CITY A.M.

BUSINESS WITH PERSONALITY

BLAST FROM THE PAST A NEW SUPERCHARGED £90K CLASSIC MINI **P18**

HEARTBREAK HOTEL WHEN HOLIDAYS GO WRONG **P17**

WEDNESDAY 7 AUGUST 2019 | ISSUE 3,430 CITYAM.COM FREE

GOVE POINTS THE FINGER AT BRUSSELS

CATHERINE NEILAN

@CatNeilan

THE UK has accused the EU of refusing to budge on Brexit negotiations and insisted the bloc "must change its stance" if a no-deal exit is to be dodged.

Ireland's Leo Varadkar yesterday said he was confident a no-deal Brexit could still be avoided, despite Prime Minister Boris Johnson stressing the UK will leave the European Union "do or die", come 31 October.

Varadkar added he had invited the UK's new leader to Dublin for talks "on the basis of no pre-conditions", and that he stood by that offer.

Michael Gove, who is overseeing no-deal preparations, argued that if the EU is serious about averting a no-deal Brexit, talks must include the backstop.

He stressed the agreement struck under Theresa May had failed to win the backing of the Commons.

"We can't have a deal that doesn't command the confidence of the government, the parliament and the country and that is why we have been clear with the European Union that we need a new approach," he responded.

"We stand ready to engage with the EU to negotiate in good faith... We will put all our energy into making sure we can secure that good deal.

"At the moment it's the EU that seems to be saying they're not interested, they are simply saying 'no we don't want to talk'. Well I think that's wrong and sad. It's not in Europe's interest."

Gove: The EU is "wrong and sad" to not renegotiate

Varadkar said earlier in the day: "There are many ways by which a no deal can be avoided, either through ratification of the withdrawal agreement, or further extension or revocation of Article 50... [I am] certainly not fatalistic about that.

"Our position is that the withdrawal agreement, including the backstop is closed, but there is always room for talks and negotiations. We have said we can certainly make changes to the political declaration, and we have demonstrated before to offer clarifications as we did at the request of Prime Minister May in the past."

Yesterday the pound hit its lowest level against a basket of curerncies since August 2017, when a previous tussle over Britain's "divorce payment" to the European Union had sparked a sell-off.

Meanwhile a group of MPs launched legal action designed to stop Johnson from forcing through a no-deal Brexit by shutting down parliament.

Liberal Democrat leader Jo Swinson, SNP MP Joanna Cherry and former Labour MP Heidi Allen are among the 75 politicians from both houses putting their name to legal papers lodged at the Court of Session in Edinburgh.

CRYIN' KING Disney investors tearful despite box office success

AUGUST GRAHAM

@AugustGraham

RECORD $8bn (£6.6bn) box office takings did not spare Disney investors from taking a hit last night as the company missed expectations.

Shares dropped five per cent in after-hours trading as operating losses widened to $553m from $168m a year ago. It comes as the firm increased spending on ESPN Plus and built Disney Plus, a streaming service to rival Netflix.

Disney's earnings per share hit $1.35, excluding some items, below analysts' expectations of $1.75, according to data from Refinitiv.

Earlier this year Disney bought 21st Century Fox's TV and film assets for $71bn, earning it a large catalogue of films for its new streaming site, which will charge $2 less than Netflix.

Revenue rose 33 per cent to $20.3bn, while analysts had been expecting $21.5bn.

DISNEY'S STREAM DREAM: P11

Beijing hits back after US Treasury labels China a currency manipulator

HARRY ROBERTSON

@henrygrobertson

CHINA's central bank has hit back at Washington's move to officially call Beijing a currency manipulator, saying it would "severely damage international financial order and cause chaos in financial markets".

The People's Bank of China (PBoC) said it "has not used and will not use the exchange rate as a tool to deal with trade disputes".

The rebuttal came after the US Treasury on Monday night accused China of currency manipulation, saying it had taken "concrete steps to devalue its currency" to "gain unfair competitive advantage in international trade".

The US's statement followed a severe drop in the value of China's currency the renminbi to the seven-per-dollar level not seen since the financial crisis. It climbed 0.3 per cent against the dollar yesterday as China stemmed its fall.

Last week the US slapped 10 per cent tariffs on $300bn (£246.5bn) of Chinese goods, meaning almost all Chinese exports to the US are now tariffed. China then said its companies are to stop buying US agricultural products in retaliation.

Chinese tariffs on the US's valuable soybean exports have already caused the US to spend tens of billions of dollars compensating farmers.

Yesterday the Chinese central bank said China "advised the United States to rein in its horse before the precipice, and be aware of its errors, and turn back from the wrong path".

US and European stocks also had a rocky day yesterday following a sharp equities sell-off on Monday in favour of safer assets.

THE DEBATE: P15

FTSE 100▼ 7,171.69 -52.16 FTSE 250▼ 18,846.20 -25.22 DOW▲ 26,029.52 +311.78 NASDAQ▲7,833.27 +107.23 £/$▲1.216 +0.002 £/€▲ 1.086 +0.002 €/$▼1.120 -0.001

CITY A.M.

THE CITY VIEW

It's time for Ashley to take his firm private

THE RELATIONSHIP between the City and unpredictable retail tycoon Mike Ashley has been on the rocks for a while. Shares in Sports Direct are down 45 per cent since last year following a spate of questionable acquisitions and corporate governance blunders. Last month the retailer's repeatedly delayed release of its full-year figures was widely regarded as an utter shambles. When the results finally emerged after the market closed, they featured a shock £605m tax bill from Belgian authorities. Sports Direct also abandoned all guidance for 2020 as it admitted that buying beleaguered department store House of Fraser in August last year could have been a mistake. The store, which Ashley once declared he would transform into the "Harrods of the high street", was facing "terminal" problems. "If we had the gift of hindsight we might have made a different decision," the company conceded. Shareholders can only hope that Ashley will not be saying the same thing about his most recent acquisition in a future set of results. The retail mogul bought Jack Wills out of administration on Monday, adding the high-end brand to his rapidly expanding empire that also includes video games, bicycles and soft furnishings. He has made failed bids for Debenhams and online retail group Findel. "Imagine if I was private, I'd be uncontrollable," Ashley said following the publication of the company's results last month. The irony will not have been lost on shareholders. Responsible investment campaign group Share Action yesterday said "the list of leadership failings at Sports Direct is endless"."The company has been a corporate governance headache for years, from lack of independence to poor workforce practices," it said. A spokesperson for the UK Shareholders Association added that Sports Direct and Mike Ashley have become "poster boys" for lax corporate governance. Meanwhile, as Sports Direct's acquisitions stack up, Ashley's ultimate master plan remains a mystery. The logic behind buying up the high street is unclear as he juggles bargain brands with high-price fashion. The businessman has always liked a flutter – and there is nothing wrong with that – but he is gambling with shareholders' money. Despite shooting down the suggestion that the eventual goal is to delist Sports Direct, the firm is still not behaving like a public company. Little wonder some in the City feel that Ashley's experiment would be better conducted in private.

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MCDONNELL'S SCOTTISH PLEDGE Labour shadow chancellor says party is open to second bash at Scottish independence vote

LABOUR will not get in the way of a second referendum on Scottish independence, shadow chancellor John McDonnell said yesterday, contradicting the position of Labour's leader in Scotland. McDonnell's comments, said at the Edinburgh Fringe Festival and reported by the BBC, come after first minister Nicola Sturgeon said there is "growing urgency" for independence.

Woodford sells stake in Eurocell

SEBASTIAN MCCARTHY

@SebMcCarthy

NEIL Woodford has sold off his entire stake in Eurocell as the under-fire stockpicker battles to shore up the health of his own troubled Equity Income fund.

The former star investor dropped his 16 per cent holding in the plastic window and door firm Eurocell last week, ramping up his sell-off spree after a torrid two months.

Woodford's sale came on the same day as Eurocell reported a narrowing of pre-tax profits, as costs grew in the wake of acquisitions and new store openings.

Eurocell's share price tumbled three per cent on its latest financial report, capping off a year which has seen shares in the group fall by more than 20 per cent in value.

One source told *City A.M.* the majority of Woodford's stake had been purchased by existing shareholders.

Woodford has been dumping shares in a swathe of businesses as part of a fire sale to raise cash for his flagship Equity Income fund, which was suspended in June after becoming overwhelmed by investor withdrawals.

According to the Telegraph, which first reported Woodford's move to drop his stake yesterday, the investor's asset fire sale has now risen above £800m. Online estate agent Purplebricks has been among the unsuccessful listed investments Woodford has released in recent months.

Late last month the administrator of the Woodford Equity Income Fund, Link Asset Services, warned that it would likely take a further four months before the investment vehicle would reopen.

Woodford Investment Management and Eurocell delcined to comment.

HSBC eyes ex-Deutsche man for asset unit

AUGUST GRAHAM AND SEBASTIAN MCCARTHY

@AugustGraham @SebMcCarthy

HSBC is preparing to appoint a former Deutsche Bank and Axa UK executive as head of its $500bn (£411bn) asset management arm.

Nicolas Moreau, who left Deutsche subsidiary DWS last year, will be named for the role today, Sky News reported.

It comes two days after HSBC ousted its chief executive John Flint after just 18 months.

Yesterday the company agreed to pay out almost €300m (£275m) following a settlement with Belgian prosecutors over a tax-dodging case.

The lending giant's Swiss private banking branch reached a deal which committed it to halt certain offshore services, bolster transparency and draft in an anti-fraud director.

WHAT THE OTHER PAPERS SAY THIS MORNING

FINANCIAL TIMES

FACEBOOK SUES APP DEVELOPERS OVER FRAUD

Facebook has filed a lawsuit against two Asian app developers for advertising fraud, the social media network said yesterday, signalling a move to crack down on abuse of its platform. The company said that it had filed the suit against Lionmobi and Jedimobi for so-called "click injection" fraud that infected users' phones with malware that would create fake clicks on mobile ads on Facebook.

MASTERCARD BUYS REAL-TIME PAYMENTS UNIT

Mastercard has announced a $3.2bn (£2.63m) purchase of the real-time payments unit of Denmark-based Nets Group. The deal, the biggest acquisition in Mastercard's history, gives the card network the infrastructure for real-time payments between bank accounts in Europe.

THE TIMES

PAKISTAN WILL STAND BY KASHMIR TO 'VERY END'

Pakistan's army has said it is "prepared and shall go to any extent" to support Kashmir after India imposed direct rule on the state, threatening a new crisis that could destabilise the region. Opposition leaders in Kashmir were arrested amid a security crackdown.

CHINA WARNS THE US: 'NO MISSILES IN OUR BACKYARD'

China will not "stand idly by" if the US deploys new missiles to the Asia-Pacific region, warning it would take action against any nation that agreed to host the weapons systems. The US pulled out of a treaty with Russia last week that prevented it developing missiles.

THE DAILY TELEGRAPH

UK'S 'WORST' CAR HIRERS CLOSING ACROSS COUNTRY

Both Interrent and Goldcar, two of the car hire firms often cited by holidaymakers as the worst for customer service are to close all but one of their outlets in the UK amid rumours they are "haemorrhaging money".

SCOT TORY LEADER WARNS AGAINST NO-DEAL BREXIT

Ruth Davidson has urged Boris Johnson and EU leaders to end their standoff and compromise, warning a no-deal Brexit jeopardises the livelihoods of millions of people. Davidson warned it would inflict serious privation on those without savings or who rely on their overdrafts to make ends meet.

THE WALL STREET JOURNAL

FDA SAYS GENE THERAPY DRUG DATA MANIPULATED

The US Food and Drug Administration said "data manipulation" took place during company studies of Zolgensma, the world's most expensive drug, which is used to treat spinal muscular distrophy, but officials said the gene therapy product should be available.

CHINA GROWS IMPATIENT WITH HONG KONG PROTESTS

China's top office for Hong Kong affairs signalled Beijing's waning patience with protesters in Hong Kong, warning them not to underestimate the strength of the central government and urging the local police to punish those who break the law.

Rolls-Royce still cannot call time on engine issue

ALEX DANIEL

@alexmdaniel

ROLLS-ROYCE boss Warren East was yesterday unable to predict when he will draw a line under a long-running engine problem which has grounded hundreds of passenger jets and already cost the firm billions of pounds.

The blue-chip engineer has announced a further £100m loss on the Trent 1000 engine, which powers the popular long-haul Boeing 787 Dreamliner jet, bringing the total cost of the jet turbine's issues to £1.6bn.

"I hope that we'll be able to [draw a line under] it with the next set of results, but I can't guarantee that," East told *City A.M.*

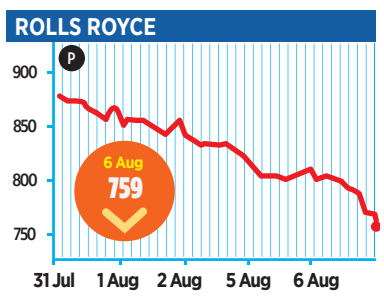
"It is still possible that there will be some other issue. These engines are complex interactive systems ... You really are pushing the physics to the limit and there are always going to be some uncertainties."

The aerospace engineering giant's market value yesterday fell 6.9 per cent, more than £1bn, despite swinging back to a slim first half profit of £83m, up from a £737m loss at the same point in 2018.

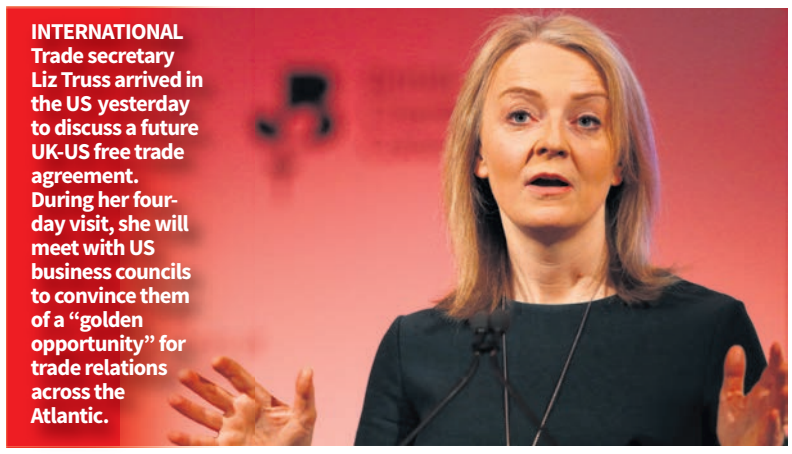
Revenue rose five per cent to £7.9bn.

Rolls-Royce has in recent years been dogged by the Trent 1000 engine problems, in which turbine blades deteriorate faster than expected.

The headache intensified when the problem re-emerged in two Singapore Airlines jets earlier this year.



TRUSS ME International trade secretary visits Washington DC and New York City



INTERNATIONAL Trade secretary Liz Truss arrived in the US yesterday to discuss a future UK-US free trade agreement. During her four-day visit, she will meet with US business councils to convince them of a "golden opportunity" for trade relations across the Atlantic.

British Steel lender: Find a new buyer or close Scunthorpe plant

AUGUST GRAHAM

@AugustGraham

THE GOVERNMENT has been urged to quickly find a buyer for British Steel or close its Scunthorpe plant, where 3,000 people work.

One of the company's lenders, White Oak ABL, has been pushing for a swift sale as losses mount, Sky News reported.

The asset-based lender, which provided £90m funding for British Steel a year ago, is concerned over the losses, estimated at around £5m per week. It worries that returns to creditors are being eroded.

White Oak declined to comment to the broadcaster.

The government has been desperately seeking new buyers to save the steel mill's jobs which form the backbone of Scunthorpe's economy.

Klarna named Europe's most valued fintech

EMILY NICOLLE

@emilyjnicolle

ONLINE payments giant Klarna has scooped up another $460m (£377.9m) in an equity funding round led by Dragoneer, which values the fintech firm at $5.5bn.

Other investors included Commonwealth Bank of Australia, HMI Capital, Starling Bank investor Merian Chrysalis, Forsta AP-Fonden, IPGL, Institutional Venture Partners and several funds managed by Blackrock.

Swedish-born Klarna, which is backed by Snoop Dogg (pictured), said it will use the funding to continue expanding in the US, where it is growing by around 6m users per year.

It is already popular in the UK, offering interest-free "buy now, pay later" services to more than 4,000 merchants including ASOS, Cult Beauty, Ray-Ban and Schuh.

Snapchat owner to raise $1bn through convertible bonds as user numbers rise

JAMES WARRINGTON

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SNAP, the firm behind messaging app Snapchat, has said it will raise $1bn (£823bn) through convertible bonds to fund investment in its platform and potential acquisitions.

The social media firm posted a surge in revenue and user numbers in the second quarter after investing in mobile gaming and augmented reality features.

The figures marked a turnaround in Snap's fortunes after a tough 2018, when a string of executive departures and an unpopular redesign drove down the company's share price.

