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CITY A.M.

BUSINESS WITH PERSONALITY

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NOT GOING QUIETLY

CARNEY CUTS GROWTH FORECASTS AND WARNS OF 'INSTANTANEOUS SHOCKS' FROM NO-DEAL BREXIT

HARRY ROBERTSON

@henrygrobertson

THE BANK of England yesterday painted a gloomy outlook for the UK economy and suggested that growth ground to a standstill in the second quarter of the year. The Bank's rate-setters also unanimously agreed to hold interest rates at 0.75 per cent.

In its latest inflation report, Threadneedle Street downgraded its forecast for second quarter growth to zero from the 0.2 per cent predicted in May due to unwinding Brexit stockpiling and car plant shutdowns.

The Bank lowered its growth forecast for both 2019 and 2020 to 1.3 per cent from the 1.5 per cent and 1.6 per cent respectively forecast in May. It added there was a 30 per cent chance of a recession at the start of next year.

Aside from one-off factors, the economy was held back by "weaker global demand and more entrenched uncertainty about Brexit," outgoing BoE governor Mark Carney said yesterday.

The predictions were based on Britain leaving the European Union with a deal, however.

The Bank raised eyebrows by not providing a forecast for a no-deal Brexit, the chances of which have increased dramatically as new Prime Minister Boris Johnson has ordered the government to ramp up no-deal planning.

Commerzbank economist Peter Dixon said the BoE had not given "a realistic assessment of the true nature of the risks".

"The reality is that the true risks to the economic outlook are tilted much more to the downside."

The Bank said in a no-deal scenario, "the sterling exchange rate would probably fall, CPI inflation rise, and GDP growth slow". It gave little detail, however, saying the government's policy was to seek a deal with the EU.

The Bank's monetary policy committee (MPC) unanimously chose to hold the main interest rate at 0.75 per cent, where it has stood since August 2018.

It said that assuming a smooth Brexit and some recovery in global growth, it would be best to raise rates "at a gradual pace and to a limited extent".

Under no deal, the interest rate could move either way and "would need to balance" an inflation increase from falling sterling and downward pressure from lower demand, the BoE said.

Carney said no deal would "be an instantaneous shock not just to demand," but also "a shock to supply".

He added: "There will be supply capacity in this economy that will become uneconomic."

In the longer term, growth is expected to pick up to 2.3 per cent in 2021, higher than the 2.1 per cent forecast by the Bank in May.

Credit ratings agency Moody's said the government's tax and spending pledges, combined with no deal, could further weaken the UK's credit profile.

Trump tariff talk spooks Wall Street

SEBASTIAN MCCARTHY

@SebMcCarthy

US PRESIDENT Donald Trump sent shockwaves through Wall Street last night after revealing plans to slap more tariffs on Chinese goods in the latest trade battle between Washington and Beijing.

In a string of tweets, Trump spooked investors after announcing 10 per cent tariffs on another $300bn (£247bn) of goods following this week's talks between the world's two largest economies.

Stocks immediately turned red, with the Dow Jones Industrial Average crashing to a 280 point loss, falling from an earlier 300-point gain.

"We thought we had a deal with China three months ago, but sadly, China decided to re-negotiate the deal prior to signing," Trump tweeted.

The President said the US will start "putting a small additional Tariff of 10 per cent on the remaining 300 Billion Dollars of goods and products coming from China into our Country" at the start of September.

US and Chinese negotiators met for a round of trade talks earlier this week, but hopes of any deal between the two sides soon faded amid mutual criticism in recent days.

Firms relying on trade with China sunk, with Apple falling from a gain of 1.4 per cent to a loss of 2.2 per cent.

Chocs away: Hotel Chocolat goes into meltdown over missing 'Chocmobile'

JAMES WARRINGTON

@j_a_warrington

LUXURY chocolate retailer Hotel Chocolat has appealed for help in finding a missing van, nicknamed the 'Chocmobile'.

The chocolatier said the "beloved" van had been stolen from its Hertfordshire headquarters earlier this week, and called on the public for help in tracking it down.

The distinctive black van was famed for selling sweet treats, including hot chocolate, coffee, brownies and ice cream, and even starred in a recent BBC documentary.

Hotel Chocolat has said any information leading to the recovery of Chocmobile would be rewarded with an invitation to its top secret chocolate factory.

The company is also offering a tempting five-year subscription to its chocolate tasting club.

Hotel Chocolat's Angus Thirlwell, who was crowned *City A.M* Entrepreneur of the Year in 2016, said a nationwide hunt was now underway.

"To be honest, it's pretty hard to miss. And we want it back," Hotel Chocolat said in a statement.

"The Chocmobile's job is to dispense chocolate happiness on tour around the country.

"Any information leading to the recovery of our beloved Chocmobile will be rewarded."

Customers rallied behind the chocolate maker, with one Twitter user quipping that rival Thorntons could be behind the theft.

Hertfordshire Constabulary is on the scent, and told reporters three males were spotted breaking their way into the van before stealing it.

FTSE 100 ▼ 7,584.87 -1.91 **FTSE 250** ▼ 19,634.31 -32.21 **DOW** ▼ 26,583.42 -280.85 **NASDAQ** ▼ 8,111.12 -64.30 **£/$** ▼ 1.213 -0.003 **£/€** ▼ 1.094 -0.003 **€/$** 1.108 unc.

CITY A.M.

THE CITY VIEW

Bailey's watchdog is in need of a remit reboot

SEVERAL months ago it felt as if the top job in Britain's banking system was Andrew Bailey's to lose. A veteran of Threadneedle Street who is at ease among top City bosses, the head of the City watchdog had been the bookies' favourite to replace Mark Carney as governor of the Bank of England as it prepares to navigate through potentially choppy waters in post-Brexit Britain. But over recent months Bailey's chances of running the Old Lady seem to have been dented amid mounting scrutiny over his current role as head of the Financial Conduct Authority (FCA). From the suspension of Neil Woodford's flagship fund to the collapse of London Capital & Finance (LCF), as well as the fallout from the Royal Bank of Scotland's controversial Global Restructuring Group (GRG) unit, a spate of controversies have blighted the reputation of both Bailey and the FCA. Successive scandals have sparked criticism that the FCA lacks either the appetite or the tools to enforce financial rules. Yet while these scandals are new, the underlying issue of enforcement is not; one of Bailey's primary challenges when taking over the FCA in 2016 was how to bolster a regulator that was largely regarded as a junior to both the Treasury and the Bank of England.

All the more reason to welcome a new report released today by the Treasury Select Committee (TSC), which has called for the FCA to be given more formal powers. The committee's main concern centres on the FCA's so-called 'perimeter of regulation' which determines what the FCA can and can't regulate and is defined by parliament. With the TSC highlighting that the current informal system is "insufficient," it has said that the FCA needs formal powers to be able to recommend changes to its own perimeter of regulation. Bailey and the Treasury may have had their reported differences in the past, but if the recent scandals of mortgage prisoners, so-called mini-bonds and crypto-assets have shown anything, it is that the FCA should be more proactive in setting the scope of the activities it regulates to adapt to a rapidly-changing environment. The FCA has been very good at establishing the right kind of environment for new ventures and ideas to flourish in London, making the City a hub for startups and fintech. But as these groups grow and diversify, the grey area between regulated and non-regulated activities needs to be addressed, regardless of whether Bailey is still steering the ship next year.

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VIDEO WARNING Chinese army releases footage of soldiers engaged in anti-riot control in warning to Hong Kong protesters

CHINA's People's Liberation Army released a video on Wednesday that showed its forces engaged in riot control, in what has been seen as a warning to protesters in Hong Kong. The video contains translated closed captions such as 'All consequences are at your own risk', as the Chinese military leader declared zero tolerance towards demonstrators.

Barclays bosses confirm job cuts as profits surge

SEBASTIAN MCCARTHY AND JAMES BOOTH

@SebMcCarthy @Jamesdbooth1

BARCLAYS slashed 3,000 jobs over the last quarter, its bosses revealed yesterday, as it vowed to hit profit targets following a challenging three months for the banking giant.

Pre-tax profit in the first half of the year soared to £3bn, rising 82 per cent compared to the same period last year, marking its best performance since 2010.

Yet the surge was partly due to a lack of misconduct charges compared with the previous year when the lender had been hit with settlement costs.

Barclays, which employs 82,000 people, also axed several thousand jobs over the most recent quarter as it looked to cut costs below £13.6bn amid a competitive mortgage market and political uncertainties.

The firm reported a 25 per cent rise in second-quarter income in its fixed income, currencies and commodity trading division. It is hoping to hit its main profitability target of gaining a return on tangible equity of more than nine per cent.

Chief executive Jes Staley said dividends would rise by a fifth, in a sign of the "confidence" the board has in the firm's ability to generate cash.

The results come in the wake of attempts by activist investor Edward Bramson to persuade the firm to abandon its investment arm.

But in May Bramson's efforts were dealt a blow when he lost a bid for a board seat at the annual meeting.

Staley said yesterday that he had not spoken to Bramson since the lender's dramatic meeting in May.

Nicholas Hyett, Hargreaves Lansdown analyst, said: "These are a really mixed, and pretty messy set of numbers. The lack of PPI compensation and US mortgage fines mean that on the face of it this half has been a big step forward on last year, however, the underlying numbers are less rosy.

"Margin pressure in the UK mortgage market has dented income at home, while the corporate and investment bank has done better than a relatively pessimistic market had expected."

The bank announced a dividend for the first half of 3p per share, up from 2.5p per share last year.

Staley has cut costs in recent months

WHAT THE OTHER PAPERS SAY THIS MORNING

FINANCIAL TIMES

EU MINISTERS SET TO VOTE ON IMF CANDIDATE

EU finance ministers are to vote on Europe's candidate to succeed Christine Lagarde as the next managing director of the IMF in the hope of breaking an impasse that has divided northern and southern Eurozone capitals. After weeks of negotiations that have failed to reach consensus, ministers from the EU's 28 national capitals will vote via email today on a shortlist of at least four names, according to officials involved in the process.

PINTEREST JUMPS ON ROSIER OUTLOOK

Shares in Pinterest surged after the social media network popular with American mothers said its quarterly results beat expectations and raised its full year forecasts in one of its first sets of earnings as a public company. It posted a 62 per cent rise in revenues.

THE TIMES

SNOWDEN'S MEMOIR TO REVEAL ALL ON DATA LEAK

The former US intelligence contractor Edward Snowden who leaked thousands of documents and classified data before taking up residence in Moscow is to publish his memoirs. Macmillan has signed a deal to publish his account of the greatest exposure of secrets in history.

BIDEN STUMBLES UNDER ATTACKS FROM ALL SIDES

Joe Biden failed to deliver a knockout performance to quell fears that the Democratic frontrunner lacks the mettle to take on US President Trump in next year's election, as the former vice-president faced pressure from all sides.

THE DAILY TELEGRAPH

POLL: JOHNSON WILL WIN MAJORITY AFTER NO DEAL

Boris Johnson will only secure a Commons majority at the next election if he goes to the country after a no-deal Brexit, a poll has revealed. The Tories would have a seven-point lead over Labour if the Prime Minister held an election after a no-deal Brexit, according to the ComRes analysis.

NO 10 SHOT DOWN JUSTICE SECRETARY'S PROPOSAL

The Justice Secretary's suggestion that sex assault suspects should be granted anonymity has been shot down by Downing Street – and his own department. A Number 10 spokesman said it was "not government policy".

THE WALL STREET JOURNAL

FTC IN ANTITRUST PROBE OF FACEBOOK'S WHATSAPP BUY

The US Federal Trade Commission is examining Facebook's acquisitions as part of its antitrust investigation into the social-media giant – to determine if they were part of a campaign to snap up potential rivals before they could become a threat, according to people familiar with the matter.

EBAY SUES AMAZON STAFF ON CLAIMS OF POACHING

Ebay is suing three Amazon employees who it claims worked to illegally recruit its third-party sellers, the latest twist in a nearly yearlong tussle between the e-commerce competitors, according to a lawsuit filed yesterday.

London Stock Exchange seals $27bn purchase

JAMES BOOTH

@Jamesdbooth1

LONDON Stock Exchange Group (LSE) said yesterday it had sealed a deal to buy data business Refinitiv in a transaction worth $27bn (£22.3bn).

LSE is buying the business in an all-share transaction from Thomson Reuters and a consortium led by private equity firm Blackstone, which includes an affiliate of Canada Pension Plan Investment Board and an affiliate of Singapore's sovereign wealth fund GIC.

The deal will result in Refinitiv's shareholders holding an approximately 37 per cent interest in LSE and voting rights of less than 30 per cent.

The deal is subject to approval by LSE's shareholders, and if it fails to go through LSE has agreed to pay a termination fee of £198.3m to Refinitiv.

The deal also needs to be cleared by competition authorities, with EU regulators expected to review the transaction.

The combined business is expected to generate revenue of over £6bn annually. It will be chaired by LSE's chairman Don Robert and led by its chief executive David Schwimmer.

Refinitiv chief executive David Craig will continue in his role and also join LSE's executive committee.

Schwimmer said: "We have announced a proposed transaction to acquire Refinitiv, a leading global provider of data, analytics and financial markets solutions.

"This transformational acquisition creates a multi-asset class capital markets business and brings world class data content, management and distribution capabilities to [the group], accelerating our strategy and expanding our global footprint."

In its half-year results yesterday LSE said total revenue was up seven per cent to just over £1bn.

Five-a-side operator Goals facing the boot from alternative market

SEBASTIAN MCCARTHY

@SebMcCarthy

GOALS Soccer Centres is reportedly set to be kicked off the London's alternative investment market in the coming weeks, in a fresh sign of trouble for the football pitch operator.

The five-a-side group is expected to announce that an investigation into its finances has found it in a worse state than was previously expected.

City sources told Sky News, which first reported the potential delisting last night, that it was "almost inevitable" that Goals would have to restate its financial accounts going back to 2009.

Goals will reportedly not be ready to prepare audited accounts by the end of September and will therefore miss a six-month deadline in order for shares to resume trading.

The news is another blow for billionaire retail tycoon Mike Ashley, who currently controls an 18 per cent stake in Goals and has been putting pressure on its board over recent audit troubles.

Goals had a market value of about £20.5m when shares were suspended in March, after a revelation that it had misdeclared its VAT bill over several years.

Goals declined to comment yesterday evening.

TRUSS FUND Government to establish Freeports panel to boost post-Brexit trade

PLANS to bolster Britain's international trade by creating up to 10 major tax-free zones are being drawn up by the government. International trade secretary Liz Truss has created a Freeports Advisory Panel to advise on the establishment of up to 10 Singapore-style Freeports aimed at offsetting post-Brexit tariffs.

US investment helps Babylon

JAMES WARRINGTON

@j_a_warrington

US HEALTHCARE giant Centene Corporation is said to be investing tens of millions of pounds in British startup Babylon Health.

The US firm, which has a market capitalisation of more than $21bn (£17bn), will inject $50m into the tech firm as part of a fresh funding round, Sky News reported.

Babylon's services include a chatbot designed to detect symptoms of illness, which is used by the NHS

Bezos cashes in from Amazon

JAMES WARRINGTON

@j_a_warrington

AMAZON founder and chief executive Jeff Bezos has sold roughly $1.8bn (£1.5bn) worth of shares in his company over the past three days.

Filings to the US Securities and Exchange Commission revealed Bezos offloaded more than 900,000 shares in the last three days of July

Bezos, the richest person in the world, retains a 12 per cent stake in Amazon, worth roughly $109bn.

Standard Chartered hikes earnings despite US-China trade war impact

JOE CURTIS

@joe_r_curtis

3.31%

STANDARD Chartered boosted its profit in the first six months of 2019, but warned of the impact of the US-China trade war on global market sentiment.

Underlying profit before tax increased 11 per cent year on year to $2.6bn (£2.1bn) for the six months to the end of June. Statutory profit before tax climbed three per cent to $2.4bn. Underlying revenue rose 0.6 per cent year on year while underlying costs fell 2.9 per cent.

Return on tangible equity rose 88 basis points to 8.4 per cent, staying on target to hit over 10 per cent by 2021.

The bank received a boost from a $1bn stock buyback it announced in April, and said it has now completed around $740m of it.

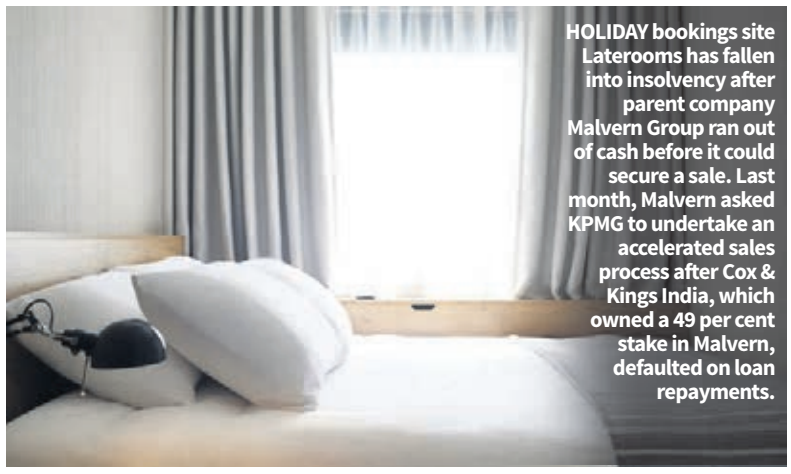
However, the bank warned that "trade tensions are affecting sentiment".

"Trade protectionism is bad for the global economy, and fears concerning this matter continue to affect sentiment across global markets and on the ground in many of our locations," the bank added.

"However, we stand to benefit over time as China continues to open and places more emphasis on trade corridors radiating through Asia and connecting it with our markets in Africa and the Middle East."

It also pointed to an easing of the monetary policy cycle as possible risks at the Asia-focused bank.

CHECKED OUT Laterooms collapses into insolvency after failing to sell business



HOLIDAY bookings site Laterooms has fallen into insolvency after parent company Malvern Group ran out of cash before it could secure a sale. Last month, Malvern asked KPMG to undertake an accelerated sales process after Cox & Kings India, which owned a 49 per cent stake in Malvern, defaulted on loan repayments.

Kier shares soar as it takes back control of debt

ALEX DANIEL

@alexmdaniel

KIER Group investors rejoiced yesterday as they were treated to a rare piece of good news: that the firm is regaining control of its debt.

The firm also said it had attracted "significant interest" in its housebuilding arm, which it is trying to sell to reduce its debt.

The outsourcer, which has been severely under the cosh for the best part of a year, enjoyed a 40 per cent boost to its market value this morning. Shareholders were toasting its average monthly net debt for the financial year falling to £422m.

The figure is right at the bottom end of forecasts, which predicted it could be as much as £30m more than that. Furthermore, the firm said its debt at the end of June was just £167m.

For a company which has struggled to control its debt pile since last summer and has been likened to collapsed outsourcing giant Carillion, the news could indicate that it has turned a corner.

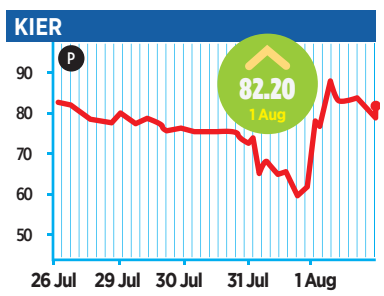
New chief executive Andrew Davies announced a major strategy overhaul earlier this summer, which included laying off 1,200 people and selling off parts of the business.

One of these parts, housebuilding arm Kier Living, has attracted "significant interest," allowing the company to start the sale process in earnest, Kier revealed this morning.

Davies has also tapped finance boss at packaging giant RPC Group Simon Kesterton as his new chief financial officer. He will take over from incumbent Bev Dew on full-year results day in September.

Davies said: "Simon... has played a key role in implementing programmes which focus on the disposal of non-core assets, the reduction of overheads and cost control."

Shares closed up 33.33 per cent.



Stephen Hester has hailed the 'marked' progress made this year

Insurer RSA hails a 'solid' first-half as it seeks to re-energise

JAMES BOOTH

@Jamesdbooth1

INSURER RSA said yesterday it had improved its underwriting performance in the first half of 2019, as it looks to re-energise its business following a slump in 2018.

Underwriting profit fell from £171m in the first half of 2018 to £153m in the first half of 2019.

RSA said this was due to its planned exits from certain less profitable lines of business.

Chief executive Stephen Hester said: "RSA has reported a solid first-half performance. Our mission for 2019 is to sustain momentum in the large parts of our business that did well last year, whilst successfully improving the areas that disappointed."

He added: "Results from current year underwriting are up strongly versus [the first half of] 2018 and our best in the last 10 years.

"Progress is even more marked versus [the second half of] 2018. Within these totals, attritional loss ratios have improved," he said.

Tariffs hurting US, says ex-top Trump adviser

HARRY ROBERTSON

@henrygrobertson

US PRESIDENT Donald Trump's trade wars are hurting American manufacturers and investment, according to his former chief economic adviser Gary Cohn.

He also said the Chinese economy would have slowed down "with or without a trade war", contradicting his ex-boss' claims that tariffs are badly damaging the world's second-largest economy.

Speaking to BBC Radio 4's Today programme yesterday, Cohn said: "Take the automobile industry in the United States, it's suffering. It's suffering because tariffs are hurting that industry."

The former president of Goldman Sachs said tariffs were also having a "dramatic impact" on the US farming community and on capital investment.

"In the service side of the economy, it's not having nearly as big as an impact because tariffs don't affect it. You're seeing a very interesting bifurcation of the US economy."

Trump ratcheted up tariffs on $200bn (£165bn) of Chinese goods to 25 per cent in May after trade talks between the two sides broke down. He has since claimed the tariffs are damaging the Chinese economy, which is slowing.

"I don't really think it's hitting the Chinese economy," Cohn said.

Schroders has agreed a joint venture with Lloyds to provide financial advice

Schroders chief optimistic despite profit drop and continued outflows

ANNA MENIN

@annafmenin

PETER Harrison, the chief executive of Schroders, has said he thinks the firm is in a "pretty reasonable place" despite reporting a 14 per cent drop in profit yesterday.

The firm's pre-tax profit fell to £319.3m for the six months to the end of June. Assets under management climbed nine per cent year on year to a new peak of £444.4bn, while net outflows remained unchanged at £1.2bn.

Harrison told *City A.M.* that the retirement of two of Schroders' significant fund managers had contributed to the firm's first-half outflows, and that cautious investors had been another contributing factor.

Weak investor sentiment has also hurt rivals such as Jupiter Fund Management and Janus Henderson.

