.3
Hammerson	278.0	3.8	529.0	266.9
Intu Properties	78.5	-3.3	201.5	74.7
Land Securities G	844.2	5.0	943.6	791.8
LondonMetric Prop	208.6	0.8	215.2	172.7
Primary Health Pr	134.4	-0.8	139.0	106.4
SEGRO	776.8	22.6	779.0	585.2
Shaftesbury	819.0	5.0	932.0	803.0
Tritax Big Box Re	159.0	-0.3	162.6	129.0
Unite Group	1059.0	-17.0	1091.0	797.5
Workspace Group	868.5	3.5	1088.0	789.5

SOFTWARE & COMPUTER SERV.

	Price	Chg	High	Low
Avast	343.4	0.2	345.8	228.2
Aveva Group	3958.0	16.0	4170.0	2284.0
Computacenter	1319.0	-5.0	1580.0	952.0
FDM Group (Holdin	836.0	-26.0	1000.0	734.0
Funding Circle Ho	116.2	0.2	440.0	112.5
Kainos Group	562.0	-10.0	676.0	340.0
Micro Focus Inter	1700.0	22.6	2491.6	1434.4
Playtech	454.8	-0.2	560.4	361.8
Sage Group	816.6	11.4	820.4	525.6
Softcat	919.5	-5.5	993.5	565.0
Sophos Group	437.0	-3.7	539.5	298.2

SUPPORT SERVICES

	Price	Chg	High	Low
Aggreko	780.2	-11.8	882.0	691.8
Ashtead Group	2250.0	4.0	2438.0	1586.5
BCA Marketplace	241.6	-1.0	247.0	178.5
Bunzl	2157.0	-26.0	2551.0	2059.0
Capita	118.2	-0.5	164.1	99.9
DCC	6822.0	54.0	7390.0	5555.0
Diploma	1501.0	5.0	1634.0	1150.0
Electrocomponents	608.8	3.8	761.6	480.0
Equiniti Group	214.2	1.2	266.0	186.2
Essentra	421.6	-1.6	507.0	325.4
Experian	2452.0	22.0	2464.0	1728.5
Ferguson	5982.0	-30.0	6556.0	4749.0
G4S	195.1	-0.4	282.0	175.9
Grafton Group Uni	763.5	8.5	937.0	630.0
Hays	153.5	1.2	212.0	135.7
Homeserve	1144.0	6.0	1263.0	849.0
Howden Joinery Gr	506.4	10.3	528.4	416.4
Intertek Group	5652.0	68.0	6014.0	4387.0
Network Internati	605.0	-4.0	611.0	500.0
Pagegroup	440.8	-17.8	623.5	415.0
PayPoint	920.0	16.0	1118.0	748.0
Rentokil Initial	423.9	-0.5	427.8	284.8
Robert Walters	490.0	-14.0	475.0	814.0
Serco Group	142.3	0.4	145.8	84.1
SIG	128.0	0.9	153.0	102.2
Travis Perkins	1315.0	7.0	1465.0	970.0

TOBACCO

	Price	Chg	High	Low
British American	3020.5	-43.5	4222.5	2375.0
Imperial Brands	2135.5	13.5	2987.5	1846.8

TRAVEL & LEISURE

	Price	Chg	High	Low
Carnival	3569.0	4.0	5000.0	3412.0
Cineworld Group	251.1	3.1	323.6	246.9
Compass Group	1964.5	0.0	1970.5	1483.0
Domino's Pizza Gr	254.0	-1.8	345.8	224.4
EI Group	283.0	0.0	285.0	152.0
FirstGroup	111.9	1.1	116.6	79.3
Flutter Entertain	6970.0	56.0	8390.0	5525.0
Go-Ahead Group	2190.0	-4.0	2212.0	1480.0
Greene King	640.0	-8.8	704.4	472.8
GVC Holdings	631.0	-4.2	1170.0	507.5
InterContinental	5530.0	22.0	5575.0	3958.4
International Con	454.7	0.9	711.4	439.5
Marston's	107.2	-14.6	124.7	89.9
Merlin Entertainm	450.2	0.4	450.5	307.1
Millennium & Copt	680.0	-5.0	685.0	436.0
Mitchells & Butle	297.5	-7.5	310.0	238.0
National Express	424.6	2.8	433.2	361.4
PPHE Hotel Group	1870.0	20.0	1990.0	1490.0
Rank Group	155.0	-0.8	189.0	135.0
Restaurant Group	150.0	-2.0	221.9	111.9
Stagecoach Group	136.1	-2.2	177.0	115.5
TUI AG Reg Shs (D	857.8	2.0	1636.0	698.0
Wetherspoon (J.D.	1565.0	-16.0	1586.0	1066.0
Whitbread	4460.0	-83.0	5114.0	3883.0
William Hill	162.6	-0.8	300.2	132.3
Wizz Air Holdings	3605.0	-73.0	3691.0	2329.0

AIM 50

	Price	Chg	High	Low
Abcam	1301.0	6.0	1539.0	1017.0
Advanced Medical	290.0	0.0	370.0	260.0
Alliance Pharma	70.4	0.6	95.6	60.0
ASOS	2379.0	147.0	6228.0	2107.0
Blue Prism Group	1425.0	-24.0	2575.0	1040.0
Camellia	10300.0	-150.0	11850.0	9100.0
CareTech Holding	375.0	1.0	406.0	325.0
Central Asia Meta	207.0	-3.0	266.5	200.5
Clinigen Group	955.0	2.0	1069.0	721.0
CVS Group	891.0	17.5	1153.0	395.0
Dart Group	781.0	-1.5	1017.0	751.0
Diversified Gas &	111.5	-2.5	134.0	100.0
Draper Esprit	546.0	2.0	645.0	458.0
Eland Oil & Gas	122.0	1.6	134.5	97.0
EMIS Group	1202.0	-28.0	1242.0	864.0
Fevertree Drinks	2246.0	167.0	3956.0	2067.0
First Derivatives	3105.0	85.0	4390.0	2050.0
Frontier Developm	989.0	16.0	1385.0	740.0
Gamma Communicati	1010.0	-5.0	1195.0	688.0
GB Group	584.0	1.0	631.0	410.5
Gooch & Housego	1232.5	50.0	1880.0	954.0
Hurricane Energy	45.5	-0.2	60.8	39.0
Impax Asset Manag	260.0	9.0	295.0	184.0
Iomart Group	327.0	0.5	475.0	308.0
IQE	68.5	3.7	112.5	51.6
James Halstead	506.0	-6.0	532.0	367.0
Johnson Service G	170.8	1.4	171.8	113.6
Keywords Studios	1652.0	-25.0	2065.0	900.0
Learning Technolo	117.6	3.8	166.5	62.2
M&C Saatchi	334.0	-6.0	394.0	270.0
M. P. Evans Group	670.0	0.0	800.0	637.0
Majestic Wine	260.0	4.0	472.0	219.0
Midwich Group	560.0	-8.0	685.0	491.5
Mortgage Advice B	604.0	0.0	720.0	490.0
Next Fifteen Comm	628.0	12.0	658.0	469.0
Nichols	1625.0	-55.0	1840.0	1240.0
Numis Corporation	245.0	-5.5	433.0	221.5
Polar Capital Hol	596.0	16.0	680.0	448.0
Purplebricks Grou	115.0	5.0	308.4	90.0
Redde	120.4	-1.8	196.0	90.0
Renew Holdings	395.0	1.0	436.5	333.0
RWS Holdings	632.0	-4.0	652.0	415.5
Scapa Group	185.0	-16.0	473.4	157.0
Secure Income Rei	410.0	5.0	414.0	371.0
Serica Energy	116.0	-4.8	142.0	68.2
Smart Metering Sy	525.0	6.5	665.0	480.0
Telford Homes	351.0	0.5	430.0	267.0
Thorpe (F.W.)	325.0	-1.0	340.0	248.0
Watkin Jones	201.0	1.0	232.5	192.2
Young & Co's Brew	1600.0	0.0	1885.0	1322.5
Young & Co's Brew	1080.0	-60.0	1300.0	1030.0

