CITY A.M.
BUSINESS WITH PERSONALITY

T20 VISION SURREY CRICKET CHIEF ON THE SPORT'S MOST SPECTACULAR SUMMER **P18**

IDEAS FACTORY MEET THE MAN BEHIND A NEW WHITEHALL POLICY HUB **P10**

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BLOCK NO-DEAL AND I'LL SEEK AN ELECTION

PRIME MINISTER UNVEILS DRAMATIC ULTIMATUM AS MPs LAUNCH THEIR BID TO FORCE A FRESH BREXIT EXTENSION

CATHERINE NEILAN
@CatNeilan

BORIS Johnson will ask MPs to trigger a General Election for 14 October if the rebel alliance successfully seizes control of parliament today, thereby blocking a no-deal exit from the EU.

On the steps of Downing Street yesterday evening, the Prime Minister said: "I don't want an election; you don't want an election" – but vowed he would never personally seek a Brexit extension beyond 31 October.

A senior government source later confirmed Johnson is planning to understand today's vote, lodged by opposition MPs to take control of the legislative agenda, as an effective confidence vote.

A government motion for a snap General Election will be tabled if rebels are successful in passing a motion to take control of the order paper, which could allow them to pass legislation removing the possibility of a no-deal Brexit. There would then be a vote tomorrow under the Fixed-Term Parliaments Act, which requires a two-thirds majority, for a General Election.

The move is intended to force backbench Tory MPs to choose between backing the government's Brexit strategy – including the possibility of leaving without a deal – or risking their majorities at the ballot box later this autumn.

The election would then, unusually, be held on a Monday to allow time for a newly elected Prime Minister to attend the critical European Council summit, which starts on 17 October.

Johnson warned in his statement yesterday that if Brussels believed MPs could "find some way to cancel the referendum" or vote to extend Article 50, it would "plainly chop the legs out from under the UK's position, and make any further negotiation absolutely impossible".

Johnson added: "To show our friends in Brussels that we are absolutely united, MPs should vote with the government against Corbyn's pointless delay.

"I want everybody to know there are absolutely no circumstances in which I will ask Brussels to delay. We are leaving on 31 October – no ifs or buts.

"We will not accept any attempt to go back on our promises or scrub that referendum."

His speech came as pro-Remain MPs finally showed their hand in the form of a new bill tabled by Labour's Hilary Benn, with signatories including former chancellor Philip Hammond and ex-justice secretary David Gauke.

If enacted, the European Union (Withdrawal) (No 6) Bill, which is just two pages long, would force the Prime Minister to write to European Council president Donald Tusk asking for Article 50 to be extended until 31 January 2020.

In order to avoid the bill being triggered, the government must have parliamentary approval, either for a deal or no deal, by 19 October.

If not, Johnson must request the extra time, which MPs said will give the government "sufficient time to carry out a genuine and sincere negotiation", as well as to ratify any future deal.

The time will also be used to build a cross-parliament consensus on the next steps, rebels have said.

FTSE 100 ▲ 7,281.94 +74.76 **FTSE 250** ▲ 19,481.55 +87.92 **DOW** CLOSED **NASDAQ** CLOSED **£/$** ▼ 1.206 -0.008 **£/€** ▲ 1.109 +0.004 **€/$** ▼ 1.096 -0.003

CITY A.M.

THE CITY VIEW

Labour plans will end the market consensus

YOU WOULD be forgiven for thinking, this week of all weeks, that Brexit is the only game in town – not least with today's no-deal brouhaha becoming an effective confidence vote in Boris Johnson's still wet-behind-the-ears administration. But despite the parliamentary theatre, it's worth remembering what the suddenly very real prospect of a General Election would mean. They are, after all, a means to an end: to win, to govern, and to deliver on a manifesto – not just a device to overcome a political hurdle. For the Labour party – who by the end of the week could be heading into an election against a divided governing party mired in economic uncertainty and Brexit drama – that manifesto would be unapologetically radical. The impact of some of their more eye-catching policies are becoming clearer by the day. An "employee share scheme" stealth charge would, in effect, hike corporation tax to 31 per cent for large companies and take huge chunks out of pension funds. A modern-day "right to buy" scheme for private renters that might well sound appealing to stretched young professionals but would constitute a shocking assault on property rights. And that's before we get into the potential costs and chaos of the biggest nationalisation programme ever seen in the UK, which has already had members of the shadow cabinet forced to answer questions about whether the party might introduce capital controls in the event of a run on the pound. In short, for all of the shadow chancellor's gently-backlit TV interviews, the far-reaching nature of Labour's plans for the economy would tear up the broad consensus between politicians and wealth creators overnight. That this could be a popular policy platform should give some pause; that consensus, believe many, is not one that works for them. So there is a job to be done by those in the City and the wider business community to make the case again for a broad belief in modern capitalism. In 2017 we saw the opposition launch daily attacks on the Square Mile, the elite and "the rigged system". Another election will see that rhetoric ramped up yet again – and those who believe in free and competitive markets will have to launch their fightback anew.

An election would see Labour ramp up its attacks on the Square Mile

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TIT FOR TAT Embattled Hong Kong leader Carrie Lam says she would resign 'if she could' following months of demonstrations

CARRIE Lam, the leader of Hong Kong, has said that she would quit her role if she could, according to an audio recording of a meeting acquired by Reuters. Speaking to businesses last week, Lam said: "If I have a choice, the first thing is to quit, having made a deep apology." The revelations came as thousands of students boycotted classes and protested peacefully yesterday in a continuation of anti-government demonstrations. The protests have raged since June, when Lam's government introduced a bill that would have let citizens be extradited to China for trial.

Day of the creeping dread hits British manufacturers

ALEX DANIEL AND JOE CURTIS

@alexmdaniel @joe_r_curtis

A "CREEPING dread" has descended on Britain's manufacturing sector, according to economists, after factories suffered their worst slump in seven years.

Manufacturing output plunged to its worst level since 2012 last month, according to IHS Markit's Purchasing Managers' Index (PMI), as Brexit doubts intensified and a wider economic slowdown hurt firms. It recorded a drop to 47.4, where anything below 50 represents a contraction.

"High levels of economic and political uncertainty alongside ongoing global trade tensions stifled the performance of UK manufacturers in August," said Rob Dobson, IHS Markit director. This was consistent with a quarterly contraction of about two per cent, IHS Markit warned.

Chartered Institute of Procurement & Supply director Duncan Brock said that with Brexit approaching, "a creeping dread is descending on the sector that there will be more of these obstacles to come".

Meanwhile on the continent, manufacturing activity contracted for the seventh consecutive month in August as optimism was suppressed by a continued fall in demand. The Eurozone PMI score came in at 47 – well below the threshold for growth.

BOTTOM LINE

The British manufacturing sector's difficult year continues apace. A closely-followed industry measure's dramatic slump has sparked yet more cries that Brexit-related uncertainty is "strangling manufacturing production" from sources such as the Unite union.

But this is not the only factor. A global economic slowdown has hampered orders from the US and Asia. New export business also suffered its worst fall in seven years as a result. Germany is a case in point. While Britain's PMI score was 47.4, Germany's export-driven sector fared far worse with a score of 43.5.

Lloyds' Bank manufacturing head Steve Harris said that while Britain's exposure to the world economy has historically been a strength, "reduced global demand resulting from continued geopolitical uncertainty has created headwinds for export-led strategies". Brexit certainly hasn't helped, but with the US-China trade war ramping up further, there are even bigger factors at play. ALEX DANIEL

WHAT THE OTHER PAPERS SAY THIS MORNING

FINANCIAL TIMES

RENAULT BOSS BLAMED AS TOP EXECUTIVE QUITS

A senior executive in the crumbling alliance between Renault and Nissan has quit, blaming the boss of the French carmaker Thierry Bollore for his departure from the business. Arnaud Deboeuf, who was the most senior alliance executive after Carlos Ghosn before his arrest and departure, said he was forced to leave the carmaker by Renault's chief executive.

ARGENTINE PESO RISES AFTER CAPITAL CONTROLS

Argentina's peso strengthened yesterday after the government imposed capital controls over the weekend to try to prevent the country's latest debt crisis from spiralling. With queues evident outside some banks in Buenos Aires yesterday, Argentina's finance minister said he believed the currency would now stabilise.

THE TIMES

JACK RUSSELL PUPPY MAKES HIS DEBUT AT NUMBER 10

The newest incumbent of Downing Street has dishevelled hair, a question mark over his personal discipline and arrives in office amid fears he may be disliked by elements in the current staff. But at least you can train him to sit up and beg. A 15-week-old Jack Russell has been adopted by Boris Johnson and his girlfriend, Carrie Symonds.

HS2 COULD BE DELAYED BY ANOTHER THREE YEARS

The HS2 railway will be delayed by up to three years, with the first phase of the line between Birmingham and London not being ready until 2028 at the earliest.

THE DAILY TELEGRAPH

TEACHER'S STARTING PAY PACKETS TO RISE TO £30,000

Teachers' starting salaries are to rise to £30,000 within three years under plans announced by the government. The £6,000 pay rise by 2022, which ministers say is the biggest reform to teachers' pay in a generation, is aimed at boosting the appeal of the profession.

BANK OF ENGLAND OFFICIAL CALLS FOR FUNDS REFORM

Reform of controversial investment funds like those run by Neil Woodford could even up an "unlevel playing field" sucking capital away from more productive areas of the economy, Alex Brazier, a leading Bank of England official said yesterday.

THE WALL STREET JOURNAL

DORIAN BATTERS BAHAMAS AND HEADS TOWARDS US

Hurricane Dorian slowed to a crawl yesterday over the northwestern Bahamas, pounding Grand Bahama Island with catastrophic winds and storm surge before moving toward the southeastern US. After lashing the Abaco Islands, the storm made landfall in Grand Bahama Island Sunday night.

SMALL BUSINESSES' FAITH IN ECONOMY HITS LOW

Higher tariffs on Chinese imports are adding costs and uncertainty for small businesses and dimming their outlook for the US economy. Confidence among small firms fell in August to the lowest level since November 2012.

Retail sales dip as shoppers hit by Brexit nerves

JESS CLARK
@jclarkjourno

RETAILERS have been warned to prepare for further political and economic turbulence as like-for-like retail sales growth dipped last month in the latest blow for the UK high street.

Bricks and mortar sales, not including food products, decreased by 0.5 per cent on a like-for-like basis from August last year.

In the three months to August, in-store sales declined three per cent, below the 12-month total average fall of 2.6 per cent.

On a total basis, sales were flat against an increase of 1.3 per cent in August last year, according to figures published today by the British Retail Consortium and accountancy firm KPMG.

"With a budgetary spending review, the Brexit crunch point looming and potentially a General Election on the cards, it's clear that the only thing that is certain in the coming months is further uncertainty," Paul Martin, UK head of retail at KPMG, said.

"It's vital that retailers insulate themselves for every eventuality and have rigorous contingency plans in place."

Online sales of non-food products grew 2.2 per cent last month, weakening from growth of 7.5 per cent in August 2018, showing that the e-commerce sector has slowed "drastically".

Grocery sales returned to positive growth in August as shoppers prepared for the Bank Holiday heatwave.

Spending in pubs and restaurants was also bolstered by the hot weather.

Data from Barclaycard showed that non-essential spending rose by 1.4 per cent driven by 10.9 per cent growth from pubs and 8.6 per cent from restaurants.

Spending in discount stores also grew by eight per cent as more customers hunted for bargains. Research showed that 52 per cent of UK adults are worried about the impact of rising prices over the next month.

"A weak pound and worries about rising prices are causing concern for many, with Brits looking to better balance their household budgets," Esme Harwood, director at Barclaycard, said.

NEW PERSSON-EL Sajid Javid appoints former EY Brexit guru as his chief of staff

EY'S BREXIT strategy leader has left the audit giant to serve as Sajid Javid's new chief of staff, *City A.M.* understands. Mats Persson, who was once David Cameron's main adviser on EU affairs, left the accountancy firm last week, EY confirmed.

Ashley's Sports Direct is backing case to push Debenhams under

JESS CLARK
@jclarkjourno

MIKE Ashley's Sports Direct is backing a legal challenge against Debenhams' restructuring plan to "drive it into administration so that it can pick up its assets on the cheap", a court was told yesterday.

The sports retailer is backing a challenge brought by Combined Property Control Group (CPC), which represents the landlords of six Debenhams branches, against the department store's rescue deal.

If CPC wins the case the restructuring plan could unravel, tipping the retailer into administration.

In written submissions to the court, Tom Smith QC, representing Debenhams, said: "Sports Direct wants to drive its principal competitor out of business... It wants to drive Debenhams into administration so that it can pick up its assets on the cheap."

In May the retailer secured the backing to push ahead with a major restructuring plan.

Digital banks poised to triple users in upset to high street status quo

SEBASTIAN MCCARTHY
@SebMcCarthy

BRITAIN's digital-only banks are set to treble their customers in the year ahead, as they ramp up their efforts to challenge high street rivals and disrupt the retail lending market.

Despite widespread concerns over their long-term profitability, fast-growing online lenders are on track to amass 35m new users globally over the next 12 months, according to new analysis from Accenture.

Challenger banks have snapped up roughly 5m new accounts during the first half of 2019, broadening their customer base beyond millennials and early adopters in recent months to win round older customers and those living outside of London.

Yet despite the strong growth, financial technology firms such as Monzo and Revolut have struggled to turn popularity into profit, with the typical online-only bank losing an average £9 per customer.

Gary Greenwood, a banking analyst at Shore Capital, said: "Particularly in a very low interest rate environment, it's just not enough to have customers and take in deposits.

"You need them to be doing revenue generating activities and be borrowing from you in order to make a return."

Philip Green loses Arcadia exec as chief operating officer leaves role

JESS CLARK

@jclarkjourno

ARCADIA's chief operating officer has stepped down after more than 25 years with Sir Philip Green's retail empire.

David Shepherd, who took on the operating chief role in 2012 and was previously a director at Topman, retired at the end of last month. His departure comes after Baroness Karren Brady resigned in February from her role as chair of Taveta Investments, the holding company that owns Arcadia. Non-executive director Sharon Brown stepped down at the same time.

Arcadia, which owns high street brands such as Topshop and Dorothy Perkins, is currently undergoing a restructuring process.

It was reported over the weekend to be preparing to sell off its brands, however a spokesperson for the company called the reports "unfounded" and said Arcadia is focused on implementing its recently agreed rescue plan.

In June, the retail group narrowly secured creditor approval to implement a company voluntary arrangement, giving Arcadia the green light to close 23 stores and secure rent reductions at nearly 200 branches.

Aramco chair will step down ahead of expected float

AUGUST GRAHAM

@AugustGraham

SAUDI Arabia has removed its energy minister from the chairmanship of state-owned oil giant Saudi Aramco as it prepares to float the company as soon as next year.

Khalid Al-Falih will step down from the position, as the company tries to avoid too many conflicts of interest as it hits the public markets for the first time, Bloomberg reported, citing sources.

However, the news may also mark a repudiation of Al-Falih's policies.

The energy minister reportedly disagrees with Crown Prince Mohammed Bin Salman, who is keen to bring the company's float to the New York exchange.

Bin Salman has been at loggerheads with Al-Falih over Aramco's float

The board of Aramco, including Al-Falih, is worried the company would open itself up to litigation in the US if it lists there. US terror laws allow victims of attacks, and their families, to sue foreign countries. The board is worried that families of those killed on 9/11 could use this to take the Saudis to court.

"All this shows that in Saudi Arabia there has been some dissatisfaction at the highest levels on how things have been going," Olivier Jakob at consultant Petromatrix in Switzerland told Bloomberg.

The energy minister has tried for months to get on top of falling oil prices, which have been put under pressure by rising US production.

Prices rose earlier this year as Saudi-led oil cartel Opec slashed production.

However, Brent crude failed to reach October's heady $82 per barrel, peaking at under $72 in April. Yesterday, Brent cruse was trading at around $58.50.

Last week, the Wall Street Journal, citing sources, reported that Aramco is looking primarily at a dual listing between the Saudi exchange and Tokyo, shunning London and Hong Kong amid political uncertainty.

Al-Falih will be replaced by the head of Saudi Arabia's sovereign wealth fund Yasir Al-Rumayyan, a Bin Salman ally who has sat on the board of Aramco since 2016.

The news comes after Al-Falih on Friday lost the industry and mineral resources brief, as those areas were broken off from the Energy Ministry in to a brand new department.

The department, and therefore Al-Falih, oversaw more than half of the Saudi economy before the split.

ANNOUNCEMENTS

LEGAL AND PUBLIC NOTICES

CITY OF LONDON

THE PLANNING ACTS AND THE ORDERS AND REGULATIONS MADE THEREUNDER

This notice gives details of applications registered by the Department of The Built Environment

Code: FULL/FULMAJ/FULEIA/FULLR3 – Planning Permission; LBC – Listed Building Consent; TPO – Tree Preservation Order; OUTL – Outline Planning Permission

1 Finsbury Avenue, London, EC2M 2PF

19/00800/LBC

Application under Section 19 of the Planning (Listed Buildings and Conservation Areas) Act 1990 to vary condition 5 (approved documents) of listed building consent 18/00893/LBC dated 15 November 2018 to enable (i) the use of part of basement level 2 for a flexible use of either Class A1, A2, A3 or A4 (53sq.m); and (ii) the reconfiguration of the layout of the approved Class D2 use at basement level 2.