The bonds will mature on 1 August 2026, at which point Snap will choose to pay investors in cash, equity, or a combination of both.

"We will continue to focus on developing our content, gaming, and augmented reality platforms to enhance the Snapchat experience for our community," Snap chief executive Evan Spiegel said in a memo to employees seen by Reuters.

Spiegel said current low-interest rates give Snap a good opportunity to complete the offering. In a statement, Snap said the funds would be used for "general corporate purposes", but added it may also consider acquisitions or stock repurchases.

Convertible bonds have proved a popular option for tech firms looking to shore up their cash flow.

PM's team taps former IoD man for City outreach job

AUGUST GRAHAM

@AugustGraham

THE FORMER chief economist at the Institute of Directors has been tapped by one of Boris Johnson's top aides to help Downing Street liaise with decisionmakers in the City of London.

James Sproule has been brought into Number 10's revamped business unit, headed by former top Sky executive Andrew Griffiths.

Sproule spent seven years at Accenture before becoming chief economist at the Institute of Directors. *City A.M.* understands that his role in the business team will focus on outreach to the City and financial sector as the UK leaves the EU.

Sproule was a signals officer in the Royal Navy before entering finance. He ran for parliament in 2005.

The Prime Minister hired Griffiths as a top business adviser late last month in a bid to rebuild trust with a City worried by past statements.

Sources said last month that Johnson will beef up the business team.

Business pessimism rises over trade tensions and Eurozone slowdown

HARRY ROBERTSON

@henrygrobertson

PESSIMISM among global businesses has risen sharply in the third quarter of the year as US-China trade tensions, the slowing Eurozone economy, and the rising chances of a no-deal Brexit spook firms.

The quarterly global risk survey from Oxford Economics, released yesterday, showed that 19 per cent of companies think a deterioration in the global economy is highly likely, compared to seven per cent in the second quarter.

Oxford Economics said 56 per cent of companies now think a trade war hitting global growth is the top risk to the economy, up from around 25 per cent in the second quarter.

The survey spoke to over 200 businesses. Around three-fifths of respondents cited protectionism as a very significant risk to the global economy over the next five years, up from just below half in the previous quarter.

Firms were also troubled by limp growth in the Eurozone, which has suffered under trade tensions, Brexit and weak demand from China.

It was the second most cited risk behind trade tensions, with 40 per cent of firms naming it as a top three risk to the global economy.

WEALTH CAP Trump freezes Venezuelan assets in a bid to pile pressure on Maduro

US PRESIDENT Donald Trump imposed a freeze on all Venezuelan government assets in the US on Monday, sharply escalating an economic and diplomatic pressure campaign aimed at removing socialist President Nicolas Maduro from power.

Global tensions batter values of financial deals

SEBASTIAN MCCARTHY

@SebMcCarthy

THE VALUE of merger and acquisition (M&A) deals in Europe slumped during the first six months of 2019, as geopolitical concerns took their toll on the continent's financial services industry.

In the UK investors completed 97 deals totalling £6.3bn over the first half of 2019, plunging by more than half from £13.5bn when 103 deals were signed in the same period last year.

Activity across Europe in the first-half of 2019 also slumped year-on-year, with deals falling from 251 to 238 and the value of those deals crashing by £15bn to £23.8bn.

Global tensions have been blamed for waning M&A enthusiasm in recent months, with investors holding off on potential deals amid Britain's planned departure of the EU and a trade war between China and the US.

According to the data, produced by Big Four accountancy firm EY for *City A.M.*, there was a small uptick in deals from the first quarter to the second quarter in the UK, perhaps reflecting the Brexit extension.

"While the drop in deals in volume terms is not that significant, in value terms it is," warned Tom Groom, EY's UK financial services transactions leader.

Groom added that the UK's situation was mirrored across Europe, "as geopolitical concerns and equity market volatility take their toll".

While volumes and values are down on last year, all sectors have been active in M&A.

The banking industry has seen an increased interest in consolidation concerning challenger banks and higher levels of activity around the payments segment.

Meanwhile, insurance M&A has been supported by a few large deals and the UK broking sector has continued to experience consolidation, mainly driven by demand for specialist franchises.

Wealth and asset management deal activity has also remained buoyant, driven by a number of deals across different segments, according to EY.

Millions of UK pension savers at risk from retirement scammers

SEBASTIAN MCCARTHY

@SebMcCarthy

MORE than 5m pension savers across the UK are at risk from common scamming tactics, underlining fears over fraudsters targeting people's retirement cash pots.

A new report from two of Britain's top financial bodies has found that 42 per cent of pension savers, which equates to over 5m people, could be in danger of losing out from criminal tricks such as cold calls and time-limited offers.

According to the Financial Conduct Authority (FCA) and the Pensions Regulator (TPR), which are joining forces to warn the public against retirement fraud, the chance of being drawn into one or more scams soared to 60 per cent among those who said they were actively looking for ways to boost their retirement income.

Nearly a quarter of the 2,000 adults surveyed said they were likely to pursue offers of high returns in exotic investments such as overseas property, biofuels and storage units.

IWG announces £100m buyback in dividend rise

JESS CLARK
@jclarkjourno

OFFICE space provider IWG yesterday launched a £100m share buyback and increased its dividend.

The company, which operates under the Regus brand, increased its interim dividend 10.3 per cent to 2.15p per share as it announced it would repurchase £100m worth of shares by 5 August next year.

In its first-half results published yesterday morning, the company reported total pre-tax profit of £53.4m. Revenue increased 10 per cent to £1.3bn from £1.16bn in the first six months of last year.

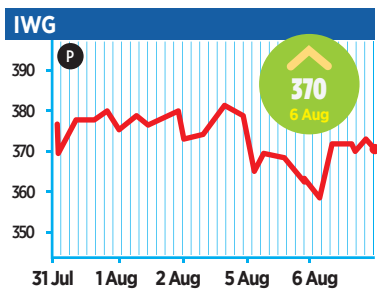
"We look forward to the remainder of the year with confidence," said IWG chief executive Mark Dixon. "Even in this period of global, political and economic uncertainty, we expect the positive momentum to continue in our business and this is reflected in the increased proposed dividend and £100m share repurchase programme."

IWG sold off its Japanese business for £320m in April as it launched a new franchise model to accelerate growth.

The company said it had signed franchise agreements with multiple partners and had seen strong interest from third parties seeking to operate IWG brands.

IWG said it would provide an update on partnerships later in the year.

Shares rose 2.4 per cent yesterday.



Online retailer Boohoo has snapped up fashion brands Karen Millen and Coast

Boohoo buys Karen Millen and Coast online business for £18m

JESS CLARK
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FAST fashion company Boohoo has bought the Karen Millen and Coast brands out of administration for £18.2m, putting more than 1,000 jobs at risk as store closures loom.

The online retailer said it made the acquisition after Karen Millen entered administration yesterday afternoon. Boohoo shares closed four per cent up following the announcement.

Deloitte, which was appointed as administrator, said 62 redundancies were made following the deal.

More than 1,000 jobs remain at risk as 32 stores and 177 concessions are expected to close after administrators failed to secure the sale of the entire business.

IN BRIEF

CARLYLE HIRES BANK TO REVIEW PA CONSUNLTING

PA Consulting Group's US private equity backer has reportedly drafted in two banks to weigh up the historic management consultancy firm's future direction. HSBC and JP Morgan have been hired by Carlyle to begin a strategic review of its 51 per cent stake in the business, according to reports by Sky News yesterday.

TP ICAP ON TRACK FOR £75M SAVINGS, SAYS BOSS

Broker TP Icap said yesterday it is launching a new joint venture in China with a local conglomerate as it showed lower profits in the first half of the year. Profit before tax fell 3.6 per cent year-on-year to £134m, the company revealed. Meanwhile revenue ticked upwards to £922m, from £910m in the first six months of the 2018 financial year. Nicolas Breteau revealed that the company was on track to reach a £75m savings target from synergies from the merger of Tullet Prebon and Icap.

MEGGITT SHARES RISE TO DEFY BOEING 737 WOES

Engineering firm Meggitt enjoyed a three per cent spike in its share price yesterday after upping prediction for annual revenue growth to between four per cent and six per cent. The FTSE 250 defence contractor has taken a significant hit in recent months, after plane maker Boeing grounded its 737 Max jet earlier this year in the wake of two crashes which killed 346 people.

Glencore to halt production at world's biggest cobalt mine after price halves

AUGUST GRAHAM
@AugustGraham

GLENCORE is planning to stop production at the world's largest cobalt mine after prices for the metal plummeted.

The miner has told staff that Congo's Mutanda mine is "no longer economically viable" in a letter seen by the Financial Times.

Glencore also took aim at new regulations in Congo, which hiked taxes and removed exemptions for mines that were already operating.

They were signed into law last June.

"Unfortunately due to the significant decrease in the cobalt price, increased inflation across some of our key input costs (mainly sulphuric acid) and the additional taxes imposed by the mining code, the mine is no longer economically viable over the long term," the letter said.

Glencore declined to comment, but the company may expand on the decision in its half-year report, due out today.

Cobalt is a vital component in batteries, setting it up to be one of the world's most important commodities as electric vehicles take off.

Last week Glencore said that it will take a $350m (£288m) hit after the price of cobalt halved. It has begun an overhaul of its African business.

German weakness holds back euro building growth

HARRY ROBERTSON
@henrygrobertson

THE EUROZONE construction sector grew marginally in July despite activity falling in Germany for the first time in nine months.

The construction purchasing managers' index (PMI), a gauge of the sector from data firm IHS Markit, rose slightly to 50.8 in July from 50.6 in June, indicating moderate expansion in figures released yesterday.

But in Germany, the area's biggest economy, the construction PMI fell to 49.5 in July from 50 in June. A score of below 50 indicates contraction.

Across the zone, growth was driven by a sixth successive monthly expansion in commercial construction such as offices and shops.

Yet both commercial and civil engineering activity fell in Germany.

However, in a ray of hope for Germany, factory orders were shown to have beaten economists' expectations yesterday. New orders for manufacturers grew 2.5 per cent in June.

Firms told to go 'above and beyond' law to co-operate with fraud office

ALEXANDRA ROGERS

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THE FRAUD watchdog has told firms they will need to go "above and beyond what the law requires" if they want to fully co-operate with its investigations.

Guidance of corporate co-operation released by the Serious Fraud Office (SFO) states that firms need to be willing to identify any individuals suspected of wrongdoing "regardless of their seniority or position", and preserve hard copy evidence to pass on to the authorities.

SFO chief Lisa Osofsky, a former FBI lawyer, has already warned firms that it was not enough for a company to "call in a team of lawyers", only for them to cover incriminating material with legal privilege – a device that protects information from being disclosed without the permission of a client.

Ben Morgan, a partner at the law firm Freshfields, said: "While there will be some businesses that will not want to co-operate with the SFO, it does have a customer base of companies that do want options in how they control their corporate criminal risk. This gives companies a clear understanding of what they need to do."

Bond sale delay sends shares at Sirius plunging

ALEX DANIEL

@alexmdaniel

SIRIUS Minerals shares plummeted 28.8 per cent yesterday as the FTSE 250 firm announced it had suspended a planned $500m (£411m) bond sale intended to finance a mine on the North York Moors.

The offering was an important part of the company's financing package for the polyhalite mining project.

Sirius gave very little detail to investors yesterday as to why it had suspended the sale, only saying it was down to "current market conditions".

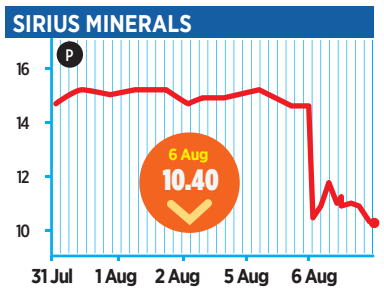
The $500m sale was part of second stage financing for the North Yorkshire-based project. The financing also included a $2.5bn credit facility, a $425m equity raise and a $507m convertible bond issue.

The mining company hopes to build a giant fertiliser project on the North York Moors, but could be hamstrung if it cannot sell bonds to pay for it.

The project, called Woodsmith Mine, is one of the largest civil construction jobs in the UK. It could provide employment for as many as 1,000 people when it is completed.

Analysts at Liberum said the work onsite will continue, adding they expected Sirius to try again at the start of September.

Polyhalite can be used as a fertiliser, but it is a largely untested product. Fitch Ratings last month signalled it expected to assign the bond issue a 'B' rating, citing a number of risks surrounding the project.



PIER PRESSURE Battersea Power Station opens Coaling Jetty to public after revamp

BATTERSEA Power Station has unveiled its redeveloped Coaling Jetty, which is open to the public for the first time ever. The Grade II*-listed jetty will host live music, wellness sessions and family activities during a string of riverside events this month.

Users of a troubled Overground line get one month of free travel

ALEXANDRA ROGERS

@city_amrogers

USERS of a London Overground line that has been beset by delays and setbacks have been given a month of free travel as compensation.

London mayor Sadiq Khan requested free travel for the users of the Gospel Oak to Barking line, which will now be in place from 31 August to 1 October.

The line, which is used by 30,000 people on a daily basis, is now served by four new electric trains which arrive at the station every 15 minutes. Commuters were told a number of times that the electric trains, built by Bombardier, would come into service only to be disappointed by repeated delays caused by software issues.

Heidi Alexander, deputy mayor for transport, said: "The month's free travel, which was requested by the mayor, is a well-deserved thank you to passengers for their patience, and we have made it as simple as possible for people to benefit from this offer."

Problems pile up for UK asset managers

Woodford, Brexit and liquidity have the makings of a perfect storm, says **Anna Menin**

IT'S BEEN a tough year for the UK investment industry, and things could get worse before they get better. Fallout from the Woodford saga and increasing fears of a no-deal Brexit are continuing to pummel asset managers as they try to stem ongoing outflows. And with regulatory pressure ramping up, they are facing questions not only about how they should advertise their funds to investors, but how they should be constructing them in the first place.

WOODFORD

Ongoing turbulence in Neil Woodford's investment empire has been the focus of much attention on the sector. The suspension of the stockpicker's Equity Income fund in June has raised questions about how open-ended funds should balance liquid and illiquid assets, and about regulators' alertness to the issue.

We won't find out the real impact of the suspension on the fund itself until it is unlocked – due to happen in December – but the toll it is taking on the rest of the sector is starting to become clear.

Head of Hassium Private Wealth, Yogi Dewan, says that there has been some "contagion" as a result of the suspension, with some fund managers hit by capital outflows.

LIQUIDITY

Questions have also emerged about whether maintaining daily liquidity is a reasonable goal.

The head of Europe's largest asset manager says the "sacred cow" of daily liquidity "must be changed". Pascal Blanque of Amundi told the Financial Times: "This is the issue that is keeping me awake at night."

As well as the potential need to rethink where they invest, managers are also facing calls to rethink how they communicate with investors about liquidity. Russ Mould, a director at AJ Bell, says "transparency and communication" with clients over the trade-off between liquidity and returns is "absolutely critical".

BREXIT

With the 31 October deadline looming and no signs of a deal being struck, UK funds may lose the passporting rights afforded by key EU regulation.

Under Ucits rules, retail funds based in one member state are allowed to be sold across all members of the bloc. Although it is not yet certain what will happen to UK funds in the event of a no-deal Brexit, Mould cautions "loss of access to European markets would be an unwelcome complication".

With no indication of whether these questions are going to be addressed before October, Dewan warns: "All this uncertainty is putting off international investors putting money into the UK."

LACKLUSTRE RESULTS

Unsurprisingly, UK asset managers' performance has taken a hit as a result of this turbulence.

Jupiter, Schroders, and Janus Henderson all reported lacklustre results last week. The three investment houses continue to struggle with outflows. Janus Henderson's outflows for the first half of 2019 were over $17bn (£13.99bn) – close to its total for the whole of 2018.

WHAT NEXT?

As storm clouds continue to gather over the sector, there's not much prospect of things improving for asset managers any time soon.

"It's hard to see how too many of these trends are going to ameliorate in the short term," says Mould, "although we should at least find out what Brexit is going to mean within a couple of months".

"If faith in monetary policy ebbs or a global slowdown starts in earnest, that could be the next major challenge for asset managers."

LV profit nearly triples in first half despite fall in life insurance revenue

JAMES BOOTH

@Jamesdbooth1

INSURER LV nearly tripled profit before tax in the first half of the year it said yesterday, despite a slump in its life insurance and pensions business.

LV said profit before tax for the six months to 30 June rose to £35m, up from £12m in the same period the previous year.

LV benefited from short-term investment fluctuations of £84m, up from £2m the previous year, as investment markets recovered from their late 2018 falls.

Its life business posted an operating loss of £11m, compared to £37m operating profit in the first half of 2018.

LV said trading conditions "remain tough" for its life business with sales slipping to £710m from £970m in the same period in 2018.

