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INTERVIEW WE MEET THE MAN BEHIND NOBU **P31**

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'SYNCHRONISED SLOWDOWN'

NEW IMF HEAD ISSUES DIRE WARNING OVER GLOBAL GROWTH

SEBASTIAN MCCARTHY AND HARRY ROBERTSON

@SebMcCarthy @henrygrobertson

FRESH fears over the state of the world economy were raised last night after the new boss of the International Monetary Fund (IMF) delivered a dramatic assessment of global growth prospects.

Following a turbulent year of trade conflicts and widespread geopolitical uncertainty, Kristalina Georgieva declared that "the global economy is now in a synchronised slowdown".

Trade wars could wipe as much as $700bn (£572bn) from global GDP output by 2020, the Belgian economist warned in her maiden speech as IMF managing director.

The former World Bank chief executive also flagged concerns of a $19 trillion debt time-bomb in the event of a major downturn.

She said: "If a major downturn occurs, corporate debt at risk of default would rise to $19 trillion, or nearly 40 per cent of the total debt in eight major economies. This is above the levels seen during the financial crisis."

Georgieva, who revealed that the IMF will next week once again downgrade its global growth predictions for 2019 and 2020, called on governments and central banks to increase spending and keep interest rates low "where appropriate".

Central banks in Europe have been increasingly pushing interest rates deeper into negative territory in an attempt to revive growth after recent sluggish quarters.

"Even if growth picks up in 2020, the current rifts could lead to changes that last a generation — broken supply chains, siloed trade sectors, a 'digital Berlin Wall' that forces countries to choose between technology systems," she added.

Georgieva was giving her first speech as managing director of the IMF, the international lender of last resort, after taking over from former French finance minister Christine Lagarde, who will become the next president of the European Central Bank (ECB).

The gloomy remarks come amid a series of international fallouts that have rocked global markets in the last 12 months, including an escalating US-China tariff war, Brexit uncertainty and mass protests in Hong Kong.

Georgieva said: "The fractures are spreading. Currencies are once again in the spotlight."

Softbank: no IPOs before cash flows

ANNA MENIN

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THE TECH world has been rocked by a string of disappointing or cancelled initial public offerings (IPOs) this year, as companies failed to convert huge private valuations into success on public exchanges.

Yesterday, one Softbank executive suggested a novel solution: firms should wait until they have suitable levels of cash flow before listing.

Asked about the poor performance of Uber following its flotation earlier this year, and the cancellation of Wework's IPO, Saleh Romeih said: "There are some companies out there that are probably better to evolve in the private domain… to demonstrate the cash flows that investors want."

Speaking at a Bloomberg event in London, Romeih, a managing partner of Softbank's $100bn (£82bn) Vision Fund, said: "It's about incubating a company long enough so that it's starting to earn cash flow and ready to go to the market."

Flexible office space provider Wework cancelled its IPO last month after it was snubbed by investors. Softbank is Wework's largest external shareholder, and its recent troubles have been a source of embarrassment for the Japanese conglomerate.

FTSE 100▼ 7,143.15 -54.73 FTSE 250▼ 19,200.90 -219.34 DOW▼ 26,164.04 -313.98 NASDAQ▼ 7,823.78 -132.52 £/$▼ 1.222 -0.008 £/€ ▼1.115 -0.006 €/$▼1.096 -0.001

CITY A.M.

THE CITY VIEW

Charles Li's courting of the LSE fails to impress

FOR THE last month the chief executive of the Hong Kong bourse has been selling his £32bn takeover offer for the London Stock Exchange (LSE) as if it were the perfect love match. "We complete each other," Charles Li told banking delegates in Canary Wharf. His amorous talk, however, has not been enough to convince the Square Mile that the deal was ever that tempting. "Some of us here think Charles wasn't even that set on buying the LSE," says the managing director of one rival stock exchange giant. "With the troubles in Hong Kong, [Li] just needed to show that they could still flex their muscle and make big offers." Perhaps that might be going a bit far.

The Hong Kong Exchange and Clearing (HKEX) did seem truly keen on the deal, but the barriers it faced were simply too large. Firstly, while Li believed he had to make his move before the LSE tied the knot with data provider Refinitiv, the simultaneous mass unrest in Hong Kong proved unfortunate timing and overshadowed the debate. There was also the issue of regulation; with the blocking of a tie-up between Deutsche Boerse and LSE two years ago still fresh in many minds, there was much scepticism over whether watchdogs would let this latest deal pass. LSE boss David Schwimmer also flagged another concern — that management ultimately viewed Shanghai, rather than Hong Kong, as the financial centre in China.

> HKEX seemed truly keen on the deal but the barriers were too large

Finally, there was the issue of the rival Refinitiv deal. Schwimmer's grand vision of establishing a financial data powerhouse still faces questions; Refinitiv has been trailing behind its rival Bloomberg and its underperformance has been enough to turn away suitors, including former LSE boss Xavier Rolet, in recent years. But many top shareholders feel that the LSE's own £22bn offer to buy Refinitiv is far more appealing than the HKEX offer nonetheless. Perhaps, regardless of all these factors, the writing was always on the wall for HKEX — after all, Li first unveiled his blockbuster offer as "a corporate tale of Romeo and Juliet". Before making the comparison, it seems he could have done with reading the final act.

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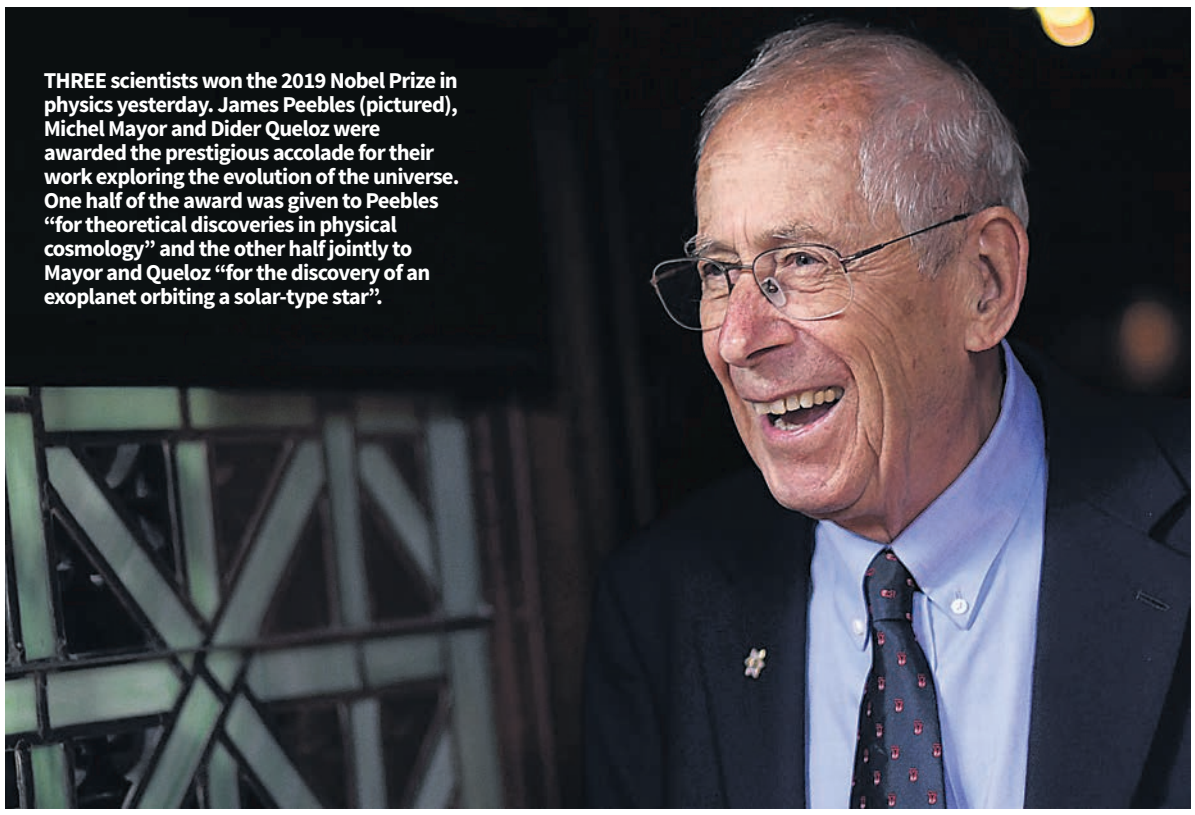
CAUSING A BIG BANG Nobel Prize for physics awarded to trio after 'ground-breaking' discoveries about the universe and space



THREE scientists won the 2019 Nobel Prize in physics yesterday. James Peebles (pictured), Michel Mayor and Dider Queloz were awarded the prestigious accolade for their work exploring the evolution of the universe. One half of the award was given to Peebles "for theoretical discoveries in physical cosmology" and the other half jointly to Mayor and Queloz "for the discovery of an exoplanet orbiting a solar-type star".

Brexit deal still in works as temperatures run high

CATHERINE NEILAN

@CatNeilan

DOWNING Street has insisted a Brexit deal can still be struck this week, despite a dramatic war of words between the two sides yesterday.

Last night Boris Johnson and Ireland's Leo Varadkar spoke for 40 minutes, with a Downing Street spokesman saying "both sides strongly reiterated their desire to reach a deal". The two leaders could meet for face-to-face talks later this week.

The exchange followed a day of high drama after Number 10 sources issued two explosive briefings to the media which left many in Westminster concluding that a deal is now further away than ever.

The first cat among the pigeons came in the form of a detailed leak to the Spectator magazine, suggesting that countries would "go to the back of the queue" in future relationship talks if they sought to frustrate or delay Brexit.

A Downing Street source then stoked flames further by issuing a detailed summary of a phone call between German Chancellor Angela Merkel and Johnson.

In what was described as "a clarifying moment", the source said: "She made clear a deal is overwhelmingly unlikely and she thinks the EU has a veto on us leaving the customs union."

Another government source told *City A.M.* the call was "frank and open but not heated", saying Johnson had sought Merkel's help in convincing Brussels to engage with the UK's proposals, submitted last week.

Merkel advised Johnson to "go to Brussels and Dublin", the source added.

Earlier in the day European Council president Donald Tusk slammed Johnson on Twitter for embarking on what he called a "stupid blame game".

But Rupert Harrison, portfolio manager at Blackrock and former aide to George Osborne, had a different take.

"Sadly the impact of the Benn Act is clear to see — the EU has not felt any pressure to engage seriously with the UK's proposals and is now actively gambling on the outcome of a UK election."

Harrison noted that Johnson was likely to win that election "especially with help like this from EU leaders", adding: "Then they will have to engage seriously."

The government has repeatedly blamed the Benn Act for having hamstrung negotiations because EU leaders believe it will force Johnson to request an extension to Article 50.

The government still claims the UK will leave on 31 October, with or without a deal.

WHAT THE OTHER PAPERS SAY THIS MORNING

FINANCIAL TIMES

FED GETS READY TO RESUME PURCHASE OF TREASURIES

The Federal Reserve will soon resume purchases of treasuries to expand its balance sheet in hopes of preventing a repeat of the recent disruption in short-term lending markets, chairman Jay Powell said yesterday. Powell said the action differed from the crisis-era programme known as quantitative easing, and was directed at solving "recent technical issues" rather than materially affecting "the stance of monetary policy".

FRC CHAIRMAN TO STEP UP PLANS FOR UK WATCHDOG

The new chairman of the Financial Reporting Council (FRC) is speeding up plans to create a new regulator with stronger powers to discipline audit firms and company directors. Simon Dingemans said he will run a "very different" regulator to his predecessor.

THE TIMES

FACEBOOK AND GOOGLE OUTWIT SPIES, GCHQ SAYS

Internet giants have more personal information than any intelligence agency has ever had or should have, a former director of GCHQ has said. Sir David Omand said that profiting from information that people freely gave to companies such as Facebook and Google was "truly dangerous and a major threat to democracy".

RECORD NUMBER OF ASYLUM SEEKERS FLY TO AUSTRALIA

Australia is on track for a record number of asylum seekers arriving by air this year — reportedly because the country has been so successful in stopping those coming by sea.

THE DAILY TELEGRAPH

ASTON MARTIN CONTINUES TO BREACH BOARD RULES

Aston Martin still has too few independent board members to meet City rules, more than a year after its disastrous £4.3bn stock market float. The troubled luxury car maker denied yesterday that it is struggling to find a suitable candidate to join its board as an independent director.

PILOTS SUE BOEING OVER CLAIMS AROUND 737 MAX

Pilots at one of the world's biggest airlines are suing Boeing for allegedly "deliberately misleading" them about the scandal-hit 737 Max aircraft, in a case which could spark a wave of lawsuits around the world.

THE WALL STREET JOURNAL

CHINA AND BLUE-CHIP FIRMS DRIVE LATEST BOND BOOM

Countries and companies across the globe boosted their issuance of new bonds this year, while increased political turmoil in the US, China and Europe whipsawed stock and debt markets in recent months.

FBI USE OF DATABASE FOUND TO VIOLATE PRIVACY RIGHTS

Some of the Federal Bureau of Investigation's (FBI) electronic surveillance activities violated the constitutional privacy rights of Americans who have been swept up in a controversial foreign intelligence programme, a secretive surveillance court has ruled.

Stocks bleed red as US and China tensions mount

SEBASTIAN MCCARTHY
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US MARKETS tumbled last night as investor anxiety mounted ahead of crunch trade talks between Washington and Beijing.

Optimism on Wall Street was knocked during trading after the US blacklisted almost 30 Chinese groups from buying US-made goods.

The tech-focused Nasdaq index dipped 1.67 per cent.

The Dow Jones Industrial Average fell 1.19 per cent, while the S&P 500 slid 1.56 per cent.

In the latest escalation between the two largest economies, the US announced on Monday that a list of Chinese tech companies would be blacklisted over alleged human rights abuses.

The 28 targets include both government agencies and technology companies specialising in surveillance equipment.

The groups have been put on a so-called entity list following their alleged involvement against ethnic Uighurs in the north-western province of Xinjiang.

In response to the US announcement, the Chinese foreign ministry spokesman Geng Shuang said: "There is no such thing as these so-called human rights issues, as claimed by the United States... These accusations are nothing more than an excuse for the United States to deliberately interfere in China's internal affairs."

"US equity markets are in the red as traders are walking on eggshells for fear of China's retaliation for the blacklisting of Chinese companies by the US government," said David Madden, a market analyst at CMC Markets.

Madden added: "Trade negotiations will restart this week, but dealers are not expecting much as Beijing have already been managing expectations lower."

Spreadex financial analyst and marketing executive Connor Campbell said: "The markets responded as well as you'd expect... undoing much of last Friday's non-farm boost."

NOT SO SEAMLESS Levi Strauss reports drop in profits amid troubles in Americas

SHARES in denim giant Levi Strauss tumbled four per cent last night after the group struggled to grow its wholesale business in its largest revenue market of the Americas. Profits during the third quarter dropped four per cent.

Three ex-Barclays bankers accused of lying in financial crisis fraud trial

JAMES BOOTH
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THREE senior former Barclays executives were yesterday accused of lying about disguised payments to Qatar to facilitate a massive investment in the bank at the height of the financial crisis.

The three senior former executives — Roger Jenkins, Thomas Kalaris and Richard Boath — are standing trial at the Old Bailey on fraud charges — which they deny.

The Serious Fraud Office (SFO) alleges the trio used phoney advisory services agreements to hide payments made to Qatar to induce two investments in the bank.

"Telling lies in this way, say the prosecution, is a criminal offence," Edward Brown, prosecuting for the SFO, said.

"It is committing fraud by false representations. They acted dishonestly, say the prosecution, in order to preserve the future of the bank and to preserve their own positions."

The Qataris made an investment of £1.9bn into Barclays in June 2008 and a second of £2.05bn in November 2008 as the bank sought to avoid a government bailout.

The trial, which is expected to last five months, continues.

Thomas Crooks: scammers take aim at refund process for airline

ALEX DANIEL
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PEOPLE trying to claim refunds on flights and hotels booked with collapsed holiday giant Thomas Cook have been warned about possible fraudsters posing as them.

Britain's aviation regulator the Civil Aviation Authority (CAA) yesterday said it had been forced to take "urgent action" against fraudulent activity in relation to its massive refund operation.

The CAA warned customers to only make claims directly through the official dedicated website.

Suspicions have arisen of criminals setting up fraudulent versions of the CAA's refund site.

Thomas Cook collapsed in September, leaving 150,000 Brits stranded abroad and the majority of its 9,000 UK workers out of a job.

In a statement, it said: "This morning we have taken urgent action in response to what we believe is attempted fraudulent activity in relation to refunds for Thomas Cook customers."

Bank of England governor selection on track, says chancellor Sajid Javid

CATHERINE NEILAN

@CatNeilan

CHANCELLOR Sajid Javid has stressed that plans to appoint a new Bank of England governor are still "on track", despite resources being redeployed towards Brexit planning.

Javid has written to the Treasury Select Committee (TSC) — which is still without a chair after Nicky Morgan entered government this summer — to reassure MPs that a new head would be appointed before Mark Carney steps down.

Carney is due to finish his term on 31 January, and applications are open until early June.

In a letter to interim TSC chair Catherine McKinnell, Javid said: "You asked for an update on this important recruitment process. It is on track. In terms of the appointment itself, we will make an announcement in due course, ahead of the start of the next governor's term on 1 February 2020."

Javid's comments come amid announcements by Mark Carney yesterday that the Bank of England will stress test banks against a number of "climate pathways". He said that climate change "will prompt reassessments of the values of virtually every asset", and that carbon-zero firms will be "rewarded".

Carlos Ghosn was ousted as chairman last year for alleged financial misconduct

Nissan appoints fresh leader for 'difficult times'

ALEX DANIEL

@alexmdaniel

NISSAN has named the head of its Chinese operation, Makoto Uchida, as its new chief executive, as the firm tries to put the brakes on more than a year of chaos at the firm.

The 53-year-old Japanese executive has the task of turning around the stricken car maker, which has become ensnared in a combination of financial turmoil and boardroom scandal since the arrest of ousted chairman Carlos Ghosn last year.

He steps into the place of Hiroto Saikawa, who was the hand-picked successor of Ghosn. Saikawa himself was forced out last month, after admitting that he had received payments that flouted company rules — but were not illegal. The payments came via a scheme designed by Ghosn, who faces criminal charges in Tokyo for financial misconduct.

Saikawa had also presided over a period of plunging profits, and earlier in the summer announced the firm was slashing 12,000 jobs across the globe in an attempt to cut costs.

His dismissal has also exposed what some observers have labelled a "toxic" power struggle at the top of the firm. This is seen to have held the company back on pressing forward with its recovery plan.

Masakazu Toyoda, head of Nissan's nomination committee, said Uchida's "diverse experience makes him an appropriate leader for difficult times like now".

One anonymous associate of Uchida said he was a "foreigner with a Japanese face". The associate described him as a "Japanese person who isn't really Japanese inside. Very direct in his language, to the point, easy to understand."

As well as repairing the financial damage of the Ghosn scandal, Uchida will have to pick his way through the politics surrounding Nissan's French partner, Renault. His direct manner is thought to be regarded by the board as advantageous in this regard.

Since Ghosn's arrest last year, relations between the two firms are said to have broken down, despite a 20-year alliance.

Center Parcs owner mulls hiring advisers to explore sale options

JESSICA CLARK

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THE OWNER of Center Parcs UK is preparing to conduct a strategic review of the business with a view to explore a potential sale or stock market listing.

Brookfield Property Partners, a subsidiary of Canadian firm Brookfield Asset Management, is preparing to appoint advisers to weigh up options for the UK holiday chain, Sky News reported.

Center Parcs runs six holiday villages across the UK and Ireland, offering activities such as water sports and horseriding.

Neither Brookfield nor Center Parcs' board have firmed up the timing of the process, but a sale or initial public offering is expected to be considered over the next few months, the broadcaster reported.

Brookfield, which acquired the company in 2015, could decide to hold on to the ownership of the holiday operator for longer. Any transaction would not take place until next year at the earliest.

UK productivity falls as 10-year crisis continues

HARRY ROBERTSON

@henrygrobertson

UK PRODUCTIVITY fell at the quickest pace in five years in the second quarter, official figures showed yesterday, as Britain's decade-long productivity crisis continues.

Output per hour worked dropped 0.5 per cent in the three months from April to June compared with a year earlier, the Office for National Statistics (ONS) said.

UK productivity is around 20 per cent lower than it would have been if it had continued at pre-financial crisis levels. Economists argue over the causes of the crisis, which has been labelled the "productivity puzzle".

The trend has been compounded by Brexit uncertainty. Business investment — a key driver of productivity growth — has fallen in 2019 and flatlined since the 2016 referendum. Productivity is the main driver of long-term growth as it is the main way societies can get wealthier.

Richard Heys, deputy chief economist at the ONS, said: "Labour productivity has continued the weak trajectory it has followed over the last year.

"Both manufacturing and services saw a fall on this time last year, with only a couple of other relatively small sectors contributing positively. This confirms the broad base of the UK's productivity challenges."

Productivity in manufacturing and services fell by 1.9 per cent and 0.8 per cent respectively, compared with the same quarter in the previous year, the ONS said.

The falls in these sectors wiped out gains in non-manufacturing production and construction.

Tej Parikh, chief economist at the Institute of Directors, said: "Unsure of what's around the corner, businesses' investment in the new equipment and technology that drives up their performance has been stifled."

RETAIL THERAPY Selfridges bags record sales as accessories rake in customers

SELFRIDGES has thrilled its way to a record year of sales, driven by accessories such as an indoor skate bowl. The department store raked in a whopping £1.85bn sales in the 12 months to February, marking a six per cent increase on the previous year.

Robert Walters greets no-deal

JOE CURTIS

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RECRUITER Robert Walters blamed a "cocktail of confusion" for a profit warning yesterday, as UK revenues dropped 11 per cent on the back of Brexit uncertainty and a darkening global economic outlook.

However, chief executive Robert Walters insisted the UK economy is not yet in the doldrums, and said a no-deal Brexit would be better for business than another delay.

Brexit, the fallout of increasingly violent Hong Kong protests and ongoing tensions in the US-China trade war mean the recruitment giant now believes full-year profit will be flat year on year.

IN BRIEF

VODAFONE TO SHUT MORE THAN 1,000 EU STORES

Vodafone will shut 15 per cent of its 7,700 stores in Europe and upgrade some of the remaining outlets as customers buy more online and change their expectations of in-store shopping, chief executive Nick Read said yesterday. However, it plans to continue store openings in the UK. In September, Vodafone announced plans to open 24 new franchise stores in Britain this year, and it is examining the possibility of opening 50 more stores in 2020.

TOP SMARTPHONE SALES RAISE SAMSUNG'S HOPES

Strong sales of Samsung Electronics' Galaxy Note 10 smartphone series are limiting forecast profit falls at the South Korean tech giant, raising hopes it is getting back on a growth track after years of moribund sales. Samsung, the world's largest smartphone maker, is powering ahead with the launch of 5G phones and $2,000 (£1,638) foldable handsets as it heats up competition with rivals Apple in the US and China's Huawei following a battery explosion scandal in 2017 that hurt sales.

FINLAND'S FORTUM TO GAIN CONTROL OF UNIPER

Finnish utility Fortum is set to gain control of Germany's Uniper by acquiring the stakes of activist funds Elliott and Knight Vinke in a €2.3bn (£2.06bn) deal, potentially ending a long-running deadlock over ownership of the group.

Confidence slips ahead of crucial festive trading

JESS CLARK

@jclarkjourno

RETAILERS are bracing themselves for a challenging Christmas trading period as consumer confidence has slumped to a five-year low this autumn.

Only 21 per cent of shoppers think they will have more disposable income in the coming year, while 28 per cent expect the amount of extra cash to decrease, marking the lowest autumn sentiment levels since 2014.

Sentiment has fallen most sharply among the 25 and under age group, which has dropped 25 percentage points since the last survey in April, potentially creating an issue for brands that target younger customers.

However, there has been a slight increase in confidence in the 55 to 64 age bracket since April, although this group remains the most pessimistic overall, according to the latest research from professional services firm PwC.

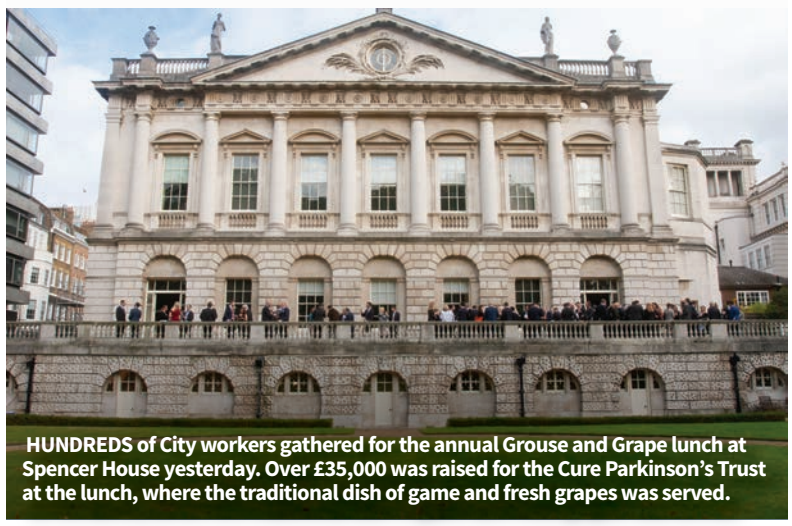
"With autumn sentiment at a five-year low, retailers and operators in the leisure sector may face a challenging run-up to the critical festive season, especially for those brands targeting younger consumers," said PwC consumer markets leader Lisa Hooker.

Two in five of the 2,000 adults surveyed said they expected Brexit to affect their spending levels over the next 12 months, an eight percentage point increase compared with April.

Of those that said Brexit would dampen their spending, 42 per cent said they would buy fewer things, 31 per cent said they would postpone big ticket purchases and 29 per cent said they would go out less.

Hooker said: "While our survey shows a decline since we last measured sentiment in April, British consumers are still more positive about their personal prospects than immediately after the EU referendum."

GROUSE HOUSE City guests raise £35,000 at annual Grouse and Grape charity lunch



HUNDREDS of City workers gathered for the annual Grouse and Grape lunch at Spencer House yesterday. Over £35,000 was raised for the Cure Parkinson's Trust at the lunch, where the traditional dish of game and fresh grapes was served.

'Politically motivated' HS2 will result in heightened rail fares

STEFAN BOSCIA

@Stefan_Boscia

THE HIGH Speed 2 (HS2) rail project will lead to ticket price hikes and reduce rail access for many northern cities, according to a new study.

The report, released this morning by the Adam Smith Institute, slammed the "politically motivated" project and said that upgrading existing lines would be cheaper and more effective at increasing train capacity.

The report added that HS2 was "unnecessarily fast" for the distances it covers and would "undermine access to intermediate stations, resulting in an increase in fares".

Pagegroup's shares dive on profit warning

JAMES BOOTH

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11.93%

RECRUITER Pagegroup delivered its second profit warning of 2019 yesterday, sending its shares tumbling.

The recruiter cut its forecast for 2019 operating profit to between £140m and £150m, down from earlier market estimates of between £156.5m and £168m.

The company said "heightened political and macro-economic challenges seen in the quarter, together with our limited forward visibility" were the reasons for the profit downgrade.

Pagegroup's share price fell 11.93 per cent to 367.80p yesterday.

Gross profit growth also slowed to 2.1 per cent in the third quarter, down from 7.4 per cent at constant currency in the second quarter.

Gross profit in the third quarter was £216.7m.

Chief executive Steve Ingham said "the majority" of Pagegroup's regions were hit by "increased macro-economic and political uncertainty" in the third quarter.

"We saw increasingly challenging trading conditions in many of our larger markets," he said.

Demand for new houses slumps amid uncertainty

JESSICA CLARK
@jclarkjourno

THE demand for new homes has slumped to a six-year low as consumers delay buying property until a Brexit plan becomes clear.

Research showed that consumer demand for new homes has fallen eight per cent over the last year.

Small house building firms said that current buyer demand is at 2.9 out of five, down from 3.14 last year, and is expected to fall further to 2.75 next year.

Almost half of small developers attributed the slump to a lack of consumer confidence, according to the latest research from the Federation of Master Builders (FMB).

FMB chief executive Brian Berry said: "Many prospective homeowners are clearly holding off buying until there is more political and economic certainty."

However, the main barriers to housebuilders — land availability, planning departments, access to land and access to skills — all improved over the last year.

The number of developers reporting a shortage of skilled workers fell from 44 per cent in 2018 to 26 per cent this year.

Access to land is the main hurdle to development, with 43 per cent of builders citing this as their main problem, down from 59 per cent last year. The planning system is the second major hurdle.