27 - 32 Poultry, London, EC2R 8AJ

19/00828/LBC

Installation of a projecting sign over Prince's Street.

155 Bishopsgate, London, EC2M 3TQ

19/00837/FULL

Change of use at ground floor level to include (i) change of use from office lobby (Class B1) to office/cafe/bar (Sui Generis); (ii) change of use of retail (Class A1) to flexible office/retail/professional services and/or restaurant (Class B1/A1/A2/A3); (iii) change of use of ground floor retail Class A1 unit to flexible retail/professional services/restaurant and cafe (Class A1, A2 and/or A3) (iv) change of use of ground floor retail Class A1 unit to flexible retail/professional services/restaurant and/or cafe (Class A1, A2 and/or A3) and (v) change of use of ground floor wine bar Class A4 unit to flexible retail/professional services/restaurant and/or cafe/bar (Class A1, A2, A3 and/or A4) (Total floorspace 933sq.m); External alterations and improvements to facades of retail units and office frontages at ground floor; public realm improvements fronting Bishopsgate, to include external landscaping and outdoor seating; provision of external terraces to offices at levels 4 and 7; provision of cycle storage (total 92) and other works incidental to the development.

118A London Wall, London, EC25 5JA

19/00846/LBC

i) Hand painted signage to the fascia panels; ii) installation of one projecting sign on the Moorfields elevation; and iii) internal alterations.

9 Devonshire Square, London, EC2M 4YD

19/00863/LBC

Window renovations and internal works concerning removal of internal wall and creation of new riser.

Applications can be viewed at www.planning2.cityoflondon.gov.uk or at the Department of the Built Environment, North Wing, Guildhall, Basinghall Street, London EC2, between 09.30 and 16.30. Representations must be made within 21 days of the date of this newspaper online or in writing to PLNComments@cityoflondon.gov.uk or the Chief Planning Officer, PO Box 270, Guildhall, London, EC2P 2EJ. In the event that an appeal against a decision of the Council proceeds by way of the expedited procedure, any representations made about the application will be passed to the Secretary of State and there will be no opportunity to make further representations.

CITY OF LONDON

Deutsche chief to buy shares in bank until 2023

SEBASTIAN MCCARTHY

@SebMcCarthy

THE BOSS of embattled German lender Deutsche Bank will spend 15 per cent of his monthly net salary buying shares in the company.

As part of a pledge earlier this summer, chief executive Christian Sewing will buy €21,250 (£19,339) of shares in the bank at the end of each month until the end of 2022, filings revealed yesterday.

In July, Sewing sought to reassure investors of his confidence in the company's turnaround plan by vowing to invest "a substantial amount" of his own income in the group.

"I am putting my money where my mouth is," Sewing promised analysts in early July when the group revealed its transformation plan.

Chairman Paul Achleitner has also bought almost €1m of shares in the troubled bank.

In the past few months, brokers and investors have been digesting Sewing's radical cost-cutting plan, which involves axing 18,000 jobs globally as part of an attempt to stem its decade-long decline.

Deutsche is closing its global share-trading business and significantly cutting back investment banking operations, saying that the restructuring will cost the bank €7.4bn.

The German firm's share price closed up one per cent last night, with the value of its stock having recovered slightly in recent days after hitting a record low of €5.78 last month.

Deutsche Bank chief Christian Sewing

IT ALL ADS UP Analysts upgrade ITV and JCDecaux as Brexit ad campaign kicks off

BROADCASTER ITV and outdoor advertising giant JCDecaux could be set for a revenue boost as the government launches its £100m Brexit public information campaign, said Liberum analysts, after the 'Get ready for Brexit' campaign launched this week.

Financial firms moving to Ireland in EU exit uncertainty tops 100

PADRAIC HALPIN

WELL over 100 financial services firms that applied to set up or extend operations in Ireland because of Brexit have been authorised to do so by the Irish central bank, deputy governor Ed Sibley has said.

"We're well over 100 authorisations or authorisations in principle where we've said you're authorised subject to certain conditions, for instance putting capital in," Sibley told Reuters last week.

"We still have a number of applications that are in train, many will be completed before 31 October, some won't...," he added.

"If they're not authorised, they're not authorised and we would expect them not to be taking authorised business."

Reuters

China launches tariff complaint at trade body

HARRY ROBERTSON

@henrygrobertson

CHINA yesterday lodged a complaint at the World Trade Organization (WTO) against US tariffs, which have hit $300bn (£250bn) of Chinese exports.

The US on Sunday slapped 15 per cent tariffs on a variety of Chinese goods in the latest escalation of the raging trade war between the world's two biggest economies.

Beijing revealed it had taken a case to the WTO, the arbiter of global trade, in a statement from the Ministry of Commerce, which also said the latest tariffs broke an agreement reached between the two countries at a meeting in Japan. It is the third lawsuit China has brought to the trade body to challenge US President Donald Trump's trade policies.

WTO rules say Washington has 60 days to try to settle the complaint China has lodged. Yet how much heed the Trump administration would pay to WTO rulings remains to be seen.

It has criticised the organisation for failing to reign in China, while the US President has threatened to quit the international body.

Eurotunnel unveils its new customs system in Brexit-ready preparations

JOE CURTIS

@joe_r_curtis

EUROTUNNEL is ready for Brexit, it told investors yesterday, as it aimed to quell fears that there could be disruption to the key trade route.

About 5,000 trucks use the service every day and the Paris-listed firm has introduced a two-lane system for trucks post-Brexit.

The new system will see customs officials carry out checks on each side of the Channel at its Folkestone and Coquelles terminals.

Two so-called pit stops – one at each side of the tunnel – will allow Eurotunnel to check 20 trucks "in just a few short minutes".

Those declared fine to cross will travel along a so-called green route, while officials can direct trucks to an orange route for more checks.

Meanwhile, Eurotunnel has built a 240-space car park for trucks in France, and a customs and sanitary control zone in the Coquelles terminal with nine inspection bays and 100 parking spaces. That will allow French authorities to check UK-sourced goods "without disrupting through-traffic".

It is also recruiting customs support roles "to help drivers get their paperwork in order for the controls".

Iran cautions EU states on nuclear deal assurances

HARRY ROBERTSON

@henrygrobertson

IRAN said yesterday that it would further break the terms of the 2015 nuclear deal unless European countries did more to help limit the damage of US sanctions on its economy.

The Trump administration tore up the Iran nuclear deal, under which Tehran limited nuclear projects in return for a lifting of sanctions, in May 2018.

The UK, Germany, and France have pledged to carry on with the key elements of the Barack Obama-era deal and help Iran navigate US sanctions, which include a complete ban on oil exports.

But Iranian foreign minister Mohammad Javad Zarif said in a press conference yesterday it was "meaningless" to stick to commitments "if we don't enjoy its benefits as promised by the deal's European parties".

Iran first said it would suspend some of the commitments it made in the nuclear deal in May.

In June, the nuclear watchdog said Iran is increasing production of enriched uranium, a key ingredient in nuclear energy and weapons.

Tehran has threatened to further break the deal by 6 September unless European nations can help to boost its oil sales, among other measures.

Yet Iran and France's positions are growing closer, Tehran said, providing hope a solution may be reached.

Allen & Overy's merger talks with US firm collapse

JAMES BOOTH

@Jamesdbooth1

MAGIC Circle law firm Allen & Overy's (A&O) long-running merger talks with US firm O'Melveny & Myers have collapsed, the firm said yesterday.

A deal would have given A&O a significant platform in the crucial US legal market, which Magic Circle firms have so far struggled to crack.

In a statement, the firm said: "Allen & Overy and O'Melveny & Myers have held discussions about a possible combination and, despite agreeing that there were some compelling synergies between us and that it was sensible to explore a possible deal in some detail, we have mutually decided not to continue these discussions."

A&O said it was still open to a US deal as "building our presence in the US remains the highest priority".

"We will significantly increase our immediate focus on lateral individual and team hires, while remaining open to considering opportunities for larger combinations that may arise in the future," the firm said.

Sources told Legal Week, which first reported the news, that the plummeting pound had made it difficult for the two firms to come to terms.

"Foreign exchange rate volatility and a reduction in US interest rates affect how any deal gets valued," a source said. "It made it too difficult to agree a valuation of each firm, and how financial integration and pay would work as a result."

When news of the talks emerged in April 2018, the pound was trading at $1.41, whereas yesterday it was hovering around $1.20 as fears of a no-deal Brexit hit investor confidence.

O'Melveny said: "O'Melveny has concluded that the firm's best course is to continue executing on its strategic plan."

A merger between the pair would have created a $2bn (£1.7bn) legal giant and given A&O a greatly enhanced platform in the lucrative US legal market.

US firms such as Kirkland & Ellis and Latham & Watkins have successfully built out London offices in recent years, taking on the Magic Circle firms on their home turf.

In contrast, the Magic Circle have struggled to develop credible practices stateside, hampered by the higher profitability typical at US firms.

A&O's management team have previously said they anticipate the emergence of a handful of leading global law firms and that building a sizeable US practice is key to being part of that group.

In 2018, O'Melveny posted revenue of $800m and profit per equity partner (Pep) of $2.2m, while A&O's 2018-19 revenue was £1.62bn and Pep grew one per cent to £1.6m.

Fresh setback for Woodford after ally departs from namesake trust

SEBASTIAN MCCARTHY

@SebMcCarthy

A SENIOR figure is stepping down from one of the largest investment trusts managed by Neil Woodford, as the embattled stockpicker's current woes continue to cause ripples across his network.

Steven Harris is to resign from the board of Woodford Patient Capital Trust (WPCT), a major investment portfolio run by the under-fire stockpicker.

The departure of Harris, the boss of Circassia Pharmaceuticals and an ally of Woodford, will likely be seen as a fresh blow for the stockpicker, whose Equity Income fund was suspended in June.

Troubles at Woodford's Equity Income fund have dented the share price of FTSE-250 listed WPCT, which has been suffering strained relations with its once-star fund manager in recent months.

In July, Woodford cashed in on £1m of shares in the WPCT, risking a fallout with directors at the firm and sparking speculation over his position.

Jane Tufnell, who has spent most of her career at Ruffer Investment Management, has also been appointed as a new independent non-executive director.

Astrazeneca shares hit record high on 'exceptionally impressive' trial

AUGUST GRAHAM

@AugustGraham

SHARES in Astrazeneca reached a record high yesterday after the company kicked off September with strong results from two drug trials.

The company's share price closed up almost three per cent to 7,533p, as it said drug Brilinta, when taken with aspirin, lowered the risk of heart attacks and strokes in patients.

Meanwhile, the company released "very strong data" on its Farxiga drug over the weekend, said Deutsche Bank analyst Richard Parkes, who upped his target price on the stock.

The "exceptionally impressive" results of its late-stage trial showed that Farxiga could prevent heart failure from worsening and reduce cardiovascular deaths in patients with and without diabetes.

It comes after a strong month for Astrazeneca, with several late-stage trials showing positive results.

"Recent financial results show that Astrazeneca has truly turned the corner on its expected return to growth and performance of its new drug portfolio is exceeding expectations," Parkes told *City A.M.*

"Looking to the year end, we continue to expect the company to report extensive new data."

'DO WHATEVER IT TAKES' Sadiq Khan urges London MPs to block no-deal Brexit

SADIQ Khan wrote to the capital's 73 MPs yesterday, asking them to block a no-deal Brexit. The London mayor, who supports a second referendum, said leaving the EU without a deal "would make us poorer, less safe and diminish our global standing".

Bailey vows to strip TfL of its housing powers

ALEXANDRA ROGERS

@city_amrogers

TORY mayoral candidate Shaun Bailey has said Transport for London (TfL) should be stripped of its housing function to boost the number of new builds in the capital.

Bailey, a former youth worker and adviser to ex-Prime Minister David Cameron, has pledged to set up a body called Housing for London which would be controlled by City Hall.

In an interview with *City A.M.*, he said TfL should have its housing function removed because they are "not good at it".

"The primary objective is to get more housing on TfL land, but secondly, to generate better funds. You need a specialist property division to make that work properly. TfL's poor performance has shown us that."

In May 2016, TfL set a target to build 10,000 homes by 2020. However, as of May this year, only 322 homes had been built on TfL land since Sadiq Khan became mayor. The target was later revised to 10,000 homes by 2021.

Bailey believes TfL lacks the property expertise needed to address the acute housing shortage in London.

He would increase the number of mayoral development corporations – statutory bodies that can push on with regeneration projects – from two to 20.

TfL land is ultimately controlled by Khan, as its chair, but day-to-day management is limited. Bailey said this makes it difficult for TfL to nail housing targets, while making it easier for the mayor to escape accountability.

The Tory mayoral hopeful has also pledged to conduct a "root and branch" review into TfL as an organisation, including how many consultants it uses and how much they are paid.

A spokesperson for Khan said: "Under Sadiq, London is building more council homes than it has in over than three decades. He is getting a record number of affordable homes built whilst protecting the green belt.

"TfL continues to work at pace towards the ambitious target of starting on sites with capacity for 10,000 homes by March 2021."

Sajid Javid says City a priority in meeting with Square Mile chiefs

HARRY ROBERTSON

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CHANCELLOR Sajid Javid yesterday reportedly told City bigwigs that the financial sector was a top priority for the government as it prepares itself for a political showdown over Brexit.

It was the first time Javid had met leading City figures to discuss Brexit since taking up the role.

Attendees at the meeting, held in Javid's Downing Street house, included the chairmen of Lloyd's of London and Legal & General, as well as the chiefs of Barclays and Goldman Sachs.

The industry figures raised concerns about the post-Brexit trading across borders of financial products such as derivatives, according to Reuters.

In a no-deal Brexit, trades worth billions of euros could be disrupted by the lack of a trading agreement.

One attendee described the meeting as constructive, according to Sky News, and praised Javid for naming the wellbeing of the City as a major focus.

Half of Brits fear dangers of self-driving vehicles

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ALMOST half of UK consumers are worried about the dangers posed by driverless cars, a new survey has revealed.

Roughly 43 per cent of adults surveyed said they were concerned about the problems that may arise from autonomous vehicles, as car manufacturers race to develop the new technology.

Research by software firm Studio Graphene, seen exclusively by *City A.M.*, found concern about self-driving cars was significantly higher than any other technology.

Artificial intelligence (AI) was the second most worrisome technology, with just under a quarter of respondents saying they were afraid of automation.

However, the survey, which highlighted public perception of different modern technologies, also showed that Brits were excited about 5G and biometrics.

Roughly 32 per cent of respondents said they were excited about the benefits of biometric technologies such as retina and fingerprint scanning.

The next-generation 5G mobile network followed close behind, while wearable technology such as smart watches also sparked excitement.

"The research shows that despite the hype, AI and driverless cars still trigger fear among UK adults. What's more, these are hugely significant trends shaping the world around us – like the internet of things and big data – which consumers do not fully understand," said Ritam Gandhi, director and founder of Studio Graphene.

Just under two in five people said they had never heard of the Internet of Things – which refers to the connection of computing devices in everyday objects such as smart speakers – while a similar proportion were not familiar with the term "Big Data".

ZAO'S THAT Chinese viral face-swapping app temporarily disabled after privacy row

CONTROVERSIAL face-swapping app Zao has provoked a major privacy row after going viral in China. Chinese messaging app We Chat temporarily disabled access to the app from the platform with the display message, saying it has "security risks".

De La Rue hires new chairman from embattled software giant

ALEX DANIEL
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EMBATTLED banknote and passport producer De La Rue has appointed a new chairman after months of investor pressure on its top-level leadership.

Kevin Loosemore, who is also chairman at struggling IT giant Micro Focus, will take up the role with immediate effect.

The London-listed company has come under attack from shareholders in recent months after its former chief executive quit earlier this summer, following the company's failure last year to win the contract to print Britain's new, blue passports.

IN BRIEF

NORWEGIAN UNLIKELY TO FLY 737 MAX THIS YEAR

The interim boss of Norwegian Air, Geir Karlsen, has said the airline is unlikely to fly the Boeing 737 Max this year. Norwegian, one of the major carriers of the grounded passenger jet with 18 planes in its fleet, had previously said it expected its 737 Max aircraft fleet to return to service in October.

NICKEL HITS RECORD AS INDONESIA BANS EXPORT

Indonesia said it would bring forward a planned nickel ore export ban to the beginning of next year, sending prices up to an almost five-year high. The country, which is the world's biggest producer, said that exports of all grades of nickel ore will be stopped from 1 January 2020, even if companies have contracts in place. The move sent nickel prices up 5.3 per cent to $18,850 yesterday.

TATA PLANT CLOSURES PUT 400 JOBS AT RISK

More than 400 jobs are at risk at two UK steel plants in Newport and Wolverhampton after owner Tata Steel said it would shut down part of its operation. Tata said it planned to close its Orb Electrical Steels site in Newport, after looking to try to sell the plant for the last 15 months. The factory produces electrical steel for use in vehicles' power transmissions, and employs 380 people. Tata said it has also failed to find a buyer for Wolverhampton Engineering Steels Service Centre, which employs 26 people.