Retirement sales fell to £560m from £818m, which the company said was due to the "continued decline in the pensions market".

LV is moving to become a life insurance and pensions business, focused on the "low risk, advice led, mass affluent market".

It agreed to sell its shareholding in its general insurance business to Allianz for up to £365m in May.

STRUCK OFF Disgraced former MP Fiona Onasanya expelled from legal profession

THE FORMER Labour MP for Peterborough Fiona Onasanya (pictured, right) was struck off as a solicitor yesterday. Onasanya was found guilty of perverting the course of justice in December and has since lost her seat in the House of Commons.

Domino's chief to quit as global arm takes a slice out of earnings

JOE CURTIS

@joe_r_curtis

1.67%

THE CHIEF executive of Domino's is set to step down, the pizza chain said yesterday, as it revealed that profit had plunged in the first half of 2019.

David Wild informed the board that he will "retire from his role", with the retailer kicking off a search for his successor.

The pizzeria pointed the finger at its international business for weighing down profit as income before tax dropped 27 per cent year on year to hit £30.5m for the six months to June.

Group sales climbed 4.7 per cent, however, to land at £645.8m. Revenue rose 3.5 per cent to £295.6m, while UK and Ireland like-for-like sales climbed 3.9 per cent compared to 2018.

Domino's added over £50m onto its debt pile for the period, though, bringing net debt up 31 per cent to £238.8m and guiding to a year-end target of £220m to £230m. Basic earnings per share plummeted 26.4 per cent to just 5.3p.

However Domino's still raised its interim dividend 3.7 per cent year-on-year to 4.2p per share.

Wild's departure comes as Domino's is embroiled in a war with franchisees who want a bigger slice of its profit.

Intercontinental's first-half room sales inch up despite China troubles

ANNA MENIN

@annafmenin

INTERCONTINENTAL Hotels reported a slightly increased first-half room revenue yesterday, but a drop in business travellers in China and protests in Hong Kong have dented demand in the region.

The FTSE 100 group, which owns brands including Holiday Inn and Crowne Plaza, said revenue per available room (Revpar) rose 0.1 per cent during the first half of 2019.

Revpar was down 0.3 per cent in Greater China for the same period, but Europe, the Middle East, Asia and Africa saw a 0.2 per cent increase.

First-half operating profit was $457m (£376m), a 14 per cent increase on the $401m reported for the same period last year.

In a first half in which the group opened a record number of new rooms, demand has not kept pace.

Intercontinental has been looking to Asia for growth, and while it is succeeding in adding to its portfolio – including signing two landmark properties in Beijing and Hong Kong – this decline in demand is not the news they wanted.

In the results, the group blamed "ongoing political disputes" in Hong Kong coupled with lower demand in corporate business for the slowdown in Greater China, but said that leisure business remained resilient.

This failed to reassure investors however, with Intercontinental's shares dropping two per cent to 5,181p, down from 5,289p at the close of trading on Monday.

Chief Keith Barr said Intercontinental has made "significant progress" in a slowed growth environment.

Universal is the world's largest music company, with artists including Taylor Swift

Tencent enters talks to acquire stake in Universal Music Group

JAMES WARRINGTON

@j_a_warrington

THE FRENCH media conglomerate behind Universal Music Group (UMG) is in talks to sell a chunk of the music company to Chinese tech giant Tencent.

Vivendi said the deal, which would give Universal a total equity value of €30bn (£27.6bn), will help boost the firm's presence in Asia.

The deal would also give Tencent a one-year call option to buy a further 10 per cent stake at the same price.

Shares in Vivendi jumped almost four per cent yesterday.

The French firm, which is controlled by billionaire Vincent Bollore, is seeking to cash in on growing demand for subscription and ad-based streaming services.

New Media and Gannett merge in $1.4bn deal

JAMES WARRINGTON

@j_a_warrington

US LOCAL media giant New Media Investment Group has bought rival Gannett for $1.4bn (£1.2bn), forming America's largest newspaper owner.

Virginia-based Gannett owns USA Today, as well as over 160 UK publishers including Newsquest and online marketing firm Reachlocal.

New Media said the deal is expected to deliver cost savings of up to $300m each year.

The merger will fuel the media group's digital transformation, as it battles a decline in revenue from print publications.

Gannett has invested millions to beef up its digital footprint, but missed targets for second-quarter revenue earlier this week.

"We believe this transaction will create value for our shareholders, greater opportunities for our employees, and a stronger future for journalism," said boss Michael Reed.

Ryanair's passenger count increases to 14.8m in July

ALEXANDRA ROGERS

@city_amrogers

RYANAIR's passenger numbers grew to 14.8m in July, a nine per cent increase on the same period the year before.

Ryanair carried 14.2m passengers, while Lauda, the low-cost Austrian airline acquired by Ryanair, carried 600,000.

Despite the traffic growth, Ryanair has entered turbulent territory, having issued a number of profit warnings.

Last week Ryanair boss Michael O'Leary warned staff that hundreds of jobs could be lost as the airline reels from a decline in earnings and the grounding of the Boeing 737 Max aircraft.

In a video sent to workers and seen by Bloomberg, the airline chief executive told staff that Ryanair needs 900 fewer pilots and cabin crew than initially planned due to the airline's poor financial performance and the continued grounding of the Boeing 737, which has hurt its growth and cut flight numbers.

Earlier in July Ryanair revealed that profit had nosedived by 21 per cent in the first quarter, which the airline blamed on hikes in the cost of fuel and staff. Airfares also dropped considerably, as competition increased in Germany after Lufthansa bought Air Berlin.

M&S' grocery arm links up with Ocado to deliver the goods to British foodies

ONLINE grocer Ocado and retail giant Marks & Spencer have this week announced a joint venture offering an online food delivery service.

YouGov data suggests that the partnership has potential to be a success as customers of both supermarkets have similar shopping habits. Customers of M&S and Ocado spend similar amounts on their weekly food shop, with a quarter (25 per cent for M&S customers and 24 per cent for Ocado customers) spending between £40 and £60 per week.

Similarly, both customer profiles are also more willing to pay extra for good quality products (77 per cent for M&S, 74 per cent for Ocado) compared to the national average (69 per cent).

Ocado's audience is generally affluent despite being younger (10 per cent have a gross household income between £70,000 and £99,999) while over half see food as "an important part of my life". Its customers could also be described as "foodies", cooking from scratch most days (34 per cent).

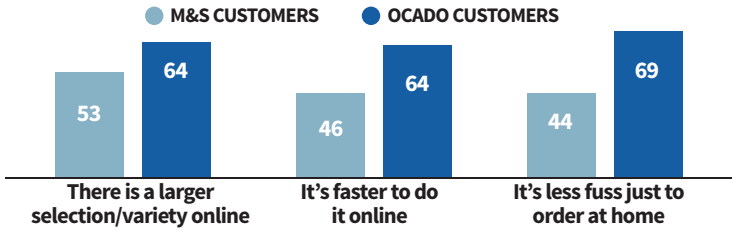
However, there are differences which could also present opportunities. Ocado's customer base is much younger than M&S', with over a quarter (27 per cent) aged between 25 and 39. M&S' customer base is considerably older – 47 per cent are aged over 55.

Stephan Shakespeare

Stephan Shakespeare is the chief executive of YouGov

M&S AND OCADO CUSTOMERS HAVE SIMILAR SHOPPING MOTIVATIONS

Which, if any, of the following statements best describe what motivates you to purchase items online? Please select all that apply. *Source: YouGov*



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BOISDALE OF CANARY WHARF

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DISNEY: FULL STREAM AHEAD

Disney Plus is coming and Netflix will be afraid, writes **James Warrington**

IN 2017 Dana Brunetti, the producer behind hit Netflix series House of Cards, declared that appointment-viewing TV was dead. Gone were the days of scheduled programming, he said. On-demand binge-watching was here to stay.

Brunetti's show helped propel Netflix to the forefront of the streaming landscape and, two years later, on-demand TV is now the favoured format for a majority of viewers. Figures out today from Ofcom reveal roughly half of all UK homes subscribe to a streaming service, while broadcast TV viewing continues to decline.

But now it is Disney Plus – a new family-focused platform from the world's largest entertainment company – that could have Netflix executives hiding behind the sofa.

Disney has enjoyed rocketing box office figures thanks to investment in franchises such as Avengers, the Lion King and Toy Story, and subscribers to Disney Plus will enjoy on-demand access to all of these hits.

The company has also beefed up its TV offering, bagging the rights to The Simpsons following its $71bn acquisition of 21st Century Fox.

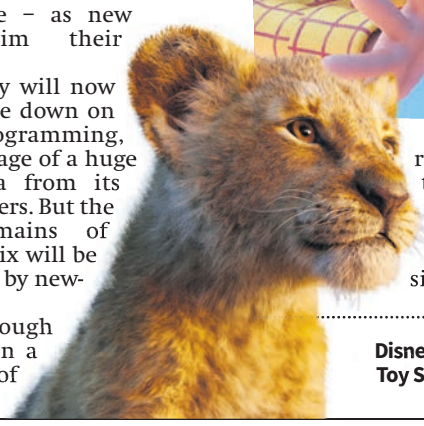
"Given the deep library of high quality and in-demand content, Disney Plus is in pole position to take on other streaming providers," says Christian Polman, chief strategy officer at media consultancy Ebiquity.

Netflix has long dominated the streaming landscape, but its reign may be starting to falter. In its latest quarterly results, the Silicon Valley giant disappointed investors by missing targets for subscriber growth.

But Netflix is fighting a war on all fronts. Not only is it facing fresh competition, it's also losing some of its most popular shows – including Friends and the US version of The Office – as new rivals reclaim their content.

The company will now have to double down on original programming, taking advantage of a huge trove of data from its 150m subscribers. But the question remains of whether Netflix will be overshadowed by newcomer Disney.

"Even though there has been a huge number of recent successes on the Netflix original programming side, my fear is that they can't commission and produce enough surefire hits the way that Disney now can," says Ash Bendelow, managing director and creative partner at marketing agency Brave.



Disney's catalogue includes Toy Story and the Lion King

In the UK, Netflix has brokered a deal to set up a vast production hub at Shepperton Studios, as it looks to splash out more of its estimated £10bn production budget in Britain.

But analysts say the US firm may even be eyeing a takeover of ITV Studios, or the broadcaster as a whole, in an effort to scale up its content production.

"Assets are scarce as they are either already part of a wider distribution group or too indie for the content they want to create, so ITV seems like a viable option," says Harry Read, a media analyst at Liberum.

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

LONDON REPORT

FTSE 100 drops for sixth day on currency spat

LONDON's FTSE 100 closed sharply lower yesterday, its sixth straight session in the red, bringing its losses to more than five per cent since US President Donald Trump announced more tariffs on Chinese exports, while poor results sent **Rolls-Royce** tumbling.

The FTSE 100, which suffered its worst day this year in the last session, lost 0.7 per cent to end the session below its 200-day moving average – seen as a technical support level – for the first time since late May.

A handful of strong corporate earnings from industrial firms capped losses on the mid-cap FTSE 250.

The index closed 0.1 per cent lower.

Engine maker Rolls-Royce slumped seven per cent, its biggest one-day fall since 2015, after it raised cost estimates to tackle problems relating to its Trent 1000 engines, which have caused airlines to ground Boeing 787s while repairs are being carried out.

Further weighing on the main index were oil majors **BP** and **Shell**, as well as internationally-exposed stocks on the back of a very slight recovery in the pound.

Washington on Monday formally tagged China a currency manipulator for the first time since 1994, responding to Beijing allowing the yuan to weaken past seven per dollar for the first time in a decade.

Until last week's renewed escalation of the trade tensions, the FTSE 100 had recovered from a slump in May to post back-to-back monthly gains, helped by a fall in the pound.

The latest trade friction has erased all of the index's July gains and has placed the index on course for its steepest monthly fall in four years.

Engine maker Rolls-Royce saw sharp losses of 7 per cent yesterday

On the FTSE 250, industrial group **Rotork** jumped eight per cent after half-year results, while engineering firm **Meggitt** advanced three per cent after it raised its annual organic revenue growth forecast.

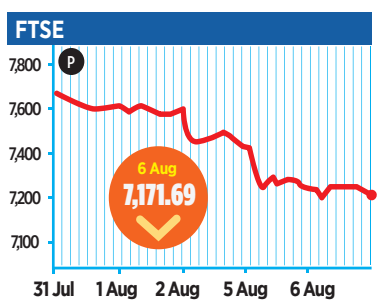
Fashion retailer **Boohoo** added 4.1 per cent after sealing a deal to buy the online businesses of fashion chains Karen Millen and Coast.

TOP RISERS

1. **RBS** Up 1.70 per cent
2. **Spirax-Sarco** Up 1.29 per cent
3. **Ferguson** Up 1.26 per cent

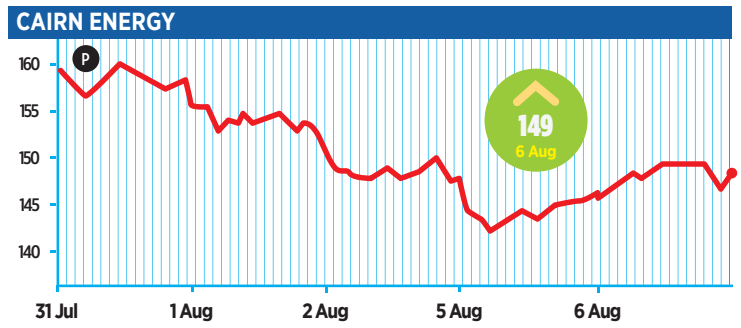
TOP FALLERS

1. **Rolls-Royce:** Down 6.87 per cent
2. **NMC Health** Down 6.00 per cent
3. **Centrica** Down 2.67 per cent

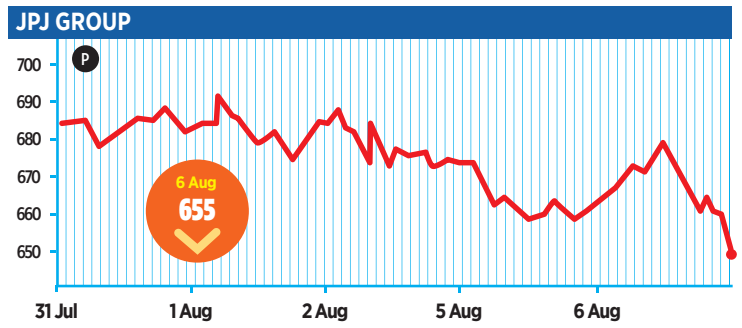


BEST OF THE BROKERS

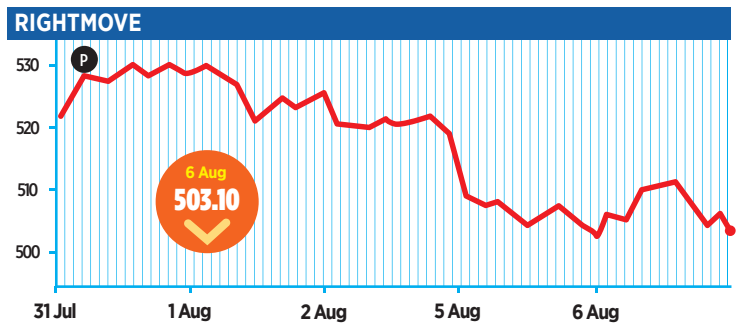
To appear in Best of the Brokers, email your research to notes@cityam.com



Cairn Energy, an oil and gas exploration firm, yesterday sold a £50m stake in its Nova development off the coast of Norway. It will use the funds for further exploration and development. Broker Peel Hunt calls the deal a "smart piece of business from Cairn that not only introduces a useful cash injection, but also removes a significant chunk of development capital expenditure spend over the next two to three years." It says it is optimistic that Cairn's Mexican exploration drilling campaign will yield positive results. Peel Hunt reiterates its "Buy" rating with a 220p target price.



JPJ Group, the online bingo-led operator, has just acquired Gamesys Group after shareholders approved the deal. Broker Canaccord Genuity believes the deal, which is likely to close in September, could lead to a dividend for shareholders when it releases its full-year results. It says it expects little to change with minimal integration risk. "Overall we think the attractiveness of JPJ Group is enhanced by the Gamesys acquisition," Canaccord Genuity says. The broker reiterates its "Buy" recommendation, with a target price of 1,310p.



Rightmove, which runs the UK's largest online real estate portal and property website, may have delivered some strong half -year results, but its premium valuation does not reflect the challenges ahead, according to Peel Hunt. "Despite rumours of positive stamp duty reforms on the horizon, we believe the housing market could deteriorate further in the near term," it says, adding that it is starting to see signs that indicate future trading could be challenging for Rightmove. Peel Hunt retains its "Reduce" recommendation with a 450p target price.