The number of firms citing access to finance as an issue fell to an eight-year low.

It comes as mayor of London Sadiq Khan said yesterday that City Hall needed a sevenfold increase in government funding to solve the city's housing crisis.

In 2016, he was awarded £4.8bn of government funding over a six-year period to build 122,000 affordable homes.

However, the mayor said at the inaugural Homes for London conference that City Hall needed that amount every single year in order to meet the city's housing needs.

He added that the downturn in private construction activity could be used as an opportunity to build more affordable homes.

"The slowdown gives [City Hall] an opportunity to build the genuinely affordable homes that London needs," he said.

STRIKING GOLD UK bowling alley provider Hollywood Bowl says it is rolling towards a perfect 10 per cent profit growth this year

UK BOWLING alley operator Hollywood Bowl yesterday said it expected profit growth to be over 10 per cent in the year to 30 September. The UK's biggest bowling alley company now expects total revenue for the year to have grown 7.7 per cent, with like-for-like revenue growth of 5.5 per cent.

1.32%

Bosses warn prosecutions set to increase after corporate failures

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COMPANY board members overwhelmingly expect to see an increase in the number of criminal prosecutions of senior executives and organisations implicated in corporate scandals.

A survey by audit firm RSM found 96 per cent of business leaders expect an uptick in prosecutions for those involved in business failures and ethical lapses.

Despite this, only 21 per cent of board members think corporate governance is critical for a business to achieve success.

The survey also showed that 28 per cent of boards have no corporate governance standards or guidelines and only 36 per cent of boards have a dedicated corporate governance officer.

Richard Smith, national head of risk assurance at RSM, said: "Our research reveals some unsettling truths, and consequently a ticking time bomb for some.

"On the one hand boards overwhelmingly recognise the very real threat of prosecution for poor corporate governance practice, but on the other they remain reluctant to fully engage in a process that minimises those very risks."

Private equity buyouts achieve 12-year pinnacle

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PRIVATE equity buyout investment in European companies grew significantly during the third quarter, with UK buyouts jumping almost 70 per cent.

The number of buyouts across Europe reached a 12-year high during the period with 296 deals, according to research released today by Unquote Data.

Total deal value increased 28 per cent to €52bn (£46.8bn), while UK deal value jumped 68 per cent to £12bn during the third quarter.

US looks to fund Huawei rivals in China 5G debate

JAMES WARRINGTON

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THE US government is said to be looking for ways to pump money into Huawei's European rivals amid concerns about the Chinese firm's dominance in the race to roll out 5G.

Officials have explored ways of issuing credit to Nokia and Ericsson to enable them to match the generous financing terms that Huawei offers its customers, the Financial Times reported, citing two people with knowledge of the situation.

The move represents an escalation of the US's campaign against Huawei, which is the world's largest provider of telecoms equipment.

US President Donald Trump has added the Chinese tech giant to a trade blacklist, accusing the firm of acting as a conduit for spying by authorities in Beijing.

"We gave up our superiority in making telecoms equipment decades ago, and now we are realising that this might not have been the best choice for national security reasons," one official told the newspaper.

"Almost every department and agency is desperately looking right now for ways to get back into this game. If we don't, Huawei could soon be the only option for anyone wanting to roll out 5G networks."

In addition to boosting European rivals, some officials in Washington are said to be pushing for a new domestic challenger.

US firms such as Cisco and Oracle have been asked to enter the market, but have rejected the suggestion as it would be too expensive and time-consuming, according to the report.

Last month US politicians outlined plans for a $1bn (£805m) fund that would help telecoms firms to replace equipment made by Huawei.

But the US has failed to persuade many of its allies to exclude the Chinese firm from their 5G networks.

BUILDING BLOCKS Eco-friendly council estate wins prestigious architecture award

A COUNCIL estate in Norwich made up of nearly 100 ultra low-energy houses has won this year's best new buillding award from the Royal Institute of British Architects. It beat the likes of London Bridge Station and the Nevill Holt Opera.

Government pledges first-year tariff cuts following hard Brexit

CATHERINE NEILAN

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THE GOVERNMENT has pledged to cut tariffs on lorries imported into the UK, and apply new tariffs on clothing imports, in the event of a no-deal Brexit.

For the first year after the UK leaves the EU, the government will reduce the tariff from 22 per cent to 10 per cent.

The move comes after the Road Haulage Association (RHA) pushed the government to axe the tariff altogether.

Lorries sold to the UK are currently not subject to a tariff, something the RHA says should continue in the event of a no-deal Brexit.

Allianz GI head cautions over no-deal impact

ANNA MENIN

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THE UK leaving the European Union without a deal would have a "significant impact" on the economies of both, said head of Allianz Global Investors (AGI), Andreas Utermann yesterday.

Utermann said a so-called hard Brexit is possible "because the players involved in the discussion seem to be — at least in terms of how they are talking about the process — contemplating very irrational moves.

"It's very difficult to predict now," he added.

Speaking at a Bloomberg event in London, Utermann said the possibility of no-deal was one of AGI managers' main concerns.

At the same event, Societe Generale chairman Lorenzo Bini Smaghi described a no-deal Brexit as a "systematic event" which could lead to a global recession.

"This uncertainty, I think, would create quite an impact on emotion, on sentiment, on entrepreneurs all over the world," said Bini Smaghi.

"Consumption would stop, investment would stop and we could have also a recession."

Easyjet's shares tumble despite 'robust' forecast

JOE CURTIS

@joe_r_curtis

EASYJET yesterday predicted it would hit upper profit guidance of up to £430m for its full year, despite rising costs.

In a trading update, the airline said pre-tax profit would be between £420m and £430m, just off its £440m upper range prediction.

However, it warned of a 12 per cent rise in costs owing to a volatile pound and higher fuel prices.

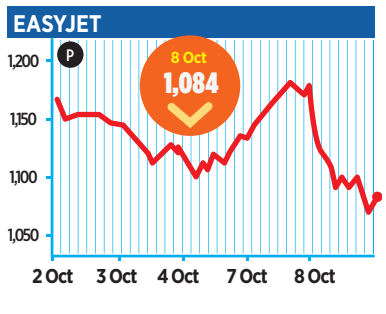
Passenger numbers rose 8.6 per cent to 96m year on year thanks to a 10 per cent jump in capacity.

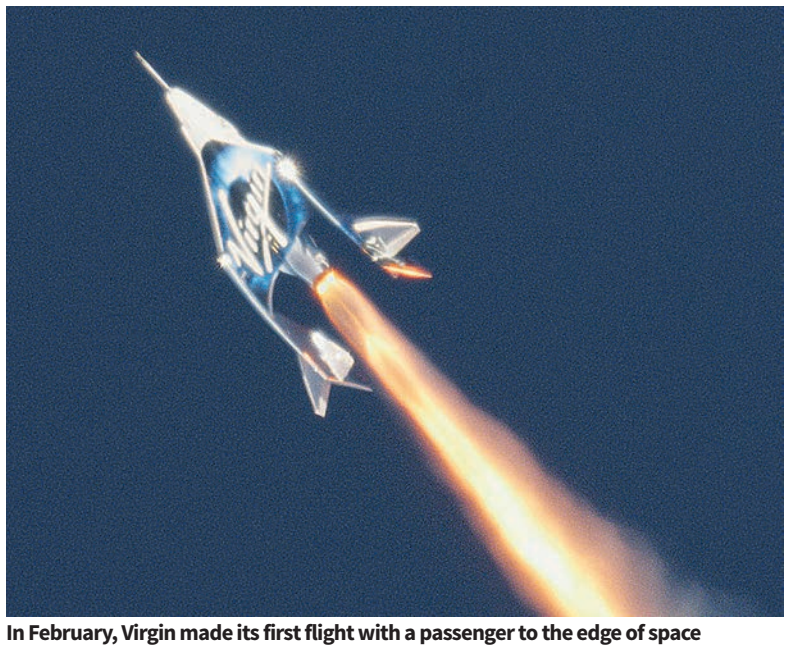
But revenue per seat is set for a 2.7 per cent drop due to a forex hit of £14m, despite increased demand after strikes by British Airways and Ryanair.

Easyjet shares slipped 4.5 per cent to 1,120p on the update and closed 7.55 per cent lower, even as analysts called the numbers "robust".

"Our implementation of initiatives in the fourth quarter to optimise yield has led to solid revenue performance with total revenue per seat at constant currency set to increase for the full year," Easyjet chief executive Johan Lundgren said.

CMC Markets chief market analyst Michael Hewson pointed to the 91.5 per cent load factor as a signal that capacity is worrying investors. "While this might improve by the end of the year it is evident that the industry still has too many seats," he said.





In February, Virgin made its first flight with a passenger to the edge of space

Boeing to invest $20m in Virgin Galactic as it prepares for listing

ALEX DANIEL

@alexmdaniel

BOEING is to invest $20m (£16.4m) in Sir Richard Branson's space-tourism venture Virgin Galactic, meaning it will have more money to take on rivals such as Elon Musk and Jeff Bezos in the commercial space race.

Branson founded space venture Virgin Galactic in a bid to cash in on rising demand for space travel.

He is looking to take the firm public by the end of the year, listing on the US markets via a merger with an already-listed company.

Boeing would receive new shares of Virgin Galactic for the investment made by its venture capital arm Boeing HorizonX Ventures.

Cellnex secures telecoms arm of rival Arqiva

JAMES WARRINGTON

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SPANISH infrastructure firm Cellnex has agreed to buy the telecoms division of British rival Arqiva for £2bn, making it the largest independent operator of mobile masts in the UK.

The deal will add roughly 7,400 sites to Cellnex's portfolio, as well as the rights to market roughly 900 additional sites across the UK serving all four mobile operators.

The agreement also grants the Spanish firm permission to use street infrastructure as locations for telecoms sites in 14 London boroughs, which the firm said was a key factor for the rollout of 5G in the capital.

Cellnex said it will finance the deal through a £2bn loan facility and cash reserves. The firm has also approved the launch of a €2.5bn (£2.2bn) rights issue.

"The Arqiva Telecoms division acquisition is a key milestone for Cellnex," said Tobias Martinez, chief executive of Cellnex.

"Its strong UK asset-base, revenues and financial profile... make it a perfect addition to our operations."

US EARNINGS PREVIEW: SOME RED FLAGS, BUT NO WHITE ONES – YET

Having now entered the final quarter of the year, attention will turn imminently to how US companies fared in the third quarter.

The bar is being set increasingly high, not least of which because the US indices have maintained their strong performances in the year to date, which could begin to stoke valuation concerns. The Dow Jones Industrial Average is up by over 15%, the S&P 500 has added 19%, while the Nasdaq has surged by nearly 21%.

It is perhaps the latter index which will receive particular attention, laden as it is with technology stocks.

The previous quarter had shown mixed fortunes for some of the technology majors, an example of which was the starkly different reactions to updates provided by Microsoft and Netflix.

By way of reminder, Microsoft showed that it had revived its fortunes, with its move to build on its cloud server business paying off handsomely. This well-run tech company gives investors exposure to parts of the economy and industry catalysts that are difficult to find elsewhere. For many investors it remains a must-own stock.

Netflix, on the other hand, provided disappointing subscriber growth numbers and, despite revenues and profits beating expectations, the shares were marked down sharply at the time. As such, and with the growing threat of other streaming services from the likes of Walt Disney, which launches its own version Disney Plus in November, Amazon Prime and also of course Apple TV+, subscriber growth will be a critical factor in establishing whether the third quarter was a successful one for Netflix.

Richard J Hunter
Head of Markets at interactive investor

More broadly, the earnings recession is likely to continue, with the estimated earnings decline for the S&P500 being 3.7%, which would mark a period of underperformance not seen since late 2015/early 2016. Earnings revisions and guidance have also recently been pared back, which means positive earnings surprises will be necessary from a large percentage of those companies reporting in order to maintain momentum.

There have also been some concerns that the ongoing trade spat with China is finally starting to wash through in terms of lowered revenues.

Previous warnings had come from the likes of Apple, General Motors and Ford, all of whom bemoaned extremely difficult trading conditions in China, and more recently the FedEx Corporation issued a gloomy update in which its management almost entirely attributed its poor performance to global macro deterioration – long since a concern for investors as tariffs between the world's two largest economies threaten to derail economic progress globally.

Normally a move from an economy being in late-cycle to end-cycle is represented by a move towards defensive stocks and away from cyclicals – and this has been a recent trend in terms of sector movements. Clearly the recent Federal reserve rate cut was also aimed at intercepting the possibility of recession, although it remains to be seen whether the move was adequate.

Despite these numerous challenges, the earnings season updates may have a large factor in their favour.

An important contributor to the strong performances reported in 2018 followed on from President Trump's implemented tax windfall. This in turn resulted in some relatively modest performances in the first half of this year. However, some of those comparisons are becoming easier as they begin to fade away, such that third-quarter numbers could receive a fillip or, at the very least, mark a trough in the recent earnings cycle.

The imminent non-farm payroll numbers and future consumer spending trends will both give a broader perspective to where the US is heading.

> "October is notoriously and traditionally a bumpy month in stock market terms.

One thing is for certain, though – the pressure is rising on companies to exhibit strong revenues and profits. October is notoriously and traditionally a bumpy month in stock market terms, so that any weakness in company numbers – perceived or actual – will be seized upon.

Watch this space.

This article is provided for information purposes only and is not intended to be a personal recommendation to buy or sell any financial instrument or product, or to adopt any investment strategy.

interactive investor

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SNP

GET READY FOR THE POPULIST ONSLAUGHT

Catherine Neilan on what to expect from the main parties soon to be vying for your vote at the ballot box

PARLIAMENT might have blocked the Prime Minister's repeated efforts to go to the polls but everyone in Westminster is gearing up for a pre-Christmas election. Even ministers who still claim their top priority is to "Get Brexit Done" are unambiguously positioning themselves for a snap vote. The working assumption is that a General Election will take place on 28 November or — increasingly likely — 12 December. And if you thought it got nasty before, this time around things could spiral even further out of normal territory.

The language of surrender and betrayal that has become so common in Westminster will spill out into the campaign trail.

Privately, and sometimes not so privately, Tory MPs are unhappy with the tone of Downing Street's bullish briefing operation.

"It wouldn't be my choice, but it plays well in my constituency," one such MP tells *City A.M.*, referring to the PM's use of the phrase "Surrender Act" to describe the law requiring him to seek a Brexit extension. A second adds: "It might prove to be genius, but we just won't know until it's too late. There is a darker mood... but that kind of simple message worked for Vote Leave."

It's not just "surrender" that has leapt into the political consciousness.

ASSUME THE POSITION

The messaging from both Conservatives and Labour shows right and left will be positioning themselves as the party of "the people" — in Labour's case against "privilege" —and for the Tories it's in contrast to "parliament".

The Liberal Democrats, meanwhile, continue to plug away with calls for a "people's vote", while the Brexit Party is adopting "a plague on both their houses" approach.

Some Conservatives actively support Johnson's new, more combative approach as shaking things up. "I'm a radical," shrugs one longstanding Eurosceptic MP, who was recently knighted for his services.

But other Tory MPs fear Johnson's naked populism is as "toxic" as it is short term.

"If you like an anti-establishment message, who are you going to vote for? Not the Conservatives," says one.

With "Get Brexit Done" plastered all over the Conservative conference, it is clear what other message Team Johnson will be taking into an election. Downing Street are relaxed about relinquishing Remain votes, expecting them to be split by Labour — whose threat has been somewhat neutered by its lack of clarity on Brexit — and by the Liberal Democrats.

MULTI-PARTY POLITICS

But increasingly the UK appears to be entering a four-party world, with the Tories gaining around a third of the votes, Labour and Lib Dems level pegging at around 22 per cent each, and the Brexit Party snapping at the heels with 10 to 12 per cent. It is that last party which is causing concern.

"Dominic Cummings' strategy is pretty clear: they are writing off Scotland, most of London and some of the outer rim and the immediate commuter belt," explains Cicero boss Iain Anderson.

"They are going after blue collar workers, but that only works if we have left on 31 October. If we haven't left, the big problem will be Nigel Farage stomping around."

However, with at least one cabinet minister admitting a deal is now virtually impossible, that is precisely the reason for the Get Brexit Done slogan. Alongside its "People vs Parliament" message, Team Johnson will enter a campaign able to shift the blame for failing to leave squarely on to someone else's shoulders. This conference was, in part, about covering the Prime Minister's back when he has to face the music from those who were expecting a Halloween Brexit, with or without a deal.

> "Neither party has put out an honest set of policies... they are not engaging with reality

MUDDY WATERS

But that was what was happening for all to see. Increasingly, parties are taking an approach that muddies the waters. Corbyn and the Labour front bench have repeatedly attacked the "mainstream media" over supposed news blackouts, and both parties have cut journalists out of the loop entirely, speaking directly — and without challenge or scrutiny — to their party faithful.

"I am really concerned about this election," says Will Moy, of independent fact-checking organisation Full Fact. "We should be afraid about what happens when democracy is not scrutinised properly, when parts of the campaign are not visible and independent journalism is cut out of parties' campaigns."

To take a recent example, Moy's organisation identified a Facebook post from the Conservatives in which a BBC headline about schools funding had been changed, using a figure that the article itself said was inaccurate. In a world where people scroll through without clicking, headlines are what matters, Moy believes. And this is just the tip of the iceberg.

"What we are seeing more and more is parties making different arguments to different voters — using targeted online advertising to do it," he explains. Micro-targeting is used by everyone from retailers to political candidates, but Moy believes conventions are being changed more quickly than the law can keep up with. Despite calls from the Digital, Culture, Media & Sport Select Committee for emergency legislation, no response has been forthcoming.

HEY BIG SPENDERS

Other experts warn that even they are no longer able to assess what parties are putting into the public sphere. Paul Johnson, director of the Institute for Fiscal Studies, suggests the pledges made during conference season are "unsustainable" at best.

"At the moment, the Prime Minister appears to be promising three impossible things before breakfast," he says. "They are promising all things to all people... of course, it's very easy to put out something which looks very good on social media. There is that old saying 'a lie is halfway around the world before the truth gets its boots on' — it feels more and more relevant these days."

So where does that all leave us? Labour and the Conservatives are increasingly coalescing around the same positions — spending big and promising to represent the people. But as Moy says: "Neither [party] puts out an honest set of choices... they're not engaging with reality."

The reality is that the next election will be a proxy second referendum but far from settling an argument it could end up with the country — and parliament — more divided than ever before.

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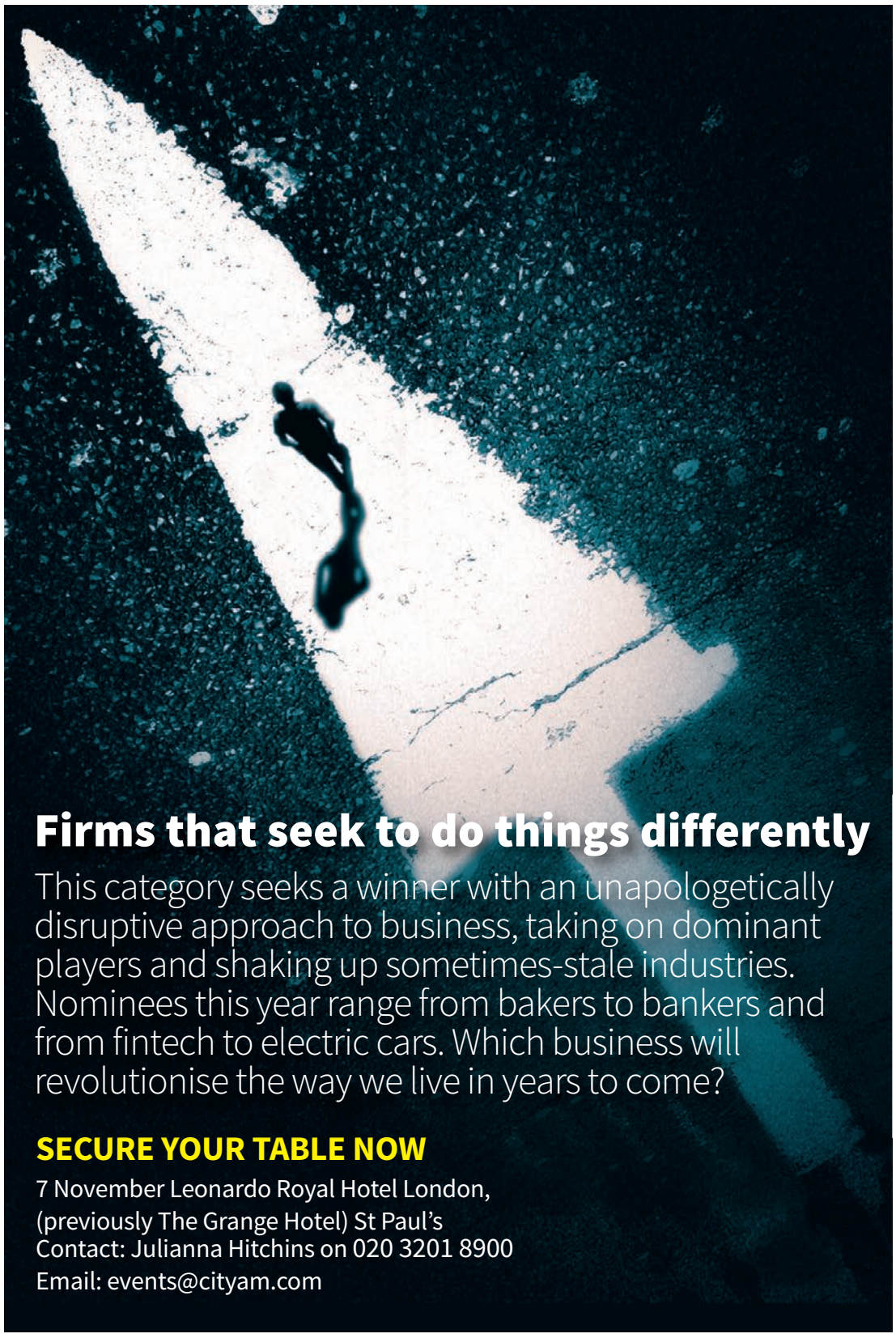

Firms that seek to do things differently

This category seeks a winner with an unapologetically disruptive approach to business, taking on dominant players and shaking up sometimes-stale industries. Nominees this year range from bakers to bankers and from fintech to electric cars. Which business will revolutionise the way we live in years to come?

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THE NOMINEES

WAGESTREAM

This London fintech firm is confronting in-work poverty by changing how employees receive their wages. Rather than having to wait until the end of the month, workers can draw down a percentage of their income at any point the month for a small, flat fee. Its social impact business model could undermine the credit card and payday loan sectors. This year, Wagestream secured £15m in a funding round led by Balderton and Northzone, and a funding facility of up to £25m from Shawbrook.

GREGGS

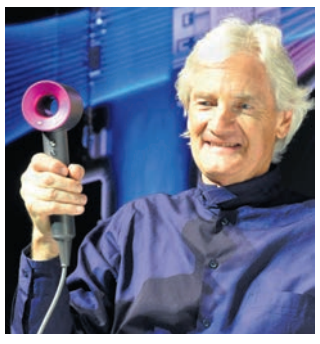
Budget lunchtime specialist Greggs has been in a bullish mood this year – defying a slowdown on the high street, a trend towards higher-end snacks, and a shift towards non-meat products. Greggs famously embraced the latter with its vegan "sausage" roll and a product launch right at the beginning of 2019 that could go down as one of the most successful in marketing history. Shares are up nearly 90 per cent since the start of the year after sales self-raised to over £1bn. Tasty.

MONEYBOX

Launched in 2016 by Ben Stanway and Charlie Mortimer, Moneybox is an app designed to help people get their finances in shape and plan for the future. Moneybox currently has around 200,000 users and is the market leader in ISAs for 18-34 year olds, with over 100,000 of this age group contributing to their ISA each week through the app. The company partnered with OakNorth Bank this summer to launch a cash Lifetime ISA with a market-leading savings rate to help customers in saving for their first home.

LOCALGLOBE

One of London's top seed-stage venture capital investors, LocalGlobe has pushed on in 2019, raising two new funds to the tune of $295m. The firm was founded by a father and son team including Lovefilm founder Saul Klein, who insists the UK will remain fertile ground for some of the world's most exciting startups – irrespective of Brexit. LocalGlobe is a fund with a difference, focusing on sustainable and socially responsible investing. It is well-known for backing the likes of Improbable and Zoopla.



DYSON

Legendary vacuum-maker Dyson started the year on a high, announcing profits of more than £1bn. The Brexit-backing designer provoked some anger by moving the firm's HQ to Singapore, where he also rewarded himself with a £43m penthouse, yet has ploughed millions into electric vehicle technology in the UK. The firm revealed patents for its electric car designs this year as it looks to continue its range of products having succeeded in rolling out hand-driers, hair-driers, cleaning robots, and an air-purifying fan beloved by the Queen.

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Brewdog's new hybrid flexitarian burger isn't that left field

MULTINATIONAL brewery and pub chain Brewdog has sparked fierce Twitter debate by launching an unusual new burger, half of which consists of plant-based Beyond Meat and half beef — all sandwiched between two green matcha tea buns.

Marketed as "an environmentally sustainable alternative with zero compromise on flavour", the hybrid burger is entirely dairy-free and surrounded by 100 per cent vegan ingredients, except for the sustainably reared beef.

Brewdog explained the new product was an attempt to help those looking to cut down — but not totally stop eating — meat, commonly known as flexitarians.

Despite the negative reception from the media and the public, Brewdog's attempt to appeal to a growing number of flexitarians makes sense.

Yougov data showed that 14 per cent of the UK would describe their eating habits as flexitarian, much more than those who identify as vegetarian (four per cent), pescatarian (three per cent) or vegan (one per cent).

The proportion of Brewdog's current customers who are flexitarian is even higher (23 per cent) and almost half of their customer base (49 per cent) also say that they're actively trying to reduce their meat consumption, which is 10 percentage points more than the national average.

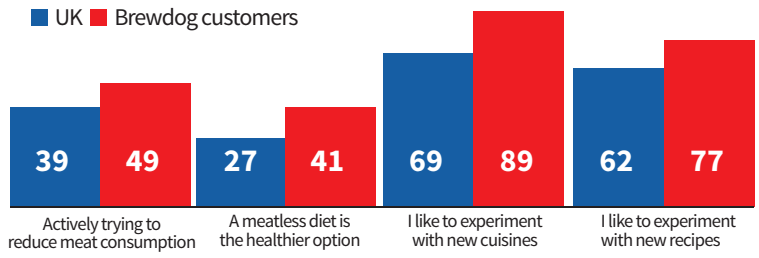
They're also more likely to consider a meatless diet as a healthier option (41 per cent), and enjoy experimenting with new recipes (77 per cent).

Brewdog's hybrid burger could well be a hit. But whether it will entice carnivores to try a less animal-based option remains to be seen.

Stephan Shakespeare is the chief executive of YouGov

BREWDOG CUSTOMERS ARE MORE RECEPTIVE TO LESS MEAT-CENTRIC DIETS AND FOODS

Statements agreed with about food and drink % = agreement



Piracy threatens sport broadcast rights 'bubble'

JAMES WARRINGTON

@j_a_warrington

THE VALUE of sports broadcast rights is on the verge of collapse due to rampant piracy, the head of the world's largest investor in managed rights has warned.

Yousef Al-Obaidly, chief executive of Qatari media network beIN, said the "glorious media rights bubble" was set to burst due to the large-scale piracy of sports competitions including the Premier League.

Over the last two years beIN, which oversees a portfolio of broadcast rights worth roughly $15bn (£12.3bn), has been crippled by piracy carried out by an illegal broadcaster dubbed Beoutq.

beIN has already had to lay off hundreds of staff members due to the financial impact of the pirate activity, which has been fuelled by a Saudi-backed satellite operator.

But in a speech in London yesterday, Al-Obaidly warned that the implications of the piracy would spread throughout the industry.

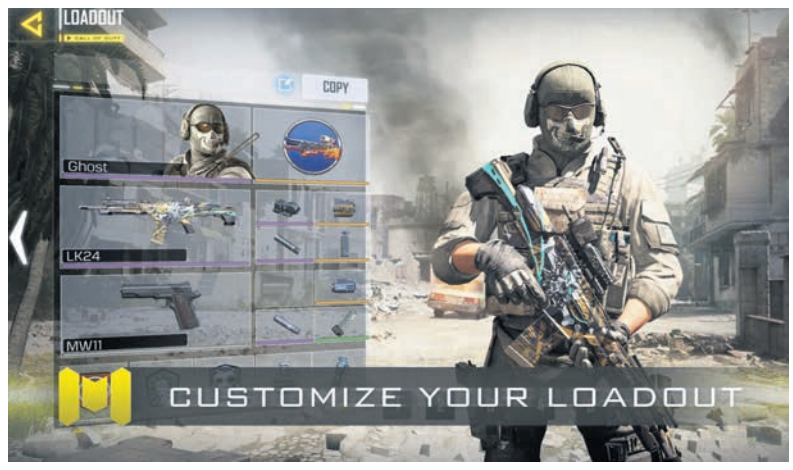
"I'm here to tell you how the endless growth of sports rights is over," he said. "Not only that, but in certain cases, rights values are going to drop off a cliff, and the very economic model of our industry is going to be re-written."

