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CHUKA'S CHALLENGE NEW LIB DEM EYES TOP TORY CITY SEAT AT NEXT ELECTION **P17**

MONEY MATTERS IMF AND WORLD BANK GATHERING IN WASHINGTON **P8**

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CBI ATTACKS 'EYE-WATERING' COST OF LABOUR'S PLAN TO BRING RAIL, ENERGY AND ROYAL MAIL IN HOUSE

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THE LABOUR party's plans to renationalise water and energy utilities, train companies and the Royal Mail would cost at least £196bn, new analysis by the country's biggest employer organisation has revealed.

The huge sum is equivalent to the total amount of income tax paid by UK citizens in a single year, and is almost as much as the government's annual budget for health, social care and education combined.

Under leader Jeremy Corbyn and shadow chancellor John McDonnell, Labour has outlined proposals to bring key privately-run industries under public ownership if it wins a General Election.

In a report published today, the CBI said the upfront cost of this move, which it described as "beyond eye-watering", would be compounded by ongoing maintenance and running costs, as well as a hefty impact on the UK's public finances.

The business group said debt could surge more than 10 per cent to the highest level since the 1960s, while servicing this debt would cost an estimated £2bn per year.

In addition, renationalisation could reduce the holdings of savers and pensioners by roughly £9bn — equivalent to £327 for every household in the country.

CBI chief economist Rain Newton-Smith said the plan's price tag was "close to £200bn — and that's only the starting point".

"There are so many other genuine priorities for public spending right now, from investing in our young people to the transition to a low carbon economy and connecting our cities and communities. These issues are what keep businesses up at night and what they want to see the government get on with addressing."

The CBI said while the government's assets would increase from nationalisation, and there would be potential for increased revenue, the confidence of international investors would be severely hit if Labour refused to pay market value for the industries.

The party has already suggested it would not necessarily pay market prices for Britain's energy networks, while a proposed £15bn offer for the UK's water industry is less than half its estimated market value of £44bn.

The latest figures come after the Centre for Policy Studies (CPS) estimated Labour's renationalisation scheme would cost at least £176bn.

Robert Colvile, CPS director, said the CBI's analysis vindicated this figure and highlighted the need to "raise the alarm" over Labour's plans.

"John McDonnell's continued refusal to recognise the scale of additional borrowing involved in renationalisation, or to provide adequate estimates for it, is deeply worrying. It is clear to everyone that there is more to do to improve the performance of these companies, but many of the problems stem from an absence of competition, rather than the lack of public ownership. Renationalisation remains a solution in search of a problem."

Previous estimates have also warned that Labour's so-called inclusive ownership fund, which would hand a tenth of shares to workers, would cost investors £300bn and would effectively raise UK corporation tax to the highest rate in the developed world.

A Labour party spokesperson said the report "sadly reveals that [the CBI is] more interested in protecting shareholders than in creating a fair economy."

CAREER GUIDANCE Jobs market robust despite political uncertainty

ANNA MENIN

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THE NUMBER of financial services jobs available in London increased during the third quarter, alongside the number of job seekers, but political uncertainty is still casting a cloud over the capital's job market.

Between July and September, the number of new financial services roles increased 12 per cent on the previous quarter, according to a report by Morgan McKinley.

New job seekers also rose 12 per cent during the period. But despite this uptick in positions and demand, year-on-year comparisons for City jobs are stark.

The third quarter witnessed a 37 per cent decrease in jobs available, year on year, and a 25 per cent decrease in job seekers.

Hakan Enver, Morgan McKinley UK's managing director, said businesses continued to put off "all but essential hiring" as they await a resolution on the UK's exit from the EU.

CONTINUES ON P3

Plans to 'keep City ahead of the pack' will form part of Queen's Speech

EXCLUSIVE
SEBASTIAN MCCARTHY AND STEFAN BOSCIA

@SebMcCarthy @Stefan_Boscia

PLANS to safeguard the City's global pre-eminence after Brexit will be laid bare later today in the Queen's Speech.

City A.M. understands the government will include a Financial Services Bill in its legislation as part of an effort to ensure the sector stays at the forefront of international trading after it leaves the EU.

A Whitehall source said that chancellor Sajid Javid will reveal measures including the simplification of rules around the sale of overseas investment funds in the UK as well as the delivery of "long term market access" for financial services firms in Gibraltar.

The source said: "We're determined the City will stay ahead of the pack after Brexit."

The Queen's Speech will also outline plans to reform the Mental Health Act, implement tougher prison sentences and replace the current rail franchising system.

It will propose the UK should implement an Australian-style points-based immigration system post-Brexit, which ranks visa applicants based on characteristics such as education, language skills and work experience.

Today's speech is also expected to include a law similar to the US Magnitsky Act, which allows visa bans and asset freezes on people deemed to be responsible for human rights abuses.

The act, signed into law by then US President Barack Obama in 2012, is named after Russian accountant Sergei Magnitsky who died in custody after making corruption allegations against state officials in 2008.

CONTINUES ON P5

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CITY A.M.

THE CITY VIEW

Markets have shown what a deal may yield

THIS IS the week in which it will become clear whether Boris Johnson's government has secured an agreement with the European Union. If he has (and the signs are encouraging, if not yet cause for celebration) then he's only half way out of the woods. MPs will sit on Saturday — the first weekend sitting since the Falklands War — when they will either accept or reject the government's proposals. Wavering Brexiters are being offered warm words by Jacob Rees-Mogg while between 20 and 30 Labour MPs are poised to back a deal, against Jeremy Corbyn's command. The DUP will be hard to please and some anti-Brexit MPs, including those slung out of the Tory party by Johnson, will try to ensure that any deal is put to a "confirmatory referendum". So, hurdles remain. A glimpse of what life could be like on the other side of a deal-signing ceremony emerged at the end of last week, when news first emerged that Johnson and Ireland's Leo Varadkar had enjoyed positive and productive talks. When JP Morgan declared on Friday afternoon "we now expect a deal" (having previously given such an outcome a mere 35 per cent chance), sterling spiked to a three and a half-month high against the dollar while the FTSE witnessed some tremendous gains. RBS, Lloyds, Barclays and HSBC all closed higher as did Bovis, Persimmon, Taylor Wimpey and Berkeley Homes as investors contemplated a housebuilding sector free from the risks of a no-deal exit. Analysts also attributed large gains in the utilities and energy sectors to the fact that a Brexit deal reduces the likelihood of a Labour government after the next election — the costs of which are laid bare on our front page today. While more and more City voices claim they would reluctantly prefer no-deal to yet more delay, a negotiated outcome remains infinitely preferable. Varadkar said after his three-hour meeting with Johnson that he is completely convinced Downing Street wants a deal. The EU's negotiators are also taking this chance seriously and it is distinctly possible that the two sides come to terms this week — even if a technical extension beyond 31 October is required to implement it. If MPs are given a chance to pass a deal on Saturday, they must take it.

If MPs are offered a deal at the end of the week, they must take it

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TYPHOON HAGIBIS Japan sends in tens of thousands of troops as deadly typhoon kills at least 30 and leaves towns under water

JAPAN has sent tens of thousands of troops and rescue workers to save stranded residents and fight floods caused by one of the worst typhoons to hit the country in recent history. At least 30 people were killed and vast sections of towns were left under water, public broadcaster NHK said. Another 15 were missing and 177 injured, while 100,000 homes were left without power.

British financial services leads way on automation

ANNA MENIN

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FINANCIAL services firms in the UK are integrating robo-advisers into their ranks faster than their global competitors in a bid to harness the technology to retain customers — or poach new ones.

While 37 per cent of UK financial services firms surveyed have implemented robotic processing automation (RPA) — a technology used to automate human activities — only 28 per cent of global firms have adopted the innovation, according to a report published today by PwC.

But the rise of automation is presenting firms with the dilemma of how to balance "the need for human interaction with the digitally enhanced offerings customers also expect", said PwC partner Rav Hayer.

"Consumers want the reassurance of some human oversight alongside access to a human adviser for key decisions," said Hayer.

This dilemma appears to be preoccupying firms, with 27 per cent of UK firms reporting they do not think they are meeting customer expectations with the right balance of digital and direct human contact.

Although UK firms may lead the way when it comes to robo-advisers, the research found they are much less likely to have implemented Big Data (29 per cent versus 46 per cent) or the internet of things (15 per cent versus 31 per cent) than their international rivals.

Financial services firms in the UK are also falling slightly behind on the integration of fintech. While 44 per cent of UK companies reported having fully embedded fintech across their strategic operating model, almost half (48 per cent) of global firms have embedded the technology.

However fintech is driving job creation within financial services in the UK, with the majority (63 per cent) of firms creating new positions as a result of the technology.

Yet despite the majority of UK financial services firms hiring from both technology companies and their own sector to find employees with the skills needed for fintech, almost half (46 per cent) of companies are struggling to fill these new positions.

To bridge the fintech skills gap, firms need to prioritise technology at executive level, Hayer said, highlighting the finding that only 34 per cent of UK firms have a C-suite level executive responsible for leading the company's tech or digital strategy.

"Increased C-suite involvement will pave the way for more investment and bring a more attractive environment for real innovation."

WHAT THE OTHER PAPERS SAY THIS MORNING

FINANCIAL TIMES

PINSENT MASONS SLASHES PARTNER DIVIDEND IN HALF

Partners at Pinsent Masons have been told their next quarterly dividend will be half the amount expected after it failed to meet billing and cash targets, as "challenging" trading conditions push many City law firms to reduce outstanding payments. The firm emailed its equity partners this month to tell them their October payout would be 50 per cent lower because they had not sufficiently recouped money owed by clients earlier in the year.

MORGAN STANLEY AND GOLDMAN TO SUFFER HIT

Earnings expectations for Morgan Stanley and Goldman Sachs have been sharply pared back ahead of this week's results, after a torrid run of stock market listings and a slowdown in mergers and acquisitions (M&A) activity weighed on investment banking performance.

THE TIMES

EX-DIAGEO CHIEF TAKES STAKE IN GIN PRODUCER

The former boss of the FTSE 100 company behind two of the world's bestselling gins has taken a stake in Brockmans, a fast-growing "super-premium" gin maker. Paul Walsh, who for 13 years was chief executive at Diageo, the owner of Gordon's and Tanqueray gins, has been appointed to the advisory board of Brockmans.

BAN ON AIR MILES URGED TO CUT FREQUENT FLIGHTS

Air miles schemes must be banned because they encourage excessive flying, according to a report commissioned by the government's climate change advisers.

THE DAILY TELEGRAPH

LOWER RATES MAY NOT HELP, WARNS BANK BOSS

The UK's "speed limit" for growth has been so damaged by Brexit uncertainty that it could hamper the Bank of England's ability to help a weak economy with lower interest rates, deputy governor Sir Dave Ramsden warned yesterday. Ramsden voiced his concerns over plunging investment and productivity.

SHORT SELLERS POUNCE ON NETFLIX AS RIVALS CIRCLE

Short sellers are betting on Netflix succumbing to aggressive competition from Disney and Apple. The new rivals will both undercut Netflix when they launch streaming services next month.

THE WALL STREET JOURNAL

SOFTBANK SEEKING TO TAKE CONTROL OF WEWORK

Softbank has prepared a financing package that would give it control of Wework and further sideline its founder Adam Neumann in exchange for relieving the shared-office startup's looming cash crunch, according to people familiar with the matter.

HUNTER BIDEN TO RESIGN FROM CHINESE COMPANY

Hunter Biden said he would not serve on any foreign boards if his father Joe Biden is elected president and would step down from a director's position at a Chinese private-equity firm, lowering his controversial business profile.

London focuses east to China in post-Brexit plan

STEFAN BOSCIA

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LONDON must capitalise on the US-China trade war to increase Chinese investment and help offset the potential effects of Brexit, according to the City's governing body.

The City of London Corporation has proposed to position London as a "top global financial centre" and as a "supporter to China's financial reform" in a motion to be reviewed by the body's policy committee this week.

The motion laid out plans to boost investment in the capital by making London a major offshore hub for the renminbi currency, attracting more Chinese asset management firms and increasing co-operation on cross-country green finance initiatives.

The report also said it is vital to encourage more Chinese companies to list on the London Stock Exchange to cope with post-Brexit uncertainty.

The corporation highlighted that London can capitalise on concerns that US President Donald Trump will implement further sanctions on Chinese companies.

"Chinese companies have become more cautious about using the US markets to raise capital because of the trade war," the report read.

"This presents an additional opportunity for London to be considered as a prime international location for Chinese initial public offerings."

The motion, revealed by the Mail on Sunday, also discussed the "urgent need" for the UK to work toward a post-Brexit trading deal with China.

Regulatory alignment was stressed as one of the key goals to achieve this.

Iain Anderson, executive chairman of public affairs group Cicero, said the City had to "fire up" investment with Beijing at every opportunity.

"China is one of the top global economies and there is a long history of significant trade between here and there," he said.

A City of London spokesman said the body could not comment on the document until it was reviewed by the policy committee this week.

Spotlight on Pizza Express as debt pile sparks fears for chain's future

SEBASTIAN MCCARTHY

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SPECULATION over the future of Pizza Express mounted over the weekend amid reports of potential store closures and debt restructuring talks.

The pizza chain, which is looking to slash its £1.1bn debt pile, has denied suggestions that it is mulling mass closures after a tough period of trading.

According to the Sunday Telegraph, as many as two in five of the beleaguered pizza chain's restaurants are loss-making and at risk of closure, with over 150 restaurants at threat.

One source told the newspaper that an option under consideration was a controversial cost-cutting process known as a company voluntary arrangement (CVA).

However, a Pizza Express spokesperson told *City A.M.*: "95 per cent of our UK and Ireland restaurants are profitable and there are no plans for closures outside the normal course of business."

A number of high profile restaurants including Jamie's Italian and Gaucho have slashed their store portfolio in recent years amid troubles in the casual dining sector from competition and high costs.

OUT OF FASHION Retail footfall numbers tumble further amid high street challenges

THE NUMBER of shoppers on the UK high street has dropped 10 per cent over the last seven years, according to new data from Springboard and the British Retail Consortium, which underlines the current challenges facing physical retailers.

Economy to prove resilient as EU exit preparations start to pay off

CONTINUED FROM FRONT PAGE

Enver said although "fear of the unknown is rampant", preparations that financial services firms have made for a hard Brexit were insulating them.

"Because financial services businesses have been preparing for a hard Brexit for over two years, they are proving remarkably resilient," he said. "They don't want a hard Brexit but they're ready for it."

A survey published last month found companies in finance and business services were planning to take on new staff at the fastest rate in over a year as they prepare for Brexit.

The study also found low levels of unemployment and increasing competition for top candidates was leading to ballooning starting salaries, with some law firms offering £140,000 in an attempt to appeal to prospective employees.

"The resilience of the UK's financial services sector tells me... the economy is going to come back in full force," said Enver.

"You can't keep London down."

Deal-making to face further hit from volatility

SEBASTIAN MCCARTHY

@SebMcCarthy

CORPORATE dealmakers are bracing themselves for a further slowdown in business next year, with a new report forecasting a sharp slump in activity as geopolitical uncertainty mounts.

Initial public offerings (IPOs) and merger and acquisitions (M&A) are set to drop in both activity and value during 2020 amid trade wars and growing fears of a global recession.

According to a new report from Baker McKenzie, M&A value will decline globally from $2.8 trillion (£2.2 trillion) in 2019 to $2.1 trillion in 2020, while IPO proceeds are expected to slide from $152bn to $116bn over the same period.

"Make no mistake – deals are getting done, but the current slowdown is inevitable considering the continuing uncertainty around trade and regulation," said Ai Ai Wong, chair of Baker McKenzie's Global Transactional Group.

Wong added: "We know that around the world, there are many investors and companies with capital on the sidelines, waiting to move forward with domestic and cross-border deals."

Many factors have impacted European deal activity, including global trade conflicts, Germany's economic slowdown and uncertainty over Brexit, according to today's global transactions forecast.

The figures come on the same day as an EY report showed the UK is now the second most desirable location for M&A investment globally, losing its top spot to the US.

While the majority of respondents from most major economies reported confidence in their economic outlook, in Germany 80 per cent said they expected a downturn and in the UK 62 per cent expected a downturn.

Steve Ivermee, managing partner for transaction advisory services at EY in the UK and Ireland, said: "Despite ongoing geopolitical uncertainty, including Brexit and global trade tensions, business leaders continue to focus on M&A activity, with the UK remaining a top destination to do deals."

Rees-Mogg urges the ERG to trust PM Johnson on Brexit compromises

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THE LEADER of the House of Commons and arch-Brexiter Jacob Rees-Mogg has said compromises over Brexit "are inevitable" as he seeks to get leavers to trust Prime Minister Boris Johnson.

Rees-Mogg wrote in the Telegraph yesterday that Brexiters must get behind any deal the Prime Minister strikes with the European Union in a message aimed at members of the European Research Group (ERG) of Tory backbenchers. The comments came as Johnson briefed his cabinet yesterday afternoon that "there is still a significant amount of work" required to get a Brexit deal done.