Schroders also expects to receive around £45bn of assets from Lloyds in the second half of the year. The pair agreed a joint venture last October, combining Schroders' offering with Lloyds' 27m customers.

Harrison said the collaboration will produce a "new force" of financial advisers backed by "good technology" to streamline the support they can offer consumers.

Westfield owner hurt by UK retail restructurings

JESS CLARK

@jclarkjourno

RETAIL landlord Unibail-Rodamco-Westfield (URW) suffered a drop in UK rental income in the first six months of the year as the property giant's two London sites were hit by store closures and leasing delays.

Like-for-like net rental income was down 3.1 per cent compared to the previous year as tenants – struggling in a challenging retail market – shuttered stores and demanded rent cuts.

Brexit uncertainty has also deterred new market entrants, causing delays in leasing at the expanded Westfield London in Shepherds Bush, URW said. The company's vacancy rate was 8.7 per cent in the first half of the year.

The drop in rental income comes at a tough time for the UK retail industry, which has seen a raft of shopping centre giants close branches and demand rent cuts.

Despite the challenges, Paris-headquartered URW reported that footfall at its UK shopping centres, which also includes Westfield Stratford City, was up 6.4 per cent.

Tenant sales also reached 7.9 per cent as shops continued to benefit from the opening of Phase 2 at Westfield London last year and the continued growth of the Stratford site.

Christophe Cuvillier, group chief executive, said URW had "delivered solid results, despite the challenging retail environment".

On Wednesday, retail landlord Intu cancelled its dividend as it announced it fell to an almost £900m loss in the first six months of the year, sending shares down as much as 30 per cent.

The share price decline continued yesterday and the stock closed almost seven per cent down.

The Trafford Centre owner has been hit hard as retailers shutter stores and launch company voluntary arrangements (CVAs) to slash rents and restructure their portfolios.

Shopping centre stalwarts such as Boots and New Look have closed stores and Sir Philip Green's Arcadia, which owns Topshop and Dorothy Perkins, recently agreed a raft of rent cuts under a CVA.

Intu chief executive Matthew Roberts said on Wednesday: "The first half of 2019 has been challenging for Intu.

"We have experienced further downward pressure on like-for-like net rental income and property values resulting from a higher level of administrations and CVAs as some retailers struggle to remain relevant in a multichannel world."

The designer brand said net revenue increased two per cent

Prada revenue lifts despite ban on end-of-season discounting

JESS CLARK

@jclarkjourno

PRADA reported a slight increase in revenue yesterday boosted by its wholesale business and full-price sales after the luxury retailer banned end-of-season discounting.

The designer brand posted net revenue of €1.6bn (£1.4bn), an increase of two per cent on last year, as full-price sales growth offset the firm's decision to stop seasonal markdowns.

Prada's wholesale sales division grew by 15 per cent, driven by e-commerce retailers.

The Italian company reported net income of €155m after the company benefited from the Patent Box tax relief scheme, which allows businesses to seek a lower tax rate on patented inventions.

Prada chief executive Patrizio Bertelli said in a statement yesterday: "Our strategic decision to stop seasonal markdowns and to rationalise the wholesale channel has been well received by the market.

"Full-price retail sales increased across the main geographies and product categories, reflecting the soundness of our choice."

Turnaround plan bears first fruit for Capita

ALEX DANIEL

@alexmdaniel

17.33%

CAPITA's market value shot up 17 per cent yesterday as investors toasted the first fruits of a sweeping turnaround plan.

After shedding hundreds of millions of pounds in losses in recent years, the outsourcer said margins had grown in four of its six main business divisions over the first half.

The firm said it was on track to achieve its goal of double-digit operating margins, £175m in savings and at least £200m in annual free cash flow by 2020.

Capita provides customer services to Marks & Spencer, manages the licence fee for the BBC and is in charge of recruitment for the army.

But after its finances spluttered in 2016 and 2017, the firm installed turnaround specialist Jonathan Lewis as chief executive.

He told *City A.M.* earlier this year that the restructuring plan he had imposed on the firm was "radical".

Analysts at Barclays yesterday indicated that it is working, saying a return to growth was now "distinctly possible".

Lewis said: "Capita is now in the second year of a multi-year transformation and we remain on track to hit the targets we set in 2018.

"Having addressed the balance sheet and made disposals last year, we have continued to strengthen the business in 2019."

Shell profit slips to lowest point since 2016 as weak oil and gas prices take toll

ALEX DANIEL

@alexmdaniel

5.01%

SHELL shares dropped 5.01 per cent yesterday as it reported its lowest second-quarter profit since 2016, as earnings slumped more than 25 per cent to $3.6bn (£2.9bn) on a year-on-year basis for the second quarter.

The oil and gas major suffered from lower energy and fuel prices.

Shell's failure to meet analyst expectations comes in stark contrast to rival BP on Wednesday, which exceeded estimates.

The difference was partly because BP counteracted low oil and gas prices by ramping up production seven per cent. Shell also increased its production volumes, but only by four per cent.

Brewin Dolphin investment manager David Barclay said the results "will be a concern for many watchers of the company – cash flow and gearing have also gone in the wrong direction and will be the other major areas to keep an eye on in the months ahead".

Chief executive Ben van Beurden said: "We have delivered good cash flow performance, despite earnings volatility, in a quarter that has seen challenging macroeconomic conditions in refining and chemicals as well as lower gas prices."

He added that the 2020 outlook remained unchanged.

Low prosecution figures hit money laundering cases

JAMES BOOTH

@Jamesdbooth1

THE SERIOUS Fraud Office (SFO) has received 153 reports concerning an allegation of money laundering since 2014, but prosecuted just four cases.

The SFO figures, which were a response to a freedom of information request by law firm Greenberg Traurig, show the SFO received 41 reports containing money laundering allegations in 2018, but did not prosecute any cases during that year.

In 2015 and 2016,there were a combined 87 reports but no prosecutions.

Barry Vitou, co-chair of white collar defence and special investigations at Greenberg Traurig, said: "The SFO has a dedicated proceeds of crime division and the low prosecution figures over many years will come as a surprise to many."

An SFO spokesperson said: "The SFO receives a large number of referrals each year, however, the vast majority of these do not fit the agency's specialist remit to investigate."

Rio Tinto announces a $1bn special dividend as first-half profit crashes

ANNA MENIN

@annafmenin

RIO TINTO announced a bumper dividend of $1bn (£825m) yesterday after reporting a drop in first-half, pre-tax profit, despite red-hot iron ore prices boosting revenue.

The Anglo-Australian mining firm's pre-tax profit for the first half of the year was almost $5.2bn, representing a 23 per cent drop compared with the same period a year earlier.

Iron ore prices have risen over 60 per cent this year after a series of disruptions to production.

Rio Tinto has cut its forecast for annual iron ore shipments three times since April following disruption caused by a cyclone at the firm's Pilbara hub in western Australia.

The forecast now stands at between 320m and 330m.

Nevertheless, revenues from the steel-making commodity boosted the firm's results.

However, it was forced to take an $800m impairment loss on the value of its massive Oyu Tolgoi copper project in Mongolia's Gobi desert.

The miner increased its interim dividend 19 per cent to 151 cents per share, as well as announcing a special dividend of $1bn – equivalent to 61 cents per share.

Iron ore accounted for around three quarters of Rio Tinto's first-half earnings

Manufacturing output in UK at seven-year low

JOE CURTIS

@joe_r_curtis

THE UK's manufacturing sector is "suffocating" from a poisonous mix of lower global economic growth and Brexit uncertainty, a closely-followed economic measure found yesterday.

Production volumes nosedived to a seven-year low in July, IHS Markit's UK manufacturing purchasing managers' index (PMI) showed.

Meanwhile, the sector was stuck in a contraction, with July's PMI score of 48 flat on June's figure and at a 6.5-year low.

Anything below 50 represents a contraction.

Rob Dobson, director at IHS Markit, warned the industry is "suffocating under the choke-hold of slower global economic growth, political uncertainty and the unwinding of earlier Brexit stockpiling".

"Clients delayed, cancelled or re-routed orders away from the UK, leading to a further decline in new work intakes from both domestic and overseas markets," he added.

While he predicted that a short-term bounce before the 31 October Brexit deadline is possible, he ruled out a quick recovery.

"The weak, highly competitive environment makes a sustained revival highly unlikely in the coming months," Dobson said.

Chartered Institute of Procurement and Supply (Cips) director Duncan Brock said the manufacturing sector had been battered by "a killer combination of economic uncertainty and the weakest production levels for seven years".

Chief economic adviser at EY Item Club Howard Archer said: "A further delaying of the UK's exit from the EU past 31 October would be a worrying development for manufacturers due to the prolonging of uncertainties."

Thomas Pugh, economist at Capital Economics, said: "Some of the weakness can be blamed on Brexit but it seems more plausible that a weaker global economy should take most of the blame.

"Indeed, manufacturing PMIs in the Eurozone and the US both fell in July as well."

'Sea of red': Eurozone confidence sinks to lowest level since 2012

JOE CURTIS

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GERMANY deepened the Eurozone's downturn as confidence in the area's manufacturing sector hit its lowest level since December 2012 last month, fresh data yesterday revealed.

Economists warned the Eurozone was ired in a "sea of red" as Germany's manufacturing output plunged to an 84-month low, and Ireland's to a 75-month low.

France's 49.7 measure represented a four-month low but none was worse than Germany's 43.2 measure on IHS Markit's Manufacturing purchasing managers' index (PMI).

Germany pointed the finger at its suffering auto sector and dwindling global demand for business equipment. Anything below 50 represents a contraction. Only Greece and the Netherlands presented scores above that level.

The economic area experienced its sharpest fall in output and orders for 6.5 years for July, IHS Markit said.

Employment also fell at its steepest rate in over six years.

EDITOR'S NOTES

News and views from the City, Westminster & beyond

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The City is a meritocracy but that only works if everyone's given a go

SAJID Javid has been culture secretary, business secretary, home secretary and now chancellor. In all that time I've only ever heard him give one great speech. It was, as luck would have it, at the 2015 *City A.M.* Awards. In Westminster and on matters of policy and politics, Javid's delivery is invariably uninspiring – even if his own life story is uplifting and impressive. But back in November 2015, he was speaking in the City – a place he knows well and to a room full of bankers, deal makers and investors. He spoke that night with a genuine warmth, affection and appreciation for the City – hailing it as a true meritocracy. It wasn't like that when he first looked for a job after graduating, and he told the room about the difficulty of getting his foot in the door of stuffy merchant banks that wanted to know which (public) school he went to. He had to approach a US bank – Chase Manhattan – to find somewhere that didn't care about his school tie and he revelled in the diversity of backgrounds, religions, upbringings and ethnicities that made up his new world. By the time he returned to the City in 1997, things were beginning to change and the attitude to recruitment was better still when he left to go into politics in 2009. Today, great work is being done across the City's sectors to widen access and broaden the teams of talent. Over the next few weeks, more than 400 students from low-income backgrounds (and from across the UK) will start their internships with the likes of JP Morgan, Clifford Chance and KPMG. This is organised each year by the Social Mobility Foundation, and it complements other programmes run directly by employers and industry groups such as the Investment Association. At this year's *City A.M.* Awards, we've introduced a new category to recognise the people and places doing the most to promote a City career to people who may otherwise feel their background precludes them. Javid should be proud of the City today, and of the way its attitudes have changed.

LONDON CALLING

BREXITERS are often accused of being nostalgic, but in the week that marked the seventh anniversary of the opening of the London 2012 Olympics, it was the die-hard Remainers who harked back to that heady night. Pundits and celebrities have presented it as an occasion unblemished by Brexit and Boris. They seem to forget that the London mayor at the time had thousands chanting his name at a pre-games festival. 2012 has been hailed as a cultural high-water mark, but in fact polls show UK voters to be much more positive about immigration now than they were seven years ago.

This time last year, my wife and I were on honeymoon. We stayed at Richard Branson's hideout in the Atlas mountains and he was there at the time. We chatted over breakfast and by the pool and enjoyed an indulgent and luxurious holiday in a North African castle filled with – how can I put this? – really nice stuff. I thought about how much nice stuff there was (peacocks roaming around manicured gardens) when I read Branson's claim that "stuff really does not bring happiness." Well, his stuff certainly brought a lot of happiness to a couple of newly-weds in July 2018. The Virgin billionaire's pseudo-Marxist philosophy is disappointing. He claims that real happiness comes from making the world a better place, something he undoubtedly achieves with his products and services. But why must he feel the need to pretend that he isn't interested in the benefits that come from this success? I admire Branson a great deal, but I don't like being lectured on materialism by the owner of, among other things, a hedonistic private island.

CAN I QUOTE YOU ON THAT?

It used to be five-star, now it's four star...

A pilot at BA says a lower quality of overnight hotel is one of the reasons behind their planned summer-holiday strike

I preferred Prince Harry when he was getting high at Highgrove or flying attack helicopters in Afghanistan. In time-honoured Royal tradition, he's since turned his hand to fashionable (and commendable) topics such as conservation, mental health and veterans' welfare. But it seems as if he's had one too many dinner parties with Amal Clooney and Michelle Obama, and has now turned into the woke, right-on Royal that nobody asked for. The Duke and Duchess of Sussex will have only two children so as not to burden our dying planet with too many people. This miserable Malthusian nonsense should be ridiculed, and we should listen instead to the likes of Mark Carney, who this week insisted that capitalism is part of the solution. Market-led innovation combined with capital's propensity to move away from risk and towards opportunity will ensure that businesses and market participants play their part. This is much more exciting and effective than piously pontificating on how many kids are going to live in your country mansion.

Demand for e-cigarettes boosting sales for British American Tobacco

JESS CLARK

@jclarkjourno

6.89%

DEMAND for e-cigarettes boosted first-half sales for British American Tobacco (BAT), mitigating the decline in sales of traditional smoking products.

While revenue in the first half rose 4.6 per cent to £12.2bn, the Lucky Strike and Pall Mall owner said profit from operations slumped 1.3 per cent to £4.4bn. Basic earnings per share increased 4.6 per cent to 123.2p.

The tobacco giant's New Categories products, which includes its Vype e-cigarette, reported adjusted revenue growth of 27 per cent to £531m.

Tobacco heating product revenue was up four per cent to £301m as customers select heating rather than burning products, which could potentially be safer.

BAT said there is "much more to be done", adding that growth would accelerate in the second half due to new product launches and the impact of a full year of additional investment.

Boss Jack Bowles said: "In 2019, we are on track to be around the middle of our guidance range of 30 to 50 per cent New Categories revenue growth per annum, excluding the impact of translational foreign exchange."

Shares closed up at 3,155.50p.

IN TREBLE Competition watchdog fines Casio for blocking online piano discounts

THE COMPETITION and Markets Authority has fined Casio £3.7m after the electronics company admitted to illegally preventing online retailers from selling discounted musical instruments.

Firms in London lose confidence but look to hire

HARRY ROBERTSON

@henrygrobertson

BUSINESS confidence in London fell in June, according to the latest business barometer from Lloyds Bank, but job creation plans nonetheless saw a significant uplift.

Companies were marginally less confident about their business prospects and also reported less optimism about the state of the economy, according to the survey.

Higher levels of pessimism brought the business confidence barometer to a score of 15, down from 18 in June.

Yet businesses' hiring intentions rose to a score of 25, meaning significantly more businesses in the capital expect to hire more staff in the coming year than not to. The figure is up from 17 in June.

Paul Evans, regional director for London at Lloyds Bank Commercial Banking, said: "Although the capital's businesses have seen another slight dip in confidence, the number looking to hire in the next year has grown sharply. Across the region, a net balance of 23 per cent of businesses said they felt that the UK's exit from the European Union was having a negative impact on their expectations for business activity, up five points on a month ago."

Hann-Ju Ho, senior economist at Lloyds Bank Commercial Banking, said national confidence levels were continuing to beat the dip seen in February "despite business confidence remaining below the long-term average and overall business confidence remaining unchanged this month... Employment expectations still remain largely unchanged from last month, with only one-third of firms planning to increase their staff levels, compared with more than 40 per cent of firms last year."

He added that this suggests "cautious business behaviour in the current economic environment".

Low levels of business confidence due to political uncertainty have led to a decline in business investment.

The Bank of England said yesterday that business investment is around 20 per cent lower since the Brexit referendum than if it had continued on its pre-2016 path.

KPMG is hit by £3.5m penalty for BNY Mellon report misconduct

JAMES BOOTH

@Jamesdbooth1

BIG FOUR firm KPMG has been fined £3.5m and one of its directors £52,000 for misconduct related to a client asset report for BNY Mellon in 2011.

Watchdog the Financial Reporting Council levied a fine of £5m against KPMG, discounted by 30 per cent for admissions of misconduct.

It also delivered a severe reprimand and a requirement for a quality performance review affecting everyone who signs a clients assets report on behalf of KPMG. Director Richard Hinton was fined £75,000, also discounted 30 per cent.

The tribunal found that "the misconduct consisted of a failure to understand and to apply... rules of [Client Asset Sourcebook], requiring the banks to keep their own records and carry out their asset reconciliations on their own legal entity basis. No dishonesty or recklessness was involved but the misconduct involved the misapplication of rules that... are of very great importance to the financial system."

Ford and BMW sound alarm on no-deal Brexit

ALEX DANIEL

@alexmdaniel

BMW AND Ford have become the latest manufacturing giants to warn Prime Minister Boris Johnson about the perils of a no-deal Brexit.

Speaking to journalists yesterday, BMW boss Harald Krueger said a no-deal would be a "lose-lose" scenario for the UK and the EU.

When asked if he had anything to say to Johnson, he said: "Listen to the economy and listen to the people. He needs to be in a dialogue with business. I would visit Johnson to tell him this."

Meanwhile, Ford's president of automotive Joseph Hinrichs told the BBC: "It's a bit of a rocky road. The odds of a no-deal Brexit certainly have increased in recent months...

"The key is going to be, whatever happens, what happens at the borders, what happens in the ports and importantly what happens to the pound sterling when it's all said and done," he said.

Manufacturers have emerged in their droves to warn against a no-deal over the last year.

This is not the first warning from either of the car firms, and it follows a stark warning from the Society of Motor Manufacturers and Traders (SMMT) earlier this week of the chaos a hard Brexit could inflict on the industry.

SMMT chief executive Mike Hawes said any trade tariffs or friction at the border caused by exiting the EU without a deal would "threaten the very viability of the industry". The automotive sector employs 823,000 people in Britain.

BMW produces the iconic British car brand Mini at a plant in Oxford which employs more than 4,500 people. Ford also operates two plants in Britain, one of which is already set to close because demand for the engine it makes there has fallen.

Despite slowing sales in the US and China, GM's profits are getting into top gear

Keep on trucking: Pickups are driving General Motor's profits

NICK CAREY

GENERAL Motors posted a better-than-expected net profit yesterday as high-margin pickups, SUVs and crossovers helped overcome slowing sales in the US and China, and reiterated its full-year earnings forecast.

Virtually all of the top US car maker's profit came from North America, where it posted a margin of 10.7 per cent and profits came in $400m (£330m) ahead of analysts' expectations.

Evercore ISI analyst Chris McNally, in a research note entitled, "Truck, truck and away...", said the rest of the year and 2020 could be General Motor's "time to shine".

Executives said things will improve more with the rollout of the Chevrolet Silverado and GMC Sierra trucks, as well as the introduction of diesel-powered and heavy-duty pickups this year and large SUVs early in 2020. *Reuters*

Insurance M&A rose to highest level in years

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MERGERS and acquisitions (M&A) in insurance rose to its highest level in four years in the first half of 2019, with 222 deals completed worldwide.

This marked the biggest increase in the volume of transactions since the first half of 2015 and the fourth consecutive six-month period of growth.

In the second half of 2018 there were 196 completed deals globally, the report from insurance-focused law firm Clyde & Co said.

In Europe deals were up 40 per cent with 88 completed deals, compared to 64 in the previous half. France was the leading European country – second globally behind the US – followed by the UK and Spain. The Americas were still the most active region for deals with 93 transactions in the period.

Ivor Edwards, partner and European head of corporate insurance at Clyde & Co, said: "Despite recent signs of market hardening, delivering a positive result for shareholders remains challenging and M&A is an attractive strategy to deliver growth for re/insurance businesses around the world."

Lego film fails to build momentum for theme park firm Merlin Entertainments

JESS CLARK

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THEME park operator Merlin Entertainments yesterday reported weaker trading at Legoland in the first half of the year due to poor weather and a lack of visitor momentum from the latest Lego film release.

Revenue rose in the 26 weeks to 29 June to £763m – up from £706m the previous year. Underlying profit before tax was down 24.4 per cent to £34m from £43m.

Merlin said the release of The Lego Movie 2 had not delivered the momentum it was expecting in the first half. Wet weather in May and June also dampened Merlin's results.

However, the company reported improvement at its London attractions, which includes Madame Tussauds, the London Eye and the London Dungeons.

Merlin, which received a £4.8bn takeover offer from the family behind Lego and Blackstone in June, also warned that the opening of its largest Legoland site in New York could be delayed.

The park is expected to open in 2020. However, this morning the Alton Towers owner said that on-site accommodation provision has been pushed back until 2021.

"Timetable and costs are under pressure given the scale and complexity of the project," Merlin said.

The latest Lego film release failed to build momentum for Merlin

Inmarsat ditches dividend ahead of $3.4bn private equity takeover

JAMES BOOTH

@Jamesdbooth1

SATELLITE company Inmarsat yesterday ditched its dividend despite narrowing losses.

The UK firm said it was not declaring an interim dividend, having distributed a dividend of eight cents per share in the same period last year.

The company said it was cutting its dividend after the announcement on 25 March of its proposed $3.4bn (£2.8bn) acquisition by private equity firms Apax Partners and Warburg Pincus.

In the six months to 30 June Inmarsat said revenue was $733.3m, up 2.2 per cent from $717.2m in the same period the previous year.

The company lost $125.2m in the period, an improvement on the $131.8m last year.

Chief executive Rupert Pearce said: "Inmarsat produced a robust performance in the first half of the year, supported by continued traction with Global Xpress, as we continue to focus on building and defending market share in our target markets."

Global Xpress is the company's high-speed, mobile satellite broadband.

Its proposed takeover is scheduled to complete in the fourth quarter of 2019. It is subject to a probe by the Competition and Markets Authority. which has until "until midnight on 17 September 2019 to complete and submit this report to the secretary of state," a government statement said.