MAIN CHANGES UK 350

Risers ↑		%
Sports Direct Inte	254.6	11.5
ITV	113.3	6.6
Informa	881.0	6.5
Drax Group	303.6	5.9
B&M European Value	375.3	5.1
IP Group	70.6	4.8
Taylor Wimpey	173.5	3.9
Cranswick	2580.0	3.7
Next	5658.0	3.6
Dunelm Group	934.0	3.2

Fallers ↓		%
Aston Martin Lagon	766.8	-25.9
Marston's	107.2	-12.0
TBC Bank Group	1314.0	-11.8
Sirius Minerals	15.0	-5.8
Rio Tinto	4606.5	-4.6
Standard Chartered	682.4	-4.5
Metro Bank	476.4	-4.2
Intu Properties	78.5	-4.0
BHP Group	1960.8	-4.0
Pagegroup	440.8	-3.9

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EU SHARES

	Price	Chg	High	Low
AB INBEV	86.33	0.63	91.14	56.32
ADIDAS N	284.15	1.00	285.00	178.30
AIR LIQUIDE	124.20	-0.25	124.95	101.85
AIRBUS BR	131.96	-0.66	133.86	77.50
ALLIANZ	214.90	-1.20	218.70	170.50
AMADEUS IT GRP BR-A	73.88	0.54	82.20	58.06
ASML HLDG	209.45	3.55	209.90	130.12
AXA	23.54	-0.14	23.99	18.40
BANCO SANTANDER	4.14	0.00	4.82	3.80
BASF N	63.90	0.60	84.80	57.26
BAYER N	60.14	-0.81	96.97	52.00
BBVA	4.88	-0.00	6.33	4.48
BMW	69.86	0.62	86.71	61.31
BNP PARIBAS A	42.93	0.01	56.94	38.14
CRH PLC	29.45	-0.02	34.87	26.53
DAIMLER N	49.15	0.95	59.99	44.54
DANONE	75.32	-0.20	76.70	59.72
DEUTSCHE POST N	30.39	0.23	32.20	23.43
DEUTSCHE TELEKOM N	14.80	0.03	15.88	13.36
ENEL N	6.33	0.06	6.62	4.22
ENGIE	14.04	0.07	14.28	11.31
ENI N	14.41	0.02	16.71	13.39
ESSILORLUXOTT	119.15	-0.15	129.55	95.50
FRESENIUS	45.63	0.37	71.00	38.50
IBERDROLA	8.64	0.08	9.13	5.81
INDITEX	27.50	-0.04	29.25	21.85
ING GROUP	10.29	0.02	13.28	9.09
INTESA SANPAOLO N	2.04	0.00	2.66	1.80
KERING	519.50	-4.50	539.80	351.70
KON AH DEL BR	20.38	-0.11	24.01	18.60
L'OREAL	247.10	-3.20	257.80	182.00
LINDE	182.20	-2.50	0.00	0.00
LVMH	380.30	-3.00	389.45	242.30
MUENCHENER RUECKV N	224.00	1.00	228.70	180.00
NOKIA	4.63	0.03	5.76	4.17
ORANGE	13.16	-0.07	15.25	13.08
ROY.PHILIPS	42.14	-0.05	42.50	29.05
SAFRAN	135.95	-0.50	137.20	99.98
SANOFI	75.73	-0.13	80.44	71.32
SAP I	114.22	1.34	125.00	84.02
SCHNEIDER EL	77.54	-0.36	81.18	57.54
SIEMENS N	102.32	-0.08	121.40	90.90
SOCIETE GENERALE	23.17	0.14	35.06	20.81
TELEFONICA	7.28	0.01	8.06	6.59
TOTAL	48.45	-0.41	55.39	44.23
UNILEVER	53.89	-0.42	55.40	45.30
VINCI	92.80	-0.50	94.96	69.98
VIVENDI	24.82	0.14	26.69	20.40
VOLKSWAGEN VZ I	159.00	2.50	163.70	131.02

COMMODITIES

Gold	1425.55	-2.20
Silver	16.43	0.05
Brent Crude	62.47	0.79
Krugerrand	1448.65	7.10
Palladium	1513.00	13.00
Platinum	844.00	-5.00
Tin Cash Official	17820.00	-220.00
Lead Cash Official	2000.00	24.00
Zinc Cash Official	2408.00	10.00
Copper Cash Official	6055.00	-87.00
Aluminium Cash Official	1807.50	-6.00
Nickel Cash Official	14320.00	-20.00
Aluminium Alloy Cash Official	1270.00	14.00
Cocoa Futures	2485.00	-38.00
Coffee 'C' Futures	101.23	-1.07
Feed Wheat Futures	147.00	0.75
Soybeans Futures Continuation Contract	889.20	3.40

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	-0.469	0.00
LIBOR Euro - 12 months	-0.338	0.00
LIBOR USD - overnight	2.354	-0.01
LIBOR USD - 12 months	2.191	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	2.50	0.00
US long bond yield	2.58	-0.03
Euro Euribor	-0.405	0.00
The vix index	12.07	-0.54
The baltic dry index	2165.00	-26.00
Markit iBoxx EUR	245.49	0.63
Markit iBoxx GBP	349.51	0.05
Markit iBoxx USD	255.21	-0.37

WORLD INDICES

	Price	Chg	%chg
FTSE 100	7501.46	-55.40	-0.73
FTSE 250	19787.78	35.44	0.18
FTSE All-Share	4100.36	-23.86	-0.58
FTSE AIM All-Share	925.87	5.31	0.58
S&P 500	3019.56	14.09	0.47
Dow Jones I.A.	27269.97	-79.22	-0.29
Nasdaq Composite	8321.50	70.10	0.85
Xetra DAX	12522.89	32.15	0.26
CAC 40	5605.87	-12.29	-0.22
Swiss Market Index	9907.68	-57.47	-0.58
ISEQ Overall Index	6333.29	10.39	0.16
FTSEurofirst 300	1539.83	-0.48	-0.03
Hang Seng	28524.04	57.56	0.20
Shanghai Composite	2923.28	23.33	0.80
STI Index	3368.55	-2.64	-0.08
ASX All Ordinaries	6862.40	49.90	0.73