"In the final stages of the Brexit negotiation, compromise will inevitably be needed, something even the staunchest Leavers recognise… but, as a Leaver, Boris can be trusted," Rees-Mogg said.

Johnson will meet French President Emmanuel Macron, German Chancellor Angela Merkel and European Commission president Jean-Claude Juncker this week. A European Commission spokesperson said Brexit negotiator Michel Barnier briefed EU27 ambassadors yesterday and that "a lot of work remains to be done".

ROAD TO RECOVERY AA starts search for new chairman amid tech turnaround plan

THE AA has launched a search for a new chairman as John Leach steps down next summer after just three years at the helm. The motoring giant has hired search firm Korn Ferry to find Leach's successor as it looks to focus on tech, Sky News reported.

Magnitsky Act and HS2 among bills unveiled in Queen's Speech

CONTINUED FROM FRONT PAGE

Foreign secretary Dominic Raab announced plans for a British version of the Magnitsky Act at last month's Conservative party conference.

Four pieces of legislation from the last parliamentary session have been carried over and will also feature in the Queen's Speech today.

Included among them are bills on increasing assistance to domestic abuse survivors, the controversial High Speed 2 rail project and the upcoming 2022 Birmingham Commonwealth Games.

Prime Minister Boris Johnson said ahead of the speech: "The people of this country don't just want us to sort out Brexit… This optimistic and ambitious Queen's Speech sets us on a course to make all that happen, and more besides."

Labour leader Jeremy Corbyn said it was "utterly ludicrous" for the government to call a Queen's Speech while not having a majority.

"What we've got in effect is a party political broadcast from the steps of the throne," he said.

HM Government

BREXIT 31 OCTOBER

BUSINESSES THAT EXPORT SERVICES

Take steps to keep providing services in the EU

To continue providing services to clients in the EU, make sure your staff have taken steps to have their UK qualifications recognised by their EU host country. They should also have the right paperwork so they can keep travelling to the EU.

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Get ready for Brexit

Market jitters hang on trade truce

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INVESTORS will be hoping for more stable trading this week after a preliminary trade agreement between the US and China marked a possible end to months of market volatility.

US President Donald Trump hailed the "biggest deal ever" after reaching a limited "phase-1" trade deal with China on Friday.

The agreement will see the US hold off on further tariff increases, while China has pledged to increase agricultural purchases from the US.

Stocks rallied following the breakthrough, marking an end to a tumultuous week of trading, and gains could carry over into this week.

However, analysts said the agreement lacked detail and warned that it neither rolled back existing tariffs nor offered a solution to rising tensions caused by the US's crackdown on Chinese tech firm Huawei.

"Traders view the deal in a tentative light as a tariff detente falls well short of bridging the critical trust gap, which is an implicit removal of a significant chunk of existing tariffs," said Stephen Innes, Asia Pacific market strategist at Axitrader.

"The next 48 to 72 hours are critical given memories of how quickly the post-G20 trade calm evaporated."

US President Donald Trump hailed the "biggest ever deal" with China last week

Saudis dismiss link to Iran oil tanker attack

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A SENIOR Saudi minister has denied that his country was behind a suspected missile attack on an Iranian oil tanker in the Red Sea.

"We did not engage in such behaviour at all. This is not how we operate and that's not how we did [it] in the past," minister of state for foreign affairs Adel al-Jubeir told reporters. "The story is still not complete. So let's wait and find out what happened before we jump to conclusions."

The Sabiti, which belongs to the National Iranian Oil Company, was hit by two missiles while sailing off the coast of Saudi Arabia last Friday, Iranian state media reported.

Iran has described the incident as a "cowardly attack", but said it would not issue a response until after the facts have been examined.

"Iran is avoiding haste, carefully examining what has happened and probing facts," a government spokesperson told local media.

Separately, a senior security official said video evidence had provided leads about the incident.

"A special committee has been set up to investigate the attack on Sabiti… with two missiles and its report will soon be submitted to the authorities for decision," Ali Shamkhani, secretary of Iran's top security body, told semi-official news agency Fars.

"Piracy and mischief on international waterways aimed at making commercial shipping insecure will not go unanswered."

Saudi Arabia said it received a distress signal from Sabiti, but the tanker kept moving and switched off its transponder before it could provide assistance.

The attack is the latest incident involving oil tankers in the region and risks escalating tensions between Iran and Saudi Arabia.

Hong Kong: Xi issues 'crushed bodies' threat

YAWEN CHEN

CHINESE President Xi Jinping warned yesterday that any attempt to divide China will be crushed, as Beijing faces political challenges in months-long protests in Hong Kong and US criticism over its treatment of Muslim minority groups.

"Anyone attempting to split China in any part of the country will end in crushed bodies and shattered bones," he told Nepal's Prime Minister KP Sharma Oli in a meeting, according to China's state broadcaster CCTV.

"And any external forces backing such attempts dividing China will be deemed by the Chinese people as pipe-dreaming," he said.

Xi arrived in Nepal on Saturday on a state visit. Both sides are expected to sign a deal expanding a railway link between the Himalayan nation and Tibet.

Nepal's Oli told Xi that the country will oppose any "anti-China activities" on its soil, CCTV reported.

China, which is trying to de-escalate a protracted trade war with the US, has seen its political authority tested by increasingly violent protests in Hong Kong against what is seen as Beijing's tightening grip on the Chinese-ruled city.

Police in Hong Kong have used rubber bullets, tear gas and water cannons against pro-democracy demonstrators in the former British colony, which has been plunged into its worst political crisis in decades.

Trump had said it would be difficult to negotiate with China if anything "bad" happens in Chinese authorities' handling of the Hong Kong protests.

He also said he discussed the issue of Hong Kong with Chinese vice premier Liu He during their latest round of talks. Both sides reached a "phase-one deal" that has raised optimism for a broader agreement, although many fundamental issues remained unresolved. *Reuters*

More than 130,000 people have been forced to flee their homes, according to the UN

US prepared to impose sanctions on Turkey

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THE US yesterday said it is ready to impose sanctions on Turkey "at a moment's notice" as the country ratchets up its assault on Syria.

Treasury secretary Steve Mnuchin said US President Donald Trump was monitoring the situation ahead of a meeting of the National Security Council and was prepared to roll out sanctions.

"These sanctions could be starting small, they could be maximum pressure, which would destroy the Turkish economy," Mnuchin told ABC News.

Last week Mnuchin announced that Trump had signed an executive order authorising economic penalties if Turkey crossed certain lines during its attack on Kurdish forces in the area.

But Turkey has dismissed calls for talks between the sides, saying it did not negotiate with forces it considers to be terrorists.

Separately, defence secretary Mark Esper said the US plans to withdraw 1,000 troops from northern Syria as Turkish forces push further south.

Turkey launched its offensive last week after the US announced it would withdraw from the area.

Dividends crash in worst quarter for three years

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UK DIVIDEND payouts have plummeted to their lowest level in three years as storm clouds gather over the global economy.

Underlying dividends paid out to shareholders by UK firms tumbled almost three per cent in the third quarter on a constant currency basis – independent of foreign currency movements – the worst quarterly performance in three years.

Although UK dividends overall rose 6.9 per cent to £35.5bn during the period, this figure was boosted by exceptionally large special dividends and exchange rate gains, according to a report by Link Group.

With special dividends and currency fluctuations discounted, dividends paid out dropped almost three per cent. Telecoms was the worst-hit sector with payouts tumbling 40 per cent, led by Vodafone, which slashed its dividend by three fifths.

Other high street stalwarts including Marks & Spencer and Dixons Carphone also made cuts to their dividends during the third quarter.

Stock market growth has been dampened in recent months, as the escalating trade war and a global economic slowdown combined with an intensifying political crisis in the UK weighed on investor sentiment.

Some sectors delivered double-digit growth, but this was spurred on by special dividends. Banking jumped by two-fifths during the period, led by payouts from RBS, while mining increased almost a third, driven by payouts from Rio Tinto and BHP.

"The predicted economic slowdown is beginning to show as UK payouts falter after years of solid growth despite the gloss of huge special dividends and eye catching foreign exchange effects," said Link chief operating officer Michael Kempe.

Royal Mail workers could stage a mass walkout over Christmas

Parcel panic: Royal Mail braces for strike chaos over Christmas

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LETTER and parcel deliveries could be thrown into disarray over Christmas as Royal Mail workers threaten to launch strike action.

More than 100,000 members of the Communication Workers Union have been balloted over strike action, with the results expected tomorrow.

If passed, the ballot is expected to lead to a mass walkout over the Christmas period or on Black Friday at the end of November, the Sunday Times reported.

The planned strike, which could be the largest in more than a decade, comes in protest of a raft of issues, including pay and conditions.

Rail franchising model set to be transformed

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THE UK's rail franchising system is set to be drastically overhauled.

Plans will be announced in today's Queen's Speech to scrap the current rail franchising model — where contracts are awarded to private companies to run rail services — and replace it with a system based on "performance and reliability", according to the Sunday Telegraph. Concrete proposals for a new model will not be revealed for some months, but one option reportedly being discussed is the concession model.

The concession model sees private companies contracted to run the train lines, but with local authorities setting fares and timetables.

Bruce Williamson from advocacy group Railfuture said: "We have advocated for a change to a concession model for a long time, because it's been clear for some time that the current system's not working.

"We've been an advocate for a concession model for some time but we'll have to wait and see what Boris Johnson comes out with."

GUEST OPINION

The top dogs of global finance gather this week to confront economic storm clouds

Gerard Lyons

WILL there be a global recession? What next for policy? Where are the major financial risks? These questions will be to the forefront of minds this week in Washington as the annual meetings of the International Monetary Fund (IMF) and World Bank take place.

Policymakers from across the globe will be in attendance, plus over 10,000 participants from the financial sector, hosting countless bilateral meetings and events. "What's the mood?" is usually the key question as the week unfolds.

It will begin with the IMF unveiling its latest thinking on the global economy. Unsurprisingly, it will be pessimistic. Over the last year the IMF has been trimming its forecasts. In July they predicted growth of 3.2 per cent this year and 3.5 per cent next.

More of global growth is coming from emerging economies, led by China. This has suffered under the huge hit of the trade dispute.

The new IMF managing director, economist Kristalina Georgieva, is expected to talk of a synchronised global downturn.

Thus it would not be a surprise if the IMF cuts its global growth forecast to three per cent or less for this year and to 3.2 per cent next year.

Crucially, to put this in perspective, this is nothing like the Great Recession when zero "growth" was recorded in 2009 on the IMF measure. Even so, three per cent or less is weak by recent standards and would be the lowest since then.

The important message likely to be conveyed is that, following the slowdown over the last year, a global recession can be avoided through a proactive policy response. The best solution would be a resolution of the trade dispute. But monetary and fiscal stimulus will be necessary, too.

Monetary policy has been the shock absorber for the world economy. Despite low rates, it would be premature to assume that active monetary policy has run its course. Just look at Japan's experience.

Last week saw the Bank for International Settlements (BIS) release a detailed report from a working group of central bankers. It took a positive view of the unconventional monetary policies used over the last decade. It did, however, state, "their effectiveness is significantly enhanced when deployed in the context of a strategy that encompasses other areas of public policy".

In a nutshell, monetary policy plays a vital role, but now, increasingly, fiscal policy is under the spotlight. Although debt levels are high, negative yields mean many governments are being paid to borrow. It would not be a surprise if a host of speeches in Washington highlighted this increased fiscal space.

The most significant change at these gatherings in recent years has been a shift among financial sector participants from a focus on regulatory policy to the threats and opportunities from the new economy.

Cyber resilience has figured prominently, but so too this year will the world of data, artificial intelligence and the future of money. Investing in fintech and preparing for continuous change is one important message, reflected in London's ongoing success.

The IMF's Georgieva has even talked of trade wars leading to a "digital Berlin Wall" as countries choose different technology systems. That all seems far too pessimistic. The climate agenda, meanwhile, merits a higher profile.

A big concern in Washington will be where are the financial risks? Anyone who attended these meetings during the crisis will not need to be reminded of the fear then that was in the air.

In the financial crisis the epicentre was banks in the west. Now, largely because of tough capital constraints, this core of the financial system is seen as safe.

Of course, inter-connectedness means contagion risks can never be dismissed, wherever the initial problems. With exceptionally low interest rates globally, markets are not pricing properly for risk. This is a cause for concern, as too for some will be the low level of bond yields.

One worry that has been highlighted is global liquidity. Largely because of the printing of money by central banks, global liquidity is ample. The trouble is there is no global lender of last resort in the event of a crisis. There may be calls this week to address that.

In 2011, the Landau Report was released by the BIS on this topic. It identified the danger of pro-cyclicality of private liquidity. Since then, increased global borrowing by private firms has led to maturity and currency mismatches, with much borrowing in dollars and euros. This is seen as a potential source of financial instability. Emerging economies appear more exposed.

Finally, these gatherings provide finance ministers and central bank governors a wonderful stage to get their message across to the global financial community. For Britain, we need to ensure that the message conveyed is that Brexit is a great opportunity and that the City of London is well placed to seize it.

Dr Gerard Lyons is chief economic strategist at challenger wealth management firm Netwealth

Cutting costs a top priority for finance bosses

SEBASTIAN MCCARTHY

@SebMcCarthy

FINANCE chiefs are tightening their belts in an effort to weather the mounting storm of economic uncertainty across the country.

More than half of the UK's most senior chief financial officers (CFOs) are focusing on cost-control as a strong priority, marking the highest level since the end of the financial crash.

According to a new report from big four accountancy firm Deloitte, 58 per cent of CFOs said cost reduction is one of their main issues, with almost two-thirds saying that their business faces high or very high levels of financial and economic uncertainty.

The survey, which included responses from 59 FTSE CFOs with a combined market value of £468bn, found that just seven per cent of respondents thought it was a good time to take risk onto their balance sheets.

"Perceptions of uncertainty are elevated and corporate risk appetite is vanishingly low," said Ian Stewart, chief economist at Deloitte.

He added: "The priority appears to be curbing costs, not expansion."

While the effects of Brexit continued to be the largest risk facing businesses — up marginally from 65 to 66 on a scale of 0 to 100 — domestic economic conditions were found to be weighing heavier on CFOs' minds.

Weak demand in the UK was found to be the second biggest risk, up from a risk rating of 54 in the second quarter to 62 in quarter three, hitting the highest level in five years.

Poor productivity and weak competitiveness in the UK also rose from 46 to 53 in the same period.

The report showed increasing cash flow was also a strong priority for 48 per cent of CFOs, up from 42 per cent last quarter.

Reducing leverage was a priority for 19 per cent, rising from 17 per cent.

St James's Place is reviewing its rewards scheme, which included luxury cruises

St James's Place partners warn of revolt over cancelled cruises

ANNA MENIN

@annafmenin

PARTNERS at wealth manager St James's Place (SJP) have threatened to stop selling investments for the rest of the year unless they are offered compensation for the loss of their annual cruise holiday.

Chief executive Andrew Croft promised to make changes to the lavish incentive scheme offered to SJP partners — which offered rewards ranging from white-gold cufflinks and luxury cruises abroad.

Now some partners are threatening to stop selling investments to clients unless they are compensated for the loss of the trip, the Sunday Times reported.

Gaming group Catalis in £90m takeover deal

JAMES WARRINGTON

@j_a_warrington

PRIVATE equity group Northedge Capital has bought London-based video games company Catalis in a deal valuing the firm at £90m.

Northedge has invested £46.6m in Catalis, while major backer Vespa Capital and chief executive Dominic Wheatley have reinvested their shareholdings in the company as part of the transaction.

Catalis publishes a range of independent video games, such as hit puzzle game Human: Fall Flat, which has sold more than 7m copies to date. The firm also operates a quality assurance service to the global gaming, TV and film markets.

As part of the deal, Northedge has pledged to provide follow-on capital to support the global expansion of the firm's testing business, including the opening of new offices in New Orleans.

The funding will also support Catalis's development pipeline, with a string of new releases due in the coming months, including games based on Netflix show Narcos and hit BBC show Peaky Blinders.

Auditors slapped with bigger fines

SEBASTIAN MCCARTHY

@SebMcCarthy

BRITAIN's beancounters have faced rising fines over the last year, as the industry's watchdog upped its penalties following a series of major accountancy scandals.

The Financial Reporting Council (FRC) fined audit firms roughly £24.3m in the year to the end of September, rising 44 per cent on the previous year, according to new Thomson Reuters research.

Higher fines come after a turbulent year for the Big Four accountancy firms, which have come under public scrutiny following high-profile company collapses such as Carillion and Patisserie Valerie.

Next year the FRC is to be replaced by a new regulator — the Audit, Reporting and Governance Authority (Arga) — which is expected to be granted powers to impose tougher fines.

"The increase in fines has set a clear direction of travel for the FRC as it transitions into a new entity," said Brian Peccarelli, chief operating officer of customer markets at Thomson Reuters.

Additional findings show that US watchdogs have also been taking a tougher approach to the regulation of auditors regarding fines over the last year.