NEW YORK REPORT

Wall St climbs as China acts to steady yuan

US STOCKS jumped more than one per cent yesterday, bouncing back from a sharp sell-off the previous day as China stepped in to stabilise the yuan, easing concerns that currencies would be the next weapon in the US-China trade war.

China's overnight intervention came after the US Treasury Department labelled Beijing a currency manipulator as it let the yuan slide to a more than decade low on Monday.

The gains came a day after US stocks' biggest percentage drop of the year and a sharp fall in the Chinese currency.

White House economic adviser Larry Kudlow's comment that US President Donald Trump was planning to host a Chinese delegation for talks in September allayed fears of a further escalation in the trade war.

The S&P technology index, which includes companies that have a big exposure to China and were at the heart of Monday's sell-off, provided the biggest boost to the S&P index, rising 1.61 per cent.

The Dow Jones Industrial Average rose 311.78 points, or 1.21 per cent, to 26,029.52, the S&P 500 gained 37.03 points, or 1.30 per cent, to 2,881.77 and the Nasdaq Composite added 107.23 points, or 1.39 per cent, to 7,833.27.

The S&P 500 and Nasdaq each snapped a six-day losing streak. Stocks had been reeling from last week's shock when Trump vowed to slap a 10 per cent tariff on a further $300bn (£246.5bn) in imports from China.

After the bell, shares of **Walt Disney** fell 2.6 per cent following the release of its quarterly results.

During the regular session, iPhone maker **Apple** gained 1.9 per cent following recent heavy losses on the tariff spat, while the Philadelphia Semiconductor index edged 1.28 per cent higher.

Among other stocks, **Take-Two Interactive Software** jumped eight per cent after the video game publisher raised its full-year revenue forecast.

CITY MOVES WHO'S SWITCHING JOBS

OAKNORTH
Next-generation credit platform Oaknorth has announced the appointment of Jackson Hull as its chief technology officer and chief operating officer. Jackson will be responsible for Oaknorth's architecture and product programme, as well as its product and engineering teams. He will also be in charge of the company's compliance and infrastructure teams, and will oversee the portfolio of technology projects and programmes across the business. Jackson is a leading expert in building high-volume e-commerce applications. He recently completed a data-first transformation of Gocompare, where he developed analysis, data science, machine learning and data engineering capabilities to personalise the experience for over 25m customers. Jackson also serves as an adviser for several companies including Bloom & Wild, a British florist, Kindred Capital, a venture capital firm, and Hubble, an online platform for flexible office space.

HARWORTH
Land and property regeneration company Harworth have announced that Kitty Patmore will start as its new chief financial officer and executive director in October. Kitty will join Harworth from Harworth Real Estate, the company's property arm. Kitty has 14 years of finance, banking and real estate lending experience from roles at Harwood, DRC Capital and Barclays. She was also formerly a national director of the Investment Property Forum. Owen Michaelson, chief executive of Harworth, said: "We are delighted to welcome Kitty to the board. She brings a wealth of real estate expertise and capital markets knowledge and will be an extremely strong addition to our senior team."

ADARGA
Artificial intelligence software company Adarga have announced the appointment of Jason Atlas as its chief technology officer (CTO). Jason will bring his expertise in intelligent software systems and security from his long track record at Microsoft. He has served as the CTO of Microsoft in the US and UK since 2006, and previously spent time as the company's head of data intelligence,. During his long stint at the company, Jason was responsible for Microsoft's abuse and safety platform, and for enhancing a large scale system that traces malware, bots, spammers, and other abusers of privacy and internet safety. He also formerly served as the CTO of Adbrain, a customer engagement startup. Jason's appointment at Adarga follows the company's recent £5m fundraising venture which will be used to continue the expansion of Adarga's data science and software engineering teams.

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FTSE 100	FTSE 250	FTSE ALL SHARE	DOW JONES	NASDAQ	S&P 500
7171.69	18846.20	3920.70	26029.52	7833.27	2881.77
52.16	25.22	23.45	311.78	107.23	37.03

£/€	1.0859	0.0023	€/$	1.1202	0.0004
£/$	1.2164	0.0022	€/£	0.9208	0.0018
£/¥	129.52	1.0322	€/¥	119.28	0.6804

GILTS

	Price	Chg	High	Low
Tsy 3.750 19	100.27	-0.01	103.4	100.3
Tsy 2.000 20	101.40	0.00	102.5	101.4
Tsy 4.750 20	102.46	-0.01	106.4	102.5
Tsy 3.750 20	103.50	-0.01	106.3	103.5
Tsy 2.500 20	355.90	0.00	361.4	355.8
Tsy 8.000 21	113.93	-0.02	120.4	113.6
Tsy 4.000 22	109.43	0.02	111.3	109.0
Tsy 0.500 22	100.53	0.04	100.6	97.7
Tsy 1.875 22	117.37	0.04	118.3	115.5
Tsy 2.250 23	107.84	0.07	107.9	104.7
Tsy 2.500 24	376.65	0.10	377.1	358.7
Tsy 0.125 24	115.47	0.10	115.7	110.9
Tsy 5.000 25	125.78	0.14	125.9	122.1
Tsy 4.250 27	131.40	0.25	131.5	122.6
Tsy 1.250 27	139.26	0.30	139.5	128.4
Tsy 6.000 28	150.34	0.30	150.4	140.5
Tsy 0.125 29	132.07	0.36	132.3	118.8
Tsy 4.750 30	145.16	0.39	145.3	132.1
Tsy 4.125 30	396.29	0.38	396.9	355.2
Tsy 4.250 32	142.93	0.53	143.0	128.5
Tsy 1.250 32	162.42	0.55	162.6	144.1
Tsy 0.125 36	155.35	0.83	155.7	133.4
Tsy 4.250 36	150.77	0.68	151.0	133.1
Tsy 4.750 38	165.48	0.76	166.0	144.9
Tsy 0.625 40	176.63	0.84	177.3	152.8
Tsy 4.500 42	168.90	0.86	169.1	145.9
Tsy 3.500 45	150.95	0.95	151.0	128.0
Tsy 4.250 46	171.26	0.97	171.3	145.7
Tsy 4.025 49	177.96	1.06	178.7	150.0
Tsy 0.500 50	208.90	1.13	210.0	173.7
Tsy 0.250 52	205.89	1.25	207.1	168.8

AEROSPACE & DEFENCE

	Price	Chg	High	Low
BAE Systems	536.0	-2.8	636.2	443.9
Cobham	164.1	-0.8	168.3	96.8
Meggitt	588.2	17.0	606.2	458.0
QinetiQ Group	274.4	-3.0	312.4	267.9
Rolls-Royce Holdi	759.0	-56.0	1089.0	759.0
Senior	200.0	2.2	327.8	185.4
Ultra Electronics	1856.0	-10.0	1972.0	1232.0

BANKS

	Price	Chg	High	Low
Bank of Georgia G	1330.0	0.0	1878.8	1304.0
Barclays	147.2	-0.1	193.1	145.9
Close Brothers Gr	1281.0	-4.0	1660.0	1281.0
CYBG	149.9	-3.4	364.2	149.6
HSBC Holdings	627.9	1.1	725.8	600.8
Lloyds Banking Gr	50.2	0.1	66.6	49.9
Metro Bank	305.0	-10.4	3050.0	304.2
Royal Bank of Sco	200.8	3.4	270.4	196.9
Standard Chartere	630.8	-7.6	736.8	519.8
TBC Bank Group	1338.0	0.0	1728.0	1242.0

BEVERAGES

	Price	Chg	High	Low
Barr (A.G.)	672.0	-7.0	975.0	610.0
Britvic	870.0	-5.0	956.0	745.0
Coca-Cola HBC AG	2767.0	-6.0	3074.0	2244.0
Diageo	3353.5	-28.5	3526.0	2523.5

CHEMICALS

	Price	Chg	High	Low
Croda Internation	4586.0	-88.0	5447.7	4576.0
Elementis	138.5	0.2	247.8	129.8
Johnson Matthey	2909.0	-21.0	3752.0	2620.0
Sirius Minerals	10.4	-4.2	38.5	8.5
Synthomer	280.4	0.6	537.2	279.2
Victrex plc	1868.0	-31.0	3408.0	1868.0

CONSTRUCTION & MATERIALS

	Price	Chg	High	Low
Balfour Beatty	194.3	-2.6	296.5	193.1
CRH	2564.0	-14.0	2735.0	1971.5
Galliford Try	553.5	-7.0	1104.0	512.0
Ibstock	216.0	4.6	262.0	193.1
Marshalls	607.0	-1.0	690.0	412.2
Polypipe Group	392.6	8.0	453.8	307.8

ELECTRICITY

	Price	Chg	High	Low
Contour Global	164.0	-0.2	246.0	150.1
Drax Group	286.8	-8.2	427.2	260.2
SSE	1074.0	-6.0	1280.0	1008.0

ELECTRONIC & ELECTRICAL EQ.

	Price	Chg	High	Low
Halma	1896.0	17.5	2094.0	1237.0
Morgan Advanced M	251.0	0.0	363.0	237.0
Oxford Instrument	1316.0	52.0	1424.0	842.0
Renishaw	3464.0	0.0	5520.0	3408.0
Spectris	2374.0	17.0	2898.0	1966.5

EQUITY INVESTMENT INSTRUM.

	Price	Chg	High	Low
Aberforth Smaller	1152.0	2.0	1394.0	1120.0
Alliance Trust	788.0	-8.0	838.0	672.0
Apax Global Alpha	152.5	-1.5	159.0	127.0
AVI Global Trust	746.0	8.0	781.0	660.0
Baillie Gifford J	801.0	1.0	866.0	663.0
Bankers Inv Trust	918.0	-4.0	970.0	766.0
BBGI SICAV S.A. (	154.0	0.0	168.0	142.5
BlackRock Smaller	1314.0	-26.0	1600.0	1160.0
BMO Global Smalle	1352.0	-16.0	1495.0	1220.0
Caledonia Investm	3005.0	-15.0	3110.0	2650.0
City of London In	399.5	-3.0	434.0	376.0
Edinburgh Inv Tru	563.0	-3.0	699.0	563.0
F&C Investment Tr	688.0	-7.0	741.0	616.0
Fidelity China Sp	207.0	-1.0	250.0	182.4
Fidelity European	243.5	-1.0	257.5	202.0
Fidelity Special	247.0	3.5	278.0	220.0
Finsbury Growth &	908.0	-4.0	956.0	740.0
GCP Infrastructur	124.0	1.0	130.8	122.4
Genesis Emerging	732.0	-8.0	783.0	615.0
Greencoat UK Wind	137.0	0.0	143.2	122.8
HarbourVest Globa	1650.0	-10.0	1726.0	1300.0
Herald Investment	1288.0	4.0	1364.0	1055.0
HGCapital Trust	206.0	0.0	220.0	175.0
HICL Infrastructu	161.0	-3.4	170.1	149.9
International Pub	158.6	-0.6	163.4	146.8
JPMorgan American	466.5	-2.5	494.5	386.5
JPMorgan Emerging	991.0	4.0	1066.0	759.0
JPMorgan Indian I	713.0	12.0	790.0	566.0
JPMorgan Japanese	440.0	0.0	470.0	367.0
Jupiter European	831.0	-11.0	895.0	666.0
Law Debenture Cor	570.0	4.0	636.0	534.0
Mercantile Invest	191.2	-1.2	219.0	168.0
Monks Inv Trust	907.0	-6.0	964.0	710.0
Murray Internatio	1128.0	-4.0	1208.0	1056.0
NB Global Floatin	89.6	-0.2	93.3	87.6
NextEnergy Solar	119.5	2.0	124.5	108.0
Pantheon Internat	2190.0	-10.0	2330.0	1955.0
Perpetual Income	294.5	0.0	364.5	294.5
Pershing Square H	1428.0	-16.0	1480.0	990.0
Personal Assets T	42350.0	-150.0	42800.0	38900.0
Polar Capital Tec	1380.0	-6.0	1500.0	1066.0
RIT Capital Partn	2025.0	-10.0	2150.0	1892.0
Riverstone Energy	724.0	-30.0	1282.0	724.0
Schroder Asia Pac	433.5	4.5	469.5	379.0
Scottish Inv Trus	807.0	1.0	902.0	748.0
Scottish Mortgage	518.0	-2.5	568.5	441.4
Sequoia Economic	113.2	-0.2	115.2	106.0
Smithson Investme	1216.0	2.0	1278.0	1000.2
Syncona Limited N	234.0	-2.5	302.5	213.5
Temple Bar Inv Tr	1186.0	0.0	1366.0	1116.0
Templeton Emergin	766.0	-2.0	829.0	649.0
The Renewables In	125.0	-0.2	133.2	109.3
TR Property Inv T	414.0	-1.0	433.5	353.5
Vietnam Enterpris	466.5	-3.5	473.0	420.0
VinaCapital Vietn	348.5	0.5	351.5	318.0
Witan Inv Trust	212.0	-0.5	227.6	189.6
Woodford Patient	42.2	-0.5	91.0	42.0
Worldwide Healthc	2700.0	-20.0	2915.0	2325.0

FINANCIAL SERVICES

	Price	Chg	High	Low
3i Group	1065.0	-4.0	1164.5	756.2
3i Infrastructure	283.0	1.0	303.0	232.5
AJ Bell	391.5	-0.5	477.0	220.0
Allied Minds	64.9	3.9	87.1	37.3
Amigo Holdings	146.0	-4.0	297.5	140.2
Arrow Global Grou	273.0	6.2	284.6	167.2
ASA International	360.0	12.0	510.0	320.0
Ashmore Group	501.5	-8.0	542.5	337.0
Brewin Dolphin Ho	293.8	-2.2	366.0	292.2
Charter Court Fin	268.0	-3.5	375.0	228.8
City of London In	414.0	-4.5	440.0	360.0
CMC Markets	88.3	-0.4	193.0	77.4
Coats Group	75.4	1.4	91.3	69.8
Georgia Capital	990.0	-1.0	1260.0	941.0
Hargreaves Lansdo	1877.0	-26.5	2433.0	1633.0
IG Group Holdings	559.2	-6.4	915.0	474.8
IntegraFin Holdin	385.5	3.0	406.1	269.0
Intermediate Capi	1313.0	0.0	1429.0	899.0
International Per	102.0	1.0	248.8	99.3
Investec	427.4	-5.5	561.0	423.4
IP Group	60.5	-1.2	131.2	60.1
John Laing Group	383.0	5.4	402.0	283.2
JTC	357.0	12.0	440.0	287.0
Jupiter Fund Mana	349.4	-4.3	433.3	287.6
Liontrust Asset M	770.0	4.0	816.0	532.0
LMS Capital	48.8	-1.4	53.5	44.0
London Finance &	38.5	0.0	43.5	37.1
London Stock Exch	6598.0	-8.0	7058.0	3867.0
Man Group	155.5	0.1	183.0	126.8
OneSavings Bank	332.4	-0.6	447.4	330.0
Paragon Banking G	391.8	-0.6	502.0	379.2
Plus500 Ltd (DI)	586.0	17.4	2040.0	495.0
Provident Financi	380.8	-20.8	692.6	374.2
Quilter	137.0	-0.1	156.6	110.6
Rathbone Brothers	2100.0	-25.0	2634.0	2085.0
Real Estate Credi	170.0	0.0	175.5	163.0
Record	31.7	0.0	42.1	27.3
River and Mercant	268.0	1.0	330.0	212.0
S&U	2080.0	-60.0	2605.0	1767.5
Sanne Group	519.0	-2.0	752.0	450.0
Schroders	2894.0	-3.0	3210.0	2334.0
Standard Life Abe	281.8	-1.6	378.9	224.9
TP ICAP	275.9	-6.9	324.5	267.2
Walker Crips Grou	26.5	-0.5	39.0	24.0
XPS Pensions Grou	113.0	-4.0	180.0	95.0

FIXED LINE TELECOMS

	Price	Chg	High	Low
BT Group	184.1	0.7	264.7	180.1
TalkTalk Telecom	102.1	-1.0	137.0	96.6
Telecom Plus	1312.0	-34.0	1528.0	1010.0

FOOD & DRUG RETAILERS

	Price	Chg	High	Low
Greggs	2108.0	-24.0	2476.0	1006.0
Morrison (Wm) Sup	184.7	-1.5	269.4	184.3
Ocado Group	1136.5	-16.0	1435.0	749.8
Sainsbury (J)	188.3	-1.2	341.5	186.9
SSP Group	702.0	9.0	744.4	615.1
Tesco	214.9	-2.2	266.2	189.6
UDG Healthcare Pu	752.0	-3.0	824.0	551.0

FOOD PRODUCERS

	Price	Chg	High	Low
Associated Britis	2371.0	-22.0	2638.0	2041.0
Bakkavor Group	100.6	0.7	190.0	99.9
Cranswick	2604.0	10.0	3454.0	2472.0
Greencore Group	207.2	-1.3	230.0	162.9
Hilton Food Group	910.0	5.0	1088.0	884.0
Tate & Lyle	732.4	5.4	800.4	630.6
Unilever	4826.0	-42.0	5091.0	3931.0

FORESTRY & PAPER

	Price	Chg	High	Low
Mondi	1553.5	-40.0	2230.0	1550.5

GAS, WATER & MULTIUTILITIES

	Price	Chg	High	Low
Centrica	69.3	-1.9	155.6	69.3
National Grid	831.0	-11.0	889.2	748.7
Pennon Group	702.2	-8.0	792.8	684.2
Severn Trent	1964.0	-29.5	2153.0	1770.0
United Utilities	760.0	-16.8	873.6	682.4

GENERAL INDUSTRIALS

	Price	Chg	High	Low
Smith (DS)	320.2	-0.7	513.4	292.2
Smiths Group	1535.0	-13.5	1666.0	1279.5
Smurfit Kappa Gro	2384.0	-54.0	3292.0	1934.0
Vesuvius	477.8	0.6	662.0	472.4

GENERAL RETAILERS

	Price	Chg	High	Low
Auto Trader Group	510.4	-3.0	606.0	388.5
B&M European Valu	348.9	-0.1	426.3	278.6
Card Factory	159.8	-1.3	212.0	157.2
Dixons Carphone	112.6	-2.1	179.8	107.6
Dunelm Group	880.0	4.5	981.0	482.8
Inchcape	580.5	5.0	716.5	486.6
JD Sports Fashion	588.8	6.8	649.8	318.5
Just Eat	739.4	8.2	805.6	533.8
Kingfisher	209.9	0.5	299.4	202.2
Marks & Spencer G	188.8	-1.9	299.1	188.3
Next	5858.0	-46.0	6064.0	3991.0
Pets at Home Grou	227.6	7.8	228.4	110.0
Sports Direct Int	220.2	4.0	406.7	214.4
Ted Baker	900.0	0.0	2378.0	800.0
Vivo Energy	113.6	-5.2	148.6	96.0
WH Smith	2014.0	-4.0	2186.0	1697.0

HEALTH CARE EQUIPMETN & S.