POLITICS NEEDS TO INNOVATE

Catherine Neilan finds out how tech could help Whitehall get up to speed


Korski is also chief of public sector-focused venture capital firm Public

LOVE him or loathe him, Boris adviser Dominic Cummings has certainly shaken things up in Downing Street. But down Whitehall, it's a former No 10 policy wonk attempting to bring new Silicon Valley approaches to the civil service – another of Britain's oldest institutions – getting people talking.

Across the road from the Palace of Westminster sits a new co-working space, designed for startups with one thing in common: cutting waste and solving problems throughout the public sector. This, hopes Cameron-era politico-turned-entrepreneur Dan Korski, will become the new heart of the UK's so-called govtech sector.

"I got frustrated by innovation tourism," Korski says of his time in government. Civil servants "would take tourist trips to innovation land, take selfies at all these tech firms – but then they go back to their office, back to the public service way of thinking," he says.

"I thought if we are ever going to break that dynamic, we have to make it easier for innovators. We have to create a different space."

With that in mind, Korski joined forces with co-working specialist Huckletree and created Public Hall, a community of startups, investors and innovators that hope to transform public services.

Public Hall officially launches this month with more than 60 per cent occupancy. Among the companies already taking space are Futr, an artificial intelligence (AI) startup that hopes to simplify interactions between the public and government-run services, and Apolitical, essentially Linkedin for public servants.

Korski, who became a well-known figure in the tech world during his time as an adviser to David Cameron, is damning about Whitehall's ability to innovate. "In the public sector, because you're dealing with people's lives, money [and] health, there is talk less about disruption because it tends to make people worried," he says.

"But it is definitely the case that in government you have these large, slow-moving systems that are incapable of delivering for citizens in the way that they used to." And that's before we even get to the B-word.

"We are all focused on Brexit sure, but if we leave – however we leave – the UK economy still has to be built on something other than Brexit," says Korski. "Tech is going to be key to dealing with Brexit-related challenges and government would be foolish to rely on the same old suppliers. They will not be the ones to solve Brexit problems."

Admittedly, none of the startups currently taking space in the offices has a solution to the Irish border question. But they do have ambitions to solve somewhat more prosaic – although still important – issues that bedevil Brits, from streamlining utility payments and fines, to switching conversations from real-live translators to bots.

This might not sound as exciting as solving the Brexit impasse, but making Whitehall more efficient is good for every UK taxpayer.

It's also not just the tech firms that are clamouring to get closer to policy makers. Those within Whitehall recognise that paradigm shifts, for example our ageing population, require new thinking and that the private sector may be best placed to help.

"The closer these companies can work with civil servants, the more likely it is to be beneficial," says Marcus Shepheard, a senior researcher for the Institute for Government.

"Govtech is new space. There is a lot of uncertainty, because people are still finding their feet. This is the kind of thing industry needs, to blaze a path and establish a good precedent for startups and government to work together."

Korski, who welcomes Cummings' approach, also has a tip for the Prime Minister's own working space that he believes could benefit the UK.

"Number 10 should have an alternative office in Manchester, for example," he says. "Then the Prime Minister could have a week out of every month in that office – that would make a huge difference to how they think about the country."

Dechra gets Brexit-ready by shifting some operations to the Netherlands

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VETERINARY drugs maker Dechra Pharmaceuticals said yesterday it has steeled itself for a possible no-deal Brexit by shifting ownership of UK marketing authorisations to a new arm in the Netherlands.

Dechra also moved all its analytical testing methods for products created at its Skipton site in the UK to a new laboratory in Zagreb, Croatia, as well as its existing Bladel laboratory in the Netherlands.

"This will allow us to perform batch release within the EU in the likely event that there will be no mutual recognition of quality standards," Dechra told investors yesterday.

"We have increased inventory in the supply chain to mitigate the potential delays at ports. We do not expect any material effect from the potential import or export tariffs."

Dechra took the step as the UK risks leaving the EU without a deal on 31 October, the UK's scheduled Brexit departure date.

The company raised its dividend as underlying operating profit for the year to the end of June increased.

Dechra's operating profit rose 13.5 per cent to £39m in its latest financial year as revenue climbed 17.5 per cent year on year to hit £481.8m.

Underlying operating profit posted a 27.3 per cent jump to £127.4m.

VW retains public sector contracts after US inquiry

ALEX DANIEL
@alexmdaniel

VOLKSWAGEN will reportedly still be allowed to bid for public sector contracts in the US, after concerns a watchdog probe into its diesel emissions cheating scandal may result in a ban.

Instead of being excluded, VW will be made to install a second US monitor at its Wolfsburg headquarters in Germany following an investigation by the UA Environmental Protection Agency (EPA) to keep access, according to German business newspaper Handelsblatt.

The company, which is the second-biggest car maker in the world behind Toyota, produces diesel engines for the US Navy via its Man Energy Solutions subsidiary. VW's three-year monitoring process by the EPA is set to begin in the coming months.

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

LONDON REPORT

FTSE is boosted by Astrazeneca on trial success

THE FTSE 100 rose one per cent on Monday, shrugging off news of the latest US-China trade tariffs, as exporter stocks firmed following a slide in sterling on the prospect of an election against the backdrop of Brexit.

The main index hit its highest in nearly a month – 7,281.94 points – boosted partly by **Astrazeneca**, which rose nearly three per cent to an all-time high after separate trials showed its drugs helped patients with cardiovascular conditions.

The mid-cap FTSE 250 rose about 0.5 per cent, to 19,481.55, though trading volumes on both UK indices were thin due to a US market holiday.

Companies that book a major chunk of their earnings in US dollars such as **Diageo**, **Unilever** and **BAT** jumped as the pound weakened ahead of a showdown this week between the government and Tory MPs opposed to a no-deal Brexit.

With 59 days until Brexit, Prime Minister Boris Johnson threatened to purge any MP in his party who votes against the government on leaving the EU, as he looks to make good on his promise of delivering the departure on 31 October, with or without a deal.

The latest volley of tariffs between Washington and Beijing, which came into effect over the weekend, was also spurring some defensive buying.

Escalating worries over global trade and a looming recession weighed on the FTSE 100 in August, as it recorded its sharpest monthly fall since October.

"Gains may be fragile," Markets.com analyst Neil Wilson said of the FTSE 100's rise. "After a rough August though, traders should buckle up for more volatility in September."

Unilever, which makes Magnum ice cream, rose due to the weak pound

Marks & Spencer shed 1.4 per cent on expectations of being relegated from the FTSE 100 for the first time since the blue-chip index was created in 1984.

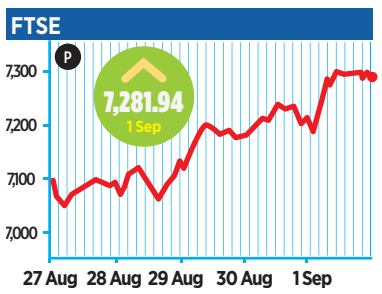
Also weighing on shares of the 135-year old retailer was Goldman Sachs reinstating coverage on the stock with a "Sell" rating, saying recent trading patterns in the retailer "continued to be disappointing".

TOP RISERS

1. **Experian** Up 3.02 per cent
2. **Astrazeneca** Up 2.94 per cent
3. **Intertek** Up 2.87 per cent

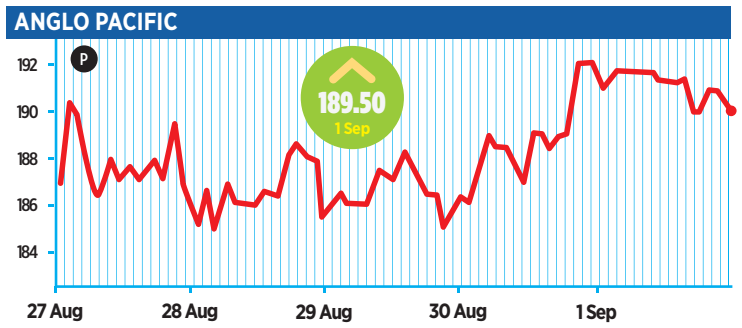
TOP FALLERS

1. **Micro Focus** Down 1.91 per cent
2. **Marks & Spencer** Down 1.38 per cent
3. **Just Eat** Down 1.27 per cent

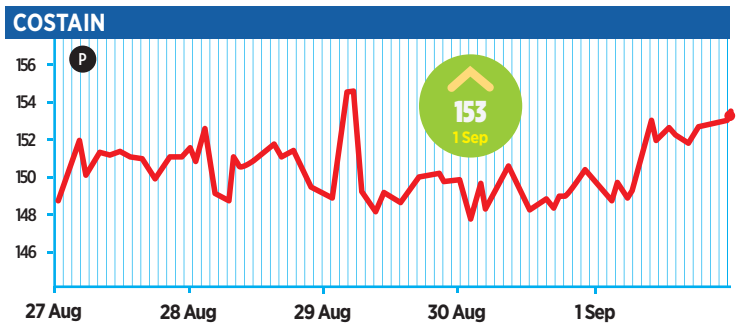


BEST OF THE BROKERS

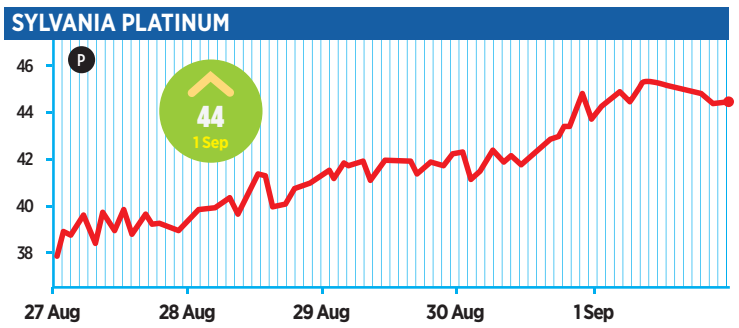
To appear in Best of the Brokers, email your research to notes@cityam.com



Anglo Pacific's deal with a subsidiary of Chilean group Mantos Copper may prove to be groundbreaking. The $50m (£41m) agreement will give Anglo a 1.5 per cent net smelter return on all copper produced at the Mantos Copper mine. Brokers at Peel Hunt were impressed with the move, which they said will pay back over 12 months without stretching Anglo's resources. It also marks Anglo's first major investment in copper and a further diversification away from coal. Peel Hunt gave Anglo Pacific a "Buy" rating with a target price of 235p.



Costain sustained heavy costs in the first half of the year, and the construction giant posted a 55 per cent collapse in pre-tax profit. A ropey roof came back to haunt the firm, which was forced to cough up £9.7m for repairs at a science centre it built in Oxford more than a decade ago. However, the figures were proposed up by strong momentum in contract awards. Brokers at Liberum showed their support for Costain, saying its shares were cheap "even if HS2 were cancelled". Liberum gave the company a "Buy" recommendation with a target price of 350p.



Bermuda-based Sylvania Platinum posted better-than-expected full-year results thanks to a lighter tax burden and higher production of the precious metal. Sylvania has also secured a binding agreement to sell its Grasvally chrome project for 115m South African rand (£6.3m). Brokers at Liberum were more cautious about the dividend, however, which missed expectations at one cent per share. Nevertheless, Liberum said Sylvania remains its preferred name in the mining space, giving it a "Buy" rating with a slightly reduced target price of 70p.

EUROPE REPORT

Europe closes up as investors get defensive

EUROPEAN shares closed higher in thin trading yesterday, with investors favouring defensive sectors as the US and China imposed more tariffs.

The pan-European Stoxx 600 closed up 0.3 per cent, starting September on a positive note after global trade disputes and recession worries drove the benchmark down 1.6 per cent in August.

After a tumultuous month, equity investors largely shrugged off the latest escalation in the trade spat as Washington began imposing 15 per cent tariffs on a variety of Chinese goods on Sunday and Beijing reciprocated with new duties on US crude oil.

On the main Stoxx index, defensive sectors such as food and beverage, healthcare and utilities – which tend to be favoured during times of economic uncertainty – led the gainers.

An ongoing decline in export-reliant Germany meant factory activity in the Eurozone contracted for a seventh month in August, bolstering expectations the European Central Bank will ease monetary policy next week.

"The data hasn't changed views much. You're left with the fact that a lot of negatives about the trade war has been discounted in the recent days," Rabobank's Philip Marey said.

"There are some hopes that will be talks between the two parties and the US holiday is having an impact as well. Investors are waiting for a direction from US markets."

Trade-sensitive German shares ended slightly higher, led by gains in exchange operator **Deutsche Boerse** , while a price target hike by Goldman Sachs on renewable energy company **RWE** drove its shares up 3.7 per cent.

Easing political worries helped Italy's FTSE MIB gain 0.6 per cent after Prime Minister Giuseppe Conte said on Sunday he expected to settle talks over a new government by tomorrow, as the 5-Star Movement and Democratic Party worked on allocating cabinet posts and finding a common agenda.

CITY MOVES WHO'S SWITCHING JOBS

GLOBALWEBINDEX

Supplier of audience insights to the global marketing industry Globalwebindex has announced the appointment of James Scott to the newly created position of chief commercial officer, where he will champion the growth and scalability of the business. James will be responsible for the commercial strategy and development of sales, account growth and customer service activities to drive market share. He will oversee inside sales and mid-market customers current and new, making sure that all functions of the organisation are aligned to meet its strategic commercial objectives. Sebastian Hedencrona, chief revenue officer, will continue to drive the enterprise division of the company, working closely alongside James. For the past two years James has been scaling the commercial function at Fospha, a marketing technology business which delivers digital attribution.

GROSVENOR BRITAIN & IRELAND

Grosvenor Britain & Ireland has appointed Cathy Griffiths as a commercial leasing manager for its London estate. Cathy will focus primarily on the business' office portfolio in Mayfair and Belgravia working with Charles Howard, director of offices, on leasing strategy and transactions covering both existing stock and assets in the development pipeline, including 65 Davies Street, 27 Eccleston Place and 20 Balderton Street. She will also support the office innovation stream, which identifies, filters and tests applications and solutions to assist the business' office tenants and supports the portfolio's position as a key business hub. Cathy joins Grosvenor Britain & Ireland from Bluebook, a niche West End office agency practice, and was previously at Deloitte Real Estate. In 2018, Grosvenor announced a £1bn, 10-year investment in its London estate. To address changing pressures and opportunities faced in central London, Grosvenor confirmed it would deliver new and improved office and retail space across its estate.

SECRET ESCAPES

Andy Botha has been appointed chief financial officer at Secret Escapes, the members-only online travel and experiences company. Andy, formerly group chief financial officer at ZPG, has more than 17 years' experience working with high growth digital, e-commerce and leisure businesses. He is an experienced board level leader, with success in leading operational businesses during periods of high growth. During his three and a half years at ZPG, Andy was instrumental in its growth and responsible for the successful financing and integration of its acquisitions, up until its sale to Silverlake for £2.5bn in May 2018. Andy has also held senior roles at notonthehighstreet.com, Betfair, lastminute.com and Holiday Autos UK.