US SHARES

	Price	Chg	High	Low
3M	179.42	1.90	219.75	159.32
ABBOTT LABORATOR	88.59	-0.15	88.76	63.07
ADOBE	310.27	2.39	313.11	204.95
ALPHAB RG-C-NV	1137.81	-8.40	1289.27	970.11
ALPHABET-A	1139.73	-8.32	1296.98	977.66
AMAZON.COM	2000.81	6.32	2050.50	1307.00
AMERICAN EXPRESS	127.95	-0.25	129.34	89.05
APPLE	208.67	-0.17	233.47	142.00
AT&T	33.24	1.15	34.37	26.80
BANK OF AMERICA	30.67	0.42	31.91	22.66
BERKSHIRE HATH RG-B	207.97	1.51	224.07	186.10
BOEING CO	361.43	-11.64	446.01	292.47
CATERPILLAR	131.91	-6.19	159.37	112.06
CHEVRON	126.54	0.72	128.55	100.22
CISCO SYSTEMS	57.23	-0.48	58.26	40.25
CITIGROUP	73.01	1.02	75.24	48.42
COCA-COLA CO	53.78	-0.55	54.82	44.25
COMCAST-A	44.87	0.55	45.26	32.61
DOW	52.79	0.17	0.00	0.00
EXXON MOBIL	75.36	-0.01	87.36	64.65
FACEBOOK-A	204.66	2.30	218.62	123.02
GOLDMAN SACHS GR	222.03	2.60	245.08	151.70
HOME DEPOT	214.71	1.63	219.30	158.09
IBM	150.03	-0.35	154.36	105.94
INTEL	52.92	1.17	59.59	42.36
JOHNSON & JOHNSO	129.78	0.94	148.99	121.00
JPMORGAN CHASE	116.83	0.47	119.24	91.11
MASTERCARD RG-A	280.25	1.28	280.63	171.89
MCDONALD'S	212.78	-1.53	216.26	153.13
MEDTRONIC	102.33	0.72	102.74	81.66
MERCK	81.75	-0.28	87.07	62.38
MICROSOFT	140.72	1.43	140.74	93.96
NETFLIX	317.94	10.64	386.80	231.23
NIKE -B-	86.70	0.00	90.00	66.53
ORACLE	58.11	0.66	60.50	42.40
PAYPAL HOLDINGS	121.30	1.08	121.48	74.66
PEPSICO	118.61	0.56	119.74	101.06
PEPSICO	129.21	-1.53	135.24	104.53
PFIZER	42.89	-0.20	46.47	37.27
PHILIP MRRS INT	85.02	-1.73	92.74	64.67
PROCTER&GAMBLE	112.60	-1.25	116.52	77.54
TRAVELERS COS	148.85	1.35	155.09	111.08
TWITTER	38.73	0.83	44.39	26.19
UNITEDHEALTH GRO	251.13	-3.88	287.94	208.07
UTD TECHS	134.25	-0.69	144.40	100.48
VERIZON COMM	55.97	0.49	61.58	50.05
VISA RG-A	183.33	2.43	183.43	121.60
WALGREENS BOOTS	55.20	0.55	86.31	49.31
WALMART	112.00	-0.09	115.49	85.78
WALT DISNEY	141.29	0.03	145.43	100.35
WELLS FARGO	48.45	1.25	59.53	43.02

FORUM

EDITED BY RACHEL CUNLIFFE

Cometh the hour, cometh the optimistic leader the UK needs

Alan Mendoza

THE NEW Prime Minister had never been short of confidence about his own abilities. On the day of his ascension to the highest office in the land, he wrote "I felt as though I were walking with destiny and that all my past life had been a preparation for this hour and for this trial".

But despite this self-belief, he was oddly mercurial. Having just been sworn into office at Buckingham Palace, he turned to his bodyguard somewhat tearfully, and said "I hope that it is not too late. I am very much afraid that it is. We can only do our best."

Meanwhile, his enemies – and they were not few in number – were scathing in their condemnation of his elevation.

His predecessor's assistant private secretary, Jock Colville, who later turned into a staunch supporter, recorded that the Prime Minister was "the greatest adventurer of modern political history... a half-breed American whose main support was that of inefficient but talkative people of a similar type".

Meanwhile, Conservative party grandee Lord Woolton sniffed "few people have succeeded in obtaining such a public demand for their promotion as the result of the failure of an enterprise".

If there was a grudging recognition that exceptional times required an exceptional figure to lead the country, that was more than tempered by the belief that an extraordinary gamble was underway, one upon which the fate of the nation rested. And there were many willing to bet against the man chosen to throw the dice.

The Prime Minister in question was, of course, Winston Churchill. But despite the circumstances facing Boris Johnson being radically different – with Churchill's challenge literally being do or die in nature – there are sufficient uncanny parallels to raise a wry smile from the student of Churchill who has now taken the national reins at a time of crisis.

Timing in politics, as in life, is everything.

Churchill's genius was to have been wrong on all the great issues of the 1930s that mattered, like Indian self-government and the abdication, but to have been right on the one that the nation needed someone to be right on: appeasement.

This made him the inevitable, if not universally popular, choice to take over the helm once the Chamberlain government was sunk by a Norway campaign which Churchill had ironically been largely responsible for as first lord of the Admiralty.

Churchill's multiple sins – even recent ones – were washed away by the requirements of the hour. And cometh the hour, cometh the man.

Similarly, although he was a popular mayor of London who reached across the party divide, it is fair to say that the Boris of more recent vintage has not necessarily endeared himself universally.

In particular, his leadership of the Vote Leave campaign burned bridges with many of his London supporters and those who had been attracted by his social liberalism. And the diplomatic faux pas over Nazanin Zaghari-Ratcliffe, and some of his more colourful comments in general, have raised more than the occasional eyebrow, leading some to doubt his fitness to serve.

> **If the people who bet against Britain end up losing their shirts once more, it will be because Boris summons up his inner Churchill**

But is there any real doubt that at this moment of great national stasis – with the country paralysed in its attempt to secure a clear resolution of the Brexit issue – it might be prudent to turn to the man who helped set that process in motion to see if he can finish it?

Ardent Remainers will not agree, of course. But they may yet have their time once more should Boris fail to deliver what he has promised.

In the meantime, and for the first time in a thus far miserable Brexit process, Leavers can say that one of their own is in charge, and someone with a swashbuckling style who will not just rearrange the pieces on the Brexit negotiating table, but upend it completely if necessary.

As we gaze upon the prospect of the Boris Johnson chapter of British history, it is worth recalling the words of the political commentator who wrote Churchill off in 1920 as lacking "the unifying spirit of character which alone can master the discrepant or even antagonistic elements in a single mind, giving them not merely force, which is something, but direction, which is much more".

It took Churchill 20 years to prove his critics wrong, and that all which he had once been damned for – the adventurism, bloody-mindedness, and exotic turn of phrase – could yet be turned to critical effect.

Boris has far less time in which to show that his whole is greater than the sum of his parts, with the latest Brexit deadline due in 98 days. But if there was ever a juncture when his sunny optimism about the "Awesome Foursome" and his enthusiasm to prove "the doubters, the doomsters, the gloomsters" wrong was required, it is now.

If the people who bet against Britain end up losing their shirts once more, just as they did in 1940, it will be because Boris banishes the ghosts of his failures, and summons up his inner Churchill.

Buckle up. It's going to be quite the ride.

Alan Mendoza is executive director of the Henry Jackson Society.

Africa is doing just fine – it's the coverage by western media that's behind the times

Larry Madowo

IF YOU only know Madagascar because of that animated penguins film, you've not been using the internet properly. But that is understandable, because the African island nation has faster internet speeds than you in the UK, France, or Canada.

It has birthed a thriving call centre industry in a country that is also home to 95 per cent of the world's real vanilla and, even more delightfully, delicious caviar.

But all you probably hear of the nation is how impoverished it is – and that's the problem with much of the western media's portrayal of Africa.

When Facebook chief executive Mark Zuckerberg declared in May that sending money should be as easy as sending photos, a lot of Africans couldn't help laughing at how groundbreaking the idea sounded for his target audience.

Mobile money transactions have been commonplace in many parts of the continent for well over a decade. Millions of rural dwellers who have never had a bank account send and receive money straight to their digital wallets, and they don't make a fuss about it.