Grant Thornton came under fire for its auditing of cake chain Patisserie Valerie

Fossil fuel vote tests EU climate achievements

MARC JONES

EUROPE's climate change credentials face an acid test this week when the bloc's lending arm, the European Investment Bank (EIB), decides whether or not to stop funding fossil fuel projects beyond next year.

The decision is due to be made tomorrow by EU finance ministers and other top officials after an intense few months of discussion in European capitals and within the region's energy industry.

The EIB's draft proposal in July to end oil, coal and gas financing was widely praised by environmental groups and politicians alike as a strong signal from the world's largest multilateral lender, but has since seen some pushback.

The European Commission plus Germany, Italy, Poland, Latvia and potentially Spain would like the bank to keep funding some types of gas projects to help the move away from coal or nuclear power, or for energy security reasons.

Some key wording on how emissions targets will be measured has also been loosened, which critics of the changes argue will make it difficult to reliably monitor their impact.

"I think this is going to be the litmus test," Green EU lawmaker Bas Eckhout told Reuters. "For a climate neutral economy by 2050 you need to make sure your energy infrastructure is zero-carbon."

EIB figures show it funded almost €2bn (£1.74bn) of fossil fuel projects in 2018 and €13.4bn worth since 2013.

A complete stop though would be seen as a statement of Europe's intent at minimising global warming and aligning with the Paris Agreement which aims to cap global heating at 1.5 degrees celsius above 1990 levels.

An intergovernmental report on climate change last month urged the world to slash emissions or watch cities vanish. *Reuters*

Italian business mogul bids for stake in Gedi

STEPHEN JEWKES

CARLO De Benedetti has made an offer to buy 29.9 per cent of Italian publishing group Gedi from holding company CIR, Ansa news agency said yesterday, citing the Italian businessman.

The all-cash offer was made last Friday through Carlo De Benedetti's holding company, Romed, at €0.25 per share for the La Repubblica owner at the equivalent of Thursday's closing price, Ansa said.

"This move … is aimed at relaunching the group I have been associated with for a long part of my life and that I presided over for 10 years, promoting its extraordinary potential," Ansa quoted De Benedetti.

In its statement, CIR said the offer could not guarantee the sustainable long-term future of Gedi which it said it had always been committed to.

De Benedetti, one of Italy's best known businessmen, owned a stake in CIR but transferred his shares to his three sons about seven years ago. They own 52 per cent of CIR.

It was not possible to reach De Benedetti for immediate comment.

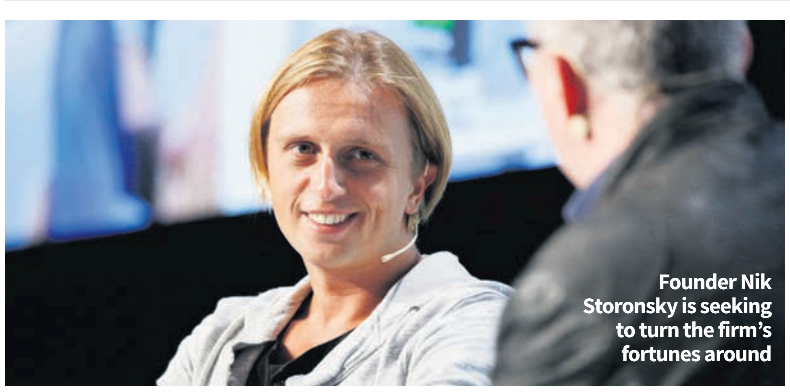
Gedi, which is 43.4 per cent owned by CIR, is the publisher of La Repubblica and La Stampa — two of Italy's leading daily newspapers.

The Agnelli family — an Italian multi-industry business dynasty — is also a shareholder. The Agnelli family have stakes in companies such as the Fiat Group, the Economist Group and Italy's Juventus football club.

La Repubblica said on its web page yesterday its journalists would meet today to discuss the offer for Gedi.

According to Ansa, the offer is conditional on the board members nominated by CIR resigning with the exception of Exor head John Elkann and Carlo Perrone.

In the past there has been speculation over a sale of Gedi, including rumours it could be sold to France's Le Monde group. *Reuters*


Founder Nik Storonsky is seeking to turn the firm's fortunes around

Revolut seeks to raise £1.2bn from investors

MICHAEL SEARLES

*@michaelsearles_*

FINTECH firm Revolut is seeking to raise £1.2bn from its investors in the coming months.

The London payments startup has hired investment bank JP Morgan to arrange a $500m (£395m) equity raise and issuance of a £790m convertible loan, according to Sky News.

Founder and chief executive Nik Storonsky is targeting a valuation between £3.9bn and £7.9bn to make Revolut the most valuable fintech company in Europe.

It comes just weeks after the company announced a global deal with Visa as it expands into 24 countries where they will issue Visa-branded cards, including in US, Canada and Japan.

Sources told Sky News that the new loan could be raised on the basis it would convert it into shares in the event the company receives a US banking licence.

The company is also hoping to unveil Martin Gilbert as its new chairman in the coming months, while former boss of Goldman Sachs in Europe, Michael Sherwood, is rumoured as a non-executive director.

India investing $60bn into national gas grid to link up nation by 2024

PROMIT MUKHERJEE

INDIA, one of the world's largest consumers of oil and coal, is investing $60bn (£47.4bn) to build a national gas grid and import terminals by 2024 in a bid to cut its carbon emissions, the oil minister said yesterday.

India has struggled to boost its use of gas, which produces less greenhouse gas emissions than coal and oil, because many industries and towns are not linked to the gas pipeline network.

Gas consumption growth was running at 11 per cent in 2010 but growth slid to just 2.5 per cent in the financial year 2018/19.

Oil minister Dharmendra Pradhan told reporters at India Energy Forum by Ceraweek that companies were investing $60bn in the network and building new gas import facilities to link all states by mid-2024, when the government's term ends.

The minister said the government had started building the gas grid to connect eight states in northeastern India, which borders Bhutan, Myanmar, Bangladesh and China.

Indian Prime Minister Narendra Modi has previously set a target to more than double the share of gas in India's energy mix to 15 per cent by 2030.

Reuters

FIT FOR A PRINCE Charles visits Vatican for canonisation of City-born English saint

PRINCE Charles visited the Vatican yesterday to witness the canonisation of the first English saint in 50 years. The Prince of Wales praised Cardinal John Henry Newman, a Catholic priest who was born in the City of London in 1801, as a "man of principle".

Land Securities eyes £650m sale to CIT Partners

ANNA MENIN

@annafmenin

PROPERTY giant Land Securities is said to be close to selling a £650m stake in a leisure portfolio to private equity property investor CIT Partners.

Land Securities is understood to have agreed to sell its 95 per cent share of the X-Leisure Unit Trust — which is behind developments including Xscape Milton Keynes and Brighton Marina — to CIT, the Sunday Times reported.

Chief executive Rob Noel, who is due to step down from the company next year, is reportedly keen to expand Land Securities' presence in the London real estate market as its retail and leisure revenues continue to struggle.

A supply-starved office space market in London has led to vacancy rates falling to their lowest level since 2007 over the past year, a recent report found.

This lack of supply has driven up rents as occupiers compete over a smaller pool of properties, with prime rents in the West End — London's most expensive region — climbing seven per cent to £107 per square foot.

London offices already make up almost half of Land Securities' £11.7bn property portfolio, while the company also owns shopping centres including Bluewater in Kent and Gunwharf Quays in Portsmouth.

Land Securities had built up its stake in X-Leisure gradually, spending £110.6m on a 42 per cent stake in 2021, and £104m on a further 35.6 per cent stake.

X-Leisure was created when Capital & Regional merged three property funds in 2004, and later acquired the Xscape centres – two large leisure developments in Milton Keynes and Castleford in Yorkshire.

CIT Partners are a private equity real estate group focused on investments in London. The firm has over £2bn of assets under management, and recent developments include the 41-storey South Bank Tower.

Land Securities declined to comment on the reports.

CIT Partners did not respond to a request for comment.

Folded airlines to fly passengers home under new UK legislation

MICHAEL SEARLES

*@michaelsearles_*

UNDER a new government proposal, aeroplanes owned by collapsed airlines could be used to repatriate passengers to the UK, instead of being grounded.

The proposed legislation comes in the wake of Thomas Cook's collapse, which required the Civil Aviation Authority (CAA) to find 150 aircraft and operate almost 700 flights at a total cost of £100m.

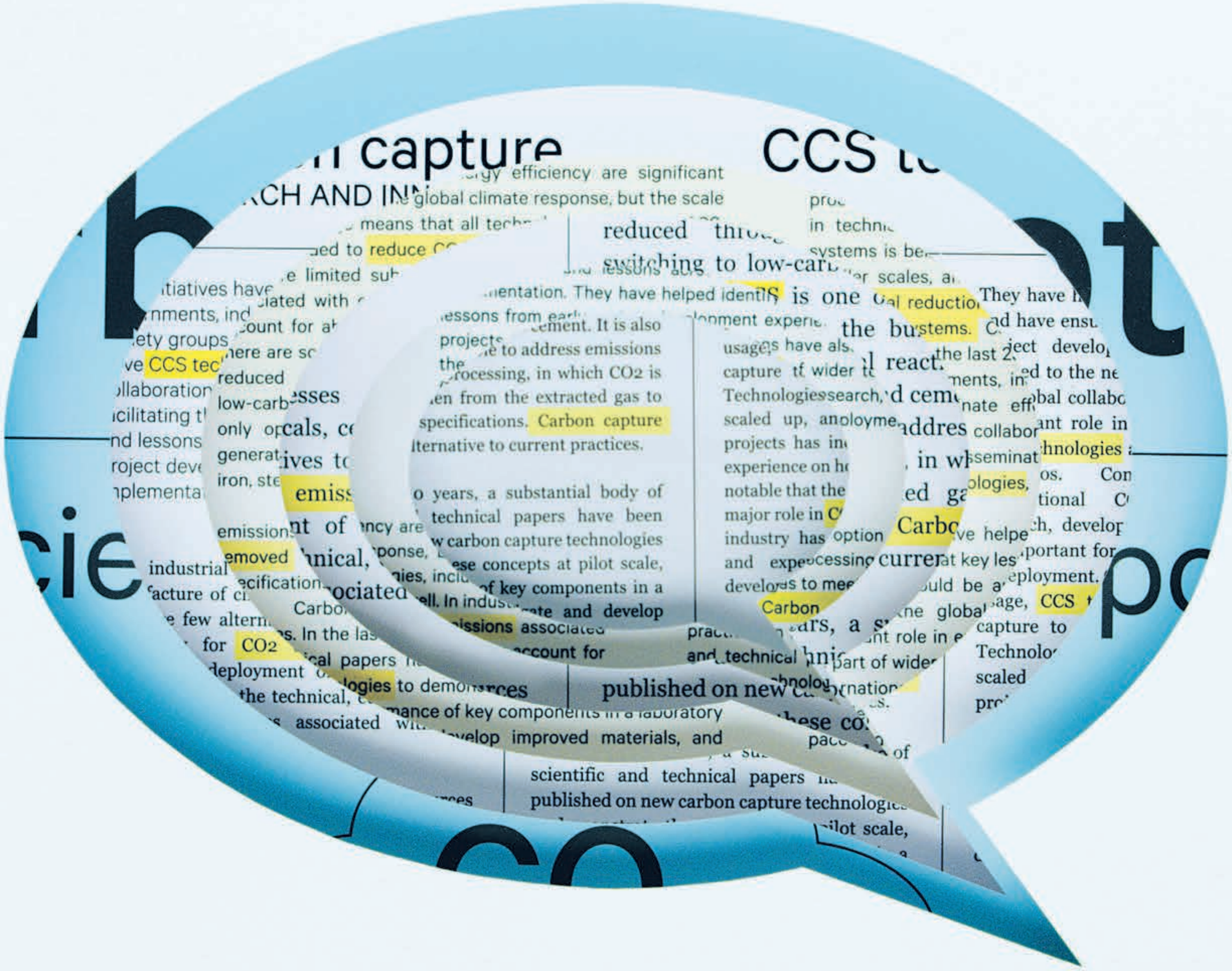
The plans would see the collapsed airline carriers placed into "special administration" so aircraft and crew could continue flying in the short-term.

The existing system requires the immediate grounding of planes when an airline goes bust, which leaves passengers at risk of being stranded.

The proposal would mean the CAA could use an airline's existing infrastructure, planes and staff to bring holidaymakers home, which was previously not possible under UK's insolvency laws.

Experts say carbon capture is vital for reducing CO_2 emissions.

We do too.



To help meet the world's ambitious goals for reducing CO_2, we're working on ways to make carbon capture technology scalable and more affordable. We're also exploring new approaches, like using fuel cells that could capture up to 90% of the CO_2 from large industrial sites and capturing CO_2 directly from the air. Learn more at **EnergyFactor.uk**

ExxonMobil

Esso Mobil 1

Uber rival Bolt launches XL vehicles

ANNA MENIN

@annafmenin

RIDE-HAILING firm Bolt is launching a new XL category of vehicles — with space for up to seven passengers — in London today, in a bid to compete with rival Uber in its biggest European market.

Bolt, which launched in London in June, is hoping its expanded offering, coupled with its comparatively low prices, will help tackle Uber's stranglehold on London at a time when the ride-hailing titan is struggling with regulatory challenges.

Transport for London (TfL) granted Uber a two-month temporary licence to operate in the city last month, and is demanding more information from the app before it considers granting long-term authorisation.

Bolt, formerly known as Taxify, has had its own share of regulatory troubles in the UK. The app's first attempt to launch in London in 2017 was abandoned after just three days when TfL suspended its licence.

At 15 per cent, the commission rates Bolt charges its drivers are significantly lower than Uber's 25 per cent, which it says allows it to offer lower prices to customers.

Bolt recently announced that all rides taken on its platform in Europe will be carbon-neutral.

Bolt also offers a food delivery platform called Bolt Food in mainland Europe

Small firms less likely to invest as Brexit looms

JAMES BOOTH

@Jamesdbooth1

BRITISH small and medium-sized enterprises (SMEs) are the least likely to invest in their businesses during the remainder of 2019, research published today showed.

UK SMEs were the least likely out of 2,300 businesses surveyed in 13 countries to be planning further investment this year.

The research from Bibby Financial Services (BFS) and trade credit insurer Euler Hermes found almost a third of UK firms (29 per cent) said they did not plan to invest in their business during the rest of 2019.

In comparison just eight per cent of US SMEs said they were not planning further investment this year.

British and Irish SMEs continued to be worried about Brexit, with 66 per cent of UK SMEs and 72 per cent of Irish SMEs citing it as their greatest concern.

Almost two-fifths of Irish SMEs said they are considering expanding into export markets beyond the UK in the light of Brexit.

In contrast, over half of German respondents said the trade dispute between the US and China was the biggest threat to the global economy.

David Postings, chief executive of Bibby Financial Services, said: "It's evident that UK SMEs are anxious about investing over the coming months as a no-deal Brexit becomes a possibility."

"This is damaging to the economy at a pivotal time for the country. The UK is a highly sentiment-based economy, and it's confidence that fortifies supply-chains, generates business orders and creates jobs.

"UK and Irish businesses need certainty over tariffs and supplier relationships. Without this, capital investment will continue to be subdued, stifling output even further," he added.

Regulator ups scrutiny on law finance officers

JAMES BOOTH

@Jamesdbooth1

THE NUMBER of law firm finance officers referred to the Solicitors Disciplinary Tribunal (SDT) has jumped as the regulator cracks down on financial irregularities in the sector.

Compliance officers for finance and administration (COFAs), a role introduced by the Solicitors Regulation Authority (SRA) in 2013, are personally liable for any issues in the management of a law firm's finances.

Their responsibilities include preventing misuse of client funds, the mingling of client money with the firm's own money and the financial stability of the firm.

If mishandling of money is discovered at the firm, the COFA can be suspended or struck off, even if they were unaware of the issue.

For this reason, the majority of COFAs are law firm partners, rather than employees.

Accountancy firm Hazlewoods said the rise in the number of referrals to the SDT "reflects the SRA's crackdown on financial mismanagement at law firms, and suggests that the SRA is doing more than ever to stamp out financial irregularities".

Recent examples of referrals to the SDT include an individual who was struck off after they made unsecured loans worth £370,383 from a client account to two other clients.

Two individuals were fined £10,000 each for making payments from a client's account to their own firm's account, leaving the client short of funds.

Andy Harris, partner at Hazlewoods, says: "The COFA has responsibility for the firm's finances, even if it's someone else making the error. Any slip up and the COFA will find themselves in the firing line. It's not an easy role to undertake."

The ferries will deliver essential products if the UK leaves the EU without a deal

UK awards no-deal ferry contracts of £87m

MICHAEL SEARLES

*@michaelsearles_*

THE GOVERNMENT has awarded contracts to several ferry companies to transport medicines in the event of a no-deal Brexit.

Brittany Ferries, DFDS, P&O and Stena Line are those in line to deliver supplies from 31 October after being awarded contracts worth £86.6m.

The contracts will be in place for six months, a spokesperson revealed, with the aim of ensuring the delivery of essential products if the UK leaves the EU without a deal.

