INVESTORS raised a glass to Greene King after the pub and brewery group agreed to be taken over by Hong Kong’s richest man in a £2.7bn deal. Shares shot up more than 50 per cent yesterday following the announcement that a subsidiary of CK Asset Holdings (CKA) will buy the entirety of Greene King’s shares at 850p per share, in one of this year’s biggest deals.

The deal values Greene King, Britain’s largest pub retailer and brewer, at £4.6bn including net debt, making it the second-biggest UK-inbound deal of the year after Blackstone and the Canada Pension Plan Investment Board made a £6bn move for Alton Towers owner Merlin Entertainments.

The all-cash offer represents a 51 per cent premium on Friday’s closing price of 563p per share. CKA was founded by 91-year-old Hong Kong tycoon Li Ka-shing and is run by his son, Victor Li Tzar-kuoi. Li revealed plans to retire last year, but remains a senior adviser at CKA.

Greene King operates 2,900 pubs, restaurants and hotels across the UK, meaning that the £2.7bn deal equates to just under £1m per site. Citigroup and Rothschild are advising Greene King on the deal, with HSBC acting for the Hong Kong-based conglomerate.

Paul Ruddy, an equity analyst at Goodbody, told City A.M. that while CKA might convert some of the properties, he expected the majority would remain as pubs.

News of the takeover sent shares in other pub groups soaring, with JD Wetherspoon, Marston’s, and Mitchells & Butlers all closing in the green. The companies closed up 7.55 per cent, 9.11 per cent, and 5.71 per cent higher, respectively.

In its takeover proposal, CKA said it was focused on “stable, profitable and cash flow generating businesses that benefit from real estate backing” and believed the pub sector “shares these characteristics”.

The specific attractions of Greene King include its established position in the UK pub and brewing market; freehold and long leasehold backed property estate; and resilient financial profile,” CKA added.

Greene King chairman Philip Yea said the board would be “unanimously recommending” the deal to shareholders.
Patel’s free movement shift will hurt business

P

RTTI Patel, fresh from last week’s Home Office brainwave to print anti-knife messages on the packaging of products from chicken restaurants, has a new plan. The home secretary has revealed her intention to end freedom of movement from the EU overnight on 31 October in the event of a no-deal Brexit, a policy confirmed by Number 10 yesterday.

Ending free movement after Brexit has been government policy for several years, but the abruptness of this cut-off point has sparked panic. The government, under Theresa May and now under Boris Johnson, has made repeated assurances about the rights of the 3m EU citizens already here, who should not be affected by ending free movement. The Home Office has been invited to apply for “settled status” to protect their rights. However, the reality is more complex. Since 29 March, the Home Office has processed only 1m settled status applications, while there have been numerous reports of applications being delayed or incorrectly rejected. That leaves more than 2m EU nationals still unprotected, with 72 days to go. After the Brexit deadline, those without settled status will have no evidence of their legal right to live and work in the UK. Under the “hostile environment” policy implemented when May was home secretary, businesses and landlords will face fines for employing or renting to anyone who cannot prove their status. In addition to the substantial personal cost to these individuals, employers face the unenviable task of having to police the new policy, potentially by firing staff whose status is in doubt. The British Chamber of Commerce warned of skills shortages, while London First said the move “piles further pressure on businesses” and accused the government of “continually moving the goal posts”. Number 10 warned of skills shortages, while London First said the move "will hurt business especially outside the Walkie Talkie and Cheesegrater," he said. “There’s almost a microclimate down there. Although, in the summer, it is quite nice to have a breeze.”

Alex Halifax, an insurance underwriter who works for Liberty, said: “I’d absolutely support these measures. The wind here is ridiculous - the trees outside the Walkie Talkie fell over and had to be replaced. But it’s probably worse for the ladies trying to keep hold of their skirts.”

Alastair Moss, chair of the planning and transportation committee, said: “With the number of tall buildings in the Square Mile growing, it is important that the knock-on effects of new developments on wind at street-level are properly considered. These guidelines mark another significant step that the Corporation is taking to put the ladies in those suits ‘business walking conditions’ has now also been reclassified as “uncomfortable”, in the hope that developers will be more considerate to City workers and cyclists. “Wind can, in extreme cases, destabilise or push cyclists into the path of vehicles,” the Corporation said. “By testing roadways as well as pavements through wind tunnel studies or computer simulations, it is expected that the more robust assessment will lead to a safer and more comfortable urban environment for all.”

Workers near Fenchurch Street, the home of the Walkie Talkie, told City A.M. that the iconic skyscraper was one of the main culprits of the windy conditions there.

David Barry, an insurance broker at Lloyd's, said he would support the Corporation’s new measures, but added: “It’s a bit late now.”

"It is incredibly windy around here, especially outside the Walkie Talkie and Cheesegrater," he said. “There’s almost a microclimate down there. Although, in the summer, it is quite nice to have a breeze.”

Alex Halifax, an insurance underwriter who works for Liberty, said: “I’d absolutely support these measures. The wind here is ridiculous - the trees outside the Walkie Talkie fell over and had to be replaced. But it’s probably worse for the ladies trying to keep hold of their skirts.”

Alastair Moss, chair of the planning and transportation committee, said: “With the number of tall buildings in the Square Mile growing, it is important that the knock-on effects of new developments on wind at street-level are properly considered. These guidelines mark another significant step that the Corporation is taking to put the ladies in those suits "business walking conditions” has now also been reclassified as “uncomfortable”, in the hope that developers will be more considerate to City workers and cyclists. “Wind can, in extreme cases, destabilise or push cyclists into the path of vehicles,” the Corporation said. “By testing roadways as well as pavements through wind tunnel studies or computer simulations, it is expected that the more robust assessment will lead to a safer and more comfortable urban environment for all.”

Workers near Fenchurch Street, the home of the Walkie Talkie, told City A.M. that the iconic skyscraper was one of the main culprits of the windy conditions there.

David Barry, an insurance broker at Lloyd’s, said he would support the Corporation’s new measures, but added: “It’s a bit late now.”

"It is incredibly windy around here, especially outside the Walkie Talkie and Cheesegrater," he said. “There’s almost a microclimate down there. Although, in the summer, it is quite nice to have a breeze.”

Alex Halifax, an insurance underwriter who works for Liberty, said: “I’d absolutely support these measures. The wind here is ridiculous - the trees outside the Walkie Talkie fell over and had to be replaced. But it’s probably worse for the ladies trying to keep hold of their skirts.”

Alastair Moss, chair of the planning and transportation committee, said: “With the number of tall buildings in the Square Mile growing, it is important that the knock-on effects of new developments on wind at street-level are properly considered. These guidelines mark another significant step that the Corporation is taking to put the ladies in those suits

City Corp knocking wind out of skyscrapers’ sails

ALEXANDRA ROGERS

icky, stragglers

THE SQUARE Mile may be famed for its financial clout and history, but in recent years it has also been known for other elements: extreme wind.

The City of London Corporation has become so concerned about pedestrians and cyclists being topped over in the street by the skyscrapers which adorn its skyline that it is cracking down on any potential new-builds that may cause exceptionally windy conditions at street level.

Under new guidelines, launched today, developers will be asked to test the wind impact of their new designs at the earliest possible stage, to avoid the need to retrofit wind mitigation measures, as well as carry out assessments of wind directions in wind tunnel testing.

What was considered acceptable "business walking conditions” has now also been reclassified as “uncomfortable”, in the hope that developers will be more considerate to City workers and cyclists. “Wind can, in extreme cases, destabilise or push cyclists into the path of vehicles,” the Corporation said. “By testing roadways as well as pavements through wind tunnel studies or computer simulations, it is expected that the more robust assessment will lead to a safer and more comfortable urban environment for all.”

Workers near Fenchurch Street, the home of the Walkie Talkie, told City A.M. that the iconic skyscraper was one of the main culprits of the windy conditions there.

David Barry, an insurance broker at Lloyd’s, said he would support the Corporation’s new measures, but added: “It’s a bit late now.”

"It is incredibly windy around here, especially outside the Walkie Talkie and Cheesegrater," he said. “There’s almost a microclimate down there. Although, in the summer, it is quite nice to have a breeze.”

Alex Halifax, an insurance underwriter who works for Liberty, said: “I’d absolutely support these measures. The wind here is ridiculous - the trees outside the Walkie Talkie fell over and had to be replaced. But it’s probably worse for the ladies trying to keep hold of their skirts.”

Alastair Moss, chair of the planning and transportation committee, said: “With the number of tall buildings in the Square Mile growing, it is important that the knock-on effects of new developments on wind at street-level are properly considered. These guidelines mark another significant step that the Corporation is taking to put the ladies in those suits

City Corp knocking wind out of skyscrapers’ sails
JAMES BOOTH

PRIME Minister Boris Johnson is set to meet his Irish counterpart in Dublin in early September as he tries to break the Brexit deadlock around the backstop.