It works with any ordinary SIM card whether they have smartphones or not, and the funds are available to use instantly.

So Facebook's libra or the countless other European and American companies trying to disrupt the payments space are well behind the curve and trying to invent something that is already mainstream.

Africa has also set another global best practice in environmental protection that the rest of the world is struggling to catch up with.

A staggering 37 countries in Africa have restrictions on the use of plastics which may take up to 1,000 years to break down.

In most parts of the continent, plastic packaging is outlawed, and some countries have had these prohibitions in place for over a decade. The ban on plastic straws, drink stirrers and cotton buds won't even come into force in the UK until April 2020.

It is easy to caricature Africa and define it narrowly using its wars, famine, and disease, but that is lazy and misguided. Nobody reduces the whole of Europe to just homelessness, racism, and massive inequality so why should Africa be so easily dismissed?

There is an entire generation of African innovators, doers and trailblazers tackling some of the world's most intractable challenges using homegrown solutions.

Our job is to chronicle their journeys, track their progress, and report on the challenges they face in transforming a continent badly in need of it. At BBC Africa Business, our programmes in English, French and Swahili are the essential guide to this new band of change-makers betting on big ideas to tackle waste, climate change, and other socio-economic issues.

Even 59 years after independence, Madagascar still has a long way to go to get to a country that works for everyone, but it is getting there; Ethiopia is one of the world's fastest growing economies; Rwanda has more female parliamentarians than anywhere else; and Ghana is becoming a new home for the black diaspora.

Is your internet connection too slow to look that up?

Larry Madowo is the BBC Africa Business editor.

LETTERS
TO THE EDITOR

Political spirits

What makes our new Prime Minister so impervious? It is partly due to anchoring, whereby repeated scandals make each one less impactful. After constant repetition, we become desensitised to what a person does and says, and accept behaviour which would be unacceptable if exhibited by others.

The way that Boris Johnson responds to scandals also works to normalise his behaviour. By confidently committing many gaffes in public, Boris does not fit our preconceived notions that a scandal should be hidden and apologised about. Going against this social construct makes his actions seem less bad.

Finally, Boris has a strong emotional appeal, historically because he makes people laugh, nowadays because he is telling a specific group of people what they want to hear about Brexit. People twist their rational views to support what they feel, they don't change what they feel because of what they rationally hear.

Will Hanmer-Lloyd, head of behavioural planning, Total Media

The extraordinary tale of the hijack of Jared O'Mara's Twitter account by an epically disgruntled staff member is a salutary one for MPs. I was a Commons official for more than 10 years, and I know that MPs can be demanding, brusque, and often ungrateful. But they forget the work of loyal employees at their own risk.

Gareth Arnold produced a devastating but believable critique of his master, whose stock, never high, is now at a ruinous low. He will soon depart the scene.

If you are a public figure, your reputation is currency, and it can be devalued in a heartbeat. Sometimes there is no way back. O'Mara had intended to leave parliament anyway, after a short and controversial career, but his hand has now been forced. They say that in reputation management, authenticity is everything; and the same is true for criticism.

What Arnold said sounds plausible – and so the curtain comes down.

Eliot Wilson, chief writer, Right Angles

BEST OF TWITTER

BREAKING: a new lectern. Dark wood. WHAT DOES THIS MEAN?
@MattChorley

Boris Johnson has finally decided to commit to mahogany?
@janemerrick23

You know what would make an interesting doc? Get all five living ex-Prime Ministers and interview them TOGETHER. In the same room. Like you would with That That or something. Reckon it would be fascinating
@robmanuel

This but all ex Prime Ministers in a Big Brother house
@Daniel_Sugarman

Difficult to predict anything but it's fair to say that in ten years' time Theresa May will still be pointing out who failed to vote for her Brexit deal and telling them It's All Their Fault.
@IsabelHardman

It is my honour to continue serving the entire country, which needs me now, perhaps more than ever
@Number10cat

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

Business has evolved, now it's audit's chance to do the same


Hemione Hudson

THE AUDIT of today has not kept pace with society's expectations. Over the past 12 months, we've seen headlines, challenges and scrutiny over the role and value of audit.

Valid concerns have been raised in the wake of events such as the collapse of Carillion, and multiple reports have been commissioned from various independent, parliamentary, and regulatory bodies into how it needs to evolve.

Clearly, there is a pressing need to change – particularly to deal with the lack of trust that now exists when it comes to audit.

This matters, because audit plays a crucial role in underpinning confidence in businesses and the capital markets. This in turn drives economic growth, trade, and prosperity.

Today's statutory audit was originally designed to provide assurance over a company's performance and financial position. This is still critically important. Often, the people that own the company – the shareholders – are separate from the management. Those people could be institutional investors, like pension funds representing the life savings of millions of hardworking people.

And the auditors and audit committee are the last line of defence against materially misstated financial reporting.

This begs a number of important questions. What should audit look at? Who is the audit intended for? Is a one-size-fits-all approach appropriate?

As business has become ever more complex, digital and global, audit too needs to adapt to the modern world.

Those of us working to deliver audits day-in, day-out naturally have ideas about how it could evolve in order to reestablish trust. However, this is not something that we can or should undertake by ourselves.

This is why PwC launched an open discussion on the future of audit back in November. We've gathered hundreds of points of view through roundtable events, meetings with senior business leaders, investors and other interested parties, an online forum, and a survey of business leaders and investors.

The results are now in, and what has struck me is the sheer diversity of views – not just on the solutions, but even on which issues need addressing.

One of the most significant insights is the investment community's feedback – only 41 per cent of those surveyed feel that today's audit meets their needs.

This is a clear signal that change is overdue, with respondents wanting more information about a company's future prospects and the risks it faces, so that audit can give investors comfort that the information they receive from a company can be relied upon.

Investors want more information about a company's future and the risks it faces

Working with regulators, businesses, and the profession itself, there is an opportunity to develop the statutory audit to provide more insight – including the scenarios in which a business model could fail – giving stakeholders a clearer picture of the risks that could lead to failure, so they can make informed decisions.

Our forums highlighted other areas of opportunity for change, including strengthening the clarity and relevance of corporate reporting; enhancing the reporting and auditing of a company's internal controls; providing more insight about the material uncertainties facing a company; and strengthening the culture of challenge in audits. These will require changes to corporate reporting and the regulatory environment, as well as extending the scope of audit.

While it's important to contribute to the wider debate about the future of the corporate reporting system, I also recognise that we must continue to do all we can to strengthen our own audit work. This means the right culture and governance, supported by the right people, technology and processes.

Audit is at a tipping point. Just as it has evolved before, so it must do so again. The needs of all stakeholders need to be considered and fairly represented if audit is to remain relevant and rebuild trust.

Hemione Hudson is head of audit at PwC UK. You can find out more at pwc.co.uk/futureofaudit.

DEBATE

Could fintechs be the answer to solving London's dirty money problem?

YES


MICHAEL HARRIS

By their very nature, fintech firms are disruptive and have a reputation for driving change in their field. Why shouldn't the fight against money laundering be led by these technological innovators too?

Recent research supports this theory. A report from LexisNexis Risk Solutions and the Economist Intelligence Unit shows that fintechs are the most likely businesses to say that the UK has a long way to go in fighting dirty money. In fact, almost half (48 per cent) think that the existing UK regulatory framework is not effective in combating the issue.