Inmarsat is hoping for blast off after its $3.4bn takeover goes through

Facebook urged to explain data use discrepancy

JAMES WARRINGTON

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AN INFLUENTIAL parliamentary committee yesterday demanded that social media giant Facebook explain alleged contradictions in its testimony about the Cambridge Analytica data scandal.

Facebook executives chief technical officer Mike Schroepfer and vice president of policy solutions Lord Richard Allan told the Digital, Culture, Media and Sport Select Committee (DCMS) they had learned that user data had been misused for political advertising following a Guardian report in December 2015.

However, a complaint filed by the US Securities and Exchange Commission (SEC) last week stated employees at the tech giant raised concerns about Cambridge Analytica several months previously.

DCMS committee chair Damian Collins has written to the company asking for clarity over these "discrepancies" in the evidence.

In a letter to Facebook vice president Sir Nick Clegg – the former Liberal Democrat leader and deputy prime minister – he also raised concerns about why senior management had ignored "continuous red flags" raised by employees over the issue.

According to evidence in the SEC complaint, Facebook boss Mark Zuckerberg was not aware of the scandal until it emerged again in the US press in March 2018.

"We believe this to be particularly egregious given that we have been told that these issues should have been reported through senior management and that the buck ultimately stops with Mr Zuckerberg himself," Collins wrote to Clegg in the letter.

The DCMS committee has urged the government to crack down on the Silicon Valley firm over concerns about data misuse, user safety and misinformation.

Collins has repeatedly called on Zuckerberg to appear in front of MPs, but the tech boss has yet to accept the invitation.

Netflix last week released its eagerly-anticipated documentary The Great Hack, which explores the Cambridge Analytica scandal, to mixed reviews.

Facebook said it will respond to the committee's letter "in due course".

Its chips might go with everything, but Qualcomm has warned of a sharp revenue fall

Qualcomm shares tank as China weakness chips away at figures

JAMES WARRINGTON

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QUALCOMM has warned of a sharp drop in revenue for the fourth quarter as it battles against a slowdown in the smartphone market and difficulties in China.

The chipmaker cautioned against "continued weakness" in China demand, and blamed the growing market share of tech giant Huawei.

Qualcomm also pointed to sluggish smartphone sales, as consumers hold on to their devices for longer and the market prepares for the transition to 5G spectrum.

The US semiconductor firm said it expected fourth-quarter revenue of between $4.3bn (£3.5bn) and $5.1bn, a decline of up to 26 per cent year-on-year. The bleak outlook left investors reeling, with shares in Qualcomm dropping more than seven per cent in pre-market trading. However, shares recovered some of the losses to close at 2,68 per cent.

The warning came as Qualcomm reported a 73 per cent rise in revenue to $9.6bn in the third quarter.

IN BRIEF

SUBSCRIBER GROWTH BOOSTS VERIZON PROFIT

Verizon has posted better than expected profit for the second quarter thanks to strong growth in phone subscribers. The US telecoms provider said yesterday it added 245,000 phone subscribers over the quarter, compared to 199,000 in the same period last year. It comes a week after the US Justice Department approved a merger between Sprint and T-Mobile USA. The deal is set to create a new competitor close to the size of Verizon and rival AT&T.

PIRELLI CUTS REVENUE GUIDANCE AGAIN

Italian tyre maker Pirelli cut its revenue guidance for the second time this year, joining a string of suppliers hit by a broader auto industry downturn during the last quarter. Pirelli, which makes tires for Formula One racing teams, yesterday cited prolonged weakness in the new vehicle market and the tougher competitive environment. It now expects its revenue to grow between 1.5 and 2.5 per cent this year, versus an already-lowered guidance of between three and four per cent set after releasing first-quarter results.

KELLOGG RESULTS BEAT ANALYSTS' FORECASTS

Corn Flakes and Pringles-maker Kellogg beat Wall Street forecasts for quarterly sales and profit yesterday, as investments in marketing and product development drove higher demand for snacks, frozen waffles and meatless burgers in North America. It has been developing new products to suit changing consumer preferences for healthier food, premium products and smaller portions.

Three is planning to launch its 5G service in 25 towns and cities by the end of the year

Mobile provider Three posts a drop in revenue amid its 5G investment

JAMES WARRINGTON

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MOBILE provider Three UK yesterday posted a slight slip in revenue for the first half as it gears up to launch its 5G network.

The firm reported a two per cent decline in revenue to £1.2bn in the first six months of the year, while total margin dipped one per cent to £721m.

It comes as the operator prepares to launch its new high-speed network this month, with plans to reach 25 towns and cities across the UK by the end of the year.

Three's active customer base rose one per cent to 10.2m customers over the period, while average monthly data usage per customer jumped 29 per cent to 9.1GB.

"The second half of 2019 will see the most important and exciting milestone in our history since we launched the UK's first 3G network in 2003," said chief executive Dave Dyson. "Against this backdrop of huge investment in network and IT infrastructure and some dual running costs as we reach this milestone, I am pleased with the underlying strength of the business."

The firm previously announced that all its existing customer tariffs will include 5G at no extra cost.

Mandarin Oriental reports profit fall despite Hyde Park hotel reopening

JESS CLARK

@jclarkjourno

MANDARIN Oriental Hotel Group reported a slump in profit yesterday despite the reopening of its Hyde Park hotel.

The five-star hotel was badly damaged in a fire in June 2018 and was re-opened in April following a £100m renovation.

Mandarin Oriental, which owns the eponymous hotel in Knightsbridge, posted an eight per cent slump in profit to $641m (£529.27) in 2019, from $700.2m the previous year following the closure of Hong Kong's the Excelsior and the ongoing renovation at Mandarin Oriental Bangkok.

In its half-year results to 30 June, the company said earnings at the London hotel, which included insurance coverage for loss of profits due to the fire, were higher than venues elsewhere.

Mandarin Oriental said it expects the reopening of its Hyde Park venue, as well as four new hotels and two new management contracts, to continue to improve its financial performance going forward.

Chairman Ben Keswick said: "The closure of the Excelsior and the renovation in Bangkok have led to reduced earnings in the first half of the year, while overall results for the rest of the group were broadly flat.

"Elsewhere, Mandarin Oriental will benefit from its reopened hotel in London as well as the growing pipeline of new developments."

The Mandarin Oriental Hyde Park reopened in April following a fire last year

Bonds bounce back as equity funds lose out

ANNA MENIN

@annafmenin

BONDS are back in favour with UK investors but equities have continued to struggle amid ongoing political uncertainty.

Around £2.4bn flowed into bonds during June – taking this year's total inflows to almost £6bn – according to figures released yesterday by the Investment Association (IA).

This included net retail sales of £1.1bn for UK strategic bond funds – the largest inflows since November 2017.

Net retail sales experienced a third consecutive month of inflows, as savers ploughed £2.3bn into funds during the month.

This means that net retail sales for the second quarter have now topped £5.5bn.

June was not so kind to equity funds, however, with net outflows totalling £744m. This marks a return to an ongoing trend for outflows after a brief blip in May saw the first net inflows for two years.

IA chief executive Chris Cummings blamed high "political uncertainty" in the UK for equity funds' poor performance in the last six months.

"[This year] has so far been a game of two halves in the fund market. Following £900m of outflows in the first quarter, savers returned in the second quarter to place £5.5bn into funds," he said.

"Bond funds in particular saw a dramatic bounce back following the sell-off in the fourth quarter of last year, with net inflows of £4.8bn in the second quarter of 2019."

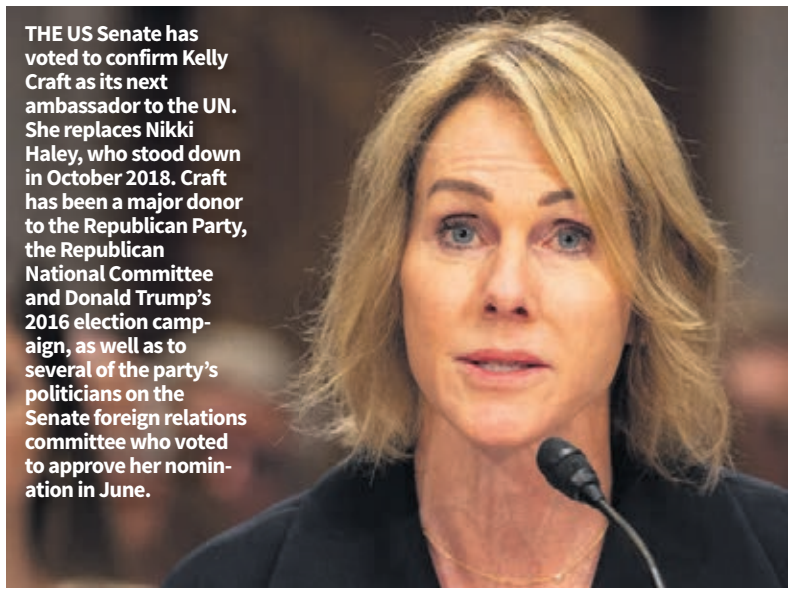
AJ Bell analyst Laura Suter echoed Cummings' assessment of the reasons behind equity's decline.

"Clearly, the ongoing debate in June about who was going to be our next Prime Minister and the increased prospect of no-deal Brexit spooked investors, who once again shunned investing in the UK," she said.

Suter added that it was unsurprising that investors were seeking out the "perceived 'safe haven' of bonds" amid this turmoil.

However, Suter warned: "Investors need to be careful as a significant number of bonds are now delivering negative yields, while others are failing to beat inflation, meaning that they need to be realistic about the returns they are likely to get."

CRAFT-Y MOVE Republican Party donor chosen as new US envoy to United Nations



THE US Senate has voted to confirm Kelly Craft as its next ambassador to the UN. She replaces Nikki Haley, who stood down in October 2018. Craft has been a major donor to the Republican Party, the Republican National Committee and Donald Trump's 2016 election campaign, as well as to several of the party's politicians on the Senate foreign relations committee who voted to approve her nomination in June.

Two-thirds fear that artificial intelligence will take their jobs

ANNA MENIN

@annafmenin

THE PUBLIC is concerned about the impact of artificial intelligence (AI) will have on their jobs and personal data, while some fear the technology could ultimately be responsible for the end of humankind, a new survey today revealed.

Two-thirds of UK adults worry that AI will result in machines taking peoples' jobs, according to a study commissioned by AI firm Fountech.ai and shared with *City A.M.*

Around a quarter think AI could bring about the end of humankind, though 62 per cent believe it will do more good than harm.

"People tend to fear what they don't understand, and today's research is an example of this," said founder and chief executive of Fountech.ai Nikolas Kairinos.

Losses widen at Seedrs as deal sizes still grow

ANNA MENIN

@annafmenin

EQUITY crowdfunding platform Seedrs has reported a record operating loss as it focuses on expansion, but saw a significant increase in average deal size over the past year.

Last year's net operating losses climbed to £4.33m, a 12 per cent increase on 2017.

This marks a return to increasing losses after the platform decreased operating losses by seven per cent between 2016 and 2017.

Revenues rose substantially, however, with the investment platform bringing in £4.8m – 56 per cent up on 2018. Despite only a modest increase in the total number of deals made through the site of five per cent, their average size rose 63 per cent over the year, and now stands at £807,000.

In a statement released alongside the results today, Seedrs chief executive Jeff Kelisky said that both 2018 and 2019 were "planned investment years" for the company, during which "we will continue our emphasis on expanding the current roadmap while innovating on next-level features for our customers."

Seedrs has raised a total of £48.5m in funding to date, with investors including the troubled Woodford Investment Management and London-listed fund Augmentum Fintech.

Hit series Killing Eve racked up 42.5m iPlayer requests last year

BBC gets green light from Ofcom to keep its series on iPlayer for a year

JAMES WARRINGTON

@j_a_warrington

BBC TV programmes will now be available on iPlayer for a year, after Ofcom approved proposals to expand the on-demand platform.

The broadcaster submitted a request to extend the availability of catch-up series from 30 days after broadcast to 12 months, with some available for even longer.

Ofcom yesterday approved the changes, which it said could deliver "significant public value over time".

"They could increase choice and availability of public-service broadcast content, and help ensure the BBC remains relevant in the face of changing viewing habits," the regulator said in a statement.

The verdict will come as a huge boost to the BBC, which is facing tough competition from US streaming rivals such as Netflix and Amazon.

But Ofcom warned the move could create competition issues for the on-demand services of other public service broadcasters, and said its approval was subject to conditions.

The new rules could even have an impact on Britbox, the joint ITV-BBC streaming service that is set to launch in the coming months, Ofcom warned.

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

LONDON REPORT

Shell and Fed's action weigh on blue-chips

THE FTSE 100 ended flat yesterday despite a profit miss from **Shell** and dampened hopes of big US interest rate cuts, while the mid-cap FTSE 250 index slipped after Brexit worries led the Bank of England to cut its growth forecasts.

The FTSE 100 dipped 0.03 per cent, to 7,584.87 points. Losses were contained by **British American Tobacco** and as **London Stock Exchange** surged 6.5 per cent to an all-time high after a deal to buy financial information firm Refinitiv.

The FTSE250 fell 0.2 per cent, to 19,634.31, as the BoE's actions overshadowed results-driven jumps in medical products maker **Convatec** and outsourcer **Capita**.

Shell, the highest-valued company on the FTSE 100, fell five per cent and lost more than £10bn in market capitalisation after its second-quarter profit slumped to a 30-month low.

But British American Tobacco climbed 6.9 per cent on its best day since November 2008 as higher demand for e-cigarettes helped its first-half sales beat forecasts and pointed to a stronger second-half performance.

On the FTSE 250, Convatec stood out with an 18 per cent surge after revenue trends improved in its second quarter. Capita advanced 17.3 per cent as it remained on track to meet its turnaround targets and said Brexit could present new opportunities for private sector contractors.

But the index's fate was sealed after the BoE flagged increased Brexit worries and a slowing global economy and gave no indication that it was considering lowering rates.

"Though the BoE failed to spark the kind of fireworks produced by its American counterpart, it nevertheless played its part in chipping away at sterling's already fragile confidence," Spreadex analyst Connor Campbell said.

Shell lost more than £10bn in market value yesterday

Rio Tinto gave up 3.4 per cent after announcing capital returns that Jefferies analysts called "underwhelming".

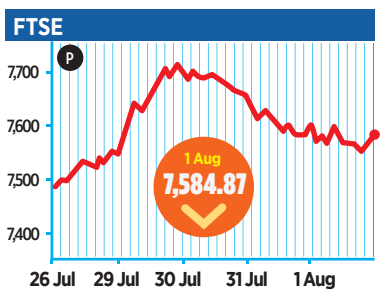
Thomas Cook shot up almost 26 per cent after Nesat Kockar, the owner of Turkish tour operator Anex Tourism Group, disclosed a stake in the travel group.

TOP RISERS

1. **BAT** Up 6.89 per cent
2. **LSE** Up 6.52 per cent
3. **Intertek** Up 4.45 per cent

TOP FALLERS

1. **Mondi** Down 5.35 per cent
2. **RDS 'B'** Down 5.01 per cent
3. **RDS 'A'** Down 4.93 per cent



BEST OF THE BROKERS

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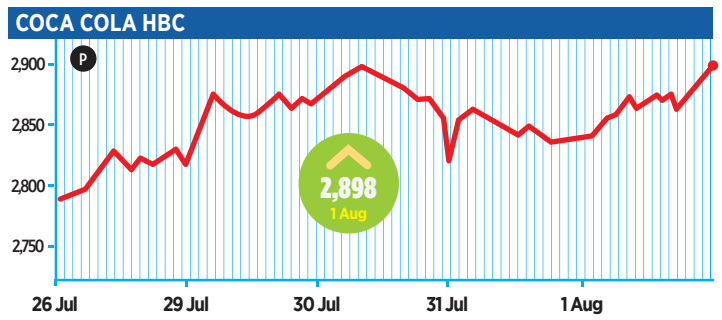
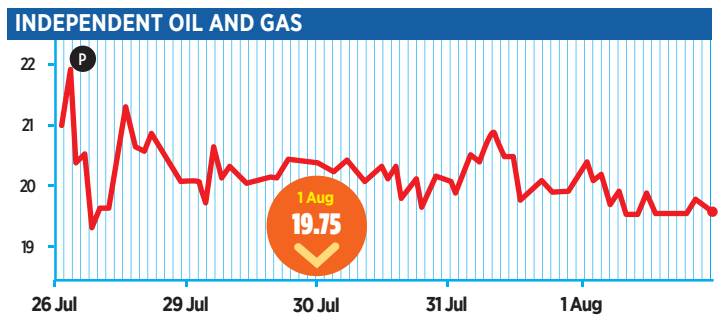
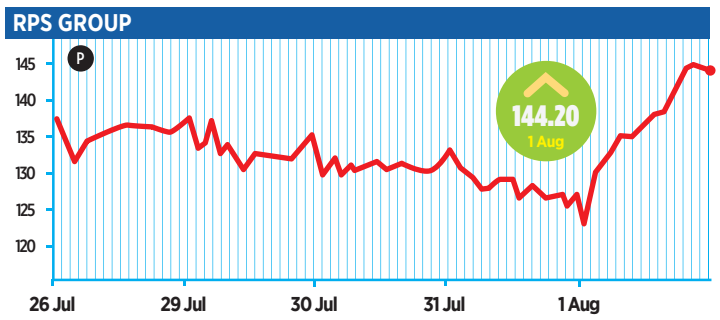


Europe's largest bottler of Coca-Cola drinks is hoping that stocks will not fall flat following a recent spell of disappointing weather, especially in smaller developing markets such as Romania, Serbia and Ukraine. Slower growth in a seasonally important second-quarter has disrupted momentum, but Jefferies said that "the likely subdued first-half offers an especially good entry point into this attractive med-term compounder". The broker recommended a "Buy" rating at a target price of 3,000p.



Peel Hunt is reiterating its "Buy" recommendation for Independent Oil and Gas (IOG). With a target price of 40p, up from 35p, analysts at the broker have adjusted their model factor in wake of a recent deal in which IOG agreed to sell 50 per cent of its southern North Sea assets, excluding the Harvey licences, to Calenergy Resources. "IOG is set close on a significant 'cash and carry' farm-out to a funded industry partner that will help unlock the substantial value that exists within its portfolio," Peel Hunt concluded.



Environmental consultancy RPS Group's share price turned green yesterday as interim results were ahead of expectations, despite what analysts described as "weak" figures. While the first half of the year has been depressed by challenging market conditions, Liberum is optimistic about the second six months of 2019. Analysts have issued a target price of 170p with a "Buy" rating. Despite the current political uncertainty hampering the company, the broker sees strength in its Irish businesses.

NEW YORK REPORT

Trump's tweet sparks 600-point swing

A TWEET by US President Donald Trump on new China tariffs sent shares on the Dow Jones diving yesterday, turning a 300-point gain into a 280-point fall.

Having spent most of the session on track for their best day since June, all three major US stock indices took sudden U-turns as investors quickly turned into sellers after the tweet.

The Dow Jones Industrial Average fell 280.85 points, or 1.05 per cent, to 26,583.42, the S&P 500 lost 26.82 points, or 0.9 per cent, to 2,953.56 and the Nasdaq Composite dropped 64.30 points, or 0.79 per cent, to 8,111.12.

"The biggest issue for investors to realize is that this is systemic and is going to be an ongoing issue between the US and China," said Joseph Quinlan, head of chief investment office market strategy for Merrill and Bank of America Private Bank in New York.

"The markets don't like uncertainty and this is a bolt from the blue in terms of uncertainty."

The sell-off comes on the heels of the US Federal Reserve's first interest rate cut in a decade, and remarks from chief Jerome Powell that tempered expectations for further cuts this year, cuts Trump has been vocal about supporting.

"It looks like the President is bullying the chairman of the Federal Reserve in order to wage his trade war," said Michael O'Rourke, chief market strategist at Jonestrading in Greenwich, Connecticut. "The market should not appreciate that."

Pickup trucks and SUVs drove **General Motors** second-quarter profit beat, but the car maker's stock turned negative after the Trump tweet, ending the session down 0.5 per cent.

Kellogg surged 9.3 per cent as higher North American demand helped the packaged food company beat second-quarter estimates.

Shares of **Yum Brands** jumped 3.9 per cent after beating analyst profit and sales expectations on better-than-expected growth at all its restaurant chains, which include Taco Bell and Pizza Hut.

CITY MOVES WHO'S SWITCHING JOBS

PARKDEAN RESORTS

Catherine Lynn to has been appointed by Parkdean Resorts to the newly created position of chief customer officer, with responsibility for marketing, digital, insight, commercial and revenue. Catherine joins from Easyjet where she was group strategy and group commercial director. She played a significant leadership role in Europe's low-cost aviation sector for 20 years, with a focus on delivering outstanding customer service. Catherine will be joining the business on 19 August. Prior to Easyjet, Catherine spent 12 years in retail with Sainsbury's, and as part of the startup team for British Airways budget carrier Go Fly, where she was founding head of customer services. Catherine is also an experienced non-executive director and has sat on the Airport Coordination and Liberty Living boards. She is currently an independent non-executive director of Thames Water Utilities.

AVONHURST

New advisory firm Avonhurst this week announced it will be joined by two new partners, James Wyatt and Ian Frost. Ian has deep experience working in the European and emerging markets leveraged finance spheres at Magic Circle and leading US firms in London and Germany, having been a partner at both Vinson & Elkins and at Freshfields Bruckhaus Deringer, where he spent over 20 years. Joining Avonhurst as a partner, James also has extensive Magic Circle experience, having worked at Slaughter and May and, more recently, the UAE and London offices of Linklaters. Advising on a broad range of financing products across numerous sectors, he has a particular specialism in global project finance, energy and infrastructure sector finance and infrastructure acquisition finance. The firm was founded in July by former Jones Day partner and leading capital markets and funds lawyer Jonathan Bloom. The two new hires are the first announced since the firm's launch.

CAPITA

Capita has announced the appointment of new leads for its customer management and people solutions divisions. Aimie Chapple will join in October as executive officer, customer management, while Chantal Free will join the same month as executive officer, people solutions. Aimie worked for more than 20 years at Accenture, holding a series of senior positions, including UKI chief innovation officer. She is a non-executive director of Learning Technologies Group. Chantal joins from Willis Towers Watson, where she was managing director and head of human capital and benefits, Western Europe. Mark Cook will serve as interim executive officer, people solutions until Chantal's arrival. He has joined Capita from Investment Services Group.