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

FTSE 100	FTSE 250	FTSE ALL SHARE	DOW JONES	NASDAQ	S&P 500
7281.94	19481.55	3989.81	26403.28	7962.88	2926.46
74.76 ↑	87.92 ↑	36.79 ↑	HOLIDAY ↑	HOLIDAY ↓	HOLIDAY ↑

£					
/€ 1.0997	↓ 0.0059	€/$	1.0968	↓ 0.0021
/$ 1.2063	↓ 0.0092	€/£	0.9090	↑ 0.0049
/¥ 128.09	↓ 1.1530	€/¥	116.48	↓ 0.3662

GILTS

	Price	Chg	High	Low
Tsy 3.750 19	100.08	0.00	103.1	100.1
Tsy 2.000 20	101.36	-0.05	102.4	101.3
Tsy 4.750 20	102.19	-0.04	106.1	101.2
Tsy 3.750 20	103.33	-0.06	106.0	103.0
Tsy 2.500 20	355.22	-0.02	361.4	354.9
Tsy 8.000 21	113.47	-0.11	119.8	113.2
Tsy 4.000 22	109.28	-0.10	111.0	109.0
Tsy 0.500 22	100.66	-0.09	100.7	97.7
Tsy 1.875 22	117.13	-0.13	118.3	115.5
Tsy 2.250 23	107.87	-0.14	107.9	104.7
Tsy 2.500 24	376.98	-0.23	377.2	358.7
Tsy 0.125 24	115.51	-0.20	115.6	110.9
Tsy 5.000 25	125.94	-0.21	126.0	122.1
Tsy 4.250 27	132.54	-0.31	132.5	122.6
Tsy 1.250 27	140.49	-0.43	140.6	128.4
Tsy 6.000 28	151.90	-0.34	152.0	140.5
Tsy 0.125 29	134.11	-0.55	134.3	118.8
Tsy 4.750 30	147.52	-0.33	147.5	132.1
Tsy 4.125 30	402.33	-0.55	403.0	355.2
Tsy 4.250 32	145.80	-0.30	145.9	128.5
Tsy 1.250 32	166.49	-0.76	166.5	144.1
Tsy 0.125 36	160.78	-1.16	161.0	133.4
Tsy 4.250 36	154.92	-0.42	154.9	133.1
Tsy 4.750 38	170.77	-0.43	170.8	144.9
Tsy 0.625 40	183.72	-1.32	183.7	152.8
Tsy 4.500 42	175.48	-0.51	175.5	145.9
Tsy 3.500 45	157.88	-0.62	157.9	128.0
Tsy 4.250 46	179.57	-0.63	179.6	145.7
Tsy 4.025 49	187.35	-0.81	187.4	150.0
Tsy 0.500 50	219.75	-2.34	220.6	173.7
Tsy 0.250 52	217.89	-2.61	218.9	168.8

AEROSPACE & DEFENCE

	Price	Chg	High	Low
BAE Systems	555.0	9.4	636.2	443.9
Cobham	162.0	0.5	168.3	96.8
Meggitt	624.4	5.4	624.8	458.0
QinetiQ Group	289.8	1.2	312.4	267.0
Rolls-Royce Holdi	773.8	2.6	1009.5	730.0
Senior	200.0	-2.4	323.0	185.4
Ultra Electronics	2186.0	8.0	2210.0	1232.0

BANKS

	Price	Chg	High	Low
Bank of Georgia G	1375.0	14.0	1878.8	1310.0
Barclays	137.5	0.9	181.0	136.2
Close Brothers Gr	1291.0	2.0	1660.0	1227.0
CYBG	142.1	0.9	337.4	132.7
HSBC Holdings	594.9	3.5	682.0	580.9
Lloyds Banking Gr	50.3	0.5	66.6	48.6
Metro Bank	261.6	-7.2	3050.0	255.4
Royal Bank of Sco	186.3	0.8	270.4	177.7
Standard Chartere	627.8	5.8	736.8	519.8
TBC Bank Group	1250.0	18.0	1728.0	1232.0

BEVERAGES

	Price	Chg	High	Low
Barr (A.G.)	589.0	-6.0	975.0	587.0
Britvic	880.5	13.0	956.0	745.0
Coca-Cola HBC AG	2756.0	26.0	3074.0	2244.0
Diageo	3591.0	87.5	3603.0	2523.5

CHEMICALS

	Price	Chg	High	Low
Croda Internation	4742.0	40.0	5447.7	4564.0
Elementis	153.1	3.2	245.8	129.8
Johnson Matthey	2959.0	49.0	3673.0	2620.0
Sirius Minerals	10.3	-0.1	35.8	8.1
Synthomer	309.2	0.0	529.3	279.8
Victrex plc	2054.0	-24.0	3408.0	1845.0

CONSTRUCTION & MATERIALS

	Price	Chg	High	Low
Balfour Beatty	218.6	3.0	295.0	194.2
CRH	2770.0	33.0	2790.0	1971.5
Galliford Try	590.5	5.0	1104.0	512.0
Ibstock	214.0	-0.4	262.0	193.1

	Price	Chg	High	Low
Marshalls	687.0	-7.0	697.0	412.2
Polypipe Group	383.0	8.0	453.8	307.8

ELECTRICITY

	Price	Chg	High	Low
Contour Global	175.4	-2.6	222.0	150.1
Drax Group	269.4	-0.6	427.2	260.2
SSE	1149.0	-2.0	1268.5	1008.0

ELECTRONIC & ELECTRICAL EQ.

	Price	Chg	High	Low
Halma	1988.5	25.5	2094.0	1237.0
Morgan Advanced M	255.0	-0.6	340.6	237.0
Oxford Instrument	1316.0	4.0	1424.0	842.0
Renishaw	3582.0	32.0	5520.0	3368.0
Spectris	2318.0	7.0	2898.0	1966.5

EQUITY INVESTMENT INSTRUM.

	Price	Chg	High	Low
Aberforth Smaller	1178.0	0.0	1362.0	1114.0
Alliance Trust	803.0	5.0	838.0	672.0
Apax Global Alpha	153.5	0.5	159.0	127.0
AVI Global Trust	747.0	7.0	781.0	660.0
Baillie Gifford J	793.0	2.0	866.0	663.0
Bankers Inv Trust	945.0	10.0	970.0	766.0
BBGI SICAV S.A. (	159.0	-0.5	168.0	142.5
BlackRock Smaller	1414.0	4.0	1490.0	1160.0
BMO Global Smalle	1356.0	10.0	1495.0	1220.0
Caledonia Investm	3035.0	-5.0	3110.0	2650.0
City of London In	413.0	4.0	431.5	376.0
Edinburgh Inv Tru	558.0	7.0	694.0	535.0
F&C Investment Tr	711.0	9.0	737.0	616.0
Fidelity China Sp	218.0	4.5	250.0	182.4
Fidelity European	250.5	2.5	257.5	202.0
Fidelity Special	253.0	1.5	277.0	220.0
Finsbury Growth &	951.0	17.0	956.0	740.0
GCP Infrastructur	126.2	0.0	130.8	122.4
Genesis Emerging	765.0	9.0	783.0	615.0
Greencoat UK Wind	140.0	0.2	143.2	124.4
HarbourVest Globa	1668.0	0.0	1726.0	1326.0
Herald Investment	1308.0	-4.0	1364.0	1055.0
HGCapital Trust	218.0	1.5	220.0	175.0
HICL Infrastructu	170.0	0.6	170.3	149.9
International Pub	164.0	-0.6	165.6	146.8
JPMorgan American	474.5	3.5	494.5	386.5
JPMorgan Emerging	1004.0	12.0	1066.0	759.0
JPMorgan Indian I	712.0	6.0	790.0	566.0
JPMorgan Japanese	446.5	-1.0	465.0	367.0
Jupiter European	837.0	1.0	892.0	666.0
Law Debenture Cor	574.0	8.0	620.0	534.0
Mercantile Invest	204.0	3.0	217.1	168.0
Monks Inv Trust	922.0	2.0	964.0	710.0
Murray Internatio	1174.0	14.0	1208.0	1056.0
NB Global Floatin	88.7	0.0	93.0	87.6
NextEnergy Solar	121.0	1.0	124.5	108.5
Pantheon Internat	2270.0	-5.0	2330.0	1955.0
Perpetual Income	295.5	3.5	364.5	284.5
Pershing Square H	1556.0	26.0	1558.8	990.0
Personal Assets T	43000.0	150.0	43150.0	38900.0
Polar Capital Tec	1404.0	8.0	1500.0	1066.0
RIT Capital Partn	2135.0	15.0	2150.0	1892.0
Riverstone Energy	714.0	12.0	1282.0	635.0
Schroder Asia Pac	438.0	-0.5	469.5	379.0
Scottish Inv Trus	821.0	7.0	884.0	748.0
Scottish Mortgage	518.0	-2.0	568.5	441.4
Sequoia Economic	115.4	-1.4	117.6	106.0
Smithson Investme	1266.0	10.0	1278.0	1000.2
Syncona Limited N	229.5	-1.5	302.5	213.5
Temple Bar Inv Tr	1192.0	16.0	1366.0	1116.0
Templeton Emergin	781.0	6.0	829.0	649.0
The Renewables In	130.0	0.0	133.2	109.3
TR Property Inv T	426.5	-0.5	427.0	353.5
Vietnam Enterpris	488.5	-0.5	490.5	421.5
VinaCapital Vietn	348.5	2.5	356.5	318.0
Witan Inv Trust	213.5	2.0	225.6	189.6
Woodford Patient	42.4	1.3	91.0	40.1
Worldwide Healthc	2790.0	35.0	2915.0	2325.0

FINANCIAL SERVICES

	Price	Chg	High	Low
3i Group	1121.5	25.0	1164.5	756.2
3i Infrastructure	299.0	0.0	303.0	240.3
AJ Bell	408.5	8.5	477.0	220.0
Allied Minds	60.0	1.3	84.2	37.3
Amigo Holdings	76.4	-3.2	297.5	70.7
Arrow Global Grou	197.4	0.0	273.0	167.2
ASA International	393.0	13.0	496.0	320.0
Ashmore Group	455.4	4.2	542.5	341.2
Brewin Dolphin Ho	307.0	2.6	362.6	287.6
Charter Court Fin	265.0	3.0	375.0	228.8
City of London In	413.0	3.5	440.0	360.0
CMC Markets	96.8	2.3	170.8	77.4
Coats Group	74.8	1.6	91.3	69.8
Georgia Capital	1020.0	22.0	1260.0	941.0
Hargreaves Lansdo	1894.5	16.5	2433.0	1633.0
IG Group Holdings	547.2	7.4	915.0	474.8
IntegraFin Holdin	392.0	5.5	406.1	269.0
Intermediate Capi	1358.0	22.0	1429.0	899.0
International Per	94.7	6.4	233.6	87.0
Investec	424.4	2.0	561.0	400.7
IP Group	57.2	0.4	131.2	54.4
John Laing Group	351.0	-2.8	402.0	296.2
JTC	360.0	4.0	440.0	287.0
Jupiter Fund Mana	343.7	2.0	432.0	287.6
Liontrust Asset M	772.0	2.0	816.0	532.0
LMS Capital	57.0	0.0	57.0	44.0
London Finance &	38.5	0.0	42.5	37.5
London Stock Exch	7020.0	66.0	7058.0	3867.0
Man Group	168.5	1.8	183.0	126.8
OneSavings Bank	320.4	-1.4	447.4	313.6
Paragon Banking G	440.4	4.2	478.8	379.2
Plus500 Ltd (DI)	696.2	14.6	1647.0	495.0
Provident Financi	385.7	-17.6	683.0	356.0
Quilter	126.3	1.4	156.6	110.6
Rathbone Brothers	2220.0	-10.0	2634.0	2085.0
Real Estate Credi	166.5	-0.5	175.5	163.0
Record	31.2	-0.2	42.1	27.3
River and Mercant	266.0	1.5	330.0	212.0
S&U	2130.0	30.0	2605.0	1767.5
Sanne Group	521.0	-2.0	752.0	450.0
Schroders	2760.0	30.0	3210.0	2334.0
Standard Life Abe	252.3	3.0	370.9	224.9
TP ICAP	292.0	0.7	324.5	267.2
Walker Crips Grou	25.5	0.0	38.5	24.0
XPS Pensions Grou	112.0	0.5	178.5	95.0

FIXED LINE TELECOMS

	Price	Chg	High	Low
BT Group	167.1	1.4	264.7	158.9
TalkTalk Telecom	102.6	0.7	137.0	96.6
Telecom Plus	1170.0	10.0	1528.0	1010.0

FOOD & DRUG RETAILERS

	Price	Chg	High	Low
Greggs	2096.0	-18.0	2476.0	1006.0
Morrison (Wm) Sup	184.5	1.9	267.2	176.9
Ocado Group	1328.5	33.0	1435.0	749.8
Sainsbury (J)	196.7	0.6	326.2	177.1
SSP Group	721.0	14.0	744.4	615.1
Tesco	224.2	5.0	253.0	189.6
UDG Healthcare Pu	794.0	9.0	821.0	551.0

FOOD PRODUCERS

	Price	Chg	High	Low
Associated Britis	2286.0	15.0	2638.0	2041.0
Bakkavor Group	109.6	-0.4	188.6	93.3
Cranswick	2760.0	0.0	3454.0	2472.0
Greencore Group	209.9	0.0	230.0	162.9
Hilton Food Group	987.0	14.0	1088.0	884.0
Tate & Lyle	732.8	13.4	800.4	633.4
Unilever	5271.0	75.0	5308.0	3931.0

FORESTRY & PAPER

	Price	Chg	High	Low
Mondi	1591.5	-5.5	2170.0	1510.5

GAS, WATER & MULTIUTILITIES

	Price	Chg	High	Low
Centrica	70.2	0.5	155.6	64.6
National Grid	860.9	2.4	889.2	748.7
Pennon Group	763.8	8.6	792.8	684.2
Severn Trent	2066.0	-5.0	2153.0	1770.0
United Utilities	816.0	2.0	873.6	682.4

GENERAL INDUSTRIALS

	Price	Chg	High	Low
Smith (DS)	341.6	1.6	494.0	292.2
Smiths Group	1678.5	9.0	1698.0	1279.5
Smurfit Kappa Gro	2522.0	-14.0	3230.0	1934.0
Vesuvius	465.6	0.0	662.0	456.4

GENERAL RETAILERS

	Price	Chg	High	Low
Auto Trader Group	532.6	1.0	606.0	388.5
B&M European Valu	360.9	3.1	426.3	278.6
Card Factory	155.7	1.5	209.0	151.2
Dixons Carphone	107.3	-0.1	178.6	104.9
Dunelm Group	878.5	2.5	981.0	482.8
Inchcape	578.5	0.5	695.5	486.6
JD Sports Fashion	626.6	9.6	649.8	318.5
Just Eat	775.8	-10.0	812.0	533.8
Kingfisher	196.5	2.1	274.3	188.0
Marks & Spencer G	189.6	-2.7	299.1	180.4

	Price	Chg	High	Low
Reckitt Benckiser	6438.0	39.0	7155.0	5593.0
Redrow	558.0	6.0	674.6	460.8
Taylor Wimpey	147.3	1.4	192.3	129.3

INDUSTRIAL ENGINEERING

	Price	Chg	High	Low
Bodycote	707.5	-9.0	952.5	654.0
Hill & Smith Hold	1152.0	2.0	1306.0	902.5
IMI	999.8	-5.2	1214.0	870.0
Melrose Industrie	184.2	3.2	230.0	146.3
RHI Magnesita N.V	4350.0	-72.0	5000.0	3318.0
Rotork	310.0	0.4	342.8	235.7
Spirax-Sarco Engi	8040.0	15.0	9400.0	5900.0
Weir Group	1444.5	-20.0	1886.0	1240.0

INDUSTRIAL METALS & MINING

	Price	Chg	High	Low
Evraz	494.9	-1.4	709.4	442.1
Ferrexpo	202.3	0.2	301.3	143.5

INDUSTRIAL TRANSPORTATION

	Price	Chg	High	Low
BBA Aviation	323.6	2.6	325.0	207.0
Clarkson	2285.0	-15.0	2860.0	1878.0
Fisher (James) &	2045.0	53.0	2260.0	1600.0
Royal Mail	206.6	0.5	489.0	188.4

MAIN CHANGES UK 350

Risers	%	Fallers	%
FDM Group Holding 794.0	5.2	Intu Properties 38.2	-6.2
Hays 145.7	4.1	Provident Financia 385.7	-4.4
NewRiver REIT 168.4	3.2	Amigo Holdings 76.4	-4.0
Pagegroup 431.8	3.2	Wood Group (John) 364.8	-3.2
Woodford Patient C 42.4	3.0	Metro Bank 261.6	-2.7
Experian 2594.0	3.0	Sports Direct Inte 242.6	-2.7
AstraZeneca 7533.0	2.9	Hammerson 222.0	-2.2
GVC Holdings 647.4	2.9	Softcat 1019.0	-2.0
Intertek Group 5584.0	2.9	Premier Oil 79.2	-2.0
Fisher (James) & S 2045.0	2.7	Hunting 448.2	-1.9

	Price	Chg	High	Low
Next	5950.0	14.0	6064.0	3991.0
Pets at Home Grou	232.0	0.8	233.4	110.0
Sports Direct Int	242.6	-6.6	381.9	214.0
Ted Baker	930.0	15.0	2378.0	800.0
Vivo Energy	119.0	-1.2	146.9	96.0
WH Smith	1962.0	4.0	2186.0	1697.0

HEALTH CARE EQUIPMETN & S.

	Price	Chg	High	Low
Assura	69.5	0.2	70.3	52.4
Convatec Group	176.9	2.5	239.0	118.6
Mediclinic Intern	339.4	0.0	498.7	293.4
NMC Health	2555.0	53.0	3954.0	1801.5
Smith & Nephew	1990.0	25.0	1998.0	1258.0

HHOLD GDS & HOME CONSTR.