How can they disrupt anti-money laundering? The vast majority (85 per cent) of fintechs are already using or making plans to adopt technology, such as advanced analytics and artificial intelligence, as part of their anti-money laundering arsenal – more so than the regulated industry average.

Unconstrained by legacy technology, fintechs have a golden opportunity to harness new technologies from the outset, giving them a potential advantage to be exploited in tackling this problem.

Michael Harris is director of financial crime compliance and reputational risk at Lexis Nexis Risk Solutions.

NO


ARUN SRIVASTAVA

It would be too simplistic to say that fintechs are the most likely to shake the UK of its dirty money problem – it is too vast and complex to place the burden on one sector alone.

Estimates suggest that almost £100bn of illicit money flows through the UK economy each year, most of which will never come into contact with a fintech firm. It is misguided and unfair to seek to place the burden on this sector – the problem extends far beyond their reach.

Instead, collaboration is the key. Government, regulators, and businesses in any number of sectors must come together to stop dirty money flows. The UK's status as a renowned financial services hub is a core pillar of our economy and cannot be left open to abuse by financial criminals. Operating compliantly is key for everyone in the financial sector, including fintechs, but the problems with money laundering can only be solved by everyone pulling together.

Arun Srivastava is a partner at international law firm Paul Hastings.

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TROUBLE IN PARADISE

Steve Eggleston discusses the potential troubles with the investment climate in Seychelles

Seychelles is the cote de jure of Africa, an archipelago of 115 magical islands trimmed in white sandy beaches and flush with rain forests, warm tropical waters, colourful fish, the mighty Marlin, and the giant Aldabra tortoise.

If Ernest Hemmingway were alive today, he might make his home here, rather than Cuba, and the Old Man and the Sea might have played out closer to Victoria than Havana.

Nearly a decade ago, construction commenced at Mahé Island on Beau Vallon Beach, Seychelles, for the island's newest five-star grand hotel, called The Savoy Seychelles Resort and Spa. Seychelles-based Eastern European Engineering Limited (EEEL) was engaged to lead all main aspects of the project.

What EEEL in turn needed was a reputable local company which would build one of the most spectacular resorts in all of Seychelles. For much of the work, EEEL turned to the then highly reputed Vijay Construction to be lead building contractor and civil engineer on many phases of the project. There were six contracts total, all with ICC Arbitration Clauses and in all contracts both EEEL and Vijay agreed to voluntarily comply with an ICC Award that was meant to be final and binding.

Vijay was founded by Indian civil engineer Vishram Jadva Patel back when Seychelles was still a British colony. According to The Economic Observer, a year after Patel launched his new concern, in 1981 "there was a coup d'état and everything [in Seychelles] changed. The business environment did not exist, a lot of people left and properties and businesses lost value…" Yet Vijay persisted and his company became a prosperous, locally-based Seychelles concern with many construction projects on the island, though none of this size, scope, and majesty as the Savoy.

In 2011, Vijay commenced work on The Savoy. Soon a dispute arose between the two companies that would shake the very foundations of foreign investments in Seychelles,. EEEL accused Vijay of delays, substandard construction, and poor workmanship that threatened the structural integrity and safety of the new resort. Vijay denied everything.

When pre-judicial efforts to work things out failed, EEEL terminated Vijay from the project for alleged material breach of contract. Before you knew it, the matter was thrust into international commercial arbitration, becoming one of the largest legal disputes in Seychelles history,."

An esteemed partner of the international American law firm White & Case, Paris- based Andrew de Lotbiniere McDougall, was appointed as the sole international arbitrator by the ICC to decide the dispute. Vijay's first round of defenses were mostly jurisdictional, though the contracts involved in the dispute included ICC Arbitration clauses arguably designed to cover disputes exactly like these. By June 2013, McDougall had heard all the initial arguments and evidence and published his partial decision. In short, he concluded that the ICC Paris legally and rightly held binding worldwide jurisdiction over the entirety of the dispute.

The matter then proceeded with great vitriol for the next two years. Motions were filed, reams of evidence were received, and many witnesses were heard, all providing sworn testimony, i.e., testimony taken under oath. In other words, these were not just people giving willy-nilly opinions, but rather, officers and experts sworn to tell the truth. On 14 November 2014, a landmark ruling was issued.

According to Arbitrator McDougall, "EEEL had validly terminated each of the construction contracts and ordered Vijay to pay EEEL damages plus interest and costs in an amount in excess of €14 million."

Like other epic legal battles, the matter by no means ended there. All sorts of proceedings ensued in France (the seat of the ICC award), Seychelles (the loci of the debt), and England (whose common law in part forms the basis of the Seychelles legal system) -- to enforce, challenge and avoid the judgment. Since France was the seat of the arbitration, its Tribunal de Grand Instance de Paris was asked to honour the award. And it did so, declaring the award fully enforceable and executory in all of France. When Vijay appealed to the Court d'Apel in Paris, seeking to set it all aside, the appeal was rejected on all counts. Further appeals to the Cour d'Appel in the Cour de Cassation were likewise denied.

With a sense of truth and justice the wind under its wings, EEEL pushed forward in the British courts, applying to the Queen's Bench to affirm the award in August 2015. By that time, the amount due had risen considerably, and when all of Vijay's arguments and defenses were rejected out-of-hand in the British High Court of Justice, the amount due and owing exceeded €16 million. Vijay was given 14 days to challenge the order or face enforcement of the judgement. Again it appealed, buying time to reach out to the Seychelles courts for protection, arguably highly unwarranted.

In January 2017, before the British High Court could rule, Vijay asked the Supreme Court of Seychelles (its court of first instance) to set aside the ICC arbitration award issued in France, "declare it null and void, and declare it incapable of enforcement or execution in any jurisdiction," not just Seychelles. In other words, to invalidate the ICC jurisdiction altogether, no different in some ways than invalidating all existing international arbitration law. In other words, after years of avoidance, multiple judgments against it, and courts in two countries affirming the judgments, Vijay was looking, desperately, to avoid the rule of law recognized worldwide.

The appellate machinations in the The Savoy dispute were actually quite difficult to track, given the many jurisdictions involved, appeals filed, and applications made, but ultimately The Honourable Mrs Justice Cockerill of the British High Court of Wales and England issued a final ruling on 11 October 2018, over six months ago. Essentially she affirmed the validity of the arbitration award in favour of EEEL and rejected all of Vijay's arguments that mattered. However Vijay has still has not paid any part of the award, and thus seems, to be using the Seychelles legal system to avoid paying its adjudicated debts.

Five courts from multiple jurisdictions have considered all the applicable law, all the applicable evidence, and all the jurisdictional arguments – and all have rejected the positions advanced by Vijay, affirming in its entirety the original ICC Arbitration award issued by Arbitrator McDougall. And at first, this seemed to matter, because in a preliminary decision made in 2017 the Seychelles Supreme Court ruled that the arbitration award was recognized and affirmed.

However, after that time, the Sey-

> "WITH A LEGAL CLIMATE LIKE THAT, WHY WOULD FOREIGN INVESTMENT IN SEYCHELLES CONTINUE?

Supreme Court of Seychelles

chelles Court of Appeal issued an order refusing to honour the ICC Award because the Republic of Seychelles was not a party to the United Nations Convention on the recognition and enforcement of foreign arbitration awards, originally signed in New York on June 10, 1958, when Seychelles was a British colony and Britain was a signatory. It appears that this position had ever been taken before, causing concern in the eyes of many as to the enforceability of arbitration clauses in Seychelles.