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FTSE 100	FTSE 250	FTSE ALL SHARE	DOW JONES	NASDAQ	S&P 500
7584.87	19634.31	4132.23	26583.42	8111.12	2953.56
▼ 1.91	▼ 32.21	▼ 1.80	▼ 280.85	▼ 64.30	▼ 26.82

£/€	1.0944	▼ 0.0029	€/$	1.1081	▲ 0.0008
£/$	1.2127	▼ 0.0024	€/£	0.9133	▲ 0.0023
£/¥	130.18	▼ 1.9593	€/¥	118.90	▼ 1.5144

GILTS

	Price	Chg	High	Low
Tsy 3.750 19	100.31	-0.02	103.4	100.3
Tsy 2.000 20	101.44	-0.01	102.5	101.4
Tsy 4.750 20	102.53	-0.02	106.4	102.5
Tsy 3.750 20	103.56	-0.02	106.3	103.6
Tsy 2.500 20	356.16	-0.01	361.4	355.8
Tsy 8.000 21	114.05	0.02	120.4	113.7
Tsy 4.000 22	109.49	0.08	111.3	109.0
Tsy 0.500 22	100.48	0.10	100.5	97.7
Tsy 1.875 22	117.48	0.15	118.3	115.5
Tsy 2.250 23	107.78	0.14	107.8	104.7
Tsy 2.500 24	376.78	0.22	376.9	358.7
Tsy 0.125 24	115.51	0.21	115.5	110.9
Tsy 5.000 25	125.60	0.14	125.7	122.1
Tsy 4.250 27	130.87	0.20	130.9	122.6
Tsy 1.250 27	138.99	0.46	139.1	128.4
Tsy 6.000 28	149.65	0.21	149.8	140.5
Tsy 0.125 29	131.71	0.59	131.8	118.8
Tsy 4.750 30	144.29	0.28	144.4	132.1
Tsy 4.125 30	395.08	0.59	395.1	355.2
Tsy 4.250 32	141.73	0.45	141.7	128.5
Tsy 1.250 32	161.65	0.92	161.7	144.1
Tsy 0.125 36	153.86	1.30	153.9	133.4
Tsy 4.250 36	149.10	0.63	149.1	133.1
Tsy 4.750 38	163.43	0.74	163.4	144.9
Tsy 0.625 40	175.00	1.51	175.4	152.8
Tsy 4.500 42	166.63	0.79	166.7	145.9
Tsy 3.500 45	148.73	0.83	149.1	128.0
Tsy 4.250 46	168.71	0.79	169.1	145.7
Tsy 4.025 49	175.15	0.85	175.6	150.0
Tsy 0.500 50	206.07	2.33	207.7	173.7
Tsy 0.250 52	202.68	2.53	204.9	168.8

AEROSPACE & DEFENCE

	Price	Chg	High	Low
BAE Systems	558.0	9.4	636.2	443.9
Cobham	166.0	0.7	168.3	96.8
Meggitt	592.8	-3.8	602.6	458.0
QinetiQ Group	285.0	-4.2	312.4	264.3
Rolls-Royce Holdi	857.2	-4.8	1094.0	759.2
Senior	203.4	2.6	327.8	185.4
Ultra Electronics	1924.0	-39.0	1972.0	1232.0

BANKS

	Price	Chg	High	Low
Bank of Georgia G	1377.0	-29.0	1878.8	1310.0
Barclays	155.9	1.8	193.1	146.1
Close Brothers Gr	1344.0	13.0	1660.0	1326.0
CYBG	165.9	-6.2	364.2	165.3
HSBC Holdings	666.0	9.3	725.8	600.8
Lloyds Banking Gr	52.8	-0.5	66.6	50.0
Metro Bank	342.6	-16.2	3152.0	341.0
Royal Bank of Sco	217.1	0.1	270.4	203.0
Standard Chartere	699.2	22.4	736.8	519.8
TBC Bank Group	1366.0	-46.0	1774.0	1242.0

BEVERAGES

	Price	Chg	High	Low
Barr (A.G.)	683.0	-3.0	975.0	610.0
Britvic	923.5	6.5	956.0	745.0
Coca-Cola HBC AG	2898.0	62.0	3074.0	2244.0
Diageo	3526.0	82.5	3532.0	2523.5

CHEMICALS

	Price	Chg	High	Low
Croda Internation	4666.0	-22.0	5447.7	4576.0
Elementis	149.4	-1.6	247.8	129.8
Johnson Matthey	3210.0	-5.0	3752.0	2620.0
Sirius Minerals	15.0	-0.1	38.5	13.5
Synthomer	301.0	-1.8	537.2	298.2
Victrex plc	2046.0	6.0	3408.0	1944.0

CONSTRUCTION & MATERIALS

	Price	Chg	High	Low
Balfour Beatty	208.0	2.0	296.5	205.2
CRH	2732.0	-3.0	2755.0	1971.5
Galliford Try	598.0	6.0	1104.0	512.0
Ibstock	224.2	-6.6	262.0	193.1

	Price	Chg	High	Low
Marshalls	626.5	-9.5	690.0	412.2
Polypipe Group	405.0	-3.4	453.8	307.8

ELECTRICITY

	Price	Chg	High	Low
Contour Global	170.0	-5.0	246.0	150.1
Drax Group	304.2	1.8	427.2	260.2
SSE	1101.0	0.5	1280.0	1008.0

ELECTRONIC & ELECTRICAL EQ.

	Price	Chg	High	Low
Halma	2028.0	38.0	2094.0	1237.0
Morgan Advanced M	253.0	1.6	363.0	237.0
Oxford Instrument	1282.0	-22.0	1424.0	842.0
Renishaw	3808.0	-46.0	5520.0	3632.0
Spectris	2573.0	27.0	2898.0	1966.5

EQUITY INVESTMENT INSTRUM.

	Price	Chg	High	Low
Aberforth Smaller	1178.0	-12.0	1394.0	1120.0
Alliance Trust	835.0	2.0	838.0	672.0
Apax Global Alpha	157.0	0.5	159.0	127.0
AVI Global Trust	775.0	-1.0	782.7	660.0
Baillie Gifford J	836.0	5.0	866.0	663.0
Bankers Inv Trust	966.0	3.0	970.0	766.0
BBGI SICAV S.A. (	154.0	-2.0	168.0	142.5
BlackRock Smaller	1396.0	-2.0	1600.0	1160.0
BMO Global Smalle	1406.0	18.0	1495.0	1220.0
Caledonia Investm	3070.0	20.0	3110.0	2650.0
City of London In	421.5	-4.0	434.0	376.0
Edinburgh Inv Tru	590.0	-4.0	699.0	571.0
F&C Investment Tr	729.0	1.0	741.0	616.0
Fidelity China Sp	228.0	0.0	250.0	182.4
Fidelity European	254.0	1.0	257.5	202.0
Fidelity Special	261.0	-1.5	278.0	220.0
Finsbury Growth &	956.0	15.0	956.0	740.0
GCP Infrastructur	124.4	-1.4	130.8	122.4
Genesis Emerging	777.0	1.0	783.0	615.0
Greencoat UK Wind	138.0	-0.8	143.2	122.8
HarbourVest Globa	1700.0	-20.0	1732.0	1300.0
Herald Investment	1344.0	12.0	1364.0	1055.0
HGCapital Trust	212.0	-2.5	220.0	175.0
HICL Infrastructu	164.0	-0.8	170.1	149.9
International Pub	160.6	0.2	163.4	146.8
JPMorgan American	494.5	1.5	496.5	386.5
JPMorgan Emerging	1054.0	-8.0	1068.0	759.0
JPMorgan Indian I	737.0	-5.0	790.0	566.0
JPMorgan Japanese	457.0	4.0	470.0	367.0
Jupiter European	860.0	2.0	895.0	666.0
Law Debenture Cor	596.0	-2.0	636.0	534.0
Mercantile Invest	202.5	-1.0	219.0	168.0
Monks Inv Trust	963.0	0.0	967.0	710.0
Murray Internatio	1200.0	12.0	1208.0	1056.0
NB Global Floatin	89.9	0.4	93.3	87.6
NextEnergy Solar	116.0	-1.0	124.5	108.0
Pantheon Internat	2265.0	-35.0	2330.0	1955.0
Perpetual Income	312.0	-1.5	364.5	301.5
Pershing Square H	1480.0	4.0	1490.0	990.0
Personal Assets T	42650.0	-50.0	42900.0	38900.0
Polar Capital Tec	1500.0	8.0	1503.2	1066.0
RIT Capital Partn	2130.0	-10.0	2150.0	1892.0
Riverstone Energy	815.0	-25.0	1282.0	815.0
Schroder Asia Pac	469.5	3.5	473.0	379.0
Scottish Inv Trus	839.0	-3.0	902.0	748.0
Scottish Mortgage	568.5	5.5	568.5	441.4
Sequoia Economic	113.0	-0.4	115.2	106.0
Smithson Investme	1272.0	0.0	1281.8	1000.2
Syncona Limited N	250.0	-4.0	302.5	213.5
Temple Bar Inv Tr	1250.0	0.0	1366.0	1116.0
Templeton Emergin	821.0	0.0	829.0	649.0
The Renewables In	126.2	-0.8	133.2	109.3
TR Property Inv T	423.5	3.5	433.5	353.5
Vietnam Enterpris	472.5	5.5	473.9	420.0
VinaCapital Vietn	351.0	3.0	353.5	318.0
Witan Inv Trust	223.5	0.5	227.6	189.6
Woodford Patient	46.8	-0.6	91.0	46.3
Worldwide Healthc	2825.0	-10.0	2915.0	2325.0

FINANCIAL SERVICES

	Price	Chg	High	Low
3i Group	1126.5	14.0	1164.5	756.2
3i Infrastructure	284.0	-1.0	303.0	232.5
AJ Bell	408.0	-8.5	477.0	220.0
Allied Minds	64.3	-2.8	87.1	37.3
Amigo Holdings	147.6	-17.4	297.5	145.0
Arrow Global Grou	268.2	-1.0	279.0	167.2
ASA International	355.0	3.0	510.0	320.0
Ashmore Group	533.5	-3.0	542.5	337.0
Brewin Dolphin Ho	314.6	-3.8	366.0	295.4
Charter Court Fin	288.0	-7.5	375.0	228.8
City of London In	439.0	10.0	440.0	360.0
CMC Markets	94.4	-3.6	194.2	77.4
Coats Group	79.1	-0.7	91.3	69.8
Georgia Capital	988.0	8.0	1260.0	941.0
Hargreaves Lansdo	2113.0	13.0	2433.0	1633.0
IG Group Holdings	576.2	4.4	954.5	474.8
IntegraFin Holdin	384.5	-0.5	406.1	269.0
Intermediate Capi	1392.0	2.0	1429.0	899.0
International Per	107.2	5.8	248.8	101.4
Investec	466.0	-4.2	561.0	423.4
IP Group	65.0	-3.6	131.2	65.0
John Laing Group	384.0	-1.8	402.0	283.2
JTC	348.0	-5.5	440.0	287.0
Jupiter Fund Mana	364.2	-9.6	433.3	287.6
Liontrust Asset M	794.0	-8.0	816.0	532.0
LMS Capital	50.3	0.0	53.5	44.0
London Finance &	38.5	0.0	44.5	37.5
London Stock Exch	7058.0	432.0	7272.0	3867.0
Man Group	171.6	0.4	184.9	126.8
OneSavings Bank	352.4	-11.0	447.4	330.0
Paragon Banking G	410.8	-6.2	502.0	379.2
Plus500 Ltd (DI)	601.6	2.2	2040.0	495.0
Provident Financi	432.4	-3.5	692.6	394.9
Quilter	143.8	-1.0	156.6	110.6
Rathbone Brothers	2225.0	20.0	2634.0	2085.0
Real Estate Credi	167.5	-1.5	175.5	163.0
Record	33.0	0.3	42.1	27.3
River and Mercant	269.0	-7.0	330.0	212.0
S&U	2310.0	0.0	2605.0	1767.5
Sanne Group	540.0	-10.0	752.0	450.0
Schroders	3047.0	74.0	3210.0	2334.0
Standard Life Abe	299.7	0.9	378.9	224.9
TP ICAP	313.0	-0.7	324.5	267.2
Walker Crips Grou	27.0	0.0	39.0	24.0
XPS Pensions Grou	117.0	1.5	180.0	95.0

FIXED LINE TELECOMS

	Price	Chg	High	Low
BT Group	193.9	0.7	264.7	187.0
TalkTalk Telecom	104.8	-0.5	137.0	96.6
Telecom Plus	1350.0	18.0	1528.0	1010.0

FOOD & DRUG RETAILERS

	Price	Chg	High	Low
Greggs	2260.0	24.0	2476.0	1006.0
Morrison (Wm) Sup	192.4	-2.3	269.4	191.1
Ocado Group	1250.0	4.5	1435.0	749.8
Sainsbury (J)	195.7	-1.0	341.5	187.9
SSP Group	713.0	7.0	744.4	615.1
Tesco	224.0	0.7	266.2	189.6
UDG Healthcare Pu	813.0	13.0	828.5	551.0

FOOD PRODUCERS

	Price	Chg	High	Low
Associated Britis	2466.0	46.0	2638.0	2041.0
Bakkavor Group	105.6	0.0	190.0	105.0
Cranswick	2654.0	-8.0	3454.0	2472.0
Greencore Group	216.0	2.2	230.0	162.9
Hilton Food Group	933.0	-3.0	1088.0	884.0
Tate & Lyle	755.8	0.4	800.4	626.2
Unilever	5007.0	51.5	5091.0	3931.0

FORESTRY & PAPER

	Price	Chg	High	Low
Mondi	1707.0	-96.5	2236.0	1584.0

GAS, WATER & MULTIUTILITIES

	Price	Chg	High	Low
Centrica	73.9	-2.1	155.6	72.6
National Grid	856.0	11.7	889.2	748.7
Pennon Group	724.4	7.2	792.8	684.2
Severn Trent	2032.0	17.0	2153.0	1770.0
United Utilities	799.6	11.0	873.6	682.4

GENERAL INDUSTRIALS

	Price	Chg	High	Low
Smith (DS)	347.3	-9.4	513.4	292.2
Smiths Group	1662.0	20.0	1666.0	1279.5
Smurfit Kappa Gro	2576.0	-32.0	3292.0	1934.0
Vesuvius	502.5	1.0	662.0	473.2

GENERAL RETAILERS

	Price	Chg	High	Low
Auto Trader Group	538.0	-3.8	606.0	388.5
B&M European Valu	363.0	-7.0	426.3	278.6
Card Factory	166.6	0.4	212.4	162.6
Dixons Carphone	118.2	-1.4	179.8	107.6
Dunelm Group	912.0	-12.5	981.0	482.8
Inchcape	604.0	-20.5	716.5	486.6
JD Sports Fashion	640.0	-9.8	653.2	318.5
Just Eat	758.2	-3.2	806.4	533.8
Kingfisher	218.7	-3.7	299.4	202.2
Marks & Spencer G	207.9	0.0	299.1	204.2

	Price	Chg	High	Low
Next	6054.0	-10.0	6218.0	3991.0
Pets at Home Grou	215.6	7.6	216.0	110.0
Sports Direct Int	224.8	-2.0	408.9	214.4
Ted Baker	905.5	-4.5	2378.0	800.0
Vivo Energy	115.0	-5.0	156.0	96.0
WH Smith	2124.0	6.0	2186.0	1697.0

HEALTH CARE EQUIPMETN & S.

	Price	Chg	High	Low
Assura	64.6	0.0	66.4	52.4
Convatec Group	184.0	27.9	239.0	118.6
Mediclinic Intern	329.4	-13.9	514.2	293.4
NMC Health	2463.0	-11.0	4120.0	2192.0
Smith & Nephew	1924.5	65.5	1927.0	1258.0

HHOLD GDS & HOME CONSTR.

	Price	Chg	High	Low
Barratt Developme	646.0	0.8	663.0	434.0
Bellway	2985.0	15.0	3226.0	2419.0
Berkeley Group Ho	3915.0	37.0	3981.0	3226.0
Bovis Homes Group	1074.0	21.0	1177.0	828.0
Countryside Prope	295.6	1.6	353.2	270.0
Crest Nicholson H	362.8	-4.2	404.8	296.4
McCarthy & Stone	137.4	-1.5	142.7	107.1
Persimmon	2014.0	5.0	2501.0	1859.5

	Price	Chg	High	Low
Reckitt Benckiser	6212.0	-160.0	7155.0	5593.0
Redrow	554.0	-7.0	674.6	460.8
Taylor Wimpey	161.2	-0.6	192.3	129.3

INDUSTRIAL ENGINEERING

	Price	Chg	High	Low
Bodycote	726.5	-10.0	1024.0	676.0
Hill & Smith Hold	1075.0	-54.0	1494.0	902.5
IMI	1034.0	-11.5	1228.0	870.0
Melrose Industrie	191.1	4.2	233.9	146.3
RHI Magnesita N.V	4412.0	-66.0	5085.0	3318.0
Rotork	307.0	-1.5	361.4	235.7
Spirax-Sarco Engi	9090.0	95.0	9400.0	5900.0
Weir Group	1455.5	-41.5	1939.0	1240.0

INDUSTRIAL METALS & MINING

	Price	Chg	High	Low
Evraz	645.2	-5.8	709.4	442.1
Ferrexpo	254.4	-3.3	301.3	143.5

INDUSTRIAL TRANSPORTATION

	Price	Chg	High	Low
BBA Aviation	324.8	4.8	324.8	207.0
Clarkson	2540.0	-35.0	2900.0	1878.0
Fisher (James) &	2125.0	-45.0	2260.0	1600.0
Royal Mail	212.8	3.1	489.0	194.5

NON LIFE INSURANCE

	Price	Chg	High	Low
Admiral Group	2170.0	3.0	2300.0	1932.5
Beazley	569.0	-7.5	599.0	492.6
Direct Line Insur	321.3	-1.1	366.5	304.9
Hastings Group Ho	194.0	0.9	274.2	174.0
Hiscox Limited (D	1682.0	-18.0	1777.0	1418.0
Lancashire Holdin	699.0	5.5	725.5	530.0
RSA Insurance Gro	560.6	0.0	641.6	496.6
Sabre Insurance G	271.0	6.5	294.0	249.0

LIFE INSURANCE

	Price	Chg	High	Low
Aviva	409.6	3.5	502.8	364.6
Legal & General G	259.5	-2.3	291.2	223.7
Phoenix Group Hol	695.8	0.2	724.8	544.0
Prudential	1705.0	7.0	1824.0	1340.0
St James's Place	971.0	-13.0	1171.0	914.0

MEDIA

	Price	Chg	High	Low
4imprint Group	2820.0	30.0	2850.0	1800.0
Ascential	392.0	-6.2	434.8	337.2
Bloomsbury Publis	232.0	0.0	243.0	190.5
Centaur Media	45.5	0.0	56.5	34.7
Entertainment One	439.0	-2.0	483.4	336.4
Euromoney Institu	1366.0	-14.0	1412.0	1132.0

MAIN CHANGES UK 350

Risers ▲		%
Convatec Group	184.0	17.9
Capita	136.8	17.3
British American T	3155.5	6.9
London Stock Excha	7058.0	6.5
Games Workshop Gro	4774.0	5.3
Intertek Group	5962.0	4.5
Mitchells & Butler	316.5	4.1
Pets at Home Group	215.6	3.7
Spirent Communicat	163.6	3.5
Smith & Nephew	1924.5	3.5

Fallers ▼		%
Amigo Holdings	147.6	-10.6
Intu Properties	44.5	-7.0
Premier Oil	78.9	-6.1
Mondi	1707.0	-5.4
IP Group	65.0	-5.3
Royal Dutch Shell	2472.0	-5.0
Royal Dutch Shell	2466.0	-4.9
Hill & Smith Holdi	1075.0	-4.8
Kaz Minerals	550.6	-4.7
Metro Bank	342.6	-4.5

	Price	Chg	High	Low
Future	1146.0	16.0	1248.0	375.0
Goco Group	83.9	-1.9	120.0	64.6
Haynes Publishing	224.0	0.0	227.0	160.0
Huntsworth	99.4	-0.6	125.0	81.0
Informa	877.0	3.0	892.0	605.8
ITE Group	73.6	0.3	83.7	56.3
ITV	108.1	-2.9	170.1	104.7
Moneysupermarket.	366.5	-2.4	417.7	264.0
Pearson	849.4	-21.8	1027.5	769.2
Reach	89.2	4.2	89.5	54.6
Relx plc	1963.5	10.0	1978.0	1491.5
Rightmove	527.0	-1.4	585.1	420.9
STV Group	370.0	0.0	440.0	318.0
Tarsus Group	424.0	-1.0	438.0	243.0
WPP	975.6	5.2	1301.0	800.4

MINING

	Price	Chg	High	Low
Acacia Mining	225.8	0.4	256.6	96.1
Anglo American	1952.0	-87.0	2266.0	1464.6
Antofagasta	902.4	-36.8	1022.5	727.2
BHP Group	1936.2	-48.0	2049.0	1490.6
Centamin (DI)	127.3	-2.7	136.2	79.8
Fresnillo	605.8	4.8	1027.5	570.0
Glencore	254.5	-12.0	341.5	249.8
Hochschild Mining	201.2	-6.8	217.0	149.1
Kaz Minerals	550.6	-27.4	819.8	436.7
Polymetal Interna	978.8	-16.8	1031.0	597.2
Rio Tinto	4539.5	-158.5	4976.5	3486.0

MOBILE TELECOMS

	Price	Chg	High	Low
Inmarsat	574.2	1.6	586.0	362.8
Vodafone Group	151.7	1.6	186.7	123.3

OIL & GAS PRODUCERS

	Price	Chg	High	Low
BP	538.7	-7.0	598.3	485.9
Cairn Energy	152.9	-5.5	250.0	140.0
Energean Oil & Ga	1082.0	16.0	1092.0	510.0
Premier Oil	78.9	-5.1	143.6	55.6
Royal Dutch Shell	2466.0	-128.0	2666.0	2213.0
Royal Dutch Shell	2472.0	-130.5	2705.5	2227.0
Tullow Oil	188.6	-5.2	266.3	165.2

OIL EQUIPMENT & SERVICES

	Price	Chg	High	Low
Hunting	502.0	-8.0	849.0	453.6
Petrofac Ltd.	410.6	-9.1	663.4	381.5
Wood Group (John)	514.8	-16.2	796.4	389.9

PERSONAL GOODS

	Price	Chg	High	Low
Burberry Group	2322.0	63.0	2345.0	1623.5
PZ Cussons	219.0	-0.5	244.0	178.6

PHARMACEUTICALS & BIOTECH

	Price	Chg	High	Low
AstraZeneca	7200.0	139.0	7205.0	5325.0
BTG	839.0	2.5	853.0	508.5
Dechra Pharmaceut	2956.0	10.0	3168.0	2014.0
Genus	2604.0	-36.0	2890.0	2098.0
GlaxoSmithKline	1710.4	7.8	1730.0	1418.0
Hikma Pharmaceuti	1862.5	22.0	2025.0	1510.5

REAL ESTATE INVEST. & SERV.