	Price	Chg	High	Low
Barratt Developme	632.4	0.0	663.0	434.0
Bellway	2960.0	59.0	3226.0	2419.0
Berkeley Group Ho	3903.0	-14.0	3981.0	3226.0
Bovis Homes Group	1037.0	9.0	1177.0	828.0
Countryside Prope	298.0	-1.2	353.2	270.0
Crest Nicholson H	346.0	-1.2	404.8	296.4
McCarthy & Stone	133.2	-1.1	142.7	111.0
Persimmon	1904.5	2.0	2471.0	1836.0

NON LIFE INSURANCE

	Price	Chg	High	Low
Admiral Group	2161.0	14.0	2300.0	1932.5
Beazley	577.5	8.0	599.0	492.6
Direct Line Insur	284.7	1.6	366.5	281.9
Hastings Group Ho	184.3	1.3	274.2	174.0
Hiscox Limited (D	1559.0	9.0	1777.0	1418.0
Lancashire Holdin	698.0	17.0	725.5	530.0
RSA Insurance Gro	528.4	5.0	637.6	496.6
Sabre Insurance G	260.5	0.5	294.0	249.0

LIFE INSURANCE

	Price	Chg	High	Low
Aviva	355.7	1.6	497.0	353.5
Legal & General G	223.5	3.9	291.2	216.7
Phoenix Group Hol	647.0	0.0	724.8	544.0
Prudential	1371.5	3.5	1814.5	1326.0
St James's Place	920.8	3.0	1154.5	914.0

MEDIA

	Price	Chg	High	Low
4Imprint Group	2850.0	70.0	2940.0	1800.0
Ascential	385.8	7.2	434.8	337.2
Bloomsbury Publis	236.0	1.0	243.0	190.5
Centaur Media	39.5	0.0	56.5	34.7
Entertainment One	588.0	3.0	589.0	336.4
Euromoney Institu	1358.0	-2.0	1412.0	1132.0

	Price	Chg	High	Low
Future	1194.0	8.0	1248.0	410.0
Goco Group	74.6	-0.6	104.0	64.6
Haynes Publishing	220.0	0.0	227.0	160.0
Huntsworth	90.0	0.0	123.5	81.0
Informa	874.8	4.8	892.0	605.8
ITE Group	73.3	1.8	83.7	56.3
ITV	116.6	0.6	162.3	103.6
Moneysupermarket.	371.4	-2.1	417.7	264.0
Pearson	840.8	9.4	1027.5	769.2
Reach	92.5	1.5	94.0	54.6
Relx plc	2011.0	44.5	2017.0	1491.5
Rightmove	541.8	6.3	585.1	420.9
STV Group	355.0	0.0	405.5	318.0
WPP	968.2	-2.0	1278.5	800.4

MINING

	Price	Chg	High	Low
Acacia Mining	264.6	-1.4	269.2	96.1
Anglo American	1782.2	8.0	2266.0	1464.6
Antofagasta	855.8	-10.2	1022.5	727.2
BHP Group	1765.6	-7.4	2049.0	1490.6
Centamin (DI)	146.0	0.9	152.4	79.8
Fresnillo	746.0	5.6	1027.5	601.0
Glencore	236.9	-0.1	341.5	222.2
Hochschild Mining	218.0	-1.2	227.0	149.1
Kaz Minerals	401.4	-1.4	738.4	385.4
Polymetal Interna	1179.0	-4.0	1183.5	597.2
Rio Tinto	4147.0	-2.5	4976.5	3486.0

MOBILE TELECOMS

	Price	Chg	High	Low
Inmarsat	607.4	3.4	612.6	362.8
Vodafone Group	156.7	1.4	170.9	123.3

OIL & GAS PRODUCERS

	Price	Chg	High	Low
BP	503.8	3.6	598.3	485.9
Cairn Energy	169.1	2.1	243.6	140.0
Energean Oil & Ga	986.0	-5.0	1082.0	530.0
Premier Oil	79.2	-1.6	143.6	55.6
Royal Dutch Shell	2296.0	20.5	2666.0	2213.0
Royal Dutch Shell	2279.0	14.0	2705.5	2227.0
Tullow Oil	205.7	1.4	266.3	165.2

OIL EQUIPMENT & SERVICES

	Price	Chg	High	Low
Hunting	448.2	-8.8	843.5	414.2
Petrofac Ltd.	416.8	-1.4	663.4	381.5
Wood Group (John)	364.8	-12.1	796.4	358.4

PERSONAL GOODS

	Price	Chg	High	Low
Burberry Group	2185.0	21.0	2345.0	1623.5
PZ Cussons	211.0	1.0	244.0	178.6

PHARMACEUTICALS & BIOTECH

	Price	Chg	High	Low
AstraZeneca	7533.0	215.0	7583.0	5325.0
Dechra Pharmaceut	2978.0	-22.0	3120.0	2014.0
Genus	2676.0	46.0	2884.0	2098.0
GlaxoSmithKline	1736.8	25.2	1744.8	1418.0
Hikma Pharmaceuti	2037.0	20.0	2067.0	1510.5
PureTech Health	277.0	-2.0	292.0	154.8

REAL ESTATE INVEST. & SERV.

	Price	Chg	High	Low
BMO Commercial Pr	109.4	2.0	148.4	106.0
Capital & Countie	206.0	1.2	279.5	184.9
CLS Holdings	237.0	-2.5	255.0	195.4
Daejan Holdings	5290.0	80.0	6160.0	5210.0
Grainger	245.2	1.0	278.0	205.8
NewRiver REIT	168.4	5.2	265.5	147.6
Safestore Holding	670.0	-1.0	676.0	499.4
Savills	822.0	-5.0	957.0	678.5
St. Modwen Proper	410.0	3.0	441.5	365.0
UK Commercial Pro	81.7	-0.3	92.7	80.2

REAL ESTATE INVEST. TRUSTS

	Price	Chg	High	Low
Big Yellow Group	1074.0	4.0	1080.0	852.5
British Land Comp	513.8	4.0	635.6	468.3
Derwent London	3172.0	-12.0	3328.0	2761.0

	Price	Chg	High	Low
Great Portland Es	699.4	3.2	773.6	649.4
Hammerson	222.0	-5.0	471.1	203.9
Intu Properties	38.2	-2.5	201.5	32.2
Land Securities G	778.6	3.2	936.0	735.4
LondonMetric Prop	205.0	-0.2	215.2	172.7
Primary Health Pr	136.0	-0.6	139.0	106.4
SEGRO	789.0	4.0	793.0	585.2
Shaftesbury	861.0	-5.0	928.5	739.5
Tritax Big Box Re	141.6	1.5	159.7	129.0
Unite Group	1060.0	13.0	1076.0	797.5
Workspace Group	854.5	4.5	1069.0	789.5

SOFTWARE & COMPUTER SERV.

	Price	Chg	High	Low
Avast	385.2	5.2	393.4	257.5
Aveva Group	3716.0	16.0	4170.0	2284.0
Computacenter	1341.0	16.0	1525.0	952.0
FDM Group (Holdin	794.0	39.0	1000.0	734.0
Funding Circle Ho	111.2	-0.8	440.0	99.0
Kainos Group	491.0	-7.0	676.0	365.0
Micro Focus Inter	1087.6	-21.2	2491.6	1043.6
Playtech	369.3	-1.7	532.0	360.5
Sage Group	701.0	0.4	820.4	525.6
Softcat	1019.0	-21.0	1040.0	565.0
Sophos Group	383.3	0.0	529.5	298.2

SUPPORT SERVICES

	Price	Chg	High	Low
Aggreko	772.4	6.2	876.6	691.8
Ashtead Group	2289.0	18.0	2438.0	1586.5
BCA Marketplace	241.8	0.2	247.0	178.5
Bunzl	2059.0	46.0	2551.0	1978.5
Capita	127.7	2.0	150.2	99.9
DCC	7044.0	60.0	7390.0	5555.0
Diploma	1597.0	12.0	1634.0	1150.0
Electrocomponents	581.8	0.8	749.4	480.0
Equiniti Group	206.6	1.6	266.0	186.2
Essentra	400.2	-1.8	446.0	325.4
Experian	2594.0	76.0	2599.0	1728.5
Ferguson	6140.0	96.0	6556.0	4749.0
G4S	174.5	0.6	250.0	168.3
Grafton Group Uni	744.5	-8.0	937.0	630.0
Hays	145.7	5.7	212.0	135.7
Homeserve	1143.0	-5.0	1263.0	849.0
Howden Joinery Gr	545.6	7.4	573.4	416.4
Intertek Group	5584.0	156.0	5962.0	4387.0
Network Internati	604.0	3.0	629.0	500.0
Pagegroup	431.8	13.2	610.5	415.0
PayPoint	898.0	11.0	1118.0	748.0
Rentokil Initial	459.3	9.1	461.0	284.8
Robert Walters	526.0	18.0	475.0	814.0
Serco Group	147.1	1.2	148.4	84.1
SIG	126.8	0.7	153.0	102.2
Travis Perkins	1243.0	-7.5	1465.0	970.0

TOBACCO

	Price	Chg	High	Low
British American	2901.5	21.5	3763.0	2375.0
Imperial Brands	2146.0	21.5	2750.0	1846.8

TRAVEL & LEISURE

	Price	Chg	High	Low
Carnival	3498.0	50.0	5000.0	3366.0
Cineworld Group	221.8	3.4	323.6	212.0
Compass Group	2118.0	35.0	2126.0	1483.0
Domino's Pizza Gr	242.5	2.7	297.2	221.2
EI Group	281.4	0.2	285.0	155.8
FirstGroup	129.7	-0.3	131.3	79.3
Flutter Entertain	6888.0	122.0	7290.0	5525.0
Go-Ahead Group	2078.0	-2.0	2200.0	1480.0
Greene King	840.0	-1.2	850.0	475.0
GVC Holdings	647.4	18.4	1105.0	507.5
InterContinental	5163.0	38.0	5738.0	3958.4
International Con	425.2	3.5	700.0	413.5
Marston's	126.1	-1.0	128.0	89.9
Merlin Entertainm	452.0	0.3	453.4	307.1
Millennium & Copt	685.0	5.0	685.0	436.0

	Price	Chg	High	Low
Mitchells & Butle	351.5	2.5	355.5	238.0
National Express	426.2	1.8	438.4	361.4
PPHE Hotel Group	1740.0	-20.0	1990.0	1495.0
Rank Group	164.2	3.0	183.6	135.0
Restaurant Group	154.2	0.9	221.9	111.9
Stagecoach Group	124.7	1.4	177.0	115.5
TUI AG Reg Shs (D	827.6	10.6	1474.0	698.0
Wetherspoon (J.D.	1579.0	0.0	1615.0	1066.0
Whitbread	4409.0	36.0	5114.0	4086.0
William Hill	180.1	1.9	265.5	132.3
Wizz Air Holdings	3582.0	-14.0	3769.0	2329.0

AIM 50

	Price	Chg	High	Low
Abcam	1168.0	11.0	1539.0	1017.0
Advanced Medical	308.0	-6.0	354.5	260.0
Alliance Pharma	66.9	1.0	95.0	60.0
ASOS	2340.0	-40.0	6192.0	2107.0
Blue Prism Group	950.0	21.5	2575.0	871.5
Camellia	9350.0	-375.0	11750.0	9100.0
CareTech Holding	365.0	-1.0	406.0	325.0
Central Asia Meta	189.0	-0.2	266.5	180.0
Clinigen Group	889.0	4.0	1069.0	721.0
CVS Group	875.0	9.0	1023.0	395.0
Dart Group	746.0	-6.0	1017.0	709.5
Diversified Gas &	104.5	1.0	134.0	97.0
Draper Esprit	470.0	18.0	625.0	445.0
Eland Oil & Gas	123.8	0.8	134.0	97.0
EMIS Group	1112.0	2.0	1242.0	864.0
Fevertree Drinks	2297.0	37.0	3956.0	2070.0
First Derivatives	2315.0	5.0	4240.0	2050.0
Frontier Developm	1088.0	50.0	1385.0	740.0
Gamma Communicati	1050.0	15.0	1195.0	688.0
GB Group	581.0	4.0	631.0	410.5
Gooch & Housego	1001.0	-29.0	1880.0	954.0
Hurricane Energy	42.9	-0.8	60.8	38.9
Impax Asset Manag	234.0	-4.5	295.0	184.0
Iomart Group	336.5	13.5	475.0	308.0
IQE	51.9	0.4	98.7	48.0
James Halstead	494.0	14.0	532.0	367.0
Johnson Service G	163.4	-2.2	176.0	113.6
Keywords Studios	1594.0	7.0	1992.0	900.0
Learning Technolo	130.0	6.8	166.5	62.2
M&C Saatchi	209.0	-1.0	394.0	208.0
M. P. Evans Group	675.0	4.0	800.0	637.0
Midwich Group	496.0	-10.0	685.0	490.0
Mortgage Advice B	576.0	19.0	720.0	490.0
Naked Wines	255.5	-4.0	420.5	219.0
Next Fifteen Comm	588.0	-1.0	658.0	469.0
Nichols	1730.0	2.5	1880.0	1240.0
Numis Corporation	246.5	9.0	422.0	221.5
Polar Capital Hol	510.0	2.0	644.0	448.0
Purplebricks Grou	128.6	0.6	295.4	90.0
Redde	108.0	2.0	196.0	90.0
Renew Holdings	385.0	-1.5	436.5	333.0
RWS Holdings	608.0	5.0	652.0	415.5
Scapa Group	227.0	-2.0	473.4	157.0
Secure Income Rei	433.0	-2.0	438.0	371.0
Serica Energy	111.0	-3.0	142.0	74.9
Smart Metering Sy	458.4	5.6	665.0	448.8
Telford Homes	349.5	0.5	430.0	267.0
Thorpe (F.W.)	301.0	1.0	340.0	248.0
Watkin Jones	219.5	3.5	232.5	192.2
Young & Co's Brew	1640.0	50.0	1885.0	1322.5
Young & Co's Brew	1150.0	0.0	1270.0	1030.0

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EU SHARES

	Price	Chg	High	Low
AB INBEV	86.23	0.03	92.71	56.32
ADIDAS N	269.45	-0.05	297.95	178.30
AIR LIQUIDE	127.40	0.75	127.50	101.85
AIRBUS BR.	126.00	0.66	133.86	77.50
ALLIANZ	201.20	0.90	218.70	170.50
AMADEUS IT GRP BR-A	67.18	-0.58	82.20	58.06
ASML HLDG	200.70	-1.55	211.50	130.12
AXA	20.99	0.12	23.99	18.40
BANCO SANTANDER	3.43	-0.01	4.68	3.41
BASF N	59.99	-0.33	81.73	55.72
BAYER N	66.57	-1.12	81.74	52.00
BBVA	4.28	-0.03	5.79	4.19
BMW	60.34	-0.56	86.71	58.10
BNP PARIBAS A	41.05	0.01	55.34	38.14
CRH PLC	30.55	0.27	34.87	26.53
DAIMLER N	42.55	-0.24	59.90	40.35
DANONE	81.56	0.10	82.00	59.72
DEUTSCHE POST N	29.98	0.13	32.01	23.43
DEUTSCHE TELEKOM N	15.21	0.07	15.88	13.36
ENEL N	6.68	0.09	6.71	4.22
ENGIE	13.87	0.04	14.39	11.31
ENI N	13.71	0.03	16.67	12.92
ESSILORLUXOTT	133.45	-0.80	135.40	95.50
FRESENIUS	44.28	0.30	69.76	38.50
IBERDROLA	9.44	0.09	9.47	5.68
INDITEX	27.85	-0.27	28.38	21.85
ING GROUP	8.66	-0.04	12.14	8.20
INTESA SANPAOLO N	2.00	0.01	2.47	1.80
KERING	440.85	0.45	539.80	351.70
KON AH DEL BR	21.40	0.12	24.01	18.60
L'OREAL	251.20	2.60	257.80	182.00
LINDE	171.05	0.35	0.00	0.00
LVMH	362.90	0.50	392.65	242.30
MUENCHENER RUECKV N	220.30	2.80	228.70	180.50
NOKIA	4.48	-0.02	5.76	4.17
ORANGE	13.83	0.03	15.25	13.08
ROY.PHILIPS	43.01	0.13	43.67	29.05
SAFRAN	131.90	-0.25	137.20	99.98
SANOFI	79.53	1.41	80.44	71.74
SAP I	108.24	-0.38	125.00	84.02
SCHNEIDER EL	75.64	-0.52	81.36	57.54
SIEMENS N	90.52	-0.39	112.82	84.72
SOCIETE GENERALE	23.05	-0.01	35.01	20.81
TELEFONICA	6.36	0.06	8.06	5.86
TOTAL	45.28	-0.11	55.39	42.65
UNILEVER	56.93	0.49	57.40	45.30
VINCI	99.84	0.34	99.96	69.98
VIVENDI	25.30	-0.13	26.69	20.80
VOLKSWAGEN VZ I	146.56	0.02	163.70	131.02

COMMODITIES

Gold	1528.40	-11.80	Copper Cash Official	5680.00	-43.00
Silver	18.39	-0.09	Aluminium Cash Official	1713.50	0.00
Brent Crude	61.08	0.59	Nickel Cash Official	16345.00	1505.00
Krugerrand	1564.35	-3.65	Aluminium Alloy Cash Official	1156.00	4.00
Palladium	1500.00	15.00	Cocoa Futures	2161.00	1.00
Platinum	935.00	19.00	Coffee 'C' Futures	96.58	1.33
Tin Cash Official	15705.00	17.00	Feed Wheat Futures	129.75	-2.30
Lead Cash Official	2061.00	-23.00	Soybeans Futures Continuation Contract	857.00	3.00
Zinc Cash Official	2285.00	-40.00			

CREDIT & RATES

BoE IR Overnight	0.750	0.00	Euro Base Rate	0.000	0.00
BoE IR 7 days	0.750	0.00	Finance house base rate	1.000	0.00
BoE IR 1 month	0.750	0.00	US Fed funds	2.25	0.00
BoE IR 3 months	0.750	0.00	US long bond yield	1.96	-0.01
BoE IR 6 months	0.750	0.00	Euro Euribor	-0.403	0.01
LIBOR Euro - overnight	-0.467	0.00	The vix index	18.98	1.10
LIBOR Euro - 12 months	-0.402	0.00	The baltic dry index	2378.00	101.00
LIBOR USD - overnight	2.089	0.00	Markit iBoxx EUR	250.89	-0.19
LIBOR USD - 12 months	1.974	0.00	Markit iBoxx GBP	363.13	2.63
Halifax mortgage rate	3.990	0.00	Markit iBoxx USD	264.35	0.30