If the contracts are cancelled, the UK will have to fork out £11.5m.

The UK previously paid firms £51m for the cancellation of no-deal ferry contracts when the Brexit deadline had to be extended in March.

Theresa May's government also came in for heavy criticism due to awarding a contract to a company that had no ferries, Seaborne Freight, after the Irish firm backing the deal pulled out.

Transport secretary Grant Shapps said: "The UK is getting ready to leave the EU on 31 October and, like any sensible government, we are preparing for all outcomes."

Facebook's Libra to face deadline as members exit

EMILY NICOLLE
AND MICHAEL SEARLES

@emilyjnicolle @michaelsearles_

TIME is up for Facebook's controversial cryptocurrency project Libra, as the final bell for members to cough up their $10m (£7.9m) founders' fee looms large.

An initial deadline for the strategy, which has been beset by a host of regulatory and internal problems, will today come to pass as Facebook asks its founding members to formally join the cryptocurrency's independent Swiss-based governing body, the Libra Association.

The project suffered a major loss over the weekend as Mastercard, Ebay and Visa became the latest members to exit the association from the original 28-strong founding crop, following in the footsteps of Paypal and Stripe earlier last week.

Of the six payments firms initially involved in the project, just one remains, with Mercado Pago also having pulled out.

Netherlands-based Pay U, the fintech arm of investment giant Naspers, is the only firm left in the association from the sector.

The eleventh-hour exodus represents a major blow to Facebook's Libra plans, not least as a result of the $60m hit to funding.

Regulators and central banking authorities have frequently questioned the project's future since it was announced in June, citing concerns regarding the potential for money laundering and the impact on global financial stability.

David Marcus, head of Facebook's Libra wing, faced questioning from US politicians on the matter in July. Unsatisfied with his answers, the US Congress has now asked Facebook chief executive Mark Zuckerberg to testify on the project later this month.

A spokesperson for Visa said its continued involvement in the programme would be subject to "the association's ability to fully satisfy all requisite regulatory expectations".

Facebook boss Mark Zuckerberg will testify on Libra before Congress on 23 October

Skills shortages to be mitigated by more inclusive hiring policies

ANNA MENIN

@annafmenin

HIRING dyslexic people will help companies cover skills shortages as workplaces become increasingly automated, according to a new report.

People with dyslexia possess "specific strengths" that will be increasingly in demand as companies adopt technologies such as machine learning, say EY and charity Made by Dyslexia.

In a report released today, the groups say dyslexic individuals show strength in areas such as leadership and creative thinking that are growing more important as demand for reading and memory skills decline.

"For decades dyslexic individuals have been expected to 'fit in', measured and benchmarked for the very skills they find challenging," said Kate Griggs, founder and chief executive of Made by Dyslexia.

Around one in 10 people in the UK has the neurological disorder, according to NHS figures.

Longer prison sentences given out for tax evasion in dodge crackdown

ANNA MENIN

@annafmenin

PRISON sentence lengths for tax evasion rose by 10 per cent on average last year as the taxman pushed for tougher punishments to dodging payments.

The average sentence for the deliberate non-payment of tax rose to two years and seven months in 2018 — an increase of two months on 2017's figures — according to law firm Pinsent Masons.

"Longer prison sentences are a clear message from HMRC (HM Revenue & Customs) — it will not tolerate tax evasion," said Pinsent Masons partner Steven Porter.

Just over a thousand people were charged with tax evasion in the year to the end of March 2018.

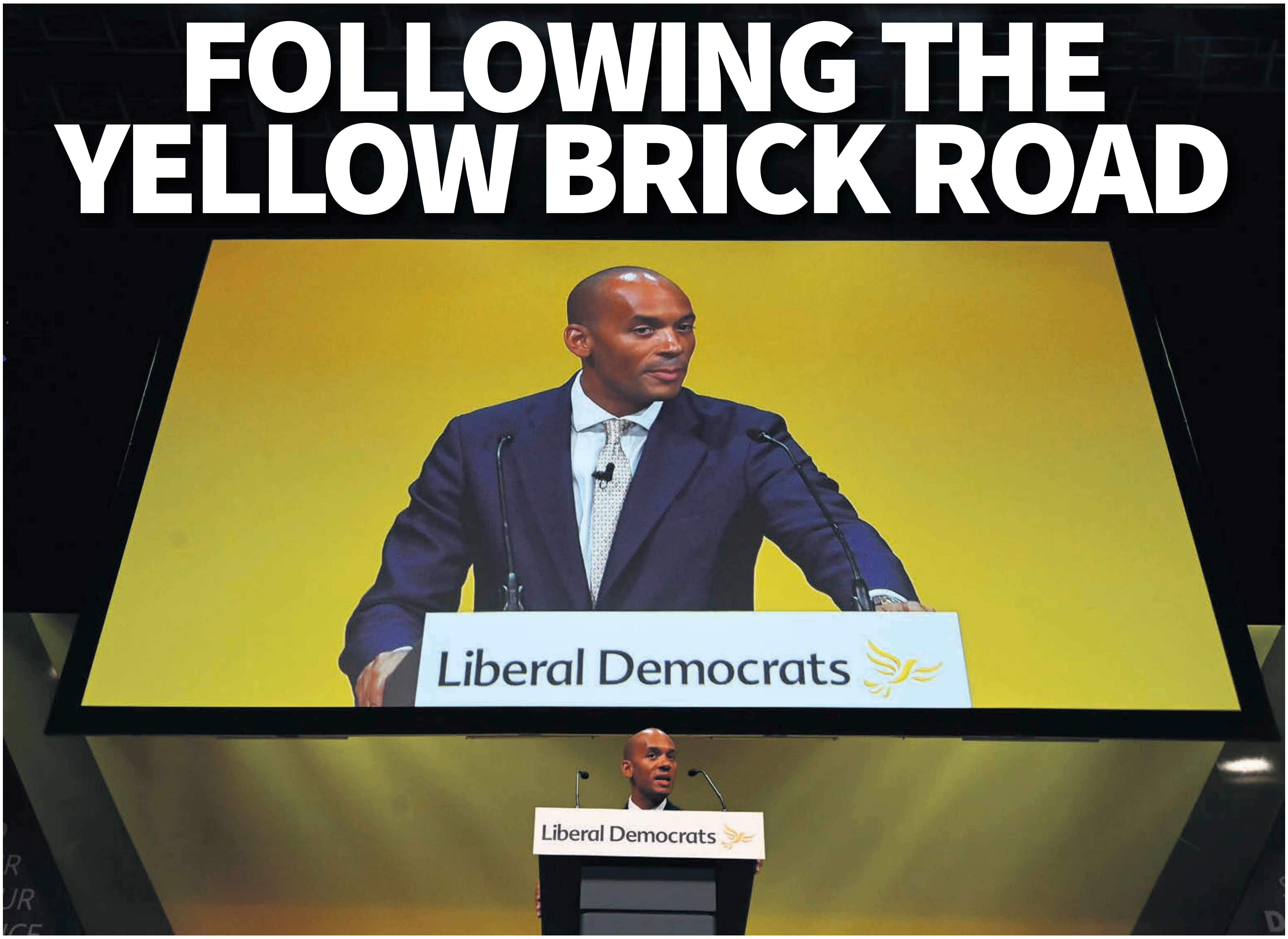
Since 2010, more than 5,400 people have been convicted over the offence.

The maximum fine for income tax evasion in the UK is seven years.

An HMRC spokesperson said it "is committed to ensuring all companies and individuals pay the right tax at the right time and will pursue those who fail to do so."

The government's tax department has been taking a harder line against offenders after it was slammed by MPs over its slack enforcement approach.

FOLLOWING THE YELLOW BRICK ROAD



Catherine Neilan speaks to Chuka Umunna on why he believes the Lib Dems can secure a majority victory

NOT SO long ago, Chuka Umunna looked like a Labour leader in waiting. The Lambeth-born smooth talking solicitor-turned-politician, who counts Pass Out rapper Tinie Tempah as one of his friends, was the cool one in Ed Miliband's shadow cabinet.

However, once Jeremy Corbyn took the helm and steered Labour on a hard-left route, Umunna looked and felt politically homeless.

Today, via a brief and unremarkable stint as a founding member of The Independent Group (see also Change UK and the Independent Group for Change), he is standing as the Liberal Democrat candidate for the Cities of London and Westminster. But why should anyone vote for him as a Lib Dem when they weren't even his first party of choice?

It turns out, conveniently enough, that they were. "As a teenager I was a member of the Liberal Democrats for a year, then I was swept up by New Labour and saw that as the principal vehicle through which to advance social democracy and liberalism. The Liberal Democrats are clearly the party to do that in this day and age," he explains.

"The Labour party I joined 20 years ago doesn't exist anymore."

Brexit is the force behind today's political realignments, and Umunna has been one of parliament's most vociferous opponents of leaving the European Union. He will use this as the major plank in his campaign.

The Cities constituency is staunchly anti-Brexit — voting 72 per cent to Remain — and Umunna rejects the idea that people have made their peace with the decision by now.

"If you offered people the opportunity of staying in the EU or leaving in any form of Brexit, staying would win by a country mile, even now," he argues. "I know the constituency well... and these are global businesses, it's a fundamental part of what they do."

Umunna points to the 7.5 per cent decline in incumbent Conservative MP Mark Field's majority during the 2017 election as proof that residents — who have "liberal, international, open values" — are unhappy with being represented by "a party which is the antithesis of those values".

Labour has traditionally come second in the Cities constituency, not the Lib Dems, but Umunna points to recent gains, including winning June's European elections with 40 per cent in the City of London and 33 per cent in Westminster.

He also cites a Hanbury Strategy poll from July suggesting that 54 per cent of constituents would vote Liberal Democrat if Brexit is not solved by Halloween.

But what if it is — does that not leave him without a campaign? He laughs. "I think it's highly unlikely."

But if it is? "If you think Brexit is the cause of all our problems you are barking up the wrong tree. Brexit is symptomatic of a bigger problem, a bigger change, which is what is happening in our politics."

Umunna believes the position that people took in the 2016 referendum speaks to a certain perspective. Remainers, he argues, are liberal, global, "open to people of different cultures" and embracing of new technologies. Leavers are "socially conservative, nationalistic and fearful of the future". When I point out that several prominent Leavers would contest that description of themselves, he insists these are the minority and "in the bubble" — not reflective of the wider population's reasons for voting to quit the EU.

> **Why should anyone vote for him as Lib Dem when they weren't even his first party of choice?**

Clearly, given his stance, Umunna is not looking to win over Leave voters. But is it realistic to expect Tory Remainers to pick his name on the ballot box, if that could result in higher taxes and more intervention?

"I didn't go into politics to tax people, but we have to pay for infrastructure and things we need," he says.

"It's right that those with the broadest shoulders should bear the heaviest burden — but that is the case already. We are not in the business of jacking up taxes."

One of the Lib Dems' main pledges is reforming the tax system, which includes ensuring "those on the highest incomes and wealth are making a fair contribution" by shutting off loopholes and "excessive reliefs".

Capital gains tax, dividend tax relief, corporation tax and inheritance tax all come under the microscope, with plans to raise some and reverse cuts to others.

Under party leader Jo Swinson, Umunna admits the country would see greater state intervention.

"Currently you have a chancellor and business secretary who do not believe in industrial activism, in the state working in an activist way to spur growth... Then you've got Labour who think the state is the answer to everything. We don't want to see the domination of the state or the market — we want an appropriate balance between the two," he says.

A General Election is tipped for either 28 November or 12 December, and assuming Brexit isn't resolved by then it will be a proxy for a second EU referendum.

On current polling the Lib Dems could secure around 40 seats. But Umunna says internal polling has that much higher — more than 100 seats if there is a five per cent swing — nearly double the number won under Nick Clegg, and a third more than its peak under Charles Kennedy. But even this wildly optimistic projection still keeps the party from the outright majority which would result in automatically revoking Article 50.

Swinson and co will not entertain a coalition with pro-Brexit Tories. Could a vote for the Lib Dems, then, be an inadvertent vote for Labour?

Umunna insists he is "going full throttle" for a majority, that both main parties are "broken, dysfunctional, and cannot agree with themselves, never mind build a consensus in the country". When pressed he says: "We will not be putting Jeremy Corbyn in Number 10" — but doesn't rule out working with the party itself.

Either way, he believes, this is the endgame. Despite shying away from predictions ("we all thought President Hillary Clinton was going to prevail") Umunna does have one forecast.

"We will see a resolution to Brexit in the next 12 months," he says. If it is up to the Lib Dems, the last three-plus years will be overturned and the UK will remain in the EU. "In some way, shape or form this issue will be resolved — and it will be by the people."

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

LONDON REPORT

Brexit hysteria sparks dramatic gains for shares

LONDON-LISTED companies with exposure to the domestic economy soared on Friday for their best day in nearly a decade as hopes that Britain can seal a Brexit deal triggered explosive gains and a major reversal of fortunes for the much-shunned UK market.

Investors pounced on everything from banks to housebuilders and retailers such as **Kingfisher**, which owns DIY chain B&Q, after Prime Minister Boris Johnson and his Irish counterpart, Leo Varadkar, said they had found "a pathway" to a possible Brexit deal.

B&Q-owner Kingfisher's share price rose nine per cent on Friday

The buying spree targeted some of the market's most beaten-down stocks and those considered most vulnerable to a downturn in consumer spending if the country crashes out of the European Union without a deal.

The FTSE 250 surged 4.2 per cent, while the Dublin bourse, often considered a barometer of Brexit sentiment, jumped 3.7 per cent to its highest since May.

The blue-chips, however, added a modest 0.8 per cent in comparison as a rally in sterling triggered by Ireland's optimism of Britain leaving the EU in an orderly fashion hit the dollar-earning constituents of the index.

The JP Morgan index that follows UK-listed companies making their money at home soared nearly eight per cent on its best day since the basket was created nearly three years ago.

Four of the so-called UK Big Banks, namely **RBS**, **Lloyds**, **HSBC** and **Barclays**, together added roughly £12bn to their combined market cap with share price rises of between two per cent and 12.3 per cent.

Housebuilders **Persimmon**, **Barratt**, **Berkeley** and **Taylor Wimpey**, whose businesses are heavily reliant on the health of the UK economy, jumped between 8.8 per cent to 12 per cent. The gains for UK stocks come despite Johnson offering little details on the terms of a divorce deal.

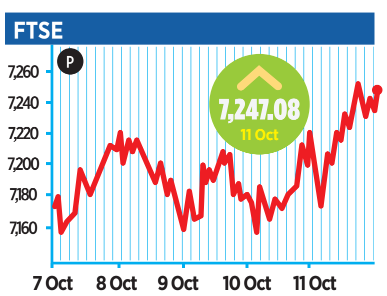
A notable blemish on the main index was a four per cent drop for advertising firm **WPP** after French rival Publicis cut its sales view.

TOP RISERS

1. **Lloyds Group** Up 12.27 per cent
2. **Barratt** Up 11.52 per cent
3. **RBS** Up 11.46 per cent

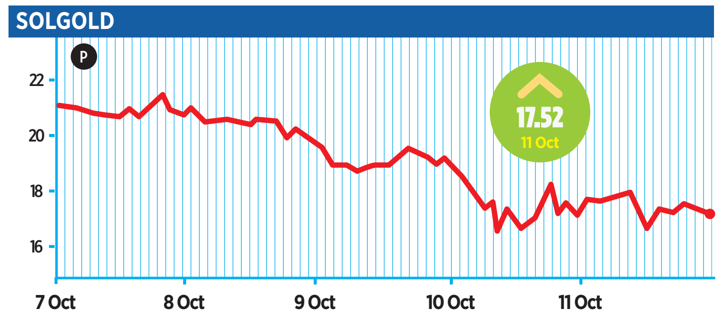
TOP FALLERS

1. **Fresnillo** Down 3.58 per cent
2. **BAT** Down 3.56 per cent
3. **WPP** Down 3.40 per cent

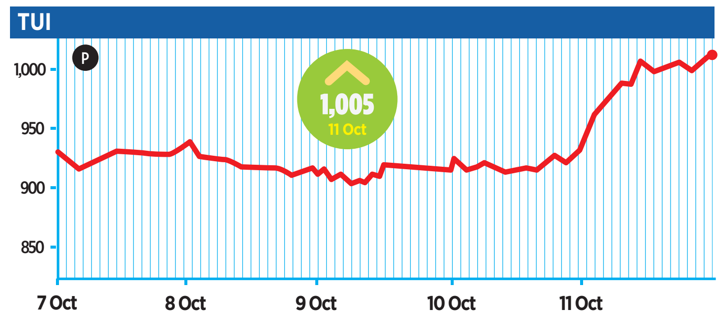


BEST OF THE BROKERS

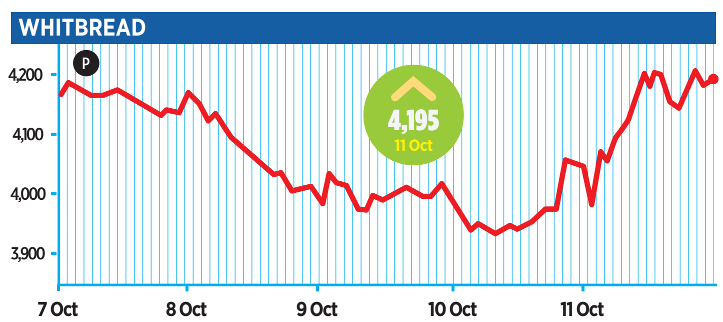
To appear in Best of the Brokers, email your research to notes@cityam.com



Gold miner Sol Gold was rocked last week after recent protests in Ecuador dented the London-listed group's share price by as much as 10 per cent. The group had to dig deep to reassure investors that its operations had not been affected by the demonstrations, which were sparked by popular opposition to the International Monetary Fund's lending approach. Peel Hunt analysts agree – they issue a "Buy" rating at a target price of 70p after noting that over 70 per cent of the cities in Ecuador are peaceful and Sol Gold's tenements are located "a good distance away".