In a letter to European Council president Donald Tusk last night, Johnson insisted “the backstop cannot form part of an agreed Withdrawal Agreement”, yet signalled a willingness to find a way of avoiding a no-deal Brexit on 31 October.

The PM proposed replacing the backstop with a commitment to put in place an alternative arrangement before the end of the transition period. He said the UK would agree to not put in place infrastructure, checks and controls at the border between Northern Ireland and Ireland and would be willing to accept a legally binding commitment to that effect.

He acknowledged concerns about what would happen if an agreement on the border issue was not in place by the end of the transition period, and said the UK was willing to “look constructively and flexibly at what commitments might help”. Johnson spoke to Irish Taoiseach Leo Varadkar for nearly an hour by phone, with both re-emphasising their opposing positions on the backstop.

According to a Downing Street spokesperson, Johnson said the Withdrawal Agreement would need to be altered to get it through the House of Commons. Varadkar reiterated the EU position that the Withdrawal Agreement cannot be reopened and emphasised the importance of a legal guarantee to ensure no hard border and continued free trade on the island of Ireland.

Separately, City A.M. understands Michael Gove, chancellor of the Duchy of Lancaster, will give parliament regular updates on the preparations for a no-deal Brexit, starting on the first day back on 3 September. A government source said Gove will speak as often as weekly to ensure scrutiny of no-deal planning.

Juul and Philip Morris sued over claims they marketed to teens

JAMES BOOTH

E-CIGARETTE maker Juul and tobacco giant Philip Morris were sued yesterday for allegedly illegally marketing vapes to children and downplaying their health risks. The law firm said Juul’s makers “prey on youth for financial gain” by mimicking big tobacco’s past marketing practices. It said that since Philip Morris has partnered with Juul, “progress in nicotine cessation stands to erode”.

The law firm said Juul’s makers “prey on youth for financial gain” by mimicking big tobacco’s past marketing practices.

INJURY firm the Moll Law Group cited a recent warning by the US Food & Drug Administration related to the association between seizures and e-cigarettes.

Juul and Philip Morris sued over claims they marketed to teens
Finance industry bodies begin talks to cut stock market trading hours

ANK MENIN
@annamenin

BANKING and investment groups are working on proposals that could see stock market trading hours shortened across Europe.

The Investment Association (IA) and the Association for Financial Markets in Europe (AFME) are planning to consult members on plans to cut trading hours, according to Financial News.

Opening equity markets an hour later and closing them an hour earlier is reported to be among the proposals being considered.

AFME chief executive Simon Lewis said the group was discussing “compressed market opening times” with members.

“Work is at an early stage but we are supportive, in principle, of proposals that would encourage more flexible working practices in the European equities trading market and that could help to promote increased diversity in the sector,” a spokesperson for the IA said it “is taking a strong interest in culture across the investment management industry”.

Neil Wilson, a Markets.com analyst, said cutting trading hours “makes perfect sense” for “modern working parents”, and would not make any difference to markets’ functioning.

Weak inflation boosts chance of Europe stimulus

HARRY ROBERTSON
@henrygrobertson

PRICES in the Eurozone rose just one per cent in July, official figures showed yesterday, far below the European Central Bank’s (ECB) inflation target, making it increasingly likely the Bank will relaunch its giant bond-buying programme next month.

The one per cent annual rate of inflation for July was down from 1.3 per cent in June and below an initial estimate of 1.1 per cent. It comes despite the ECB’s record-low interest rates that have aimed to boost price growth to around two per cent.

Inflation was just 0.3 per cent in Italy. Portugal recorded the lowest annual inflation rate with minus 0.7 per cent. In Germany, Europe’s biggest economy, inflation fell to 1.1 per cent in July from 1.5 per cent in June.

The service sector made the highest contribution to inflation in another sign that consumers are propping up the bloc’s economy while its manufacturers struggle.

Rosie Colthorpe, European economist at consultancy Oxford Economics, predicted the ECB would deliver “quite a comprehensive stimulus package” and relaunch its bond-buying activities known as quantitative easing (QE) next month, as well as cutting interest rates further into negative territory.

QE is a monetary policy where a central bank buys up corporate and government debt to lower borrowing costs and provide firms with cheap cash. With the EU economy faltering and inflation rates stubbornly low, the ECB has dropped strong hints that more QE is returning.

European shares ended higher yesterday on signs that such measures may soon be adopted to prop up growth in the currency bloc.

“Wages are going up quite a lot in the Eurozone… but that doesn’t seem to be passing through to inflation,” said Colthorpe. “We’ve seen lots of firms compressing their margins instead of passing through wages to prices.”

Analysts at JP Morgan doubted how effective more bond-buying would be as bond yields are already in negative territory across Europe, suggesting demand cannot get much higher.

“It is hard to see further asset purchases providing much incremental stimulus,” they said in a note.

German central bank: Economy could already be in a recession

HARRY ROBERTSON
@henrygrobertson

GERMANY’S central bank warned yesterday that the country’s economy could already be in recession as the malaise in its industrial sector continues.

The German economy, Europe’s biggest, contracted in the second quarter due to falling exports and industrial production induced by a global slowdown and trade tensions.

The Bundesbank said yesterday that “economic performance could again decline slightly”.

It said that growth in employment which has propped up the economy, were showing signs of weakening.

But the central bank made clear that “the main reason” for Germany’s poor performance “is the continuing downturn in industry”, which is in recession.

Berlin has signalled it will spend more to counter the next economic crisis “with full force”, its finance minister said, suggesting it could make available up to €50bn (£45.6bn) of extra spending.
Tech giants hit back at France’s digital tax plan

Emily Nicolle

Silicon Valley leaders yesterday said plans for a French digital tax were discriminatory against US firms, but urged President Donald Trump to avoid retaliating with tariffs.

In evidence submitted to a hearing by the US Trade Representative’s Office (USTR) yesterday, representatives for Facebook and Amazon said the levy would hurt revenues, harm local businesses and be unfairly weighted towards US companies.

France signed the tax into law earlier this year, making way for a three per cent tax on digital companies with global revenues of more than €750m (£685m). Former chancellor Philip Hammond made similar plans for the UK in last year’s autumn Budget, proposing a two per cent levy on revenues of more than £500m.

Approximately 30 companies have been identified as eligible for the French tax, which the US said were overwhelmingly American in origin.

The USTR inquiry, known as Section 301, could issue new tariffs on French goods or other trade restrictions after the public comment period closes next Monday.

Jennifer McCloskey, vice president for policy at Silicon Valley’s largest lobby group the Information Technology Industry Council, said yesterday: “We support the US government’s efforts to investigate these complex trade issues but urge it to pursue the 301 investigation in a spirit of international cooperation and without using tariffs as a remedy.”

Amazon’s international tax policy director Peter Hiltz said the cost of the levy would be passed on to sellers on its online marketplace.

Starting 1 October, more than 10,000 French-based businesses will face an increase of three per cent on certain fees for all sales made on Amazon.fr.

Chinese millennials are helping Estee Lauder’s profits rise above analyst forecasts

Aditi Sebastian

Estee Lauder yesterday forecast full-year revenue and profit above Wall Street expectations, putting to rest concerns of slowing demand in China due to trade tensions and Hong Kong protests as sales of its luxury skin care products soared.

Cosmetics companies such as Estee Lauder and L’Oreal are experiencing boom in their business in the Asia-Pacific region, mainly in China, as affluent millennials spend more at beauty retailers.

It said sales in the Asia-Pacific region grew 18 per cent in the fourth quarter. It expects adjusted profit to be between $5.90 and $5.98 per share in fiscal 2020. Analysts forecast sales growth of 6.87 per cent and profit of $5.81 per share.

Senior bosses drop investors as a top priority

Sebastian McCarthy

The once- upon-a-time principle that shareholders come first has been ditched by an influential lobbying group representing some of the world’s most senior business leaders.

Maximising profits for investors should no longer be the main priority for firms, an organisation called the Business Roundtable concluded yesterday, as it signalled a major corporate shift towards achieving wider customer and community targets.

In a letter signed by 181 US chief executives, the group called on corporate leaders to take into account “all stakeholders”, including employees, customers and the wider society, rather than just shareholders.

JP Morgan boss Jamie Dimon, who is chairman of the Roundtable, said that he hoped that the declaration “will help to set a new standard for corporate leadership”.

Amazon founder Jeff Bezos and Apple boss Tim Cook were among the executives who signed their names to the letter.
CONSUMER appetite for major purchases fell at the second-fastest rate in almost two years during August, as Brexit uncertainty and fears of an economic slowdown held back spending.

IHS Markit’s monthly household finance index fell to a three-month low after reporting the second-sharpest drop in demand for major purchases since September 2017.

The headline index from the survey – which measures households’ overall perceptions of financial wellbeing – recorded 43.7 in August, falling from July’s 44.3 and “signalling a stronger degree of pessimism towards current finances by UK households,” the report said yesterday.

Having been in positive territory during June and July, UK households signalled a negative outlook towards their financial health for the year ahead in August.