WORLD INDICES

	Price	Chg	%chg		Price	Chg	%chg		Price	Chg	%chg		Price	Chg	%chg
FTSE 100	7281.94	74.76	1.04	S&P 500	2926.46	1.88	0.06	CAC 40	5493.04	12.56	0.23	Hang Seng	25626.55	-98.18	-0.38
FTSE 250	19481.55	87.92	0.45	Dow Jones I.A.	26403.28	41.03	0.16	Swiss Market Index	9924.54	28.89	0.29	Shanghai Composite	2924.11	37.87	1.31
FTSE All-Share	3989.81	36.79	0.93	Nasdaq Composite	7962.88	-10.51	-0.13	ISEQ Overall Index	5909.56	30.14	0.51	STI Index	3079.65	-22.03	-0.71
FTSE AIM All-Share	873.60	2.03	0.23	Xetra DAX	11953.78	14.50	0.12	FTSEurofirst 300	1497.79	4.59	0.31	ASX All Ordinaries	6677.50	-20.70	-0.31

US SHARES

	Price	Chg	High	Low
3M	161.72	1.36	219.75	154.00
ABBOTT LABORATOR	85.32	0.50	88.76	65.22
ADOBE	284.51	-2.12	313.11	204.95
ALPHAB RG-C-NV	1188.10	-4.75	1289.27	970.11
ALPHABET-A	1190.53	-3.71	1296.98	977.66
AMAZON.COM	1776.29	-10.11	2050.50	1307.00
AMERICAN EXPRESS	120.37	-0.37	129.34	89.05
APPLE	208.74	-0.27	233.47	142.00
AT&T	35.26	0.11	35.50	26.80
BANK OF AMERICA	27.51	0.18	31.37	22.66
BERKSHIRE HATH RG-B	203.41	0.21	224.07	186.10
BOEING CO	364.09	1.35	446.01	292.47
CATERPILLAR	119.00	1.23	159.37	111.75
CHEVRON	117.72	0.20	127.60	100.22
CISCO SYSTEMS	46.81	-0.46	58.26	40.25
CITIGROUP	64.35	0.45	75.24	48.42
COCA-COLA CO	55.04	-0.01	55.34	44.25
COMCAST-A	44.26	0.09	45.30	32.61
COSTCO WHSL	294.76	-1.81	299.95	189.51
DOW	42.63	0.26	0.00	0.00
EXXON MOBIL	68.48	0.05	87.36	64.65
FACEBOOK-A	185.67	0.10	208.66	123.02
GOLDMAN SACHS GR	203.91	0.47	239.45	151.70
HOME DEPOT	227.91	0.59	229.27	158.09
IBM	135.53	0.65	154.36	105.94
INTEL	47.41	0.54	59.59	42.36
JOHNSON & JOHNSO	128.36	0.12	148.99	121.00
JPMORGAN CHASE	109.86	0.64	119.24	91.11
MASTERCARD RG-A	281.37	-0.01	283.33	171.89
MCDONALD'S	217.97	-2.57	221.93	156.56
MEDTRONIC	107.89	0.09	109.70	81.66
MERCK	86.47	-0.25	87.35	66.10
MICROSOFT	137.86	-0.26	141.68	93.96
NETFLIX	293.75	-3.03	386.80	231.23
NIKE -B-	84.50	-0.88	90.00	66.53
ORACLE	52.06	-0.10	60.50	42.40
PEPSICO	136.73	0.71	137.11	104.53
PEPSICO	118.61	0.56	119.74	101.06
PFIZER	35.55	0.22	46.47	33.97
PROCTER&GAMBLE	120.23	-0.95	122.00	78.49
SALESFORCE.COM	156.07	0.14	167.56	113.60
TRAVELERS COS	146.96	0.02	155.09	111.08
TWITTER	42.65	0.16	43.48	26.19
UNITEDHEALTH GRO	234.00	3.38	287.94	208.07
UTD TECHS	130.24	0.73	144.40	100.48
VERIZON COMM	58.16	0.22	61.58	52.28
VISA RG-A	180.82	-0.35	184.07	121.60
WALGREENS BOOTS	51.19	0.79	86.31	49.03
WALMART	114.26	0.18	115.49	85.78
WALT DISNEY	137.26	-0.58	147.15	100.35
WELLS FARGO	46.57	0.38	59.20	43.02

*US VALUES ARE FROM FRIDAY, AUGUST 30

OFFICE POLITICS

Learning how to let go of your business

Selling a company isn't just about the deal – for the founders, it's personal as well

FOR MANY entrepreneurs, successfully selling their business is validation that their years of hard work have paid off. It should be the happiest time of their lives, but it can actually be one filled with mixed emotions. I know this, because that's what I experienced myself.

In 2012, I co-founded an electronic point of sale business called Intelligent Point of Sale (IPOS). We grew the company over four years until it was eventually acquired by the fintech firm iZettle in 2016, which itself was acquired by PayPal in 2018 for $2.2bn.

My business partner and I exited the business with a package that we were very happy with. But looking back, I realise that there are things I learned through the sale that I wouldn't have known otherwise.

So, to those entrepreneurs who are considering a sale or are in the throes of the process, here are my most important lessons.

IT'S ABOUT THE JOURNEY, NOT THE DESTINATION

People imagine that a successful acquisition and securing a good financial exit is the high point of growing a business. It's the final scene in the movie, the "air punch and rock anthem" moment. But for me, the day we signed the deal didn't feel like a highlight. In fact, it felt bittersweet.

The true highlights were the "little wins": the first time our product went live; the first time we could afford to treat our team to a great Christmas party; and each and every record sales month.

Those memories serve as a reminder to live in the moment and enjoy the ride.

ACQUISITIONS REQUIRE A BIT OF SECRECY

When you receive an offer of acquisition, the legalities of the bid demand strict confidentiality.

For us, this was problematic because of the open, transparent culture within our team. I felt conflicted discussing the future of IPOS without the team's knowledge.

No one likes to be sneaky, but when it comes to acquisitions, a bit of 'cloak and dagger' behaviour goes with the territory

After all, no one likes to be sneaky, but when it comes to acquisitions, a bit of "cloak and dagger" behaviour goes with the territory.

Prior to iZettle, we had received other notes of interest, but it would have been disruptive to inform our team every time a potential suitor appeared.

Thankfully, the decision to go with iZettle was in line with the strategic direction already planned for IPOS and helped to accelerate those plans, so the team got on board quickly with the acquisition.

BEST LAID PLANS

Goals
Free

Selling a business for a profit is probably the ultimate goal for many founders. But reaching that objective isn't easy, and will require lots of planning. This app enables you to set tasks for today, the week, month or year. This will help you remember your to-do list, and give you the thrill of crossing them out once done.

IT'S ALL ABOUT THE PEOPLE

I've heard of situations where bosses of a newly acquired-company deliver the news to their team on Monday morning and expect "business as usual" by lunchtime. We didn't want to do that.

Instead, we took our team to a nice hotel, gave them a short presentation explaining our reasoning, then had a party with an open bar tab. People were free to ask us any questions and talk through what the deal meant for the company and for them personally.

It was important to us to make sure that we did our best to settle the team and structure things for continued success and fun.

PARTING CAN BE SUCH SWEET SORROW

My final piece of advice is that entrepreneurs must prepare themselves emotionally and psychologically for the sale. On the day I left, I felt a bit like I'd lost my left arm. We were a close-knit team and had shared many good times over the years.

Looking back, it's clear that the memories I treasure most are the ones involving people: building a team; shared successes (and failures); and trusted relationships. I wasn't prepared for just how difficult it was to leave them all behind.

Robin Knox is co-founder and chief executive of Boundary.

COFFEE BREAK

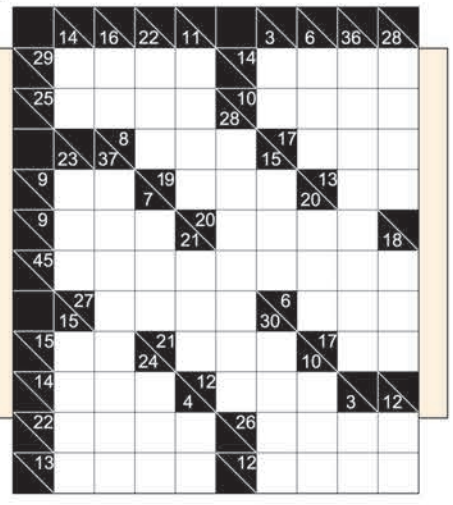
SUDOKU

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.

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

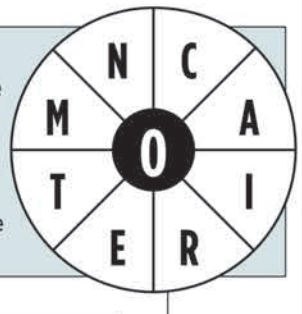
KAKURO

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

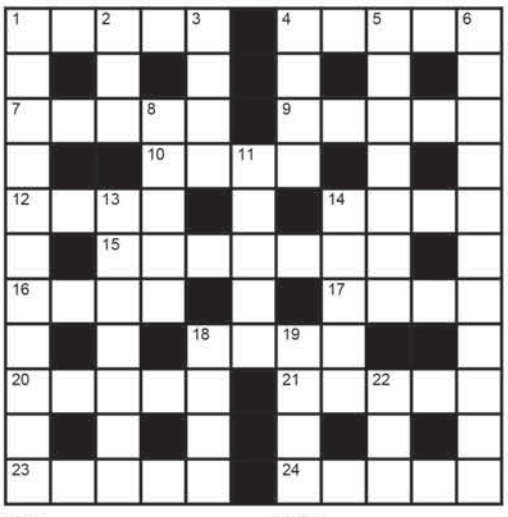


WORDWHEEL

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



QUICK CROSSWORD



ACROSS

1 Reside (5)
4 Former province of western France, on the Loire (5)
7 Battery terminal (5)
9 Treats with contempt (5)
10 Greek god (4)
12 Hindu princess (4)
14 Mountain lake (4)
15 Personal matters (7)
16 Meddlesome (4)
17 Employed (4)
18 Excavations (4)
20 Heather genus (5)
21 Wonky (5)
23 Puts into order (5)
24 19th president of the USA (5)

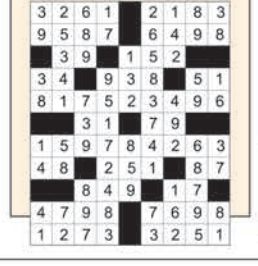
DOWN

1 People who are almost identical to others (coll) (4,7)
2 Self-importance (3)
3 Lascivious look (4)
4 Charitable gifts (4)
5 Male donkey (7)
6 Mixture of both good and bad experiences (3,3,5)
8 Make a god of (5)
11 Giraffe-like creature (5)
13 More offensive (7)
14 Bind (5)
18 Beavers' constructions (4)
19 Deep open cut (4)
22 Metal device used in a lock (3)

LAST ISSUE'S SOLUTIONS

QUICK CROSSWORD

KAKURO



WORDWHEEL

The nine-letter word was **HEARTBURN**

SUDOKU

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

FORUM

EDITED BY RACHEL CUNLIFFE

This overblown rhetoric about 'coups' is in no one's interests

John Ashmore

THIS is Britain's Reichstag Fire Decree moment." That was one man's reaction to Boris Johnson's decision last week to prorogue parliament. It's the kind of intemperate remark you expect in the wilder reaches of social media, where Godwin's Law – the inevitability of someone bringing up Hitler in an online debate – is alive and well.

To read it in an article from Richard J. Evans, one of our foremost historians of Nazi Germany, was altogether more concerning.

As a world-leading expert on the Third Reich, Evans knows very well that the Reichstag Fire Decree, which suspended a host of civil rights in one fell swoop, bears little resemblance to the British Prime Minister's decision to suspend parliament for a few days longer than would already have been the case.

This kind of reasoning seems to be catching on. Historian Simon Schama has referred to "Duce Boris" – a nod to Mussolini's title of choice. The journalist Lionel Barber completed the totalitarian trifecta by tweeting on Sunday that "the Bolsheviks have taken charge".

Of course, glib comparisons are not limited to pro-Europeans. Certain Brexiteers casually refer to politicians they dislike as "traitors" and seem incapable of discussing contemporary politics without invoking Dunkirk, the Blitz, or D-Day.

Tempers may run high over Brexit, but these kind of jibes are less analysis than a brand of slightly hysterical name-calling. And the returns of this hyperbole diminish pretty rapidly. When someone starts throwing around words like "Nazi" or 'fascist", or referring to the EU as the "EUSSR", it usually signals the end of any sensible discussion.

Similarly, when normally serious people start saying that the UK is in the throes of a "coup" or that Boris has become a "dictator", there's a strong temptation to just stop listening. Those who have had the misfortune to experience a real coup or live under an actual dictatorship must find it all pretty astonishing.

The Prime Minister has bent parliamentary procedure to his own advantage, but he's hardly the first politician to do so. What's more, his opponents have been willing to use all sorts of chicanery to try to get their way.

Not too long ago, some of those now hollering about an assault on democracy were contemplating installing Ken Clarke or Dominic Grieve as Prime Minister of a so-called "national unity" government made up of entirely anti-Brexit MPs.

And those predicting economic meltdown after a no-deal Brexit may also want to consider the effects of overplaying one's hand. Claiming that the UK faces an economic apocalypse after Brexit Day risks making anything approaching normality look like a triumph for the government.

But it's not just the anti-Brexit left who are guilty of falling into the hyperbole trap. The right should be wary too, when it comes to talking about Jeremy Corbyn's Labour.

However passionately you disagree with the Labour leader, arguing that he secretly wants to turn Britain into Venezuela is liable to perplex most voters, for whom the comparison has little resonance. We are not, after all, an oil-rich South American country with a long and ignominious history of corruption.

These kind of jibes are less analysis than a brand of slightly hysterical name-calling

And there's really no need for hyperbolic speculation when you can simply examine the policies that Corbyn has already proposed.

It is not an exaggeration, for example, to say that Labour plans to renationalise swathes of the British economy, with no apparent regard to the implications for either taxpayers or pension funds invested in UK utilities.

The Centre for Policy Studies estimates the extra borrowing that this would entail at £176bn, equivalent to 10 per cent of the national debt. That's to say nothing of the effects on confidence if a Labour government refuses to pay market value – something John McDonnell hinted at when he said that "parliament will set the price".

Then there's the recent analysis from the FT and law firm Clifford Chance, which estimates that McDonnell's plan to divvy out shares to employees would effectively expropriate around £300bn from the UK's largest companies.

This kind of focused analysis of what Labour's policies would actually mean for jobs, investment and household finances is far more likely to hit home than claiming that Corbyn is Islington's answer to Hugo Chavez.

Often, it seems our reaction to events is shaped more by the particular hate figure involved than the reality of the situation. As with Corbyn, so with the backlash against prorogation, some of which is clearly a facsimile for feelings towards the Prime Minister. I hate Boris, the thinking goes, therefore the thing he's done must be hateful.

What you could call the "Reichstag Fire tendency" does not just coarsen our discourse, it cheapens it. When so many things are described as a "crisis", "chaos" or "unprecedented", it becomes more difficult to judge whether a situation is genuinely worrying, or if it is being overplayed for someone's gain.

Whatever the political cause, be it campaigning against Brexit or defeating Corbyn, persuading the waverers requires much more than overblown rhetoric.

If you cry wolf, don't be surprised if it comes back to bite you.

John Ashmore is acting editor of CapX.

Facebook's libra shows how blockchain can help in the fight against money laundering

Neepa Patel

THE COST of anti-money laundering (AML) protocols and procedures for businesses is well-documented. Financial institutions sink billions each year into technology to identify suspicious activity and prevent their services being used for illegal transactions.

Despite these efforts, money laundering remains big business, representing around five per cent of global GDP. That's larger than the entire economy of Canada.

In its early days, many feared that blockchain technology – and the crypto assets that it became synonymous with – would provide yet more protection for money launderers, cloaking assets behind a wall of anonymity.

However, with the emergence of new generations of blockchains and cryptocurrencies, like Facebook's libra which was announced in June, we may now have an opportunity to build an asset that can prove itself a weapon in the fight against financial crime, rather than a facilitator.

The way in which banks currently approach money laundering is largely reactive, relying on electronic monitoring to identify suspicious activity such as excessively large cash deposits.

The problem is that information is often kept across multiple systems, giving neither banks nor regulators a comprehensive view over the whole network of interconnected payments, deposits and money transfers.

The nature of blockchain, as a single connected ecosystem, means that information can be shared across a network, enabling banks to develop a more coherent and comprehensive view of activity.

This enables AML analytics to build up a much more subtle picture, joining together activities which might not on their own seem suspicious, but taken as a whole indicate nefarious activity.

So, if blockchain can actually enhance AML measures, why is libra – and cryptocurrency more broadly – seen as such bad news in the fight against financial crime?

The key is to understand the difference between a permissioned blockchain, which requires users to be verified before they can join the network, and permissionless blockchain, which offers none of the same protection. Bitcoin, the most famous cryptocurrency which is often confused in people's minds with blockchain itself, is the latter type.

Permissioned blockchains are by far the most effective way for the technology to deliver on its AML requirements. By creating an ecosystem that ensures participants have valid legal identities and where confidential data is safeguarded, this kind of network has the ability to deliver privacy and security at scale.