The demise of Thomas Cook could be a game changer for incumbent operators, Shore Capital analysts are forecasting. Among the firms is multinational travel and tourism company Tui. According to Shore Capital, the current tighter market conditions, coupled with the unwinding of 737 Max costs, "supports a recovery in profitability going forward". However, the broker does not believe this opportunity is being reflected in the current valuation. It has therefore issued a "Buy" recommendation for Tui with a target price of 920p.



The forecast is not looking sunny for the hotel sector. While London is expected to hold on to some growth for the rest of 2019, occupancy rates across the UK are braced for a challenging year ahead. Premier Inn owner Whitbread has had its pre-tax profit outlook cut five per cent by Liberum, which says that it sees "limited scope for near term positive catalysts", even with shares trading below historic averages. The broker has retained its "Hold" rating with a reduced target price of 3,900, moving down from 4,600p.

NEW YORK REPORT

Wall St stocks rise on news of China deal

US STOCKS ended more than one per cent higher on Friday though well off the day's highs after the announcement of a partial trade deal between the United States and China.

Indexes cut their gains late in the session as the deal was announced amid worries over the possibility of further flare-ups before the agreement is finalised, strategists said.

US President Donald Trump, speaking to reporters after talks with Chinese vice premier Liu He, said the United States and China had come to a substantial early trade deal, reaching agreement on intellectual property, financial services and big agricultural purchases.

The preliminary, partial deal was the biggest step toward resolving a 15-month tariff war between the world's two largest economies.

The market had risen in recent days due to optimism for an agreement and the S&P 500 was up as much as about 1.9 per cent earlier in the session.

The Dow Jones Industrial Average rose 319.92 points, or 1.21 per cent, to 26,816.59, the S&P 500 gained 32.14 points, or 1.09 per cent, to 2,970.27 and the Nasdaq Composite added 106.27 points, or 1.34 per cent, to 8,057.04.

Indexes also gained for the week, with the Dow and Nasdaq up 0.9 per cent each and the S&P 500 up 0.6 per cent.

Bets for another interest rate cut by the Federal Reserve fell after data showed a rise in consumer sentiment for the month of October.

Apple's stock rose 2.7 per cent as Wedbush raised its price target, citing confidence in the company's new video streaming service.

The S&P industrial index was boosted by a 17.2 per cent jump in shares of **Fastenal** after the industrial distributor beat quarterly profit expectations.

The S&P 500 posted 27 new 52-week highs and no new lows; the Nasdaq Composite recorded 44 new highs and 60 new lows.

CITY MOVES WHO'S SWITCHING JOBS

TRIDENT RESOURCES

Adam Davidson has been appointed director and chief executive officer of Trident Resources, the investment vehicle formed to identify, assess and acquire near term mining development and production assets. Adam joins the board of directors with over 10 years of experience in the natural resources sector and extensive mining capital markets experience across a breadth of jurisdictions and commodities. He has been a member of Resource Capital Funds' investment team since 2014 and has previously held positions with BMO Capital Markets in metals and mining equity research and with Orica Mining Services in strategic planning. James Kelly, non-executive chairman of Trident said: "I am delighted to welcome Adam to the management team and look forward to working with him as we execute on our strategy."

MAZARS

International accounting and advisory firm Mazars has appointed Max Bark as financial services audit and assurance partner. Max joins the firm from EY, with over 20 years of experience providing audit and assurance services to a wide range of banks and financial institutions in London, New York and Buenos Aires. He is focusing upon further growing Mazars' banking audit practice along with a strong emphasis on continuously improving audit quality. Max joins the firm as part of a wave of 10 partner appointments across the UK. Mazars senior partner, Phil Verity, said: "Max's appointment represents the breadth of experience, entrepreneurial outlook and focus on clients to which we all aspire. We look forward to announcing further partner appointments in the coming weeks as we continue to grow and invest in talent."

HYMANS ROBERTSON

Pensions and financial services consultancy Hymans Robertson has appointed Shirley Brown as operations leader of its third-party administration (TPA) practice. Shirley has 35 years' experience in the industry, having worked in consultancy at PwC and then moving into business processing outsourcing. Shirley then spent 15 years with Buck Consultants in various roles and most recently served as administration consultant at Barnett Waddingham, supporting new business and other initiatives such as setting up a new pension protection fund team. Commenting on the appointment, Gary Evans, head of TPA at Hymans Robertson, said: "The team has grown by 40 per cent over the last 14 months and we are fully committed to investing both in people and technology to provide an outstanding service for our clients. I'm thrilled to welcome Shirley to the team."

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
7247.08	20041.71	3992.16	26816.59	8057.04	2970.27
60.72	805.99	53.83	319.92	106.26	32.14

£					
/€	1.1454	0.0152	€/$	1.1037	0.0007
/$	1.2640	0.0200	€/£	0.8726	0.0117
/¥	137.06	3.0900	€/¥	119.61	0.8300

GILTS

	Price	Chg	High	Low
Tsy 4.750 20	101.59	-0.01	105.5	101.6
Tsy 2.500 20	354.62	-0.05	360.9	354.3
Tsy 2.000 20	100.99	-0.05	102.2	101.0
Tsy 3.750 20	102.76	-0.05	105.6	102.7
Tsy 8.000 21	112.21	-0.14	118.7	112.0
Tsy 1.875 22	115.08	-0.32	118.3	114.8
Tsy 0.500 22	99.99	-0.23	100.8	97.8
Tsy 4.000 22	108.33	-0.20	110.7	108.3
Tsy 2.250 23	106.75	-0.33	108.0	104.9
Tsy 2.500 24	368.98	-0.44	377.9	359.3
Tsy 0.125 24	113.06	-0.48	115.8	110.9
Tsy 5.000 25	123.89	-0.45	126.1	122.3
Tsy 4.250 27	129.60	-0.70	132.8	123.1
Tsy 1.250 27	135.91	-0.87	141.1	128.7
Tsy 6.000 28	148.02	-0.74	152.2	141.0
Tsy 0.125 29	129.49	-0.99	134.7	119.2
Tsy 4.125 30	387.31	-0.95	404.2	356.5
Tsy 4.750 30	143.23	-0.89	147.9	132.6
Tsy 1.250 32	159.01	-1.19	167.7	144.3
Tsy 4.250 32	141.13	-1.04	146.4	128.8
Tsy 4.250 36	149.23	-1.20	155.7	133.4
Tsy 0.125 36	151.77	-1.34	162.5	133.9
Tsy 4.750 38	164.13	-1.30	171.8	145.2
Tsy 0.625 40	172.38	-1.52	185.7	153.1
Tsy 4.500 42	168.25	-1.53	176.7	146.1
Tsy 3.500 45	150.77	-1.68	159.0	128.2
Tsy 4.250 46	171.43	-1.70	181.0	145.9
Tsy 4.025 49	178.05	-1.87	188.9	150.0
Tsy 0.500 50	201.30	-2.19	222.9	173.7
Tsy 0.250 52	197.81	-2.32	221.1	168.8

AEROSPACE & DEFENCE

	Price	Chg	High	Low
BAE Systems	556.0	2.8	588.2	443.9
Cobham	155.8	0.2	168.3	96.8
Meggitt	618.6	-8.0	643.0	458.0
QinetiQ Group	311.4	7.8	313.6	267.0
Rolls-Royce Holdi	743.2	9.2	988.4	718.6
Senior	176.0	1.4	291.2	174.6
Ultra Electronics	1964.0	1.0	2252.0	1232.0

BANKS

	Price	Chg	High	Low
Bank of Georgia G	1333.0	67.0	1755.0	1252.0
Barclays	160.5	11.3	178.9	136.2
Close Brothers Gr	1370.0	90.0	1605.0	1227.0
CYBG	127.0	15.6	286.4	104.4
HSBC Holdings	607.4	9.4	680.6	580.9
Lloyds Banking Gr	59.1	6.5	66.6	48.6
Royal Bank of Sco	218.3	22.5	270.4	177.7
Standard Charter	655.4	8.2	736.8	519.8
TBC Bank Group	1220.0	70.0	1710.0	1150.0

BEVERAGES

	Price	Chg	High	Low
Barr (A.G.)	561.0	9.0	975.0	543.0
Britvic	1019.0	27.0	1022.0	745.0
Coca-Cola HBC AG	2542.0	-4.0	3074.0	2244.0
Diageo	3210.0	-111.5	3625.5	2523.5

CHEMICALS

	Price	Chg	High	Low
Croda Internation	4734.0	-26.0	5375.0	4564.0
Elementis	144.0	6.4	228.0	129.8
Johnson Matthey	2981.0	73.0	3454.0	2620.0
Sirius Minerals	3.6	0.2	25.5	2.9
Synthomer	296.0	10.0	446.8	279.8
Victrex plc	2136.0	58.0	2744.0	1845.0

CONSTRUCTION & MATERIALS

	Price	Chg	High	Low
Balfour Beatty	223.6	16.4	295.0	194.2
CRH	2710.0	20.0	2837.0	1971.5
Galliford Try	711.5	82.0	918.5	512.0
Ibstock	253.2	21.6	262.0	193.1
Marshalls	720.0	54.0	720.0	415.0
Polypipe Group	434.4	45.2	453.8	307.8

ELECTRICITY

	Price	Chg	High	Low
Contour Global	189.0	12.0	218.0	150.1
Drax Group	293.2	26.2	427.2	251.0
SSE	1309.0	63.5	1314.5	1008.0

ELECTRONIC & ELECTRICAL EQ.

	Price	Chg	High	Low
Halma	1889.0	-18.0	2094.0	1237.0
Morgan Advanced M	246.4	10.6	292.0	231.2
Oxford Instrument	1258.0	62.0	1424.0	842.0
Renishaw	3572.0	82.0	4670.0	3368.0
Spectris	2392.0	98.0	2898.0	1966.5

EQUITY INVESTMENT INSTRUM.

	Price	Chg	High	Low
Aberforth Smaller	1274.0	56.0	1306.0	1114.0
Alliance Trust	782.0	-1.0	838.0	672.0
Apax Global Alpha	160.0	4.5	160.0	127.0
AVI Global Trust	736.0	0.0	781.0	660.0
Baillie Gifford J	809.0	-7.0	840.0	663.0
Bankers Inv Trust	936.0	-1.0	970.0	766.0
BBGI SICAV S.A. (	166.0	7.5	168.0	146.5
BlackRock Smaller	1420.0	66.0	1482.0	1160.0
BMO Global Smalle	1346.0	16.0	1406.0	1220.0
Caledonia Investm	2980.0	20.0	3110.0	2650.0
City of London In	419.0	9.0	431.5	376.0
Edinburgh Inv Tru	592.0	17.0	654.0	535.0
F&C Investment Tr	690.0	-3.0	731.0	616.0
Fidelity China Sp	211.5	-1.0	250.0	182.4
Fidelity European	242.5	0.0	257.5	202.0
Fidelity Special	268.5	19.0	269.0	220.0
Finsbury Growth &	900.0	-3.0	958.0	740.0
Foresight Solar F	118.0	0.5	126.0	107.5
GCP Infrastructur	126.2	1.0	130.8	122.4
Genesis Emerging	757.0	3.0	783.0	615.0
Greencoat UK Wind	146.6	5.0	147.6	124.4
HarbourVest Globa	1716.0	18.0	1786.0	1326.0
Herald Investment	1270.0	20.0	1364.0	1055.0
HGCapital Trust	228.0	4.0	237.0	175.0
HICL Infrastructu	167.8	5.6	170.1	149.9
International Pub	155.4	3.4	165.4	146.8
JPMorgan American	466.5	-2.0	494.5	386.5
JPMorgan Emerging	990.0	4.0	1066.0	759.0
JPMorgan Indian I	720.0	-6.0	790.0	566.0
JPMorgan Japanese	440.5	-1.0	457.0	367.0
Jupiter European	822.0	8.0	875.0	666.0
Law Debenture Cor	578.0	14.0	618.0	534.0
Mercantile Invest	214.0	16.4	215.0	168.0
Monks Inv Trust	887.0	6.0	964.0	710.0
Murray Internatio	1198.0	36.0	1212.0	1056.0
NB Global Floatin	90.0	0.1	92.4	87.6
NextEnergy Solar	122.0	3.0	124.5	109.0
Pantheon Internat	2275.0	10.0	2330.0	1955.0
Perpetual Income	308.5	3.5	341.0	284.5
Pershing Square H	1510.0	-16.0	1570.0	990.0
Personal Assets T	42150.0	-150.0	43150.0	38900.0
Polar Capital Tec	1410.0	16.0	1500.0	1066.0
RIT Capital Partn	2145.0	20.0	2170.0	1892.0
Riverstone Energy	519.0	34.0	1266.0	485.0
Schroder Asia Pac	433.0	-0.5	469.5	379.0
Scottish Inv Trus	828.0	5.0	843.0	748.0
Scottish Mortgage	500.0	8.0	568.5	441.4
Sequoia Economic	115.6	1.0	117.6	108.0
Smithson Investme	1218.0	0.0	1280.0	1000.2
Syncona Limited N	239.0	22.0	294.0	213.5
Temple Bar Inv Tr	1260.0	58.0	1366.0	1116.0
Templeton Emergin	781.0	0.0	829.0	649.0
The Renewables In	129.0	1.4	133.2	109.8
TR Property Inv T	433.5	13.0	433.5	353.5
Vietnam Enterpris	503.0	3.0	509.0	421.5
VinaCapital Vietn	341.5	1.5	357.5	318.0
Witan Inv Trust	213.5	2.0	225.5	189.6
Worldwide Healthc	2545.0	-5.0	2835.0	2325.0

FINANCIAL SERVICES

	Price	Chg	High	Low
3i Group	1092.5	32.0	1184.5	756.2
3i Infrastructure	283.0	3.5	306.5	241.3
AJ Bell	366.0	18.0	477.0	220.0
Allied Minds	48.2	-0.9	84.2	37.3
Amigo Holdings	73.0	1.1	297.5	67.8
Arrow Global Grou	220.0	7.2	273.0	167.2
ASA International	320.0	-12.0	481.0	320.0
Ashmore Group	479.0	19.8	542.5	341.2
Brewin Dolphin Ho	313.8	8.2	358.0	287.6
City of London In	407.0	-23.0	440.0	360.0
CMC Markets	130.2	4.2	130.4	77.4
Coats Group	71.3	2.2	91.3	69.0
Georgia Capital	997.0	8.0	1260.0	941.0
Hargreaves Lansdo	1852.5	85.5	2433.0	1633.0
IG Group Holdings	606.2	29.6	644.5	474.8
IntegraFin Holdin	365.0	13.5	406.1	269.0
Intermediate Capi	1382.0	40.0	1460.0	899.0
International Per	105.8	0.4	222.2	87.0
Investec	432.9	29.1	518.6	395.3
IP Group	63.4	3.7	122.0	55.7
John Laing Group	371.8	16.2	402.0	296.2
JTC	353.0	-7.0	440.0	287.0
Jupiter Fund Mana	335.2	17.2	432.0	287.6
Liontrust Asset M	766.0	-10.0	816.0	532.0
LMS Capital	58.5	0.8	60.0	44.0
London Finance &	38.5	0.0	41.5	37.5
London Stock Exch	7300.0	12.0	7514.0	3867.0
Man Group	158.0	-4.2	175.2	126.8
OneSavings Bank	375.2	43.6	447.4	313.6
Paragon Banking G	490.8	23.8	491.6	379.2
Plus500 Ltd (DI)	797.6	26.6	1647.0	495.0
Provident Financi	420.0	28.8	658.6	356.0
Quilter	139.7	11.4	156.6	110.6
Rathbone Brothers	2470.0	355.0	2540.0	2085.0
Real Estate Credi	166.5	1.5	175.5	163.0
Record	33.2	0.0	35.4	27.3
River and Mercant	245.0	1.0	310.0	212.0
S&U	2040.0	-60.0	2440.0	1767.5
Sanne Group	566.0	43.0	752.0	450.0
Schroders	2969.0	81.0	3210.0	2334.0
Standard Life Abe	286.0	13.7	318.7	224.9
TP ICAP	323.5	5.6	346.9	268.2
Walker Crips Grou	27.0	0.0	35.5	24.0
XPS Pensions Grou	118.0	-2.0	171.0	95.0