	Price	Chg	High	Low
Assura	65.0	0.3	66.4	52.4
Convatec Group	181.1	-0.9	239.0	118.6
Mediclinic Intern	313.1	0.1	504.8	293.4
NMC Health	2258.0	-144.0	4120.0	2192.0
Smith & Nephew	1817.0	-32.0	1924.5	1258.0

HHOLD GDS & HOME CONSTR.

	Price	Chg	High	Low
Barratt Developme	624.4	-1.2	663.0	434.0
Bellway	2868.0	0.0	3226.0	2419.0
Berkeley Group Ho	3738.0	2.0	3981.0	3226.0
Bovis Homes Group	1033.0	3.0	1177.0	828.0
Countryside Prope	279.2	1.6	353.2	270.0
Crest Nicholson H	349.2	2.2	404.8	296.4
McCarthy & Stone	136.5	0.6	142.7	107.1
Persimmon	1896.5	-9.5	2501.0	1859.5
Reckitt Benckiser	5930.0	-42.0	7155.0	5593.0
Redrow	546.0	8.0	674.6	460.8
Taylor Wimpey	146.5	-0.9	192.3	129.3

INDUSTRIAL ENGINEERING

	Price	Chg	High	Low
Bodycote	700.0	-0.5	1024.0	676.0
Hill & Smith Hold	1049.0	-28.0	1473.0	902.5
IMI	959.8	-8.8	1227.0	870.0
Melrose Industrie	168.4	-2.2	233.9	146.3
RHI Magnesita N.V	4224.0	-12.0	5085.0	3318.0
Rotork	307.5	21.6	355.0	235.7
Spirax-Sarco Engi	8610.0	110.0	9400.0	5900.0
Weir Group	1324.0	19.0	1939.0	1240.0

INDUSTRIAL METALS & MINING

	Price	Chg	High	Low
Evraz	602.2	-5.0	709.4	442.1
Ferrexpo	230.8	-3.2	301.3	143.5

INDUSTRIAL TRANSPORTATION

	Price	Chg	High	Low
BBA Aviation	296.8	-14.2	324.8	207.0
Clarkson	2435.0	10.0	2900.0	1878.0
Fisher (James) &	1964.0	-66.0	2260.0	1600.0
Royal Mail	205.4	0.2	489.0	194.5

MAIN CHANGES UK 350

Risers		%
Rotork	307.5	7.6
Oxford Instruments	1316.0	4.1
Pets at Home Group	227.6	3.6
Spirent Communicat	164.8	3.5
Hochschild Mining	214.6	3.1
Plus500 Ltd (DI)	586.0	3.1
Hammerson	213.0	3.0
Meggitt	588.2	3.0
Aston Martin Lagon	467.5	2.8
IWG	370.0	2.4

Fallers		%
Sirius Minerals	10.4	-28.8
Rolls-Royce Holdin	759.0	-6.9
NMC Health	2258.0	-6.0
Provident Financia	380.8	-5.2
BBA Aviation	296.8	-4.6
Vivo Energy	113.6	-4.4
Intu Properties	38.4	-4.0
Riverstone Energy	724.0	-4.0
Restaurant Group	140.4	-4.0
Metro Bank	305.0	-3.3

NON LIFE INSURANCE

	Price	Chg	High	Low
Admiral Group	2073.0	-12.0	2300.0	1932.5
Beazley	550.0	0.0	599.0	492.6
Direct Line Insur	307.3	-2.6	366.5	304.9
Hastings Group Ho	189.9	0.4	274.2	174.0
Hiscox Limited (D	1581.0	-18.0	1777.0	1418.0
Lancashire Holdin	667.5	-13.5	725.5	530.0
RSA Insurance Gro	535.2	-0.8	641.0	496.6
Sabre Insurance G	260.0	-3.5	294.0	249.0

LIFE INSURANCE

	Price	Chg	High	Low
Aviva	381.7	-3.2	502.8	364.6
Legal & General G	245.3	1.2	291.2	223.7
Phoenix Group Hol	656.5	1.1	724.8	544.0
Prudential	1521.0	9.0	1824.0	1340.0
St James's Place	931.6	10.8	1171.0	913.6

MEDIA

	Price	Chg	High	Low
4Imprint Group	2910.0	0.0	2950.0	1800.0
Ascential	371.2	-2.2	434.8	337.2
Bloomsbury Publis	232.0	8.0	243.0	190.5
Centaur Media	45.5	0.0	56.5	34.7
Entertainment One	417.6	-2.2	483.4	336.4
Euromoney Institu	1334.0	16.0	1412.0	1132.0
Future	1060.0	4.0	1248.0	375.0
Goco Group	84.0	1.2	118.4	64.6
Haynes Publishing	223.0	0.0	227.0	160.0
Huntsworth	99.8	0.8	125.0	81.0
Informa	831.8	3.4	892.0	605.8
ITE Group	71.3	0.3	83.7	56.3
ITV	106.4	1.1	170.1	104.7
Moneysupermarket.	346.9	-1.7	417.7	264.0
Pearson	810.0	-6.2	1027.5	769.2
Reach	89.8	-0.4	91.5	54.6
Relx plc	1879.5	-10.0	1978.0	1491.5
Rightmove	503.1	-1.5	585.1	420.9
STV Group	372.0	2.0	432.5	318.0
Tarsus Group	425.0	0.0	438.0	243.0
WPP	904.6	-6.0	1301.0	800.4

MINING

	Price	Chg	High	Low
Acacia Mining	236.2	3.2	256.6	96.1
Anglo American	1808.4	-11.6	2266.0	1464.6
Antofagasta	809.4	-9.8	1022.5	727.2
BHP Group	1778.8	-25.6	2049.0	1490.6
Centamin (DI)	133.4	-0.1	136.2	79.8
Fresnillo	644.8	4.8	1027.5	601.0
Glencore	231.4	-3.7	341.5	229.5
Hochschild Mining	214.6	6.4	217.0	149.1
Kaz Minerals	493.6	1.9	738.4	436.7
Polymetal Interna	1019.5	19.5	1031.0	597.2
Rio Tinto	4227.5	-62.5	4976.5	3486.0

MOBILE TELECOMS

	Price	Chg	High	Low
Inmarsat	572.6	-2.4	578.4	362.8
Vodafone Group	146.4	-1.3	186.7	123.3

OIL & GAS PRODUCERS

	Price	Chg	High	Low
BP	507.0	-8.6	598.3	485.9
Cairn Energy	149.0	3.0	250.0	140.0
Energean Oil & Ga	1052.0	16.0	1082.0	510.0
Premier Oil	71.7	1.0	143.6	55.6
Royal Dutch Shell	2332.5	-29.5	2666.0	2213.0
Royal Dutch Shell	2329.5	-32.5	2705.5	2227.0
Tullow Oil	178.8	2.6	266.3	165.2

OIL EQUIPMENT & SERVICES

	Price	Chg	High	Low
Hunting	441.6	-3.8	849.0	438.0
Petrofac Ltd.	393.1	-6.7	663.4	381.5
Wood Group (John)	475.4	2.0	796.4	389.9

PERSONAL GOODS

	Price	Chg	High	Low
Burberry Group	2160.0	-3.0	2345.0	1623.5
PZ Cussons	211.0	-0.5	244.0	178.6

PHARMACEUTICALS & BIOTECH

	Price	Chg	High	Low
AstraZeneca	7076.0	-23.0	7240.0	5325.0
BTG	837.5	0.0	853.0	508.5
Dechra Pharmaceut	2794.0	-4.0	3168.0	2014.0
Genus	2546.0	-6.0	2890.0	2098.0
GlaxoSmithKline	1647.0	-15.8	1730.0	1418.0
Hikma Pharmaceuti	1793.0	22.0	2025.0	1510.5

REAL ESTATE INVEST. & SERV.

	Price	Chg	High	Low
BMO Commercial Pr	106.0	0.0	149.4	106.0
Capital & Countie	188.5	1.6	279.5	185.4
CLS Holdings	232.5	1.5	255.0	195.4
Daejan Holdings	5470.0	-100.0	6190.0	5420.0
Grainger	217.6	0.2	278.5	205.8
NewRiver REIT	156.8	-0.2	274.0	156.5
Safestore Holding	601.5	-6.0	658.5	499.4
Savills	949.0	9.0	957.0	678.5
St. Modwen Proper	383.0	-4.5	441.5	365.0
UK Commercial Pro	82.1	1.5	92.7	80.0

REAL ESTATE INVEST. TRUSTS

	Price	Chg	High	Low
Big Yellow Group	965.5	-2.0	1062.0	852.5
British Land Comp	479.9	0.6	649.8	475.6
Derwent London	2890.0	6.0	3328.0	2761.0
Great Portland Es	658.0	8.6	773.6	647.2
Hammerson	213.0	6.2	513.2	206.8
Intu Properties	38.4	-1.6	201.5	38.3
Land Securities G	772.2	-2.0	942.7	764.9
LondonMetric Prop	197.5	1.1	215.2	172.7
Primary Health Pr	128.8	-0.4	139.0	106.4
SEGRO	730.0	-4.2	789.0	585.2
Shaftesbury	748.0	-2.5	928.5	742.0
Tritax Big Box Re	146.2	-0.8	159.7	129.0
Unite Group	1012.0	0.0	1076.0	797.5
Workspace Group	819.5	9.5	1088.0	789.5

SOFTWARE & COMPUTER SERV.

	Price	Chg	High	Low
Avast	322.0	1.2	345.8	229.6
Aveva Group	3774.0	20.0	4170.0	2284.0
Computacenter	1413.0	-37.0	1572.0	952.0
FDM Group (Holdin	796.0	-4.0	1000.0	734.0
Funding Circle Ho	107.0	2.2	440.0	103.0
Kainos Group	526.0	12.0	676.0	347.0
Micro Focus Inter	1660.2	10.0	2491.6	1434.4
Playtech	408.1	-5.9	560.4	361.8
Sage Group	703.0	0.8	820.4	525.6
Softcat	903.0	5.0	993.5	565.0
Sophos Group	401.6	-8.4	539.5	298.2

SUPPORT SERVICES

	Price	Chg	High	Low
Aggreko	821.8	10.0	882.0	691.8
Ashtead Group	2117.0	0.0	2438.0	1586.5
BCA Marketplace	241.4	-0.4	247.0	178.5
Bunzl	2047.0	-35.0	2551.0	2046.0
Capita	137.7	1.4	150.2	99.9
DCC	6326.0	-74.0	7390.0	5555.0
Diploma	1461.0	4.0	1634.0	1150.0
Electrocomponents	552.6	-11.0	761.6	480.0
Equiniti Group	211.6	0.2	266.0	186.2
Essentra	384.0	-1.0	486.2	325.4
Experian	2447.0	-4.0	2544.0	1728.5
Ferguson	5924.0	74.0	6556.0	4749.0
G4S	181.5	-1.6	282.0	175.9
Grafton Group Uni	684.5	-3.5	937.0	630.0
Hays	147.5	0.6	212.0	135.7
Homeserve	1119.0	11.0	1263.0	849.0
Howden Joinery Gr	524.2	0.4	573.4	416.4
Intertek Group	5378.0	-56.0	5962.0	4387.0
Network Internati	605.0	1.0	628.0	500.0
Pagegroup	440.2	1.4	623.5	415.0
PayPoint	936.0	6.0	1118.0	748.0
Rentokil Initial	434.9	1.5	447.0	284.8
Robert Walters	528.0	33.0	475.0	814.0
Serco Group	138.7	-4.3	147.4	84.1
SIG	117.7	-1.2	153.0	102.2
Travis Perkins	1226.0	2.5	1465.0	970.0

TOBACCO

	Price	Chg	High	Low
British American	2980.0	0.0	4222.5	2375.0
Imperial Brands	2046.5	-22.5	2987.5	1846.8

TRAVEL & LEISURE

	Price	Chg	High	Low
Carnival	3499.0	-20.0	5000.0	3412.0
Cineworld Group	238.3	-0.2	323.6	233.9
Compass Group	1999.0	-16.0	2110.0	1483.0
Domino's Pizza Gr	237.7	3.9	318.0	224.4
El Group	281.4	-1.0	285.0	152.0
FirstGroup	111.9	-0.1	116.6	79.3
Flutter Entertain	6228.0	-92.0	8140.0	5525.0
Go-Ahead Group	2054.0	20.0	2200.0	1480.0
Greene King	599.6	-2.4	704.4	472.8
GVC Holdings	551.4	-10.8	1138.0	507.5
InterContinental	5181.0	-108.0	5738.0	3958.4
International Con	446.2	1.7	711.4	413.5
Marston's	106.8	-0.1	124.7	89.9
Merlin Entertainm	450.8	-0.5	452.6	307.1
Millennium & Copt	680.0	0.0	685.0	436.0
Mitchells & Butle	311.5	-0.5	318.5	238.0
National Express	420.0	-1.2	438.4	361.4
PPHE Hotel Group	1830.0	-10.0	1990.0	1495.0
Rank Group	152.0	2.6	187.4	135.0
Restaurant Group	140.4	-5.8	221.9	111.9
Stagecoach Group	128.8	-1.6	177.0	115.5
TUI AG Reg Shs (D	801.6	4.0	1582.5	698.0
Wetherspoon (J.D.	1468.0	-3.0	1581.0	1066.0
Whitbread	4224.0	-31.0	5114.0	3905.0
William Hill	139.3	0.5	270.9	132.3
Wizz Air Holdings	3453.0	6.0	3769.0	2329.0