Pessimism over job security remained, with UK households posting the strongest degree of negativity since March.

More than two-thirds (68 per cent) of UK households expect the Bank of England will raise interest rates within the next two years. This was down from around 74 per cent in July.

SAUDI Aramco has formally asked major banks to submit proposals for potential roles in its planned initial public offering (IPO), two sources with direct knowledge of the matter said.

Aramco’s planned flotation, which could potentially raise $100bn (£82.4bn), is the centrepiece of Saudi Arabia’s economic transformation drive to attract foreign investment and diversify away from oil.

Requests for proposals were sent to banks few days ago, they said. Saudi Aramco declined to comment.

The formal IPO process begins after Saudi Arabia’s Crown Prince Mohammed bin Salman had said in June the government remained fully committed to the IPO, expecting it to take place between 2020 and early 2021.

Work on an original planned float was halted in 2018 when the Saudi Arabian oil giant began a process to acquire a 70 per cent stake in petrochemicals maker Saudi Basic Industries.

Income from employment continued to rise. However, the expansion slowed to a modest pace which was the weakest in five months.

“Latest survey data continued to highlight a fragile state among UK households towards their financial wellbeing,” according to Joe Hayes, an economist at IHS Markit.

Hayes said: “The Brexit haze, uncertainty over the political environment and the increased possibility of the UK entering recession appear to have dented expectations, which dipped into negative territory following positive readings in both June and July.”

He added: “A sharp decline in appetite for major purchases was also signalled, while pessimism towards job security also intensified during August, explaining why UK households have withdrawn into a more risk-averse approach and subsequently tapered their expectations for the coming year.”

Mark Carney is due to leave his post as BoE governor in January.

“I am not criticising others that have used them, but we don’t see it as an option,” he told Central Banking magazine earlier this month, in an interview published yesterday.

Negative interest rates seek to encourage banks to spend their spare money by penalising them for keeping it in their country’s central bank.

The BoE has kept the main interest rate – which determines the cost of lending in the economy – at 0.75 per cent, citing high employment and inflation close to its two per cent target.

Carney told Central Banking that negative interest rates can be “counter-productive”. He said the Bank’s view “is that the effective lower bound is close to zero, but positive – just above zero.” He also said he thought changing the Bank’s inflation target of two per cent would be a bad idea.

HARRY ROBERTSON
@

SEBASTIAN MCCARTHY
@

HADEEL AL SAYEGH

SAUDI Aramco asking banks to pitch for roles in planned float

Mark Carney: Negative interest rate ‘not an option’ for Bank of England

Powering Britain’s future

Our network of 7,000 electric vehicle charging points is the nation’s largest. And now it’s getting faster.

We’ve just turned on the first of 400 ultra-fast chargers coming to BP service stations over the next few years.

At BP it’s #NotBusinessAsUsual

Mark Carney is due to leave his post as BoE governor in January.

Mark Carney: Negative interest rate ‘not an option’ for Bank of England

Powering Britain’s future

Our network of 7,000 electric vehicle charging points is the nation’s largest. And now it’s getting faster.

We’ve just turned on the first of 400 ultra-fast chargers coming to BP service stations over the next few years.

At BP it’s #NotBusinessAsUsual

Saudi Aramco asking banks to pitch for roles in planned float

SAUDI Aramco has formally asked major banks to submit proposals for potential roles in its planned initial public offering (IPO), two sources with direct knowledge of the matter said.

Aramco’s planned flotation, which could potentially raise $100bn (£82.4bn), is the centrepiece of Saudi Arabia’s economic transformation drive to attract foreign investment and diversify away from oil.

Requests for proposals were sent to
THE BOSS of Abellio has said he is "confident" the rail franchise model will not be scrapped just a day after his firm took over one of the leading contracts in the UK.

Dominic Booth, the managing director of Abellio, which officially took over the East Midlands franchise from Stagecoach, said he thought the model would be "significantly altered... but I think the concept of having government-controlled contracts that are privately provided can and should survive."

The ongoing review is understood to have played a role in the government’s recent decision to cancel the competition for the Southeastern franchise, which Abellio also bid for. However, last week the Department for Transport (DfT) awarded the West Coast Partnership to First Group and Italian firm Trenitalia, which the government said was designed to fit with the direction of the review.

A DfT spokesperson said: “We have total confidence in the franchise competition process and will robustly defend decisions that were taken fairly following a thorough and impartial evaluation process.”

A DfT spokesperson said: “We have total confidence in the franchise competition process and will robustly defend decisions that were taken fairly following a thorough and impartial evaluation process.”

Gold drops as banks assuage recession fears

AIDAN DUNCAN

GOLD prices fell yesterday as the US dollar strengthened and equities recovered, as hints from major global central banks that they may provide more economic stimulus eased worries about a recession.

Spot gold fell one per cent to $1,498.90 per ounce by mid-evening. US gold futures settled down 0.8 per cent at $1,511.60.

“Gold is becoming a recession play,” said Michael McKenna, chief策略师 at BMO Capital Markets.

The precious metal, though easing up on bullish gains from US dollar vigour, will remain supported over subdued global growth and accommodative monetary policy by global central banks,” Phillip Futures analyst Benjamin Lu said.

Gold drops as banks assuage recession fears

AIDAN DUNCAN

GOLD prices fell yesterday as the US dollar strengthened and equities recovered, as hints from major global central banks that they may provide more economic stimulus eased worries about a recession.

Spot gold fell one per cent to $1,498.90 per ounce by mid-evening. US gold futures settled down 0.8 per cent at $1,511.60.

“Gold is becoming a recession play,” said Michael McKenna, chief strategy officer at BMO Capital Markets.

The precious metal, though easing up on bullish gains from US dollar vigour, will remain supported over subdued global growth and accommodative monetary policy by global central banks,” Phillip Futures analyst Benjamin Lu said.

These are all tactics of the Hong Kong government to intimidate its own people into silence.

What would you do if you were us? We are not the root cause of this chaos, our government is. Since 1997, millions of us have stood up to protect our rights and freedoms. Today, Hong Kongers are no longer safe under the Hong Kong government. We are fighting for survival and you can make a difference.

What can you do to help?

Sign the petition to call upon the British Government to uphold its obligations under the 1984 Sino-British Joint Declaration and to:

- Impose sanctions on those persons responsible for or complicit in suppressing Hong Kongers’ human rights and freedoms.
- Include provisions on human rights, civil liberties and democratisation in any post-Brexit agreements with Hong Kong and China.
London, 5G is in the house.
No landline. No engineer. Forget fibre. Be the first to join.

5G Broadband

Check coverage in your area. Search Three Broadband.
UK pilots’ union hits out Ryanair’s ‘time wasting’ bid to block strike

ALEX DANIEL
@alexmdaniel

BRITAIN’s airline pilot union has blasted Ryanair for seeking a High Court injunction to block strike action by its pilots this week.

The British Airline Pilots’ Association (Balpa) said the budget flyer had “wasted time” by trying to use “legal technicalities” to persuade the High Court to block a strike due to take place on Thursday and Friday.

“Balpa invited Ryanair to join them at talks this week but the airline refused,” the union said.

General secretary Brian Strutton said: “Ryanair pilots in the UK have a serious dispute with their company which will not be resolved by raising legal technicalities in the High Court.

“(Ryanair’s) attempt to block lawful strike action is just another demonstration of the bullying tactics the airline appears to favour. It means all the time that could have been used to try to find a resolution will now be spent preparing for the court action.”

A Ryanair spokesperson said: “Balpa, who represent a small number of highly paid UK pilots, should not be disrupting the return holiday flights of UK families later this week when Ryanair captains already earn £180,000 per annum and are now seeking unjustified pay increases of between 65 per cent to 121 per cent.”

 Strikes are also planned for a second round of dates in September.

Apple boss Cook cautions Trump over tech tariffs

ANNA MENIN
@annamenin

US PRESIDENT Donald Trump said he has spoken with Apple chief executive Tim Cook about the impact of US tariffs on Chinese imports, and that the tech giant’s boss “made a good case” that the levies could hurt Apple.

According to Trump, the pair spoke about competition between Apple and South Korean rival Samsung, with Cook arguing that tariffs would be detrimental to his company as Samsung products would not be subject to them.

“I thought he made a very compelling argument, so I’m thinking about it,” Trump told reporters on Sunday.

“It’s tough for Apple to pay tariffs if it’s competing with a very good company that’s not,” he added.

The US President had said last Friday he would be having dinner with Cook while at his New Jersey golf club, tweeting: “Having dinner with Tim Cook of Apple. They will be spending vast sums of money in the US. Great!”

Trump has previously criticised Apple for not manufacturing more of its products in the US. After tariffs on Chinese imports were first announced, Trump said on Twitter that they could make Apple products more expensive.

He added: “Make your products in the United States instead of China. Start building new plants now. Exciting!”

Tariffs on $300bn (£247bn) of Chinese goods, including consumer electronics, are set to be implemented in two stages on 1 September and 15 December.