When visiting Seychelles recently, I approached a variety of prominent people on the island to get a feel for their impressions of his troubling legal fiasco, where the island's legal system seems to be ignoring the rule of international law . I spoke first with Dr. Mathilda Twomey, trained in law and educated at the University of Kent, University of Paris-Sud, and the National University of Ireland. Born and raised in Mahé, she is a lawyer, academic, and the first female judge in the history of Seychelles. She is also, most prominently, the first woman ever appointed Chief Justice of the Supreme Court of Seychelles.

For nearly an hour, she spoke affectionately about her childhood growing up on the island, her love of the people of Seychelles, and the extraordinary beauty of the island archipelago. When I asked her specifically about the legal and investment climate in Seychelles, she was upbeat but cautious. Her latest book among many, Legal Metissage in a Micro-Jurisdiction: The Mixing of Common Law and Civil Law in Seychelles, addresses the mix of English and French law on the island, as both have interweaving governing threads, and emphasized the importance of Seychelles upholding the rule of law.

When I asked her specifically about the EEEL vs. Vijay dispute, she declined to comment about the case because she is the sitting Chief Justice. But I can certainly say that, after many minutes of conversation, it is clear that she believes in the fundamental rule of international law; that Seychelles cannot and should not be used to avoid contractual obligations, debts, and judgments, whether or not arising from arbitration; "Seychelles is built on the English common law and French civil law traditions," she explained, "and any judgment affirmed by the highest courts in either would generally demand reciprocal respect. Why wouldn't it be?"

Moving outside the legal system, I also had the opportunity to sit down with Louis Rene Peter Larose for tea. Messr Larose is a Seychelles national who serves as Executive Director for Africa Group 1 Constituency, which represents 22 countries at the Board of the World Bank Group, including Seychelles, Botswana, Kenya, Mozambique, Namibia, and Sierre Leone. It was a lovely and cordial meeting and in Messr Larose I found a gentleman deeply committed to the financial success of the island. He too emphasized the need for honouring international contracts and judgments, "if Seychelles is to continue to receive the foreign investment it deserves."

> "VIJAY PLANS TO USE SEYCHELLES TO AVOID ITS LEGAL OBLIGATIONS

I had occasion to visit the British Embassy in Seychelles, where I had hoped to speak to the British High Commissioner, Ms Caron Röhsler, about the EEEL vs. Vijay legal matter in particular and the international investment climate in Seychelles in general…in light of the Vijay and Siva matters and the obvious implications. She was not in Seychelles because her appointment, I learned, had been superceded by Mr Patrick Lynch, whose term will commence next month, in August 2019. Neither was available for comment.

After all this, the ICC Arbitration Award issued in EEEL's favour has been ignored. Not unlike Siva's debt-avoidance strategy, it appears that quite evident that Vijay plans to use Seychelles to avoid its legal obligations in The Savoy arbitration. As reported in the InjuctionsBlog.com in the 7/12/18 article by Michiel Van't Landt regarding the ruling of the English High Court: "In all the circumstances of this case, Butcher J refused to grant worldwide freezing order, as this was not an exceptional case of the type which would justify such an order, but particularly due to the fact that there was only a very limited link with this jurisdiction. The judge was however prepared to grant a domestic freezing order on the basis that there was solid evidence of a real risk that any judgment would go unsatisfied. The relevant assets were movable and there was evidence that the Defendant had indicated it would rather be wound up than pay the Award."

Sadly, it seems like the island paradise of Seychelles has become a place where debts and judgments can be avoided. Where contracts can be ignored. With a legal climate like that, why would foreign investment in Seychelles continue? So that is why I say, unless something is done soon, it looks like there is trouble in paradise.

THIS IS NOT THE OPINION OF CITY A.M.

This article relies on other publications, the legal record and personal investigation on the island of Seychelles, but only expresses the opinion of the author based on the information available to him.

OFFICE POLITICS

Top tips for the new team at Number 10

Boris and his squad have much work to do, so here's some advice from a former spad

WHEN it comes to the transfer of power, the British political system is lightning fast. You must immediately move from the startup mentality of campaigning to the awesome responsibility of governing. Whether coming out of a leadership contest or a General Election, there is no transition period.

Nothing can quite prepare any incoming Downing Street team for this, and Boris Johnson's will have to work harder than most.

Their leader is a born communicator with an instinctive feel for the public mood, but those who have worked with him will attest that he prefers a detail-light approach, alongside a tendency to avoid difficult conversations.

In an institution like Number 10 – which is supervisory in nature rather than delivery-focused – this is a recipe for inertia at best and chaos at worst.

Given the deadline to take the UK out of the EU by 31 October, deal or no deal, team Johnson does not have the luxury of time to feel its way through the obstacles. The first few days in Downing Street will be critical.

Having worked as a special adviser in Number 10 for his two immediate predecessors, I would recommend a few core priorities in the immediate term for team Johnson.

First, prioritise the decisions that you need to take as special advisers.

Civil servants in the building will be looking for steers on every call under the sun. But as his political team, your immediate responsibility is to find a way through the Brexit paralysis.

To do that, you must make two early decisions in private and plot a way forward from there. What is your preferred Brexit outcome: leaving the EU without a deal, or performing political surgery on the current withdrawal agreement? And what is your mechanism to achieve that outcome – given that the numbers in parliament may prove impossible to surmount?

Second, put some rocket boosters under the government comms team.

Number 10 needs to update its comms. Currently, it doesn't reflect how the communications landscape has changed in the past decade, from top-down disciplined packages to a constant conversation on social media, where authenticity and lightning speed are prized. Morning broadcast rounds and ministerial op-eds have their place, but should be less central.

Team Johnson does not have the luxury of time to feel its way through the obstacles

Third, delegate most domestic policy decisions to the cabinet. You will not have the headspace, time or parliamentary numbers to coordinate a coherent domestic agenda at the start. So outsource the bulk – but hog a handful of direction-setting announcements that don't require legislation.

This may lead to a bit of chaos, as the left hand won't know what the right hand is doing. But in the short term, this is preferable to an unfocused position on Brexit and spreading yourself too thin. With one eye on a General Election ahead, the focus of Number 10's domestic policy unit should be on developing a strategic and thoughtful position for that.

Finally, don't forget about party headquarters given that there may be a General Election around the corner.

Most decision trees for the next few months lead to a clarifying moment with the British people. A second referendum is not impossible, but a General Election is more likely.

Winning elections takes a lot of effort and preparation. So it is important that a campaign director is installed at Conservative Campaign HQ, closely integrated with Number 10.

All that is left to say is: good luck. Working in Downing Street is an experience like no other. It is immensely rewarding, for all the harsh contentions on other parts of your life.

Given the stakes of what is ahead, though, it is critical to take some early decisions to succeed on your own terms. Do these, and you might just prove the pundits wrong.

Nick Hargrave was a special adviser to both David Cameron and Theresa May. He now works for Portland.

LET'S GET ORGANISED

Trello
Free

From Brexit through to picking a new set of cabinet ministers, Boris and his team have their work cut out for them. They should all download Trello to organise these complicated tasks. Rather than having to remember every planning detail, they can add these to the app, share them with the team, and delegate tasks. Simple, dude.