AIM 50

	Price	Chg	High	Low
Abcam	1210.0	-18.0	1539.0	1017.0
Advanced Medical	286.5	2.5	370.0	260.0
Alliance Pharma	72.4	0.6	95.6	60.0
ASOS	2463.0	-37.0	6222.0	2107.0
Blue Prism Group	1210.0	-15.0	2575.0	1040.0
Camellia	10350.0	-200.0	11750.0	9100.0
CareTech Holding	377.0	0.0	406.0	325.0
Central Asia Meta	194.8	0.4	266.5	193.6
Clinigen Group	956.5	-13.5	1069.0	721.0
CVS Group	896.0	10.5	1023.0	395.0
Dart Group	772.0	6.0	1017.0	751.0
Diversified Gas &	105.0	-0.5	134.0	100.0
Draper Esprit	489.0	11.0	645.0	458.0
Eland Oil & Gas	122.0	-0.6	134.0	97.0
EMIS Group	1202.0	8.0	1242.0	864.0
Fevertree Drinks	2260.0	-32.0	3956.0	2070.0
First Derivatives	2720.0	-45.0	4390.0	2050.0
Frontier Developm	876.0	-39.0	1385.0	740.0
Gamma Communicati	1100.0	10.0	1195.0	688.0
GB Group	557.0	-23.0	631.0	410.5
Gooch & Housego	1235.0	-20.0	1880.0	954.0
Hurricane Energy	42.2	-0.5	60.8	39.0
Impax Asset Manag	242.5	6.5	295.0	184.0
Iomart Group	336.5	8.5	475.0	308.0
IQE	57.9	-1.2	112.5	51.6
James Halstead	510.0	0.0	532.0	367.0
Johnson Service G	166.0	0.0	174.8	113.6
Keywords Studios	1563.0	13.0	2065.0	900.0
Learning Technolo	104.6	-0.2	166.5	62.2
M&C Saatchi	337.0	2.0	394.0	270.0
M. P. Evans Group	669.0	7.0	800.0	637.0
Majestic Wine	274.0	-2.0	438.0	219.0
Midwich Group	532.0	-16.0	685.0	491.5
Mortgage Advice B	580.0	10.0	720.0	490.0
Next Fifteen Comm	602.0	12.0	658.0	469.0
Nichols	1750.0	-50.0	1840.0	1240.0
Numis Corporation	238.0	2.0	424.5	221.5
Polar Capital Hol	536.0	0.0	644.0	448.0
Purplebricks Grou	118.0	2.0	300.0	90.0
Redde	116.0	-0.2	196.0	90.0
Renew Holdings	390.0	-10.0	436.5	333.0
RWS Holdings	613.0	-2.0	652.0	415.5
Scapa Group	199.4	4.4	473.4	157.0
Secure Income Rei	419.0	3.0	419.0	371.0
Serica Energy	106.0	-2.0	142.0	74.9
Smart Metering Sy	468.6	-7.0	665.0	467.4
Telford Homes	349.5	0.5	430.0	267.0
Thorpe (F.W.)	325.0	-1.0	340.0	248.0
Watkin Jones	206.5	-2.5	232.5	192.2
Young & Co's Brew	1650.0	25.0	1885.0	1322.5
Young & Co's Brew	1135.0	5.0	1275.0	1030.0

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EU SHARES

	Price	Chg	High	Low
AB INBEV	86.77	-0.88	92.71	56.32
ADIDAS N	271.95	5.30	297.95	178.30
AIR LIQUIDE	120.50	-0.25	127.20	101.85
AIRBUS BR	119.92	-0.78	133.86	77.50
ALLIANZ	201.25	-0.35	218.70	170.50
AMADEUS IT GRP BR-A	67.58	-1.16	82.20	58.06
ASML HLDG	190.02	-0.82	211.50	130.12
AXA	21.62	-0.21	23.99	18.40
BANCO SANTANDER	3.62	-0.07	4.71	3.62
BASF N	57.00	0.50	81.73	56.32
BAYER N	55.70	-0.29	96.97	52.00
BBVA	4.41	-0.05	6.10	4.41
BMW	62.80	-0.54	86.71	61.31
BNP PARIBAS A	40.27	-0.15	55.34	38.14
CRH PLC	27.81	-0.09	34.87	26.53
DAIMLER N	43.64	-0.35	59.90	43.13
DANONE	75.94	-0.28	79.42	59.72
DEUTSCHE POST N	28.69	0.96	32.20	23.43
DEUTSCHE TELEKOM N	14.62	-0.03	15.88	13.36
ENEL N	6.13	0.01	6.62	4.22
ENGIE	13.26	-0.09	14.39	11.31
ENI N	13.38	-0.10	16.71	13.37
ESSILORLUXOTT	121.10	0.60	129.60	95.50
FRESENIUS	42.69	-0.56	71.00	38.50
IBERDROLA	8.70	0.06	9.13	5.81
INDITEX	25.96	-0.42	28.86	21.85
ING GROUP	8.75	-0.10	12.77	8.73
INTESA SANPAOLO N	1.94	-0.02	2.47	1.80
KERING	446.70	4.35	539.80	351.70
KON AH DEL BR	20.16	-0.08	24.01	18.60
L'OREAL	228.60	-1.70	257.80	182.00
LINDE	166.00	-5.55	0.00	0.00
LVMH	350.45	7.20	392.65	242.30
MUENCHENER RUECKV N	208.70	-5.00	228.70	180.00
NOKIA	4.75	-0.01	5.76	4.17
ORANGE	13.27	-0.01	15.25	13.08
ROY.PHILIPS	40.74	-0.29	43.67	29.05
SAFRAN	121.65	-2.00	137.20	99.98
SANOFI	72.24	-0.11	80.44	71.32
SAP I	104.88	-1.40	125.00	84.02
SCHNEIDER EL	72.80	0.06	81.36	57.54
SIEMENS N	90.12	0.11	114.10	89.48
SOCIETE GENERALE	22.31	-0.10	35.01	20.81
TELEFONICA	6.53	-0.13	8.06	6.51
TOTAL	43.55	-0.59	55.39	43.47
UNILEVER	50.47	-0.45	55.40	45.30
VINCI	90.00	0.80	94.96	69.98
VIVENDI	24.93	0.95	26.69	20.80
VOLKSWAGEN VZ I	144.04	1.36	163.70	131.02

COMMODITIES

Gold	1465.25	23.50
Silver	16.49	0.29
Brent Crude	61.89	1.39
Krugerrand	1475.80	1.70
Palladium	1412.00	-9.00
Platinum	852.00	7.00
Tin Cash Official	17275.00	-450.00
Lead Cash Official	1950.00	-11.50
Zinc Cash Official	2351.00	0.00
Copper Cash Official	5646.00	-229.50
Aluminium Cash Official	1740.00	-9.00
Nickel Cash Official	14520.00	340.00
Aluminium Alloy Cash Official	1250.00	12.00
Cocoa Futures	2298.00	-18.00
Coffee 'C' Futures	96.50	0.85
Feed Wheat Futures	143.50	-1.30
Soybeans Futures Continuation Contract	849.40	-0.60

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	-0.462	0.00
LIBOR Euro - 12 months	-0.358	0.00
LIBOR USD - overnight	2.105	0.00
LIBOR USD - 12 months	2.037	-0.06
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	2.25	-0.05
Euro Euribor	-0.407	0.01
The vix index	20.17	-4.42
The baltic dry index	1774.00	-14.00
Markit iBoxx EUR	247.68	0.33
Markit iBoxx GBP	354.26	-0.36
Markit iBoxx USD	259.75	1.52

WORLD INDICES

	Price	Chg	%chg
FTSE 100	7171.69	-52.16	-0.72
FTSE 250	18846.20	-25.22	-0.13
FTSE All-Share	3920.70	-23.45	-0.59
FTSE AIM All-Share	896.11	-11.14	-1.23
S&P 500	2881.77	37.03	1.30
Dow Jones I.A.	26029.52	311.78	1.21
Nasdaq Composite	7833.27	107.23	1.39
Xetra DAX	11567.96	-90.55	-0.78
CAC 40	5234.65	-6.90	-0.13
Swiss Market Index	9553.88	-45.55	-0.47
ISEQ Overall Index	5781.64	-27.91	-0.48
FTSEurofirst 300	1446.36	-7.96	-0.55
Hang Seng	27775.6	-43.94	-1.56
Shanghai Composite	2821.50	-46.34	-1.62
STI Index	3170.99	-25.58	-0.80
ASX All Ordinaries	6546.40	-164.20	-2.45

US SHARES

	Price	Chg	High	Low
3M	163.71	-1.00	219.75	159.32
ABBOTT LABORATOR	84.86	1.70	88.76	63.07
ADOBE	286.21	5.85	313.11	204.95
ALPHAB RG-C-NV	1169.95	17.63	1289.27	970.11
ALPHABET-A	1171.08	16.33	1296.98	977.66
AMAZON.COM	1787.83	22.70	2050.50	1307.00
AMERICAN EXPRESS	122.55	1.83	129.34	89.05
APPLE	197.00	3.66	233.47	142.00
AT&T	33.96	0.47	34.64	26.80
BANK OF AMERICA	28.42	0.34	31.91	22.66
BERKSHIRE HATH RG-B	200.55	2.82	224.07	186.10
BOEING CO	332.45	1.39	446.01	292.47
CATERPILLAR	122.08	0.43	159.37	112.06
CHEVRON	119.38	0.64	127.60	100.22
CISCO SYSTEMS	52.60	1.23	58.26	40.25
CITIGROUP	66.25	1.07	75.24	48.42
COCA-COLA CO	52.27	0.62	54.82	44.25
COMCAST-A	42.07	0.46	45.30	32.61
DOW	44.43	-0.34	0.00	0.00
EXXON MOBIL	70.96	0.68	87.36	64.65
FACEBOOK-A	184.51	2.78	208.66	123.02
GOLDMAN SACHS GR	206.01	4.33	245.08	151.70
HOME DEPOT	208.80	3.86	219.30	158.09
IBM	140.73	-0.03	154.36	105.94
INTEL	46.96	-0.01	59.59	42.36
JOHNSON & JOHNSO	130.77	0.61	148.99	121.00
JPMORGAN CHASE	110.43	0.86	119.24	91.11
MASTERCARD RG-A	264.68	7.84	283.33	171.89
MCDONALD'S	214.08	3.63	218.96	155.46
MEDTRONIC	101.24	1.73	103.95	81.66
MERCK	84.35	1.23	87.07	65.68
MICROSOFT	134.69	2.48	141.68	93.96
NETFLIX	310.10	2.47	386.80	231.23
NIKE -B-	81.30	2.33	90.00	66.53
ORACLE	53.96	0.20	60.50	42.40
PAYPAL HOLDINGS	105.03	1.43	121.48	74.66
PEPSICO	118.61	0.56	119.74	101.06
PEPSICO	126.45	2.05	135.24	104.53
PFIZER	36.95	-0.01	46.47	36.41
PHILIP MRRS INT	81.32	1.06	92.74	64.67
PROCTER&GAMBLE	114.28	1.20	121.76	78.49
TRAVELERS COS	145.96	2.03	155.09	111.08
TWITTER	41.32	0.95	43.48	26.19
UNITEDHEALTH GRO	248.28	3.22	287.94	208.07
UTD TECHS	128.80	3.05	144.40	100.48
VERIZON COMM	55.05	-0.17	61.58	51.76
VISA RG-A	172.48	3.62	184.07	121.60
WALGREENS BOOTS	51.45	-0.42	86.31	49.31
WALMART	107.27	1.45	115.49	85.78
WALT DISNEY	141.87	3.57	147.15	100.35
WELLS FARGO	46.93	0.79	59.53	43.02

FORUM

EDITED BY RACHEL CUNLIFFE

Maybe this time the US can get over its love affair with guns

Alan Mendoza

EVEN Donald Trump, for once, didn't appear to believe what he was saying. "Mental illness and hate pull the trigger, not the gun," opined the President in his prepared statement from the White House on Monday, in response to the latest mass shootings on US soil in El Paso and Dayton which have claimed 31 lives.

The President appeared so rattled by what he was – unusually – reading from a teleprompter that he managed to get the latter Ohio city's name wrong, substituting that of Toledo.

In retrospect, it would have been better had he stumbled over his key statement instead, and in so doing recognised the moral futility of defending a position that should long ago have been borne away by the torrent of blood from its victims.

For the reality is that while every country in the developed world has its share of the mentally disturbed, racists, haters, and socially inept video-game-obsessed nerds, only the US allows almost untrammelled access to guns.

It should therefore be of little surprise that it is also only the US where largescale gun-related mass murder fatalities take place on a regular basis. In 2019 alone, 62 people have been killed in such incidents. And the year is only in its eighth month.

Yet somehow, this obvious connection has failed to translate into political action, with only the most cursory of checks performed on those seeking to purchase arms in many states.

To draw an absurd parallel, it is as if the US tobacco lobby had somehow managed to stave off the overwhelming evidence that cigarettes cause cancer by suggesting that the fact that only a minority of smokers die from related diseases somehow excuses the medium of its culpability, therefore necessitating only limited restrictions on their sale.

Mercifully, the US has recognised the public health benefits of tobacco regulation. Gun control has not followed, because guns, unlike tobacco, have serious political power in the form of the lobbying behemoth that is the National Rifle Association (NRA).

A quick glance at the NRA's website informs the casual browser that it is: "America's longest-standing civil rights organization. Together with our more than five million members, we're proud defenders of history's patriots and diligent protectors of the Second Amendment."

This linkage of rights, numbers, and patriotism has proven to be a potent factor in US politics.

The constitutional right to bear arms is continuously invoked as a determining factor in the very creation of the nation in the face of the tyranny of the British.

Latter day holders of the most advanced and savage form of assault weaponry known to mankind can therefore somehow imagine themselves as analogous to the brave band of Founders seeing off the Redcoats with muskets and rifles.

This mythology has been utilised to great effect in order to repel attempts to tighten up gun laws.

Democrats have been wary of coming out in favour of gun control ever since a snarling Charlton Heston – the NRA's then president – took to the stage at the organisation's 2000 Convention hoisting a rifle overhead while goading vice president Al Gore that it would have to be removed "from my cold, dead hands".

It will take patience to wean Americans away from the idea that every form of weapon should be available to everyone

Gore's knife-edge defeat in gun-owning Florida in the presidential election that year seemed to confirm the folly of challenging a gun lobby that could turn out numbers as well as campaign contributions.

But with the NRA under pressure from the sheer volume of gun incidents, and internal splits having – even if only temporarily – diluted its customary effectiveness, perhaps this time it will be different.

Usually, once the outcry following a mass shooting subsides, Congress finds any number of reasons to block even the most basic of options, aided by the filibuster power in the Senate that requires 60 senators to break it.

However, a bi-partisan move now appears to be taking shape to provide nationwide funding for states that wish to invoke "red flag" laws which allow police, with a judge's consent, to seize an individual's weapons if they are deemed to be a threat to themselves and others.

In any other society, the idea that the incremental changes being proposed might amount to much would be laughable.

But America's love affair with guns has been long and deep, and it will take time and patience to wean Americans away from the idea that every form of weapon should be available to everyone.

Democratic presidential candidates are doing their bit, falling over themselves to declare that they will legislate. The President's tweeted hints that he might be willing to offer a modicum of gun control in exchange for immigration reform could offer another route forwards, even if he resiled from that idea when facing the nation.

It is not possible to legislate evil away from the world, as the NRA often likes to point out. But it is certainly possible to prevent the evil or the mentally ill from obtaining the ability to enact wickedness.

As the US ponders its response to the latest atrocities, it should consider this equation carefully. Lives depend on it.

Alan Mendoza is executive director of the Henry Jackson Society.

The online shopping revolution isn't going anywhere – retailers need to up their game

Paul Ormerod

ANOTHER week, another retailer biting the dust. The baked potato specialist Spudulike has closed all 37 of its branches, with a loss of nearly 300 jobs.

Shopping centres are undergoing a sudden and dramatic squeeze, with many retailers only able to stay in business if granted a dramatic rent reduction.

Last week, Intu Properties, owners of the prestigious Lakeside and Trafford centres, announced a loss of £840m pre-tax. Net rental income fell by 18 per cent in the first half of this year.

Local authorities have become big owners of shopping centres to try to revive their town centres. But in most cases, the council taxpayer is taking a big hit. Shropshire Council, for example, bought three shopping centres in Shrewsbury early last year. Their value has since fallen by over 20 per cent.

The main reason is well known: more and more consumers are switching to the internet.

The latest estimates from the Office for National Statistics show that online sales now account for 18 per cent of all retail sales – and this is rising rapidly. In the year to October 2018, online sales grew 12.6 per cent. The only sector resisting the internet revolution is food, where the growth in online was only 1.8 per cent.

The internet itself has been around long enough for a whole generation to have grown up unable to imagine life without it.

What is new is the surge in retail online activity in the past few years. The potential has been there for some time, but it is only now having a real impact. Why should this be?

Some 50 years ago, a larger-than-life Texan business school academic, Frank Bass, offered an explanation. He formulated a simple differential equation – and in differential equation terms it certainly is simple – which describes how new products get adopted in a population.

Bass made millions from his discovery, and it is still widely used in marketing circles today.

The basic idea is that people adopting a new product – in this case, shopping on the internet – can be classified into two groups. A fairly small set are innovators, those who are willing to experiment with something new. Most people are imitators, who wait and see how the innovators get on.

The speed of adoption, if it happens at all, of any new product is determined by the interactions between the two types of consumer and the degree to which they are willing to innovate or imitate.

Remarkably, given its simplicity, the model gives a very good account of the growth of a whole range of products.

In the early stages of a new product, growth is always slow. Almost all those buying are innovators. Then, suddenly, a critical point is reached. The imitators start to swarm in and growth becomes rapid.

Modern network theory offers a more sophisticated approach, but it is still essentially based on the motivations described by Bass.

Either way, the future for both retail and shopping centres looks bleak, unless they themselves find some dramatic way to innovate and alter their offer.