Cryptocurrencies, and blockchain in general, have become a victim of this little known and lesser understood distinction between permissioned and permissionless networks.

With libra facing intense regulatory scrutiny, Facebook now has a unique opportunity to change that, and deliver on its ambition to advance AML enforcement in the digital currency industry.

If built on a secure foundation of permissioned blockchain, the asset could can set an example for future coin issuers, and in doing so create new industry standards.

Neepa Patel is chief compliance officer at blockchain firm R3.

LETTERS
TO THE EDITOR

Family banking

[Re: Should we be worried that over-55s are using their pensions to help younger family members buy homes?]

The generosity of the Bank of Mum and Dad is inspiring. However, a small number of parental lenders are digging into their retirement savings to support family members with their deposit, and this could be putting their retirement plans at risk.

Consumers already face the task of making their pensions last throughout a much longer retirement than their own parents or grandparents experienced. They may also face the challenge of paying for significant care costs in the future, as they live into their 80s or even 90s.

The average gift of £24,000 could be a substantial part of someone's annual retirement income, and it might mean that they have to scale back their plans. Our research shows that 15 per cent of over-55s who helped a family member buy a home have already settled for a lower standard of living.

Helping consumers to make informed decisions about big financial commitments like joining Bank of Mum and Dad is really important. That means encouraging them to take professional advice, but also raising awareness of how unlocking housing wealth could do more than help to provide the funds for a deposit, like enable them to enjoy the colourful retirement they deserve.

Chris Knight, chief executive Legal & General Retail Retirement

BEST OF TWITTER

When I assumed office as Lord Speaker 3 years ago I did not quite expect the current political position. One proposal is that the Gov should appoint 100 new peers. Nothing could be worse. It would be totally against the recent appointments policy which has been one of moderation
@LordSpeaker

Blair made two points:
1. Voting for early election under Fixed-term Parliaments Act would allow Johnson to choose date after 31 Oct, forcing no-deal Brexit while parliament dissolved
2. Voting for pre-Brexit election, eg on 17 Oct, is still a bad idea because Johnson would win
@JohnRentoul

People can try and slice this however they like. If Corbyn and parliament try to block a general election, after spending the past week screaming about coups and assaults on the will of the people, they will look like they've taken leave of their senses.
@DPJHodges

Modest proposal for a general election: Tony Blair stands as a Liberal Democrat in Islington North.
@andrew_mueller

Boris Johnson has decided to get a pet dog. It's small, irritating and moans when it doesn't get attention. They're calling it Gove.
@Number10cat

I notice Boris Johnson has switched from the Dead Cat strategy to the Live Dog strategy.
@greg_jenner

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

Can't name the UK technology secretary? We don't have one

Christian Faes

DO YOU know who our secretary of state for technology is? Or can you name the tech minister? No? That's not surprising, because they don't exist. While we all might agree that technology is a key ingredient to a successful and vibrant economy and to our advancement as a society, there is still no one in cabinet meetings solely focused on and accountable for the government's policies on it.

The closest we come to a senior official responsible for technology is Nicky Morgan, secretary of state for digital, culture, media & sport. She is concerned with everything from dealing with encryption and data harvesting to promoting sport and culture throughout the country, and has an unfathomable amount on her plate before we even consider technology.

In our recent inaugural survey for the Digital Finance Forum, we asked technology entrepreneurs around the country for ideas about how the government could help our sector. One of the best supported suggestions was for the government to appoint its first technology secretary, to be directly accountable and solely responsible for technology innovation and the implementation of those policies in the UK.

We should recognise that technology and its transformation is the new normal. Almost every business established in the last 20 years might consider itself a tech business in some way – technology is the seam running through companies of every size and in every industry across the country.

Take fintech: it is really just a sector made up of new financial services businesses. You wouldn't start a finance company today without technology at the core part of your offering, making you a "fintech" from the get-go.

And within a newly-minted Department for Technology, the government would be able to appoint a team solely focused on the areas like this where the UK truly dominates.

Across the channel, the French are already at it. In April, President Emmanuel Macron made one of his closest advisers, Cedric O, secretary of state for the digital economy as part of a long-standing international competition to come out on top for technology. He is charged with promoting, protecting and amplifying the potential of the French tech ecosystem.

As a fintech founder myself, I know that the government has in the past done a brilliant job of championing a new way for financial services. However, as the Digital Finance Forum survey shows, there is definitely a concern that it is starting to become complacent. We may be the world leader in fintech at the moment, but two thirds of survey respondents were not so sure about how we would fare over the next five years.

At a unique time in history, we need to give tech a seat at the highest table

Fintech has its parliamentary champions, but no one in government is really charged with seeing through an agenda that keeps the UK competitive.

The brief for fintech fits into the remit of the economic secretary, whose responsibilities also stretch between banking reform, financial stability and PRA mandate, how the City handles Brexit, City competitiveness, bank levies and tax policy, promoting women in finance, anti-money laundering, and debt management policy.

Is this endless list the right place to shoehorn in sole responsibility for a sector that contributes billions of pounds to the UK economy every year and has the potential to contribute many times more in the near future?

A Department for Technology, overseen by a new technology secretary, would have the capacity and space for a proper, full time fintech minister who recognises the contribution it makes to the UK economy, employment and inward private investment, and would match it with committed representation and policymaking.

This is no longer a nice-to-have idea, but a serious proposal backed by entrepreneurs that deserves consideration.

At a unique time in British history, where uncertainty reigns and it feels like there is as much to lose as there is to gain, we need to give technology a seat at the highest table and a voice in the decisions this country makes.

Christian Faes is co-founder and chief executive of LendInvest and chair of the Digital Finance Forum.

DEBATE

Is there any merit to Labour's idea of a 'right to buy' policy for private renters?

YES

JAMES MEADWAY

Labour looking into a right to buy for private tenants could be a godsend for those tens of thousands of private renters who find themselves on the wrong side of Britain's failed housing market.

While younger people still aspire to own a home of their own, there is a whole generation for whom this is a nigh-on impossible dream. Some 65 per cent of middle earners aged 25-35 owned their own homes in 1994; two decades later, it's 27 per cent.

Priced out of the market, unable – despite government schemes – to get a mortgage, people are pushed into renting privately, left at the mercy of their landlord. Sometimes they're decent; too often (in our poorly regulated rental market) they're not.

Meanwhile, landlords have enjoyed a win-win: rising property prices mean their wealth goes up at the same time as they can charge higher rents.

It's only fair to look at ways to reduce the injustice. After decades of failure, bold action like Labour's rental right to buy is needed.

James Meadway is an economist and former adviser to John McDonnell.

NO

EAMONN IVES

While it is heartening to hear that John McDonnell wants to widen home ownership, his medicine is worse than the disease. Forcing landlords to sell their properties to tenants at a price ambiguously deemed "reasonable" by a future Labour government should set alarms bells ringing.

Nobody should have to forfeit their property at the government's behest, other than in the most urgent circumstances, like for the sake of national infrastructure. Applying this to private landlords is state-sanctioned theft, and will leave many wondering what the point of ownership is if the government can just seize property whenever it likes.

Instead of pitting tenants and landlords against each other, we could turn renters into owners by incentivising landlords to sell up, should they wish to. By rebating the capital gains tax they'd pay in the process, with some going to themselves and some to the tenant to help with a deposit, everyone can win, without the state having to expropriate anything.

Eamonn Ives is a researcher at the Centre for Policy Studies.

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CRYPTO A.M.

Our series on AI, Blockchain, Cryptoassets, DLT and Tokenisation

PARTNER CONTENT

CITY A.M.'S CRYPTO INSIDER

JAMES BOWATER

Greetings from London where, with most people now back from annual leave, a plethora of fantastic projects are set to launch. Certainly my diary is literally back to back so there will be much to share with you in the coming weeks.

One person looking to sort out his near-term career plan is the Governor of the Bank of England, Mark Carney who, at the gathering of Central Bankers in Jackson Hole on 23rd August, suggested that a Libra like digital currency could usurp the US dollar as the defacto global reserve currency. Since his speech, others are joining the chorus not least of all the People's Bank of China who are set to release their own version of Libra perhaps as soon as the 70th Anniversary of the People's Republic of China which falls on 31st October. As reported in Forbes identified distributors of the digital currency will include the Industrial and Commercial Bank of China, the Bank of China, the Agricultural Bank of China; two of China's largest financial technology companies, Alibaba and Tencent; and Union Pay.

The market over the last week as been bouncing around but ended quite flat since last week's edition. Bitcoin (BTC) is down 3% from last week at US$9,915.23; Ethereum (ETH) is at US$173.28; Ripple (XRP) is at US$0.2576; Binance (BNB) is at US$22.54 and Cardano (ADA) is at US$0.04982. Overall Market Cap is at US$255.24bn (data source: www.CryptoCompare.com)

With the Amazon Rainforest being bulldozed and set fire to at an alarming rate everyone is jumping on this as a new political bandwagon. Yet this has been going on for decades with corporate agriculture being consistently blamed although leaked documents suggest something insidious in the form of wanton destruction of indigenous lands. Political leaders, NGO and other organisations citing the Amazon as the lungs of the world seem to favour banning such practices. That might help but it doesn't address the main issue which is simple economics - make it more commercially beneficial to undertake reforestation. Enter stage left AI, Blockchain and Cryptocurrency as a combination of technology as an administrative system for land registry, plant provenance and rewards. The UK's AI, Blockchain and Crypto ecosystem is more than capable of rising to the challenge!

MERJ Exchange and London based Globacap announced a partnership which will enable FCA licensed Globacap to distribute the upcoming MERJ token offering to UK and EU investors. I spoke with Jim Needham, head of digital asset strategy at MERJ, who explained "Part of the MERJ model is to build a global footprint of top tier partners. London is one of the leading cities for innovation in this space and Globacap have been at the forefront of that. They have shown a brilliant ability to execute and we are delighted to be working with them". The alliance brings together two companies intent on introducing international governance standards and safety nets to the world of digital assets through fully compliant end-to-end

FORMAL METHODS: MISSION-CRITICAL FOR SOFTWARE DEVELOPMENT?

Designed by Phill Snelling, Bowater Media

WHAT ARE 'FORMAL METHODS'?

'Formal methods' is a way of writing program code using techniques that are well-founded in logic and mathematics, that allow you to reason 'formally' about your programs, ensuring that they are correct.

Of course, in order to determine whether computer code is correct, you have to have a very clear statement of what your program is actually meant to do. So the first step in using formal methods typically consists of writing a clear and unambiguous 'formal' specification that states the intended behaviour of the program.

From there, you can go on to prove properties of the specification itself, such as that there are no logical inconsistencies in it. Ideally, such proofs are produced using 'proof-assistants'. Those are computer programs that help writing proofs, and more importantly, that can check that the proofs are really correct.

Having proved that the specification is correct, the next step is to make sure the program behaves according to the specification.

THAT SOUNDS USEFUL. IS EVERYONE IN THE SOFTWARE INDUSTRY DOING THIS?

No. Unfortunately, using formal methods is pretty expensive, both in terms of money and time, so it is mainly used in areas where it's critical that you don't have bugs in your software. When you're programming rockets that send satellites into space, the smallest bug can be mission ending. When you're writing software for medical devices or aircraft, the smallest mistakes can kill people. So for those applications, investments in the correctness of your software are easily justified, and those are the main areas where formal methods have been heavily used.

When you are working on a product with less value at risk, current practice is that you use less rigour in development, ship something that mostly works, and then fix bugs as you or your users find them. It lets you go to market quickly, and since everyone is used to installing software updates - typically bug and security fixes, on a regular basis, there is little to no reputational damage.

Blockchains are typically not developed using formal methods, but they secure vast amounts of money, so I would argue that they should be.

IS THERE SOME KIND OF MIDDLE GROUND?

Yes, there is. You can use what are broadly termed 'lightweight formal methods', and that is what we are mostly focusing on at IOHK. We write specifications, but instead of writing them in a way that allows the computer to reason about them and prove things, we write them in a way that allows the computer to actually execute them, as a computer program. You can think of those executable specifications as a kind of carefully designed, high-level prototype, which glosses over the low-level details.

Ignoring the low-level details at this stage is actually very valuable because if tests fail, it's easier to identify why and make fixes. Also, it's much easier to develop the high-level design if you're not yet constrained by some concrete, detailed implementation choices. So you can solve all your hard problems early, on an abstract level, and fill in the details later.

At the end of the process, you have

Crypto A.M. shines its Spotlight on Lendingblock

Monolith Lending has become an explosive trend that is tearing through the crypto markets as of late.

With a number of players in the lending arena, who are all offering slightly different propositions, market participants have a variety of lending options to consider – margin lending, borrowing on leverage, secured lending, and the list goes on.

Crypto lending supply and borrowing demand have also been known not to falter amongst bouts of market volatility and bear markets. Actually, demand has only proven to increase. Despite this excitement, crypto lending is still very much in its early days and is representing what is still quite a fragmented market, lacking critical market infrastructure to help it mature. Amongst this backdrop, enter Lendingblock.

Lendingblock is the first exchange fully dedicated to pure crypto lending that aims to support the needs of the broader cryptocurrency market by providing a secure and liquid venue for lending and borrowing needs of institutional market participants. Lendingblock's regulated platform will act as a centralized global lending marketplace, and it is launching on September 3, 2019.

Upon launch, Lendingblock platform users will be able to borrow and lend BTC, ETH, PAX and USDT on a fully collateralized basis, for loan terms of 1, 7, 14 and 30 days, with a minimum trade size of $100,000 equivalent of a specified digital asset. Rates are set by the market supply and demand, providing a transparent view of prevailing market rates.

> "Lendingblock plays an essential role in helping the institutional crypto lending market mature.

Steve Swain, CEO, Lendingblock

Clients include a mix of hedge funds, market makers, trading houses, OTC providers, crypto lending firms, and exchanges, and each have a need to either generate interest on an asset they are holding or would like to borrow in order to facilitate a specific strategy such as for shorting, arbitrage or working capital purposes. Lendingblock's market depth analysis charts, order book tools and risk-free yield curves provide clients with access to market data and price transparency across the global lending market.

Steve Swain, CEO, Lendingblock, said "We see the Lendingblock exchange as a key piece of market infrastructure that will provide efficiencies and support healthy markets in the crypto economy. We look forward to bringing the first institutional lending exchange to market and believe it will play an essential role in facilitating clients' trading strategies and also in helping the crypto market infrastructure to mature."

Darius Sit, Managing Partner at Singapore-based crypto trading firm, QCP Capital, said, "Having access to an institutional exchange where the lending supply and borrow demand is organized centrally and highly transparent in terms of being able to see the rates across different crypto assets and terms is something that the market most definitely should benefit from."

The Lendingblock platform can also be accessed via an API and will soon also be available through a variety of distribution partners, such as Caspian's order execution management platform. Lendingblock has 24-hour support over the phone and offers live chat to support clients throughout the process. Lendingblock, over the coming months, will also be expanding its capabilities to further meet client demand.

Find out more at https://lendingblock.com

E: CryptoInsider@cityam.com @CityAm_Crypto In association with CryptoCompare

two programs: the 'high level' executable specification – lacking details and performance, but you're confident that it is correct; and the production implementation, that you want to give to your users. We systematically test these against each other.

SO YOU ARE DOING A LOT OF TESTING. DO YOU USE SPECIAL TECHNIQUES THERE?

Yes, we are using what is known as property based testing, another form of lightweight formal methods, much more powerful than writing test cases manually. The idea there is that instead of writing individual test cases, you write more general properties that you want to hold under all circumstances – things like "money does not appear or disappear from the system", "adding a transaction has the same effect in the executable specification and the production implementation", and similar statements. You then generate lots and lots of randomised test data, and check that those properties always hold.

WHAT IS YOUR VIEW ON FUTURE BROADER ADOPTION OF LIGHTWEIGHT FORMAL METHODS?

The major barrier to adoption is that it's often not easy to get buy in from customers. Part of that is just that it's not yet a recognised best practice, but another aspect boils down to making progress visible. In the software industry, people are used to an agile approach, where you deliver small parts of a software product in rapid succession. Using formal methods, solving the hard, fundamental, underlying problems on the spec level first, you are making a lot of progress, but without actually shipping something, so that progress is less visible. But our developers tell me that once you have that spec, filling in the details is a very pleasant and smooth exercise, and you end up with a better product that you can be confident in.

> "My hope is that once we succeed, other companies will follow, and that ultimately the way that software is produced across the industry will improve

At IOHK, we understand the benefits of a formal methods approach and that it leads to better products and an overall reduction in costs for our clients. My hope is that once we succeed, other companies will follow, and that ultimately the way that software is produced across the industry will improve. You could argue that we are on a crusade!.

Charles Hoskinson, Founder & CEO of Input Output, in conversation with James Bowater. For more information visit https://iohk.io/

IMPORTANT INFORMATION: THE VIEWS AND OPINIONS PROVIDED BY CITY A.M.'S CRYPTO INSIDER AND IN THE CRYPTO A.M. SECTION SHOULD NOT BE TAKEN AS INVESTMENT OR FINANCIAL ADVICE. ALWAYS CONSULT WITH YOUR FINANCIAL ADVISOR.