COFFEE BREAK

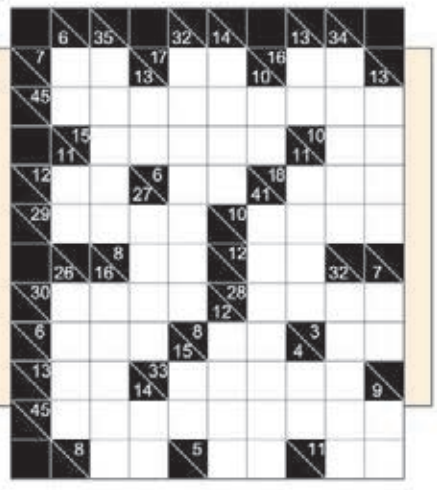
SUDOKU

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

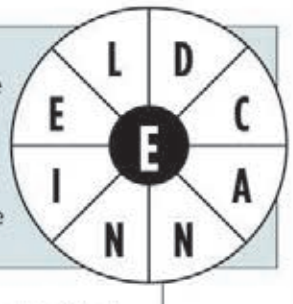
KAKURO

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

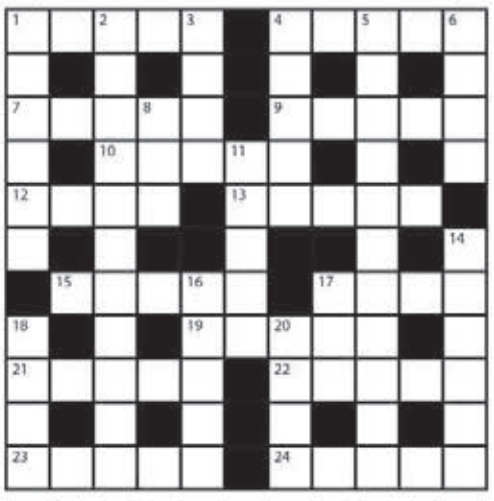


WORDWHEEL

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



QUICK CROSSWORD



ACROSS

1 Pungent (5)
4 Draw a conclusion (5)
7 Kingdom (5)
9 Protective garment (5)
10 Freshwater fish (5)
12 Notable achievement (4)
13 Cowboy show (5)
15 Haywire, awry (5)
17 In the centre of (4)
19 Type of fruit (5)
21 Pulse (5)
22 Relating to the forearm (5)
23 Split fifty-fifty (5)
24 Doomed (5)

DOWN

1 Floating aimlessly (6)
2 Rank of naval officer (4,7)
3 State parliament of Russia (4)
4 US state in the Rocky Mountains (5)
5 Small perennial having bright blue or white flowers (6-2-3)
6 Sound of a bell (4)
8 Destiny (3)
11 Firm, dry and brittle (5)
14 Idolised (6)
16 Cavalry sword (5)
17 Total amount (3)
18 US state, capital Salt Lake City (4)
20 Light gust of air (4)

LAST ISSUE'S SOLUTIONS

QUICK CROSSWORD

KAKURO

SUDOKU

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

WORDWHEEL

The nine-letter word was **DENOUNCED**

LIFE IN THE FAST LANE

Hurdler Andrew Pozzi on choosing between athletics and a City career. By **Felix Keith**

Pozzi hopes to replicate his world-beating indoor results in the outdoor arena

HIS TIME and effort may be consumed by how to clear a handful of hurdles as quickly as possible, but Andrew Pozzi has plenty else on his mind.

The 27-year-old world indoor hurdles champion over 60m is currently working hard to translate his success into medals over 110m. Last year he moved from Loughborough to Formia in southern Italy to work with renowned coach Santiago Antunez in a bid for glory at September's World Championships in Qatar and the Olympic Games in Toyko – as of yesterday, exactly one year away.

But had things gone differently, Pozzi could easily be spending his time in the City rather than on the track. Having completed an undergraduate degree and then a masters in business management at the University of West England and mulled over a PhD in corporate social responsibility, Pozzi had an open mind about his career path.

Injuries meant his place in Team GB for the Rio 2016 Olympics was far from certain and for a time he considered a job in equity capital markets with Credit Suisse. Ultimately his fitness problems subsided and athletics took over again, but Pozzi's interest in business remains – and remains useful while making his way in elite sport.

"There's lots of stuff that crosses over," he tells *City A.M.* "Stakeholder management is a big one. As an athlete you're pretty much self-employed, but you've got to work with the governing body, your manager or agent who organises the races, sponsors, physios and doctors and often there can be conflicts between those things.

"Being self-employed, a lot of my study around finance and accountancy was very useful in setting up and trying to look after myself financially.

"Athletics is a strange sport. It's not heavily regulated or controlled. If you're a footballer you're always signed to a club and it's quite straightforward, with the club looking after all of your needs. As an athlete, even at a professional level, it's very much self-driven and managing that is tricky."

Pozzi competed at London 2012 while in his second year at university and found his studies a good counterbalance to training six days per week. These days his spare time is taken up by learning Italian and Spanish but his business background still informs the way he thinks about athletics.

"For a while I was looking a lot at the way money was being used in our sport," he says. "There are ways in which I felt, from an athlete's point of view and with some understanding of management and finance, that it was being poorly directed.

"I kind of felt a little bit too close to it at the time, as an athlete within the system, and subsequently took a step back from it, but it's something I'm incredibly interested in. I think athletics could benefit greatly from better financial understanding."

Pozzi, who is in a relationship with British heptathlete Katarina Johnson-Thompson, is measured in his criticism of British Athletics. He believes that communication between the governing body and the athletes needs improving, with matters currently kept "very separate, like church and state".

"I think it would be really good to have an interface between the business side of things and the actual athletes," he says. "Because the athletes are always saying, 'performances are the purpose of the governing body, so why are there loads more back-office staff and what are they doing? Is the revenue which is being generated coming back into performance, or is it being lost in the business side?'.

> "Studying finance and accounting was very useful in looking after myself

"It's very tricky for both, not having a clear integration."

For now his focus remains on acceleration, barrier spacing and stride length, but Pozzi's overlapping passions means that, should he wish, he could clear the hurdles to a future in sports governance or finance.

Gold rush lures Premier League's finest to Far East

There's a reason why leading clubs have been touring China this month, writes **Felix Keith**

THE PREMIER League may not kick off its new season for another fortnight but the fight for supremacy has already been raging elsewhere.

On the pitch pre-season tours may be primarily about players building fitness and whetting the appetite of fans for the coming campaign but it is away from the pitch further benefits lie.

While supporters in England are able to attend 38 league games per season if they so wish, those overseas have to make do with watching on screens and hoping their favourite side visits over the summer break.

For clubs, the chance to play in front of a new audience, expand their fanbase and sell merchandise is too good to pass up.

A quick glance at where the Big Six have spent the last few weeks shows the target markets: Arsenal (United States), Chelsea (Japan), Liverpool (United States), Manchester City (China and Japan), Manchester United (Australia, Singapore and China) and Tottenham (Singapore and China).

The Gunners' tour of the US makes sense given it's home to their owner, Stan Kroenke; likewise Liverpool and Fenway Sports Group. Chelsea's journey to Japan ties in with their shirt sponsor, Yokohama Tyres, as well as the country's expansion opportunities. But it is the Far East, notably China and Singapore, which represents the gold rush and a land of untapped potential.

"China is a huge country with strong economic growth, healthy disposable income levels and a growing middle class that is predisposed towards spending on leisure and entertainment," Simon Chadwick, professor of sports enterprise at Salford University, tells *City A.M.* "It is also a country where a large number, albeit a small minority of the total population, has an interest in football. Building fan engagement in China is a key priority for many Premier League clubs as the revenue implications are potentially significant."

Champions Man City have visited China this summer

China's rapid economic growth has created a situation ripe for England's top teams to expand their presence. The country's middle class has grown from four per cent in 2002 to 31 per cent in 2017, with 58 per cent now in urban areas and 74 per cent using smartphones.