Paul Ormerod is an economist at Volterra Partners LLP, a visiting professor in the Department of Computer Science at UCL, and author of Against the Grain: Insights of an Economic Contrarian, published by the IEA in conjunction with City A.M.

LETTERS
TO THE EDITOR

No influencer is an island

[Re: What Love Island can teach us about toxic office relationships]

A parliamentary inquiry into reality TV has revealed that just six of this year's Love Island contestants applied to the show, with the majority headhunted through social media. Many who enter the villa do so to boost burgeoning careers as influencers and can expect to benefit financially from brand deals upon their exit. However, while ITV is making small moves to support this transition – releasing a social media "survival kit" in partnership with the Advertising Standards Authority – it has done little to shape the influencer industry. Arguably, the broadcaster benefits directly from the online presence of former Islanders, who are inextricably linked to the show and create a virtuous cycle of awareness. As a youth comms agency which works with the influencer industry, we believe that ITV must do three things to ensure the category it is co-creating remains fit-for-purpose. First, champion pay transparency, ensuring that influencers are paid fairly regardless of race, gender or sexuality. Second, remain authentic, to avoid tarnishing an industry built on trust. And third, deliver holistic support, from mental health counselling to financial advice. Successful influencers are akin to small-business owners and require similar guidance.

Rani Patel-Williams, business director, The Digital Fairy

Pest control

[Re: A radical and pragmatic Prime Minister would let parliament get a cat]

If you wish to clear parliament of mice, don't use pussy cats. Use hungry young pythons which are really effective. When they grow big, they can be used to rid the House of larger vermin.

Nigel Bennett

BEST OF TWITTER

"Britain is desperate. You don't quit your job before you get a new one, which you've done. There is no chance of US trade making up for what you lose with Brexit." Larry Summers, former US trade secretary
@Andrew_Adonis

Love a lecture from Larry Summers. The man who gave Clinton catastrophically wrong-headed advice on financial regulation and derivatives, playing a starring role in creating the conditions for the financial crisis.
@iainmartin1

Larry is a bit confused. The UK cannot do any trade deals with other partners UNTIL it has left the EU, because (guess what!) the EU is much more than just a trade deal (something that a lot of Americans struggle with!)
@MrRBourne

Me: I can't believe the stupid British public voted leave and then made Boris PM
Someone from a different country: yeah, you're right
Me: Excuse me, what the *ck? You don't understand the first thing about Brexit or Boris Johnson
@Utilit_Aria

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Curtain Up: Introducing the new Downing Street cast and crew

Eliot Wilson

THE DUST is beginning to settle: Boris Johnson is Prime Minister, and the Whitehall machine has been stripped and restaffed. A new team has been installed to run his Downing Street operation – but who are they, and what does it mean?

Even the Prime Minister's most vocal advocates would not describe him as a "details man". He's a bold chairman with a flamboyant vision, but he needs a carefully crafted team to translate that flair into policy and execution.

At the top of the official tree are two contrasting figures. The chief of staff, Sir Edward Lister, is a local government veteran who was Boris' right hand at City Hall, and before that led Wandsworth Council for nearly 20 years. Nicknamed "Steady Eddie", he is a reassuring, grandfatherly presence, and will serve only long enough to set up a functioning machine.

The second key figure is "senior adviser" Dominic Cummings. Formerly director of the Vote Leave campaign, and before that an aide to Michael Gove at the Department for Education, he is abrasive, iconoclastic, and a Brexiteer to his core.

Cummings has a nose for appealing to the electoral base and rejects received wisdom wherever he finds it. David Cameron described him as a "career psychopath". Expect him to provide the government's cutting-edge and fundamental narrative: hard Brexit, pro-business, sceptical on immigration, and resolutely anti-socialist.

Two politicians complement these bureaucratic appointments. Dominic Raab is both foreign secretary and de facto deputy to the PM. Raab is a lawyer by trade and thinks himself bold and swashbuckling. Former colleagues doubt his grip and intellectual calibre, but, like Cummings, he comes with impeccable Brexit credentials.

Then there is the enigmatic Michael Gove, given an obscure job title (chancellor to the Duchy of Lancaster), but effectively in charge of the Cabinet Office – Whitehall's brain – and overseeing preparations for a no-deal Brexit.

Gove destroyed Boris' leadership bid in 2016 with a last-minute Judas kiss, but fences have been mended. He is formidably intelligent and articulate, but critics describe him as a recreational controversialist: like many former Oxford Union hacks, he enjoys the cut-and-thrust of argument, but can persuade himself into rather extreme and unworkable positions, almost for fun.

And there is an additional question. Are Gove's Number 10 ambitions burned out? Is he resigned to being a great consigliere? Only time will tell, but he will be a key player in shoring up the government intellectually and presentationally.

David Cameron described Dominic Cummings as a 'career psychopath'

The new Prime Minister has, of course, effectively no Commons majority. That places enormous pressure on the chief whip, the rather anonymous Mark Spencer.

A solid but unremarkable farmer from the Midlands, Spencer has passed most of his career in the Whips' Office, and will require every scrap of experience and guile to keep the government's business afloat. It is hard to say whether he is up to this particular job; he is certainly no Gavin Williamson or Patrick McLoughlin, to judge him against recent predecessors.

There are some other key appointments to watch. Lee Cain, director of communications, brings a solid journalistic grounding to the job, but will need to shape the news instead of simple reporting on it. The wily and well-informed Nikki da Costa, recalled as director of parliamentary affairs, will need to apply her considerable knowledge of how parliament works to keep both Houses on an even keel.

And there's Rob Oxley, who as press secretary will be the lobby face of Downing Street, and is another Vote Leave alumnus.

If Boris proves to be the sort of man he is widely assumed to be even by friends – lazy and slapdash, inspired but not details-oriented – he will need a strong group of people around him.

His new team is a mixed bag, but one thing is certain: each of them has the fight of their life on their hands.

Eliot Wilson was a clerk in the House of Commons for 11 years. He now works in reputation management.

DEBATE

Is Donald Trump right to label China a currency manipulator?

YES

ALEX DEANE

Once again, President Trump "triggers" his opponents by doing what he said he would do. He promised on the campaign trail to designate China as a currency manipulator; indeed, he's late on this as he undertook to do so on "day one" of his presidency.

I loathe trade wars; tariffs are bad and retaliation spirals into punishment for consumers in an environment in which everyone loses. But that doesn't change the fact that China let the renminbi weaken to under ¥7 to the dollar on Monday. China has a G20 commitment to refrain from competitive devaluation. This behaviour violates that commitment.

The People's Bank of China acknowledged that it has ample control over the renminbi exchange rate, pledging to "continue to innovate and enrich the control toolbox, and take necessary and targeted measures against... behaviour that may occur in the foreign exchange market".

The Chinese openly acknowledge that they manipulate their currency. When someone says Wednesday follows Tuesday, they're right, no matter how much you don't like them.

Alex Deane is a Conservative commentator.

NO

MORGAN SCHONDELMEIER

Sino-American relations have been at the centre of Donald Trump's global agenda since before he was elected. Positioning himself as a strongman against Beijing by labelling China a currency manipulator is just the latest instalment in a poorly thought-out and economically damaging trade war.

There may be some truth to the charge that Beijing manipulates the renminbi, or at least has done so in the past, but this escalation is not helpful.

Trump is using allegations of Chinese currency manipulation to drive up domestic support for his tariff agenda, attempting to convince Americans that the Chinese are the ones really footing the bill for his tariffs. In reality, this is just the first step towards the US imposing further sanctions on China, which will continue to negatively impact American consumers.

Trump seems to have underestimated how far China is willing to go in retaliation, and while this accusation of currency manipulation is a largely symbolic gesture, it further erodes trust between the two parties as they ostensibly attempt to reach a deal.

Morgan Schondelmeier is head of development at the Adam Smith Institute.

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OFFICE POLITICS

University is not the be all and end all

Young people should realise that academia isn't the only way to achieve career success

EXAM results are looming, and with fears of failure and disappointment plaguing young people up and down the country, it's about time we make students in the UK more aware of the realities of our changing professional landscape.

The fact of the matter is that a piece of paper should never and will never define young people's future finances or professional progression.

ACADEMIC PRESSURE

Far too often, I see and hear of young people being coached into believing that exam success and university set the tone for their future career path. And frustratingly, influential figures are failing to acknowledge that the workplace landscape is changing – for the better.

For instance, while societal and parental pressures surrounding the need to go to university still exist, academic success is no longer considered an absolute necessity for many high-profile companies.

Smart employers are finally starting to realise that academic performance and success in the workplace aren't necessarily connected.

In fact, some of the world's richest and most renowned entrepreneurs, including Bill Gates and Richard Branson, chose to carve out their own path to victory and refused to conform to what society told them to do.

They didn't complete university degrees, yet they've gone on to become some of the best-known entrepreneurs in the world as a result of their career success.

MY JOURNEY TO THE TOP

As a teenager, I shared a room with my father and brother, and grew up experiencing huge financial difficulties, finding it challenging to balance a tricky home life with education.

As a result, education was never something that I excelled at. I achieved mostly Ds and Es at GCSE, and was also expelled from school.

On paper, my educational journey was a failure, but what I now realise is that no skill will ever outweigh the ability to channel fortitude and hard work. By rejecting society's message telling me that good grades automatically led to professional success, I looked for other alternatives to gain further skills.

The key to a happy career is making decisions that best suit you personally

Apprenticeships, BTEC qualifications, and sector-specific courses are all just as valid, and often offer more relevant, necessary workplace skills.

As soon as I realised that I was able to pursue a career in an industry that interested me, I focused my attention on my new goals and turned my student bursary into a substantial profit.

This initial – and somewhat surprising – success taught me that the key to a happy career is making decisions that best suit you personally, rather than following the crowd. It's mindset, rather than qualifications, that should determine your future.

THE LESSON FOR STUDENTS

Several years after being expelled, I have managed to turn my life around, building a million-pound trading business, training over 2,000 people, and recently writing my own book.

Still, one of the most common misconceptions among young people is their belief that higher education and exam results will automatically set them up for a thriving professional career.

While everyone should of course aim for success at school, it is not the be all and end all.

I hope that my somewhat unconventional journey shows some young people that, no matter what happens with exam results in the coming weeks, there are always alternative routes to get to where you want to be.

The bottom line is that career and financial success are built more upon attitude and application, rather than exam results and university attendance.

Samuel Leach is chief executive of Samuel & Co trading.

HELP IN THE OFFICE

Slack
Free

With over 10m daily users, there's no doubt that Slack has become the do-it-all app in many offices. It combines basic communication tools such as messaging and video chat with more complex features like integrated file sharing. Slack streamlines common services with the aim of helping you get "real work" done.

COFFEE BREAK

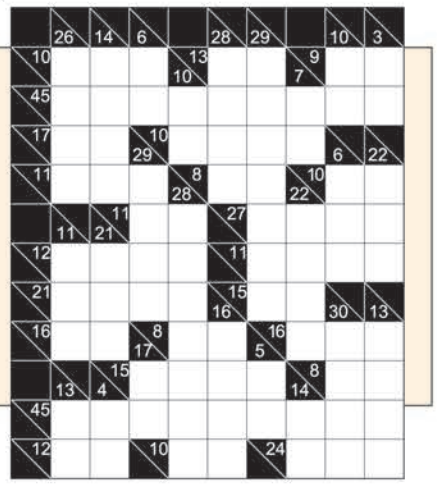
SUDOKU

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

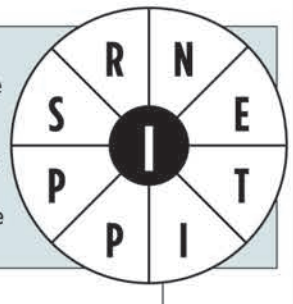
KAKURO

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

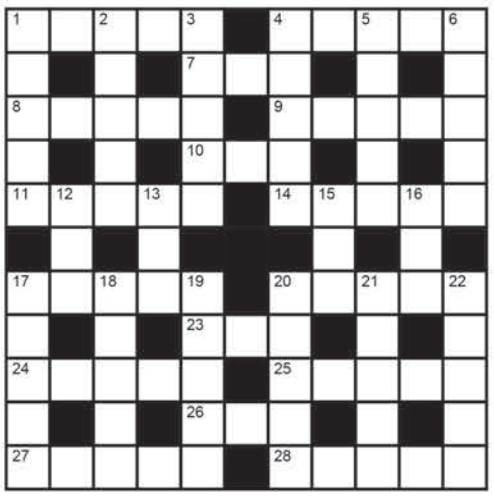


WORDWHEEL

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



QUICK CROSSWORD



ACROSS

1 Cheapskate (5)
4 Point of origin of an earthquake (5)
7 Not in good health (3)
8 Thin slates used for covering roofs (5)
9 Similar (5)
10 Equipment (3)
11 Nettlesome (5)
14 Blaspheme (5)
17 Consignment (5)
20 Articles to be traded (5)
23 Pointed tool for marking surfaces (3)
24 Approach (3-2)
25 Set straight or right (5)
26 Step in classical ballet (3)
27 Hard, dark wood (5)
28 Fixate one's eyes (5)

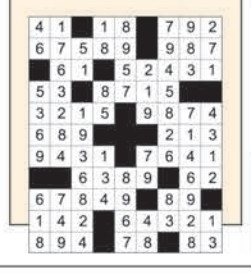
DOWN

1 Choral work (5)
2 Garments of a jockey (5)
3 Dangerous (5)
4 Apartments (5)
5 Censure severely (5)
6 Very steep, almost vertical (5)
12 Seventh Greek letter (3)
13 Nervous twitch (3)
15 Romance (3)
16 Count up (3)
17 Long, flat-bottomed boat (5)
18 Ballroom dance (5)
19 Euphoric (5)
20 Drinking vessel (5)
21 Musical entertainment (5)
22 Grasslike marsh plant (5)

LAST ISSUE'S SOLUTIONS

QUICK CROSSWORD

KAKURO



SUDOKU

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

WORDWHEEL

The nine-letter word was **HENPECKED**

PERSONAL FINANCE

THE LAST RESORT

With travel operators going bust, **Katherine Denham** explains how you can protect your holiday

WHEN you've spent hundreds or even thousands of pounds to escape to somewhere sunny for the summer holidays, you may have to stifle a scream when you find out that your travel operator has gone bust days before you were set to fly.

This scenario will sound all too familiar to many families, after news emerged last Friday that two package holiday companies, Late Room and Super Break, ceased trading.

It's thought that more than 50,000 travellers are affected by the collapse of the firms' parent company, Malvern Group.

Malvern is just the latest addition to the list of holiday companies which have run into trouble lately – take, for example, London-based The Holiday Place, which went into administration in May, taking its 16 travel brands down with it.

Even the UK's largest travel operator Thomas Cook isn't immune, having reported a £1.5bn half-year loss in May, which it blamed on consumers putting off their holiday plans due to Brexit.

And just to add fuel to the fire, it's not been an easy ride for the airlines either, with five European companies going bust since October last year, not to mention major flight disruptions caused by drones at Gatwick airport or the now-suspended strikes at Heathrow.

Many holidaymakers are probably holding their breath, wondering if they're going to have to ditch their overseas plans and head to the slightly less exotic region of Bognor Regis instead.

So it's certainly worth knowing your rights, and seeing if there are any steps you can take to protect yourself financially if disaster strikes before or during your holiday.

THE WHOLE PACKAGE

If you've been sold a package holiday by a member of either the Association of British Travel Agents (ABTA) or a provider that is protected by the Civil Aviation Authority's Atol scheme, the good news is that you won't lose money, as both schemes will refund you if the company collapses before you've set off.

And if you're already on holiday, fortunately both Atol and ABTA schemes will make sure that you can continue the rest of your trip as planned, and won't leave you stranded abroad.

A ROAD LESS TRAVELLED

However, it's not such great news for those who booked a hotel-only deal rather than a package holiday, because these consumers aren't afforded the same protections.

For example, Malvern warned that hotel bookings through the Late Rooms website may be cancelled, while customers who are already on a break might be asked to pay again.

In instances like these, you're advised to contact your credit card provider, which should be able to offer you some protection if your holiday company goes out of business.

Indeed, for payments between £100 and £30,000, the Consumer Credit Act allows you to get some of your money back.

But be warned that credit card issuers will not help you get home if you are abroad when the company goes under.

Although there is no legal requirement for debit cards to cover you, ABTA points out that travellers may be able to claim some money from their banks under Visa's voluntary policy, so you're advised to check with your card provider.

TURBULENT RIDE

In the event of a corporate failure of an airline, you should first find out if you can get money back through your travel insurer.

While some insurance policies cover you for airline failure, beware that many don't, so make sure you read the terms and conditions. And if your insurer doesn't cover this, again you should be able to get some kind of recourse through your credit card provider.

> "Some families are wondering if they're going to have to ditch their original plans and head to Bognor Regis instead

While not as severe a situation as a company closure, flight delays and cancellations can also be hugely stressful for travellers.