CRYPTOCOMPARE MARKET VIEW

Bitcoin Drops Below $10,000, Facebook Hires Firm to Lobby for Libra

This week the price of bitcoin dropped below the $10,000 mark and hit a low of less than $9,400, at a time in which Facebook has hired a lobbying firm. The social media giant hired a lobbying firm that has experience with cryptocurrencies, and is believed to have been hired to help deal with lawmakers' concerns surrounding the company's proposed cryptocurrency - Libra. Facebook is yet to comment.

Telegram, a privacy-centric messaging app, is reportedly launching its cryptocurrency later this year. After raising over $1.7 billion through an initial coin offering, legal documents bind the firm to launch its cryptocurrency by 31st October of this year, as it was promised to investors that was the deadline.

Binance, a leading cryptocurrency exchange, has this week started offering lending services to its users, who can now earn up to 15% APR on their cryptocurrency holdings through its platform. Other exchanges, including Poloniex, Bitfinex, and OKEx also let users earn on their holdings.

Bakkt, a cryptocurrency venture by the owner of the New York Stock Exchange, has announced its users will be able to deposit funds to the Bakkt Warehouse on Sept. 6, ahead of its launch of physically-settled bitcoin futures contracts.

A man who claims to be the creator of Bitcoin, Craig Wright, was ordered by a Florida court to hand over 500,000 bitcoins - worth almost $5 billion - and intellectual property rights to the estate of his late business partner, David Kleiman. The court rejected Wright's testimony after finding he perjured himself for falsifying documents.

Finally, a study conducted by leading cryptocurrency exchange Coinbase has found that over half of the world's top universities now offer cryptocurrency classes to meet demand from students looking to know more about the nascent space.

CRYPTO A.M. INDUSTRY VOICES

Crypto and Blockchain could clean up malpractice within the fashion supply chain

The $800bn fashion industry is synonymous with waste, pollution, inhumane working conditions and slavery. 10% of all global emissions are caused by fashion. 40 million adults are in slavery worldwide and 264 million kids are not in school, many of these are as a direct result of fashion. Most of the 92 million tons of solid waste from fashion are buried in landfill or burnt, every year. Aside from the disastrous environmental practices associated to fashion - such as pouring toxic waste chemicals directly into rivers - 60% of clothes are made with plastic. This breaks down when worn and washed, into microfibers that get into water. In one test 73% of fish were found to have plastic in their stomachs. The fashion industry uses up excessive water at a time when some countries are running out.

WHAT DOES THIS HAVE TO DO WITH CRYPTO?

When it became more important to have fast, cheap fashion over anything else, production was outsourced to developing countries. Practices for recording environmental and employment processes tend to range from dubious to lacking. Supply chains are vastly complex, and there's also a large element of some not wanting to know. In one study, only 7% of brands had traced their raw materials. Blockchain allows data to be added to an immutable distributed ledger at every stage of a supply chain. In practice, this means that anyone in the entire supply chain can see exactly who entered what data, and whilst this data can continuously be added to, old entries can't be changed or deleted. If anyone adds any incorrect or implausible data, if any money goes unannounced for, or any purchases for environmentally damaging raw materials are made, anyone will be able to see who was responsible.

Using cryptocurrency in the global fashion supply chain would be the biggest change we could make. Cryptocurrency provides the full transparency of blockchain to every payment made. For large companies producing multiple ranges it is simply logistically not possible to oversee every transaction. One T-shirt range might be made in multiple different small factories, where local knowledge, culture and language is needed, so brands have to trust the many intermediaries between them and the factory. With crypto, every single token can be tracked and every transaction can be linked back to the last. Rules can be set about how payments can be made and where money can go, preventing unwanted transactions. This would give brands full control and visibility over exactly where every penny is spent, right back to seeing exactly what raw ingredients are bought, when those transactions were made, how much and who was being paid. Any discrepancies or lack of payments, such as to factory workers, would clearly stand out.

We have all the tech now in place for free, instant, traceable micro-transactions that would provide full accountability for every aspect of supply chain. The problem in implanting this is human. All parties in a supply chain would have to cooperate and would have to be fully transparent with each other, and change a lot of internal processes.

Using crypto and blockchain would allow brands to show exactly how much workers were paid, which factory clothes were made in, what the raw ingredients were, that no toxic dies were used, and possibly even how much water and environmental miles were used in their making. This information could go on every item of clothing made. Two otherwise similar items of clothing or brands could be compared for their environmental and ethical impact, allowing consumers to make accurate decisions on what they buy, and the impact of their purchases.

Erica Stanford is the founder of the Crypto Curry Club blockchain education events across the UK Email hello@cryptocurryclub. More info at ccc.events

TRUTH IN BLOCKCHAIN

Jon Walsh, Associate Partner Blockchain Rookies

Unlike how some people may suggest, Blockchain is not a silver bullet to solve the ails of any given industry. There are multiple challenges to make it work as intended – e.g. remove unneeded middlemen and create transparency on a supply chain.

Beyond the challenges of correct project governance and reaching consensus on standards, a major challenge is ensuring that all participants agree that the Blockchain truth, is the single source of truth.

Imagine a food supply chain on a Blockchain for organic eggs. Everyone from the farmer to the haulier to the warehouse all record the movement of the eggs through the supply chain. Now we, the egg buying public, can see by scanning a QR code on the side of the box the farm the eggs came from, the date they were laid and the whole supply chain through to the point where they wind up on the shelf of your favourite supermarket.

What is tracked in this scenario is effectively the cardboard egg box and not the eggs inside. This would be pretty easy for any farm or distributor to switch contents and make a significant profit by selling non-organic eggs masquerading as organic.

Alternatively, in the digital advertising supply chain, being able to track the flow of money from advertiser to publisher should be fairly simple as all payments would be recorded on the blockchain. However, it would still be easy for industry standard kick-backs to occur where there were no records on the blockchain to trace and audit.

A blockchain can provide a trusted source of truth which reduces fraud as well as time and costs of reconciliation of information between participants. Since not everything can (or even should) be put on the Blockchain, it's the truth – but it may not be the whole truth.

Get in touch with us info@blockchainrookies.com / Twitter @igetblockchain

SPORT

SURREY NOT SORRY

Oval chief Gould unrepentant over Hundred criticism but is on board, he tells **Felix Keith**

SURREY are enjoying a bumper summer, but Richard Gould is worried news of their prosperity might be getting lost among other cricket events.

The hype from England's World Cup win in July has, thanks to Ben Stokes, merged seamlessly into Ashes euphoria, creating a phenomenon Surrey have been reaping the benefits of.

The club's chief executive is still revelling in a "significant bounce" from the miraculous events across London on 14 July, with the tournament, and its free-to-air final, turning casual observers into match-going fans.

The result is that Surrey sold out all of their T20 Blast fixtures for the first time, with 165,461 people in total watching games at The Oval. Ticket sales were up more than 12 per cent from 2018 and July was their best ever month. It's not just one-off attendees either: Surrey memberships have increased from 7,000 in 2012 to 13,000 this year.

It's a picture of success Gould wants to shout from the rooftops of south London. So much so that earlier in the summer he took the unusual step of getting in touch with Lancashire to release a joint statement which detailed the strength of ticket sales in the domestic Twenty20 competition.

"We felt we needed to help get the message out there, because there have been so many other positive messages – the World Cup and the Ashes – we just wanted to make sure the success we're seeing at county level is being understood," Gould tells *City A.M.* in his office overlooking The Oval.

"I think that in such a busy, crowded season that county cricket will find it difficult to get traction, sometimes in the media and sometimes indeed within the ECB's own voice. We felt it was important to get that through."

A perennial debate rages in the parochial world of county cricket about the health of the game. The England and Wales Cricket Board have made their preventative move, with a new fourth format, The Hundred, making its grand entrance next summer in an attempt to solve some of the problems.

Surrey were the only county out of 18 to vote against The Hundred – a "historical note" Gould is "very happy to be recognised" – and the club's chief executive since 2011 is concerned the progress in the existing short format might be undermined.

"Clearly we want to make sure T20 is recognised as the premier domestic short-form competition," he says. "Your next question will be: 'Is that because The Hundred is coming next year?'. And the answer is yes. We need to make sure T20 doesn't take a backwards step next year.

"We want The Hundred to be successful, because it's a project the ECB is investing a lot of money into, and we've got a responsibility to make sure it is successful, but we also need to make sure that T20 continues to grow.

"Back in 2012, T20 audiences across the country were around 250,000. This year it'll be around 1m – that's not a bad growth profile, so we need to make sure there's no cannibalisation, so we use the success of the T20 to make sure crowds come along for The Hundred, because that starts after. T20 is an opportunity for a run-up."

FRACTIOUS RELATIONSHIP

Despite their reservations about the concept and a fractious relationship with the governing body, Surrey's iconic home ground will play host to The Oval Invincibles, as they are set to be named next summer following an ECB-commissioned marketing campaign and consultation with Surrey.

Surrey will team up with Kent and although Tom Moody has been lined up as head coach and Gould says the clubs' directors of cricket, Alec Stewart and Paul Downton, speak regularly, he admits there remains some confusion ahead of next month's player auction.

Having ruffled feathers at the ECB, and reportedly been threatened with the stripping of hosting rights, Gould is now more diplomatic in his approach.

"Clearly there have been disagreements," he says. "Now we've moved into pragmatic delivery mode. There is still an awful lot of work to be done clearly and our role is to do as much of the heavy lifting as we can.

"Our focus is always going to be on our club, and our club is Surrey. But we also have a huge amount of pride when we host England."

Although they are resigned to it, the feeling remains that The Hundred is an expensive solution to a problem Surrey don't believe they have.

"We've got a huge amount of growth," Gould continues. "The ECB have decided they want to bring in The Hundred that they hope will add to the growth. We just need to make sure that it does and doesn't go the other way, because we are cognisant of the marketing spend."

England's World Cup win has provided a commercial boost to counties like Surrey

That marketing spend is quite something. The Independent reported in March that each franchise in The Hundred would be given a budget of £800,000 per year, or £200,000 per fixture. For context, Gould says Surrey currently allocate £80,000 to £100,000 for their seven T20 Blast home fixtures.

DISENFRANCHISED

The Hundred is being touted as a new, exciting way to engage a different, younger and more diverse audience. But Gould believes the existing audience is "very loyal", "still very important" and feels "disenfranchised" by the ECB's priorities.

> "There have been disagreements. Now we're in pragmatic mode. There's an awful lot to be done

"The ECB have got a better understanding across the whole game, across the whole country," he says. "I'm more likely to focus on what we've got here: of our T20 audiences, 65 per cent of them have never been to a cricket match at The Oval before. From that I know that we're engaging a new audience, as well as keeping the existing one.

"What we're doing this year is clearly working. The ECB has a wider responsibility and maybe there were some areas where they weren't getting the audiences they were expecting, and that's probably the rationale behind the decision they've made with The Hundred and new teams. It also probably explains our difficulties with that. However, the decision has been made and we've got to go with it."

While The Hundred is understandably a hot topic in county cricket, it is far from the only one and it isn't the biggest thing for Surrey, who after the success of the World Cup and T20 Blast are excited to host the final Ashes Test next week. Unless England lose this week's fourth Test at Old Trafford, The Oval will stage the series decider.

Much like their T20 Blast fixtures, the first four days of the fifth Test are sold out, while Stokes's miracle innings at Headingley inspired a 4,000 ticket-buying burst last week, and Gould is looking forward to rounding off a historic season in style ahead of what could be a tumultuous 2020.

"If we see a reduction in the number of people coming to county cricket, or international games then we will have failed in trying to make the most of this golden summer of cricket," he says.

This summer has inadvertently raised the stakes, and with those inside the game still far from convinced, The Hundred faces a make or break period on which it simply must capitalise.

OSAKA OUT Defending champion falls to Bencic in US Open last 16

Defending champion Naomi Osaka was knocked out of the US Open by Belinda Bencic in the last 16 yesterday. Osaka will lose her No1 world ranking after going down 7-5, 6-4 to the Swiss 13th seed at Flushing Meadows. Bencic will play Donna Vekic in the quarter-finals after the Croatian defeated Julia Goerges. "I had to be on top of my game and am really pleased with how I played," said Bencic, who has now beaten Osaka three times in 2019. "She has a lot of power, I was just trying to play it a little bit like chess, anticipate and make a tactic on the court." British No1 Johanna Konta will face Elina Svitolina in the last eight this afternoon after the Ukrainian beat Madison Keys in straight sets.

SPORT DIGEST

DENLY TO OPEN WITH ROY AT NO4 IN FOURTH TEST

Joe Denly will swap places with Jason Roy in England's batting order for the fourth Ashes Test against Australia, which starts tomorrow at Old Trafford. Surrey's Roy is a fixture at the top of England's white-ball sides, but has scored just 57 runs in six innings in this series. He will drop to No4, with Denly moving up to open alongside Rory Burns, despite making an important 50 at Headingley. The series is tied at 1-1, although Australia only need to claim one of the remaining two Tests to reclaim the Ashes after winning in 2017-18.

ARSENAL'S MKHITARYAN JOINS ROMA IN LOAN DEAL

Roma have signed Arsenal midfielder Henrikh Mkhitaryan on a season-long loan deal. The Italian club will pay the Armenian's wages and a loan fee after moving for the 30-year-old on European transfer deadline day. Elsewhere, Chelsea defender Baba Rahman joined Real Mallorca on loan after signing a one-year extension with the Blues and Napoli have signed Fernando Llorente after the 34-year-old striker was released by Tottenham.

NOWELL IN RECOVERY FAST LANE AFTER APPENDICITIS

Jack Nowell will travel to Japan with England on Sunday, despite recovering from appendicitis and an ankle injury. The Exeter winger had his appendix removed last week and hasn't played since damaging ankle ligaments in June. England begin their World Cup campaign against Tonga on 22 September and assistant coach John Mitchell is backing Nowell to recover. "The ankle is progressing and we expect him to be running pretty soon," he said. "The [appendicitis] doesn't help but we still have 20 days until the tournament starts."

LUKAKU CALLS FOR ACTION AFTER RACIST INCIDENT

Romelu Lukaku says football is "going backwards" on racism after he racially abused on the weekend. The former Manchester United striker was subjected to monkey noises by Cagliari fans while playing for new club Inter Milan on Sunday. "I think as players we need to unify and make a statement on this matter," he said.

USADA DROP ANTI-DOPING CASE AGAINST COLEMAN

American sprinter Christian Coleman is free to compete at the World Championships later this month after the US Anti-Doping Agency withdrew its case against him. Coleman had been charged with missing three drugs tests and was facing an automatic one-year ban. But the agency yesterday dropped its charge, allowing him to compete in Doha, Qatar on 28 September.

REDEMPTION IS SWEDE

GOLF COMMENT

Sam Torrance

Soderberg landed a first European Tour title in Switzerland, where he edged out McIlroy (inset)

SEBASTIAN Soderberg would have been forgiven for thinking his chance to win a first European Tour title at the 50th attempt had gone when he three-putted and bogeyed the 17th hole of the European Masters.

Had the 28-year-old Swede made par he could have played the final hole with a degree of comfort. Instead, after finishing his round of 66, he had to sit there sweating as Italy's Lorenzo Gagli lined up a putt to win the tournament in Switzerland.

Although Gagli narrowly missed – meaning they both finished tied with Rory McIlroy, Andres Romero and Kalle Samooja on 14 under par – Soderberg's late wobble left him looking very unlikely to win the five-man play-off.

But he battled his demons when they replayed the 18th, hitting a huge three wood to find a very difficult fairway. And while two of his rivals – Gagli and McIlroy – had shorter putts, he sank his to make a birdie at the first extra hole and turned his day, week and season right around.

ANXIOUS TIME

It all made for a very exciting climax to the event. It was also a great advert for the Challenge Tour, where Soderberg, Gagli and Samooja cut their teeth before climbing to the top tier of European golf. This can be an anxious time of year for players trying to keep their European Tour membership and panic can set in.

Soderberg has bounced between the European and Challenge Tours since 2016 and admitted himself that he made a bad start to this year. Before this win on Sunday he was just outside the all-important top 110 on the Race To Dubai but is now up to 47th, so this was a huge result for him.

It also means that he will get entry to more high-profile events. There are four big-money Rolex Series tournaments before the European Tour season finale in Dubai, including the BMW PGA Championship at Wentworth in a couple of weeks.

Soderberg has the magic key now. This could transform his life and there is no telling what may come next for him.

RORY BOUND FOR NO1

McIlroy had about 10 shots that lipped out or didn't quite happen for him in some other way over the last two days alone yet still almost made it back-to-back wins following his FedEx Cup success in the US.

He is always going to be up there near the top of the leaderboard, as he has been all year. His consistency has been extraordinary, almost Tiger-esque, although at his peak Woods would have won five or six more events than McIlroy's three in 2019.

Rory just needs that killer instinct. When you're as good as he is it must be hard to have aims once the Majors are finished for the year, but he has said he is determined to return to the top of the rankings. He is currently second to Brooks Koepka.

It is a distinct possibility before 2019 is out but even if he doesn't manage it that soon, I agree with his statement that it is a matter of time when he is playing this well.

Maybe world No1 is the target he needs to turn some of his near misses into more titles.

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