Furthermore, a recent report by consultancy Brand Finance concluded that "fans are far less likely to be absolutely loyal to one club", meaning teams are "able to benefit commercially from a wider pool of fans than in their own markets".

Amid this context it's easy to see why the Premier League's best are keen to feature in the Asia Trophy, which Wolves beat Manchester City to win in Shanghai last week, and the International Champions Cup, which stages two of its fixtures in China.

For the two Manchester clubs in particular, their pre-season tours are part of a wider plan to make inroads in the world's most populous country.

City are part-owned by China Media Capital, which acquired a 13 per cent stake in 2016, while the club's parent company, City Football Group, bought Chinese third tier side Sichuan Jiuniu FC in February as part of their ongoing project to establish bases all over the globe.

This month City also launched an over-the-top subscription service for overseas fans and partnered with DAZN to broadcast in Japan.

Manchester United, meanwhile, plan on opening three "experience centres" in China next year, which will use "interactive attractions and exhibitions to engage with the fans," who they claim number 107m in terms of online followers.

"Physical engagement is very important to geographically remote fans," says Chadwick, "although tours nowadays are rather different to the smash-and-grab raids they were 10 years ago, when clubs were simply interested in short-term revenue harvesting. Now they are more strategic, carefully thought through and well planned."

SPORT

ANDREW POZZI British hurdler on choosing between athletics and a career in the City PAGE 19

WORLD CUP HANGOVER

England bowled out for 85 on a disastrous first day against impressive Ireland at Lord's, writes **Felix Keith**

AFTER the ecstatic high, the crushing low. The dramatic nature of England's first World Cup win lent itself to prolonged celebration, but after 10 days of jubilation the hangover hit hard at Lord's yesterday, with Ireland arriving to break up the party and bring them back to earth with a bump.

England's Test batting has long been a concern yet they still managed to plumb new depths, being dismissed for just 85 in 23.4 overs – their shortest ever Test innings at home – inside the first session of the summer after winning the toss against a side playing just their third match in the format.

Before the game captain Joe Root had said England must "ride the wave" of confidence stemming from their remarkable win over New Zealand. Instead they've been dragged underwater and drowned by it.

"The intensity this week will set the tone for the rest of the summer," Root said. With a deficit of 122 to make up and the Ashes just a week away, he will now hope that isn't the case.

ASHES AUDITIONS

England have mastered the art of the batting collapse, but even for them this was galling. Thoughts of Ashes auditions quickly evaporated as batsman after batsman returned to the pavilion disappointed.

Jason Roy, the latest hope at the top of the order, failed to prove his doubters wrong, edging behind having already been plumb lbw off a Mark Adair no-ball. Joe Denly may have top-scored with 23 but his failure, alongside Rory Burns', leaves England no closer to solving their perennial problem.

This match was billed as an opportunity to cement some batting positions. However it seems to have left England sinking into the quicksand.

DOMINOES

In the World Cup final fans were forced to hide behind their sofas to escape the tension. Yesterday it was in horror. At their nadir the hosts lost six wickets for seven runs inside 27 balls as their shortened batting order was gutted and the five World Cup heroes contributed just seven runs between them.

For a barely fathomable period of play everything England touched turned to wickets as Ireland kicked down the door and rampaged through their ramshackle middle order. Between 1938 and 2016 England did not lose all 10 wickets inside a single session of Test cricket. Startlingly, in the last three years they've done so four times in 34 matches.

The Root era has redefined their batting woes.

Root has been left with more questions than answers

MAGIC MURTAGH

To describe England's misery without complimenting its architect would be unfair because Tim Murtagh was exceptional. The Middlesex man has waited years for a first Test on his home ground and he didn't disappoint, putting on a clinic of how to bowl at Lord's, using controlled swing and seam movement to dismiss both openers, rip out the middle order and get his name on the Lord's honours board at the first time of asking.

His figures of 5-13 from nine overs showed a master craftsman still at the height of his powers despite nearing his 38th birthday, and showed why Ireland are worthy of their Test status.

WAYWARD BOWLING

Having put up little fight and been skittled in embarrassing circumstances England then didn't take heed of what they'd witnessed. Ireland, through the metronomic Murtagh and impressive Adair, earned their success through relentless consistency – they kept the ball full and forced the batsmen to play.

By contrast England were far from their best, with openers Stuart Broad and Chris Woakes too wide. The position they find themselves in is obviously the fault of the batsmen but, debutant Olly Stones aside, England were lacklustre with the ball too.

Indeed many of their wickets owed to good fortune or poor shots, with Sam Curran making the first breakthrough with a long-hop and three wickets resulting from drag-ons.

Stone's pace offered some excitement in the absence of the injured Mark Wood and Jofra Archer, and his delivery to bowl Andy Balburine was a rare high point in a chastening day which also included mistakes in the slip cordon.

But after Ireland reached 207 to claim a first-innings lead of 122 and force the home team into the ignominy of batting again on day one, Stone's performance wasn't enough to lighten one of the worst days in England's Test history.

SPORT DIGEST

PEATY CONTINUES GOLDEN RUN IN SOUTH KOREA

Adam Peaty made it seven World Championship gold medals with victory in the men's 50m breaststroke in South Korea yesterday. Peaty swam 26.06 seconds to add to his gold in the 100m breaststroke on Monday. The 24-year-old's dominance of the event is such that he has now won both the 50m and 100m at the last three World Championships. "Each Championship I get more experienced and I don't get much emotion," Peaty said. "I can just turn up and do it."

EXILES BRING IN MAFI TO BOLSTER FORWARD OPTIONS

London Irish have signed former Leicester Tigers second row forward Steve Mafi. The Tonga international who played at the 2015 World Cup will join the Exiles for the Premiership season after leaving French side Castres. The 29-year-old joins Paddy Jackson, Sean O'Brien, Nick Phipps and Waisake Naholo in joining the newly-promoted side.

TOUR DE FRANCE EXPULSIONS ARE HARSH, SAYS BRAILSFORD

Team Ineos principal Sir Dave Brailsford says the decision to disqualify Luke Rowe and Tony Martin from the Tour de France was "incredibly harsh". The riders were expelled from the race after clashing late on in the 206km stage 17, which was won by Matteo Trentin. "It feels incredibly harsh," said Brailsford. "It's nothing more than you see most days of the race." Frenchman Julian Alaphilippe retained his lead and is 95 seconds ahead of Ineos' defending champion Geraint Thomas.

SAKHO SUING WADA FOR £13M OVER DRUGS TEST MISTAKE

Crystal Palace defender Mamadou Sakho is suing the World Anti-Doping Agency for £13m over claims a drug test mistake cost him his career with former club Liverpool. Sakho was suspended from football for 30 days in April 2016 after testing positive for a fat-burning substance, but was later cleared by Uefa of any wrongdoing. The 29-year-old is arguing Wada's mistake resulted in £13m of lost earnings, with Liverpool selling him to Palace in September 2017.

LIVERPOOL DEFENDER CLYNE OUT INJURED FOR SIX MONTHS

Liverpool right-back Nathaniel Clyne has been ruled out for six months after suffering a knee injury on the club's pre-season tour. Clyne sustained ligament damage during the Reds' defeat by Borussia Dortmund last week in the United States. Liverpool manager Jurgen Klopp said the "silver lining" was that the injury was a "straightforward ACL" problem, which can be treated. "He was training and playing so well," Klopp added. "He was in outstanding shape."