Premier League matches are often subject to broadcast piracy

The media boss said the sheer scale of piracy meant his firm could no longer view sports rights as exclusive, adding that future commercial offers would reflect this.

Al-Obaidly accused rights holders such as the Premier League of being slow to react to the threat, saying that they were "sleep-walking towards a financial cliff".

LEVEL UP Call of Duty's new mobile game smashes records with 100m downloads



THE MOBILE version of video game franchise Call of Duty racked up 100m downloads in its first week, industry site Sensor Tower said yesterday, dwarfing the debuts of previous smashes including Fortnite and Playerunknown's Battlegrounds.

Norway wealth fund braced for see-saw values

ANNA MENIN

@annafmenin

NORWAY'S $1.1 trillion (£899bn) sovereign wealth fund must be prepared for "large fluctuations" in the value of its portfolio, its managers said.

The world's largest sovereign wealth fund will also consider investing in companies before they go public, said Norges Bank Investment Management (NBIM) in a report outlining the fund's strategy for the next three years.

"Trends and disruptions in the global economy such as increased trade barriers, low global interest rates, changing technology paradigms and climate change will affect the fund," the report said. "We should be prepared for large fluctuations in the value."

NBIM said the proposed shift towards investing in firms before they list was in response to "a change in market dynamics" in recent years as the number of new listings declined.

"Companies seem to stay private for longer. We will consider further investments in companies prior to their public listing," NBIM said.

The fund will continue to hold around 70 per cent of its assets in global equities, in line with a mandate set by Norway's parliament. The fund is currently invested in almost 70 different equity markets, and is entirely invested outside Norway.

The number of markets in the portfolio could decline as managers "continuously assess the rationale for investing in some of the smaller emerging markets", the report said.

It emerged last week that the fund would divest from companies solely dedicated to oil and gas exploration, but will continue to hold stakes in oil refiners and other firms involved in the industry.

The decision to divest affects holdings in 95 companies totalling around 54 bn Norwegian crowns (£4.8bn).

Post offices have tried to counter the effects of bank branch closures

Worry as Barclays poised to end cash-free service at post offices

HUW JONES

THE PAYMENT Systems Regulator (PSR) yesterday voiced concern that Barclays has pulled out of an agreement allowing bank customers to withdraw cash from post offices for free.

Post offices have sought to plug gaps created by banks closing cash machines, particularly in rural areas. "This step by Barclays reduces the number of places their customers can go to get cash," the PSR said. "We are concerned."

Barclays said cash withdrawals at post office counters would end in January, but customers and businesses could still pay in cash and cheques, and check balances. *Reuters*

J&J reputation upset by opioid row in America

JESSICA CLARK

@jclarkjourno

JOHNSON & Johnson (J&J), the pharmaceutical giant, is battling for its reputation amid its involvement in the opioid crisis sweeping the US, according to research.

The brand has fallen from 8th position in 2014 to 57th this year on a ranking of 58 global pharmaceutical companies.

Reputation intelligence firm Alva also said the "erosion" of J&J's promise to put customers ahead of shareholders is cutting into the firm's reputation among consumers.

Last week, the company paid $20.4m (£16.7m) to settle claims by two Ohio counties, although J&J said the settlement does not admit liability.

Earlier this year the firm was ordered to pay $572.1m to Oklahoma state for contributing to the epidemic by deceptively marketing addictive painkillers.

Alva chief strategy officer Alistair Pickering said: "So far we have seen clear evidence that J&J's reputation has been negatively affected by the issues it is facing."

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LONDON REPORT

UK shares cave under weight of Brexit anxieties

UK-FOCUSED stocks from **Tesco** to housebuilders sank yesterday as worries over a no-deal Brexit peaked after a Downing Street source said a divorce deal was essentially impossible, while the **London Stock Exchange (LSE)** dropped after the Hong Kong bourse dropped its takeover bid.

The FTSE 250 index stumbled to its lowest in more than a month and ended 1.1 per cent lower.

The blue-chip index, also vulnerable to hits from a deterioration in the global trade scenario, dropped 0.8 per cent ahead of the much-anticipated resumption of US-China negotiations this week.

At home, Brexit took centre stage again amid fears that any potential agreement between Britain and the European Union was dead in the water as both parties positioned themselves to avoid blame for another extension or a chaotic no-deal Brexit.

Those fears translated into a sell-off in shares of companies perceived to be most exposed to a fallout from Brexit.

An index of retailers slipped 2.5 per cent on its worst day in over four months, with Tesco falling three per cent, and homebuilders losing 1.3 per cent.

"We are now heading towards the revoke versus no-deal showdown," Markets.com analyst Neil Wilson said.

Aside from Brexit, the Sino-US trade talks, scheduled for today could also make or break stock market performance this week.

However, mixed signals from Washington, which expanded its trade blacklist of Chinese companies, have done little to settle investor nerves.

Tesco's shares dropped three per cent to a four month low yesterday

LSE fell 5.8 per cent after Hong Kong Exchanges and Clearing scrapped its unsolicited $39bn (£32bn) offer, leading shares of the UK bourse operator to drop to levels not seen since last month when **HKEX** first announced the takeover plans.

The stock also suffered its steepest one-day decline since the 2016 Brexit referendum.

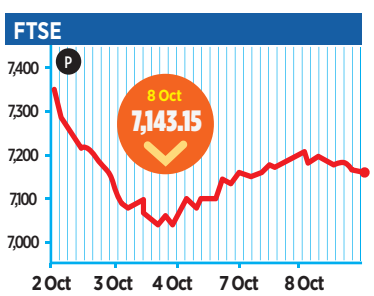
Easyjet was the biggest drag on the index with a 7.5 per cent slide, despite a robust outlook for the current year.

TOP RISERS

1. **Polymetal** Up 2.75 per cent
2. **Fresnillo** Up 1.99 per cent
3. **Smurfit Kappa** Up 1.40 per cent

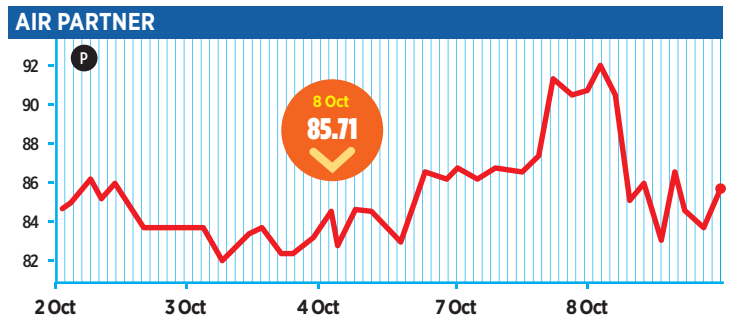
TOP FALLERS

1. **LSE** Down 5.07 per cent
2. **Whitbread** Down 3.64 per cent
3. **Flutter** Down 3.58 per cent

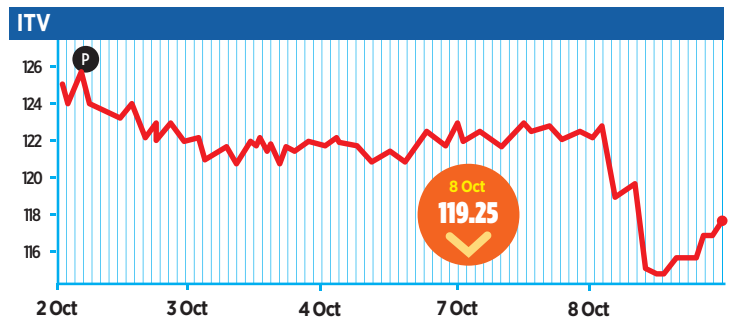


BEST OF THE BROKERS

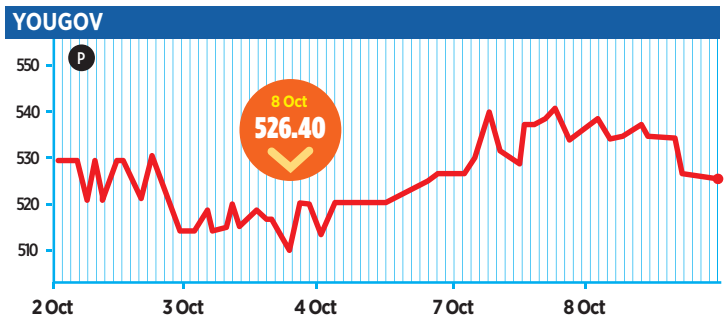
To appear in Best of the Brokers, email your research to notes@cityam.com



There's a lot of talk about the impact of Brexit uncertainty on business, but isn't it time we spared a thought for the private jet industry? Fortunately, the analysts at Canaccord Genuity have been doing just that. In a note they said Air Partner, which also provides group charter and freight services, had pulled through the turbulence of recent months and is well-positioned to benefit from long-term growth trends in aviation. Initiating coverage of Air Partner, the brokers gave the firm a "buy" recommendation with a target price of 145p.



Nobody expects a Spanish acquisition. Except Arqiva, that is, which yesterday sold its telecom towers business to Spanish rival Cellnex for £2bn. For the brokers at Liberum, this deal dials into a huge opportunity for ITV. They said the broadcaster's SDN business, which runs one of the main multiplexes for digital terrestrial channels, could be a "source of hidden value" for ITV if it decides to sell. Liberum valued SDN at between £750m and £1bn, or up to 20 per cent of its market cap. The brokers reiterated "buy" with a target price of 180p.



Serial pollster Yougov has united opinion among brokers at Peel Hunt, who have thrown their weight behind the London-based company. The analysts lauded a strong end to the year for the market research firm, which posted a 17 per cent rise in revenue to £136.5m. They also came out in favour of Yougov's acquisition of SMG Insight, saying the new sports data products were starting to gain traction. Peel Hunt said its outlook for the business remained strong, and gave Yougov a "buy" recommendation at a target price of 620p.

NEW YORK REPORT

Wall St rocked by visa action against China

US STOCKS ended down sharply yesterday as news that the US had imposed visa restrictions on Chinese officials overshadowed comments by Federal Reserve chairman Jerome Powell suggesting openness to further interest rate cuts.

Stocks cut losses following Powell's remarks but quickly reversed course to fall further in late trading after the US State Department said it had imposed visa restrictions on Chinese government and Communist party officials it believes responsible for the detention or abuse of Muslim minorities in the Xinjiang province.

The move stoked tensions ahead of high-level trade talks in Washington.

Losses were broad-based, led by a two per cent drop in the interest-rate sensitive S&P 500 financial index, while the Philadelphia Semiconductor index dropped 3.1 per cent.

A Bloomberg report said Washington was moving ahead with efforts to limit capital flows to China, while a South China Morning Post report said China had toned down expectations ahead of the talks in Washington.

In his remarks, Powell also said the time had come to allow the Fed's asset holdings to begin to expand again, and that the Fed would "soon announce measures to add to the supply of reserves over time".

The Dow Jones Industrial Average fell 313.98 points, or 1.19 per cent, to 26,164.04, the S&P 500 lost 45.73 points, or 1.56 per cent, to 2,893.06 and the Nasdaq Composite dropped 132.52 points, or 1.67 per cent, to 7,823.78.

"The overall tone from the Fed is showing a little more concern," said Willie Delwiche, investment strategist at Baird in Milwaukee.

Market expectations have increased that the Fed will cut interest rates by a quarter percentage point this month, according to CME Group's FedWatch tool. Those bets were bolstered yesterday by data that showed US producer prices unexpectedly fell in September. Declining issues outnumbered advancing ones on the NYSE by a 3.01-to-1 ratio.

CITY MOVES WHO'S SWITCHING JOBS

MADE

Leading European design brand Made has announced the appointment of Nicola Thompson as the company's new chief operating officer (COO). In the newly-created role, Nicola will be responsible for merchandising, logistics and supply chain, customer service and customer experience functions. Nicola joins Made after more than five years with online fashion retailer Asos where she most recently served as global customer development director. At Asos, she was responsible for driving the development and execution of the firm's commercial strategy across the business globally. Philippe Chainieux, chief executive of Made, said: "Nicola's wealth of experience and insight in leading business development across global markets will be instrumental in helping us to continue to expand our footprint in new and existing markets."

SIR ROBERT MCALPINE

Building and civil engineering company, Sir Robert McAlpine, has appointed Simone Starnini as head of facade engineering. In the course of a prestigious career, which spans more than 20 years, Simone has established himself as an internationally respected figure in his field across the industry. Having worked on some of London's most iconic buildings, Simone brings a wealth of expertise to lead Sir Robert McAlpine's award-winning facade team. Simone started his career at Italian company Focchi, where he worked on several prestigious London schemes including the London Stock Exchange building and the RBS building. Simone then joined Laing O'Rourke where he was responsible for high-profile projects such as One Hyde Park, the Leadenhall building, the Francis Crick Institute and Guy's and St Thomas' Hospital. Commenting on the move, Simone said: "I'm very excited to start this new adventure with Sir Robert McAlpine, a company I have admired since my sub-contracting days." The family-owned building and engineering company, which has worked on buildings including the Olympic Stadium, Elizabeth Tower and O2 Arena, is this year celebrating its 150th anniversary.

PANTHEON

London-based private equity firm Pantheon has announced John Eggleston as a new partner and chief technology officer. He joins from BGF, a £2.5bn investment company where he was a member of the executive and investment committees. Prior to BGF, John was co-founding chief information officer at Callcredit, which grew from initial concept to acquisition by Transunion for over $1bn (£820m). At Pantheon, John will oversee core technology infrastructure, information security and systems development.

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
7143.15	19200.90	3918.17	26164.04	7823.78	2893.06
↓ 54.73	↓ 219.34	↓ 32.05	↓ 313.98	↓ 132.52	↓ 45.73

£/€	1.1152	↓ 0.0005	€/$	1.0959	↓ 0.0016
£/$	1.2218	↓ 0.0071	€/£	0.8966	↑ 0.0042
£/¥	130.87	↓ 0.9240	€/¥	117.35	↓ 0.2930

GILTS

	Price	Chg	High	Low
Tsy 4.750 20	101.69	-0.01	105.5	101.4
Tsy 2.500 20	354.96	-0.00	360.9	354.6
Tsy 2.000 20	101.12	0.00	102.2	101.1
Tsy 3.750 20	102.94	-0.01	105.6	102.6
Tsy 8.000 21	112.74	-0.02	118.7	112.4
Tsy 1.875 22	116.79	-0.12	118.3	115.5
Tsy 0.500 22	100.77	0.01	100.8	97.7
Tsy 4.000 22	109.10	-0.01	110.7	108.5
Tsy 2.250 23	107.96	0.00	108.0	104.7
Tsy 2.500 24	376.01	-0.10	377.9	359.1
Tsy 0.125 24	115.31	-0.13	115.8	110.9
Tsy 5.000 25	125.76	-0.02	126.1	122.1
Tsy 4.250 27	132.56	-0.05	132.8	122.6
Tsy 1.250 27	140.48	-0.23	141.1	128.6
Tsy 6.000 28	151.57	-0.07	152.2	140.5
Tsy 0.125 29	134.49	-0.24	134.7	119.0
Tsy 4.125 30	401.46	-0.22	404.2	356.1
Tsy 4.750 30	147.30	-0.08	147.9	132.1
Tsy 1.250 32	165.91	-0.25	167.7	144.3
Tsy 4.250 32	145.49	-0.09	146.4	128.5
Tsy 4.250 36	154.55	-0.09	155.7	133.1
Tsy 0.125 36	159.08	-0.35	162.5	133.9
Tsy 4.750 38	170.46	-0.08	171.8	144.9
Tsy 0.625 40	181.14	-0.43	185.7	153.1
Tsy 4.500 42	175.80	-0.16	176.7	145.9
Tsy 3.500 45	158.30	-0.18	159.0	128.0
Tsy 4.250 46	180.21	-0.21	181.0	145.7
Tsy 4.025 49	188.10	-0.22	188.9	150.0
Tsy 0.500 50	214.72	-0.54	222.9	173.7
Tsy 0.250 52	211.95	-0.58	221.1	168.8

AEROSPACE & DEFENCE

	Price	Chg	High	Low
BAE Systems	549.2	-1.6	603.2	443.9
Cobham	157.1	0.3	168.3	96.8
Meggitt	628.2	0.4	643.0	458.0
QinetiQ Group	302.2	-0.2	312.4	267.0
Rolls-Royce Holdi	726.4	-5.6	988.4	720.2
Senior	176.8	-3.2	305.2	176.0
Ultra Electronics	1988.0	8.0	2252.0	1232.0

BANKS

	Price	Chg	High	Low
Bank of Georgia G	1252.0	-19.0	1755.0	1243.0
Barclays	143.9	-0.4	178.9	136.2
Close Brothers Gr	1314.0	-27.0	1605.0	1227.0
CYBG	104.4	-2.9	304.4	102.3
HSBC Holdings	599.2	-5.1	680.6	580.9
Lloyds Banking Gr	51.0	-0.7	66.6	48.6
Royal Bank of Sco	189.3	-5.8	270.4	177.7
Standard Chartere	632.0	-5.4	736.8	519.8
TBC Bank Group	1196.0	6.0	1710.0	1154.0

BEVERAGES

	Price	Chg	High	Low
Barr (A.G.)	552.0	-11.0	975.0	549.0
Britvic	985.0	0.5	987.0	745.0
Coca-Cola HBC AG	2573.0	27.0	3074.0	2244.0
Diageo	3320.0	-8.0	3625.5	2523.5

CHEMICALS

	Price	Chg	High	Low
Croda Internation	4770.0	14.0	5375.0	4564.0
Elementis	137.7	-1.4	233.6	129.8
Johnson Matthey	2810.0	-58.0	3454.0	2620.0
Sirius Minerals	3.8	-0.0	26.3	2.9
Synthomer	286.8	-5.2	490.1	279.8
Victrex plc	2020.0	-12.0	3046.0	1845.0

CONSTRUCTION & MATERIALS

	Price	Chg	High	Low
Balfour Beatty	206.6	-4.6	295.0	194.2
CRH	2605.0	-45.0	2837.0	1971.5
Galliford Try	608.0	-25.0	940.0	512.0
Ibstock	232.8	-0.6	262.0	193.1
Marshalls	662.0	-8.0	696.0	415.0
Polypipe Group	385.6	-13.4	453.8	307.8

ELECTRICITY

	Price	Chg	High	Low
Contour Global	180.6	4.4	218.0	150.1
Drax Group	276.4	-7.4	427.2	251.0
SSE	1240.0	-17.0	1263.5	1008.0

ELECTRONIC & ELECTRICAL EQ.

	Price	Chg	High	Low
Halma	1934.0	-22.0	2094.0	1237.0
Morgan Advanced M	239.6	-11.6	318.0	235.4
Oxford Instrument	1268.0	-6.0	1424.0	842.0
Renishaw	3596.0	-52.0	4670.0	3368.0
Spectris	2345.0	-55.0	2898.0	1966.5

EQUITY INVESTMENT INSTRUM.

	Price	Chg	High	Low
Aberforth Smaller	1218.0	-10.0	1306.0	1114.0
Alliance Trust	781.0	-1.0	838.0	672.0
Apax Global Alpha	154.0	-2.5	159.5	127.0
AVI Global Trust	735.0	-1.0	781.0	660.0
Baillie Gifford J	831.0	2.0	840.0	663.0
Bankers Inv Trust	930.0	-3.0	970.0	766.0
BBGI SICAV S.A. (	160.0	-0.5	168.0	146.5
BlackRock Smaller	1354.0	-14.0	1482.0	1160.0
BMO Global Smalle	1334.0	-4.0	1410.0	1220.0
Caledonia Investm	2955.0	-15.0	3110.0	2650.0
City of London In	408.0	-3.0	431.5	376.0
Edinburgh Inv Tru	577.0	-2.0	656.0	535.0
F&C Investment Tr	691.0	-2.0	731.0	616.0
Fidelity China Sp	213.0	0.0	250.0	182.4
Fidelity European	242.5	0.5	257.5	202.0
Fidelity Special	250.0	-3.5	269.0	220.0
Finsbury Growth &	900.0	-5.0	958.0	740.0
Foresight Solar F	119.5	-2.0	126.0	107.5
GCP Infrastructur	126.2	0.2	130.8	122.4
Genesis Emerging	753.0	-1.0	783.0	615.0
Greencoat UK Wind	142.4	0.2	143.6	124.4
HarbourVest Globa	1730.0	-12.0	1786.0	1326.0
Herald Investment	1264.0	-2.0	1364.0	1055.0
HGCapital Trust	226.0	-0.5	237.0	175.0
HICL Infrastructu	164.2	-1.8	170.1	149.9
International Pub	154.8	-0.4	165.4	146.8
JPMorgan American	467.0	-1.5	494.5	386.5
JPMorgan Emerging	994.0	4.0	1066.0	759.0
JPMorgan Indian I	724.0	-5.0	790.0	566.0
JPMorgan Japanese	442.5	0.5	457.0	367.0
Jupiter European	810.0	-2.0	875.0	666.0
Law Debenture Cor	566.0	-4.0	618.0	534.0
Mercantile Invest	204.0	-2.0	212.5	168.0
Monks Inv Trust	883.0	-4.0	964.0	710.0
Murray Internatio	1168.0	-12.0	1212.0	1056.0
NB Global Floatin	89.8	-0.1	92.6	87.6
NextEnergy Solar	119.5	-2.5	124.5	109.0
Pantheon Internat	2260.0	-35.0	2330.0	1955.0
Perpetual Income	299.5	-7.0	341.0	284.5
Pershing Square H	1522.0	4.0	1570.0	990.0
Personal Assets T	42450.0	0.0	43150.0	38900.0
Polar Capital Tec	1394.0	-8.0	1500.0	1066.0
RIT Capital Partn	2115.0	0.0	2170.0	1892.0
Riverstone Energy	485.5	-24.5	1272.0	485.0
Schroder Asia Pac	433.0	3.0	469.5	379.0
Scottish Inv Trus	819.0	4.0	845.0	748.0
Scottish Mortgage	492.4	-4.4	568.5	441.4
Sequoia Economic	115.6	-0.4	117.6	106.0
Smithson Investme	1222.0	-10.0	1280.0	1000.2
Syncona Limited N	218.0	0.0	294.0	213.5
Temple Bar Inv Tr	1202.0	-16.0	1366.0	1116.0
Templeton Emergin	786.0	4.0	829.0	649.0
The Renewables In	129.0	-0.8	133.2	109.3
TR Property Inv T	422.0	2.0	430.0	353.5
Vietnam Enterpris	499.0	-4.0	509.0	421.5
VinaCapital Vietn	338.0	2.0	357.5	318.0
Witan Inv Trust	210.5	-0.5	225.5	189.6
Worldwide Healthc	2585.0	-35.0	2835.0	2325.0

FINANCIAL SERVICES

	Price	Chg	High	Low
3i Group	1075.5	-14.0	1184.5	756.2
3i Infrastructure	283.0	-2.0	306.5	241.3
AJ Bell	373.0	-15.0	477.0	220.0
Allied Minds	52.3	0.8	84.2	37.3
Amigo Holdings	71.2	1.6	297.5	67.8
Arrow Global Grou	216.8	2.2	273.0	167.2
ASA International	329.0	-10.0	481.0	320.0
Ashmore Group	465.8	-10.4	542.5	341.2
Brewin Dolphin Ho	309.2	-1.0	358.0	287.6
City of London In	426.0	-12.5	447.0	360.0
CMC Markets	121.6	2.0	133.2	77.4
Coats Group	69.2	-1.0	91.3	68.8
Georgia Capital	986.0	-12.0	1260.0	941.0
Hargreaves Lansdo	1771.5	-19.0	2433.0	1633.0
IG Group Holdings	585.2	-5.2	644.5	474.8
IntegraFin Holdin	355.5	-10.5	406.1	269.0
Intermediate Capi	1326.0	-12.0	1460.0	899.0
International Per	106.0	-0.2	225.8	87.0
Investec	396.5	-7.5	518.6	395.9
IP Group	56.5	-1.2	122.0	55.7
John Laing Group	353.0	-0.8	402.0	296.2
JTC	350.0	-20.0	440.0	287.0
Jupiter Fund Mana	315.7	-5.3	432.0	287.6
Liontrust Asset M	748.0	-2.0	816.0	532.0
LMS Capital	57.3	0.3	58.0	44.0
London Finance &	38.5	0.0	42.5	37.5
London Stock Exch	7020.0	-432.0	7514.0	3867.0
Man Group	162.9	-3.7	175.2	126.8
OneSavings Bank	340.8	-11.8	447.4	313.6
Paragon Banking G	460.6	-1.8	482.4	379.2
Plus500 Ltd (DI)	771.8	-0.8	1647.0	495.0
Provident Financi	386.8	-1.0	658.6	356.0
Quilter	126.3	-2.2	156.6	110.6
Rathbone Brothers	2165.0	-5.0	2540.0	2085.0
Real Estate Credi	166.0	-0.5	175.5	163.0
Record	34.0	0.9	40.0	27.3
River and Mercant	254.5	0.0	310.0	212.0
S&U	2070.0	-10.0	2455.0	1767.5
Sanne Group	524.0	17.0	752.0	450.0
Schroders	2861.0	-14.0	3210.0	2334.0
Standard Life Abe	268.3	-1.8	333.0	224.9
TP ICAP	319.8	-2.0	346.9	268.2
Walker Crips Grou	27.0	0.0	37.5	24.0
XPS Pensions Grou	115.5	-1.5	171.0	95.0

FIXED LINE TELECOMS

	Price	Chg	High	Low
BT Group	176.1	-2.5	264.7	158.9
TalkTalk Telecom	102.4	-4.6	132.8	96.6
Telecom Plus	1230.0	-12.0	1528.0	1040.0

FOOD & DRUG RETAILERS

	Price	Chg	High	Low
Greggs	1760.0	-47.0	2476.0	1006.0
Morrison (Wm) Sup	194.2	-2.6	255.1	176.9
Ocado Group	1285.0	-22.0	1435.0	749.8
Sainsbury (J)	206.8	-4.0	324.0	177.1
SSP Group	612.0	4.0	721.0	608.0
Tesco	229.8	-7.2	253.0	189.6
UDG Healthcare Pu	726.5	-9.0	821.0	551.0

FOOD PRODUCERS

	Price	Chg	High	Low
Associated Britis	2156.0	-9.0	2638.0	2041.0
Bakkavor Group	113.4	-5.6	170.0	93.3
Cranswick	3060.0	-20.0	3236.0	2472.0
Greencore Group	222.3	-3.7	230.0	162.9
Hilton Food Group	989.0	4.0	1088.0	884.0
Tate & Lyle	700.8	-5.6	800.4	633.4
Unilever	4836.5	-6.5	5324.0	3931.0

FORESTRY & PAPER

	Price	Chg	High	Low
Mondi	1548.5	5.0	1968.5	1510.5

GAS, WATER & MULTIUTILITIES

	Price	Chg	High	Low
Centrica	69.4	-2.1	155.6	64.6
National Grid	880.5	0.9	889.2	748.7
Pennon Group	805.4	-6.0	832.6	684.2
Severn Trent	2122.0	4.0	2165.0	1770.0
United Utilities	800.4	-4.2	873.6	682.4

GENERAL INDUSTRIALS

	Price	Chg	High	Low
Smith (DS)	341.2	0.2	458.9	292.2
Smiths Group	1531.0	-11.0	1692.0	1279.5
Smurfit Kappa Gro	2444.0	20.0	2860.0	1934.0
Vesuvius	410.0	-22.2	642.0	400.0

GENERAL RETAILERS

	Price	Chg	High	Low
Auto Trader Group	485.5	-2.9	606.0	388.5
B&M European Valu	349.3	-6.8	426.3	278.6
Card Factory	157.4	-2.2	209.0	151.2
Dixons Carphone	114.7	-1.7	178.6	104.9
Dunelm Group	819.0	-13.0	981.0	482.8
Inchcape	604.0	-6.5	650.0	486.6
JD Sports Fashion	728.8	-6.0	754.2	318.5
Just Eat	625.4	-4.6	812.0	533.8
Kingfisher	188.7	-2.6	266.2	186.9
Marks & Spencer G	167.3	-3.7	299.1	165.8
Next	5966.0	-114.0	6320.0	3991.0
Pets at Home Grou	206.6	-8.0	239.4	110.0
Sports Direct Int	280.4	-3.4	340.3	214.0
Vivo Energy	113.6	1.6	139.5	96.0
WH Smith	1940.0	-46.0	2186.0	1697.0

HEALTH CARE EQUIPMETN & S.