	Price	Chg	High	Low
BMO Commercial Pr	111.8	-2.0	149.4	110.8
Capital & Countie	196.0	-2.2	279.5	191.4
CLS Holdings	230.0	2.5	255.0	195.4
Daejan Holdings	5600.0	40.0	6190.0	5420.0
Grainger	227.0	-0.4	278.5	205.8
NewRiver REIT	162.8	-1.2	278.5	161.1
Safestore Holding	620.5	-4.5	658.5	499.4
Savills	957.0	5.5	975.0	678.5
St. Modwen Proper	408.0	-8.0	441.5	365.0
UK Commercial Pro	80.8	-2.3	92.7	80.6

REAL ESTATE INVEST. TRUSTS

	Price	Chg	High	Low
Big Yellow Group	984.5	-4.5	1062.0	852.5
British Land Comp	502.4	-5.6	656.0	500.2

	Price	Chg	High	Low
Derwent London	2918.0	-2.0	3328.0	2761.0
Great Portland Es	664.6	2.8	773.6	652.3
Hammerson	211.0	-3.3	513.2	203.4
Intu Properties	44.5	-3.3	201.5	43.6
Land Securities G	791.0	-5.2	943.6	785.8
LondonMetric Prop	201.4	-1.6	215.2	172.7
Primary Health Pr	131.0	-0.6	139.0	106.4
SEGRO	760.6	-3.6	789.0	585.2
Shaftesbury	784.0	-2.5	930.5	777.5
Tritax Big Box Re	153.1	0.1	159.7	129.0
Unite Group	1032.0	0.0	1076.0	797.5
Workspace Group	827.0	-17.5	1088.0	789.5

SOFTWARE & COMPUTER SERV.

	Price	Chg	High	Low
Avast	334.0	-2.4	345.8	228.7
Aveva Group	4014.0	22.0	4170.0	2284.0
Computacenter	1500.0	-25.0	1572.0	952.0
FDM Group (Holdin	816.0	-4.0	1000.0	734.0
Funding Circle Ho	110.6	-2.4	440.0	110.0
Kainos Group	556.0	-6.0	676.0	340.0
Micro Focus Inter	1780.4	41.6	2491.6	1434.4
Playtech	443.1	-0.7	560.4	361.8
Sage Group	736.8	16.8	820.4	525.6
Softcat	951.0	-3.0	993.5	565.0
Sophos Group	434.0	-1.0	539.5	298.2

SUPPORT SERVICES

	Price	Chg	High	Low
Aggreko	842.6	9.0	882.0	691.8
Ashtead Group	2288.0	15.0	2438.0	1586.5
BCA Marketplace	241.8	-0.2	247.0	178.5
Bunzl	2166.0	16.0	2551.0	2059.0
Capita	136.8	20.2	150.2	99.9
DCC	6904.0	-58.0	7390.0	5555.0
Diploma	1501.0	-16.0	1634.0	1150.0
Electrocomponents	617.6	9.0	761.6	480.0
Equiniti Group	209.6	-0.8	266.0	186.2
Essentra	421.4	-5.0	507.0	325.4
Experian	2544.0	44.0	2546.0	1728.5
Ferguson	6230.0	66.0	6556.0	4749.0
G4S	191.7	0.1	282.0	175.9
Grafton Group Uni	729.0	2.0	937.0	630.0
Hays	156.5	2.4	212.0	135.7
Homeserve	1125.0	-16.0	1263.0	849.0
Howden Joinery Gr	553.8	-1.2	573.4	416.4
Intertek Group	5962.0	254.0	5982.0	4387.0
Network Internati	628.0	15.0	630.0	500.0
Pagegroup	452.6	3.8	623.5	415.0
PayPoint	926.0	-22.0	1118.0	748.0
Rentokil Initial	447.0	12.0	447.9	284.8
Robert Walters	506.0	-26.0	475.0	814.0
Serco Group	147.2	-0.2	147.5	84.1
SIG	131.7	0.0	153.0	102.2
Travis Perkins	1325.0	-41.0	1465.0	970.0

TOBACCO

	Price	Chg	High	Low
British American	3155.5	203.5	4222.5	2375.0
Imperial Brands	2149.5	54.5	2987.5	1846.8

TRAVEL & LEISURE

	Price	Chg	High	Low
Carnival	3738.0	35.0	5000.0	3412.0
Cineworld Group	251.9	-3.2	323.6	246.9
Compass Group	2110.0	27.0	2111.0	1483.0
Domino's Pizza Gr	249.2	1.8	319.7	224.4
EI Group	281.2	0.2	285.0	152.0
FirstGroup	115.0	0.2	116.6	79.3
Flutter Entertain	6498.0	-42.0	8145.0	5525.0
Go-Ahead Group	2140.0	6.0	2200.0	1480.0
Greene King	632.6	7.2	704.4	472.8
GVC Holdings	583.2	-8.4	1150.0	507.5
InterContinental	5642.0	-77.0	5738.0	3958.4
International Con	413.5	-10.9	711.4	413.5
Marston's	108.5	1.6	124.7	89.9
Merlin Entertainm	452.5	1.0	454.7	307.1

	Price	Chg	High	Low
Millennium & Copt	680.0	0.0	685.0	436.0
Mitchells & Butle	316.5	12.5	317.0	238.0
National Express	421.6	2.0	438.4	361.4
PPHE Hotel Group	1860.0	20.0	1990.0	1490.0
Rank Group	152.8	1.2	187.6	135.0
Restaurant Group	149.7	-2.7	221.9	111.9
Stagecoach Group	132.4	2.4	177.0	115.5
TUI AG Reg Shs (D	813.6	-4.0	1594.0	698.0
Wetherspoon (J.D.	1526.0	-5.0	1581.0	1066.0
Whitbread	4510.0	-13.0	5114.0	3883.0
William Hill	150.8	-1.8	297.0	132.3
Wizz Air Holdings	3550.0	16.0	3769.0	2329.0

AIM 50

	Price	Chg	High	Low
Abcam	1292.0	-16.0	1539.0	1017.0
Advanced Medical	295.5	3.5	370.0	260.0
Alliance Pharma	71.2	0.4	95.6	60.0
ASOS	2688.0	82.0	6222.0	2107.0
Blue Prism Group	1372.0	-51.0	2575.0	1040.0
Camellia	10700.0	250.0	11750.0	9100.0
CareTech Holding	384.0	9.0	406.0	325.0
Central Asia Meta	203.0	-1.5	266.5	200.5
Clinigen Group	1010.0	2.0	1069.0	721.0
CVS Group	930.0	10.0	1123.0	395.0
Dart Group	766.5	7.0	1017.0	751.0
Diversified Gas &	107.0	0.5	134.0	100.0
Draper Esprit	518.0	10.0	645.0	458.0
Eland Oil & Gas	124.8	4.8	134.0	97.0
EMIS Group	1240.0	14.0	1242.0	864.0
Fevertree Drinks	2442.0	106.0	3956.0	2070.0
First Derivatives	2990.0	40.0	4390.0	2050.0
Frontier Developm	974.0	-6.0	1385.0	740.0
Gamma Communicati	1085.0	-10.0	1195.0	688.0
GB Group	607.0	7.0	631.0	410.5
Gooch & Housego	1325.0	-7.5	1880.0	954.0
Hurricane Energy	44.2	0.7	60.8	39.0
Impax Asset Manag	238.0	3.0	295.0	184.0
Iomart Group	330.5	-9.5	475.0	308.0
IQE	66.0	-0.4	112.5	51.6
James Halstead	512.0	2.0	532.0	367.0
Johnson Service G	174.8	2.0	176.0	113.6
Keywords Studios	1636.0	-27.0	2065.0	900.0
Learning Technolo	112.8	-0.2	166.5	62.2
M&C Saatchi	340.0	0.0	394.0	270.0
M. P. Evans Group	677.0	-8.0	800.0	637.0
Majestic Wine	259.0	3.0	472.0	219.0
Midwich Group	536.0	-4.0	685.0	491.5
Mortgage Advice B	580.0	-24.0	720.0	490.0
Next Fifteen Comm	606.0	8.0	658.0	469.0
Nichols	1760.0	-40.0	1840.0	1240.0
Numis Corporation	244.0	3.5	426.5	221.5
Polar Capital Hol	558.0	-14.0	644.0	448.0
Purplebricks Grou	115.0	-1.6	300.0	90.0
Redde	118.6	4.2	196.0	90.0
Renew Holdings	408.0	8.0	436.5	333.0
RWS Holdings	652.0	2.0	653.0	415.5
Scapa Group	200.5	3.1	473.4	157.0
Secure Income Rei	418.0	-1.0	420.0	371.0
Serica Energy	109.6	-0.2	142.0	69.3
Smart Metering Sy	483.0	-19.0	665.0	475.0
Telford Homes	349.0	-1.0	430.0	267.0
Thorpe (F.W.)	326.0	0.0	340.0	248.0
Watkin Jones	214.0	0.5	232.5	192.2
Young & Co's Brew	1640.0	10.0	1885.0	1322.5
Young & Co's Brew	1160.0	-5.0	1300.0	1030.0

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EU SHARES

	Price	Chg	High	Low
AB INBEV	92.71	1.64	92.71	56.32
ADIDAS N	295.00	5.85	297.95	178.30
AIR LIQUIDE	126.25	1.25	127.20	101.85
AIRBUS BR	129.42	1.36	133.86	77.50
ALLIANZ	209.55	-1.40	218.70	170.50
AMADEUS IT GRP BR-A	72.06	0.70	82.20	58.06
ASML HLDG	207.55	4.75	211.50	130.12
AXA	23.17	0.27	23.99	18.40
BANCO SANTANDER	3.88	0.01	4.80	3.80
BASF N	60.15	-0.34	82.71	57.26
BAYER N	59.60	0.54	96.97	52.00
BBVA	4.64	0.04	6.33	4.48
BMW	67.44	0.51	86.71	61.31
BNP PARIBAS A	42.85	0.67	56.94	38.14
CRH PLC	30.01	0.01	34.87	26.53
DAIMLER N	46.36	-0.72	59.90	44.54
DANONE	79.14	0.74	79.42	59.72
DEUTSCHE POST N	29.16	-0.41	32.20	23.43
DEUTSCHE TELEKOM N	15.08	0.16	15.88	13.36
ENEL N	6.24	0.04	6.62	4.22
ENGIE	13.85	-0.07	14.39	11.31
ENI N	14.10	-0.11	16.71	13.39
ESSILORLUXOTT	127.70	5.05	129.60	95.50
FRESENIUS	46.00	0.39	71.00	38.50
IBERDROLA	8.62	0.05	9.13	5.81
INDITEX	27.56	0.53	28.86	21.85
ING GROUP	9.84	-0.23	13.28	9.09
INTESA SANPAOLO N	2.00	0.04	2.66	1.80
KERING	469.45	-0.05	539.80	351.70
KON AH DEL BR	20.45	-0.01	24.01	18.60
L'OREAL	245.20	3.20	257.80	182.00
LINDE	174.05	0.30	0.00	0.00
LVMH	379.10	3.80	392.65	242.30
MUENCHENER RUECKV N	217.00	-1.30	228.70	180.00
NOKIA	4.96	0.07	5.76	4.17
ORANGE	13.52	0.10	15.25	13.08
ROY.PHILIPS	43.65	1.17	43.67	29.05
SAFRAN	130.55	0.70	137.20	99.98
SANOFI	75.49	0.03	80.44	71.32
SAP I	112.04	-0.06	125.00	84.02
SCHNEIDER EL	78.74	0.66	81.36	57.54
SIEMENS N	93.93	-5.66	121.34	90.90
SOCIETE GENERALE	23.50	1.30	35.06	20.81
TELEFONICA	6.88	-0.05	8.06	6.59
TOTAL	46.55	-0.49	55.39	44.23
UNILEVER	52.78	0.45	55.40	45.30
VINCI	94.16	0.92	94.96	69.98
VIVENDI	25.02	-0.16	26.69	20.80
VOLKSWAGEN VZ I	151.46	-0.30	163.70	131.02

COMMODITIES

Gold	1427.55	1.65
Silver	16.48	0.02
Brent Crude	64.72	1.01
Krugerrand	1454.25	0.60
Palladium	1529.00	-18.00
Platinum	874.00	-7.00
Tin Cash Official	17550.00	-300.00
Lead Cash Official	2003.00	-16.00
Zinc Cash Official	2425.00	-46.00

Copper Cash Official	5943.00	-17.00
Aluminium Cash Official	1781.00	-4.00
Nickel Cash Official	14200.00	150.00
Aluminium Alloy Cash Official	1270.00	15.00
Cocoa Futures	2337.00	-27.00
Coffee 'C' Futures	97.48	-2.17
Feed Wheat Futures	145.60	-1.85
Soybeans Futures Continuation Contract	847.60	-16.20

CREDIT & RATES

BoE IR Overnight	0.750	0.00
BoE IR 7 days	0.750	0.00
BoE IR 1 month	0.750	0.00
BoE IR 3 months	0.750	0.00
BoE IR 6 months	0.750	0.00
LIBOR Euro - overnight	-0.463	0.01
LIBOR Euro - 12 months	-0.339	0.00
LIBOR USD - overnight	2.351	0.01
LIBOR USD - 12 months	2.189	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	2.44	-0.09
Euro Euribor	-0.407	-0.01
The vix index	17.87	1.75
The baltic dry index	1868.00	-31.00
Markit iBoxx EUR	246.62	0.35
Markit iBoxx GBP	351.44	1.67
Markit iBoxx USD	255.97	0.46

WORLD INDICES

	Price	Chg	%chg
FTSE 100	7584.87	-1.91	-0.03
FTSE 250	19634.31	-32.21	-0.16
FTSE All-Share	4132.23	-1.80	-0.04
FTSE AIM All-Share	931.77	0.31	0.03

	Price	Chg	%chg
S&P 500	2953.56	-26.82	-0.90
Dow Jones I.A.	26583.42	-280.85	-1.05
Nasdaq Composite	8111.12	-64.30	-0.79
Xetra DAX	12253.15	64.11	0.53

	Price	Chg	%chg
CAC 40	5557.41	38.51	0.70
Swiss Market Index	9919.27	28.37	0.29
ISEQ Overall Index	6075.25	-35.88	-0.59
FTSEurofirst 300	1526.84	6.97	0.46

	Price	Chg	%chg
Hang Seng	27565.70	-212.05	-0.76
Shanghai Composite	2908.77	-23.74	-0.81
STI Index	3291.91	-13.21	-0.40
ASX All Ordinaries	6871.90	-24.80	-0.36

US SHARES

	Price	Chg	High	Low
3M	173.36	-1.36	219.75	159.32
ABBOTT LABORATOR	86.08	-1.02	88.76	63.07
ADOBE	298.44	-0.42	313.11	204.95
ALPHAB RG-C-NV	1209.01	-7.67	1289.27	970.11
ALPHABET-A	1211.78	-6.42	1296.98	977.66
AMAZON.COM	1855.32	-11.46	2050.50	1307.00
AMERICAN EXPRESS	124.09	-0.28	129.34	89.05
APPLE	208.43	-4.61	233.47	142.00
AT&T	34.12	0.07	34.64	26.80
BANK OF AMERICA	29.49	-1.19	31.91	22.66
BERKSHIRE HATH RG-B	201.71	-3.72	224.07	186.10
BOEING CO	334.29	-6.89	446.01	292.47
CATERPILLAR	126.79	-4.88	159.37	112.06
CHEVRON	120.74	-2.37	127.60	100.22
CISCO SYSTEMS	55.39	-0.01	58.26	40.25
CITIGROUP	68.35	-2.81	75.24	48.42
COCA-COLA CO	52.03	-0.60	54.82	44.25
COMCAST-A	42.88	-0.29	45.30	32.61
DOW	46.85	-1.59	0.00	0.00
EXXON MOBIL	72.46	-1.90	87.36	64.65
FACEBOOK-A	192.73	-1.50	208.66	123.02
GOLDMAN SACHS GR	211.60	-8.53	245.08	151.70
HOME DEPOT	212.83	-0.86	219.30	158.09
IBM	150.32	2.08	154.36	105.94
INTEL	49.50	-1.05	59.59	42.36
JOHNSON & JOHNSO	130.29	0.07	148.99	121.00
JPMORGAN CHASE	112.94	-3.06	119.24	91.11
MASTERCARD RG-A	274.16	1.89	283.33	171.89
MCDONALD'S	211.25	0.53	218.96	153.13
MEDTRONIC	102.37	0.43	103.95	81.66
MERCK	83.69	0.70	87.07	64.87
MICROSOFT	138.06	1.79	141.68	93.96
NETFLIX	319.50	-3.49	386.80	231.23
NIKE -B-	83.12	-2.91	90.00	66.53
ORACLE	55.88	-0.42	60.50	42.40
PAYPAL HOLDINGS	110.80	0.40	121.48	74.66
PEPSICO	118.61	0.56	119.74	101.06
PEPSICO	127.14	-0.67	135.24	104.53
PFIZER	38.25	-0.59	46.47	37.68
PHILIP MRRS INT	82.45	-1.16	92.74	64.67
PROCTER&GAMBLE	116.73	-1.31	121.76	78.49
TRAVELERS COS	145.78	-0.84	155.09	111.08
TWITTER	42.08	-0.23	43.48	26.19
UNITEDHEALTH GRO	249.25	0.24	287.94	208.07
UTD TECHS	131.84	-1.76	144.40	100.48
VERIZON COMM	55.26	-0.01	61.58	51.43
VISA RG-A	179.17	1.17	184.07	121.60
WALGREENS BOOTS	54.07	-0.42	86.31	49.31
WALMART	109.38	-1.00	115.49	85.78
WALT DISNEY	141.85	-1.16	147.15	100.35
WELLS FARGO	47.06	-1.35	59.53	43.02

FORUM

EDITED BY RACHEL CUNLIFFE

A radical and pragmatic PM would let parliament get a cat

PARLIAMENT is infested with vermin. According to an internal report seen by the MailOnline, the Westminster war on mice is being lost, despite £111,498 spent on pest control last year.

As political conundrums go, this one has an obvious solution: allow cats on the parliamentary estate. Lots of them.

Practical, inexpensive, and ruthlessly effective, this approach has been rejected. Dogs are allowed, but cats aren't, ostensibly for health and safety reasons, despite the fact that sharing an office with a cat is much healthier and safer than mice chewing through wires and leaving droppings all over official documents.

And thus the moral divide defeats pragmatism in politics once again.

I bring this up not just because I love cats, but because it showcases the blind spot often suffered by politicians when it comes to tackling a problem from the perspective of what might work, rather than what they believe ought to.

This attitude is personified by the recently departed Theresa May, not just in her dogged insistence on trying to ram through the same flawed Brexit deal, but in her blinkered approach to a host of policy issues.

From the fixation on the net migration cap (leading to a draconian Home Office regime that barred talented individuals from working in the UK), to an ideological aversion to medical cannabis (forcing desperate parents to travel abroad to get treatment for their chronically ill children), to a refusal to relax planning laws to tackle the housing crisis, May's government was defined by stubbornness and lack of creativity.

But now there's a new Prime Minister in town, with a team who, it seems, are bursting with ideas.

There's Rishi Sunak, chief Treasury secretary, who has written in *City A.M.* about restoring the nation's faith in capitalism by designing a bond market for ordinary savers to invest in Britain's SMEs.

There's Esther McVey, who, if she sticks around as housing minister longer than her many predecessors, is determined to design policy under her "blue-collar Conservatism" banner – looking for ways to help small builders, families trying to extend properties, and communities wanting to repurpose existing buildings for housing.

Freshly promoted Liz Truss has been a libertarian and free trade champion for years. And today, the new trade secretary is announcing a policy to establish freeports – tariff-free zones around ports that can help spur manufacturing and industry in left-behind parts of the country, particularly in the north.

Meanwhile, two of the Prime Minister's top aides have been vocal supporters of legalising medicinal cannabis, and Boris Johnson has thankfully abandoned the misguided and counterproductive migration target, promising instead a kind of points-based system to ensure that Britain can get the talent that it needs – and even advocating an amnesty for illegal immigrants.

All of this, naturally, is taking a back seat to the government's twin priorities of getting Britain out of the EU and preparing for the election that will be necessary to either achieve this or manage the fall-out.

Rachel Cunliffe
Comment and features editor at City AM

There's the sense from this new team that they could even be prepared to look at fresh ideas

When that election does happen, Brexit will still dominate. But beyond that, we are at least starting to get the very slightest sense from this new team that, instead of reheating tired old policies along ideological lines, they could be prepared to look at fresh ideas – ones that might even attract new voters.

In today's polarising political landscape, this is radical. For the last three years, many in the main parties have retreated to attacking people who dare to not vote for them, rather than asking themselves why.

If you don't support Jeremy Corbyn's socialist vision, Labour doesn't want your vote anyway, as seen by the glee from the left when Tony Blair's former spinner Alastair Campbell announced that he no longer felt the party was his home.

And if you're not white and have the audacity to be a Conservative, like a record number of the Boris cabinet, Corbyn's online army will accuse you of being a traitor to your race, instead of asking why the Tories might be more attractive to some ethnic minorities than Labour – or even if ethnicity matters as much as they think it does.

On the other side, if you don't support the Tories, you're turning your back on the democratic mandate of the referendum and don't believe in your country – unless you're voting for Nigel Farage's new Brexit Party, that is, for whose supporters any concern about the impact of no-deal is tantamount to treason.

This hyperbolic rhetoric of alienation has turned political strategy on its head. Instead of setting out to convince undecided voters, the debate has morphed into a competition to see who can demonise their opponents' supporters the most.

Now, there are hints that some in the new regime are looking at regional and demographic groups that don't traditionally vote Tory and considering ways to win them over.

The morality argument ("vote for us because we're right, the other side is wrong, and you're unethical if you don't") may finally be shifting back to the realistic one ("vote for us because we've looked at the evidence and designed policies that will help people like you").

We are, alas, unlikely to see much progress on housing, cannabis, or SME bonds until after Brexit is sorted, though there is more of a chance for freeports and a sensible approach to immigration. But at least there is now hope that pragmatism could be due for a comeback.