The US and South Korea struck a “case” that the levies could hurt Apple.

Cook met Trump at a New Jersey golf club

Social media firms urged to crack down on measles misinformation

JAMES WARRINGTON
@j_a_warrington

SOCIAL media firms must do more to tackle online misinformation about vaccines amid a spike in measles cases in the UK, a health minister has warned.

Jo Churchill said the government must work with tech companies such as Facebook and Google to ensure parents are not misled by false information spread by so-called anti-vaxxers.

A steady decline in vaccination rates for the measles, mumps and rubella jab has led to the UK losing its measles-free status, just three years after the virus was eliminated.

Speaking on the BBC’s Today programme, Churchill said social media firms must ensure “misinformation is taken down, and that we give people the correct information that they can help keep their children safe”.

Prime Minister Boris Johnson has announced plans for a summit of tech leaders to discuss “how they can play their part in promoting accurate information about vaccination”.

In a report published last month, Facebook fact-checking firm Full Fact said the majority of its interventions were related to untrue health claims.
to his service provider. If the customer wishes to end, the customer will have to pay £500 (£600 for 6 months service – payment cycle kicks in, the customer has saved £100 each month. Until the new agreement to the extended term and thus loses a customer, offers to delay the service provider, who does not wish to lose a customer, offers to delay the payment period or alternatively could create liquidity problems for the supplier. So, the company uses its banking relationship to offer its supplier a factoring facility that could be cheaper and more effective than the supplier’s own factoring arrangements. This is an example of “bad reverse factoring” which will not show up anywhere in accounts, except in a lagging reported account balance of “trade and other creditors.”

Now let’s assume that the supplier has a stronger bargaining power instead of the company. In this case, the supplier will not agree to an extension of the payment period or alternatively could force shorter payment periods. Here, the company will involve its bank to pay off the supplier on time and will pay back its bank over a longer period. This is called “confirming.” Like bad reverse factoring, this also leaves a poor disclosure.

Unlike bad reverse factoring, we believe confirming should be reflected more clearly in the balance sheet and cash flow statement. For bad reverse factoring, it could be argued that economically there is no debt (from an accounting perspective), just an extension of the supplier payment period. In the case of confirming, there is both legally and economically a significant change. This often is classified in trade or other creditors and in operating cash flows instead of timely moving it to debt and financing cash flows.

CFA Institute believes that bad reverse factoring and confirming are economically similar. Therefore, we have advocated for an “outstanding number of days” disclosure for suppliers. In regard to confirming specifically, we have advocated for creditor balance and bank balance movements to be separately included in operating and financing activity of cash flows statement, respectively.

If you liked this post, don’t forget to subscribe to Market Integrity Insights.

Kazim Razvi is a director of financial reporting policy at CFA Institute.

Accounting Cashflows and the Quirk of Factoring

A common factor in the recent demise of Carillion in the United Kingdom was creditor factoring under poor terms and shortfalls. Creditor factoring generally delays payments to creditors to fund a company’s operations; such arrangements may help companies in smoothing reported cash flows in the near term but creates an obligation to pay in the future. However, if the liquidity problem aggravates in the near term, it turns the clock ticking down against potential opportunities that could arise in the future.

The lack of transparency in reporting for such arrangements distort cash flow statements which a lot of investors use as a starting point. Unlike economic deterioration in liquidity and use of additional borrowing to firewall the current crisis – financial reporting paints a rosier picture of improving operating cash flows instead of reporting an increase in borrowing.

For investors, the key issue is to identify at what point in time a trade creditor (included in working capital changes; i.e., operating cash flows) becomes a financing liability (included in leverage calculations; i.e., financing cash flows). Current accounting practice does not identify in a timely fashion and to adjust for this, company management can use it for other specific disclosure requirements. This, however, is vitally important for investors to identify in a timely fashion and to adjust in performance and leverage ratio. An omission to make a timely adjustment would overstate operating cash flows and understate leverage ratios.

A simple way to understand creditor factoring is considering an example of a cable tv provider. A customer asks to cancel his monthly subscription of £100 as he will be temporarily out of job. The service provider, who does not wish to lose a customer, offers to delay the payment term from paying each month to paying after 6 months. The customer agrees to the extended term and thus improves his monthly net cashflows by saving £100 each month. Until the new payment cycle kicks in, the customer has saved £500 (£600 for 6 months service – £100 payment at the end of 6th month). However, this in effect is a debt. When the subscription arrangement eventually ends, the customer will have to pay £500 to his service provider.

Following this example, let’s assume that a company with strong bargaining power forces a weak supplier to accept longer credit terms. This scenario, could create liquidity problems for the supplier. So, the company uses its banking relationship to offer its supplier a factoring facility that could be cheaper and more effective than the supplier’s own factoring arrangements. This is an example of “bad reverse factoring” which will not show up anywhere in accounts, except in a lagging reported account balance of “trade and other creditors.”

Now let’s assume that the supplier has a stronger bargaining power instead of the company. In this case, the supplier will not agree to an extension of the payment period or alternatively could force shorter payment periods. Here, the company will involve its bank to pay off the supplier on time and will pay back its bank over a longer period. This is called “confirming.” Like bad reverse factoring, this also leaves a poor disclosure.

Unlike bad reverse factoring, we believe confirming should be reflected more clearly in the balance sheet and cash flow statement. For bad reverse factoring, it could be argued that economically there is no debt (from an accounting perspective), just an extension of the supplier payment period. In the case of confirming, there is both legally and economically a significant change. This often is classified in trade or other creditors and in operating cash flows instead of timely moving it to debt and financing cash flows. CFA Institute believes that bad reverse factoring and confirming are economically similar. Therefore, we have advocated for an “outstanding number of days” disclosure for suppliers. In regard to confirming specifically, we have advocated for creditor balance and bank balance movements to be separately included in operating and financing activity of cash flows statement, respectively.

If you liked this post, don’t forget to subscribe to Market Integrity Insights.

Kazim Razvi is a director of financial reporting policy at CFA Institute.

ACCOUNTING CASHFLOWS AND THE QUIRK OF “FACTORING”

CFA INSTITUTE TALK

Kazim Razvi discusses the difference between creditor factoring and bad reverse factoring.
Car owners fork out up to £3,000 extra on claims

ALEX DANIEL
@alexmdaniel

EXTRA costs that come with making a car insurance claim have sky-rocketed in recent years, according to research published yesterday, with some drivers fork- ing out up to £3,000 to claim money back after a fire or theft.

Since 2012, the average extra charge for making a claim for fire, theft and accidental damage – known as compulsory excesses – has risen by a quarter. These costs come on top of a basic car insurance premium.

Average excesses for accidental damage claims have risen 26 per cent to £166 since 2012, while theft excesses have risen 25 per cent and the cost of fire-related claims has risen 24 per cent, according to research by Go Compare.

These all come in well above inflation, which was 1.1 per cent between 2012 and 2017, based on the Consumer Prices Index.

Go Compare boss Lee Griffin said: “Policymakers are a hidden cost for drivers and they have gone up significantly in recent years. There’s also a massive difference in the cost of excesses between insurers.”

The range of compulsory excesses has also jumped in the past seven years, from between £50 and £475 in 2012, to between £50 and £3,000 this year.

Nearly two-thirds of drivers surveyed said they would have to dip into savings or take out a loan to cover the cost of making a claim.

Last month, experts warned car insurance premiums were going to climb further, after a 3.5 per cent price hike last quarter.

A survey earlier this year, also by Go Compare, suggested that 50 per cent of motorists think it should be illegal for insurers to charge existing customers more than new customers for the same cover. The research revealed that 61 per cent of participants felt insurers treat existing customers less favourably by charging those who renew their cover higher prices than new customers.

The Competition and Markets Authority and Financial Conduct Authority have both probed the sector, looking at the “loyalty penalty” charged to long-standing customers.

Click and forget: Customers fail to pick up £228m of goods each year

ANNA MENIN
@annamenin

CLICK and collect services have been touted as a potential way of reviving ailing high streets, but customers are failing to collect £228m of ordered goods per year, new research has found.

One in seven shoppers surveyed admitted to not collecting items they had ordered online, according to research published today by Barclaycard, which also found that 71 per cent of UK adults now use the in-store delivery option. Almost one in three (30 per cent) of those who had failed to pick up their orders said the hassle of the click and collect process was to blame.

Long waiting times and poorly-staffed collection points were also common complaints, with each given as the reason for not collecting an order by a quarter of those surveyed.

Despite these customer grievances, well-run click and collect services do benefit the high street, with 89 per cent of retailers surveyed saying that offering the service had led to increased footfall over the past two years. Almost all retailers (97 per cent) had benefited from additional revenue as a result of offering click and collect.

Supporting City Giving Day

Why are you supporting CGD?

This City Giving Day we are raising awareness, physical activity for our employees during the day while taking part in some healthy competition with Bank of Ireland with whom we share our office building.

Which charities do you support?