	Price	Chg	High	Low
Assura	72.3	-0.5	73.2	52.4
Convatec Group	175.0	-1.9	229.2	118.6
Mediclinic Intern	321.8	1.1	474.7	293.4
NMC Health	2495.0	-76.0	3678.0	1801.5
Smith & Nephew	1912.0	2.5	1990.0	1258.0

HHOLD GDS & HOME CONSTR.

	Price	Chg	High	Low
Barratt Developme	614.6	-4.8	663.0	434.0
Bellway	3185.0	-51.0	3355.0	2419.0
Berkeley Group Ho	3963.0	-44.0	4208.0	3226.0
Bovis Homes Group	1062.0	-20.0	1177.0	828.0
Countryside Prope	310.0	-6.8	342.2	270.0
Crest Nicholson H	358.8	-10.4	404.8	296.4
McCarthy & Stone	144.6	-0.6	148.5	123.5
Persimmon	2026.0	-43.0	2471.0	1836.0
Reckitt Benckiser	6199.0	-59.0	6747.0	5593.0
Redrow	591.0	-10.0	674.6	460.8
Taylor Wimpey	145.9	-3.9	192.3	129.3

INDUSTRIAL ENGINEERING

	Price	Chg	High	Low
Bodycote	658.0	-20.0	903.0	651.0
Hill & Smith Hold	1205.0	-2.0	1306.0	902.5
IMI	937.4	-13.8	1107.0	870.0
Melrose Industrie	188.2	-3.0	208.5	146.3
RHI Magnesita N.V	3760.0	-84.0	5000.0	3318.0
Rotork	302.0	-5.1	324.2	235.7
Spirax-Sarco Engi	7575.0	-120.0	9400.0	5900.0
Weir Group	1320.0	-25.5	1814.0	1240.0

INDUSTRIAL METALS & MINING

	Price	Chg	High	Low
Evraz	415.0	-8.2	709.4	411.1
Ferrexpo	149.6	-6.7	301.3	147.9

INDUSTRIAL TRANSPORTATION

	Price	Chg	High	Low
BBA Aviation	309.0	-1.8	324.8	207.0
Clarkson	2545.0	-30.0	2765.0	1878.0
Fisher (James) &	1926.0	2.0	2260.0	1600.0
Royal Mail	196.6	-1.7	367.7	188.4

NON LIFE INSURANCE

	Price	Chg	High	Low
Admiral Group	2046.0	1.0	2300.0	1932.5
Beazley	613.0	-2.5	628.0	492.6
Direct Line Insur	275.5	-0.9	366.5	274.5
Hastings Group Ho	189.1	-0.6	242.0	174.0
Hiscox Limited (D	1604.0	1.0	1777.0	1418.0
Lancashire Holdin	709.5	-1.5	746.0	530.0
RSA Insurance Gro	502.4	-2.6	597.0	496.6
Sabre Insurance G	293.0	2.0	297.0	249.0

LIFE INSURANCE

	Price	Chg	High	Low
Aviva	375.0	-2.9	465.2	352.3
Legal & General G	232.7	-6.2	291.2	216.7
Phoenix Group Hol	664.2	5.2	724.8	544.0
Prudential	1388.5	-11.5	1790.0	1326.0
St James's Place	923.6	-4.6	1143.0	913.6

MEDIA

	Price	Chg	High	Low
4imprint Group	3010.0	-20.0	3130.0	1800.0
Ascential	348.6	0.6	411.0	337.2
Bloomsbury Publis	236.0	-2.0	245.0	190.5
Centaur Media	41.0	0.0	56.5	34.7
Entertainment One	563.0	1.0	589.0	336.4
Euromoney Institu	1426.0	-36.0	1498.0	1132.0
Future	1204.0	-20.0	1324.0	410.0
Goco Group	83.3	0.0	97.5	64.6
Haynes Publishing	322.0	-2.0	328.0	160.0
Huntsworth	85.4	0.7	118.5	81.0
Hyve Group	81.0	1.0	85.3	56.3
Informa	779.4	-3.6	892.0	605.8
ITV	119.3	-3.3	160.0	103.6
Moneysupermarket.	367.2	-5.2	417.7	264.0
Pearson	707.8	-8.2	1027.5	707.8
Reach	96.5	1.7	99.5	54.6
Relx plc	1877.0	12.5	2011.0	1491.5
Rightmove	537.8	-1.6	585.1	420.9
STV Group	365.0	0.0	400.0	318.0
WPP	958.0	-11.2	1110.0	800.4

MINING

	Price	Chg	High	Low
Anglo American	1816.4	-16.6	2266.0	1539.0
Antofagasta	842.4	-2.6	1022.5	727.2
BHP Group	1671.4	-14.8	2049.0	1490.6
Centamin (DI)	117.2	1.6	152.4	79.8
Fresnillo	688.8	14.0	1027.5	601.0
Glencore	223.9	-1.1	340.3	222.2
Hochschild Mining	181.1	-2.2	227.0	149.1
Kaz Minerals	390.0	-15.3	738.4	380.3
Polymetal Interna	1175.0	31.5	1208.5	604.6
Rio Tinto	4026.5	-28.0	4976.5	3513.5

MOBILE TELECOMS

	Price	Chg	High	Low
Inmarsat	583.0	2.4	608.2	362.8
Vodafone Group	160.9	0.1	168.9	123.3

OIL & GAS PRODUCERS

	Price	Chg	High	Low
BP	501.6	-0.7	582.5	484.9
Cairn Energy	180.6	-7.7	233.6	140.0
Energean Oil & Ga	883.0	-24.0	1082.0	568.0
Premier Oil	72.9	-3.5	133.0	55.6
Royal Dutch Shell	2322.0	-20.0	2612.0	2213.0
Royal Dutch Shell	2309.5	-25.0	2638.0	2227.0
Tullow Oil	200.2	-4.6	262.5	165.2

OIL EQUIPMENT & SERVICES

	Price	Chg	High	Low
Hunting	420.0	-12.0	775.5	414.2
Petrofac Ltd.	388.2	-4.6	639.8	381.5
Wood Group (John)	337.7	-12.5	776.0	333.0

PERSONAL GOODS

	Price	Chg	High	Low
Burberry Group	2026.0	-21.0	2345.0	1623.5
PZ Cussons	206.5	-1.5	244.0	178.6

PHARMACEUTICALS & BIOTECH

	Price	Chg	High	Low
AstraZeneca	7009.0	-34.0	7533.0	5325.0
Dechra Pharmaceut	2606.0	-54.0	3036.0	2014.0
Genus	2852.0	-82.0	2990.0	2098.0
GlaxoSmithKline	1713.0	-2.4	1745.2	1418.0
Hikma Pharmaceuti	2060.0	-32.0	2200.0	1510.5
PureTech Health	235.0	0.0	292.0	160.5

REAL ESTATE INVEST. & SERV.

	Price	Chg	High	Low
BMO Commercial Pr	114.4	-0.4	141.8	106.0
Capital & Countie	226.2	-3.8	279.5	184.9
CLS Holdings	240.0	-1.5	255.0	195.4
Daejan Holdings	4830.0	-90.0	6160.0	4715.0
Grainger	243.6	0.0	268.0	205.8
NewRiver REIT	190.6	-3.0	264.0	147.6
Safestore Holding	653.0	-9.5	681.0	499.4
Savills	846.5	1.0	957.0	678.5
Sirius Real Estat	73.0	-0.7	75.9	55.6
St. Modwen Proper	431.0	-3.5	446.5	365.0

REAL ESTATE INVEST. TRUSTS

	Price	Chg	High	Low
Big Yellow Group	1066.0	3.0	1075.0	852.5
British Land Comp	540.8	-15.8	624.8	468.3
Derwent London	3234.0	-44.0	3370.0	2761.0
Great Portland Es	728.0	-4.0	773.6	649.4
Hammerson	270.0	-9.1	447.3	203.9
Land Securities G	820.6	-22.4	936.0	735.4
LondonMetric Prop	215.2	-2.4	219.0	172.7
Primary Health Pr	133.8	-0.2	139.8	106.4
SEGRO	788.4	-13.0	810.8	585.2
Shaftesbury	863.0	-20.5	928.5	739.5
Tritax Big Box Re	146.0	-2.0	159.7	129.0
Unite Group	1080.0	-2.0	1097.0	797.5
Workspace Group	915.0	-11.0	1031.0	789.5

SOFTWARE & COMPUTER SERV.

	Price	Chg	High	Low
Avast	367.2	-3.0	393.4	259.6
Aveva Group	3688.0	-32.0	4170.0	2284.0
Computacenter	1230.0	-3.0	1525.0	952.0
FDM Group (Holdin	702.0	-17.0	994.0	697.0
Kainos Group	439.0	-14.0	676.0	366.0
Micro Focus Inter	1053.6	4.0	2491.6	1039.0
Playtech	393.0	-11.2	500.6	360.5
Sage Group	673.4	-4.6	820.4	525.6
Softcat	942.0	-19.5	1044.0	565.0
Sophos Group	413.6	0.6	492.0	298.2

SUPPORT SERVICES

	Price	Chg	High	Low
Aggreko	789.8	-6.4	861.8	691.8
Ashtead Group	2113.0	-41.0	2344.0	1586.5
BCA Marketplace	235.6	0.0	247.0	178.5
Bunzl	2009.0	-10.0	2551.0	1978.5
Capita	143.6	-2.1	147.4	99.9
DCC	6796.0	-40.0	7184.0	5555.0
Diploma	1660.0	-6.0	1708.0	1150.0
Electrocomponents	610.6	11.0	692.2	480.0
Equiniti Group	200.6	-5.4	236.2	186.2
Essentra	402.0	-8.6	442.0	325.4
Experian	2558.0	10.0	2631.0	1728.5
Ferguson	6346.0	-30.0	6416.0	4749.0
Finablr	143.2	-14.0	180.0	140.0
G4S	185.0	-1.6	234.3	168.3
Grafton Group Uni	702.5	-5.0	937.0	630.0
Hays	138.1	-3.9	184.5	131.8
Homeserve	1123.0	3.0	1263.0	849.0
Howden Joinery Gr	532.0	-6.0	573.4	416.4
Intertek Group	5336.0	6.0	5962.0	4387.0
Network Internati	521.0	-4.0	628.0	500.0
Pagegroup	367.8	-49.8	546.5	356.0
PayPoint	863.0	-8.0	1118.0	748.0
Rentokil Initial	457.6	-4.1	467.8	284.8
Robert Walters	463.0	-27.0	467.0	428.2
Serco Group	146.4	-0.5	152.0	84.1
SIG	99.4	-1.2	153.0	98.8

TOBACCO

	Price	Chg	High	Low
Travis Perkins	1191.0	-33.5	1465.0	970.0
British American	2807.0	-17.0	3619.0	2375.0

TRAVEL & LEISURE

	Price	Chg	High	Low
Imperial Brands	1841.4	11.0	2750.0	1774.6
Carnival	3081.0	-49.0	4650.0	3070.0
Cineworld Group	214.5	-5.1	321.0	212.0
Compass Group	2042.0	-12.0	2138.0	1483.0
Domino's Pizza Gr	249.9	-0.7	297.2	221.2
EI Group	281.4	0.2	285.0	161.2
FirstGroup	127.3	-0.7	137.5	79.3
Flutter Entertain	7876.0	-286.0	8164.0	5525.0
Go-Ahead Group	1986.0	2.0	2208.0	1480.0
Greene King	846.0	-0.2	850.0	480.0
GVC Holdings	750.0	-15.0	960.0	507.5
InterContinental	4790.5	-50.5	5738.0	3958.4
International Con	461.2	-7.4	667.6	413.5
Marston's	121.3	-2.2	131.3	90.6
Merlin Entertainm	452.8	-0.2	454.4	307.1
Millennium & Copt	686.0	3.0	690.0	436.0
Mitchells & Butle	383.5	-11.0	396.5	238.0
National Express	408.0	-7.8	438.4	361.4
PPHE Hotel Group	1790.0	0.0	1990.0	1525.0
Rank Group	182.0	-8.2	195.6	135.0
Restaurant Group	137.0	1.6	219.3	111.9
Stagecoach Group	133.6	-1.6	177.0	115.5
TUI AG Reg Shs (D	904.0	-16.0	1405.5	698.0
Wetherspoon (J.D.	1519.0	-6.0	1624.0	1066.0
Whitbread	3988.0	-162.0	5114.0	3988.0
William Hill	185.1	-4.8	237.6	132.3

AIM 50

	Price	Chg	High	Low
Abcam	1118.0	-10.0	1500.0	1017.0
Advanced Medical	235.0	-1.0	354.5	225.0
Alliance Pharma	75.8	-0.8	80.4	60.0
ASOS	2370.0	-22.0	6050.0	2107.0
Blue Prism Group	902.0	13.0	2002.0	862.0
Camellia	9550.0	-50.0	11750.0	9100.0
CareTech Holding	357.5	-1.5	406.0	325.0
Central Asia Meta	198.4	-4.6	266.5	180.0
Ceres Power Holdi	219.0	4.0	220.0	130.0
Clinigen Group	846.0	-8.5	1069.0	721.0
CVS Group	984.0	-16.0	1029.0	395.0
Dart Group	925.0	-15.5	983.5	709.5
Diversified Gas &	107.0	-0.5	134.0	97.0
Draper Esprit	446.0	3.0	610.0	410.0
Eland Oil & Gas	126.0	0.0	134.0	97.0
EMIS Group	1048.0	2.0	1242.0	864.0
Fevertree Drinks	2112.0	-13.0	3199.0	2070.0
First Derivatives	2150.0	-15.0	3555.0	2050.0
Frontier Developm	1050.0	50.0	1200.0	740.0
Gamma Communicati	1145.0	15.0	1195.0	688.0
GB Group	536.0	-9.0	631.0	410.5
Gooch & Housego	1180.0	-22.5	1880.0	954.0
Hurricane Energy	38.7	-1.5	60.8	38.5
Impax Asset Manag	255.0	9.0	295.0	184.0
Iomart Group	364.5	3.0	425.0	308.0
IQE	60.5	1.4	98.0	47.6
James Halstead	516.0	-2.0	532.0	367.0
Johnson Service G	173.4	-2.2	183.2	113.6
Keywords Studios	1169.0	11.0	1838.0	900.0
Learning Technolo	107.0	-1.4	136.0	62.2
M. P. Evans Group	642.0	-12.0	722.0	633.0
Midwich Group	528.0	3.0	677.5	474.5
Mortgage Advice B	550.0	-8.0	620.0	490.0
Next Fifteen Comm	508.0	5.0	658.0	469.0
Nichols	1550.0	0.0	1880.0	1240.0
Numis Corporation	228.0	13.0	314.0	212.0
Pan African Resou	11.9	0.9	14.5	7.9
Polar Capital Hol	520.0	-12.0	610.0	448.0
Purplebricks Grou	110.0	0.0	232.4	90.0
Redde	100.6	-0.8	187.0	90.0
Renew Holdings	387.5	1.5	436.5	333.0
RWS Holdings	620.0	-1.0	652.0	415.5
Scapa Group	196.0	-12.0	445.0	157.0
Secure Income Rei	452.0	2.0	455.0	371.0
Serica Energy	131.6	-6.8	142.0	77.0
Smart Metering Sy	402.2	-11.8	665.0	310.0
Thorpe (F.W.)	282.0	0.0	340.0	248.0
Watkin Jones	223.5	2.5	232.5	192.2
Young & Co's Brew	1567.5	-32.5	1885.0	1322.5
Young & Co's Brew	1140.0	0.0	1195.0	1030.0

MAIN CHANGES UK 350

Risers ↑		%
Sanne Group	524.0	3.4
Polymetal Internat	1175.0	2.8
Contour Global	180.6	2.5
Fresnillo	688.8	2.1
Electrocomponents	610.6	1.8
Vivo Energy	113.6	1.4
Centamin (DI)	117.2	1.3
Restaurant Group	137.0	1.2
Coca-Cola HBC AG (	2573.0	1.1
Smurfit Kappa Grou	2444.0	0.8

Fallers ↓		%
Pagegroup	367.8	-11.9
Finablr	143.2	-8.9
Aston Martin Lagon	441.8	-8.0
London Stock Excha	7020.0	-5.8
Vesuvius	410.0	-5.1
Riverstone Energy	485.5	-4.8
Bakkavor Group	113.4	-4.7
Morgan Advanced Ma	239.6	-4.6
Premier Oil	72.9	-4.6
Rank Group	182.0	-4.3

EU SHARES

	Price	Chg	High	Low
AB INBEV	83.89	-1.50	92.71	56.32
ADIDAS N	270.20	-1.90	297.95	178.30
AIR LIQUIDE	115.05	-1.95	131.15	101.85
AIRBUS BR	117.70	0.48	133.86	77.50
ALLIANZ	206.85	-1.20	218.70	170.50
AMADEUS IT GRP BR-A	64.06	-0.24	78.28	58.06
ASML HLDG	221.05	-5.00	231.90	130.12
AXA	22.52	-0.23	23.99	18.40
BANCO SANTANDER	3.52	-0.04	4.68	3.39
BASF N	61.79	-0.47	74.89	55.72
BAYER N	63.70	0.18	79.69	52.00
BBVA	4.51	-0.08	5.68	4.19
BMW	61.95	-0.92	79.00	58.10
BNP PARIBAS A	42.33	-0.29	52.31	38.14
CRH PLC	29.11	-0.62	34.87	26.53
DAIMLER N	43.68	-0.25	59.90	40.35
DANONE	78.10	-0.72	82.38	59.72
DEUTSCHE BOERSE N	139.35	-0.10	143.85	102.50
DEUTSCHE POST N	28.72	-0.15	31.59	23.43
DEUTSCHE TELEKOM N	15.24	-0.05	15.88	13.78
ENEL N	6.77	-0.07	6.91	4.26
ENGIE	14.66	-0.19	15.09	11.31
ENI N	13.53	-0.12	16.42	12.92
ESSILORLUXOTT	128.55	-1.10	136.70	95.50
FRESENIUS	40.91	-0.32	69.48	38.50
IBERDROLA	9.33	-0.09	9.58	5.68
INDITEX	27.50	-0.63	29.00	21.85
ING GROUP	9.07	-0.13	12.14	8.20
INTESA SANPAOLO N	2.09	-0.02	2.36	1.80
KERING	438.70	-6.60	539.80	351.70
KON AH DEL BR	22.44	-0.26	24.01	18.84
L'OREAL	245.40	-2.60	258.90	182.00
LINDE	168.05	-4.25	0.00	0.00
LVMH	351.05	-2.75	392.65	242.30
MUENCHENER RUECKV N	235.60	-2.10	238.40	181.20
NOKIA	4.50	0.01	5.76	4.17
ORANGE	14.33	-0.13	15.25	13.08
ROY.PHILIPS	41.05	-0.62	44.60	29.05
SAFRAN	139.35	-2.05	145.40	99.98
SANOFI	82.14	-0.16	85.90	71.74
SAP I	103.78	-0.28	125.00	84.02
SCHNEIDER EL	75.12	-2.22	82.20	57.54
SIEMENS N	95.08	-1.35	108.62	84.72
SOCIETE GENERALE	23.11	-0.41	33.84	20.81
TELEFONICA	6.77	-0.10	8.06	5.86
TOTAL	44.47	-0.75	54.84	42.65
UNILEVER	54.14	-0.61	57.77	45.30
VINCI	95.64	-1.68	101.70	69.98
VIVENDI	24.76	-0.18	26.69	20.80
VOLKSWAGEN VZ I	148.80	0.00	163.70	131.02

CRYPTO A.M. DAILY

POWERED BY BEQUANT

CRYPTOCURRENCIES

Name	Price (USDT)	↑/↓(24h)	
Bitcoin (BTC)	$ 8,204.54	1.60%	↑
Ethereum (ETH)	$ 180.60	2.41%	↑
Ripple (XRP)	$ 0.27	0.18%	↑
Bitcoin Cash (BCH)	$ 233.22	1.78%	↑
Litecoin (LTC)	$ 57.32	1.87%	↑
EOS.IO (EOS)	$ 3.17	4.21%	↑
Bitcoin SV (BSV)	$ 84.24	0.83%	↑
TRON (TRON)	$ 0.01	4.13%	↑
NEO (NEO)	$ 7.43	0.66%	↑
Cardano (ADA)	$ 0.04	-0.44%	↓
CryptoCompare Large Cap Index		-0.96%	↓
CryptoCompare Small Cap Index		0.25%	↑

Market	$221,510,288,691	
Bitcoin Volatility	-0.29%	↓
Bitcoin Volume on BEQUANT Exchange (USDT)	270,499,889	

Sources: Bequant.io, CryptoCompare.com
Prices and data are correct as of 16:00, 08.10.2019
Crypto AM features in City AM every Tuesday.
Previous Editions:www.cityam.com/crypto-insider
Read more at: https://bequant.pro/cityam

CRYPTO & COFFEE

The market traded broadly higher, seemingly dismissing the latest reports that a New York-based legal firm has filed a lawsuit against Tether and Bitfinex, accusing them of cryptocurrency market manipulation. Per the report, Roche Freedman filed a class-action suit alleging that the stablecoin firm and crypto exchange have been involved in defrauding investors, manipulating markets and concealing illicit proceeds.

As a reminder, in September, iFinex, the parent company of stablecoin Tether and exchange Bitfinex, won an appeal against the New York State Attorney General. The appellate division of the state's Supreme Court granted iFinex's request to stay a previous court order requiring the company to turn over documents to the Attorney General's office.

The "win" by the group should be taken with a huge pinch of salt because iFinex has until November 4 to "perfect its appeal" according to a court document, or else the company may be required to continue to comply with the investigation. If the case is allowed to proceed actual arguments won't likely begin until 2020.

US SHARES

	Price	Chg	High	Low
3M	150.74	-2.78	219.75	150.58
ABBOTT LABORATOR	78.51	-2.53	88.76	65.44
ADOBE	270.83	-6.07	313.11	204.95
ALPHAB RG-C-NV	1189.13	-18.55	1289.27	970.11
ALPHABET-A	1190.13	-18.12	1296.98	977.66
AMAZON.COM	1705.51	-27.15	2035.80	1307.00
AMERICAN EXPRESS	112.54	-1.11	129.34	89.05
APPLE	224.40	-2.66	229.93	142.00
AT&T	37.48	-0.18	38.75	26.80
BANK OF AMERICA	27.63	-0.68	31.17	22.66
BERKSHIRE HATH RG-B	204.09	-3.15	224.07	186.10
BOEING CO	374.10	-2.44	446.01	292.47
CATERPILLAR	117.97	-2.28	153.66	111.75
CHEVRON	111.71	-1.55	127.60	100.22
CISCO SYSTEMS	46.39	-1.38	58.26	40.25
CITIGROUP	66.40	-1.75	73.09	48.42
COCA-COLA CO	53.58	-0.29	55.92	44.25
COMCAST-A	44.11	-0.48	47.27	32.61
COSTCO WHSL	291.89	-1.52	307.34	189.51
DOW	43.85	-1.32	0.00	0.00
EXXON MOBIL	66.70	-1.32	86.88	64.65
FACEBOOK-A	177.75	-1.93	208.66	123.02
GOLDMAN SACHS GR	197.37	-3.03	234.06	151.70
HOME DEPOT	226.67	-0.07	235.49	158.09
IBM	138.38	-2.90	152.95	105.94
INTEL	49.73	-0.90	59.59	42.36
JOHNSON&JOHNSON	131.84	-1.32	148.99	121.00
JPMORGAN CHASE	111.82	-2.55	120.40	91.11
MASTERCARD RG-A	267.07	-5.12	293.69	171.89
MCDONALD'S	211.11	-0.81	221.93	161.82
MEDTRONIC	105.01	-2.25	112.05	81.66
MERCK	83.29	-1.10	87.35	66.10
MICROSOFT	135.67	-1.45	142.37	93.96
NETFLIX	270.72	-3.74	385.99	231.23
NIKE -B-	91.75	-1.42	94.75	66.53
ORACLE	54.05	-0.75	60.50	42.40
PEPSICO	137.24	-1.10	140.45	104.53
PFIZER	35.43	-0.40	46.47	33.97
PHILIP MRRS INT	76.37	-0.80	92.74	64.67
PROCTER&GAMBLE	120.93	-1.91	125.36	78.49
SALESFORCE.COM	145.91	-2.89	167.56	113.60
TRAVELERS COS	140.63	-2.52	155.09	111.08
TWITTER	39.70	-1.10	45.86	26.19
UNITEDHEALTH GRO	220.11	-1.13	287.94	208.07
UTD TECHS	130.79	-1.90	144.40	100.48
VERIZON COMM	59.72	-0.53	61.58	52.28
VISA RG-A	172.42	-2.48	187.05	121.60
WALGREENS BOOTS	52.09	-0.67	86.31	49.03
WALMART	117.58	0.35	119.86	85.78
WALT DISNEY	128.47	-2.43	147.15	100.35
WELLS FARGO	47.82	-0.99	55.04	43.02

COMMODITIES

Gold	1501.25	2.10
Silver	17.42	-0.18
Brent Crude	58.89	-0.36
Krugerrand	1472.10	-24.45
Palladium	1652.00	-9.00
Platinum	875.00	-9.00
Tin Cash Official	16330.00	0.00
Lead Cash Official	2147.00	41.00
Zinc Cash Official	2345.00	-18.00
Copper Cash Official	5598.00	27.00
Aluminium Cash Official	1696.00	17.00
Nickel Cash Official	17905.00	35.00
Aluminium Alloy Cash Official	1180.00	0.00
Cocoa Futures	2424.00	-54.00
Coffee 'C' Futures	95.58	-1.42
Feed Wheat Futures	138.00	1.00
Soybeans Futures Continuation Contract	919.20	4.00

CREDIT & RATES

BoE IR Overnight	0.750	0.00
BoE IR 7 days	0.750	0.00
BoE IR 1 month	0.750	0.00
BoE IR 3 months	0.750	0.00
BoE IR 6 months	0.750	0.00
LIBOR Euro - overnight	-0.574	0.00
LIBOR Euro - 12 months	-0.370	0.00
LIBOR USD - overnight	1.808	-0.02
LIBOR USD - 12 months	1.868	0.01
Halifax mortgage rate	3.990	0.00
Euro Base Rate	0.000	0.00
Finance house base rate	1.000	0.00
US Fed funds	2.25	0.00
US long bond yield	2.05	0.00
Euro Euribor	-0.498	0.01
The vix index	19.90	2.04
The baltic dry index	1770.00	3.00
Markit iBoxx EUR	249.73	0.23
Markit iBoxx GBP	364.23	1.22
Markit iBoxx USD	264.08	-0.60

WORLD INDICES

	Price	Chg	%chg
FTSE 100	7143.15	-54.73	-0.76
FTSE 250	19200.90	-219.34	-1.13
FTSE All-Share	3918.17	-32.05	-0.81
FTSE AIM All-Share	857.33	-5.73	-0.66
S&P 500	2893.06	-45.73	-1.56
Dow Jones I.A.	26164.04	-313.98	-1.19
Nasdaq Composite	7823.78	-132.52	-1.67
Xetra DAX	11970.20	-127.23	-1.05
CAC 40	5456.62	-64.99	-1.18
Swiss Market Index	9800.24	-113.82	-1.15
ISEQ Overall Index	6114.62	-84.12	-1.36
FTSEurofirst 300	1490.11	-15.94	-1.06
Hang Seng	25893.40	72.37	0.28
Shanghai Composite	2913.57	8.38	0.29
STI Index	3108.84	7.23	0.23
ASX All Ordinaries	6713.70	27.00	0.40

FORUM

EDITED BY RACHEL CUNLIFFE

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Trump's troop withdrawal puts Kurdish allies in danger

Alan Mendoza

NOT MANY people would cite President Donald Trump as an example of reasoned and level-headed foreign policy making.

With fingers permanently hovering over his Twitter interface, the leader of the free world has at times been closer to initiating global conflict through his incendiary language than pouring oil over troubled waters.

Despite this – or maybe because of it, given the "madman" theory that Trump's unpredictability encourages compliance from friends and foes confused about his intentions – US international policy has been fairly successful under his watch.

Whether with Iran, North Korea, or China, Trump's no-nonsense approach has reminded international malefactors that the starry-eyed idealism of the Obama years has been replaced by a hard-headed realism that demands attention.