Until then, the least the Prime Minister could do if he wants an easy win is to drop the anti-feline dogma and let parliament get a cat or two.

Hang on tight – populism is back, and the Democratic candidates are veering left

THE DEMOCRATIC primary is heating up – and some of the policy proposals are as red as fire. This week, 10 hopefuls took to the stage in Detroit, for the second debate leading up to the 2020 presidential election. And what we saw was an extreme ebbing and flowing of liberalism and socialism, raising serious questions about the future of the Democratic party.

The centrepiece representative was Joe Biden. The former vice president was broadly considered to have dropped the political ball in the first debate, coming across as underprepared, low energy, and missing some of the pizazz he historically brought to public office.

This time was different. Still clearly older than he once was, and a bit out of sparring shape, Biden fended off the criticism and attacks coming from all angles, especially when it came to the first debate topic, on expanding healthcare coverage to all Americans.

In a clash between centrism and more extreme policy, the proposal for "Medicare for all" (a universal expansion of one of America's state-run health programmes) thrown at Biden by senator Kamala Harris and others as the future for US healthcare was rightly shot down by him as unrealistic, unaffordable, and essentially a pledge to hike taxes on middle-class Americans.

But frustratingly, Biden then proposed an expansion of the Affordable Care Act ("Obamacare"), which has also proven expensive and bureaucratic. The cost of insurance for Americans has shot up since Obamacare was introduced, while millions still remain uninsured.

Clearly, all the Democratic candidates have fallen into the trap of considering only the US healthcare system and the centralised UK model. The problems with the British NHS structure – not to mention the benefits of the social

Kate Andrews

health insurance systems throughout the rest of Europe – seem to be just as lost on American representatives as they are on MPs in the UK.

There was slightly more liberalism on display when it came to other issues, however. On drug reform, Harris herself came under fire from rivals for not practising the progressive policy she preaches. Despite claiming now that she supports policy changes on cannabis, she had to answer for her record of locking up Californians for drug use when serving as the state's attorney general.

And on immigration, all the candidates painted themselves in stark contrast to Donald Trump, taking sympathetic and liberal positions to varying degrees.

There is no doubt that these contenders are making their appeals to the grassroot Democratic voters, who will decide which of the staggering 25 candidates will get to run against President Trump in November 2020 – although only 10 made it to the debate stage. And on a few occasions, liberalism shone through.

But overall, few candidates seemed to put their finger on the pulse of the nation at large, which is far less radical than this new era of the Democratic left.

Regardless, the increasingly polarising Democratic and Republican parties will be going to the polls next November, asking voters to pick a side. Hang on tight – for all we know, it could be 2016 all over again, with an extra shot of populism.

Kate Andrews is associate director at the Institute of Economic Affairs.

LETTERS
TO THE EDITOR

Grassroots up

[Re: Are the citizens' convention on UK democracy proposals a good idea?]

When the Women's Equality Party was set up in 2015, we set out to do politics differently, offering joint memberships to members of other parties to challenge the tribalism that has put people off politics for too long. We are always looking for ways to engage more people in a system that has excluded too many. The first past the post electoral system shuts out small parties and incentivises "tactical" voting to avoid what we don't want rather than voting for what we do. Why not entrust citizens to review alternative methods of voting? Systems of proportional representation have been proven to return more diverse parliaments. There are few mechanisms to hold MPs to account between General Elections, and this week saw the Prime Minister drop the investigation into Mark Field, who was filmed violently accosting a protester. Citizens should have the chance to decide how to have better engagement with their representatives, including the power to recall them when they harass or assault people.

Pamela Ritchie, Women's Equality Party

In a recent poll by the Hansard Society, 63 per cent of people believed that the government is rigged to the advantage of the rich and powerful, and 47 per cent felt that they have no influence over national decision-making. There are therefore good intentions behind the citizens' convention's proposal to select 100 volunteers in order to reshape UK democracy. However, such a small selection of participants could not possibly "represent a microcosm of the UK", as Graham Allen, a driving force behind the project, has said. While the volunteers will be chosen based on various criteria, such as ethnicity, age, and socio-economic group to ensure diversity, it's disheartening that the best idea advocates can come up with is a mere hundred people, chosen to represent the 66m residents of the UK.

Hana El-chamaa

BEST OF TWITTER

One of the great joys of being pro-immigration is encountering all the conservatives and so-called libertarians who immediately counter with a variation of "Muh welfare state!" Check your premises and build a wall around the welfare state, not along our borders.
@nickgillespie

Sixty backbench Tories will vote down Withdrawal Agreement even if the Irish backstop is removed, warns Mark Francois
@christopherhope

How dare you give us what we want! There is no reasoning with these people and no point trying to accommodate them.
@alexmassie

This is a fair point, but I feel like not enough attention is being given to the 200+ Labour MPs who claim to desperately want to avoid No Deal yet voted down the WA three times, and will probably do so again when it comes back, regardless of what form it takes.
@btharris93

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

With Boris onside, we can boost connectivity across the country

Mark Evans

THE SUCCESSFUL economies of the future will be those that effectively seize the potential of digital technology. It is particularly important that we in the UK take heed of this message, as businesses face ongoing uncertainty in the approach to the government's Halloween Brexit deadline.

So what progress is being made to realise this potential? Well, all four UK mobile operators are launching 5G networks this year, providing a platform for new digital services that will leave no industrial sector untouched by the positive and transformational impact offered by this new technology.

Mobile connectivity is well on the way to eclipsing fixed connectivity in its importance to the economy. That eclipse could be complete by 2026.

It has been encouraging to see our new Prime Minister repeatedly state his commitment to deliver full-fibre broadband to every UK home by 2025. However, that timescale is challenging – only seven per cent of UK properties so far have full-fibre broadband – and it will cost about £30bn.

The good news for the government is that there is a plan already on the table that will deliver more powerful results, at a quicker pace, for a fraction of the cost.

The Shared Rural Network (SRN) is a programme of mobile digital infrastructure development and investment, put together collaboratively by the UK's four mobile operators. Its objective is to improve mobile coverage massively in rural areas across the UK.

Mobile coverage has already improved a great deal in recent years – funded and delivered by the mobile industry. 4G coverage is now provided in almost all locations where there is a business case for doing so, including 99 per cent of properties.

However, only 67 per cent of UK landmass receives 4G coverage from all four operators, and about seven per cent of the UK receives no 4G coverage at all.

That is why all four operators put together the SRN to transform and expand our respective rural digital infrastructure into a single network asset that we can all use and share.

But if the SRN is to achieve its fullest impact, the government must fund a programme of infrastructure expansion in rural areas by reducing the £200m annual spectrum licence fees paid by the industry.

This measure should replace the regulator Ofcom's original intention to offer discounts of between £700m and £800m on certain licences in the next spectrum auction in exchange for improvement in rural connectivity.

Only 67 per cent of UK landmass receives 4G coverage from all four operators

The SRN offers more for less: better 4G coverage across rural areas from all operators (instead of just one or two), at a cost which is a small fraction of the budgets for HS2, Crossrail, and the Prime Minister's broadband pledge.

The government and Ofcom should also support the SRN by ensuring that all mobile operators are able to acquire contiguous blocks of spectrum, so that they can use it more efficiently, providing a better 5G service to customers and maximising the boost that 5G tech can give to the UK economy.

Finally, there needs to be further reform of planning policy and easier access to government-owned properties that are in prime locations for digital infrastructure.

Over the past few months, we have had positive dialogue about the SRN with Ofcom and the Department for Digital, Culture, Media and Sport. Now is the time for the new government to be bold, continue the momentum and progress of those talks, and reach a full agreement.

The implementation of the SRN can then begin to lift all-operator 4G landmass coverage from its current level of 67 per cent to 92 per cent.

If the government truly believes that mobile connectivity is an essential service, it must take the decisions that are required to enable its delivery.

To do otherwise would deprive businesses and consumers in rural Britain of better mobile coverage, and discourage the investment needed to deliver widespread connectivity, 5G leadership, and a successful economy.

Mark Evans is chief executive of O2.

DEBATE

Is it fair to consider ITV's Love Island the biggest advertising opportunity of 2019?

YES

DAVE LAWRENCE

Whether the show was the "biggest advertising opportunity" depends on what that brand was trying to achieve. While the women's World Cup earlier this year, for example, had a much larger audience, its demography was far less specific and loyal.

For brands chasing the millennial pound – especially in the fashion and beauty industries – Love Island was undoubtedly fruitful.

It's not just the show itself, but its network effect.

Start from the basic premise that everything on the show is an ad. You run a TV ad campaign, your product appears in the show, the contestant's millions of followers see it on Instagram, your social media team jumps on the right hashtags, and consumers engage with it.

At that point, there's barely a person vaguely interested in the show who hasn't seen your message. That's some opportunity.

It's little wonder that ITV has announced a winter series which, at Christmas, may prove very successful.

Dave Lawrence is planning partner at creative agency Brave.

NO

JEM FAWCUS

There's no denying that Love Island is an advertiser's dream. The final received 3.6m viewers – that's 3.6m chances to engage customers through product placement, sponsorship deals, and advertising spots.

But to claim that it was the biggest advertising opportunity of 2019 is an overstatement, and perhaps myopic.

Other big advertising opportunities are manifest, yet often overlooked. Take the women's World Cup, which drew in 8.2m viewers, or the last season of Game of Thrones, which had 3.4m UK eyeballs for the final episode.

Love Island's viewing figures are high but not an anomaly – Coronation Street averages more viewers.

And Love Island has a sell-by-date. The audience is engaged during the series, but fandom wanes afterwards, as does the stardust of the contenders.

Brands need to think about the human beings behind the viewership, and how they will move on as trend dictates. In terms of long-term brand-building, Love Island hasn't a patch on the World Cup.

Jem Fawcus is chief executive at human insight agency Firefish.

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HOTPROPERTY

ALL YOU NEED TO KNOW ABOUT THE LONDON PROPERTY MARKET

Edited by **Helen Crane**

WHERE TO LIVE FOR THE BEST COMMUTE

This outer London borough has just been named London's 'most commutable,' says **Helen Crane**

Sweaty summer mornings on the Northern line getting you down? Been apologised to over a tannoy one too many times? Sick of travelling with a lower level of comfort than someone's handbag?

You might want to consider a move to Richmond-Upon-Thames, which despite all of its train and tube stations being in zones three to six, comes out top in a survey of the best London boroughs when it comes to commuting.

The survey, carried out by estate agent LiFE Residential, asked more than 700 residents across all of the 33 boroughs not just about the time it takes to get from A to B but also the cost, how friendly their fellow commuters are and how 'satisfied' they are with their commute as a whole.

While residents of Hammersmith & Fulham, Hounslow and Westminster report being slightly more satisfied with their commute, affluent Richmond has the lowest monthly cost at £44 (suggesting many cycle into London), as well as a short journey time of 27 minutes putting it in the top spot overall.

Richmond station has fast train connections to London Waterloo in as little as 21 minutes, while most other train stations in the borough can reach it in less than 30. Many are also on the District Line or London Overground.

Merton in South West London is rock bottom on the overall index, owing largely to it having the longest average commute time at an agonising 62 minutes.

It also had the second-highest monthly cost at £137, topped only by Havering's £147.

Unsurprisingly Kensington & Chelsea has the shortest commute at 26 minutes, and this contributes to it coming second in the overall ranking. The average London commute lasts a fairly reasonable 39 minutes and costs £96 per month.

The overall top five is completed by Islington, Sutton and Southwark, while Kingston-upon-Thames, Hillingdon, Harrow and Bexley launguish along with Merton in the bottom five.

Sutton's commuters are the friendliest, with a rating of 66 per cent, while Redbridge's have the most room for improvement at 48 per cent.

West Londoners are generally a friendlier bunch than East, with Hillingdon and Richmond also scoring highly at 63 per cent. Residents of Hackney and Newham could probably do with a refresher on their public transport etiquette, having both scored a fairly low 51 per cent.

COMMUTE SATISFACTION BY LONDON BOROUGH %

70%	Barking & Dagenham	69%	Islington
63%	Barnet	66%	Kensington & Chelsea
65%	Bexley	59%	Kingston upon Thames
63%	Brent	65%	Lambeth
68%	Bromley	62%	Lewisham
61%	Camden	65%	Merton
63%	City of London	64%	Newham
57%	Croydon	70%	Redbridge
64%	Ealing	70%	Richmond upon Thames
68%	Enfield	67%	Southwark
60%	Greenwich	66%	Sutton
61%	Hackney	70%	Tower Hamlets
76%	Hammersmith & Fulham	66%	Waltham Forest
64%	Haringey	60%	Wandsworth
65%	Harrow	71%	Westminister
66%	Havering		
58%	Hillingdon		
74%	Hounslow	65%	Average

ARE HOUSE PRICES IMPACTED?

But how much do people take the commute into account when it comes to deciding where to live – and can the prospect of an easy journey increase the price of homes?

Jonathan Worth, managing director of LiFE Residential, says that ultimately it is one of many factors. "House price increases are really controlled by supply and demand. But when you look at individual locations, that supply and demand dynamic is definitely affected by factors like the ease of the commute," he says.

For example, he says people who have a stress-free journey to work tend to stay in their property for longer, resulting in "not as much movement" in areas that are particularly well-connected.

Areas such as Canary Wharf could see a spike in popularity thanks to Crossrail

This can mean that prices are driven up when a property does come on the market – something that has definitely been the case in desirable Richmond.

Worth adds that areas on the Crossrail line could become more popular once the stations open – particularly in the boroughs of Tower Hamlets and Newham which will be home to the Canary Wharf and Custom House stations. Developments here will benefit from being the first places commuters see when they come out of the tunneled section of the route, he says.

So if you are reading this halfway through a gruelling 62 minute journey from Merton, take note – it doesn't have to be this way.

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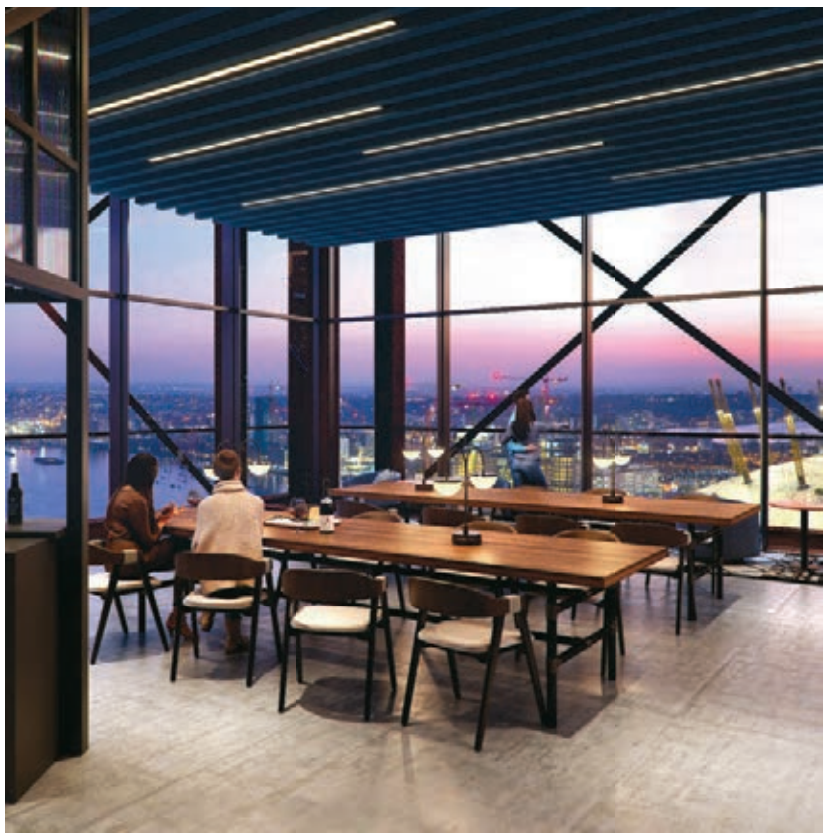

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FOCUS ON

HACKNEY'S FIELDS OF DREAMS

London Fields' green spaces, lido and Victorian and Georgian terraces make the area attractive to families

FOCUS ON LONDON FIELDS

Homeowners who bet on London Fields 20 years ago are some of the canniest in the capital. Then, homes in the leafy-for-Hackney neighbourhood were worth 17 per cent more than the London average, according to Hamptons International – but today that has jumped to a huge 52 per cent, translating to £240,000.

"Once an unloved suburb of Hackney, today London Fields has become *the* new home for families, young couples and professionals," says Marsh & Parsons' Simon Vaughan.

It's not hard to see why. The area boasts an 11-minute commute to Liverpool Street via London Overground, and prime streets such as Albion Square and Lavender Grove are home to some of the prettiest housing stock in Hackney. The heated London Fields Lido and eponymous park are a draw for families, and Broadway Market is the perfect place for the hipster crowd to get their Saturday morning sourdough.

Flats account for around two-thirds of the housing available in London Fields, with the remainder largely made up of Georgian and Victorian terraces.

"Once people find London Fields, they tend not to want to leave," says Bradley Suter of Savills' Hackney office, adding that buyers pay a premium of 30 per cent against the wider Hackney market to secure a home there. The average flat will set you back around £506,000 according to Zoopla, and those seeking a terraced house will need to double that, paying an average of £1.02m. This means that second-steppers wanting to stay local might need to "look a little further east for the value and the space that they want," according to Suter.

Prices have dropped off a little in the last year, with the all-property average falling by £40,000 to £785,547 in the 12 months to April 2019, according to Savills – but this is broadly in line with the fall experienced across the capital as a whole.

The most prominent new build in the area is Union Developments' industrial-style Monohaus apartment block on Mare Street, where eight three-bed apartments and two duplex penthouses are still available, with prices starting at £799,000 and £1.05m respectively. The development is home to London's first POPfit fitness studio, which was co-founded by actress Kate Hudson.

You won't feel quite as smug as those who took a punt on the area 20 years ago – but there are still plenty of reasons to buy in London Fields.

AREA GUIDE: E8

HOUSE PRICES *Source: Zoopla*

DETACHED	SEMI	TERRACED	FLATS
£2.8m	£1.42m	£1.02m	£506,392

TRANSPORT *Source: TfL*

Time to Canary Wharf	**39 mins**
Time to Liverpool Street	**11 mins**
Nearest train station	**London Fields**

BEST ROADS *Source: Zoopla*

Most Expensive	**Elrington Road**	**£1.32m**
	Lavender Grove	**£1.21m**

AVERAGE ASKING RENT

One-bed flat **£1,711 pcm**

PROPERTY OF THE WEEK

THE GREEN GRASS OF MAYFAIR

This West End pad gets you a pass to a secret garden, says **Helen Crane**

Where luxury homes are concerned, Mayfair pretty much has it all. A quick scan of current property listings reveals homes complete with built-in pizza ovens, spa treatment rooms and their own chauffeur-driven Bentleys.

There is one area where most of its premium pads fall short, though – access to a garden. Not a roof terrace, not a balcony, but a proper patch of grass.

But now there is a rare chance to buy a home with its own back yard, in a block with access to one of Mayfair's three 'secret' gardens.

Nestled just behind Park Lane, Warburton House is a red-brick neo-Georgian mansion which was redeveloped in the early 2000s to provide seven luxury apartments – one of which has just come on the market with Wetherell for £4.5m.

It is located on Dunraven Street: one of four streets which back on to the private Green Street Garden.

The square includes lawns, fountains, a lily pond and even its own resident ducks. Because it is bounded by homes on all sides, it offers a level of seclusion that you might not expect a stone's throw from the madding crowd of Oxford Street.

WARBURTON HOUSE, MAYFAIR, £4.5M

The Warburton House apartment offers a double reception room overlooking the Green Street Garden, and is accessed via a private lift

Green Street is one of just three secret gardens in Mayfair, the others being at South Street and Culross Street. The buyer will have to share it with 75 other residents, but compared to nearby Hyde Park it is still very much a relaxing oasis.

The 1,795 sq ft, three-bed property at Warburton House is accessed by a private lift. Its double reception room overlooks the gardens, and two of its three bedrooms have an ensuite bathroom. It also has a utility room, and if the garden wasn't enough, benefits from its own 330 sqft roof terrace.

Built for a wealthy couple in the early 1900s, it was used from 1917 to 1919 as a military hospital called The Garland Home, which had beds for 36 wounded soldiers from the Great War.

Later it was occupied by Sir Eric Hambro, part of the Hambro merchant banking dynasty and a former Conservative politician, and it has also been used as office space.

Peter Wetherell, chief executive of Wetherell, says: "If you are walking in Mayfair, you would never know that behind these grand buildings there lies a secret garden. Given the location and exclusive access to the gardens, we anticipate very high demand for this exquisite property."

OFFICE POLITICS

AI could solve our productivity puzzle

Business leaders must act now if they want to harness the power of artificial intelligence

Clare Barclay

AT A TIME of technological innovation and low unemployment, why is UK productivity close to 16 per cent behind other advanced economies in the world?

Experts disagree on the causes of the UK's "productivity puzzle" – but they, the government, and technology companies like ours agree that artificial intelligence (AIA) will form a crucial part of the solution.

Much has been said about AI's potential to increase business productivity by cutting costs, saving time, and supporting innovation. Accounting firm PwC has predicted that the UK's gross domestic product will be up to 10.3 per cent higher in 2030 because of AI.

Meanwhile, Microsoft research has revealed that organisations already on the AI journey are outperforming those that are not by five per cent on factors like productivity, performance, and business outcomes.

By taking on mundane tasks, AI frees up time for people to be more productive and adds more value to their roles. What's more, the growing use of AI in back-office systems – to scan documents or autofill forms – gives employees time to focus on the more "human" requirements of their job, like critical thinking, empathy, and creativity, which leads to potentially greater job satisfaction.

AI also has the potential to help companies adapt their business models to compete more effectively globally. But leaders must act now, because according to our research, four in 10 UK companies don't think that their business models will exist in five years' time.

ACT NOW TO IDENTIFY HOW AI CAN BOOST THE BOTTOM LINE

Business leaders and employees are enthusiastic about AI's potential – the majority of leaders (67 per cent) and employees (59 per cent) say that they are open to experimenting with AI to do new things at work.

However, for positive transformation to truly take place, every organisation requires a clear roadmap for change – one that gives its people the tools and training to understand how, when, and why to incorporate AI into their jobs, and considers the ethical implications of merging human and machine.

UK businesses should act now by: identifying what problems they want AI to solve; determining how ready their organisation is to build, manage, and support AI applications; and developing a manifesto for using the technology responsibly.

Leaders can then encourage a workplace culture in which employees can experiment with AI solutions, evaluate them, and suggest iterative improvements.