Bear in mind that if your flight departed from an airport in the European Union, the airline must adhere to EU law. This means that if your flight has been delayed or cancelled, the airline must either offer a full refund (including for the return journey), or a replacement flight.

For longer delays of at least two hours, the airline is obliged to provide food and drink vouchers, and for overnight delays, it should also provide hotel accommodation.

However, where the airline is not at fault, such as for weather-related reasons or due to a drone incident, it won't be obliged to pay passengers extra in the way of flight delay compensation.

The Civil Aviation Authority explains that while an airline might put you onto the next flight hours after the one you booked, it won't offer you extra redress for the delay incurred from the replacement flight.

Take, for example, the threat of strikes at Heathrow earlier this week, which prompted a number of airlines to cancel flights as a precaution.

Given that it was the airport staff who were threatening to strike, the airlines are not obliged to pay delay compensation to passengers because it counts as an "extraordinary circumstance". And while the Civil Aviation Authority told *City A.M.* that consumers can still apply for redress, the regulator warned that airlines may turn claims down.

FLYING WITHOUT WINGS

With all this in mind, what steps can you take to safeguard yourself financially before travelling?

First, make sure you pay for your holiday on a credit card to guarantee that you get some of your money back if you don't receive the product or service you bought.

Second, if you're purchasing a package holiday, ensure that the travel operators are either Atol or ABTA protected. "This will ensure that you are compensated if your holiday is cancelled, and that you receive financial assistance for travel and accommodation," says Wouter van Rijn, head of travel at Comparethemarket.

And finally, while most travel insurance policies typically only cover belongings, cancellations, and medical assistance, consider scoping out an insurer that offers more comprehensive cover so you can claim if a company fails, particularly if you're booking flights and accommodation separately.

You can also buy stand-alone specialist cover called "scheduled airline failure insurance" in addition to your standard travel insurance policy to save yourself some pre-holiday stress.

According to Rijn, holidaymakers can prepare for every eventuality by forward-planning.

And ultimately, by not burying your head in the proverbial sand now, you can make sure you can lounge on the real sand later on.

MOTORING

BY MOTORINGRESEARCH.COM FOR CITY A.M.

SMALL PACKAGES

The David Brown Mini Remastered is a small car with a big price tag. **Tim Pitt** drives it

My first car was a Mini. If you're fast-approaching middle age, yours probably was too. I bought my (t)rusty 1983 Mini City for £325, sprayed go-faster stripes on the bonnet and shoehorned a subwoofer into the boot. After passing my test, I enjoyed one day of glorious freedom, then crashed it in Croydon. Result: a write-off. My Mini adventure was over before it began.

Twenty-four years later, those memories are all flooding back: the Tardis interior, the bus-like steering wheel, the whining gears, the rorty A-Series engine. I'm driving a Mini again, but this one took 1,400 hours to hand-build and its stripes weren't applied with a rattle-can. It's also worth 300 times more than my ill-fated teenage jalopy, so I'm giving Croydon a wide berth.

That price tag – anything from £90,000 to £130,000 – is impossible to ignore, but the David Brown Mini Remastered isn't a mere Mini. Its strengthened, de-seamed and rust-resistant bodyshell is all-new, a donor engine is rebuilt for 30 percent more power (71hp, plus 88lb ft of torque) and its interior is lined in plush leather and knurled aluminium. Creature comforts include air conditioning, remote central locking, puddle lights, electric windows and a touchscreen media system. This is luxury on a Lilliputian scale: more pint-sized Rolls-Royce than rebadged Rover.

There's no such thing as a 'standard' Mini Remastered either. David Brown Automotive can match the paintwork to your shoes or lipstick, embroider your family crest on the seats and offer carpets made of leather or deep-pile wool (neither sounds particularly practical). Everything is bespoke, limited only by your largesse. My must-have from the accessories catalogue is an open-face crash helmet – colour-coded, of course – and pair of flying goggles. Chocks away!

DAVID BROWN MINI REMASTERED

PRICE:	£90,000
0-62MPH:	11.7 SECS
TOP SPEED:	90MPH
CO2 G/KM:	185G/KM
MPG COMBINED:	43MPG

THE VERDICT

DESIGN	★★★☆☆
PERFORMANCE	★★★★★
PRACTICALITY	★★★☆☆
VALUE	★★☆☆☆

This particular Mini has an Alpine theme and was originally supplied with a teak roof rack and hand-made skis, although they've been detached for a blazing July day in Battersea. Shame the matching picnic hamper is missing, too. David Brown's PR people have prepared a 'swinging London' playlist, so six speakers kick into The Who's My Generation as I press the start button. This feels like a nostalgia trip already.

Driving a Mini forces you to recalibrate your reactions. Its steering is so sharp, so hair-trigger responsive, my brain feels hard-wired into the wood-rimmed wheel. The ride is firm, bordering on bouncy, but the pay-off is handling that shamed most 1960s sports cars – and made the Cooper a giant-killer on the rally stage. The Mini seems to pivot on its own axis, clinging to corners like an eager puppy with a chew toy. As I blast across Clapham Common, T. Rex's 20th Century Boy on the stereo, I can't suppress a smile.

It's still a brilliant city car, too. Punchy power delivery and a tiny footprint (a metre shorter than a Ford Fiesta) make light work of traffic around Elephant and Castle. The fact that everyone lets you out of junctions also helps; you don't get that in a Porsche, nor will you turn half so many heads. Despite extra soundproofing, the 1,275cc engine is still pleasingly gruff, exhaling with occasional pops from the twin tailpipes. The optional five-speed gearbox is definitely worthwhile if you plan to venture beyond London limits, though.

The Mini is the best-selling British car of all time, with 5.4 million made between 1959 and 2000. David Brown's ambitions are modest; it currently builds just one car a week and plans to double that next year. The notion of a £90,000 Mini is crazy, of course, yet the demand is clearly there. And after a few hours criss-crossing the capital, I'm also in thrall to its charm. Roger Daltry hoped to die before he got old, but the Mini has life in it yet.

Photos by Max Edleston. Tim Pitt works for motoringresearch.com

NOT CONVINCED? CHECK OUT THESE ALTERNATIVES...

MINI JOHN COOPER WORKS

		THE VERDICT:	
PRICE:	£26,095	DESIGN	★★★☆☆
0-62MPH:	6.1 SECS	PERFORMANCE	★★★★★
TOP SPEED:	153MPH	PRACTICALITY	★★★☆☆
CO2 G/KM:	130G/KM	VALUE	★★★★☆
MPG COMBINED:	49.6MPG		

ROVER MINI COOPER

PRICE:	£4,000	DESIGN	★★★★☆
0-62MPH:	12.2 SECS	PERFORMANCE	★★★☆☆
TOP SPEED:	90MPH	PRACTICALITY	★★☆☆☆
CO2 G/KM:	164G/KM	VALUE	★★★★☆
MPG COMBINED:	42.8MPG		

SWIND MINI ELECTRIC

		THE VERDICT:	
PRICE:	£79,000	DESIGN	★★★★☆
0-62MPH:	9.2 SECS	PERFORMANCE	★★★★☆
TOP SPEED:	80MPH	PRACTICALITY	★★☆☆☆
CO2 G/KM:	0	VALUE	★★☆☆☆
RANGE:	125 MILES		

CRICKET COMMENT

Chris Tremlett

ARCHER CAN TURN TABLES ON SMITH

WHEN they look back on the 251-run defeat by Australia in the first Ashes Test, England will reflect on an opportunity missed. After losing the toss, England had the visitors right where they wanted them at 122-8, only for Steve Smith to claw Australia back into the game with a brilliant 144.

The former captain then repeated the trick in the second innings, scoring 142 to give Nathan Lyon the perfect platform to spin them to victory at Edgbaston on Monday.

It was a disappointing start to the series and England now need to focus on regaining their confidence, turning things around and winning the second Test at Lord's next week. If they lose again then things start looking very difficult at 2-0 down.

If they are to recover, England need to find a way to dismiss Smith, who is now averaging 92.56 across the last three Ashes series, before he reaches the 140s.

After the slow, dry surface in Birmingham which suited Australia down to the ground, the hosts will hope for more advantageous conditions at Lord's to aid swing bowling.

ARCHER'S OPPORTUNITY

Smith is clearly in wonderful form but, like any batsman, he has flaws. I dismissed him in both innings of two Ashes matches – the third Test at Perth in 2010 and the first Test at Brisbane in 2013 – and I think Jofra Archer could be the man to break Smith's run of form.

The injury to Jimmy Anderson is a huge blow to England. It leaves them without their all-time top wicket-taker and makes it very difficult for them to win the Ashes. But it also means Archer can make his Test debut at Lord's.

He can provide a new challenge for Smith, who almost took the mickey out of England's attack at Edgbaston with the way he left the ball outside the off-stump and comfortably manipulated the field when they tried to implement bowling plans.

Back when I was playing, the best bet against Smith was to move the ball away outside the off-stump, because he tended to get squared up and be drawn into following the ball with his hands away from his body.

However, he's clearly developed a technique to counteract this issue.

In the first Test he was so patient. He wasn't being drawn into playing when the ball was moving around and simply waited to work anything slightly too straight into the legside.

Once the ball had gone soft and bowlers were tiring, he then showed his mastery of scoring on slow pitches.

PACE UNLOCKS DOORS

Unlike his team-mates, though, Archer has the ability to bowl over 90mph and no matter how good you are that can trouble you.

If I were him I would start my spell simply by trying to bowl my best ball. Then you've got to be patient and try to test him by bowling a fifth-stump line outside off-stump, but crucially Archer's pace allows him to be hostile too.

> "He has the ability to bowl over 90mph and no matter how good you are that can trouble you

Archer played for Sussex yesterday (top); Tremlett dismissed Smith at Perth in 2010

The 24-year-old has a sharp short ball and if the wicket is receptive he can rush Smith.

I came around the wicket and had him caught down the legside by Matt Prior in 2010, and it is a tactic which England can go to now Archer is available.

Archer, who took 6-27 for Sussex's second XI after returning from a side strain yesterday, will have so much expectation on his shoulders if he is chosen to replace Anderson at Lord's.

It's far from the ideal scenario in which to make your Test debut – filling Anderson's boots when behind in an Ashes series – but, after starring in the World Cup, I fully believe he is capable of dealing with it.

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

Cornish Pirates (in red) hope to escape the second tier

CONTINUED FROM BACK PAGE

City A.M. "We're looking at the nearly 600,000 people in Cornwall and hoping to draw some big crowds."

Evans is aiming to replicate Pirates' closest neighbours, Exeter Chiefs, by breaking the Premiership-Championship mould in a sustainable manner. It is worth noting that the Chiefs, who were promoted in 2010, own and regularly pack out their stadium, Sandy Park.

Private equity firm CVC's acquisition of a 27 per cent stake in the commercial arm of Premiership Rugby, a deal which handed each top-tier side an £18m windfall, is set to make promotion an even more distant possibility for Championship clubs.

It has also reignited debate about ringfencing the top division – protecting the 13 shareholding teams from a season languishing in the cash-strapped Championship.

For the more ambitious members of the second tier, such as Cornish Pirates or Ealing Trailfinders, it's a threatening prospect.

Considering that a non-shareholding team has not been promoted since 2014, however, how much would it actually change? According to Evans, "a foggy ringfence has been there for many years – the ground criteria and club financing."

Talk of abolishing relegation has been shelved for now, although there is a pending proposal to expand the Premiership to 13 teams that will be voted on in September. If that is passed, the winner of the Championship will have to beat the Premiership's bottom team in a play-off to secure promotion.

Were Premiership sides to consistently win that play-off, the top tier would move closer to being effectively ringfenced.

Maybe then, with little hope of promotion, Championship sides may follow a similar path to Richmond, throwing the league's long-term professional future into doubt.

SPORT

TURNING THE TABLES
The secret to dismissing Steve Smith, by Chris Tremlett PAGE 19

ROONEY'S RETURN Former England captain to join Derby as player-coach in January

Wayne Rooney says he wants to keep playing "until my body says I can't do it anymore" after agreeing a deal to join Derby County as a player-coach in January. Rooney, 33, will join Derby on an 18-month contract after concluding his time with MLS team DC United. The former England captain has scored 23 goals in 41 games for the Washington-based team since arriving from Everton in July 2018. He will work alongside Rams manager Phillip Cocu and coaches which include Liam Rosenior and Shay Given at Derby. "First and foremost, I want to come in and play and help the team," Rooney said. "Secondly, I want to learn off Phillip and his staff to gain experience for when I do stop playing and take that next step. There were other clubs making offers and enquiring about me but I made the decision to come here and that was it, I wasn't going to go back on my decision."

SPORT DIGEST

ARSENAL SELL KOSCIELNY TO BORDEAUX FOR £5M

Arsenal captain Laurent Koscielny completed a move to French side Bordeaux for £5m yesterday. The 33-year-old defender had a year left on his Gunners contract, but forced through a move back to his native France by refusing to travel on the club's pre-season tour. He made 353 appearances since signing from Lorient in 2010. "We thank Laurent for his contribution to the club and wish him all the best for the future," Arsenal said in a statement.

JONES DROPS TE'O AHEAD OF WORLD CUP SELECTION

Centre Ben Te'o has been excluded from England's squad to face Wales in Sunday's World Cup warm-up match at Twickenham. Te'o, fullback Mike Brown, scrum-half Ben Spencer and forward Alex Dombrandt have all been dropped by Eddie Jones, who will name his 31-man World Cup squad on Monday. Northampton flanker Lewis Ludlam, Bath winger Ruaridh McConnochie and Gloucester scrum-half Willi Heinz could all make their debuts at Twickenham.

OLESEN TO FACE SEXUAL ASSAULT CHARGES

Ryder Cup winner Thorbjorn Olesen has been charged with sexual assault, being drunk on an aircraft and common assault. The Dane, who was part of Europe's win over the US in September, will appear at Uxbridge Magistrates' Court on 21 August after being arrested following a flight from Nashville to London on 29 July. The 29-year-old did not comment on the charges.

ARCHER PROVES FITNESS WITH 6-27 FOR SUSSEX

Jofra Archer gave England an Ashes boost after proving his fitness with an impressive display for Sussex second XI yesterday. Archer, who had been suffering with a side strain, blew away Gloucestershire with figures of 6-27 and before scoring 108 with the bat. The 24-year-old is in line to make his England Test debut against Australia at Lord's next week after Jimmy Anderson was ruled out with a calf injury.

THE CHAMPIONSHIP TRAP

Clubs' finances and professional status are under threat in rugby's second tier, writes **Harry Jones**

THREE years ago amateur rugby club Richmond sealed a surprise promotion to the Championship, the second tier of England's two professional leagues.

They were faced with a stick-or-twist decision: hire an entirely new squad of full-time players and try to compete, or reward their existing part-timers with the opportunity to compete against the pros.

At face value, recruiting a professional squad would appear to be an unmissable opportunity for Richmond to progress as a rugby club.

However, the Championship is a notoriously difficult financial minefield to navigate – and one that continues to push its members to the brink.

Taking financial responsibility and player loyalty into consideration, Richmond opted to compete as an amateur club in a professional league.

"We are a rugby club that is a club, not just a team," director Ian Capon tells *City A.M.*

"We don't believe in funding without economic reason, without a business plan that makes sense. You should play the level you can afford, not necessarily the level you can aspire to."

Their Championship stint lasted until this summer and was shaped as much by the recklessness of others as it was by their own caution. In their first season, they avoided a relegation battle after London Welsh were liquidated mid-season.

Richmond were eventually relegated at the end of last season, although there remained a chance of reinstatement while officials considered the fate of financially stricken Yorkshire Carnegie, who have since escaped expulsion but received a 28-point penalty for next season.

> "We don't believe in funding without economic reason or a business plan. You should play the level you can afford

"If you read some of the stories that are going on in the Championship, it's appalling," Capon says.

FINANCIALLY SUSTAINABLE?

The central dilemma for these second-tier professional clubs is that their running costs far outweigh the £620,000 they receive each year from the Rugby Football Union.

Considering that Championship fixtures do not tend to draw big crowds, it is almost impossible to avoid making a loss.

Nor can most sides hope for financial salvation through promotion. Currently, only two Championship clubs meet Premiership entry criteria that requires teams to have a stadium with a capacity of at least 10,000.

Such is the financial disparity between the two leagues, meanwhile, that whenever a Premiership team is relegated they usually bounce straight back up.

Four of the last five relegated teams have won the Championship the following year. In the last three seasons, relegated sides have lost only four games altogether.

One team hoping to buck that trend are Cornish Pirates, whose Stadium for Cornwall project proposes to build the county's first major sports arena by 2021 and, in doing so, unlock an untapped market.

"We're looking to be a catalyst for top sport in Cornwall, and not just in rugby," chairman Dicky Evans tells

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