FIXED LINE TELECOMS

	Price	Chg	High	Low
BT Group	197.0	12.1	264.7	158.9
TalkTalk Telecom	108.7	5.3	132.8	96.6
Telecom Plus	1196.0	48.0	1528.0	1088.0

FOOD & DRUG RETAILERS

	Price	Chg	High	Low
Greggs	1820.0	71.0	2476.0	1080.0
Morrison (Wm) Sup	203.3	8.3	255.1	176.9
Ocado Group	1322.0	24.0	1435.0	749.8
Sainsbury (J)	214.6	9.0	324.0	177.1
SSP Group	659.0	49.0	721.0	608.0
Tesco	242.2	14.8	253.0	189.6
UDG Healthcare Pu	719.0	13.0	821.0	551.0

FOOD PRODUCERS

	Price	Chg	High	Low
Associated Britis	2181.0	75.0	2638.0	2041.0
Bakkavor Group	132.0	16.4	170.0	93.3
Cranswick	3238.0	162.0	3244.0	2472.0
Greencore Group	234.3	12.3	235.5	162.9
Hilton Food Group	995.0	37.0	1088.0	884.0
Tate & Lyle	691.2	-0.8	800.4	633.4
Unilever	4647.0	-132.5	5324.0	3931.0

FORESTRY & PAPER

	Price	Chg	High	Low
Mondi	1595.5	18.5	1898.0	1510.5

GAS, WATER & MULTIUTILITIES

	Price	Chg	High	Low
Centrica	68.8	2.1	155.6	64.6
National Grid	891.6	20.8	891.6	748.7
Pennon Group	864.2	42.8	868.6	684.2
Severn Trent	2215.0	93.0	2220.0	1770.0
United Utilities	843.8	52.6	873.6	682.4

GENERAL INDUSTRIALS

	Price	Chg	High	Low
Smith (DS)	345.0	3.8	416.4	292.2
Smiths Group	1571.5	8.0	1692.0	1279.5
Smurfit Kappa Gro	2530.0	66.0	2686.0	1834.0
Vesuvius	423.0	12.0	642.0	404.4

GENERAL RETAILERS

	Price	Chg	High	Low
Auto Trader Group	539.6	48.7	606.0	388.5
B&M European Valu	379.9	32.2	426.3	278.6
Card Factory	175.0	15.4	209.0	151.2
Dixons Carphone	126.4	8.1	178.6	104.9
Dunelm Group	787.5	57.0	981.0	482.8
Inchcape	626.5	12.5	650.0	486.6
JD Sports Fashion	760.8	28.4	762.0	318.5
Just Eat	627.4	9.6	812.0	533.8
Kingfisher	210.2	17.4	266.2	185.9
Marks & Spencer G	185.9	19.2	299.1	163.9
Next	6458.0	506.0	6486.0	3991.0
Pets at Home Grou	225.4	15.4	239.4	110.0
Sports Direct Int	297.8	20.2	340.3	214.0
Vivo Energy	127.2	13.0	139.5	96.0
WH Smith	2114.0	152.0	2186.0	1697.0

HEALTH CARE EQUIPMENT & S.

	Price	Chg	High	Low
Assura	74.9	2.0	75.6	52.4
Convatec Group	184.9	3.7	224.2	118.6
Mediclinic Intern	348.3	16.6	474.7	293.4
NMC Health	2708.0	164.0	3678.0	1801.5
Smith & Nephew	1860.0	-26.0	1990.0	1258.0

HHOLD GOODS & HOME CONSTR.

	Price	Chg	High	Low
Barratt Developme	654.4	67.6	663.0	434.0
Bellway	3536.0	336.0	3562.0	2419.0
Berkeley Group Ho	4355.0	341.0	4416.8	3226.0
Bovis Homes Group	1187.0	124.0	1193.0	828.0
Countryside Prope	353.0	44.0	354.2	270.0
Crest Nicholson H	405.2	42.4	405.2	296.4
McCarthy & Stone	152.7	10.5	154.7	123.5
Persimmon	2287.0	224.0	2471.0	1836.0
Reckitt Benckiser	6095.0	-80.0	6747.0	5593.0
Redrow	623.0	31.0	674.6	460.8
Taylor Wimpey	163.8	16.0	192.3	129.3

INDUSTRIAL ENGINEERING

	Price	Chg	High	Low
Bodycote	703.0	42.0	903.0	652.0
Hill & Smith Hold	1280.0	48.0	1306.0	902.5
IMI	984.8	37.4	1069.5	870.0
Melrose Industrie	201.1	6.3	208.5	146.3
RHI Magnesita N.V	3862.0	112.0	5000.0	3318.0
Rotork	308.3	8.2	324.2	235.7
Spirax-Sarco Engi	7565.0	30.0	9400.0	5900.0
Weir Group	1399.0	50.5	1814.0	1240.0

INDUSTRIAL METALS & MINING

	Price	Chg	High	Low
Evraz	434.5	20.5	709.4	408.1
Ferrexpo	147.7	-0.5	301.3	145.1

INDUSTRIAL TRANSPORTATION

	Price	Chg	High	Low
BBA Aviation	319.8	8.6	324.8	207.0
Clarkson	2900.0	290.0	2905.0	1878.0
Fisher (James) &	2060.0	182.0	2260.0	1600.0
Royal Mail	218.1	15.9	367.7	188.4

MAIN CHANGES UK 350

Risers		%	Fallers		%
Rathbone Brothers	2470.0	16.8	Fresnillo	630.8	-3.6
Countryside Proper	353.0	14.2	British American T	2710.0	-3.6
Bakkavor Group	132.0	14.2	WPP	931.0	-3.4
CYBG	127.0	14.2	Diageo	3210.0	-3.4
Go-Ahead Group	2188.0	13.8	Inmarsat	564.2	-3.2
Travis Perkins	1394.5	13.5	Unilever	4647.0	-2.8
Grafton Group Unit	820.0	13.4	Man Group	158.0	-2.6
OneSavings Bank	375.2	13.2	GlaxoSmithKline	1675.0	-2.2
Galliford Try	711.5	13.0	Burberry Group	2004.0	-2.2
Lloyds Banking Gro	59.1	12.3	AstraZeneca	6916.0	-1.9

NON LIFE INSURANCE

	Price	Chg	High	Low
Admiral Group	2076.0	39.0	2300.0	1932.5
Beazley	619.0	16.0	628.0	492.6
Direct Line Insur	290.0	14.6	366.5	273.2
Hastings Group Ho	195.6	8.7	236.0	174.0
Hiscox Limited (D	1604.0	8.0	1777.0	1418.0
Lancashire Holdin	708.5	6.5	746.0	535.5
RSA Insurance Gro	524.2	18.2	597.0	496.6
Sabre Insurance G	298.0	10.0	300.5	249.0

LIFE INSURANCE

	Price	Chg	High	Low
Aviva	405.2	24.0	438.8	352.3
Legal & General G	260.8	19.8	291.2	216.7
Phoenix Group Hol	704.5	34.9	724.8	544.0
Prudential	1508.5	68.5	1790.0	1326.0
St James's Place	1004.5	74.3	1143.0	913.6

MEDIA

	Price	Chg	High	Low
4imprint Group	3070.0	140.0	3130.0	1800.0
Ascential	365.0	9.2	411.0	337.2
Bloomsbury Publis	237.0	-2.0	245.0	190.5
Centaur Media	37.5	0.0	56.5	34.7
Entertainment One	562.5	0.0	589.0	336.4
Euromoney Institu	1412.0	6.0	1498.0	1132.0
Future	1256.0	72.0	1324.0	410.0
Goco Group	93.1	5.5	97.5	64.6
Haynes Publishing	312.0	-1.0	324.0	160.0
Huntsworth	88.0	2.6	118.5	81.0
Hyve Group	80.2	-1.8	85.3	56.3
Informa	788.0	2.4	892.0	605.8
ITV	129.3	7.6	159.9	103.6
Moneysupermarket	391.9	17.7	417.7	267.0
Pearson	693.6	-1.2	1027.5	680.8
Reach	99.0	0.3	102.8	54.6
Relx plc	1836.5	-32.5	2011.0	1494.0
Rightmove	557.0	32.0	585.1	420.9
STV Group	368.0	-7.0	400.0	318.0
WPP	931.0	-32.8	1065.0	800.4

MINING

	Price	Chg	High	Low
Anglo American	1984.6	61.0	2266.0	1539.0
Antofagasta	875.8	11.8	1022.5	727.2
BHP Group	1720.4	23.8	2049.0	1490.6
Centamin (DI)	114.4	0.4	142.0	89.0
Fresnillo	630.8	-23.4	1027.5	601.0
Glencore	237.5	5.5	340.3	222.2
Hochschild Mining	179.1	2.7	227.0	149.9
Kaz Minerals	424.6	17.2	738.4	380.3
Polymetal Interna	1142.5	-17.0	1208.5	636.8
Rio Tinto	4209.5	105.5	4976.5	3513.5

MOBILE TELECOMS

	Price	Chg	High	Low
Inmarsat	564.2	-18.4	608.2	362.8
Vodafone Group	161.3	-1.5	168.9	123.3

OIL & GAS PRODUCERS

	Price	Chg	High	Low
BP	493.6	-8.5	582.5	484.9
Cairn Energy	193.2	6.2	215.8	140.0
Energean Oil & Ga	927.0	19.0	1082.0	568.0
Premier Oil	77.8	1.9	127.9	55.6
Royal Dutch Shell	2290.5	-25.0	2612.0	2213.0
Royal Dutch Shell	2282.0	-22.0	2622.0	2227.0
Tullow Oil	208.6	6.1	250.7	165.2

OIL EQUIPMENT & SERVICES

	Price	Chg	High	Low
Hunting	428.0	14.0	742.0	411.0
Petrofac Ltd.	401.4	9.1	617.8	381.5
Wood Group (John)	547.5	18.4	739.4	327.4

PERSONAL GOODS

	Price	Chg	High	Low
Burberry Group	2004.0	-44.0	2345.0	1623.5
PZ Cussons	206.5	0.5	244.0	178.6

PHARMACEUTICALS & BIOTECH

	Price	Chg	High	Low
AstraZeneca	6916.0	-136.0	7533.0	5325.0
Dechra Pharmaceut	2574.0	24.0	3036.0	2014.0
Genus	3000.0	140.0	3002.0	2098.0
GlaxoSmithKline	1675.0	-37.0	1745.2	1418.0
Hikma Pharmaceuti	2022.0	-19.0	2200.0	1510.5
PureTech Health	246.0	11.0	292.0	160.5

REAL ESTATE INVEST. & SERV.

	Price	Chg	High	Low
BMO Commercial Pr	118.6	5.4	141.8	106.0
Capital & Countie	243.5	18.2	279.5	184.9
CLS Holdings	261.0	19.0	267.0	195.4
Daejan Holdings	4990.0	140.0	6160.0	4715.0
Grainger	256.0	8.0	263.5	205.8
NewRiver REIT	210.5	16.9	264.0	147.6
Safestore Holding	697.0	41.0	703.5	499.4
Savills	921.5	61.5	957.0	678.5
Sirius Real Estat	75.3	1.2	76.1	55.6
St. Modwen Proper	462.5	43.0	466.0	365.0

REAL ESTATE INVEST. TRUSTS

	Price	Chg	High	Low
Big Yellow Group	1140.0	66.0	1140.0	852.5
British Land Comp	591.0	43.0	624.8	468.3
Derwent London	3460.0	228.0	3460.0	2761.0
Great Portland Es	764.4	34.6	773.6	649.4
Hammerson	303.6	28.8	447.3	203.9
Land Securities G	895.6	56.4	936.0	735.4
LondonMetric Prop	224.0	9.0	225.0	172.7
Primary Health Pr	137.0	4.2	139.8	106.4
SEGRO	822.2	26.2	823.6	585.2
Shaftesbury	912.0	44.5	928.5	739.5
Tritax Big Box Re	154.3	7.2	159.7	129.0
Unite Group	1159.0	60.0	1162.0	797.5
Workspace Group	1010.0	90.5	1031.0	789.5

SOFTWARE & COMPUTER SERV.

	Price	Chg	High	Low
Avast	370.6	6.8	393.4	259.6
Aveva Group	3718.0	36.0	4170.0	2284.0
Computacenter	1299.0	52.0	1525.0	952.0
FDM Group (Holdin	670.0	23.0	994.0	645.0
Kainos Group	487.0	42.0	676.0	366.0
Micro Focus Inter	1080.2	16.4	2491.6	1039.0
Playtech	407.5	9.9	500.6	360.5
Sage Group	693.0	14.0	820.4	525.6
Softcat	952.5	39.0	1044.0	565.0
Sophos Group	425.5	1.8	492.0	298.2

SUPPORT SERVICES

	Price	Chg	High	Low
Aggreko	794.4	6.4	858.4	691.8
Ashtead Group	2175.0	25.0	2344.0	1586.5
BCA Marketplace	235.8	0.2	247.0	178.5
Bunzl	2025.0	38.0	2551.0	1975.5
Capita	161.0	13.0	164.7	99.9
DCC	6900.0	44.0	7184.0	5555.0
Diploma	1647.0	27.0	1694.0	1150.0
Electrocomponents	652.8	34.4	657.2	480.0
Equiniti Group	227.6	19.2	236.2	186.2
Essentra	427.8	18.4	442.0	325.4
Experian	2483.0	-25.0	2631.0	1728.5
Ferguson	6400.0	-2.0	6440.0	4749.0
Finablr	154.0	4.2	180.0	140.0
G4S	196.7	10.6	234.3	168.3
Grafton Group Uni	820.0	97.0	937.0	630.0
Hays	148.5	6.6	165.3	135.7
Homeserve	1141.0	21.0	1263.0	849.0
Howden Joinery Gr	580.0	53.2	581.2	416.4
Intertek Group	5250.0	-30.0	5962.0	4387.0
Network Internati	549.0	22.0	628.0	500.0
Pagegroup	409.4	24.4	549.0	367.8
PayPoint	866.0	11.0	1118.0	748.0
Rentokil Initial	454.7	-1.9	467.8	284.8
Robert Walters	461.0	13.0	471.0	455.0
Serco Group	151.8	6.8	153.0	84.1
SIG	109.0	6.5	153.0	99.4

TOBACCO

	Price	Chg	High	Low
British American	2710.0	-100.0	3619.0	2375.0
Imperial Brands	1853.4	-19.2	2750.0	1774.6

TRAVEL & LEISURE

	Price	Chg	High	Low
Carnival	3119.0	-27.0	4650.0	3081.0
Cineworld Group	223.8	9.6	321.0	210.5
Compass Group	2007.0	-24.0	2138.0	1483.0
Domino's Pizza Gr	262.8	13.9	297.2	221.2
EI Group	281.6	0.2	285.0	161.2
FirstGroup	128.5	4.4	137.5	79.3
Flutter Entertain	7650.0	-126.0	8164.0	5525.0
Go-Ahead Group	2188.0	266.0	2208.0	1480.0
Greene King	848.0	0.4	850.0	480.0
GVC Holdings	843.6	36.0	960.0	507.5
InterContinental	4762.0	-57.5	5738.0	3958.4
International Con	498.9	37.8	667.6	413.5
Marston's	121.5	3.7	131.3	90.6
Merlin Entertainm	453.5	0.5	453.9	307.1
Millennium & Copt	687.0	0.0	690.0	436.0
Mitchells & Butle	399.0	10.5	399.5	238.0
National Express	437.6	27.6	439.4	361.4
PPHE Hotel Group	1820.0	40.0	1990.0	1525.0
Rank Group	206.5	20.9	206.5	135.0
Restaurant Group	145.0	11.5	217.1	111.9
Stagecoach Group	144.2	11.3	177.0	115.5
TUI AG Reg Shs (D	1005.0	85.6	1382.5	698.0
Wetherspoon (J.D.	1563.0	89.0	1624.0	1066.0
Whitbread	4195.0	157.0	5114.0	3986.0
William Hill	197.6	4.3	237.7	132.3
Wizz Air Holdings	3731.0	127.0	3790.0	2329.0