AI must be designed responsibly to unlock its extraordinary value for good

IT'S NOT WHAT AI CAN DO, BUT WHAT IT SHOULD DO

AI must be designed, developed and deployed responsibly to unlock its extraordinary value for good. Microsoft's data shows that this will positively affect the bottom line, with companies that approach AI ethically outperforming the competition by nine per cent.

Amid widespread public concern about how personal data is handled, it's clear that we need an ethical framework for this technology. As Lord Clement-Jones, chairman of the House of Lords Select Committee on Artificial Intelligence, noted in a Microsoft report: "Today the UK enjoys a position of AI innovation, so as we enter a crucial stage in its development and adoption, the country has a clear opportunity to be a world leader."

Poor productivity has blighted the UK for too long – and AI presents a huge opportunity, when approached in an ethical way, to significantly improve it. The technology's potential is bigger than most of us can imagine – but success tomorrow requires action today.

Clare Barclay is chief operating officer at Microsoft UK.

ROBO BEATS

Brain.fm
Free

Brain.fm uses AI to tailor music and ambient noise for the user in order to boost productivity. By combining music with "auditory neuroscience", the user can choose the mental state that they want to achieve – ranging from Sleep to Focus. The app is then able to use AI-generated sounds to compose a piece for the listener.

COFFEE BREAK

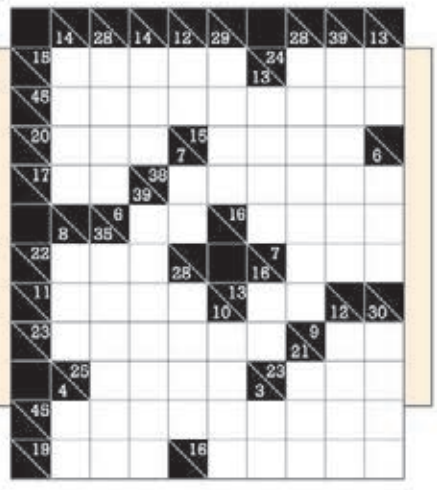
SUDOKU

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

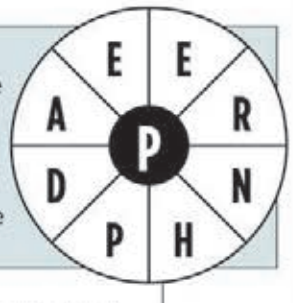
KAKURO

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

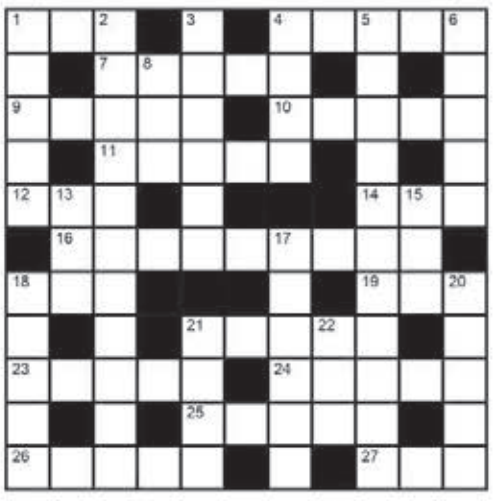


WORDWHEEL

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



QUICK CROSSWORD



ACROSS

1 Chart (3)
4 Desires (5)
7 Fill with high spirits (5)
9 Elder brother of Moses (5)
10 Garlic mayonnaise (5)
11 Begin (5)
12 Faucet (3)
14 Umpire (abbr) (3)
16 One-roomed unit of accommodation (9)
18 Hollow, flexible, bag-like structure (3)
19 Took a chair (3)
21 Inclines (5)
23 East Asian country (5)
24 Articulation (5)
25 System of principles or beliefs (5)
26 Glossy (5)
27 Diminutive of Edward (3)

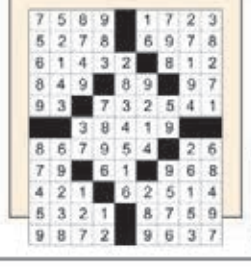
DOWN

1 Implied (5)
2 Point of view (11)
3 Inland waterways (6)
4 Warmth (4)
5 Motion onward (11)
6 Rigidly formal (5)
8 Fair few (3)
13 Sleeveless outer garment worn by Arabs (3)
15 Geological time period (3)
17 Tourism (6)
18 Hosiery (5)
20 Vogue (5)
21 Be without (4)
22 Sign of assent (3)

LAST ISSUE'S SOLUTIONS

QUICK CROSSWORD

KAKURO



SUDOKU

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

WORDWHEEL

The nine-letter word was **INANIMATE**

GOING OUT

EDITED BY STEVE DINNEEN *@steve_dinneen*

FILM

THE ANGRY BIRDS MOVIE 2

DIR. TUROP VAN ORMAN

BY JAMES LUXFORD

The sequel to 2016's surprise hit, based on the app everyone played about a decade ago, once again manages to avoid being as eyeball meltingly terrible as you'd be more than entitled to expect.

Jason Sudeikis returns as the voice of Red, the now not-so-angry bird who must team up with his sworn enemies, The Pigs, to defeat a maniacal purple bird named Zeta (Leslie Jones) who wants to destroy their home.

The first film succeeded by never taking itself too seriously. The same approach is used this time around, with quick-fire gags favoured over substance or structure. Considering the target audience, this isn't a bad strategy. Moving into spy movie pastiche is a well-trodden path for animated sequels, but it works, and originality is not high on the list of priorities here. Not every gag is a winner (a riff on 'Crazy Rich Avians' already feels dated), but there's enough personality in the writing to make even the most obvious jokes forgivable.

Sudeikis' fellow Saturday Night Live alumni Bill Hader is on fine form as the leader of The Pigs, joined by new addition Rachel Bloom as a bird named Silver. Most impressive, however, is Leslie Jones as Zeta. Sequels tend to only be as good as their villains, and Jones strikes the right tone as a preening recluse.

Arriving just in time for school holidays, The Angry Birds Movie 2 is a decent fallback if your youngsters already know Toy Story 4 off by heart. It may not live long in the memory, but it will make you smile for an hour and a half.

FILM

FAST & FURIOUS: HOBBS & SHAW

DIR. DAVID LEITCH

BY JAMES LUXFORD

Does the idea of The Rock using his absurd muscles to anchor a 4x4 to a mid-flight helicopter get you hot under the collar? If not, there's nothing for you here, because this spin-off from the Fast and Furious universe is veritably spilling over with the kind of silly stunts that would make your nan tut with disapproval.

This outing focuses on two of the franchise's most popular characters. Jason Statham and Dwayne Johnson play the titular Hobbs and Shaw, two all-action operatives who hate each other but must come together to save the world from Brixton Lore (Idris Elba), a former MI6 agent with superhuman abilities who takes possession of a deadly biological weapon.

There's something comforting about the Fast and Furious franchise. Every two or three years we'll be treated to yet another cavalcade of spectacular explosions, all-star casts, and silly character names. And while Vin Diesel has been jettisoned, the rest of the blueprint is intact.

The pair destroy large parts of London, and a whole power plant in Yorkshire, in their pursuit of the scowling Elba. Indeed, much of the comedy comes from the muscle-bound leads one-upping each other, which makes the most of Johnson and Stathams' charisma. It also provides respite between car chases and helicopter fights.

Familiar faces pop up, including Helen Mirren as Statham's mother and a couple of surprise cameos towards the end. The Crown star Vanessa Kirby is solid as Statham's sister, an MI6 agent who's mainly there to provide some emotional stakes.

Sticking rigidly to the formula, Hobbs and Shaw plays on the strength of its title characters and a truckload of expensive action scenes. It's exactly like the films that preceded it, which is what makes it such a success.

THEATRE

THE WORST WITCH

VAUDEVILLE THEATRE

BY SIMON THOMSON

The Worst Witch is a nice musical for nerdy pre-teens. Based on Jill Murphy's popular series of children's books, and adapted by Emma Reeves – who is also responsible for the current series on CBBC – this lively production brings gentle humour and mild peril to the Vaudeville theatre.

The setting, Miss Cackle's Academy, is introduced as "The oldest magical school in Britain; the original, you might say." This is the first of many sly digs at Harry Potter, which the Worst Witch books preceded by almost a quarter of a century. Banners on the stage declare Miss Cackle's is "Rated FANTASTICAL by Ofmag in all core subjects."

The plot is a little confusing, with the action jumping between a stage play recalling the events of five years earlier, when the titular worst witch, Mildred Hubble, arrived at Miss Cackle's Academy, and the backstage shenanigans of that production. But things fizz along with just about sufficient energy that it doesn't really matter.

The all-women cast is strong, with standout performances from Rosie Abraham as the snobby, vindictive Ethel, and Polly Lister, who gamely 'Gollums' her way through the roles of both Miss Cackle and her evil twin, Agatha. The sets are minimal, and the cats that act as the witches' familiars are crude glove puppets served up with such conviction that it's easy enough to suspend your disbelief. The highlight of the show involves Mildred (Danielle Bird), and her best friend Maud (Rebecca Killick) dangling precariously above the stage on bucking broomsticks, in a display of acrobatic comedy that recalls the work of Harold Lloyd.

It could be difficult finding a child who is mature enough to sit through the scary bits, yet not so cynical that they can still be swept up in the magic. Nevertheless, if you know such a child you could do a lot worse than The Worst Witch.

THE PUNTER

RACING TRADER

Bill Esdaile previews day four of the Qatar Goodwood Festival

BEAT LE BON OR WHAT'S THE STORY CAN SECURE GOLDEN MILE GLORY

WE HAVE already seen some incredible horses at Goodwood this week and this afternoon Battaash gets the opportunity to match Stradivarius' feat by winning at this meeting for a third straight year.

Charlie Hills' speedball is ideally suited to this downhill track and as long as he doesn't boil over in the preliminaries, the Group Two King George Qatar Stakes (3.35pm) looks his for the taking.

He has comfortably landed the last two and today's opposition don't look particularly strong, so it's no surprise the bookmakers are offering a best price of 1/3.

This is a race to watch and enjoy rather than bet on, but there are plenty of other punting opportunities.

With a prize fund of £150,000, the Unibet Golden Mile (3.00pm) is one of Europe's richest mile handicaps and Frankie Dettori fans will be out in force as he is riding hot favourite Mojito.

Trained by William Haggas, who won this race 12 months ago with the Queen's Seniority, this five-year-old shrugged off an absence of 637 days to comfortably win the Coral Challenge at Sandown last month.

Since then he has been the hot favourite for this race but, although favourites have won two of the last three renewals, only four in total have been successful in the race's 32-year history.

There is also the dreaded bounce factor to consider, so at just 7/2 I'm happy to look elsewhere.

The draw is crucial in mile races at Goodwood with a low stall a major advantage – in the last decade, eight winners have come from a single figure berth.

Mojito has stall nine, which isn't the worst, while last year's winner Seniority will have to defy gate 11 if he is to become the first dual winner.

Wentworth, trained by Richard Hannon Snr, was the last three-year-old to win this prize in 2013 and I think **BEAT LE BON** will repeat the trick for his son.

This son of Wootton Bassett has won his last two races over seven furlongs, including one success at this track, and he shapes as though the step up to a mile will suit.

Ideally drawn in stall three and with just 8st 13lbs on his back, he looks a great each-way bet at 10/1 with Ladbrokes.

I always like to throw a couple of darts at big handicaps like this and my second selection is Keith Dalgleish's **WHAT'S THE STORY** at around the 14/1 mark.

Unsuited by soft ground in the Royal Hunt Cup at Royal Ascot, either side of that he won a competitive mile handicap at York and was then an excellent third to Pivoine in the valuable John Smith's Cup last time out.

He is a very consistent horse in these big handicaps and even though he is yet to run at Goodwood, his draw in stall two is perfect.

It was hard not to be impressed with **DUKE OF HAZZARD** at Newmarket in a mile Listed race last month and I expect him to follow up in the Group Three Bonhams Thoroughbred Stakes (2.25pm) today.

He won his maiden at this meeting last year, so we know he handles the track, while PJ McDonald, who has been among the winners this week, retains the ride.

The only slight worry is that his Newmarket win was in first-time blinkers, so they will need to work again, but I think that's a risk worth taking.

It's a competitive race with the likes of King Ottokar, Turgenev and Biometric, but he looks the best bet at a general 9/2.

Sir Michael Stoute has won the last three editions of the Group Three L'Ormarins Queen's Plate Glorious Stakes (4.40pm) and he can make it four in a row with reigning champion **MIRAGE DANCER**.

This five-year-old son of Frankel is unbeaten in three starts over course and distance and can continue his fine record on the Sussex Downs.

POINTERS	TODAY
Duke Of Hazzard	**2.25pm** Goodwood
Beat Le Bon e/w	**3.00pm** Goodwood
What's The Story e/w	**3.00pm** Goodwood
Mirage Dancer	**4.40pm** Goodwood

TODAY'S BIG RACE AT GOODWOOD — RACING POST

Going: GOOD

3.00 UNIBET GOLDEN MILE H'CAP (2) £93,375 1m

1 630-15 **AFAAK** (20) (D) (GF,S) (14)
C Hills 5-9-10 ..... **J Crowley 117**
Runs: 16 Wins: 4 Places: 2 £201,432

2 -34297 **SO BELOVED** (20) (H) (C,D) (10)
D O'Meara 99-6 ..... **G Mosse 118**
Runs: 61 Wins: 6 Places: 15 £361,201

3 1110/1 **MOJITO** (27) (D) (S,G,GF) (9)
W Haggas 59-6 ..... **L Dettori★ 121**
Runs: 9 Wins: 5 Places: 2 £112,601

4 048004 **KEY VICTORY** (27) (P) (GF,G) (20)
C Appleby 49-5 ..... **James Doyle 118**
Runs: 10 Wins: 2 Places: 0 £44,453

5 5-1925 **CLON COULIS** (24) (H) (D,BF) (S) (18)
T D Barron 59-5 ..... **B A Curtis 118**
Runs: 13 Wins: 5 Places: 2 £136,721

6 15-211 **INDEED** (13) (D) (VS,S,A,G) (16)
D Ffrench Davis 49-5 ..... **L Keniry 121**
Runs: 7 Wins: 4 Places: 1 £72,412

7 7-3059 **ZHUI FENG** (27) (P) (C,D) (GF) (7)
Mrs A Perrett 69-3 ..... **M Dwyer 117**
Runs: 31 Wins: 5 Places: 5 £358,247

8 0-4824 **SENIORITY** (36) (CD) (A,GF) (11)
W Haggas 59-3 ..... **R L Moore 118**
Runs: 18 Wins: 5 Places: 3 £174,535

9 -09021 **ESCOBAR** (20) (T) (D) (GF) (12)
D O'Meara 59-3 ..... **J P Spencer 120**
Runs: 25 Wins: 4 Places: 6 £135,796

10 4-7810 **VALE OF KENT** (6) (C,D) (A,F,G,GF) (17)
M Johnston 49-3 ..... **F Norton 119**
Runs: 22 Wins: 7 Places: 4 £168,908

11 0-3103 **WHAT'S THE STORY** (20) (P) (D) (2)
K Dalgleish 59-2 ..... **T Marquand 118**
Runs: 18 Wins: 4 Places: 6 £94,722

12 -08560 **ORIGINAL CHOICE** (20) (D)) (8)
N Littmoden 59-1 ..... **S De Sousa 113**
Runs: 23 Wins: 5 Places: 6 £101,809

13 251056 **WAR GLORY** (13) (D) (A,S) (4)
R Hannon 69-0 ..... **S Levey 117**
Runs: 38 Wins: 5 Places: 14 £155,114

14 0-0111 **GOSSIPING** (63) (C,D) (A,GS,G) (21)
G L Moore 78-13 ..... **S W Kelly 115**
Runs: 36 Wins: 9 Places: 2 £113,067

15 -73017 **HISTORY WRITER** (27) (T) (D) (G) (13)
D Menuisier 48-13 ..... **P J McDonald 116**
Runs: 14 Wins: 2 Places: 3 £40,206

16 4-2292 **BALTIC BARON** (7) (V^1) (D) (G) (6)
D O'Meara 48-13 ..... **D Tudhope 119**
Runs: 14 Wins: 1 Places: 9 £76,738

17 -18411 **BEAT LE BON** (27) (C) (A,GF) (3)
R Hannon 38-13 ..... **P Dobbs 118**
Runs: 9 Wins: 3 Places: 3 £126,612

18 -30484 **DARK VISION** (21) (B^1) (C) (GF,G) (19)
M Johnston 38-12 ..... **O Murphy 120**
Runs: 9 Wins: 3 Places: 1 £140,516

19 2-4123 **GAME PLAYER** (41) (A,G) (1)
R Varian 48-11 ..... **A Atzeni 121**
Runs: 11 Wins: 3 Places: 4 £29,880

20 8-3160 **LUSH LIFE** (27) (B^1) (D) (A,G,GF) (15)
J Osborne 48-10 ..... **Nicola Currie 117**
Runs: 9 Wins: 4 Places: 1 £25,652

2018: Seniority 4 9 2, R L Moore 9/2J (W Haggas), 17 ran.

★BETTING: 4 Mojito, 8 Escobar, 11 Afaak, 12 Beat Le Bon, Dark Vision, Indeed, 14 Clon Coulis, Game Player, History Writer, Vale Of Kent, What's The Story, 16 Others

DOWNLOAD THE FREE RACING POST APP

Bill Esdaile previews the the final day of the Qatar Goodwood Festival

Fallon set for Raucous ride in his first Stewards' Cup

Cieren Fallon will ride in the Stewards' Cup for the first time on Saturday

BACK in 1861 as many as 45 horses lined up for the Stewards' Cup (3.40pm), though not all of them passed the starting tape due to a severe lack of competent jockeys.

The number of starters for tomorrow's £250,000 six-furlong cavalry charge now stands at 28 and you can be sure that every member of the weighing room would love to have a ride in this famous race.

One rider who is extremely popular at the moment, and particularly in handicaps thanks to his 5lb claim, is Cieren Fallon.

Carrying the reputation of father Kieren, a six-time champion jockey and two-time Stewards' Cup winner, on his 20-year-old shoulders hasn't proved to be a problem thus far.

He's ridden 22 winners already this season and is being praised from trainers, owners and fellow jockeys alike.

As was the case when Jason Watson landed this race 12 months ago on Gifted Master with a 5lb claim, Fallon's weight allowance could prove the difference on **RAUCOUS**.

Robert Cowell's six-year-old is a fairly classy individual with plenty of strong form in the book and is well worth a crack at 25/1.

Fourth in the Wokingham at Royal Ascot and then a comfortable winner at Yarmouth last time out, he looks spot on for this and Fallon all-but offsets his mount's 6lb penalty.

His draw in 18 looks fine but it's always worth picking one on each side of the track and 16/1 shot **SUMMERGHAND** is the other selection in stall six.

Again, the jockey booking is eye-catching with Ryan Moore called in for the ride, while his four runs this season have all been solid efforts but he's yet to get his head in front.

Connections will be pleased the ground has dried out and he looks like one that's likely to land a big pot sooner or later.

The final day of Glorious Goodwood gets underway with the Qatar Stewards' Sprint Handicap (1.50pm), or the Stewards' Cup Consolation Race to you and me.

A field of 24 is set to line up and punters will get a chance to see if there is any draw bias ahead of the big one at 3.40pm.

Winners have come from all over the track in the past decade, although it has generally paid to be somewhere in the middle rather than directly out on each wing.

My first selection is **BALLYQUIN** for the Andrew Balding stable who won this race two years ago with Scorching Heat.

The four-year-old has run twice this season, putting in two excellent performances with seconds at Ascot and Newmarket.

He looks to be improving quickly and James Doyle is a very interesting jockey booking.

There's a chance that his draw in stall 19 might be a little high, but hopefully they'll come up the middle which will reduce the effect of any bias.

I'm convinced this son of Acclamation is better than his handicap mark of 82 and he is worth backing each-way at 10/1.

I'll take one on the other side as well and the safest option is Richard Hughes' **PUDS** who has been so consistent this term.

In six outings since March, he hasn't finished outside the first three and was a very good second to Lake Volta over course and distance two starts back.

He comes out of stall six and looks a fair price at 14/1.

POINTERS	TOMORROW	
Ballyquin e/w	1.50pm	Goodwood
Puds e/w	1.50pm	Goodwood
Raucous e/w	3.40pm	Goodwood
Summerghand e/w	3.40pm	Goodwood

Classy Skyline can give Elsworth more Goodwood success

A NUMBER of runners in tomorrow's Qatar Summer Handicap (2.25pm) will have aspirations of taking part in the Sky Bet Ebor at the end of the month.

Like with many of Goodwood's tricky handicaps, the market is headed by a Mark Johnston runner.

He saddles King's Advice who bids to give his trainer a third win in the race in the past five years.

Since moving to the Johnston yard, the son of Frankel has run eight times and incredibly has only been beaten once.

His most recent victory in the bet365 Trophy at Newmarket meant he has improved an astonishing 37lbs this season and it's no surprise to see him head the market at 4/1 with Coral.

He's three from three at this 1m6f trip and will almost certainly go well, but he's got another 7lbs to deal with and instead I fancy the horse that finished third to him at Newmarket to turn the tables this time around.

David Elsworth has had a very poor season by his standards, but Sir Dancealot's win in Tuesday's Lennox Stakes showed he could be turning the corner and I'm hoping his **DESERT SKYLINE** can give the Suffolk-based trainer a second winner of the week.

The five-year-old was the runner-up of last year's Yorkshire Cup behind Stradivarius and he's been forced to chase him home on a number of occasions since.

His start in the Northumberland Plate was his first in a handicap in over a year and he wasn't disgraced in finishing 11th, beaten just over seven lengths.

He made up plenty of ground at Newmarket last time to finish third and given the handicapper has raised him just one pound for that effort, he looks primed for another bold showing.

He looks the best bet in the race at 10/1 with Coral.

@BillEsdaile

POINTERS	TOMORROW	
Desert Skyline e/w	2.25pm	Goodwood

'MONEY DOESN'T ENSURE SUCCESS'

Beckham-backed Salford City are on the up and up – and it's not all down to cash, manager Graham Alexander tells **Michael Searles**

Alexander (left) led Salford into the fourth tier for the first time via the play-offs (above)

ON A COLD October's night in 2013, just 65 people turned out to watch Salford City host Cammell Laird in the Evo-Stik League Division One North, the eighth tier of English football.