We support our and Bank of Ireland’s charity partners – Dementia UK and Alzheimer’s UK. A great opportunity for them to engage with our employees and raise awareness of the amazing work they both do for a similar illness which affects so many people, their family and friends.

How will you celebrate CGD?

A static bike challenge is being held to raise funds for our two main charities. More than 70 people have already committed to taking part.

More information can be found by logging on to www.thelordmayorsappeal.org/cgd.
OIL MAJORS and Asia-exposed banks that rose yesterday on moves that China to keep business interest rates low, while pub operator Greene King helped mid-caps outshine after agreeing to be bought out.

The FTSE 100 added one per cent, to 7,096.65 points, its biggest one-day rise in more than 10 days. However, a 50 per cent surge in Greene King shares helped the FTSE 250 index outperform with a 1.5 per cent rise to 199,797.

Shell and BP jumped roughly two per cent, triggering a surge in crude prices following a drone attack by Houthi rebels on an oilfield in eastern Saudi Arabia, which caused fire at a gas plant.

Miners and Asia-focused stocks, led by HSBC, also rose after China’s central bank announced reforms to help lower borrowing costs for firms and support an economy bruised by the trade war with the US.

Meanwhile, Lloyds and Barclays advanced after a report in Der Spiegel last week that Germany would be prepared to take on new debt to counter a possible recession.

Ocado added 4.5 per cent, topping the blue-chip index, after JP Morgan hiked its price target and said the online grocer operates “a superior economic model” compared with its store-based rivals.

Greene King, the brewer of Old Speckled Hen and Abbot Ale, surged to more than three-year high to match a 850p-a-share offer from CK Asset Holdings, which was founded by Hong Kong’s richest man Li Ka-Shing. The deal, which values Greene King at £2.7bn.

Ocado was described as having “a superior economic model” — lifted shares in rivals JD Wetherspoon and Marks & Spencer by 7.55 per cent and 9.11 per cent, respectively. FTSE 100 constituent and Premier Inn owner Whitbread also gained 2.88 per cent.

CYBG added 5.3 per cent after UBs upgraded the stock and said the lender’s net interest margin is set to rise from here even in the current rates environment. However, despite the rise, the FTSE 100 is still on course for its steepest monthly fall in four years.

The FTSE 100 added one per cent, to 7,096.65 points, its biggest one-day rise in more than 10 days. However, a 50 per cent surge in Greene King shares helped the FTSE 250 index outperform with a 1.5 per cent rise to 199,797. Shell and BP jumped roughly two per cent, triggering a surge in crude prices following a drone attack by Houthi rebels on an oilfield in eastern Saudi Arabia, which caused fire at a gas plant.

Miners and Asia-focused stocks, led by HSBC, also rose after China’s central bank announced reforms to help lower borrowing costs for firms and support an economy bruised by the trade war with the US.

Meanwhile, Lloyds and Barclays advanced after a report in Der Spiegel last week that Germany would be prepared to take on new debt to counter a possible recession.

Ocado added 4.5 per cent, topping the blue-chip index, after JP Morgan hiked its price target and said the online grocer operates “a superior economic model” compared with its store-based rivals.

Greene King, the brewer of Old Speckled Hen and Abbot Ale, surged to more than three-year high to match a 850p-a-share offer from CK Asset Holdings, which was founded by Hong Kong’s richest man Li Ka-Shing. The deal, which values Greene King at £2.7bn.

Ocado was described as having “a superior economic model” — lifted shares in rivals JD Wetherspoon and Marks & Spencer by 7.55 per cent and 9.11 per cent, respectively. FTSE 100 constituent and Premier Inn owner Whitbread also gained 2.88 per cent.

CYBG added 5.3 per cent after UBs upgraded the stock and said the lender’s net interest margin is set to rise from here even in the current rates environment. However, despite the rise, the FTSE 100 is still on course for its steepest monthly fall in four years.

TOP RISERS
1. Ocado  Up 4.61 per cent
2. Tai  Up 4.10 per cent
3. Glencore  Up 3.81 per cent

TOP FALLERS
1. Fresnillo  Down 1.75 per cent
2. Prudential  Down 1.11 per cent
3. Sage  Down 0.49 per cent

Like many mining companies, Kaz Minerals is often at the mercy of geopolitical tension. That was true last week, when it cautioned on the short-term outlook of copper prices amid US-China tensions. Shares have fallen 44 per cent since April. But Peel Hunt analysts said: “We think balance sheet concerns are overdone; management has a track record of securing funding as required.” They added: “With copper projects strategically located to supply into the Chinese market, we see this as an opportunity.” They gave it a “Buy” rating and a 170p target price.

When it was formed in 2007, Greene King bought pub company Sainsbury’s for £2.7 billion. The deal, which values Greene King at £2.7bn.

Ocado was described as having “a superior economic model” — lifted shares in rivals JD Wetherspoon and Marks & Spencer by 7.55 per cent and 9.11 per cent, respectively. FTSE 100 constituent and Premier Inn owner Whitbread also gained 2.88 per cent.

CYBG added 5.3 per cent after UBs upgraded the stock and said the lender’s net interest margin is set to rise from here even in the current rates environment. However, despite the rise, the FTSE 100 is still on course for its steepest monthly fall in four years.

TOP RISERS
1. Ocado  Up 4.61 per cent
2. Tai  Up 4.10 per cent
3. Glencore  Up 3.81 per cent

TOP FALLERS
1. Fresnillo  Down 1.75 per cent
2. Prudential  Down 1.11 per cent
3. Sage  Down 0.49 per cent

Like many mining companies, Kaz Minerals is often at the mercy of geopolitical tension. That was true last week, when it cautioned on the short-term outlook of copper prices amid US-China tensions. Shares have fallen 44 per cent since April. But Peel Hunt analysts said: “We think balance sheet concerns are overdone; management has a track record of securing funding as required.” They added: “With copper projects strategically located to supply into the Chinese market, we see this as an opportunity.” They gave it a “Buy” rating and a 170p target price.

When it was formed in 2007, Greene King bought pub company Sainsbury’s for £2.7 billion. The deal, which values Greene King at £2.7bn.

Ocado was described as having “a superior economic model” — lifted shares in rivals JD Wetherspoon and Marks & Spencer by 7.55 per cent and 9.11 per cent, respectively. FTSE 100 constituent and Premier Inn owner Whitbread also gained 2.88 per cent.

CYBG added 5.3 per cent after UBs upgraded the stock and said the lender’s net interest margin is set to rise from here even in the current rates environment. However, despite the rise, the FTSE 100 is still on course for its steepest monthly fall in four years.

TOP RISERS
1. Ocado  Up 4.61 per cent
2. Tai  Up 4.10 per cent
3. Glencore  Up 3.81 per cent

TOP FALLERS
1. Fresnillo  Down 1.75 per cent
2. Prudential  Down 1.11 per cent
3. Sage  Down 0.49 per cent
W

HEN the history books are written, Boris Johnson may well be remembered as the man who delivered Brexit. But there is someone else who would deserve almost as much credit for Britain’s departure from the EU: Jeremy Bernard Corbyn.

Admittedly, Corbyn’s current role in enabling Brexit is mostly involuntary. It turns out that he is so galactic and unpopular with his fellow parliamentarians, with the prospect of him becoming Prime Minister (from a time-limited Conservative government) so monetarily unthinkable, that the forces of Remain can barely envisage him ever being their leading man. Hence the desperate and probably doomed casting round for a potential alternative that we continue to seek.

But the truth is that, throughout the campaign, the man could do no wrong. The Get Brexit Done forces were defined by their inability to make Labour redundant. The Remain side.

Even the truth about how Corbyn’s campaign tanked the campaign. Days after the vote, Labour voters did not realize which side their party was on. Days after the vote, Labour as a whole had 72%-40 that they had no confidence in Corbyn’s leadership – because he had so obviously tanked the campaign. Despite this, some Corbyn fanatics will insist that their man really did deliver Brexit. The truth is that the Corbyn approach was realistic. His shadow chancellor, John McDonnell, produced a manifesto for 21st-century socialism which included “opposition to a truly apocalyptic stress-test of the banking system in which the authorities were willing to tank the economy in the middle of a no-deal departure” – still positively racy compared to the experience of those countries whose hard-left governments have explicitly held up as economic role models (Venezuela, Cuba and Bolivia being the most obvious).

That’s without mentioning Corbyn’s foreign policy positions, in particular his long history of associating with and championing this nation’s enemies.

No one can know exactly what will happen over the next two months. It may still be that a Remain coalition will assemble behind Corbyn. But it will nonetheless be true that, both as head of the Leave campaign and now as head of a Leave government, Boris Johnson has not been truly apocalyptic. To use a phrase popularized by the Remain like my toddler approaches bedtime – he knows it has to happen, but he’s damned if he’s going to make it easy for anyone.

Robert Colville, a political commentator.

Letters to the Editor

Lingua Angla?