One of Trump's finest foreign policy moments was the driving of Isis from Iraq and Syria. It was the culmination of an allied effort years in the making, but delivered at pace because of Trumpian cajoling.

This achievement does, however, now look to have been placed somewhat in peril by the President's erratic pronouncements this week.

In a case that should concern all US allies, Trump greenlit a Turkish plan to set up a safe-zone corridor in the north east of Syria by stating that US border forces would be withdrawn shortly because he had been elected on "getting out of these ridiculous endless wars". But once it was pointed out to him that Turkish plans might include the settling of scores with Syrian Kurds who were integral in the anti-Isis coalition, he threatened to "destroy and obliterate" Turkey's economy should the Turks attempt anything that Trump – in his "great and unmatched wisdom" – considered to be "off limits".

As an example of wisdom, this is hardly that of King Solomon. Seeing as both the Kurds and the Turks are – at the very least – nominal US allies, with the Kurds having fought alongside US forces in Syria and Turkey being a Nato partner, this confused approach risks splintering allied confidence in US intentions, as well as threatening the hard-fought peace in northeast Syria.

It is not difficult to see why Turkey might want to create a zone of control just over its border with Syria.

The country plays host to more than 3.6m Syrian refugees who fled the butchery of Bashar al-Assad's regime and the murderous intentions of Isis. President Erdogan would quite like to decant most of them back over the border from whence they came. A Syrian land grab would enable this to be accomplished in a territorially contiguous fashion, while also guaranteeing the safety of the refugees from vengeful Assadist hands.

But Turkey has a secondary motivation that is more troubling. The military power in northeast Syria – the Syrian Democratic Forces (SDF) – is largely comprised of Kurdish militias. The largest of these is the YPG, which Turkey believes is allied to the terrorist Kurdistan Workers' Party (PKK), which has fought for Kurdish autonomy within Turkey since the 1980s. The YPG certainly has connections with the PKK – even if these are not recognised formally by Western countries through its proscription – and it might therefore suit Turkey to drive further into Syria than it has declared it would, in order to uproot what it regards as an enemy.

> A greater own goal for American interests would be harder to envision

Except that this enemy also turns out to have been the West's staunchest ally in a different battle: the removal of Isis from the region. Kurdish forces held the line against marauding Isis forces when the putative Caliphate was at its greatest zenith. It was these same militias who provided the muscle – alongside a contribution from various allied powers – to drive Isis out in the most recent military campaign.

Nor is the Kurdish role in suppressing Isis purely historical. Thousands of Isis fighters remain in Kurdish-run prisons today, guarded by Kurdish forces.

The SDF have already declared that if a US troop withdrawal leads to a Turkish assault against their positions, then not only would there be moral outrage over the abandonment of an ally, but their forces would have to focus on defending Kurdish positions. This would run the risk of an Isis prison break and the reinvigoration of its cause.

The Kurds may also have to seek the protection of Assad, strengthening his bloody grip on the country – and that of his backers: Russia and Iran.

A greater strategic own goal for American interests would be harder to envision. Particularly as Trump's blistering language following his initial announcement will have destroyed any goodwill he might have obtained from Turkey.

The irony is that this hornets' nest need not have been stirred. There are only approximately 1,000 US troops across Syria. This is a small military price to pay to maintain peace in a war-torn region, particularly as US forces are not involved in combat operations currently.

Trump has quietly backtracked from Syrian troop withdrawals before. For the sake of alliance relations, and in order to preserve his historic destruction of Isis's physical power, he should do so again. Lest we all pay the price with the return of the jihadists.

Alan Mendoza is executive director of the Henry Jackson Society.

Forget 'reparations', scrapping subsidies is the way to help get Wales back on its feet

Paul Ormerod

GET READY to put your hands deep into your pockets for the boyos and girlos of the Welsh Valleys. Adam Price, the leader of Plaid Cymru, called last week for the UK to pay "reparations" to Wales for the crime of reducing the country to poverty. For centuries, Wales has (apparently) been stripped of its natural resources and "deprived of its inheritance".

Price's demands are almost beyond parody. But they could become a frightening reality if a coalition government led by Jeremy Corbyn and various nationalist and green parties wins the next election.

The then-Labour leader of the Welsh Assembly, Carwyn Jones, set the new tone of Welsh whingeing the day after the Brexit vote in 2016. "Wales," he declared, "must not lose a penny of subsidy". Wales, of course, had voted Leave.

There, in a sentence, was the economic policy of the Welsh government: hold out the begging bowl.

Wales is the poorest of the economic regions of the UK. Household income per head in 2017 – the latest date for which figures are available – was only £15,754, compared to the UK average of £19,514. The gap with the wealthiest regions is massive – the south east has an income per head 43 per cent higher, and London is no less than 77 per cent ahead.

It has not always been like this. In the early decades of the Industrial Revolution, the valley towns were probably the richest in the world.

Merthyr Tydfil, now a byword for poverty even by the standards of Wales, led the way. It was the first genuinely industrialised town in the history of humanity. In 1831, 96 per cent of its labour force worked in manufacturing and mining.

Many forces are at work in the story of Wales' decline, but in modern times, it has often not exactly helped itself. The key to a successful economy is a skilled labour force, but in 2001, the Welsh government scrapped the publication of league tables for the performance of schools. This both deprived parents of information, and reduced the incentive for poor schools to improve.

The outcome was predictable. A Bristol University study estimated that it led to a fall of 1.92 GCSE grades per pupil. In 2015, the Welsh Assembly reversed the decision, but a lot of damage had been done to the human capital of Wales. For over a decade, students were less well educated than they could have been.

This lack of a skilled talent base inevitably holds back enterprise. This, along with other counterproductive decisions, may be why Wales is increasingly dependent on public sector jobs. Overall, Wales raises £14bn a year less in taxes than it spends on public services.

Might Wales be able to turn its fortunes around if it were forced to consider its economic decisions more carefully? After all, the policy of subsidising underperforming regions has been tried for decades. It has made no difference.

So instead of paying reparations, perhaps we should consider withdrawing subsides, as New Zealand did with great effect. By removing the handouts which are distorting Welsh decision-making and causing a vicious cycle of subsidy demands, we can give Wales the chance to restore the enterprise which used to flourish in the nation.

Paul Ormerod is an economist at Volterra Partners LLP, a visiting professor at the UCL Centre for Decision Making Uncertainty, and author of Against the Grain: Insights of an Economic Contrarian, published by the IEA.

LETTERS
TO THE EDITOR

No green light

[Re: Londoners need homes – and a full review of green belt land]

As an elected politician – even one which represents three inner London boroughs – I have to say that London First is a bit wide of the mark in claiming that Londoners are relaxed about concreting over the green belt. My post bag says differently.

I chair the London Assembly Regeneration Committee, and we are currently looking at whether the mayor is doing enough when it comes to unlocking publicly-owned brownfield land for development. Perhaps London First could help apply pressure on the mayor of London to get building on brownfield land while protecting the green belt – that's where our focus should be.

Tony Devenish AM, chair of the London Assembly Regeneration Committee

Two left feet

[Re: Corbyn kicks up fresh row with Mike Ashley]

Jeremy Corbyn is wrong to personalise his proposals for changing professional football by attacking an owner who has broken no laws and, despite the rhetoric, does not seriously threaten the continued existence of his club. But these proposals are more fundamentally wrong. Once again, Labour is threatening property rights and showing little understanding of the legal complexities of modern club ownership. Though not an issue in Newcastle's case, many clubs are owned by overseas investors in countries with which we have treaties forbidding even partial expropriation of the sort he proposes. Football is a largely successful business where there are some issues which need reform. But is far from clear that bull-in-a-chinashop government intervention is the answer.

Professor Len Shackleton

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The public wants leadership, not a bitter culture war

Helen Jackson

THE PLAN by Extinction Rebellion offshoot Animal Rebellion to shut down Billingsgate fish market is one of the daftest things I've heard.

In the list of priorities for reducing greenhouse gas emissions, the fishing industry is nowhere. Wild-caught seafood is probably the lowest carbon source of animal protein you can eat, so it's hard to see how stopping fishmongers selling seafood is in any way constructive.

I expect there is a broad section of society who will sympathise with the aims of this week's protests, but see stunts like this and groan.

They want politicians to rise to this challenge, but in a way which focuses on practical achievement and respects people's right to go about their daily lives.

And they don't fancy having their gas boiler ripped out in the next five years – which is the Beijing-like level of state intervention that would be required to meet activists' demand of net-zero carbon emissions by 2025.

However, nor do they want a sterile, polarised culture war between climate activists and a morally obtuse faction of the right which sneers at people for having the basic scruples to care about the natural world.

You know who I mean: people who think it is more important to take potshots at Greta Thunberg than show a grain of common humanity over the concerns she raises, encouraged by MPs who raise their voices to demean protesting schoolchildren, but never to discuss the dire risks climate change poses for human welfare.

If some on the right feel threatened by the climate movement, they deserve to, for barely trying to understand the greatest political, humanitarian and technological challenge of their time, let alone offer answers.

So I was personally cheered to hear the Prime Minister say that "we can beat the sceptics" in his party conference speech last week. The centre-right can and should do a lot more to dismantle this association.

Humanity is moving into a new and highly uncertain chapter in its history. We are on track to all but wipe out coral reefs, even if we get our act together and meet the Paris Agreement's goals (which we are currently nowhere near doing). There are people in the Indo-Pacific and Caribbean regions who don't even know whether they will have a country in a few decades.

You can be direct about the scale of the challenge without engaging in hyperbole

Domestically, the fire service is under increasing pressure, and already vulnerable people face climate impacts without insurance or compensation.

We need a societal response, based on foresight, confidence in each other's goodwill, respect for personal freedom, and a level-headed focus on practical outcomes.

Realism and balance are key to credibility. You can be direct about the scale of the challenge without engaging in hyperbole. You can favour market-based solutions without being an ideologue. You can harness the expertise of people in industry as well as giving them clear expectations. You can view responsibility as the complement of freedom, not kick against everyone who asks you to adopt it.

Climate activists need to recognise a fundamental reality: we live in a society where people have the option to vote excessively controlling governments out of power. It is not acceptable for unaccountable protesters to tell us that they intend to "force" our government – by extension, us – into accepting an extreme, socially destructive course of action of their choosing.

But nor is it constructive for the right to relapse into its delusions that tackling climate change is the exclusive agenda of "eco-socialists" or "elites", rather than normal caring individuals.

Those of us who believe that our current political and socioeconomic system can rise to this challenge must not just assert that it can – we must demonstrate it. We need a broad, national coalition to tackle climate change between government, business, public services, finance, land managers and civil society.

Everyone who asks "what can I do?" should get an answer. And those who have been living in a moral vacuum on climate change need to understand that the rest of us will not do the same.

Helen Jackson is an associate fellow at the think tank Bright Blue.

DEBATE

Are the Extinction Rebellion protesters right to target their anger at capitalism?

YES

ASAD REHMAN

From the burning of the Amazon to the melting Arctic ice shelf, we are watching our planet rushing into catastrophe. But behind this crisis is also a story of extreme poverty and inequality, one where half of the world's population are struggling to survive on $5 a day, and where those least responsible pay the price for a crisis they didn't cause.

We have long known the names of those responsible for these crises – they are the banks and corporations that have amassed huge wealth by putting profit ahead of any consideration of either people or the planet. Their exploitative practices have been hardwired into an economic model that has given them unfettered power to rip up any environmental protections.

With 100 corporations responsible for a whopping 71 per cent of global emissions, they dwarf any action that any individual can take. Maintaining a capitalist system, whose very logic is the ruthless exploitation of poor people and our natural resources, is a death sentence for the planet, and ultimately for all its citizens.

Asad Rehman is executive director of War on Want.

NO

MATT RIDLEY

The innovation that comes with commerce and capitalism has drastically reduced the amount of land, water and fuel we need to produce a given quantity of food or energy, saving nature.

Carbon emissions have fallen fastest in the US of any leading economies. Contrast with Germany, which took a government-knows-best approach to energy policy, sluicing money into wind, solar and biogas, with the result that its emissions have stopped falling and it will miss its 2020 climate goals.

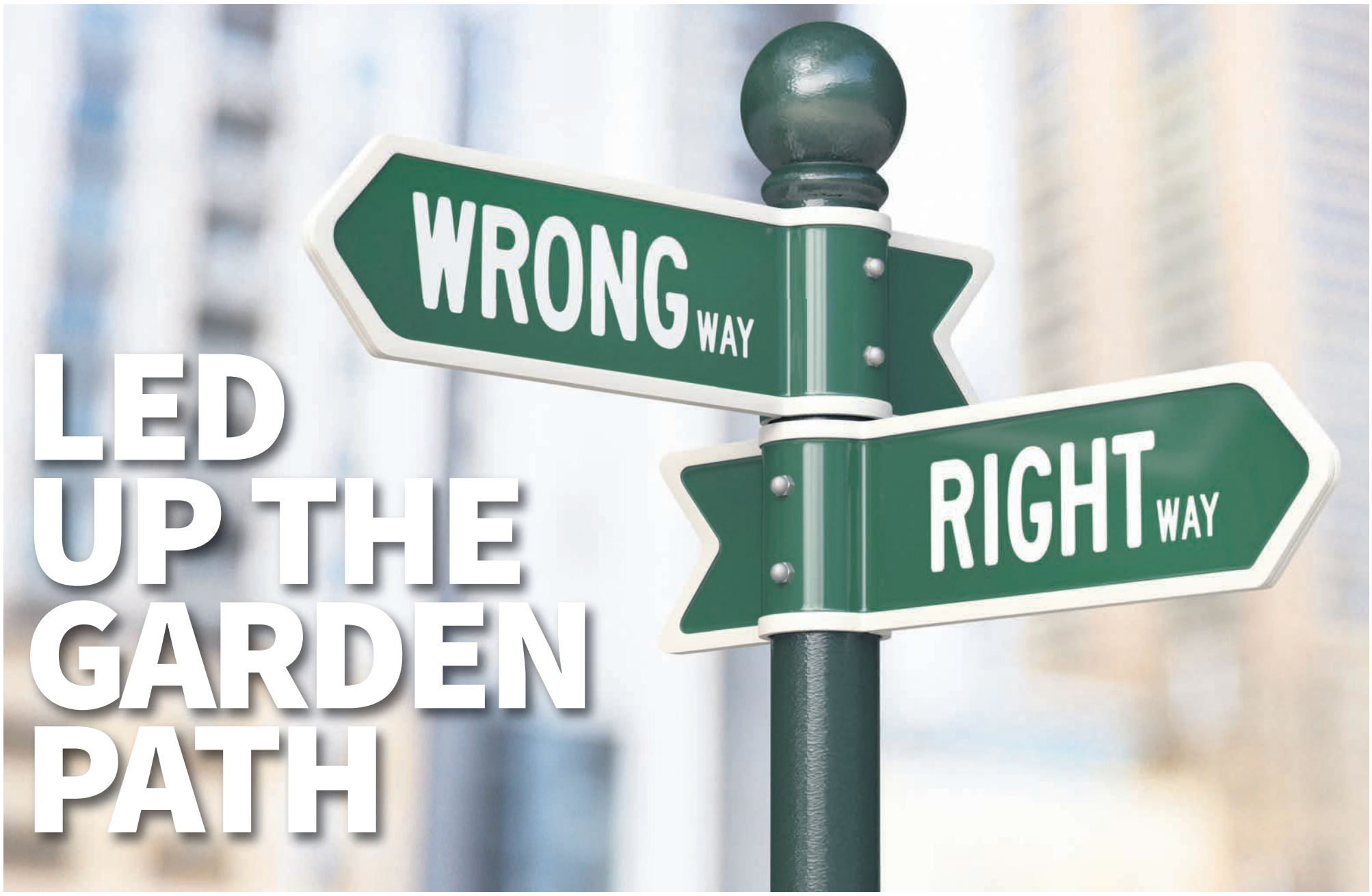
Capitalism constantly tries to give you more for less: more food from less land, more goods for fewer resources. Capitalism gave us LED lighting that provides more light for much less electricity, while governments were still insisting we use compact fluorescents.

Market reforms gave us the dash from coal to gas; governments gave us the diesel scandal and the burning of forests for electricity under the mistaken impression that emissions from burned wood are holy while emissions from burned coal are evil.

We cannot slow climate change without capitalism.

Viscount Ridley is author of The Rational Optimist.

PERSONAL FINANCE



LED UP THE GARDEN PATH

Katherine Denham warns that your ethical investment fund may not be so ethical after all

THE LAUNCH of an ethical investment fund used to be a far rarer occasion than it is today. Around 21 ethical funds have been launched in the UK already this year, according to exclusive figures given to *City A.M.* by research house FE. Compare this to 2014, when just seven ethical funds were launched all year.

FE also grouped 197 funds in the ethical/sustainable basket, a figure which has more than tripled in a decade. Of these funds, 13 ethical funds are now between £1bn and £6bn in size. This growth is unsurprising, as asset management companies have sought to meet demand from an increasing number of ethically conscious investors. But while the rise of socially responsible investments is positive, there are concerns about whether some funds are as ethical as they claim to be.

Indeed, some industry figures have expressed concerns that certain companies have jumped on the ethical bandwagon without really committing to the cause.

RESTING ON YOUR MORALS

Ethical Consumer analysed 22 popular ethical funds managed by some of the UK's largest investment companies, looking at issues like the environment, politics, product sustainability, and company ethos.

Disappointingly, it found that only four of the funds analysed scored more than 10 out of 20. The WHEB Sustainability and Triodos Sustainable Pioneer funds topped the charts, both scoring 16 out of 20. In second place is the Castlefield BEST Income fund with a score of 15, while the £871m Royal London Sustainable World trust came third with a score of 12.

The analysis also pinpointed funds that were not as ethical as perhaps they should be.

The fund with the lowest score of 2.5 was the Aberdeen Standard Investments (ASI) Global Ethical Equity fund. Ethical Consumer gave a number of reasons for this low score. First, while the asset manager appears to commit to environmental, social and governance (ESG) stewardship, it was criticised for having no future quantifiable targets, or independent verification for its reporting. Second, the company was found to have no commitment to carbon footprinting its investments, and had unclear targets for engaging on climate issues with companies.

When *City A.M.* reached out to ASI for comment, a spokesperson from the firm said: "ESG consideration forms a fundamental part of the research that we do on all companies in which we invest. We have a central ESG function identifying the most material issues globally and across asset class, ensuring that we have targeted engagements with companies where needed."

ASI wasn't the only culprit, however, as the research gave a number of other funds a low score of 3.5, including the Scottish Widows Ethical, L&G Ethical, Quilter Cheviot Climate Assets, and Kames Ethical Equity funds.

Many of these funds were marked down for having exposure to companies that aren't environmentally friendly or which excessively remunerate their directors. Indeed, the L&G fund's most recent factsheet points to a 5.1 per cent holding in oil and gas company BHP Group, while the second largest holding in the Kames fund is Coca-Cola, which has a questionable environmental record.

The difficulty for consumers is that asset managers don't tend to share their full list of holdings, meaning ethically-minded investors aren't always aware of all the companies that they are buying into.

> "There are lots of sustainable funds which don't commit to tangible or concrete outcomes

"Ethical Consumer's analysis proves greenwashing is alive and kicking," says Lisa Ashford, director of Lendahand Ethex. "We see the words green, ethical, or sustainable attached to some funds, but when you look under the bonnet, you see companies associated with fast fashion, environmental damage, or dubious employee rights."

She argues that financial companies which make investors believe that they are abiding by ethical principles are like wolves in sheep's clothing. "Competitors would complain if a fund said it was performing better than it was, so why is a fund's ethical approach no different? Many customers don't have the time or knowledge to understand the facts, and they're increasingly being misled."

There are really two interlinked problems here. One is that there is no industry-wide standard that funds have to meet in order to be allocated into the ethical basket. The other problem is that setting an ethical standard is difficult because it assumes that everyone's values are the same.

James McManus, head of ETF research at Nutmeg, argues that there needs to be a more collaborative approach across the investment industry to define exactly what criteria funds need to meet to be ethical. He points out that the Investment Association mandates that you have to maintain a certain level of income to be within the Equity Income sector, and yet you are not required to reduce the carbon footprint of a portfolio by a set amount to be within the ethical classification.

The rules and classifications need to be more rigorous to root out anyone who is greenwashing.

RAISING THE GREEN FLAG

So what are the warning signs that you should watch out for?

As already mentioned, it is incredibly difficult to compare ethical funds when providers are less than willing to supply a complete run-down of all the investments in the fund.

With this in mind, you should steer clear of providers that will not provide you with a full list of holdings, because it's more than likely that they are masking companies which don't tick the ethical box.

McManus advises investors to be wary of funds that don't have any concrete outcomes. "When people say that there is a climate change focused fund, what are the data points that they are using to tangibly show that's what they are achieving for investors? If you have a high dividend strategy, you'd expect to know what the dividend yield is – yet we have lots of sustainable funds which don't commit to reducing the carbon footprint beyond a certain level, or provide any tangible data points which show the outcomes."

That's not to say all businesses are being disingenuous, and indeed McManus points out that governance has always been a strong part of active management. "But the starting point has to be some clear transparent frameworks to allow consumers to better align themselves with the funds."

BUSINESS REPORTER

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Paying it forward

SPECIAL REPORT
How new payments technology is transforming the finance sector for the better

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Enabling alternative payments in a centralised world

IN ALMOST every nation around the world, financial institutions continue to play a critical role in our everyday lives, responsible for facilitating the majority of global economic activity. However, this far-reaching influence does not come without challenges. Although the centralised nature of financial institutions and government-backed currency is a stabilising force, it also results in an imbalance of power.

By relying on intermediaries such as banks and other financial services providers, consumers inherently allow centralised institutions to amass even greater influence. And while fiat currency and bank-driven networks have done much to propel us forward, many believe it's time to put power back in the hands of consumers. As a decentralised, intermediary-free technology, blockchain presents a promising opportunity to do just that.

Blockchain and crypto-assets for payments

Just as banks maintain networks for fiat currency, blockchain technology acts as the underlying framework for crypto-assets. However, unlike conventional financial institutions, blockchain technology transcends national borders. Although this functionality continues to generate a vast array of use-cases, payment solutions have seen considerable success.

Since the emergence of Bitcoin in 2009, countless projects continue to explore infrastructure that aims to transform the way we transfer value. According to the Cambridge Centre of Alternative Finance, 49 per cent of all crypto-asset service providers facilitate payments. And while there have been many success stories, obstacles must be overcome before blockchain-based payment solutions achieve mainstream adoption.

Why alternative payment networks?

Alternative payment networks using blockchain technology offer several benefits to consumers and merchants. Because blockchain networks operate without an intermediary, transaction fees are typically much lower. For consumers sending or receiving funds, these fees can be 3 per cent or higher. For merchants, debit and credit card processing fees average 1.5 to 3.5 per cent, taking a bite out of profits. In contrast, blockchain payment networks charge only a fraction of this amount. This dynamic is likely why 57 per cent of crypto-asset service providers offer merchant payment solutions. Also, traditional banks often require up to three business days to process a transaction, whereas blockchain-based payments can see settlement within minutes or even seconds.

However, there are also market factors and technical limitations that remain inhibitive to future growth. The primary challenge to future blockchain-based payment solutions is scalability. VISA reports processing approximately 150 million transactions per day. In contrast, the Bitcoin network currently averages 350,000 transactions per day. Although this is problematic, next-generation blockchain networks such as IOTA and Ripple aim to improve scalability dramatically. It's also no secret that crypto-asset prices are volatile. Because most fiat currencies are generally stable, they are a far more reliable store of value.

The growth of alternative payment infrastructure

The trend towards decentralisation appears poised to continue in the face of a centralised world. By removing intermediaries, consumers and merchants can retain more of their hard-earned money while accessing global payment solutions.

As companies such as Facebook and IBM continue their foray into crypto-assets and the payment networks associated with them, mainstream adoption inches ever forwards. Surging institutional interest in crypto-asset markets further highlights this growing momentum. However, the systemic challenges must be overcome if we are to reap the benefits of this promising application of blockchain technology.

INDUSTRY VIEW

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Out of the banking loop

The challenges and opportunities ahead for financial institutions serving SMEs

FOR MANY start-ups, especially SMEs, getting the business up and running is the easy part. They have a great idea and they know how to bring it to market. But the issue keeping new and small business owners up at night is banking. With no two SMEs alike, banks – be they incumbent or challenger – are not always able to provide small and medium-sized businesses with the flexible, fast-paced solutions they need.

Depending on the size, structure, ownership and history of the business, and the bank they speak to, the banking options available to SMEs vary dramatically – yet rarely suit the business imperative. Application and set-up takes too long, costs are out of reach and credit repayments are inflexible.

As a business passionate about increasing financial inclusion for SMEs, Banking Circle commissioned MagnaCarta Communications to carry out research into these issues. The first report, *Financial Inclusion for Europe's SMEs: Building a Circle of Trust*, was published in June 2019.

We are now publishing a second report, *Circle of Trust or Out of The Loop?*, which will be launched at Sibos 2019. This includes insights from some of the people working in the midst of the challenges and the solutions hitting the market today. Speaking to these experts gave us first-hand insights and experiences, uncovering where changes are happening, where opportunities exist and where barriers are beginning to come down to improve SME financial inclusion.

Thankfully, providers are finally beginning to realise the potential held by the SME banking market.

Broadening SME banking horizons

"SMEs are still not top of the agenda for most financial services providers, but many are waking up to the benefits," said Valentina Kristensen, director of growth and communications at OakNorth Bank. "They are realising that if they get an SME on board, they will be loyal and bring multiple cross-selling opportunities."

As the Banking Circle report shows, bringing about real change and better financial inclusion for SMEs requires market participants to work together and develop joint solutions, collaborating to build bridges between individual innovations already in the market.

"We are creating a new ecosystem of financial services providers, in partnership with other providers such as Banking Circle, to establish a new era of financial services which will better service customers and SMEs in the banking space," Roger Vincent, general manager (UK&I) and CIO of Trade Ledger, commented. "If we better serve the banking space through the incumbents, then the SMEs will benefit greatly as they can access the services they want."

However, as the latest Banking Circle report shows, the progress and potential achievements will remain limited until further collaboration, communication and joined-up thinking becomes commonplace within the financial services industry.

As with any ecosystem, it must be perfectly balanced in order to function effectively. Only with all types of providers working together in collaboration, not competition, will the banking ecosystem be able to bring financial inclusion to its peak.

INDUSTRY VIEW

Visit BankingCircle.com to register for the new *Banking Circle Insight* paper, which will be launched at Sibos 2019, and to download the report *Financial Inclusion for Europe's SMEs: Building a Circle of Trust*

ZITA GOLDMAN

EBA agress 18-month extension for struggling payments services providers

THE EUROPEAN Banking Authority has agreed an extension to March 2021 for payment services providers struggling to meet new PSD2 regulations for strong customer authentication (SCA). The original deadline of September 14 has now been softened, with the EBA accepting that, "on an exceptional basis and in order to avoid negative consequences," national authorities could provide "limited additional time" to meet PSD2 requirements.

In the UK the official deadline will remain September 14 2019. However, the Financial Conduct Authority (FCA) recognises the challenges in meeting this, and has been working with the industry to develop a plan to migrate to SCA for card payments in e-commerce as soon as possible.

There is still uncertainty about the phased introduction of SCA. It remains to be seen whether member states will show willingness to align their deferred dates with the FCA's, and others that put the deadline back until 14 March 2021. The date has been looming on the calendars of banks, payment providers, e-commerce companies and online vendors alike since last January, when the EU's revised Payment Services Directive (PSD2) took effect.

SCA is defined as "an authentication based on the use of two or more elements categorised as knowledge (something only the user knows), possession (something only the user possesses) and inherence (something the user is). These three elements must be independent from one another, so the breach of one does not compromise the reliability of the others." With the exception of contactless payments, in-person card payments and other card-based payment methods such as Apple Pay and Google Pay are not impacted by SCA.

A study conducted by 451 Research forecast that Europe stands to lose €57 billion in economic activity in the first year after SCA takes effect, mostly thanks to the added friction in payment processes. It is also estimated that with a drop-dead date on 14 September, 25 to 30 per cent of online transactions would have been rejected.

Also, according to PSD2 rules, merchants can shift liability for transactions to issuing banks provided they are SCA compliant. Online merchants could either stick with more expensive card payments that SCA doesn't apply to, or become early adaptors of the new payment regime within the transitional period in order to reduce risk.