AIM 50

	Price	Chg	High	Low
Abcam	1117.0	18.0	1500.0	1017.0
Advanced Medical	234.5	-1.0	354.5	225.0
Alliance Pharma	76.0	0.1	80.4	60.0
ASOS	2575.0	125.0	6050.0	2107.0
Blue Prism Group	930.5	23.5	2002.0	862.0
Camellia	9275.0	-125.0	11750.0	9100.0
CareTech Holding	383.5	21.5	406.0	325.0
Central Asia Meta	212.5	2.5	266.5	180.0
Ceres Power Holdi	218.0	3.0	220.0	130.0
Clinigen Group	855.0	22.0	1069.0	721.0
CVS Group	996.0	36.0	1029.0	395.0
Dart Group	1090.0	154.5	1112.0	709.5
Diversified Gas &	107.5	1.5	134.0	97.0
Draper Esprit	484.0	21.0	610.0	410.0
Eland Oil & Gas	128.4	0.2	134.0	91.0
EMIS Group	1024.0	8.0	1242.0	864.0
Fevertree Drinks	2195.0	80.0	3199.0	2070.0
First Derivatives	2165.0	0.0	3555.0	2050.0
Frontier Developm	1060.0	30.0	1180.0	740.0
Gamma Communicati	1125.0	-10.0	1195.0	688.0
GB Group	524.0	6.0	630.0	410.5
Gooch & Housego	1222.5	12.5	1880.0	954.0
Hurricane Energy	41.4	1.8	60.8	38.7
Impax Asset Manag	270.5	-1.5	295.0	184.0
Iomart Group	355.0	1.5	425.0	308.0
IQE	63.5	1.1	98.0	47.6
James Halstead	518.0	10.0	532.0	367.0
Johnson Service G	171.0	0.0	183.2	113.6
Keywords Studios	1249.0	66.0	1838.0	900.0
Learning Technolo	109.4	3.8	130.0	62.2
M. P. Evans Group	621.0	9.0	722.0	610.0
Midwich Group	523.0	-1.0	633.0	474.5
Mortgage Advice B	560.0	10.0	620.0	490.0
Next Fifteen Comm	538.0	22.0	658.0	469.0
Nichols	1620.0	32.5	1880.0	1240.0
Numis Corporation	230.0	4.0	301.0	212.0
Pan African Resou	11.5	-0.7	14.5	8.0
Polar Capital Hol	512.0	2.0	610.0	448.0
Purplebricks Grou	111.0	0.0	232.4	90.0
Redde	109.4	4.8	187.0	90.0
Renew Holdings	385.0	2.0	436.5	330.0
RWS Holdings	611.0	-14.0	652.0	415.5
Scapa Group	220.5	12.5	445.0	157.0
Secure Income Rei	452.0	0.0	455.0	371.0
Serica Energy	136.0	2.8	142.0	103.6
Smart Metering Sy	454.0	20.6	665.0	310.0
Thorpe (F.W.)	287.0	4.0	340.0	248.0
Watkin Jones	230.5	3.0	232.5	192.2
Young & Co's Brew	1600.0	30.0	1885.0	1322.5
Young & Co's Brew	1140.0	0.0	1195.0	1030.0

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EU SHARES

	Price	Chg	High	Low
AB INBEV	83.94	0.35	92.71	56.32
ADIDAS N	279.50	1.10	297.95	178.30
AIR LIQUIDE	119.30	1.75	119.60	92.59
AIRBUS BR	118.88	0.96	133.86	77.50
ALLIANZ	212.25	5.00	218.70	170.50
AMADEUS IT GRP BR-A	66.82	0.98	74.94	58.06
ASML HLDG	236.30	5.75	236.30	130.12
AXA	23.64	0.89	23.99	18.40
BANCO SANTANDER	3.79	0.16	4.68	3.39
BASF N	64.40	1.30	74.62	55.72
BAYER N	65.24	1.25	79.69	52.00
BBVA	4.72	0.19	5.68	4.19
BMW	64.87	1.69	79.00	58.10
BNP PARIBAS A	45.75	2.06	51.18	38.14
CRH PLC	31.11	0.88	34.87	26.53
DAIMLER N	47.00	1.59	59.90	40.35
DANONE	79.22	0.60	82.38	59.72
DEUTSCHE BOERSE N	141.30	0.00	143.85	102.50
DEUTSCHE POST N	29.58	0.46	31.59	23.43
DEUTSCHE TELEKOM N	15.38	0.11	15.88	13.80
ENEL N	6.80	0.03	6.91	4.26
ENGIE	15.03	0.36	15.09	11.31
ENI N	13.84	0.15	16.06	12.92
ESSILORLUXOTT	134.30	1.80	136.70	95.50
FRESENIUS	42.07	0.76	69.48	38.50
IBERDROLA	9.21	-0.08	9.58	5.68
INDITEX	28.57	0.37	29.00	21.85
ING GROUP	9.84	0.37	12.14	8.20
INTESA SANPAOLO N	2.19	0.04	2.36	1.80
KERING	471.85	9.25	539.80	351.70
KON AH DEL BR	22.84	0.37	24.01	18.99
L'OREAL	243.20	-2.10	258.90	182.00
LINDE	177.55	3.10	0.00	0.00
LVMH	378.20	1.35	392.65	242.30
MUENCHENER RUECKV N	240.90	3.60	241.50	181.20
NOKIA	4.61	0.10	5.76	4.17
ORANGE	14.81	0.32	15.25	13.08
ROY.PHILIPS	39.12	1.16	44.60	29.05
SAFRAN	142.10	1.40	145.40	99.98
SANOFI	82.05	0.14	85.90	71.74
SAP I	114.72	9.66	125.00	84.02
SCHNEIDER EL	80.76	2.48	82.20	57.54
SIEMENS N	98.81	2.50	108.62	84.72
SOCIETE GENERALE	25.26	1.27	33.33	20.81
TELEFONICA	7.04	0.15	8.06	5.86
TOTAL	46.42	1.12	53.00	42.65
UNILEVER	53.61	-0.50	57.77	45.30
VINCI	100.20	3.08	101.70	69.98
VIVENDI	24.87	0.12	26.69	20.80
VOLKSWAGEN VZ I	160.90	7.30	163.70	131.02

CRYPTOCURRENCIES

Name	Price (USDT)	(24h)
Bitcoin (BTC)	$ 8,515.10	2.21%
Ethereum (ETH)	$ 191.79	2.36%
Ripple (XRP)	$ 0.27	-3.23%
Bitcoin Cash (BCH)	$ 232.81	-1.23%
Litecoin (LTC)	$ 57.91	-0.89%
EOS.IO (EOS)	$ 3.13	-2.79%
Bitcoin SV (BSV)	$ 88.72	3.12%
TRON (TRON)	$ 0.01	-4.07%
NEO (NEO)	$ 7.53	-2.16%
Cardano (ADA)	$ 0.04	-3.22%
CryptoCompare Large Cap Index		-1.11%
CryptoCompare Small Cap Index		-1.69%

Market	$229,048,159,272
Bitcoin Volatility	-0.15%
Bitcoin Volume on BEQUANT Exchange (USDT)	281,114,362

Sources: Bequant.io, CryptoCompare.com
Prices and data are correct as of 15:30, 10.10.2019
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 final application for an ETF tied to the Bitcoin (Bitwise's Bitcoin ETF) has been denied by the SEC. However, given the low market expectations surrounding the event, the market was largely unfazed by this. Instead, the sentiment remained supported by the positive developments coming out of the DevCon 5 conference in Japan. Ethereum gradually advanced past $190 level, while Bitcoin is now trading in mid-$8.5k area.

The Bitcoin curve remains in contango, albeit the delta is off the levels observed earlier this year. Interestingly, the latest Commitment of Traders report shows that a lot of positions might have been left to expire in September.

There are several reasons that will cause the contango to collapse. For one, interest rates would have to decrease a large amount. Another reason is so called "delivery concern". When a producer, dealer, or speculator is short the front month, come expiration, it has a choice whether to make delivery or not. If not, the holder essentially needs to cover shorts and lease/borrow the asset from someone else and/or roll your shorts to a back month.

US SHARES

	Price	Chg	High	Low
3M	158.10	5.79	219.75	150.58
ABBOTT LABORATOR	79.63	-0.51	88.76	65.44
ADOBE	278.29	3.31	313.11	204.95
ALPHAB RG-C-NV	1215.45	6.78	1289.27	970.11
ALPHABET-A	1215.71	6.24	1296.98	977.66
AMAZON.COM	1731.92	11.66	2035.80	1307.00
AMERICAN EXPRESS	116.40	1.38	129.34	89.05
APPLE	236.21	6.12	237.64	142.00
AT&T	37.58	0.16	38.75	26.80
BANK OF AMERICA	28.91	0.46	31.17	22.66
BERKSHIRE HATH RG-B	208.08	1.22	223.59	186.10
BOEING CO	374.92	3.92	446.01	292.47
CATERPILLAR	128.40	5.71	144.77	111.75
CHEVRON	116.15	1.56	127.34	100.22
CISCO SYSTEMS	46.56	0.41	58.26	40.25
CITIGROUP	70.10	1.48	73.09	48.42
COCA-COLA CO	53.30	-0.36	55.92	44.25
COMCAST-A	45.55	1.05	47.27	32.61
COSTCO WHSL	297.60	0.46	307.34	189.51
DOW	47.13	2.21	0.00	0.00
EXXON MOBIL	68.98	0.73	83.75	64.65
FACEBOOK-A	184.19	4.16	208.66	123.02
GOLDMAN SACHS GR	204.68	4.81	234.06	151.70
HOME DEPOT	234.66	3.05	236.70	158.09
IBM	142.76	1.63	152.95	105.94
INTEL	52.09	0.98	59.59	42.36
JOHNSON&JOHNSON	131.33	2.27	148.99	121.00
JPMORGAN CHASE	116.14	1.93	120.40	91.11
MASTERCARD RG-A	275.91	2.08	293.69	171.89
MCDONALD'S	209.02	-2.74	221.93	161.86
MEDTRONIC	107.58	0.16	112.05	81.66
MERCK	84.34	0.58	87.35	66.10
MICROSOFT	139.68	0.58	142.37	93.96
NETFLIX	282.93	2.45	385.99	231.23
NIKE -B-	93.88	0.88	94.75	66.53
ORACLE	56.89	1.40	60.50	42.40
PEPSICO	137.64	-0.25	140.45	104.53
PFIZER	36.11	0.32	46.47	33.97
PROCTER&GAMBLE	121.09	-0.85	125.36	78.49
SALESFORCE.COM	149.37	2.96	167.56	113.60
TEXAS INSTRUMENT	130.09	2.36	131.80	87.70
TRAVELERS COS	142.60	1.04	155.09	111.08
TWITTER	40.36	0.82	45.86	26.26
UNITEDHEALTH GRO	222.07	-1.66	287.94	208.07
UTD TECHS	136.15	2.23	144.40	100.48
VERIZON COMM	59.93	0.10	61.58	52.28
VISA RG-A	177.06	2.18	187.05	121.60
WALGREENS BOOTS	53.99	1.06	86.31	49.03
WALMART	120.24	0.63	120.71	85.78
WALT DISNEY	130.02	0.68	147.15	100.35
WELLS FARGO	49.21	0.56	55.04	43.02

COMMODITIES

Gold	1494.80	-12.45	Copper Cash Official	5650.00	0.00
Silver	17.75	-0.03	Aluminium Cash Official	1728.50	9.50
Brent Crude	58.32	0.08	Nickel Cash Official	17745.00	0.00
Krugerrand	1530.35	12.10	Aluminium Alloy Cash Official	1120.00	0.00
Palladium	1684.00	25.00	Cocoa Futures	2458.00	50.00
Platinum	890.00	3.00	Coffee 'C' Futures	93.33	-0.17
Tin Cash Official	16375.00	50.00	Feed Wheat Futures	137.75	-1.29
Lead Cash Official	2128.00	0.00	Soybeans Futures Continuation Contract	934.20	10.60
Zinc Cash Official	2294.50	0.00			

CREDIT & RATES

BoE IR Overnight	0.750	0.00	Euro Base Rate	0.000	0.00
BoE IR 7 days	0.750	0.00	Finance house base rate	1.000	0.00
BoE IR 1 month	0.750	0.00	US Fed funds	2.25	0.00
BoE IR 3 months	0.750	0.00	US long bond yield	2.22	0.06
BoE IR 6 months	0.750	0.00	Euro Euribor	-0.493	0.01
LIBOR Euro - overnight	-0.573	0.00	The vix index	15.58	-1.99
LIBOR Euro - 12 months	-0.346	0.02	The baltic dry index	1924.00	-5.00
LIBOR USD - overnight	1.799	0.00	Markit iBoxx EUR	247.07	-1.07
LIBOR USD - 12 months	1.956	0.07	Markit iBoxx GBP	359.12	0.06
Halifax mortgage rate	3.990	0.00	Markit iBoxx USD	263.57	-0.64

WORLD INDICES

	Price	Chg	%chg
FTSE 100	7247.08	60.72	0.84
FTSE 250	20041.71	805.99	4.19
FTSE All-Share	3992.16	53.83	1.37
FTSE AIM All-Share	869.28	13.00	1.52
S&P 500	2970.27	32.14	1.09
Dow Jones I.A.	26816.59	319.92	1.21
Nasdaq Composite	8057.04	106.26	1.34
Xetra DAX	12511.65	347.45	2.86
CAC 40	5665.48	96.43	1.73
Swiss Market Index	10017.39	114.37	1.15
ISEQ Overall Index	6448.59	232.11	3.73
FTSEurofirst 300	1536.32	29.48	1.96
Hang Seng	26308.44	600.51	2.34
Shanghai Composite	2973.66	25.95	0.78
STI Index	3112.46	23.97	0.78
ASX All Ordinaries	6721.90	59.00	0.89

FORUM

EDITED BY RACHEL CUNLIFFE

Love him or hate him, Dominic Cummings played this right

John Hulsman

EVERYONE of a certain age who worked in New York or Washington has a 9/11 story; mine concerns Dominic Cummings.

It was sometime early in the afternoon of the unforgettable, nightmarish day. Three planes had already slammed into the World Trade Centre Buildings and the Pentagon, inflicting their awful havoc. A fourth plane had been commandeered by the al-Qaeda high-jackers and was sprinting for Washington.

I was aware that it was too close to the city to be stopped. So I gathered my very young (and very scared) staff and quietly said that – as we worked very near Capitol Hill – there was a one in three chance (I thought the White House the other plausible target) that the plane would strike the Senate side of the Capitol Building near to where we worked.

And that could well be the end of us. I said as that there was nothing I could do and, as I was one of my think tank's terrorism experts, the best thing was to keep on working and hope for the best.

Our telephones' silence, as they had been down for much of the day, left us feeling incredibly isolated. Just after my grim pronouncement, my phone rang sharply, jolting all of us with its immediacy. I answered and it was my friend, Dom.

Quietly, he said that he had been trying to get through for quite a while, wanted to know we were okay, and apologised (utterly unnecessarily) for taking up my time. Ringing off, Dom said, "Don't worry, we will get the bastards".

For this act alone, I will never be neutral about Dominic Cummings.

Though I have not spoken with him in quite a while, I do understand why the Remainer caste has made such a fetish of Dom, casting him as a modern-day Voldemort. Dom is that most dangerous of things, a true meritocrat.

I've seen him praise a waiter for doing his job well, just as I've heard him disparage a useless Tory grandee by calling him a muppet.

While worshipping ability sounds wonderful, the overrated of any political stripe are always going to be Dom's natural enemies.

Worst of all, in winning a Brexit referendum that he was supposed to lose, Dom bested (and humiliated) much of Britain's political class and commentariat, who have long been itching for revenge.

Lately, they seem to think that their chance has at last arrived, as Boris Johnson, urged on by his seemingly reckless de facto chief of staff, has committed his government to leaving the EU at the end of this month, come hell or high water.

There is now, even with the fast pace at which things are moving, a high risk that this is not going to happen. Time is running out for negotiations to be finalised, and while the government may be looking for creative solutions to parliament's legislative straitjacket, if they fall through the Prime Minister may still be forced to request an extension.

As a result, calls for Dom's head increase in pitch and frequency, almost by the hour.

But I must say that Dom Derangement Syndrome seems to have affected the critical faculties of his many enemies. From where I sit, they have underestimated him yet again.

> **I do understand why the Remainer caste has made such a fetish of Dom, casting him as a modern-day Voldemort**

Dom was not installed in Downing Street to primarily govern. Instead, he was given the great power he now exercises to manage the upcoming Tory campaign in what will surely be remembered as the Brexit election.

In urging the Prime Minister to very publicly commit himself to Brexit now and at any cost, Dom has underlined all the establishment forces that are not really against no-deal; they are against any deal.

The feckless parliament, the other-worldly courts, the pompous John Bercow, the rigid Michel Barnier, the clueless European Union – this motley cast of characters simply couldn't be bettered as enemies if Dom had dreamed them up himself.

All the Prime Minister has to be is not them, and he is likely to win a narrow but workable majority at the upcoming election.

Just one set of polling numbers signify to me why Dom is winning, contrary to the mantra about his (wished-for) ineptitude.

A ComRes poll in early October 2019 found that a whopping 83 per cent of respondents blamed parliament in general for the Brexit delay, 70 per cent blamed Remain MPs specifically, while 63 per cent pointed the finger at the European Commission.

Only 56 per cent blamed the Prime Minister for the mess.

In calling the bluff of the Prime Minister's foes, it seems to me that Dom has perfectly positioned the government to win an election that must come in the next few months. This, more than anything else, will determine the ultimate outcome of the Brexit drama.

Knowing the man as I do, I'd say there is decided method to his madness. Well done, Dom – you've foxed them again.

Dr John C. Hulsman is senior columnist at City A.M., a life member of the Council on Foreign Relations, and president of John C. Hulsman Enterprises. He can be reached for corporate speaking and private briefings at www.chartwellspeakers.com.