(Re: The English way hurts our chances of succeeding)

National trends, which show a decline in modern language study, should be of great concern to us all for more than just economic reasons. More than ever before, young Britons need to demonstrate their openness to the world, and the study of modern languages reflects a cultural ambition that will be vital in a post-Brexit Britain – whatever it looks like.

The young generations of today are increasingly likely to be competing for jobs in a global market. Positions are being competed for by non-native speakers of English from across the globe, who have other languages to boast. We often assume that by speaking a world language (English) we have an in-built advantage against them – this is not the case.

There are clearly a number of reasons for a wider culture of modern language studies. The difficulty of learning a language; the fact that modern languages are no longer compulsory at GCSE in many schools, and the belief that most people speak English as a second language.

Now there’s also the added uncertainty about whether study abroad programmes will still be possible after Brexit, which, undoubtedly will have made some future university students question choosing such courses.

These must be addressed: now is the time to embrace a global Britain, not to retreat within our shores.

Adam Pettitt, head, Highgate School, London

Only Connect: Bureaucratic boroughs risk holding London back in the 5G race

DESPITE the hype around the latest handsets and a commitment from the new cabinet to prioritise connectivity, London risks losing out on the 5G opportunity. Much has been made of the country’s struggles to keep up with international competitors in the race to deliver world-class connectivity, while our imminent departure from the EU places greater onus on the capital. This has to change.

Before sizing up international rivals, London must address some fundamental issues that could not only see it fall behind globally, but to challengers within the UK. BM
to-

Russ Shaw, founder of Tech London Advocates and Global Tech Advocates.

Letters to the Editor

EU citizens & members with “settled status” (indefinite leave to remain, ILR) or “pre-settled” (limited leave to remain, LLTR) don’t “need” EU rights of FHP/DHP to come & go from UK. That’s because their ILR/LLTR gives them the right under UK law to come & go to the UK.

@SimoPArcx

Home Office fact sheet commendably aims to reassure resident EU citizens – but by its own key Q of how employers, NHS etc distinguish pre and post Brexit arrivals. Presumably because they haven’t got a clue.

@itwitmericks

Thought Home Office had learned from the unfortunate incident where aminster said they had to be rapidly clarified after causing panic about their interpretation in practice. Symbolic virtue-signalling about ending FHM doesn’t help w/calm planning + prep.

@Blee2h

The Government are going to spend a lot of taxpayers’ money telling the public their own no-deal planning document is a lie. That’ll work.

@jswinson

The government’s great No Deal wheeze, As Op:Wycombe foresters, Means shortages, riots And limited diets. A little bit of bread and no cheese.

@twitterhicks

Best of Twitter

EU citizens & members with “settled status” (indefinite leave to remain, ILR) or “pre-settled” (limited leave to remain, LLTR) don’t “need” EU rights of FHP/DHP to come & go from UK. That’s because their ILR/LLTR gives them the right under UK law to come & go to the UK.
Business must come together to reform and save the WTO

The World Trade Organisation (WTO) – the linchpin of the global trading system – is far from secure in its current political climate. The challenges are myriad – and not just because of President Donald Trump’s hostility to the organisation.

Besides the well-publicised loss of confidence in the WTO’s dispute settlement function, there are a host of countries which should not still be trading on preferential terms, state-owned enterprises skewing global markets, and a small number of developing nations stalling progress by exercising their power to veto.

Marry this with rapid advancements in technology and changes in consumer behaviour, and it’s no wonder we are left with widespread frustration, increasing unilateral action, protectionism, and a largely defunct Appellate Body (the trade dispute settlement system within the WTO).

The world has moved on since 1995 – when the WTO was created – and the system needs modernising.

The US under Trump has been the most vocal in raising concerns, as well as the most aggressive in action. But here is where business communities can make a difference. The WTO – an institution that has delivered benefit to so many – to survive. The US is unlikely to return to the fold anytime soon, but if we want to maintain a credible trading system, it is important to maintain engagement across the world. And that requires business leaders to make the case for their respective governments to participate in the WTO.

That case is a strong one. Since the WTO’s creation, economic growth has quadrupled and poverty almost halved. Global supply chains rely on the certainty that the rules-based trading system provides. A trading system without the WTO would be like allowing the road network to run without traffic control infrastructure. Uncertainty, disruption, deferred investment and a corresponding drop in economic activity would undoubtedly follow. Businesses across the world face a host of concerns, but reforming and championing the WTO must be a priority. The dangers of allowing it to collapse are real. It is down to business leaders to speak out if we want the WTO – an institution that has delivered benefit to so many – to survive.

Since its creation, economic growth has quadrupled and poverty almost halved.

The leak triggered a war of words – and we must prepare for them. Businesses must continue to rely on the evidence made available from various sectors. The media has been full of stories about Operation Yellowhammer, the leaked Cabinet Office document which reveals that our “do or die” Prime Minister has been sitting on a strategy. So it is less than surprising that this document was, apparently, prepared for Theresa May’s administration, notable for its alleged “deal” or “no Brexit” entrapment strategy. It is less than surprising that it painted a gloomy picture. Since then, UK no-deal preparations have been stepped up, while the EU has also developed its contingency plans.

The US is unlikely to return to the WTO rules. There will be bumps in the road – and we must prepare for them. Moreover, trade will continue, under the WTO rules. There is no option to reform the system. Few understood how the reform workstreams connect to one another or what the timescales are. This needs to change.

The US is unlikely to return to the fold anytime soon, but if we want to maintain a credible trading system, it is important to maintain engagement across the world. And that requires business leaders to make the case for their respective governments to participate in the WTO.

The US is unlikely to return to the fold anytime soon, but if we want to maintain a credible trading system, it is important to maintain engagement across the world. And that requires business leaders to make the case for their respective governments to participate in the WTO.

The US is unlikely to return to the fold anytime soon, but if we want to maintain a credible trading system, it is important to maintain engagement across the world. And that requires business leaders to make the case for their respective governments to participate in the WTO.
Crypto A.M. shines its Spotlight on Monolith

Monolith (formerly TokenCard) is a decentralised banking alternative, powered by Ethereum.

The platform allows you to securely store Ethereum-based tokens in your own decentralised Monolith Contract Wallet. You can then exchange them to fiat and load them onto your Monolith Card, one of the world’s first non-custodial Visa Debit Card, allowing users total ownership and control over their funds.

Founded in 2016 by tech entrepreneurs Mel Gelderman and David Hoggard and based in London, the company launched its Ethereum-powered banking alternative on the UK and European iOS App Store in April, with an Android release planned for the near future.

The founders have always been driven by exponential technologies that have the power to change the world for the better. Gelderman himself has previously ventured the world exclusively using crypto assets, validating his vision of being able to live life on Ethereum.

Now, the Monolith team is announcing its rebrand from TokenCard and partnering with DeFi projects MakerDAO and Digix to bring their tokens to the app.

Mel Gelderman, Chief Executive of Monolith, said MakerDAO and Digix represent the best of breed Ethereum decentralised finance projects and are the first in a long set of milestones on Monolith’s roadmap.

“We’re thrilled to have had a fantastic response from our beta users and are now ramping up for growth. Rebranding to Monolith helps us achieve our mission of democratising finance and bringing the token economy to everyone while providing a unique service to our customers.”

MakerDAO and Digix are some of the most well-recognised and earliest Ethereum-based projects. For TKN holders, these partnerships mean that DAI, DGD and DGL are now eligible for usage with the Monolith Visa debit card. We’re thrilled to offer them on Monolith, and see this as the start of bringing many more quality tokens into the Monolith ecosystem. Watch this space,” he added.

Before bringing its product to the market, the company joined the United Kingdom’s Financial Conduct Authority (FCA) Regulatory Sandbox in its fourth cohort. The regulatory sandbox allows cutting-edge businesses to perform limited tests of innovative products, services, business models and delivery mechanisms in the real market, with real consumers.

Indeed, the Monolith team are not just talking about change, they are putting change into action; the company recently announced its plans to initiate an open blockchain project, Venus, an Ethereum-powered banking alternative on the UK and European iOS App Store in April, with an Android release planned for the near future.

The practicality of bringing the crypto community closer than ever to ‘real world’ finance creates opportunities where none existed previously. By bridging this gap and reducing barriers to the applicability of decentralised finance, Monolith empowers a whole subsection of users in and around the crypto and finance spaces.

“We’re excited about the future of Monolith, and are looking forward to putting our vision into action.”

This vision is shared by the Monolith team and partners, who are working tirelessly to bring the benefits of decentralised finance to the masses.

Find out more at https://monolith.xyz
A new age of finance is coming where everyone can be involved.

Imagine a world where no investment was reserved for the superclass and exclusive but available at a crowd-funded level where everyone can contribute and are equally held to account. Imagine a world where your hard-earned income can be put towards generating an additional income for you and your family to start a decentralized portfolio of investments that cannot be influenced by any central government or bank.

That’s a world I want to live in, a “DeFi” world of equal financial opportunities and financial sovereignty for all.