SCA is the third pillar that the digitalisation of the banking sector is to be built upon, the other two being GDPR and open banking. While open banking levels the playing field in the banking sector by obliging incumbent banks to provide payment service providers with access to their clients' accounts and banking data and GDPR regulates how account holders' data should be treated, SCA is meant to make card-not-present push payment transactions between accounts safe.

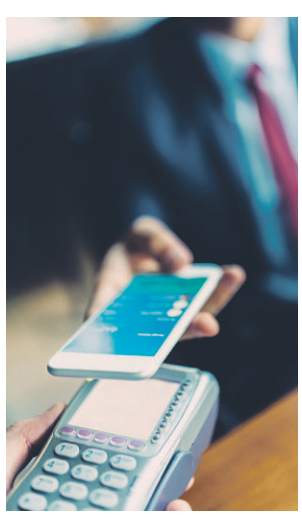
The 18-month adjustment period also implies that third-party providers (TPPs) should be able to continue using existing screen-scraping methods (the act of copying data from a computer programme to what are often legacy systems) to access payment accounts online, which is in conflict with open banking's primary objective of making payments safe through the use of APIs. With screen scraping the payment services user has to share their login and credential details with third parties, who can then have access to all account information, not just the parts that are pertinent to their account information or payment services.

New payments sandbox could help fintechs and banks experiment with APIs

LONDON-BASED TRIBE Payments is launching a free-to-use payments sandbox, which allows both acquirers and issuers – including banks, fintechs and challenger banks – to explore, integrate and experiment with all of Tribe's APIs.

Tribe's developer sandbox will also open up the opportunity for businesses outside the offering's core target audience to develop new ways of using and offering payments. Once the developer is happy to move into production the service can be made "live" at the flick of a switch.

"Nimble fintechs and fast-following incumbents need first mover advantage to win over innovation-hungry consumers and gain market share," said Alex Kelly, VP of product at Tribe Payments. "This has led to a technology arms race, where payment providers are seeking the next 'killer app' that will give them an unfair competitive advantage. But developers at these



firms are hamstrung by environments that don't allow them to test and experiment quickly and easily."

Such a move could level the playing field by giving non-traditional providers an opportunity to develop their own services in a safe environment. Issuers and acquirers need to be able to process payments on time and to scale. But to learn how a new product – such as a credit card or payment option – will operate in a live production environment can be challenging for developers, while experiments with back-end payment APIs are next to impossible.

Tribe Payments officially launched in June, and is the first European issuer processor to be certified to allow banks to issue UnionPay International cards. Certification from Mastercard and Visa means that organisations that use Tribe's technology can issue cards and process payments using the biggest card schemes in the world.

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Money for new rope: how the old guard is waking up to payments technology

Payments tech is not new, but only recently has it begun to influence the big beasts of banking. **Francis Wade** examines how fintech start-ups are now leading the narrative

NEW TECHNOLOGIES have had a dramatic effect on how people manage their finances, whether it be online banking or transactions via digital payment platforms. For the growing array of competitors in the world of financial technology, and particularly those operating in payments technology, or paytech, it is in the arena of customer service where they prosper or die. One survey found that 96 per cent of B2B buyers reported the quality of customer experience as a key determinant in whether they would buy from a brand a second time. The efficiency of paytech is vital to that experience, and so crowded is the field that unless platforms strive to optimise speed, ease and security in transactions for customers, they will lose out.

The financial services sector has invested heavily in shifting payments from the physical realm to the virtual realm, and in turn advancing the capability of online payments. Slow payment processes do more than just frustrate the user – they are also a significant driver in cart abandonment, with resulting losses for the company. If a customer feels frustrated by the buying experience, they will pull out and likely not use the brand again – and SMEs feel this particularly hard.

Surveys have found that the rate of cart abandonment for e-commerce orders in the UK averages at around 75.8 per cent. While the biggest reason is a lack of initial commitment to a purchase, with customers simply browsing for goods, both lack of payment options and "technical issues" – two areas intimately connected to the quality of payment platforms – account for one in 10 cases of cart abandonment before checkout begins. Once they are into the checkout process, however, the problems for payments technology become even starker: more than a quarter of customers responded that a "long or complex process" prompted them to withdraw from the transaction, one fifth couldn't "see total cost", and 6 per cent experienced a "lack of payment options".

"Incumbent banks have struck out to either build better user experience in-house, or team up with emergent fintech companies that only a decade ago served as major disruptors of the banking sector"

New platforms have sought to smoothen the process by removing the need for the customer to input bank or credit card details each time they make a purchase. PayPal was the first in a line of paytech pioneers to facilitate online transactions at the click of a button. Shopping sites that offer the range of tools with which to make a payment, and who even allow for deferred payment or credit options if neither card or PayPal transactions are appropriate, will likely generate higher rates of customer satisfaction than those that don't.

The need for the financial sector, and the brands that use its services, to continually keep on track with developing technologies – and to understand how new technologies impact on the expectations of customers – has triggered a shift in alliances between old and new. The result is a fundamental remaking of banking and a change to the way consumers define what is convenient in their finance-related experiences.

Having realised the dangers of being outflanked by more efficient services, incumbent banks have struck out to either build better user experience in-house, or team up with emergent fintech companies that only a decade ago served as major disruptors of the banking sector. The alliance has helped to overcome problems that until fairly recently seemed insurmountable, with the easing of cross-border trade being one area in which that alliance has borne fruit. International payments had been intrinsically difficult due to a range of factors – multiple currencies, the lack of a single global payment system, each country having unique laws and systems around banking and trade – but the linking of personal and commercial accounts to paytech platforms such as PayPal has changed the way in which those transactions are made. This is especially the case at the individual level, where international payments can now be made with comparative ease from a smartphone.

Right: London's Royal Exchange. The world of traditional pinstriped and bowler-hatted banking is now at risk of being overtaken by tech giants ahead of the curve when it comes to paytech and better customer service

In a nod to the importance of customer retention in maintaining growth, the emerging alliances between traditional banks and fintech companies have tended to centre around customer service provision, and user-friendly digital payment applications in particular. One study found that "digital banks are able to increase their capitalisation by 3 per cent on average for every strategic alliance initiated."

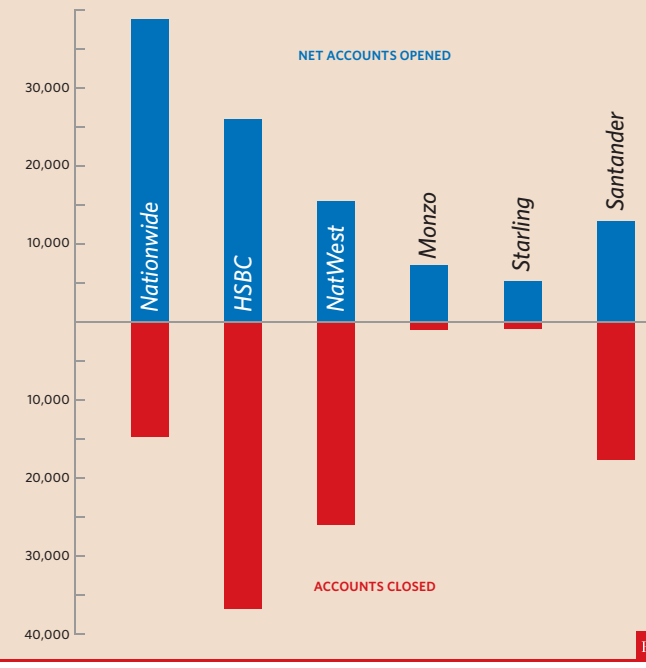
Fintechs, which are increasingly branching out into areas such as fraud prevention and customer profiling, have several characteristics that appeal to the banking industry – traditionally one of the most conservative sectors of the economy and notoriously slow to adapt to digital challenges. They tend to be young and smaller in size, which allows for greater agility and innovation than many other elements – especially banks – in the finance sector.

They are also more willing than incumbents to take risks, and this in turn has significant repercussions for the competitive framework within which banks operate their online payments. Do they stick to safer options that, while bringing greater security to transactions, may nevertheless be more secure, or do they follow the fintech mantra of risk equalling reward and push for systems that bring greater efficiency to the process? While older, more risk-averse generations of consumers may stick to transaction systems that are perceived to offer greater security, millennials demand speed and efficiency, and anything that reduces friction and difficulty.

But while the longevity of incumbent-fintech alliances are unclear, with fintechs seen to be serving both as allies and rivals of traditional banks, close co-operation between the two has left an emerging player in the finance sector somewhat out in the cold.

New bank charters – or "de novo banks" – have been around for some time, but their growth took a big hit in the wake of the 2008 financial crisis. As economic conditions have improved over the past three years, however, the rate at which applications for formation are being filed has accelerated. So too has the orientation of de novos changed, with more of a focus now on supporting "creators" – start-up businesses, families, charities, and so on – or communities that may not have a history of using traditional banking services. In essence, they have sought out a niche that

*Every bank both **loses and gains customers** over the course of a year. But current trends seem to indicate that **smaller challenger banks** are doing better when it comes to balancing the account retention books. **HSBC** and **Santander** in particular have made net losses, while **Monzo** and **Starling** are picking up more accounts than they're losing.*



SOURCE: PAY.UK

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incumbent-fintech players have yet to fill. While incumbents scramble to make up for lost ground in customer service, this aspect has always been at the heart of the de novo mission. And because they tend not to have the capital to invest or partner with fintechs, they remain somewhat of an outlier in a banking industry in which old and new have teamed up.

But despite the resurgence of de novos, fintech remains the sector to watch. Its powers of innovation and risk-taking have led to ever heated competition, particularly between online payment platforms. And where PayPal was once predominant, new players have come into view.

Adyen was founded in 2006 as a platform to enable businesses to accept e-commerce, mobile, and point-of-sale payments. Although it has been around for nearly 15 years, it was the news in 2018 that it was replacing PayPal as the primary payment processing partner for eBay that brought it greater attention. Adyen claims to go where competitors do not – it accepts payments anywhere, on any device, while businesses that use it get customer insights data, revenue optimisation and risk management to protect their business using data. Its use of the Interchange++ pricing model allows it to track rates and scheme fees down to a transaction level, meaning that, in the company's words, "we can calculate the cost of each payment even before it is completed." This brings far greater visibility to the process, and means that customers can see exactly what the charges are for each transaction they make.

Other newly formed platforms, such as Stripe, seek prominence via different qualities: developer-centric features that allow for better customer interaction with, and bespoke management of, the platform. With mobile banking now having surpassed branch and online interactions with customers, the value found in efficient payment services – both for the customer and the brand using the platform – is vast.

"The arrival of the tech giants in the banking sector perhaps poses more of a risk to traditional banks than fintech services once did"

It is for this reason that the sector has gone through another iteration, with non finance-oriented platforms such as Facebook, WhatsApp and Singapore ride-hailing firm Grab having now shifted into financial services. The two messaging giants have recently introduced mobile payments to their platforms, while Grab, with its rich data on customer behaviour, has sought to boost the entrepreneurial wherewithal of its home region, providing loans to millions of people across Asia who do not have access to traditional banking systems. While WhatsApp Pay is currently only active in India, which has served as a testing ground for the new service, it is only a matter of time before it goes global.

The arrival of tech giants in the banking sector, with Microsoft, Apple and Google joining Facebook and other household names, has had a transformative effect, and perhaps poses more of a risk to traditional banks than fintech services once did. The likes of Google and Apple naturally focus more of their energy on data management, while e-commerce firms such as Amazon seek input from those who can create as frictionless an experience for customers as possible.

While it is uncertain how the banking sector will evolve from its current position, it is clear that growing competition will drive further innovation centred around improving the customer experience. Who will rise to the top remains to be seen, but the crown must surely go to the platform that offers an integrated delivery of services, excelling not only in security, speed and ease, but in all three.

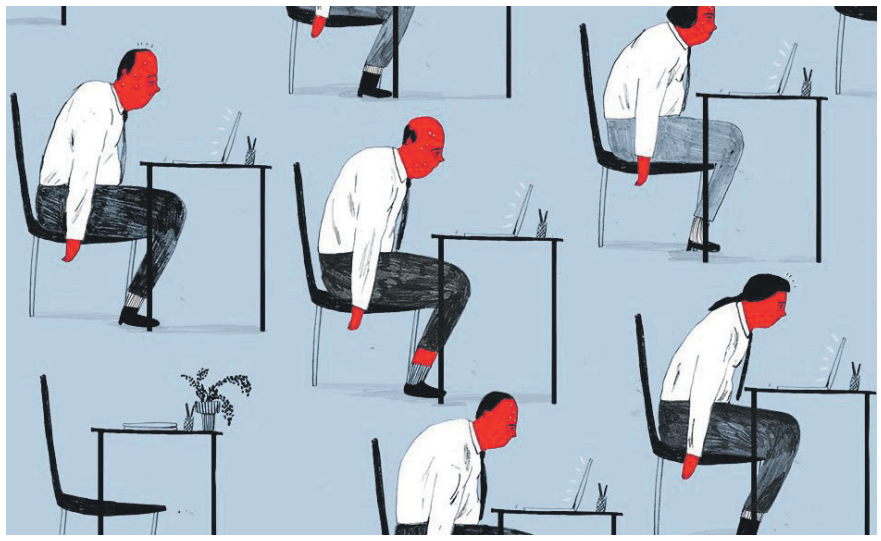
How can we focus on the work that matters?

WE ARE inundated with an array of technologies in the workplace, all competing for our time and attention. We can communicate, act, create and consume work whenever and wherever. We've become attuned to constantly checking our phones.

The proliferation of technology over the past 15 years has revolutionised our lives, but many feel that its promise of enabling us to work smarter, not harder, has not yet materialised. In the mid-1980s, approximately 61 per cent of workers told pollsters they were satisfied with their jobs. Since then, that number has continued to decline. Today, only around 50 per cent of employees share the same sentiment, according to data from The Conference Board.

Fragmented technologies in the workplace are compounding the issue. A recent study by Pegasystems found that employees juggle between up to 35 job-critical applications nearly once a minute – that's more than 1,100 times every day. We use email, a host of different file types, various communication tools and project management systems. Not only were these technologies not necessarily designed to work together, but we are still learning how to process all this information and move fluidly between all the different tools in the workplace.

"Many feel that the promise of enabling us to work smarter, not harder has yet to materialise"



To regain some semblance of personal satisfaction and control, and use the time we have in the working day more effectively to focus on the things that really matter, we need to rethink how we work, collaborate and get things done.

It's time we make a change. Recent technological advances can still be used for good, but we have to be more thoughtful, more intentional. A more enlightened way of working is to harness the power of technology to align our disparate work functions, so we no longer have to waste time on fragmented and siloed ways of working. We need an intelligent, digital working environment built for how we work today – one that can effortlessly connect all our platforms and conversations, and harnesses the power of machine intelligence. In a world of technology that erodes workers' focus, the aim would be to give that focus back.

Getting this right is not only important for employee engagement, but also the bottom line. A recent employee engagement study by AON showed that a 5 per cent increase in employee engagement is directly linked to a 3 per cent increase in company revenue.

What was once was a relentless cycle can become a more tranquil, focused and happier way of working if we use technology correctly.

Technology has unlimited potential, but we've seen how it can have a negative impact on people's daily work. It's time to build a more enlightened way of working.

INDUSTRY VIEW

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Business is looking up – but cashflow is still a concern for UK SMEs

"SMEs haven't fully embraced apps and payment technologies that could bring the security, efficiency and speed in cashflow they clearly seek" – Colin Close, Elavon

DESPITE THE many challenges facing the UK economy, including the ongoing concern around Brexit, it seems the country's small-to-medium-sized enterprises (SMEs) are feeling remarkably buoyant.

According to research by payments solutions provider Elavon – a subsidiary of US Bancorp – 60 per cent of UK SMEs feel positive about growth prospects, 70 per cent feel optimistic in general and 68 per cent believe there are more opportunities now than there were ten years ago.

"SMEs make up the largest proportion of our customers, and a significant portion of the private sector business in the UK," says Colin Close, managing director, UK & international corporate, at Elavon. "Understanding their perceptions and concerns is critical. Our research highlights that businesses are positive about their growth."

There are, however, a number of concerns which threaten to hold back the nation's SMEs. The study found that only just over half (53 per cent) of small firms trade online, and nearly 23 per cent do not even have a website. Many prefer to build their business by word of mouth or rely on a local or high-street presence but, given the prevalence of social media and the growth of e-commerce, not having the ability to trade online is likely to act as a brake on growth, and a barrier to delivering the kind of service customers now expect.

Then there's cashflow. Elavon's research suggests this is the biggest concern for 39 per cent of SMEs, ranking second behind Brexit (51 per cent) – hardly surprising when BACS estimates UK SMEs lose around £2 billion a year as a result of late payments.

But new methods, such as mobile wallet and in-app payments, present new opportunities for businesses, with faster payments meaning transferred funds can be cleared on the same working day. "While SMEs once lacked choice in payment options, that's not the case today," says Close. "It's surprising that SMEs haven't fully explored and embraced apps and payment technologies that could bring the security, efficiency and speed in cashflow they clearly seek."

The next generation of point-of-sale terminals offers far greater functionality to customers than merely taking card payments. Elavon's new Poynt terminals allow businesses to take payments anywhere – in stores, on a smartphone, or through mobile wallets – and see transactions and settlements in real time. They also include an in-built app marketplace that enables businesses to choose a range of apps for their own needs, including order-ahead functionality and even the ability for employees to check in to work on the devices.

An effective payments solution can also help businesses get online. Elavon recently joined forces with ePages to develop the eShop – an e-commerce platform that can be accessed through its payments gateway to allow retailers to build a branded online presence, including integrating with social media and incorporating built-in search engine optimisation functionality. "It will help merchants develop and synchronise their online and in-store presence so that they can focus on growth," says Close. "It will help make small firms more competitive against the big boys."

INDUSTRY VIEW

For more information on how Elavon can help your business, visit www.elavon.co.uk

State intervention or free enterprise: enabling payment technology

Cashless technology has transformed the way the world pays for things – but some nations are more receptive to it than others. **Francis Wade** reports

ONLINE PAYMENT technology has transformed the way we make transactions, both domestically and across borders. Rather than queueing at the bank for hours to deposit cash or waiting days for a cheque to clear, we're now able to send money at the click of the button, or shop and pay for goods without leaving the house.

Payment services providers have successfully capitalised on the shift to online, and in the process brought about a revolution in the ease with which customers can go about their financial business. PayPal, which pioneered the model, has been joined by a slew of other providers, and competition for the sector leadership hinges on three key qualities – speed, security and efficiency – which providers continue to refine.

But as their ubiquity has grown, so too have broader efforts gathered steam to place payment technology at the centre of financial interactions. As part of this there has been a quiet push to "demonetise" economies – to reduce the circulation of cash, and in its place increase the prevalence, and sophistication, of online payment systems. Cash was once king, and banks the castle. Now, however, digital technology is making great strides, and banks are being forced to adapt. The UK financial sector has understood this only too well: the UK is second only to Norway in the number of e-commerce purchases made in Europe, with 87 per cent of retail purchases (not including groceries) having been made online in 2018.

While competition in a free market system has always been a powerful driver of technological innovation, governments the world over have seen the transformative effect of payment technology. Accordingly, they have pressured banks to integrate more sophisticated payment services into their systems, and, buoyed by an inherent desire on the part of companies to take the lead in a competitive market, provided support to the new crop of payment service providers to better refine their product.

In developing countries such as Kenya and Bangladesh, accessing cash has never been easy – the infrastructure isn't in place to regularly restock ATMs with paper money, and significant proportions of the populations live far from urban centres, where most ATMs and banks are located. Governments there have won praise for their drive to boost mobile phone payment systems, such as M-Pesa in Kenya or the Village Pay Phone Programme in Bangladesh, that have helped to enfranchise millions of rural poor.

"While competition in a free market system has always been a powerful driver of innovation, governments have seen the transformative effects of payments technology"

Right: a customer pays with WeChat at a bar in Chiang Mai, Thailand. Mobile payments are now widespread in China and the Far East, whereas in the US there is far more resistance.

Of course, there is fear among businesses that the transaction costs of online payments could eat into their profits. But more government intervention and support would aid the expansion of payments technology, while the greater the competition and prevalence of that technology, the cheaper it would become.

In the UK, government intervention in payment technology has grown in determination. The Financial Conduct Authority (FCA) has set up its own Innovation Hub with the express goal of supporting businesses, both new and established, to bring new financial products and services to the market.

New paytech is naturally disruptive: it seeks to bring an end to the traditional, and drawn-out, process of making payments via the cashier desk of the local bank branch, instead completing the job at the click of a button. Blockchain technology – in other words, virtual currency issued neither by a bank nor by a public authority – further draws the centre of gravity in the financial world away from traditional banking systems.

But banks themselves have begun to take on a disruptive quality. So-called "challenger banks" are now competing for space with the UK financial giants – Barclays, HSBC, Lloyds and RBS – and bringing to the market a hunger for innovation and risk-taking in payment technology that traditional banks have been slow to adapt to. At the forefront of their model are online payments, specifically mobile apps such as Monzo and Revolut that are the latest iteration in the paytech revolution. Incubators such as the FCA Innovation Hub provide support for ideas in this field to grow, and reflect a drive to continue the diversification of the landscape.

While much of the western world is now used to contactless card payments, in the US this has been slow to catch on, and it has thrown into sharp focus the reluctance there to part with legacy payment systems in favour of new technology. Only in 2019 has contactless payment been rolled out across the US, long after it has been in a range of other countries – South Korea, China, India, the UK, Italy and elsewhere. Critics have blamed free enterprise in the US for being an inhibitor, not enabler, of payment technologies, for while banks in the UK had struck common agreements over new payment standards, those in US – a complex and fragmented banking landscape with long-standing legacy systems – have proven reluctant to do so.

Contrast this with China, which has skipped the changes to card technology undertaken in the US and gone straight to cardless payments. A new system, predominatly run through Alibaba (China's answer to Amazon) and WeChat (a rival to WhatsApp) instead uses QR codes and digital wallets, thereby relegating the central role of banks in financial transactions to what now feels like history. Each platform has close to a billion users, with everyone from big chain stores to market stalls and even beggars on the street employing their services.

This transformation has taken place at lightning speed – largely in the space of a decade – and again throws an unflattering light on how slow and hostile the American system has been to change. In India too, the government-supported United Payments Interface (UPI), a real-time payments system that uses Google Pay and Paytm technology, among others, is used by nearly 150 banks, and has transformed the way millions of Indians go about their financial transactions.

Government intervention in payments technology across the world has proven to be a boon for a variety of stakeholders, whether customers, retailers, and banks – at least those who get on board. It has had a transformative effect on our daily lives, allowing us to do away with the time burden of traditional payment and replace it with the ease of a single click.

"Given that in many advanced economies they make up a vast majority of companies, it goes without saying that SMEs need to follow the trend towards embracing digital technologies"

How payments tech is loosening regulatory strings so SMEs can flourish

Smaller businesses benefit from government aid, but restrictive regulation can also hamper growth. New technology could help them, writes **Francis Wade**

GOVERNMENTS KNOW there is significant growth potential to be had from SMEs. In most OECD countries, they constitute more than 95 per cent of enterprises, and account for up to 70 per cent of jobs, and are thus vital features of any economy. These agents of change are considered important vehicles for creating jobs and driving expansion, and as a result they tend to receive significant state support, whether in the form of tax exemptions or a range of other incentives to boost their formation and growth.

But the relationship between SMEs and the state is not wholly harmonious. While governments tend to want to cultivate an economic and technological environment in which SMEs and entrepreneurship can prosper, they can also be subjected to tight regulatory measures that can actually hamper their growth. Many don't make it past the five-year mark – regulation is too excessive, they divert too much resource to administrative functions. Because of their size relative to larger and better-equipped firms, they are also not so adept at managing the red tape and spreading the cost of compliance. These powerful drivers of growth and job creation are often therefore killed off in their infancy.

Governments have come together to seek ways to reduce the burden on SMEs, granting them stronger privileged treatment, improving availability of information and training, and lowering the legal barrier to entry and reducing costs for regulatory compliance. They have also been encouraged to boost their digital acumen. Given that in many advanced economies they make up a vast majority of companies, it goes without saying that SMEs need to follow the trend towards embracing digital technologies. In Singapore, for example, where the SMEs Go Digital initiative was launched in 2017, SMEs "make up 99 per cent of companies, two thirds of the workforce and contribute to 50 per cent of the country's GDP". For e-commerce, digital technologies make buying and selling much easier; for start-ups of all stripes, they help to drive innovation, and this is where SMEs add significant value to an economy.

SMEs have been aided in their quest by de novo banks – new bank charters that have seen a resurgence in recent years following a major downturn in the wake of the 2008 financial crisis. It was de novo banks that became key lenders to small businesses during the bank consolidation phase in the US in the early 2000s, when many of the major banks underwent mergers and acquisitions and reduced their financing of SMEs. As a result, de novo banks stepped into the gap left by the larger banks.

De novo banks have historically had a larger proportion of SMEs in their portfolios than incumbent banks, in keeping with a trend in which smaller banks traditionally lend more to smaller companies than large banks do. De novo banks also have fewer overheads, which is music to the ears of SMEs who, as is clear from their rate of survival in the first five years, are less equipped to navigate complex administrative functions and don't have the capital to cover lending overheads.

Due to the inherent precariousness of SMEs – and their greater propensity for risk-taking – they have often been earlier adopters of new technologies than larger, more conservative businesses. This is especially the case for those operating solely online, and who are required to make multiple overseas payment transfers.

Traditionally, the cost of processing these fees would have been a major obstacle in the way of steady growth. Yet SMEs can now shop around for a range of payment service providers who facilitate cross-border transfers in various currencies. This both eases a highly onerous process for small businesses, reduces the overheads that need to go into processing transactions, and quickens the speed at which payments can be made. While payment providers generally come with strong tools for market analytics that makes their integration more appealing for SMEs, it is the final point – processing speed – that is perhaps their greatest appeal. It marks a major shift from days of old, when the time taken to clear a cheque, for example – days, rather than hours – incurred cumulatively significant costs for small, young businesses without the reserve capital that large businesses had to cover this.

But with online payment service providers becoming a go-to for many SMEs, the risk of security breaches grows. Hackers will target the area of least resistance – those payment systems that lack robust defensive walls and can therefore be breached. It is in particularly important for SMEs, who may struggle with the financial fallout of any major breach, to do proper due diligence on their PSP, and ensure they are clear on what personal identifiable information (PII) is being requested of customers, given both the financial and reputational damage that would be incurred in the event of a hack.

Additional progress for is being made in the field of late payments – no small issue for SMEs. Research has found that two-fifths of SMEs in the UK are affected by late payments, and of these, more than half said it was impacting on their cash flow. The problem affects the growth of SMEs and their ability to plan and to invest, and has prompted the UK government to move responsibility for the voluntary Prompt Payment Code to the Small Business Commissioner's Office. It has been granted an extension of powers to tackle the problem – the ability to issue fines to big businesses who are late on their payments to SMEs, and the enforcement of payment plans when they fail to come up with the goods.

The majority of large businesses may well be good at ensuring payments are made on time, but too many don't, and if the Small Business Commissioner's Office is tasked with one overarching mission, it is this: break the culture of late payments, and contribute to an environment in which SMEs – those powerful, yet often fragile, engines of growth – can prosper.

OFFICE POLITICS

How to tackle stress like an Olympian

A former world class athlete explains how executives can performe under pressure

David Carry

C-SUITE stress is the hidden ticking time bomb of business. With markets set to become even more volatile, the psychological impact on the leaders of Britain's biggest firms cannot be underestimated.

Just as we expect athletes to perform under stress, chief executives will be required to make critical decisions in the face of extreme pressure.

While training for the Olympics with Team GB, we were taught that harnessing confidence and stress resilience – two of the few factors within our control – was a crucial way to guarantee performance under trying conditions. So here are four ways you can apply this Olympic mindset and begin to harness a strategy for professional stress management.

ANTICIPATE HURDLES

Avoid confusing confidence with blind optimism. Negativity in business, when done correctly, is not only useful but essential.

Team GB excelled at the "premortem" approach, undertaking meticulous forward planning to consider every potential obstacle, from injury to last-minute team changes.

Confidence requires acknowledging all potential negative outcomes and preparing for them in order to deliver results – this way, planning takes place in a calm and considered setting.

When setbacks inevitably occur, you can be confident in taking the best possible action to increase your chances of success.

SEPARATE THE INDIVIDUAL FROM PERFORMANCE

Athletes routinely review videos of themselves, analysing and critiquing alongside their teammates and coaches. The goal here is not just to discuss or justify current performance, but to identify areas for improvement.

In business, we tend to struggle to separate the individual from their performance – reviews are too often an exercise in relaying achievements, with far too little focus on the negatives.

With volatile times ahead, we should shine a spotlight on areas of performance most in need of improvement – the back-patting should come later.