It was the season before the club was taken over by a consortium that includes former Manchester United stars Gary and Phil Neville, Paul Scholes, Ryan Giggs, Nicky Butt and David Beckham, and they would finish the campaign 12th with an average attendance of 139.

Five years and four promotions later, those days are but a distant memory, with Salford about to embark on their first season in the English Football League on Saturday against Stevenage.

This year they will play in front of thousands at the redeveloped Moor Lane – now rebranded the Peninsula Stadium in one of several sponsorship deals with high-profile brands including TalkTalk and Sky Sports prediction game Soccer Saturday Super 6. It has a 5,100 capacity, for which they have so far sold 1,900 season tickets.

The club's meteoric rise under the ownership of the so-called Class of '92 – the six ex-players own 10 per cent each, with the rest held by Singaporean billionaire Peter Lim – has been unprecedented, but manager Graham Alexander insists there is a drive to achieve even more.

"The club's recent history is about being successful and trying to win promotions," Alexander tells *City A.M.*

"We're not going to stop that sort of ambition, but we are well aware of how tough it will be. We will have to earn everything we get this season but we're an ambitious club, we've got ambitious people within it and we want to win."

Former Scotland right-back Alexander, who played in the Premier League with Burnley, joined last summer and guided Salford to promotion from the National League at the first attempt. Having previously managed Fleetwood Town and Scunthorpe United, dropping out of the Football League was a risk, but one that looks to have paid off.

"Project is the best word for it," says Alexander. "It gets bandied about a lot in modern football, but you can see the genuine progress this club has made.

"It was tough to drop out of the League, that was the biggest hang-up I had about the role, but everything else was in place. Now we've got into the Football League, the job's not done. We want to continue on that trajectory upwards and we'll see what this season brings us."

OPTIMISTIC

While the club's ambitions are sky-high and given weight by the financial resources of their owners, Alexander is keen to temper expectations, if simultaneously buoyant at the prospect of taking this once small-time club to the top.

"If people asked five years ago, 'would Salford be in the Football League?', people would be saying that was optimistic," the 47-year-old says. "There's nothing wrong with being optimistic. We're positive about what we can do in the future, but the one thing you can't do in football is look too far ahead. You can on the business side of it, the structural side, but on the football side we have to focus on this season.

"While we've got a private ambition for the long term, we can only focus on where we are now. We're a League Two team which we are extremely pleased about, but we obviously want to try and better ourselves."

Salford have been busy bettering themselves with a number of additions this summer, signing Richie Towell from Brighton, Luke Armstrong from Middlesbrough, Martin Smith from Swindon Town and Cameron Burgess on loan from Scunthorpe, among others.

They add to the quality signings made last summer, such as Adam Rooney, who joined from Aberdeen on a contract worth a reported £4,000-per-week.

It is the kind of business that has led to accusations of buying success, most publicly from outspoken Accrington Stanley owner Andy Holt, and also saw Salford become the pantomime villains of the National League, with Hartlepool boss Craig Hignett comparing their "frightening" spending capabilities to a League One side.

"Everyone is entitled to their opinion, whether it's factually right or wrong is up for discussion, but listen, we never hide away from the fact we have a good competitive budget for the league we're in," Alexander says.

"We don't try to pull the wool over people's eyes with that, but you still have to do an awful lot of work. Money doesn't guarantee success."

Although there has been a barrage of criticism, the owners have been on hand to offer Alexander all the support he needs. Naturally, they have a say in all major decisions, but when it comes to footballing matters, the manager is left to his own devices.

"The main link I have is through Gary," Alexander says. "We communicate most weeks and talk about the players, the games, can we improve – just normal manager-owner discussions.

"They've brought me in to manage the football side and that's what they allow me to do. They're always there for support, that's the biggest thing I noticed throughout last season.

"Through the good times, and especially through the bad times, there was great support from those guys and that means a lot, not just to me, but to my staff and players."

SALFORD'S METEORIC RISE

2014: Class of '92 buy Salford City
2015: Salford win the Evo-Stik League Division One North
2016: Club win promotion from Northern Premier League via play-offs
2018: Salford win National League North
2019: Salford win National League play-offs and join Football League for the first time

City aiming to prolong their domestic dominance

Guardiola's side to use Community Shield as part of a wider goal, writes **Michael Searles**

IT HAS been 62 days since Liverpool lifted the European Cup in Madrid and this weekend the wait for club football to return will be over. August has arrived, the sun is shining and on Sunday we're heading back to Wembley. It can only mean one thing: the Community Shield.

The traditional curtain-raiser to a new top-flight campaign is widely seen as a glorified friendly, but does the early-season silverware hold any long-term value for the winners?

This year's edition, which usually pits the Premier League winner against the FA Cup winner, sees domestic treble winners and current holders Manchester City face league runners-up Liverpool.

Both are anticipated to be the main contenders for major honours once again this season, and even if there is little more on the line than bragging rights, it is certainly a game that both sides would rather win than lose.

It also presents an opportunity to start the season on a positive note and to instil or maintain a winning mentality. It is a tactic that Jose Mourinho has been particularly fond of over the years, claiming multiple Community Shields and League Cups as stepping stones on the route to bigger honours.

Manchester City's similar success under Pep Guardiola, winning this fixture last year on the back of a domestic double before sweeping all three English trophies, suggests he favours the same ethos. Liverpool boss Jurgen Klopp, meanwhile, last week balked at talk of the match being a meaningless friendly.

Reflecting on City's treble, Kyle Walker last week noted that his side "won three trophies and the Community Shield" – implying what many fans have come to believe, that the prize does not qualify as a trophy.

Yet at the same time, it was worth mentioning. The victory ensured there was no let-up on their domestic dominance and may have helped to propel them to that unprecedented trophy haul. Or perhaps winning it was merely a consequence of their desire to win every single game.

While winning adds another notch to the belt of those involved, the Community Shield has proven itself to be an unreliable predictor of success for the season.

Guardiola won the Community Shield and a treble last year

City became the first team since Manchester United in 2010-11 to win the fixture and then go on to lift the Premier League trophy.

In fact, on only six occasions in the last 20 years has that happened, with nine Community Shield winners during that period failing to collect any other silverware during the subsequent season – a fate Liverpool suffered on the two instances they won it.

Sir Alex Ferguson's United are one of the standout teams to go on and claim major honours in the wake of a Community Shield victory, winning it in 2007, 2008 and 2010, before claiming the Premier League in each campaign, as well as the Champions League during the 2007-08 campaign.

That success is nothing like guaranteed, though. If anything, winning the Community Shield seems to be just as much a result of continued success in other competitions as it is a prerequisite for further glory in an upcoming season.

So, as the Premier League champions go up against the Champions League winners, whoever wins on Sunday, the losers need not be unduly deterred as they go in search of each other's crowns.

BRENTFORD BUILDING TOWARDS TOP FLIGHT

Michael Searles meets lifelong Bees fan and now chief executive Jon Varney

THE BEGINNING of a new season is special for every football fan, but for those at Brentford, tomorrow's Championship fixture against Birmingham will hold extra significance.

It will be the final time the Bees kick off their campaign at Griffin Park before moving on to pastures new - 0.5 miles up the road, to be precise, to the state-of-the-art Brentford Community Stadium for the 2020-21 season.

The man who has brought in to steer that project to completion is Jon Varney, who was appointed chief executive in March. There can be few better qualified to oversee an historic year for the club and the farewell to their home of 116 years than a life-long fan and season-ticket holder. "At first I was really quite apprehensive [about taking the job] because it's my club, it was my escape at the weekends to come down to Griffin Park," Varney tells *City A.M.* "But the more I looked at what the brief was – the football side of the business is in good shape – the focus was very much on trying to make a step change for the commercial business and that was in my sweet spot."

With an array of experience in sports business from his time as commercial director of Premiership Rugby to founding marketing agency Pitch International, Varney appears well placed to bolster Brentford's commercial success as they move to a new 17,250-seater stadium. But the first pri-

MARK D FULLER/OBFCP.CO.UK

ority is to give Griffin Park a proper farewell and maximise the opportunity this season presents. Having already sold a record 6,500 season tickets and achieved an increase in memberships, the ground is expected to be filled to the rafters.

"The focus and energy is on making sure it's a great experience for all the fans that come here in its last season," Varney says.

"There will be some unbelievable occasions around the London derbies, our last Boxing Day fixture, our last ever game at Griffin Park. We want to make them all special occasions.

"We're going to wring out every bit of commercial success that we can from this stadium, and then the big challenge going forward is getting the business set up and ready to move to the new stadium."

DIFFERENT WAY

The long-term dreams are bigger, however, as Varney works to ensure Brentford are Premier League ready.

The new chief executive is happy with the unique footballing philosophy implemented since Matthew Benham took over the club in 2012, which includes the Bees favouring a B team instead of a traditional youth academy and expertly playing the transfer market to turn a sizeable trading profit.

"We're fiercely committed to doing things in a different way, because if we don't, we're then just competing alongside everybody else," says the 49-year-old. "The B team has proved an invaluable pathway of getting players ready and into the first-team.

"A prime example was Chris Mepham, who we acquired and put in the B team. He developed, he then went on to play a number of games in our first team, became capped by Wales, and then we sold him on to Bournemouth for a significant profit."


Brentford will leave Griffin Park for their new 17,000-seater home (above) next year

While there is little question that Brentford's ability to consistently finish in the top half of the Championship while making money from player sales is commendable, there has been room for improvement in the other main revenue stream. "I think it's fair to say the business part of the club, what I would call the engine room, was underperforming. Not because they weren't doing a good job, but the reality is this stadium has been a handbrake for the business," he adds.

"We are probably one of the lowest performing commercial operations [in the Championship] and clearly, the new stadium is the catalyst for change. The handbrake comes off and it gives us a significant opportunity to grow revenue."

One of the changes Varney is already working on is integrating the different off-field teams at the club into one, open-plan office to create a more collaborative approach, as well as investing in the partnerships team, venue optimisation and digital and business communications. It will be equally important to ensure the club grow sponsorship deals going into the new stadium, which has already received naming rights interest, as well as getting new partners on board.

"Our new stadium is located on what we call the Golden Mile, from Sega down to Fullers' Brewery in Chiswick," says Varney. "We can deliver [locally-based businesses] an unbelievable CSR [corporate social responsibility] platform right in the heart of the community they are embedded in."

However, they remain committed to bringing current partners on the journey too, including shirt sponsor Fullers, which has long held a relationship with the club. In another bid to boost revenue, the ground will become the home of rugby club London Irish and is open to hosting other "mid-tier" events that would not fill the likes of the Tottenham Stadium or Wembley, such as international, women's and younger age group football.

The club's ambition is clear, and in the last five years it has been heading on an upward trajectory, on and off the pitch, all with the aim of promotion in mind. It would be some accomplishment for a club of their size in the notoriously competitive second tier.

"The Premier League is not a long-term goal, it's something we think is achievable," says Varney. "Year-on-year we are building a better squad and better business. It will happen when it happens, I've just got to make sure the business is ready for when it does."

TRANSFER MASTERS

Most expensive signings
£5.5m Pontus Jansson, Leeds, July 2019; £3.5m Mathias Jensen, Celta Vigo, July 2019

Most expensive sales
£12m Ezri Konsa, Aston Villa, July 2019; Chris Mepham, Bournemouth January 2019

Next to go? Neal Maupay (right), Ollie Watkins and Said Benrahma have been targeted by top-flight clubs

SPORT

KICK OFF Manchester City, Salford and Brentford feature ahead of new season PAGES 25-27

EARLY ASHES SHOCK FOR HOSTS

Smith's 144 helps Australia bounce back after Broad's onslaught on day one at Edgbaston, writes **Felix Keith**

YESTERDAY was a big day for Steve Smith. The first day of an away Ashes series and, more pertinently, the first Test match 16 months on from his very public shaming, lying, tears and grovelling.

The pressure was on at Edgbaston, but Smith didn't show it, blocking out the boos with a patient, dogged and vitally important innings of 144 to ensure Australia moved from the brink of embarrassment at 122-8 and into the realms of advantage on 284.

Smith's unorthodox technique doesn't make him the prettiest to watch, but he's incredibly effective, forcing bowlers to deliver the ball where he wants it. Almost singlehandedly he tipped the scales, reaching a brilliant hundred before accelerating to inflict real damage on England.

The year away has done him no harm; the former captain is simply in a league of his own at the top of Test cricket and could well be a thorn in the side of England's Ashes hopes.

BROAD STEPS UP

For a man so often associated with his bowling partner, Stuart Broad (pictured) performs well without him.

When Jimmy Anderson left the field with another calf injury having delivered just four overs, the worrying began for the home fans. And while that feeling didn't disappear completely, the performance of Broad meant the loss of the country's greatest ever fast bowler was softened.

Broad's most famous spell – his 8-15 to bowl Australia out for 60 at Trent Bridge in the 2015 Ashes – came with Anderson on the sidelines and with his partner in crime stricken and England's second most successful bowler stepped up to the plate again.

It didn't measure up to some of his former hot streaks – Broad has taken five wickets in a single spell seven times – and he enjoyed some good fortune, but he showed all his skill to take 5-86, move onto 100 wickets against Australia and make a mockery of those questioning his longevity.

WOAKES'S SKILL

Joe Root lost the toss at Edgbaston, but after the first hour it looked a stroke of good fortune as England gave the crowd a chance to voice their opinions on the sandpaper three.

Broad sent David Warner and Cameron Bancroft on their way past the baying fans before Chris Woakes gutted the middle order to take his and Broad's streak of Test wickets to 17, after their combined skittling of Ireland. Woakes is an under-appreciated asset, but that status can't last much longer. His 6-17 to roll out Ireland for 38 owed a lot to the helpful Lord's conditions but it was his subtle mastery of his skill which brought rewards of 3-58 here.

He used the natural angle to have Usman Khawaja caught behind before setting up both Travis Head and Matthew Wade and dismissing them lbw with identical inswingers.

UMPIRING WOES

While England's inroads had plenty to do with skill, they also came with a heavy dollop of chaos courtesy of the men raising the finger.

Umpires Joel Wilson and Aleem Dar had a terrible day, with a Warner edge behind not spotted, two lbws coming from deliveries missing the stumps given and, for good measure, a chunky inside edge on a Peter Siddle lbw overturned on review.

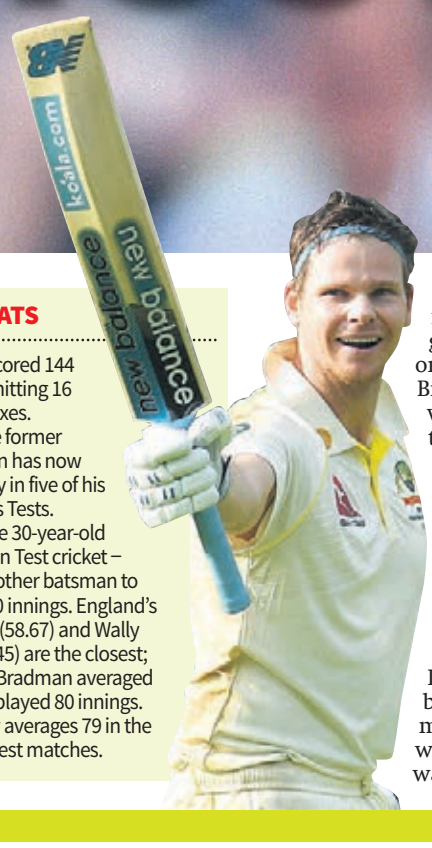
Kumar Dharmasena made headlines for all the wrong reasons during the World Cup and his colleagues' performances have worsened the woe.

TAIL WAGS

It was a day of two halves for England, with a wicket-laden morning drifting into a run-saturated evening. While Smith was responsible for half of his side's runs, he wouldn't have been able to score the vast majority of them if Australia's tail end hadn't stuck around with him.

Siddle's 44 and Nathan Lyon's 12 not out saw Australia's No10 and No11 occupy the crease for 40.4 of the 80.4 overs and frustrate England.

It's too early to judge conclusively, and England negotiated their two overs without trouble on 10-0, but their efforts alongside Smith could end up proving decisive if the trend of low-scoring Test matches continues.



SMITH'S STATS

Knock: Smith scored 144 from 219 balls, hitting 16 fours and two sixes.
Old enemy: The former Australia captain has now scored a century in five of his last seven Ashes Tests.
Out in front: The 30-year-old averages 62.18 in Test cricket – more than any other batsman to have played 100 innings. England's Ken Barrington (58.67) and Wally Hammond (58.45) are the closest; Australian Don Bradman averaged 99.94, but only played 80 innings.
Leader: He now averages 79 in the first innings of Test matches.

SPORT DIGEST

ANDERSON INJURY LEAVES ENGLAND WITH ASHES ISSUE

England face a nervous wait on the fitness of Jimmy Anderson after the fast bowler was forced from the field on day one of the Ashes with an injury. Anderson left Edgbaston to go to hospital and have a scan on his calf, which he felt tightness in after bowling his fourth over against Australia. The 37-year-old was passed fit for the Test following a tear in the same muscle on 2 July, but the setback has thrown his participation in the game and the series into question. "He is a bit quiet and a bit frustrated," said Stuart Broad. "We don't know the full extent yet."

WINGER PEPE BECOMES ARSENAL'S RECORD SIGNING

Arsenal have completed the signing of winger Nicholas Pepe for a club-record fee of £72m from Lille. The Ivory Coast international, who scored 35 goals in 74 Ligue 1 games for Lille, yesterday signed a five-year contract with the Gunners. "Being here is very emotional," Pepe said. "I have come a long way and struggled a lot and so signing for this great club is a big reward." He is the fourth most expensive signing in Premier League history.

FALETAU OUT OF WORLD CUP AFTER BREAKING COLLARBONE

Wales forward Taulupe Faletau has been ruled out of the Rugby World Cup through injury. The No8, who broke his arm twice last season, will need surgery after damaging his collarbone. "The injury was sustained in an innocuous training ground incident and will require surgery," said Wales in a statement. "A prognosis and return to play timeframe will be established after surgery." Faletau has won 72 caps for Wales but has struggled with injuries in recent years, starting just two Six Nations matches in the last three season due to knee and arm problems.

MIDDLESEX BEATEN BY TABLE-TOPPING KENT IN T20 BLAST

Middlesex slipped to a second defeat in the T20 Blast last night as Kent came out on top in a high-scoring encounter at Lord's. Heino Kuhn (54 from 31 balls) and Alex Blake (66 from 29) powered undefeated Kent to 204-4 batting first, with Mujeeb Ur Rahman (0-25) the most economical bowler. The hosts never got going in reply, with star signing AB de Villiers making just 10. John Simpson (37) top-scored as they fell short on 176-7 to lose by 28 runs. Defeat sees Middlesex say second, with three wins from their opening five games, while Kent are clear at the top.

VERSTAPPEN'S FORM IS GOOD FOR F1, SAYS HAMILTON

Lewis Hamilton has welcomed the increased competition from Red Bull's Max Verstappen ahead of this weekend's Hungarian Grand Prix. Hamilton leads the Formula One standings from Mercedes team mate Valtteri Bottas, but Verstappen's wins in Germany and Austria have closed the gap to 63 points. "They are in general slowly catching us up, though it's easier to catch up than it is to stay ahead and be the leader," said Hamilton. "But it's great to see them progressing. We want the competition. We'll be ready for the fight whatever the case."

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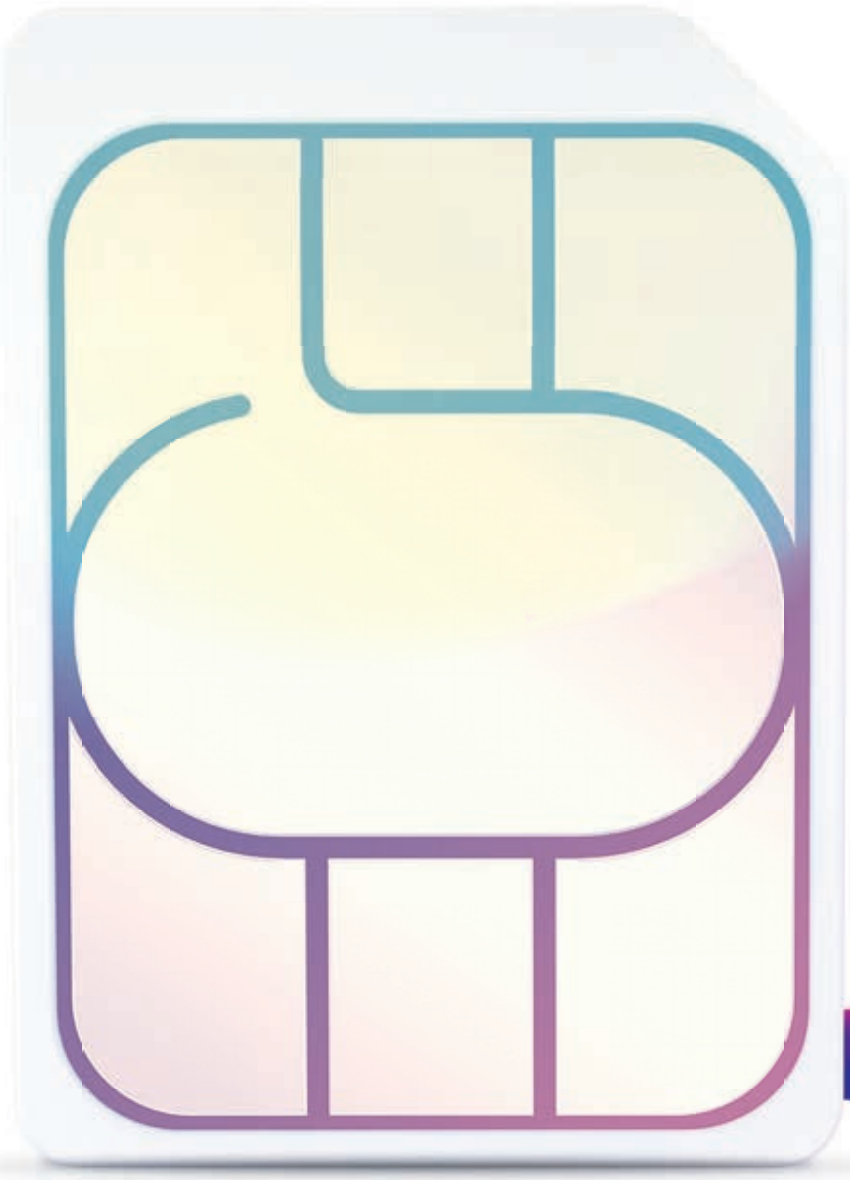

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