Jeff Hancock, Founder & CEO of getFiGO, in conversation with James Bowater. For more information visit https://getfigo.io or email Jeff@getfigo.io or linkedin.com/in/jeffryghancok

The space is still so young and immature... but a new age of finance is coming where everyone can be involved.

In the current financial system when you want to make an investment to make some interest on your capital, you could issue a loan to someone. But how do you ensure they pay back what they say they will, on time and in full? You can’t. Humans and fiat currency are impossible to hold to account and actions aren’t transparent to a wider group of validators to keep them accountable.

On the Ethereum blockchain and beyond, a new breed of finance is being developed and already delivering steadily, secure and reliable returns for investors with the nickname “DeFi”.

Short for decentralized finance which is a smart-contract powered economy where lenders and borrowers enter into a digital contract together where all actions are held to account.

If you are a lender you can issue a loan on a smart contract using a crypto currency or token such as Ethereum (ETH) or Dai (DAI). Once this submission to a contract occurs your principle is returned to a pool of funds available for borrowers to use for trading, investing and many other activities.

In order to access the pool of liquidity, a borrower must put up a digital asset as collateral to borrow your funds and guarantee you an interest rate in return. These systems and platforms are becoming more sophisticated by the day and in the future could be the main use case that brings the financial world into the blockchain space.

ICE-backed Bitcoin Futures Platform Set to Launch in September

Last week saw the news that following several delays, the Bakkt Bitcoin futures platform will be launched on 23rd September. Backed by InterContinental Group (ICE), the parent company of the New York Stock Exchange, it will offer investors the opportunity to trade Bitcoin futures contract, and importantly those trading on the platform will be required to take delivery in the underlying asset, bitcoin (BTC), potentially fuelling greater demand for the asset. Bakkt will also offer institutional grade infrastructure including a secure and regulated custody solution to support the futures contract, which will likely be attractive to institutions that have been restricted from buying the asset previously due to compliance requirements.

Despite the bull market of the announcement, the impact on BTC’s price wasn’t overwhelming. The US dollar index was up 4% following the announcement, rising to $10,500 before dropping back to $10,000 the next day. The price action suggests the news was already priced into the market.

Bitcoin is currently sitting at $10,700 down 5.80% on the week. Ethereum (ETH) is down 5.71% vs USD over the past week, trading at $200.87 at the time of writing. The asset is trading at a similar level in BTC terms to where it started the week (0.0187), clearly having hit a high of 0.0197 and a low of 0.0171. The combined market cap of altcoins hit a yearly low vs BTC at $57.3 billion, before recovering to its current level of $81 billion. Standout performers this past week include DASH and Link Network (DLK) at 120%, Bread (BRD) at 24.94% and Metal (MTL) at 18.42%.

This week keep a close eye on how the majors perform against BTC for signs of a medium to long-term recovery. Assets that have remained grounded on high volume in recent days include ETH and XRP.

Why Quantitative Easing May Meet Its Demise

What may the Federal Reserve and other central banks do when the next recession begins? Interest rates remain at historical lows while monetary policy’s interest rate reductions have had marginal effect rendering more QE unimportant. The interplay between the socialist left and the outer non-capitalist right, both part of populism, both authoritarians in nature and devoid of liberty has reverted to turnmoil unseen since the late 1920s and 1930s. The animosity around Trump’s election and Brexit has been substantial. Conflicts between the haves and have-nots further escalate once a deep recession gets underway. Meanwhile, the leading global superpower began to defend liberty against Communist China, acts ha薛ishly and inconsistently with an overdue trade conflict.

Too much stimulus wrecks financial systems. Since QE began a decade ago, new sovereign debt-based liquidity was used to buy shares and assets, bolster private equity, and finance real estate. Low interest rates led to record levels of stock buybacks and acquisitions. Monetary policy became a regulated “taper tantrums”, stock markets corrected by as much as 20% forcing the Fed’s hand to continue to print. Nevertheless, QE efficacy is limited as interest rates cannot go much lower. Private dollars continue to rise as fiat further devalues. Store-of-value assets such as gold and bitcoin are boosted. Lower rates more capital into hard assets which offer better upside. The fear trade of global crises including the next recession begins. Interest rates remain at historical lows while monetary policy’s interest rate reductions have had marginal effect rendering more QE unimportant.

The fear trade of global crises including the next recession begins. Interest rates remain at historical lows while monetary policy’s interest rate reductions have had marginal effect rendering more QE unimportant. The interplay between the socialist left and the outer non-capitalist right, both part of populism, both authoritarians in nature and devoid of liberty has reverted to turmoil unseen since the late 1920s and 1930s. The animosity around Trump’s election and Brexit has been substantial. Conflicts between the haves and have-nots further escalate once a deep recession gets underway. Meanwhile, the leading global superpower began to defend liberty against Communist China, acts ha薛ishly and inconsistently with an overdue trade conflict.

The fear trade of global crises including the next recession begins. Interest rates remain at historical lows while monetary policy’s interest rate reductions have had marginal effect rendering more QE unimportant. The interplay between the socialist left and the outer non-capitalist right, both part of populism, both authoritarians in nature and devoid of liberty has reverted to turmoil unseen since the late 1920s and 1930s. The animosity around Trump’s election and Brexit has been substantial. Conflicts between the haves and have-nots further escalate once a deep recession gets underway. Meanwhile, the leading global superpower began to defend liberty against Communist China, acts ha薛ishly and inconsistently with an overdue trade conflict.

The fear trade of global crises including the next recession begins. Interest rates remain at historical lows while monetary policy’s interest rate reductions have had marginal effect rendering more QE unimportant. The interplay between the socialist left and the outer non-capitalist right, both part of populism, both authoritarians in nature and devoid of liberty has reverted to turmoil unseen since the late 1920s and 1930s. The animosity around Trump’s election and Brexit has been substantial. Conflicts between the haves and have-nots further escalate once a deep recession gets underway. Meanwhile, the leading global superpower began to defend liberty against Communist China, acts ha薛ishly and inconsistently with an overdue trade conflict.

The fear trade of global crises including the next recession begins. Interest rates remain at historical lows while monetary policy’s interest rate reductions have had marginal effect rendering more QE unimportant. The interplay between the socialist left and the outer non-capitalist right, both part of populism, both authoritarians in nature and devoid of liberty has reverted to turmoil unseen since the late 1920s and 1930s. The animosity around Trump’s election and Brexit has been substantial. Conflicts between the haves and have-nots further escalate once a deep recession gets underway. Meanwhile, the leading global superpower began to defend liberty against Communist China, acts ha薛ishly and inconsistently with an overdue trade conflict.

The fear trade of global crises including the next recession begins. Interest rates remain at historical lows while monetary policy’s interest rate reductions have had marginal effect rendering more QE unimportant. The interplay between the socialist left and the outer non-capitalist right, both part of populism, both authoritarians in nature and devoid of liberty has reverted to turmoil unseen since the late 1920s and 1930s. The animosity around Trump’s election and Brexit has been substantial. Conflicts between the haves and have-nots further escalate once a deep recession gets underway. Meanwhile, the leading global superpower began to defend liberty against Communist China, acts ha薛ishly and inconsistently with an overdue trade conflict.

The fear trade of global crises including the next recession begins. Interest rates remain at historical lows while monetary policy’s interest rate reductions have had marginal effect rendering more QE unimportant. The interplay between the socialist left and the outer non-capitalist right, both part of populism, both authoritarians in nature and devoid of liberty has reverted to turmoil unseen since the late 1920s and 1930s. The animosity around Trump’s election and Brexit has been substantial. Conflicts between the haves and have-nots further escalate once a deep recession gets underway. Meanwhile, the leading global superpower began to defend liberty against Communist China, acts ha薛ishly and inconsistently with an overdue trade conflict.
OFFICE POLITICS

Stop your staff skiving off this summer

Fed up with your workers pulling a sickie because the sun’s out? Here’s some advice.

Jamie Mackenzie

W

E’VE heard it all before: “my cat is having kittens”, “I’ve hurt my back”, “I’ve got food poisoning”, “my bathtub fell through my ceiling”, or “my car broke down”. When the sun is out, employees might feel inclined to use one of these excuses in order to skip work and do something a little more fun. If you’re a manager, instead of wondering if your employee is sacking off work in order to watch the cricket, why not address the issue head-on? With presenteeism growing as a problem, and the summertime statistically being a period when productivity falls across the board, there are some easy ways that employers can encourage their staff to enjoy the summer. This would help them to achieve a better work-life balance and be fully present and productive when they’re actually in the office.

SUMMER HOURS
Research shows that 63 per cent of workers confess to leaving the office early to enjoy some sun, so why not offer shorter or flexible working hours to boost your team’s productivity and motivation?

An earlier finish can work wonders in the summer, as it enables employees to spend time with their families, pursue leisure activities, or enjoy some more socialising. Letting employees start and finish an hour earlier in summer shows a willingness to accommodate their personal lives, and yet actually changes very little of the working day structure. Any important meetings or tasks can still happen during core hours, so it’s a win-win for everyone.