Harnessing confidence and stress resilience – two of the few factors within our control – is a crucial way to guarantee performance

COLLECTIVE CONFIDENCE

Departments in large firms can become cliques: sales will have different goals to marketing or accounting, and this can lead to these teams behaving as their own miniature businesses.

Even board members may not see each other as colleagues – their "real" team is their department.

Team GB taught us that three main areas were critical in developing confidence: purpose, identity, and performance planning. Unpicking your organisation's wider values and defining what constitutes a "win" is crucial in developing a shared goal.

UNDERSTAND RESILIENCE

Increasing stress resilience and reducing recovery time is a priority for any athlete. Business leaders generally consider themselves masters of stress management, but they are often unaware of how psychological pressures impact the body.

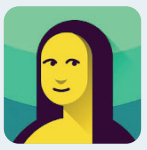
Research shows that pressure has a dramatic effect on your ability to be objective, creative, and make rational decisions. Athletes appreciate that intense training or competition can trigger a physiological reaction, and so are on the alert for warning signs.

In business, we need to recognise the impact of stress, and build habits to improve our recovery time. For example, set your own "cheat days" where you focus on the enjoyable aspects of your role. Wean yourself away from ploughing time into reactive troubleshooting for every problem that comes along.

Also, build habits that mitigate stress, such as setting evening email curfews, sticking to your remit on a project, or simply ensuring good sleep.

Adopt this mindset, and you'll be on the path to a business gold medal.

David Carry is chief executive of Track Record and a former Olympic swimmer.



PRETTY PICTURE

DailyArt
Free

Art can have a powerful effect on your wellbeing. Get a daily dose of culture with this app. Each day, you'll receive a new classic, modern, or contemporary masterpiece to admire, along with a short story about the work or the artist. It's an educational way to start the morning commute.

COFFEE BREAK

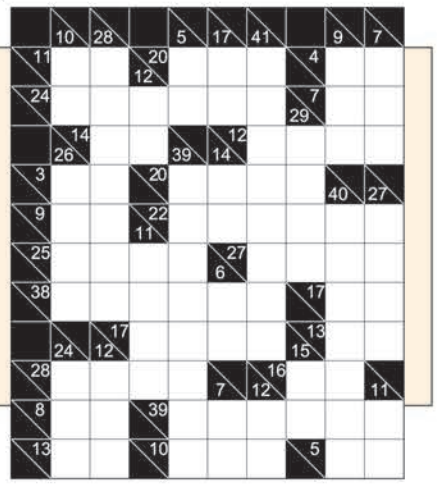
SUDOKU

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.

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

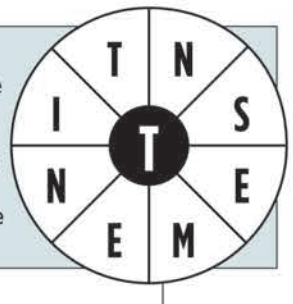
KAKURO

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.

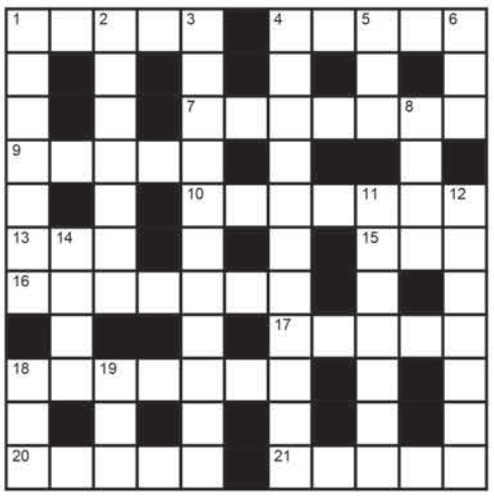


WORDWHEEL

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 Scrutinise accounts (5)
4 Accord or comport with (5)
7 Nearest planet to the Sun (7)
9 Disreputable wanderer (5)
10 Take in too much food (7)
13 Centre (3)
15 Large African antelope (3)
16 Knaves (7)
17 Express in speech (5)
18 Definition (7)
20 Ventriloquist's prop (5)
21 Twin brother of Romulus (5)

DOWN

1 One more (7)
2 Causes harm (7)
3 For a limited period of time, not permanently (11)
4 Brittle transparent candy (6,5)
5 Feverish cold (abbr) (3)
6 Investigate judicially (3)
8 Horse's coat when sprinkled with white or grey (4)
11 Self-importance (7)
12 Small towers at the corners of a building (7)
14 US university (4)
18 Soft wet earth (3)
19 Prepare for a military confrontation (3)

LAST ISSUE'S SOLUTIONS

QUICK CROSSWORD

C	A	M	E	R	O	N		T	A	U
	G		T			I		R		N
B	O	T	H		I	G	U	A	N	A
E			I	N	C	H		C		D
D	I	S	C		E		O	H	I	O
S		C	A	S	C	A	D	E		R
P	E	E	L		A		Y	A	R	N
R		N		A	P	E	S			E
E	L	E	C	T	S		S	E	E	D
A		R		O			E		E	
D	A	Y		P	L	A	Y	E	R	S

KAKURO

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

SUDOKU

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

WORDWHEEL

The nine-letter word was **FINGERTIP**

HEALTH

FIX BODY AND SOUL IN THE GREAT OUTDOORS

To kickstart your health kick, you might have to go far, far from the gym, says top PT **Harry Thomas**

The City is great. I've owned a gym here for almost 10 years. It can be invigorating being around so many people, seeing all the new buildings fly up, checking out all the new bars and restaurants.

But there's a flip-side. Being around so many people can be mentally and physically draining. An office full of stressed people can take its toll on your mental health. Sometimes you need to get away.

The idea of having a nice weekend out of the city is hardly something new – the Victorians loved to take trips to the country. But in our ever-connected age, I think it's more important than ever to escape the traffic and noise from time to time.

I was in San Francisco recently and I decided to take a solo camping trip to Yosemite National Park. It amazed me the realisations I came to when I was out in nature by myself. Being alone in a sleeping bag in the middle of a forest really strips life back to the bare essentials. When the sun goes down, it's time for bed, when it comes up, it's time to get up again. I immediately felt energised, falling into a natural circadian rhythm, a far cry from the late nights and bleary mornings of my life back home.

I'm not quite at the tree hugging stage yet, but being alone in nature certainly affected my mood, not just while I was away, but for weeks after. It helps, of course, that Yosemite is one of the most beautiful places in the world, but it wasn't just the views. Over the days I came to a number of realisations – here are some of them.

THE IMPORTANCE OF BEING FULLY PRESENT

I talk about this a lot, but when you're alone and disconnected from the "real" world, you become more present. This is especially true when you're hiking: you can't be anywhere else if you want to get home in one piece. You pay attention to every step, feel every breath.

You're communicating with your body in a far more direct way than usual. All of my clients in the City worry about things that have already happened and beat themselves up over stuff they can't change. At the same time, they become overwhelmed by things that haven't happened yet, playing out distracting and stressful scenarios. When you're alone with your thoughts, this fades away.

> "When I was hiking all day I burnt over 3,500 calories and completed more than 25,000 steps

A CLEAR HEAD CAN MEAN MORE IDEAS, NOT FEWER

So all those unnecessary thoughts have vanished – but that doesn't mean your mind becomes a void. It was incredible how many great ideas I had, how many solutions I found to problems that had been bugging me for ages. I made a list of things I wanted to work on when I got home and I've stuck to it. If you let your brain rest and disconnect, it can concentrate on bigger problems than the latest thing on your Twitter feed.

You don't need to go to Yosemite for this – I find the same thing happens when I go on long cycles outside of London.

FINALLY GET THAT DIGITAL DETOX

Where there's no reception there's no temptation. How long can you go before checking your phone? Our entire lives revolve around screens and we feel useless without them.

But without a phone in your hand, you can appreciate what's in front of you. Being out of signal made me realise that I don't have to be available 24/7. It's OK to take your time getting back to someone: it allows you to consider who's really important and what you actually want to say. We live on impulse and it's a cause of anxiety – take a breath, the world won't end if you don't text your sister back right away.

EXERCISE WITH A VIEW

Many people use the excuse of hating the gym for not training, but there's so much you can do outdoors that counts as exercise, and it's a great way to improve your health and wellbeing. When I was hiking I burnt over 3,500 calories a day and completed more than 25,000 steps. By the end I was shattered. I slept like a baby.

Don't underestimate the power of going for a walk – get yourself down to your local park, and if you have children, take them with you. And remember, parks aren't just good for walking – try cycling, running, rock climbing, swimming, even frisbee.

Mixing up your exercise routine is a great way to challenge different muscle groups. Or if you've had a heavy week in the gym, changing things up with an outdoor workout could count towards your recovery.

At No1 Fitness our aim is to help people to get healthier. We design workouts and programs for people to complete in the gym, but we also make sure we get our clients outside, too. Try it yourself this weekend.

To book a session with one of the trainers at No1 Fitness, visit no1fitness.co.uk or call 0207 403 6660

FOOD&DRINK

WINES OF THE WEEK

Hide sommelier **Gabriele Vertullo** picks two wines to splash out on for the weekend

1.

2.

1. NYETIMBER 1086 ROSÈ 2010

In 1086 the peaceful valley of Nitimbreha made its first appearance in recorded history. The 1086 wines (white and rosè) are a homage to this historical estate.

The first ever Prestige Cuvee rosè made in England, 1086 Rosé represents the pinnacle of Nytimber winemaking. Made from Pinot Noir and Chardonnay grapes – all estate-grown in West Sussex – the 2010 Rosè is packed with floral and red fruit aromas. With wonderful progression and great balance between fruit and structure, this English sparkling has nothing to envy to the best of Champagne.
£175, nyetimber.com

2. VASSALTIS ASSYRTIKO 2018

Do you feel "summersick"? If so, this is the wine for you. Vassaltis is among the best wineries on the island. The Assyrtiko brings the rebellious and explosive character of that terroir, with notes of peach and citrus. But what makes Assyrtiko unforgettable is its pronounced acidity, strict minerality and its endless salty aftertaste. The best choice to accompany your last dip in the sea.
£30, virginwines.co.uk

To book a table at Hide go to hide.co.uk or call 020 3146 8666

WEEKLY GRILL

The world-famous **Nobuyuki Matsuhisa** on his mother's miso soup and how he used to hustle for eels

WHO ARE YOU AND WHAT DO YOU DO?

I am Nobuyuki Matsuhisa, also known as 'Nobu', sushi chef proprietor of Nobu and Matsuhisa restaurants, author and father. I currently own 49 restaurants in 44 cities on five continents around the world.

WHAT'S NEW AT NOBU IN LONDON?

We are hosting a series of 'Tastemakers' dinners at Nobu Berkeley Street, which we hope to roll out across our London restaurants and perhaps beyond. The next dinner will take place on Tuesday 5 November – members of the public will be invited to sample and rate dishes that will be chosen for December's Omakase menu. I'm excited to put this in the guests' hands.

WHAT'S YOUR FAVOURITE DISH?

Japanese soba noodles.

WHAT'S YOUR EARLIEST FOOD MEMORY?

I remember the tap-tap-tap of my mother's knife on the chopping board and the scraping of the pot against the burner as she prepared miso soup and pickled vegetables every morning. This is common in Japanese families and each family has a slightly different recipe.

WHAT'S THE BEST THING ABOUT THE LONDON FOOD SCENE?

Before Nobu London opened in 1997, London's food scene was quite limited. That's why I decided to open Nobu here – to introduce sushi and Japanese cooking to Londoners. Since then, I have seen the market grow and I'm really proud to see the food of my culture being accepted and enjoyed over here with such variety. I love to hear of more good quality Japanese restaurant openings, to see how other people put their own spin on it.

AND THE WORST THING?

With so much choice out there, there's a lot of pressure on restaurants to compete with each other and this can compromise the service and quality of food.

WHAT'S YOUR FAVOURITE FOOD-RELATED ANECDOTE?

When I was living in Lima, I found a conger eel, which the Peruvians were not accustomed to eating. I quickly realised I could bargain them to a very low price, pretending I was buying them for my dog – the vendor insisted on giving them to me for free. Needless to say, I gave him some money and the special in my restaurant that evening was conger eel. It soon became a popular item on our menu. Soon after, another Japanese chef went looking for some at the market and came across the same vendor, who asked if he also had a dog to feed. The next time I saw the vendor, he gave me a wink. The truth was out and Peru has since become an exporter of conger eel.

To make a reservation, email london.reservations@noburestaurants.com or call 020 7447 4747. To find out more about the Tastemakers evening, go to noburestaurants.com

THIS WEEK'S RECIPE:

Our resident chef turns a favourite recipe vegan – try it at home tonight

MARK HIX

Chef and restaurateur

My good friend Sami Ghosn makes one of my favourite wines, Massaya, up in the mountains of the Beqaa Valley in Beirut. He shared this recipe with me a few years ago. His mother would always use goat but I've decided to make the dish vegan, which I'm sure will make a lot of people happy, especially with the climate protests taking place.

VEGAN STUFFED CABBAGE (SERVES 4)

INGREDIENTS

- *1 large aubergine, cut into rough 1/2 cm chunks*
- *A little vegetable or corn oil for frying*
- *1 medium onion, peeled, halved and finely chopped*
- *3 cloves of garlic, peeled and crushed*
- *30g root ginger, scraped and finely grated*
- *2-3 cm piece of cinnamon stick*
- *1tsp ground cumin seeds*
- *1/2 tbs tomato purée*
- *20g dried barberries, soaked in warm water for two hours*
- *250-300ml vegetable stock*
- *30g pine nuts, lightly toasted*
- *Salt and freshly ground black pepper*
- *1 pointed hispi or flat white cabbage*

METHOD

- Heat a frying pan and cook the aubergine on a high heat for 4-5 minutes, turning as it's cooking until nicely coloured then transfer to a plate.
- Meanwhile heat a little more oil in a saucepan and gently cook the onion, garlic, ginger and spices for 3-4 minutes on a low heat until soft.
- Return the aubergine to the pan and add the tomato purée, barberries and half the stock and season.
- Bring to the boil and simmer very gently with a lid on for about 15 minutes stirring every so often.
- Remove the lid and continue cooking until the liquid has evaporated and the mixture is dry. Add the pine nuts, remove from the heat and re season if necessary.
- Meanwhile remove the leaves from the cabbage and carefully remove the thick vein in the centre.

Bring a pan of salted water to the boil and cook the leaves for two minutes then drain and refresh in cold water then dry on a kitchen towel.

- Stuff the leaves by placing a spoonful of filling on each leaf ensuring its overlapping where the thick vein was removed. Roll it up securely folding the ends in then rolling it up in a thick, stubby cigar shape.
- Pack them tightly into a shallow saucepan and add the stock and oil then cook in the oven for about 15 minutes.
- To serve, carefully remove the cabbage parcels onto a serving dish then reduce the liquid down to a syrupy consistency and brush over the leaves.

THE PUNTER

RACING TRADER

Hong Kong racing expert **Wally Pyrah** previews today's action from Happy Valley

Power the pick on big day for Aldo Domeyer

FORMER South African champion Aldo Domeyer could be the jockey to follow at Happy Valley this afternoon. The likes of Zac Purton, Joao Moreira and Karis Teetan will continue to hog the headlines, given they rode seven of the ten winners at Sha Tin last Sunday, but 32-year-old Domeyer has a chance of stealing some of the limelight from his more illustrious rivals.

Domeyer made an immediate impact when joining the HK jockey ranks last May, riding a double on his first appearance at the tricky Happy Valley circuit.

He ended his 10-week licence for the season by riding an impressive 13 winners, including a treble, again at the city track, in July.

He has already chalked up four winners this term and that's despite serving a four-meeting suspension, so he looks a man to follow and should be more than capable of holding his own against some of the top riders in the world.

Domeyer has his card marked in a handful of races this afternoon and all of them can be given a chance of at least making the frame.

His best chance of success could come in the Hanshin Handicap (1.45pm), when he climbs aboard the Tony Millard-trained **C P POWER** over the extended mile.

Jockey Aldo Domeyer has a strong book of rides at Happy Valley today

As mentioned last week, Millard is a trainer to follow in the month of October. The former South African champion trainer collected 34 winners in HK last season, of which nine came this month.

He landed a double at Sha Tin nine days ago and then saddled a 175/1 winner last Sunday, so he's clearly coming into form at the right time.

Millard and Domeyer have already tasted success together this season and now combine with C P Power, who won off a similar mark over the course and distance last season.

His seasonal pipe-opener, a fast finishing third to Green Dispatch last month, suggests he will be at his peak and from a positive low draw, he should go close.

Domeyer may have already got on the scoresheet earlier in the afternoon, when renewing his association with top-weight **EVERBRAVE** in the six-furlong Nakayama Handicap (12.45pm).

The combination suffered bad luck in-running when pushed wide turning into the straight and then dashing too late to catch rival and surprise winner Hardly Swears over five furlongs at the Valley early last month.

From a good draw and a 5lb advantage for a half-length defeat, they are clearly capable of reversing the form.

With the expected early pace likely to be on the quick side, the Manfred Man-trained six-year-old should be in an ideal position from the off and can make his strong finish count in the closing stages.

Domeyer's other rides are all worth a mention too, with progressive sprinter Ballistic King looking the form choice in the Tokyo Handicap (3.15pm), though he does have a double-figure draw to overcome.

Dances With Dragon has had an ideal preparation for the main event of the evening, the £200,000 Japan Racing Trophy (2.45pm), and I'd expect him to go off a decent price too.

Finally, don't discount Speedy Wally in the second race of the day (12.15pm). His recent form suggests he's back to his best and could cap off a spectacular day for Domeyer.

POINTERS

Everbrave	12.45pm	Happy Valley
C P Power	1.45pm	Happy Valley

Snap looks the perfect Fit for Zac in the lucky last

ZAC Purton will be having sleepless nights! We may only be eight meetings into the season, but the reigning HK champion jockey's deadly rival Joao Moreira is back to his brilliant best.

Moreira already holds a four win advantage over Purton in the championship race, but it was the Brazilian's breathtaking ride on My Winner at Sha Tin on Sunday that proved the 'Magic Man' is on fire at the moment.

Weaving his way through rivals and then pouncing late on the Purton-ridden Sprint Forward must have had the present champion in despair. The smiling face of Moreira after the winning line said it all.

Both jockeys have a strong-looking book of rides at the Valley this afternoon, but it may be Purton, who excels around the tight-turning course, who can come out on top.

Purton's rides include a couple of lightly-raced but progressive gallopers who look primed for the winners' circle.

First up is the Caspar Fownes-trained **AURORA PEGASUS** who lines up in the six-furlong Nakayama Handicap (1.15pm). He was strongly fancied on his seasonal reappearance, but was outpointed in the closing stages at Sha Tin.

He is sure to improve for that run, and from an ideal draw he is going to be hard to beat. The principle threat will be Zero Hedge, ridden by Moreira.

Fownes and Purton will surely be disappointed if the fast-improving **SNAP FIT** doesn't complete a hat-trick and give them a double in the closing Kyoto Handicap (3.50pm) over five furlongs.

This New Zealand-bred five-year-old won with his head in his chest in June and should prove a better class than his rivals.

POINTERS

Aurora Pegasus	1.15pm	Happy Valley
Snap Fit	3.50pm	Happy Valley

HAPPY VALLEY

Going: Turf - GOOD

11.45 NIIGATA HANDICAP (CLASS 5) (3YO+) (COURSE B) (TURF) 6f 3yo plus 12 dec.

1 09000 **BANDY** (87) (B)
(2) Richard Gibson 4-9-7 ..... **N Callan 52**
Runs: 5 Wins: 0 Places: 0

2 80879- **LA BOMBA** (329)
(9) D Whyte 5-9-7 ..... **R Bayliss 56**
Runs: 5 Wins: 0 Places: 0

3 303873 **GOUTEN OF GARO** (14) (T)
(1) D Ferraris 6-9-5 ..... **J Moreira 61**
Runs: 23 Wins: 0 Places: 6

4 006040 **MY DEAR** (38) (T)
(10) A Cruz 4-9-3 ..... **K Teetan 53**
Runs: 8 Wins: 0 Places: 0

5 000060 **RED BRICK FIGHTER** (31) (TB)
(12) C Shum 4-9-3 ..... **M Poon(2) 61**
Runs: 7 Wins: 0 Places: 0

6 341637 **STARLOT** (28) (B) (CD) (G)
(7) P O'Sullivan 6-9-1 ..... **Z Purton 56**
Runs: 33 Wins: 2 Places: 5

7 -79060 **FOX CHEUNGER** (94) (HTB)
(5) K Lui 5-9-0 ..... **H Lai★ 59**
Runs: 11 Wins: 0 Places: 1

8 007392 **OPEN HOUSE** (91) (B)
(3) D Hall 6-8-13 ..... **K Leung 65**
Runs: 21 Wins: 1 Places: 3

9 8-7880 **FIRE AND GOLD** (24)
(8) C Yip 6-8-11 ..... **B Shinn 57**
Runs: 14 Wins: 0 Places: 1

10 966407 **KEEP GOING** (87) (B)
(6) Y Tsui 5-8-4 ..... **H T Mo(3) 65**
Runs: 15 Wins: 0 Places: 0

11 005044 **LEISURED FEET** (28) (T) (D,BF)
(11) W So 6-8-4 ..... **C Y Ho 62**
Runs: 23 Wins: 1 Places: 3

12 963805 **NASHASHUK** (98) (ET) (CD)
(4) J Size 7-8-1 ..... **M Chadwick 62**
Runs: 28 Wins: 1 Places: 2

13 8800-5 **EVERYONE'S ELITE** (98) (B)
(13) K Man 5-9-6 ..... **RESERVE 62**
Runs: 5 Wins: 0 Places: 0

14 000000 **BLISSFUL EIGHT** (87) (B)
(14) John Moore 4-8-9 ..... **RESERVE 45**
Runs: 6 Wins: 0 Places: 0

★**BETTING:** 2 Gouten Of Garo, 5 Leisured Feet, Starlot, 7 Nashashuk, Open House, 10 La Bomba, 16 Bandy, 20 Others

12.15 HANSHIN HANDICAP (CLASS 4) (3YO+) (COURSE B) (TURF) 1m 3yo plus 12 dec.

1 052553 **GOD OF DRAGON** (126) (HT)
(9) A Cruz 5-9-7 ..... **K Teetan 80**
Runs: 19 Wins: 0 Places: 2

2 074952 **STARLIT KNIGHT** (91) (CD) (GF,G)
(10) Y Tsui 7-9-4 ..... **Victor Wong(3) 80**
Runs: 37 Wins: 3 Places: 5

3 345089 **ZHAN JIANG ROCKS** (87) (T) (D) (G)
(3) W So 4-9-4 ..... **Z Purton★ 80**
Runs: 17 Wins: 2 Places: 2

4 90 **GOLDEN TURBO** (91) (B)
(5) P O'Sullivan 4-8-10 ..... **K Leung 57**
Runs: 2 Wins: 0 Places: 0

5 338788 **NITRO EXPRESS** (28) (TB[1]) (CD)
(7) D Ferraris 8-8-10 ..... **N Callan 80**
Runs: 31 Wins: 2 Places: 6

6 009000 **FLYING TIGER HERO** (28) (A)
(12) D Whyte 4-8-8 ..... **R Bayliss 79**
Runs: 16 Wins: 2 Places: 1

7 608660 **WINNING CONTROLLER** (24) (B) (D) (G,GF)
(8) C Yip 6-8-8 ..... **M Poon(2) 78**
Runs: 29 Wins: 3 Places: 4

8 843233 **FLAME LILY** (91) (T)
(4) F Lor 5-8-7 ..... **J Moreira 78**
Runs: 17 Wins: 0 Places: 7

9 089162 **SPEEDY WALLY** (28) (T) (CD) (G)
(1) C Fownes 9-8-8 ..... **A Domeyer 76**
Runs: 40 Wins: 5 Places: 9

10 000 **STRATHBARRA** (119) (B)
(11) A Millard 4-8-5 ..... **L Hewitson 47**
Runs: 3 Wins: 0 Places: 0

11 662963 **DIONYSUS COLLIN** (24) (H)
(6) K Lui 4-8-4 ..... **C Y Ho 75**
Runs: 10 Wins: 0 Places: 2

12 000269 **SOLAR BILLION** (18) (TB)
(2) K Man 4-8-2 ..... **T So 71**
Runs: 7 Wins: 0 Places: 1

13 043113 **LONDON HALL** (108) (B) (BF) (GF,G)
(13) D Hall 5-9-5 ..... **RESERVE 74**
Runs: 8 Wins: 2 Places: 2

14 971755 **FAITHFUL TRINITY** (14) (HET) (CD) (G,GF)
(14) Richard Gibson 5-9-2 ..... **RESERVE 78**
Runs: 29 Wins: 3 Places: 1

★**BETTING:** 5/2 Flame Lily, 9/2 Zhan Jiang Rocks, 5 God Of Dragon, 11/2 Starlit Knight, 6 Dionysus Collin, 7 Speedy Wally, 16 Nitro Express, 20 Others

12.45 NAKAYAMA HANDICAP (DIV I) (CLASS 4) (3YO+) (COURSE B) (TURF) 6f 3yo plus 12 dec.

1 344194 **EVERBRAVE** (28) (C) (G)
(4) K Man 6-9-7 ..... **A Domeyer 73**
Runs: 22 Wins: 1 Places: 4

2 460000 **HAPPY WIN WIN** (28) (T) (A,GF)
(12) C Yip 4-9-4 ..... **R Bayliss★ 78**
Runs: 17 Wins: 3 Places: 1 €37,655

3 91 **HARDLY SWEARS** (28) (H) (C) (G)
(7) J Ting 5-9-4 ..... **M Yeung(2) 75**
Runs: 2 Wins: 1 Places: 0

4 697048 **SHOUSON** (18) (B)
(8) John Moore 4-9-2 ..... **Z Purton 77**
Runs: 9 Wins: 0 Places: 0

5 576548 **BRIGHT KID** (24) (B)
(3) D Whyte 5-9-1 ..... **C Schofield 78**
Runs: 13 Wins: 0 Places: 0

6 **AMAZING PARADISE** (T)
(2) C Shum 4-8-13 ..... **K Teetan -**
Runs: 0 Wins: 0 Places: 0

7 **STUNNING IMPACT**
(9) P O'Sullivan 4-8-13 ..... **T So(2) -**
Runs: 0 Wins: 0 Places: 0

8 217708 **THE SHOW** (94) (B) (CD) (G,GF)
(5) C Chang 9-8-11 ..... **Victor Wong(3) 74**
Runs: 45 Wins: 4 Places: 8

9 -23285 **TRAVEL DATUK** (105) (B) (D)
(1) Richard Gibson 6-8-10 ..... **N Callan 78**
Runs: 38 Wins: 1 Places: 11

10 8-2087 **MISCHIEVOUS SUNDAE** (31) (E/S)
(11) J Size 4-8-9 ..... **J Moreira 78**
Runs: 6 Wins: 0 Places: 1

11 0076 **SUPER RED DRAGON** (98) (HT)
(6) W So 4-8-6 ..... **M Chadwick 71**
Runs: 4 Wins: 0 Places: 0

12 587245 **MULTIMAX** (28) (TV) (CD) (G)
(10) L Ho 8-8-4 ..... **H Lai 74**
Runs: 46 Wins: 3 Places: 8

13 594445 **LIGHTNING STEED** (14) (G)
(13) C Fownes 5-8-7 ..... **RESERVE 77**
Runs: 16 Wins: 1 Places: 3

14 0 **ONE HAPPY STAR** (8)
(14) C Yip 4-8-13 ..... **RESERVE 58**
Runs: 1 Wins: 0 Places: 0

★**BETTING:** 3 Hardly Swears, 6 Bright Kid, Everbrave, 7 Travel Datuk, 8 Mischievous Sundae, Shouson, 10 The Show, 14 Amazing Paradise, Multimax, 16 Stunning Impact, SuperRed Dragon, 20 Others

1.15 NAKAYAMA HANDICAP (DIV II) (CLASS 4) (3YO+) (COURSE B) (TURF) 6f 3yo plus 12 dec.

1 063284 **HERO TIME** (14) (HTB) (CD) (G,GF)
(10) Richard Gibson 6-9-7 ..... **N Callan 78**
Runs: 16 Wins: 2 Places: 2

2 888756 **ZERO HEDGE** (28) (E/S) (CD) (G)
(5) J Size 6-9-6 ..... **J Moreira★ 79**
Runs: 26 Wins: 4 Places: 1

3 **FLYING EMPEROR** (B[1])
(4) C Chang 3-9-5 ..... **K Leung -**
Runs: 0 Wins: 0 Places: 0

4 009000 **SUPREME PATROL** (14) (B)
(12) D Ferraris 5-9-5 ..... **U Rispoli 79**
Runs: 10 Wins: 0 Places: 1

5 635895 **TOP SCORE** (38) (TB) (CD) (G)
(9) K Lui 7-9-4 ..... **C Y Ho 76**
Runs: 30 Wins: 4 Places: 4

6 **GREEN GENERATION** (B[1])
(8) D Hall 5-9-0 ..... **T So(2) -**
Runs: 0 Wins: 0 Places: 0

7 8 **HAPPY FOREST** (136) (T)
(7) W So 4-8-13 ..... **C Schofield 61**
Runs: 1 Wins: 0 Places: 0

8 642 **AURORA PEGASUS** (31) (T)
(3) C Fownes 5-8-12 ..... **Z Purton 76**
Runs: 3 Wins: 0 Places: 1

9 608465 **THE ABRAXAS** (14)
(2) Y Tsui 5-8-7 ..... **J Wong(3) 78**
Runs: 10 Wins: 0 Places: 0

10 942479 **BOND ELEGANCE** (18) (B) (CD) (G)
(6) D Whyte 6-8-5 ..... **K Teetan 78**
Runs: 40 Wins: 3 Places: 8

11 853007 **JIMSON THE DRAGON** (18) (T)
(1) C Yip 5-8-5 ..... **M Poon(2) 75**
Runs: 8 Wins: 0 Places: 1

12 0090 **DIVINE POWER** (87) (T)
(11) P Yiu 4-8-4 ..... **H T Mo(3) 63**
Runs: 4 Wins: 0 Places: 0

13 220308 **HAPPY WARRIOR** (94) (P) (C) (G)
(13) John Moore 6-9-4 ..... **RESERVE 76**
Runs: 18 Wins: 1 Places: 6

14 324430 **LOOK ERAS** (28) (V) (CD) (GF)
(14) Y Tsui 6-9-5 ..... **RESERVE 78**
Runs: 36 Wins: 2 Places: 11

★**BETTING:** 15/8 Aurora Pegasus, 9/4 Zero Hedge, 7 Top Score, 10 Hero Time, Jimson The Dragon, The Abraxas, 20 Others

1.45 HANSHIN HANDICAP (CLASS 4) (3YO+) (COURSE B) (TURF) 1m 3yo plus 12 dec.

1 859080 **RIGHT HONOURABLE** (24) (HET) (CD) (GF,G)
(12) Richard Gibson 5-9-7 ..... **N Callan★ 80**
Runs: 29 Wins: 3 Places: 4 €12,317

2 811600 **HAPPY ROCKY** (108) (TB) (C) (G)
(6) C Chang 8-9-5 ..... **A Chan(10) 71**
Runs: 48 Wins: 3 Places: 8

3 666730 **MAGNETISM** (105) (TB) (CD) (G,GF)
(7) D Ferraris 7-9-5 ..... **U Rispoli 76**
Runs: 46 Wins: 6 Places: 9

4 9 **CIRCUIT NUMBER ONE** (161) (HT)
(2) A Cruz 4-9-2 ..... **K Teetan 73**
Runs: 1 Wins: 0 Places: 0

5 7-3230 **NABOO STAR** (175) (BF)
(3) C Fownes 5-9-2 ..... **J Moreira 72**
Runs: 6 Wins: 0 Places: 3

6 905444 **CHARITY WINGS** (91) (B) (CD) (G,GF)
(9) C Shum 6-9-0 ..... **Z Purton 79**
Runs: 28 Wins: 3 Places: 6

7 076453 **C P POWER** (28) (TV) (CD) (G)
(4) A Millard 7-8-12 ..... **A Domeyer 78**
Runs: 34 Wins: 4 Places: 6

8 166699 **ENJOY LIFE** (14) (B) (CD) (G,GF)
(10) Y Tsui 6-8-11 ..... **K Leung 77**
Runs: 35 Wins: 3 Places: 7

9 664383 **SHINING ON** (28) (C,BF) (G)
(5) K Lui 6-8-8 ..... **C Y Ho 77**
Runs: 17 Wins: 1 Places: 4

10 463945 **FLASH FAMOUS** (94) (TB) (G)
(1) F Lor 5-8-6 ..... **C Schofield 82**
Runs: 23 Wins: 1 Places: 2

11 561575 **GODSPEED** (18) (B) (CD) (G)
(8) D Hall 6-8-4 ..... **L Hewitson 74**
Runs: 19 Wins: 1 Places: 3

12 939908 **HAPPY HOUR** (31) (ET)
(11) C Yip 5-8-2 ..... **M Poon(2) 82**
Runs: 14 Wins: 0 Places: 1

13 90400 **MASTER ROMAN** (18)
(13) W So 4-8-9 ..... **RESERVE 71**
Runs: 5 Wins: 0 Places: 0

14 593257 **DIAMOND LEGEND** (31) (TV) (C) (G)
(14) A Cruz 7-8-6 ..... **RESERVE 74**
Runs: 34 Wins: 2 Places: 6

★**BETTING:** 3 Naboo Star, 7/2 Charity Wings, 11/2 C P Power, 13/2 Shining On, 10 Happy Rocky, 14 Godspeed, 16 Right Honourable, 20 Others

2.15 NAKAYAMA HANDICAP (DIV III) (CLASS 4) (3YO+) (COURSE B) (TURF) 6f 3yo plus 12 dec.

1 859097 **NAVAS** (98) (B) (CD) (G)
(5) Richard Gibson 7-9-7 ..... **Z Purton 75**
Runs: 31 Wins: 3 Places: 2

2 -41341 **PRECIOUS SWEETIE** (98) (HT) (CD) (G)
(4) L Ho 5-9-6 ..... **M Yeung(2) 70**
Runs: 13 Wins: 2 Places: 3

3 364501 **SHAMPORT** (14) (T) (CD) (GF)
(8) C Fownes 5-9-2 ..... **J Moreira★ 77**
Runs: 18 Wins: 1 Places: 2

4 3 **ALL WONGCHOY** (203) (T)
(11) C Shum 4-9-0 ..... **B Shinn 73**
Runs: 1 Wins: 0 Places: 1

5 **CAMFORD MAGIC**
(7) W So 4-9-0 ..... **K Leung -**
Runs: 0 Wins: 0 Places: 0

6 232257 **BULLISH BROTHER** (28) (TB) (CD) (G)
(9) A Cruz 4-8-13 ..... **K Teetan 75**
Runs: 14 Wins: 1 Places: 5

7 6 **KUNG FU TEA** (100)
(3) D Hall 4-8-13 ..... **C Y Ho 64**
Runs: 1 Wins: 0 Places: 0

8 -00000 **SPIRIT** (94) (B)
(10) A Millard 5-8-10 ..... **M Chadwick 77**
Runs: 11 Wins: 1 Places: 0

9 62600 **U W BROTHER** (8)
(1) Y Tsui 3-8-10 ..... **C Schofield 55**
Runs: 5 Wins: 0 Places: 1

10 5989 **ISLAND WINNER** (98) (TP)
(6) P Yiu 4-8-6 ..... **H Lai 72**
Runs: 4 Wins: 0 Places: 0

11 07005 **BRILLIANT** (98) (HT)
(2) K Lui 5-8-5 ..... **Victor Wong(3) 74**
Runs: 5 Wins: 0 Places: 0

12 -56559 **SUPER FUN** (196) (D)
(12) C Yip 5-8-3 ..... **L Hewitson 77**
Runs: 23 Wins: 1 Places: 2 €17,814

13 000- **PEGASUS ELITE** (284) (HET)
(13) Richard Gibson 5-8-9 ..... **RESERVE 51**
Runs: 3 Wins: 0 Places: 0

14 387623 **STAR SUPERIOR** (18) (D) (A)
(14) C Chang 7-8-3 ..... **RESERVE 75**
Runs: 40 Wins: 2 Places: 6

★**BETTING:** 3 Navas, 7/2 Shamport, 9/2 Precious Sweetie, 5 All Wongchoy, 12 Kung Fu Tea, 14 Brilliant, 16 Bullish Brother, 20 Others

2.45 THE JAPAN RACING ASSOCIATION TROPHY (HANDICAP) (CLASS 2) (3YO+) (COURSE B) (TURF) 1m 3yo plus 10 dec.

1 912314 **GREEN LUCK** (14) (HB) (CD,BF) (GY,GF,G)
(5) C Fownes 5-9-6 ..... **J Moreira★ 108**
Runs: 13 Wins: 3 Places: 4

2 455149 **TURIN REDSTAR** (98) (TP) (CD) (G,A)
(3) F Lor 5-9-5 ..... **K Leung 105**
Runs: 26 Wins: 6 Places: 6

3 093267 **MR SO AND SO** (14) (T) (G)
(1) J Size 5-9-2 ..... **U Rispoli 111**
Runs: 18 Wins: 2 Places: 5

4 -32057 **VICTORY BOYS** (126) (B) (CD) (GF,G)
(2) D Hall 8-9-1 ..... **Z Purton 110**
Runs: 25 Wins: 5 Places: 11

5 605076 **CIRCUIT GLORY** (28) (HT) (CD) (G)
(6) A Cruz 6-9-0 ..... **A Chan(10) 110**
Runs: 23 Wins: 2 Places: 6

6 -44109 **GOOD OMEN** (154) (P) (CD) (G)
(8) D Whyte 5-8-12 ..... **R Bayliss 106**
Runs: 27 Wins: 7 Places: 3

7 1-1466 **DANCES WITH DRAGON** (168) (HET) (CD) (G)
(7) L Ho 6-8-8 ..... **A Domeyer 109**
Runs: 20 Wins: 3 Places: 2

8 -41330 **HAPPY DRAGON** (98) (H) (CD) (G)
(4) John Moore 5-8-7 ..... **M Chadwick 114**
Runs: 15 Wins: 3 Places: 4 €10,161

9 275323 **HARMONY HERO** (28) (HTB) (G)
(9) Richard Gibson 5-8-7 ..... **C Schofield 110**
Runs: 16 Wins: 2 Places: 5

10 311-15 **PLAYA DEL PUENTE** (38) (T) (D) (A)
(10) C Shum 3-8-6 ..... **K Teetan 123**
Runs: 5 Wins: 3 Places: 1 €64,938

★**BETTING:** 5/2 Green Luck, 9/2 Playa Del Puente, 11/2 Harmony Hero, Victory Boys, 10 Mr So And So, 12 Circuit Glory, Happy Dragon, Turin Redstar, 14 Others

3.15 TOKYO HANDICAP (CLASS 3) (3YO+) (COURSE B) (TURF) 6f 3yo plus 12 dec.

1 63-0 **YOO YOO KING** (100)
(9) A Millard 4-9-7 ..... **K Teetan 78**
Runs: 3 Wins: 0 Places: 1

2 48524- **REALISM** (368) (D) (S)
(1) D Ferraris 4-9-6 ..... **L Hewitson★ -**
Runs: 6 Wins: 1 Places: 0

3 421743 **BLITZING** (161) (T) (CD) (G,GF)
(3) A Cruz 5-9-3 ..... **J Moreira 89**
Runs: 15 Wins: 3 Places: 6

4 460254 **FIRST RESPONDER** (133) (T) (BF)
(8) John Moore 3-8-12 ..... **N Callan 96**
Runs: 9 Wins: 0 Places: 3 €4,935

5 **MONEY BACK**
(4) P O'Sullivan 4-8-12 ..... **B Shinn -**
Runs: 0 Wins: 0 Places: 0

6 809940 **SHANGHAI MASTER** (126) (CD) (G)
(5) K Lui 6-8-12 ..... **C Y Ho 96**
Runs: 24 Wins: 2 Places: 3

7 654234 **BALLISTIC KING** (28)
(10) J Ting 5-8-10 ..... **A Domeyer 95**
Runs: 8 Wins: 0 Places: 2

8 056-04 **GRATWICK** (24) (T) (D)
(2) T Yung 6-8-10 ..... **M Chadwick 94**
Runs: 10 Wins: 1 Places: 0

9 -76060 **MEGA RED** (28) (B) (D)
(7) C Chang 8-8-9 ..... **M Yeung(2) 94**
Runs: 14 Wins: 2 Places: 1

10 831475 **NORDIC WARRIOR** (28) (B) (CD) (G)
(11) Richard Gibson 4-8-9 ..... **Z Purton 91**
Runs: 12 Wins: 2 Places: 2

11 790908 **FARSHAD** (105) (B)
(12) Y Tsui 5-8-3 ..... **H Lai 96**
Runs: 16 Wins: 2 Places: 0

12 904686 **MR PICASSO** (14) (B) (CD) (G)
(6) D Hall 7-8-3 ..... **M Poon(2) 94**
Runs: 24 Wins: 3 Places: 4

13 925252 **BUOYANT BOY** (98) (T) (CD) (G,GF)
(13) K Man 5-8-11 ..... **RESERVE 94**
Runs: 20 Wins: 2 Places: 6

14 954-23 **JUMBO HAPPINESS** (28) (CD)
(14) C Fownes 6-9-3 ..... **RESERVE 92**
Runs: 19 Wins: 3 Places: 5

★**BETTING:** 11/4 Blitzing, 7/2 Ballistic King, 4 Nordic Warrior, 10 First Responder, 14 Mr Picasso, Shanghai Master, 16 Farshad, Yoo Yoo King, 20 Others

3.50 KYOTO HANDICAP (CLASS 3) (3YO+) (COURSE B) (TURF) 5f 3yo plus 12 dec.

1 -04060 **BALTIC WHISPER** (8) (T) (D) (G)
(12) C Shum 6-9-7 ..... **C Y Ho 94**
Runs: 16 Wins: 2 Places: 2

2 774136 **FORZA ANGEL** (28) (CD) (G)
(10) Y Tsui 5-9-2 ..... **L Hewitson 91**
Runs: 19 Wins: 3 Places: 2

3 4386-1 **KING'S EMINENCE** (212) (G)
(7) L Ho 4-9-0 ..... **H T Mo(3)★ -**
Runs: 6 Wins: 1 Places: 1

4 761265 **MEGA HEART** (14) (T) (CD) (GF,SW)
(11) C Chang 7-8-12 ..... **R Bayliss 94**
Runs: 17 Wins: 2 Places: 1

5 5-3 **THE RUNNER** (277) (BF)
(8) D Whyte 4-8-12 ..... **C Schofield -**
Runs: 2 Wins: 0 Places: 1

6 0600 **BEAUTY CHARISMA** (14) (TP)
(6) John Moore 4-8-10 ..... **A Chan(10) 90**
Runs: 4 Wins: 0 Places: 0

7 874557 **SPECIAL STARS** (14) (CD) (G)
(1) J Size 4-8-10 ..... **J Moreira 91**
Runs: 10 Wins: 2 Places: 1

8 21-780 **HAPPY LIFELINE** (8) (G)
(9) A Millard 4-8-9 ..... **M Chadwick 86**
Runs: 6 Wins: 1 Places: 1

9 11 **SNAP FIT** (126) (TB) (CD) (G)
(5) C Fownes 5-8-9 ..... **Z Purton 96**
Runs: 2 Wins: 2 Places: 0

10 000 **STAR OF THEHARBOUR** (91) (T[1])
(3) D Hall 4-8-4 ..... **T So(2) 84**
Runs: 3 Wins: 0 Places: 0

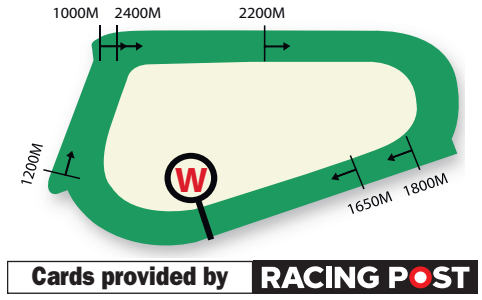
11 003347 **AMAZING LUCK** (24) (B)
(2) P O'Sullivan 5-8-3 ..... **K Teetan 94**
Runs: 8 Wins: 0 Places: 2

12 150000 **JOLLY CONVERGENCE** (18) (C) (G)
(4) Richard Gibson 6-8-5 ..... **J Wong(3) 90**
Runs: 43 Wins: 5 Places: 4 €51,115

13 000 **SKYEY SUPREME** (14) (T)
(13) K Lui 4-8-7 ..... **RESERVE 83**
Runs: 3 Wins: 0 Places: 0

14 982470 **SMART CHARADE** (14) (HTB) (G)
(14) W So 5-8-4 ..... **RESERVE 91**
Runs: 20 Wins: 2 Places: 2

★**BETTING:** 5/4 Snap Fit, 7 Special Stars, The Runner, 8 King's Eminence, 12 Amazing Luck, Forza Angel, 16 Happy Lifeline, Mega Heart, 20 Others



SPORT

STICK OR TWIST?

Should England rotate against France on Saturday or continue to build momentum, asks **Michael Searles**

EVER since the Rugby World Cup draw was made, England's final pool game against France on Saturday has been billed as the decisive fixture in the tournament's so-called group of death.

It will, as widely anticipated, decide who tops the pool, but with both sides having already guaranteed qualification to the knockout phase following wins over Argentina, USA and Tonga, there is now a question as to how much emphasis should be placed on this match.

The winner will set themselves up with a challenging quarter-final against Australia before a likely encounter with New Zealand in the semi-finals, while the runners-up look set to face the similarly daunting prospect of Wales and then South Africa.

For both France and England, the possibility of facing a familiar Wales side while avoiding the All Blacks may be the preferable route to the final, although whoever lifts the Webb Ellis Cup will almost definitely have to go through Steve Hansen's men at some point.

Eddie Jones will undoubtedly select a side capable of winning Le Crunch but, with qualification secured, a two-point advantage on France and no favourable route to the final, the game presents an opportunity to rotate the squad.

Mainstay of the side Billy Vunipola twisted his ankle in last weekend's win against Argentina and has been seen wearing a protective boot in what the camp insist is a "precautionary" measure. Having started 12 successive Test matches, it may be time to hand the No8 an overdue rest, despite Jones's determination thus far to play him in every game.

Jack Nowell and Owen Farrell also missed training yesterday but are both in contention for the weekend. The latter has twice suffered blows to the head in the opening three games and the risk of injury to key men such as the captain and Vunipola, in what is no longer a must-win game, will surely be considered by Jones and his staff when they pick the team.

"We are being overly cautious, and if there is any risk that Billy is not going to be 100 per cent we will rest him," said attack coach Scott Wisemantel. "At this stage all 31 players are available and we will make a call late Wednesday, early Thursday, but if there is any doubt we will rest him."

Tom Curry deputised well for Vunipola in the second half against the Pumas and could continue in the role, while Mark Wilson, who adapted to the position impressively in the autumn internationals a year ago, could also get the nod.

Courtney Lawes or Joe Launchbury, who have a start apiece so far, could come into the second row, while Mako Vunipola, who returned from injury last week, would benefit from a run-out ahead of the knockout phase. England's depth in the backs is also well-documented, and the likes of Jonathan Joseph, Joe Cokanasiga and Henry Slade could all slot in with ease while maintaining the team's threat out wide.

> "England v France. I can't imagine anyone not taking that 100mph seriously. We want to top the pool

Jones must decide, too, whether vice-captain and talisman George Ford gets the nod at fly-half again or if he needs wrapping in cotton wool. The No10 has been involved in more tries than anyone at the tournament so far, scoring two and directly assisting four.

History dictates that it is important for England to win this game given no World Cup winner has lost on their way to lifting the trophy, but with bigger games on the horizon, Jones must weigh up the importance of that precedent with the practicalities of keeping his best players fit.

"You get momentum from winning and we want to win all the games," said scrum coach Neal Hatley. "England are playing France, I can't imagine anyone not taking that 100mph seriously. We want to top the pool."

Having beaten a pair of Tier Two nations and Argentina, ranked 10th in the world, France provide England with the next stepping stone ahead of even bigger hurdles, assuming this weekend's match goes ahead with Typhoon Hagibis set to tear through Yokohama and Tokyo.

The order of fixtures, with the incremental increases in difficulty, could not have suited England any better and, whether they meet Australia or Wales in the next round, beating France would give Jones's side the ideal platform to continue building toward their ultimate goal.

If Pochettino can't fix Spurs then nobody can

FOOTBALL COMMENT

Trevor Steven

NO ONE could have seen Tottenham's disastrous start coming but, having finished the last campaign on a low after losing the Champions League final, they just haven't turned up this season.

Their most consistent run of results so far has been two defeats and they have not had their eye on the ball at all following a summer of speculation and instability.

A number of players were linked with transfers away, including Christian Eriksen, and there seems to be an undercurrent of unrest in the dressing room.

You have to scratch your head and ask where the magic from last season has gone, because so far Spurs have looked incoherent and dysfunctional.

Mauricio Pochettino must be just as perplexed because he is not getting a response from his team.

They have clearly been lacking quality this season, but even their commitment comes into question after the 3-0 defeat at Brighton last weekend on the back of a 7-2 hiding off of Bayern Munich in the Champions League.

The euphoria from the new stadium has evaporated and at the moment they look like the mirror image of Manchester United: two big sides struggling to find the answers.

Eriksen has been the biggest disappointment for me. You can't only turn up for 60 minutes of a 90-minute match. If he wants a move to a club like Real Madrid, Bayern Munich or Juventus, going by what he is producing on the pitch that looks a long way off.

He's not alone, though. All of the big players are blowing in the wind. Even Harry Kane and Dele Alli appear to have lost that link that helped the side excel a couple of years ago. Eric Dier has been left on the bench at times and Harry Winks looks lightweight in midfield; he plays well when the team are playing well, but is not the guy to lift others when the going gets tough.

Hugo Lloris has also made a series of errors and now their captain is out until the new year with injury.

I think Pochettino is still the right man to lead them through this difficult patch because if he can't do it, no one will be able to. But there are serious questions to be asked of the club's recruitment strategy.

It was a huge mistake to let Kieran Trippier go. He epitomises everything that Tottenham are: rugged and tough but with quality. In him and Kyle Walker they let two England full-backs go, as well as big personalities in the dressing room.

To reach the top four, and compete for the Premier League, you need at least two quality players in each position. Spurs no longer have that at right-back and they still haven't brought anyone in to support Kane up front. Son Heung-min did a great job last season, but when he plays centrally it is an entirely different system and they have also let Fernando Llorente go.

Their next match against Watford is now a must-win, a cup final, particularly given their following games are away to Liverpool and Everton. They haven't yet lost all credibility and a good haul of points from those games will bring them right back into the mix. That is how quickly things can change in the Premier League.

For now they will need to use the international break to regroup, and when they are all back together, sit down and figure out how they can get back to their best – starting with a win against bottom-placed Watford.

Trevor Steven is a former England footballer who played at two World Cups and two European Championships. @TrevorSteven63

LUCKY LIONESSES Goalkeeping howler helps England to victory

England ended a run of five games without a win as Beth Mead's goal saw them beat Portugal 1-0 in a friendly in Setubal last night. The Lionesses' victory owed a great deal to a goalkeeping error, with Patricia Morais dropping a routine catch to allow Mead a simple finish from close range after 72 minutes. Portugal also came close to equalising in injury-time, but Claudia Neta's free-kick struck the crossbar.

SPORT DIGEST

MURRAY LOSES TO FOGNINI IN TETCHY CHINA CONTEST

Andy Murray said he was "very disappointed" after he was knocked out of the Shanghai Masters by Italy's Fabio Fognini in a heated contest yesterday. Murray was angered by the world No12's behaviour, telling him to "shut up" on the way to losing 7-6, 2-6, 7-6 in over three hours. Although unhappy with his opponent and, twice having served for the match, its result, it was another encouraging display from Murray, who was playing his seventh match in three weeks.

BLADES' HENDERSON GETS FIRST ENGLAND CALL-UP

Sheffield United goalkeeper Dean Henderson has been called up by England to replace the injured Tom Heaton. Henderson joins Everton's Jordan Pickford and Burnley's Nick Pope in Gareth Southgate's squad to face the Czech Republic on Friday and Bulgaria on Monday. The 22-year-old, who is on a season-long loan at the Blades from Manchester United, has won 11 caps for England Under-21s, but this is his first senior call-up.

BLACK TO STEP DOWN AT UKA FOR BACKING SALAZAR

Neil Black will step down as performance director of UK Athletics at the end of the month after paying the price for publicly backing banned coach Alberto Salazar. Black, who previously said he wanted to stay on until the Tokyo 2020 Olympics, will step aside after supporting Mo Farah at the Chicago Marathon on Sunday. He had supported Salazar when allegations surfaced about his Nike Oregon Project, calling him a "genius".

ECB PLEDGES £20M TO HELP FURTHER WOMEN'S GAME

The England and Wales Cricket Board has pledged to "transform all elements of women's and girls' cricket" after announcing a new £20m investment yesterday. The money will help fund 40 new professional contracts and narrow the gap to rivals Australia. "We do need to close the gap, certainly around the number of female players who can make a living playing the game," said director of women's cricket Clare Connor.

SCOTLAND CARRY 'BURDEN' IN CRUCIAL RUSSIA MATCH

Scotland's players have a "massive burden" to carry in their Rugby World Cup match against Russia today, says flanker Ryan Wilson. Gregor Townsend has made 14 changes to his side, resting his players for Pool A's finale with hosts Japan on Sunday, but the Scots must first deal with Russia. "There's a massive burden on these players," said Wilson. "We pretty much have to get five points out of this."

A shared dream, but very different visions

Rhetoric can't hide European football chiefs' competing agendas, writes **Frank Dalleres**

THEY may be on opposite sides of a bitter dispute over the future of European football but they both came to defend "the dream", that nebulous but impossible-to-oppose tenet of sporting competition.

Andrea Agnelli, the latest figurehead of a dynasty that has owned Juventus for nearly a century and the chairman of the European Clubs Association, made it a key theme of his address at the Leaders In Sport industry summit in London yesterday.

"It has to be open to all. It is a dogma of a European system," said Agnelli. "If we move to the next room and found a football club, we must be able to have the dream of winning the Champions League. The dream must stay alive."

Reform of European club competitions is necessary to allow all teams to grow in a stable environment, he argued.

Once-great clubs such as Celtic and Red Star Belgrade would otherwise continue to be marginalised because they are not members of one of the Big Five leagues – England, Spain, Germany, Italy and France. It is unfair that they are "written off" because of their location – something Agnelli referred to as "a birth defect" in one particularly unfortunate turn of phrase.

Lars-Christer Olsson, the matter-of-fact, suit-and-sneakers wearing Swedish president of European Leagues, the umbrella body that represents the interests of the Premier League, LaLiga, Bundesliga and their many counterparts across the continent, addressed similar themes.

"What is needed to develop the club game is more clubs that are able to compete," he said. Beyond that, they must qualify for the Champions League and other Uefa competitions on merit alone "otherwise you kill the dream". That phrase again.

SUPER LEAGUE BY PROXY

But wait: was the man on stage railing against "historical privilege" the same Agnelli whose Juventus have been Italian champions for the last eight years in a row? The same Agnelli who this year supported proposals to turn the Champions League into a 32-team competition of which only eight places each year would be open to new entrants?

"We wanted to see more European matches with higher sporting quality," he said yesterday.

Addressing concerns that this would have been a European super league by proxy, he added: "This is never going to be a closed league. We, the leaders, realise the value of keeping an open system."

Olsson was having none of that. Comparing the ECA's manoeuvring to that of its breakaway-threatening predecessor, the G14, he said: "The effect would have been a closed league. No one can convince me [otherwise]."

European Leagues had not merely rejected the ECA-backed Uefa plan – "No, no, no as an answer is not really healthy," Agnelli said – but put forward counter-proposals based on more equitable financial distribution.

"What's important is you start with the principles rather than by building a format," said Olsson. "Creating a new competition is not rocket science. There are not so many alternatives."

Olsson said he wanted clubs who have not qualified for European competition to receive a share of Uefa revenues too, opposed any increase in the number of Champions League fixtures and said the Big Five-favouring tweaks made in 2016, including the use of historical coefficients to determine which leagues receive more places and how cash is shared, should be abolished.

> "This was never going to be a closed league. We realise the value of an open system

"It wasn't discussed anywhere but between Uefa and the ECA," he said. "That is not the way decisions should be made."

Uefa dropped its proposals last month in the face of opposition and, while a new, third tier of European competition has been green-lit from 2021, hopes of agreeing more radical changes for 2024 have, for now, been kicked into the long grass.

"We've had an interesting spring and summer. We're quite happy with the outcome so far," said Olsson.

Talks will continue, but for the time-being Agnelli's dream of a reformed Champions League remains a distant one.

Juventus chief Andrea Agnelli (left); Liverpool lifted the Champions League in May

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