THE KIDS ARE ALRIGHT
The average cost for one week of childcare is £138 per child. That adds up to £828 over the six-week summer break. While some parents can schedule in a big chunk of holiday during the summer months, others have to fork out the cash for childcare or beg grandparents to look after the kids. On top of that, the cost of keeping children entertained can leave parents with a hole in their bank account too. With all this, it’s easy to see how the summer can become more of a dread than a delight.

The good news is that employers can implement some easy benefits to help staff out. This can include easy access to childcare facilities on-site or work-from-home days. Employers can also help reduce the cost burden that parents face by offering discounts on family days out, or even cinema vouchers, allowing families to enjoy time together without worrying about the money. These may seem like small gestures, but companies that have introduced family-friendly measures often report significant reductions in absenteeism.

TIME TO CELEBRATE
Everyone looks forward to the Christmas party, so why not plan a summer party too? Just think how much the team will enjoy wearing shorts or flip-flops and eating some delicious food provided by the company. The chance to relax outside, unwind with colleagues, and feel rewarded for a job well done is the perfect way to enjoy the summer as a team.

If a big party is out of the question, why not invite the team for a picnic outside, or an outdoor sporting activity after work? These can help to bring staff together and encourage them to take a break from the screen. Summertime doesn’t have to be marred by distracted workers or questionable sick days; employers can do many things to help employees thrive both inside and outside of work.

By encouraging employees to work flexibly in the summer months, assisting parents with childcare during school holidays, and celebrating together in the sunshine, businesses can inspire loyalty and investment from their employees all year round.

Jamie Mackenzie is director at Sodexo Engage.
It may have come a long way since the days when women were the property of men, but we still face some huge challenges when it comes to addressing financial gender inequality.

According to a new report from Fidelity, 12 per cent of married women plan to rely on their partner's pension in retirement, while 17 per cent of women have no pension of their own at all.

In some ways this is unsurprising. Women are more likely to take time off to care for children, meaning that they tend to have lower earnings and a smaller pension pot in retirement compared to their husbands. But it's a worrying statistic nonetheless. It means that a large proportion of our population could be dependent on their significant others throughout most of their lives – even though that relationship could break down.

In fact, as many as 101,669 opposite-sex couples divorced in England and Wales in 2017, according to the Office for National Statistics.

"Much as these men have turned to their wives for support throughout life to raise their children, so it makes sense for married women to turn to their partners for financial support in retirement," says Romi Savova, chief executive of Pensionbee. "However, relying solely on their spouse's pension could turn out to be a costly mistake."

And while this is more common for straight women, it can of course apply to men and same-sex couples too.

Assets are typically split during a divorce, meaning one partner is entitled to a percentage of their spouse's pension, which is transferred as credit. Pension sharing was introduced in 2000 to ensure that unemployed partners – who may have taken time out of work to care for their children – have some sort of pension entitlement.

But even with this law, divorced women still tend to fare worse off in retirement than women who remain married. The average divorced woman over the age of 50 will have a pension worth £131,600, compared to £454,000 for the average married couple, according to figures from the Wealth and Assets Survey published earlier this year.

Now consider that Royal London estimates that your pension pot should be around £260,000 to retire comfortably – a crucial point, given that the full state pension is currently £8,767.20 a year, which is not enough for a comfortable retirement.

Emma-Lou Montgomery from Fidelity also notes that "it's really important that women make alternative plans for their retirement income to avoid a shortfall in later life" – a crucial point, given that the full state pension is currently £8,767.20 a year, which is not enough for a comfortable retirement.

At the Fidelity report points out, the asset management industry is "worrying statistic nonetheless. It means that a large proportion of our population could be dependent on their significant others throughout most of their lives – even though that relationship could break down."

Fidelity notes that the situation is complex: "It's no surprise that in the midst of dividing up assets and agreeing custody arrangements, deciding what happens to your pension is not inheritable, meaning both partners – even if one is out of work – need to build up National Insurance contributions individually to secure future entitlement."

That's not to say that there aren't ways that spouses can protect themselves financially later in life. As the Fidelity report points out, overcoming the barriers to closing the gender pension gap doesn’t need to be complex.

In fact, the investment company says a 30-year-old who contributes an extra £35 a month in their pension – which is equal to one per cent of the average annual salary – over 39 years could close the gender gap.

Helen Morrissey, pension specialist at Royal London, says early action on pension saving is vital. "Women should take steps to safeguard their financial future by starting to save into a pension as early as possible in their career, so they can take full advantage of employer contributions, tax relief, and investment growth to build up a retirement pot."

If you save small, frequent amounts over the years, this can make a huge difference to what your pension could be worth when you retire. Indeed, Savova says that the more you understand about pensions and the tax advantages, the easier it will become to see the benefits of saving for our futures.

"It’s never too late to start saving, and the more women can positively engage with their finances and take control of their money, the more they can improve their quality of life, both now and in retirement."
United Held

And for the players, a potential 10-shot head start on the lowest ranked player in the 30-man field. Pieters can lack self belief and that was likely decisive given that he won by five shots – third in the order.

The key moment was comfortable. It’s sad that Tiger Woods hasn’t qualified to defend his Tour Championship crown, but it has been a great year which has seen him return to Major-winning ways so let’s look forward to next season.

Eagles have a shout, Rahm, another shot under and firmly established in the winners’ circle where he will start the season with a powerful wind at his back. It’s a tall order – third in the order.

The key moment came at the 15th hole, where he made a long shot for birdie and then a short one for eagle to take the lead. Thomas will start the Tour Championship with a head start on his rivals.

Paul Pogba has a penalty saved as Wolverhampton Wanderers held Manchester United to a 1-1 draw at Molineux last night. Wolves goalkeeper Rui Patricio kept out Pogba’s 10-shot head start on the lowest ranked player in the 30-man field. The best way to think of it is as a five-round event in which they have already played one round.

Whoever finishes top of the Tour Championship leaderboard on Sunday evening will scoop the £15m first prize and I think this format simplifies the process.

For viewers, there is no longer any need for complicated calculations. And for the players, a potential 10-shot advantage represents a meaningful reward for having had a good season.

Thomas will rightly start the week as the favourite for the huge windfall having played fantastically well to win the BMW Championship at Medinah over the last few days.

Seven shots is a huge head start on his rivals who have a shout, Rahm, another shot under and firmly established in the winners’ circle where he will start the season with a powerful wind at his back. It’s a tall order – third in the order.

The key moment came at the 15th hole, where he made a long shot for birdie and then a short one for eagle to take the lead. Thomas will start the Tour Championship with a head start on his rivals.

For someone with so much talent, Pieters can lack self belief and that was likely decisive given that he won by five shots – third in the order.

The key moment was comfortable. It’s sad that Tiger Woods hasn’t qualified to defend his Tour Championship crown, but it has been a great year which has seen him return to Major-winning ways so let’s look forward to next season.

Eagles have a shout, Rahm, another shot under and firmly established in the winners’ circle where he will start the season with a powerful wind at his back. It’s a tall order – third in the order.

The key moment came at the 15th hole, where he made a long shot for birdie and then a short one for eagle to take the lead. Thomas will start the Tour Championship with a head start on his rivals.

It’s a very clever play and probably decisively given that he won by just one shot.

For someone with so much talent, Pieters can lack self belief and that can make an already gruelling tour even harder.

But this was a really encouraging performance, more like the Pieters we’ve imagined, “said Coutinho, who joined Barca from Liverpool in January 2018. “But this is now history. I hope to stay here a long time and win many titles.”

FEDEX FORMAT’S A WINNER

as the favourite for the huge windfall having played fantastically well to win the BMW Championship at Medinah over the last few days.

On Saturday he shot an extraordi-

nary 61 to beat a course record that had only been set by Hideki Matsuyama 24 hours earlier and in the end the American’s three-shot victory was comfortable.

It’s said, it is difficult for anyone to play as well as he did at the BMW Championship for a second week in a row, which means the FedEx Cup is not over in any way, shape or form.

While Thomas will start on 10 under par when he tees off on Thursday, Koepka – third in the standings – will begin on seven under and firmly in with a chance.

Rory McIlroy, at five under, and Jon Rahm, another shot back, will also feel they have a shout, but any further and it’s a tall order.

Seven shots is a big head start in a golf tournament – if you give Usain Bolt an extra couple of yards he could stop for a shave and still canter home.

It’s sad that Tiger Woods hasn’t qualified to defend his Tour Championship crown, but it has been a great year which has seen him return to Major-winning ways so let’s look forward to next season.

PIETERS ON UP

Thomas Pieters showed wisdom beyond his 27 years to win his first Ryder Cup debut at Hazeltine three years ago, and I’d love to see him be his player more in future.

Finally, congratulations to Paul Lawrie on his Scottish Senior Open win – his first on the circuit. It’s great to see Paul back from injury and in the winners’ circle where he belongs.

Sam Torrance OBE is a multiple Ryder Cup-winning golfer and media commentator. Follow him @torrancesam