It's up to businesses to make sure no one gets left behind in the digital revolution

Peter Estlin

THE DIGITISATION of the global economy is transforming the way we communicate, work and live.

Today, you can transfer money to the other side of the world in the blink of an eye, pay for a coffee by tapping your phone, and open a bank account in minutes.

The startling growth of the UK's innovative tech, media and creative sectors is of course something to celebrate. Fintech is a huge UK success story – making it cheaper, easier and quicker for consumers and businesses to access products that better meet their needs.

To make the most of opportunities arising from the fourth industrial revolution, however, we need to make sure that everybody has the skills needed to flourish in a digital UK. That is why we launched the future.now coalition at Mansion House last week to empower and motivate us all to meet this challenge.

The skills gap is already costing the UK economy an estimated £63bn annually, which could grow even bigger unless we act now.

The reality is that we still are not doing enough, with more than 11m UK British adults lacking the vital skills needed to communicate and solve problems online, while three quarters of "offline" adults say that nothing could motivate them to change.

Technology has made it easier and cheaper than ever before to manage savings, set up a business, or send money to loved ones in other countries. It is a huge opportunity to improve the lives of millions of people.

That is why future.now is so important. This new coalition of leading companies, education providers and charities is working with the government to help everyone to thrive in a digital UK. The coalition is backed by commitments from more than 20 members, including our six founding partners: Accenture, BT, City of London Corporation, Good Things Foundation, Lloyds Banking Group, and Nominet.

We have the potential to reach millions of people across the country through digital skills training.

You might think that there is no shortage of digital training out there already, but too few people prioritise the need to keep up with rapidly changing technology. Even those who are motivated often do not often know where to start.

Working with leading consumer brands and the creative industries, future.now will help to shift perceptions of digital skills from boring and niche to fun and vital. It will also map what is available, and what works, to help people meet the challenge of digital skills.

It is time for major employers and broader civil society to step up, given that 53 per cent of UK employees do not have the essential digital skills required for the modern workplace. Together, the future.now coalition has committed to playing its part to address this national problem.

We are calling on organisations around the country to make the pledge to prepare their workforce for the smarter jobs of the future and motivate their customers to build their digital intelligence.

This coalition will help us all to enjoy the benefits of the digital revolution.

Peter Estlin is the lord mayor of London.

LETTERS
TO THE EDITOR

Phantom 5G

[Re: BT Mobile rolls out 5G for consumer and business plans]

BT has supposedly rolled out its 5G network in 20 UK towns. While 20 cities seem like a big upgrade from the original launch in six in May, the devil is in the detail when it comes to coverage of 5G – and all is not as it seems. In a test with a central London postcode, BT's coverage tracker came back with only "moderate 5G coverage outdoors", with no mention of any speeds that could be achieved.

For this patchy coverage, the pricing starts at £45 for only 12GB – a £25 premium on their closest tariff of 15GB on 4G. Every network expert will tell you that the cost of running a 5G network is much more efficient than a 4G network, so how can they justify this?

As it stands, these launches are just dishonest marketing. Customers will be required to purchase a new phone and a more expensive tariff, for only patchy coverage, so why bother?

Honesty and transparency are the currency of the modern consumer. There has to be a fundamental shift in the behaviour of mobile networks towards both consumers and innovation – it can't just be about profiting their bottom line.

Asad Hamir, founder, Klyk Tech

BEST OF TWITTER

New. Nearly 1 in 4 Labour 2017 voters now going Lib Dem. % Con 2017 voters going Brexit Party down to 17%
Conservatives 35%
Labour 22%
Lib Dem 20%
Brexit Party 12%
Green 6%
SNP 4%
YouGov Oct 8-9
@GoodwinMJ

Brexit compromise – if it exists and maybe it doesn't! – will be Schrodinger's Ulster. In and out of all the customs unions and whatever you do, *don't* open the box.
@alexmassie

This was always the only way. Organised hypocrisy and fudge. The thing has been fudged since the CTA in the 1920s. I just hope that the EU finally grasps this. Still doubtful.
@iainmartin1

If anyone is wondering what a negotiating "tunnel" is, it's just Brussels jargon for trying a bit harder not to leak everything
@joncstone

I do sometimes wonder how much British politics is all just one big psychodrama: Blair's quest for redemption; Corbyn to honour his parents; Johnson to prove his greatness; Major to finally beat the bastards; Cameron just to make life interesting
@TomMcTague

Me "I want to say Farage treats Johnson like a sadist treats a gimp."
Deputy editor: "That's not quite right"
Me: "I know, what do you call someone who is beaten by a dominatrix?"
Deputy editor: "Dunno, ask the subs."
Me: "THAT'S IT!"
@NickCohen4

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

Care about the kids? There's no excuse not to legalise cannabis

Norman Lamb

IF WE have the chance to reduce harm, we should take it. That idea – harm reduction – lies behind much of what any government seeks to do.

It is an uncontroversial principle. Yet there is a key area of government policy which does not abide by it: drugs.

Our government's approach is to pursue a misguided and ineffective War on Drugs, which does not reduce use, but instead makes things worse for individuals and for society.

So when I propose the idea of a legal and regulated market for cannabis, it is with harm reduction as the central focus. In my paper for the think tank Radix, "Protecting Children and Young People from Harm: The Public Health Case for a Legal Regulated Cannabis Market", I set out five key points in support of the case for reform.

First, it can decrease use among young people. New evidence published in the JAMA Pediatrics medical journal shows that in US states which legalised recreational cannabis, there was an associated eight per cent decrease in cannabis use among high-school pupils.

Obviously, we must be cautious about the results of any one paper, but this was a significant and substantial study. The researchers used data from 1.4m US pupils over the last 25 years.

This finding is fascinating. It flies in the face of the central argument used by prohibitionists – that legalising cannabis will lead to a free for all and will harm young people.

Second, it can reduce violence – a crucial consideration, given that the violence associated with the illegal drugs trade has the biggest impact on the most disadvantaged communities, especially teenagers, too often fatally.

US states on the Mexican border have seen much violence from the illegal drugs trade. Mexican drug trafficking organisations supply illicit drugs across the border and are allied to local gangs within the US states.

Yet when medicinal cannabis was legalised in these states, a new source of production opened up – reducing the power of the Mexican gangs. There was a 15 per cent drop in crime in California, and seven per cent in Arizona.

Third, legalisation cuts the vast profits going to organised crime. Estimates of the size of the illegal cannabis market in the UK vary between £1.3bn and upwards of £3bn each year. Imagine if we could use tax revenues to fund the NHS, our police, or schools. Instead, the government chooses to line the pockets of criminals.

> **We could use the tax revenues to fund the NHS, our police, or schools – instead, the government lines the pockets of criminals**

Fourth, we have a model for how this could work. Canada provides an excellent case study for how we could legalise cannabis in the UK.

There, the Liberal government introduced a regulated system a year ago. It's early days, but already the criminal market is diminishing. Even better, new jobs are being created.

Finally, if we are concerned about protecting teenagers from harm, we have a duty to act. By persisting with prohibition, the government directly puts young people at risk by pushing them towards the criminal market, where highly potent, dangerous strains of cannabis are available.

In London, 94 per cent of the street market is skunk, which is the cannabis strain linked to higher risks of mental illness. Milder, safer variants that are sold legally in other countries are not as easily accessible.

The obvious approach is to regulate, providing clearly labelled products so people know what they're consuming and can avoid the damaging stuff.

Legalising cannabis might seem counterintuitive if the aim is harm reduction. But once you recognise the horrific unintended consequences of a violent criminal market and dangerous unregulated substances being sold on the black market, any rational person is likely to conclude that this must be the way forward.

Leaving things as they are is an abdication of responsibility. To coin a phrase, we need to take back control from criminals who have no concern for the welfare of teenagers.

Sir Norman Lamb MP is chair of the Science and Technology Select Committee and a former health minister.

DEBATE

Inspiration versus perspiration: are great startups always about having a great idea?

YES

LILY COVINGTON

Marketing guru and Silicon Valley mastermind Guy Kawasaki famously said "ideas are easy, implementation is hard". But while ideas may be easy, truly great ideas are anything but.

In the fast-paced and saturated world of technology, a great idea means spotting a genuine market need – and being the first to come up with a solution.

Implementation may be hard, but it is the idea that pulls everything together. The idea should be the foundation which your strategy is built on.

Want to democratise insurance or bring investment products to ordinary people? If your pricing strategy and sales process fail to align with this mission, it doesn't matter how good your implementation is, your business will still struggle.

Without a great idea, even the most solid strategy will be mediocre. You risk your business becoming nothing more than an "execution machine", following process with no endgame in sight.

There are myriad elements that are crucial for building a great startup. But at the very core, the idea is fundamental.

Lily Covington is a senior strategist at commercial strategy firm Cruxy & Co.

NO

NICKY TOZER

The world is full of great business ideas, but unfortunately a great idea is not enough. History is littered with great ideas without a business plan, or great business plans without a team, or great products born too soon or too late or without funding.

If we have learned one thing from working with over 18,000 businesses around the world over the last 21 years, it's that execution is what matters most. Execution is not always glamorous, but it is what separates a great idea from a successful one. It's what makes a mission possible. And it's what makes a brilliant strategy come to life.

So, while a great idea is a good starting point, it is just that: a starting point.

Turning a great idea into a great startup and ultimately a great organisation requires business leaders to get it right consistently and relentlessly on nearly every measure – and in our experience, that requires a ruthless devotion to execution.

Nicky Tozer is vice president of EMEA of Oracle NetSuite.

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TRADING AMBITION in association with IG

Josh Warner
Senior writer, IG

ARE BIG TOBACCO'S DREAMS GOING UP IN SMOKE?

Vaping was meant to be the saviour of both Big Tobacco firms and those that are addicted to its products, providing a safer alternative for smokers and some much-needed growth for an industry in decline. But, following 12 deaths and over 800 cases of damaged lungs being linked to e-cigarettes in the US, the future of vaping could be about to go up in smoke.

Most of the cases are thought to have been caused by people buying illicit products, and nearly 8 out of 10 became ill after using an e-cigarette to vape products containing THC, the psychoactive element in marijuana. Investigations are underway, but initial reports suggest dodgy products sold on the street are the root cause. That has not stopped the Centres for Disease Control advising Americans to stop using e-cigarettes altogether until more is known.

But there is no smoke without fire. The US adopted a different approach toward vaping than other developed nations. Rules and regulations vary state-by-state. E-cigarettes are freely marketed to consumers as a new habit to take-up, and vaping plays a role in the country's legalised cannabis market. Analysts from Swiss bank UBS have previously described the US vaping market as the "least regulated" in the world.

Plus, the industry is under fire for targeting children and creating a new generation of nicotine addicts. This comes after a report earlier this year estimated 21% of American teenagers now vape. The finger is predominantly pointed at Juul, which controls over 70% of the country's vape market.

States including Michigan and New York have now banned the sale of flavoured e-cigarettes that are popular with teenagers, and president Donald Trump has threatened a federal ban. It is unclear whether that threat will become a reality, but some of the country's biggest retailers, including Kroger, Walmart and Walgreens, have already announced they will stop selling e-cigarettes altogether.

There is an understandable urgency in the US to limit any further damage, but it runs the risk of over-compensating for its lax approach to regulating the vaping market by banning it altogether. The US is the biggest vaping market in the world, and developments there are closely watched by everyone else. At least 14 countries have already banned e-cigarettes, but since the US health scare broke, China has stopped importing Juul vaping products and India has announced it intends to ban all e-cigarettes under emergency orders.

There is a lot at stake if the US leads the world to go against vaping. Altria, the largest tobacco firm in the US, has spent $13 billion on a 35% stake in Juul. This investment, along with the billions deployed by other tobacco firms, is now at risk. Imperial Brands cut its sales growth target in September in part because of the "challenging" market for its new products in the US.

Still, some may benefit. Many believe Philip Morris International, which pulled out of a merger with Altria when the crisis erupted, has had a lucky escape. Plus, it is just about to launch its heated tobacco product named IQOS, which is not the same as an e-cigarette, in the US at a time when people will be looking for a new way to get their nicotine fix. It has already had success with IQOS in Japan, where e-cigarettes have been banned.

All-in-all, the crisis shows the importance of regulation and the need for companies to embrace it. The industry has already done this in Europe. In the UK, e-cigarettes are touted as a smoking cessation aide rather than a new habit, and they have gained the support of public health bodies that have rallied round them as a safe alternative to smoking. There has been a handful of cases of e-cigarettes causing illness, but again linked to illicit products - and there has been zero deaths linked to e-cigarettes in the UK.

ENTREPRENEURS

FROM FLOWERS TO FINANCE

Katherine Denham meets the man who co-founded both Bloom & Wild and Moneybox

WHAT do a flower shop and an investment app have in common? More than you might think, says the co-founder of two flourishing British businesses, Moneybox and Bloom & Wild.

The latter was featured in *City A.M.* in 2017 and remains one of the fastest growing tech companies in the country, according to Deloitte.

"I know these businesses sound very different, but I see similarities all the way through," Ben Stanway tells me over coffee one morning in London Bridge. "In both sectors, customers were having a bad experience, which was usually a result of the existing players being really old-fashioned and taking their customers for granted."

It's a complaint that we hear time and time again about financial services, and it's for this reason that in 2016 the former analyst and stock-picker launched Moneybox with fellow founder Charlie Mortimer.

RISE TO THE OCCASION

The app aims to make investing really simple, even for beginners.

You select the type of savings or investment product you want (it's one of the few providers to offer the Lifetime Isa), and sign up from as little as £1. You're then given the option of whether you want to be a cautious, balanced, or adventurous investor.

"Rather than overwhelming customers with information, the most important thing is to make everything really easy to understand," Stanway says, adding that the aim is to get customers – many of whom are young professionals – in the habit of saving a little and often.

This comes at a time when the vast majority of the population is seriously underserved by the wealth management industry.

Indeed, Stanway points out that if you're in the top one per cent of the country in terms of wealth, you can afford to get a lot of help with your savings, investment, and financial planning – while the remaining 99 per cent of the population get almost no help at all.

> It's like having the choice between buying a Rolls Royce or no car at all

"It's like having the choice between buying a Rolls Royce or no car at all," he says.

THE ROOT OF THE PROBLEM

Full-on financial advice is unnecessary for most people, but small nudges or suggestions can make a big difference when it comes to getting your finances on the right track, or saving for a particular goal like a housing deposit.

And while retail banks will openly suggest credit cards or personal loans to their customers, many are far from helpful when it comes to saving and investing.

By comparison, Moneybox will suggest products that might be suited to your goals – so if you're managing to save lots of money every month, it might ask if you're saving for a house, and suggest that you open a Lifetime Isa.

One unique quirk of the app is that (if you want it to) it rounds up your spare change to the nearest £1. So if you were to spend £2.80 on a coffee from your bank account and you have this feature enabled, it would automatically put 20p into your savings – all of which adds up.

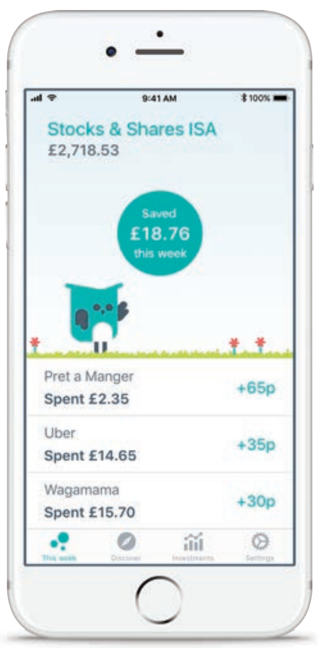
As for the fees, if you open a Moneybox Stocks and Shares Isa, you'll be charged 0.45 per cent per month for using the platform, between 0.12 and 0.35 per cent per month for fund management, as well as a £1 per month subscription fee. This makes Moneybox more expensive than some of its competitors, which start at 0.53 per cent all in. But you're essentially paying for the ease of use.

The business has also recently added pensions to its remit, with customers now able to merge their pots via the platform. "Many pension companies are really archaic – they send snail-mail letters written in financial jargon to old addresses, and then they are surprised when people don't know about their pensions," says Stanway, who is eager to shake up the industry.

With auto-enrolment, pensions are likely to become the biggest asset for most people, and yet the lack of knowledge leaves many underfilling their potential. "We are offering people a really simple way of bringing their pensions together – you'll be able to check your balance anywhere, anytime," he says.

SOWING SEEDS

Stanway is now almost entirely focused on Moneybox, but it is worth reflecting on his flowery past. Bloom & Wild was his first business, which he set up with chief executive Aron Gelbard back in 2013. The online flower shop modernised the way flowers are delivered, and is still growing strong with Gelbard at the helm. The concept is as simple as rounding up spare change into your savings: you order the flowers online and they come in flat boxes that can fit through letterboxes so it's just like sending a card.



The app rounds up spare change to the nearest £1 to help you save

The idea for both businesses stems from looking at the issues from a consumer perspective, considering what hurdles currently prevent people from sending flowers or saving.

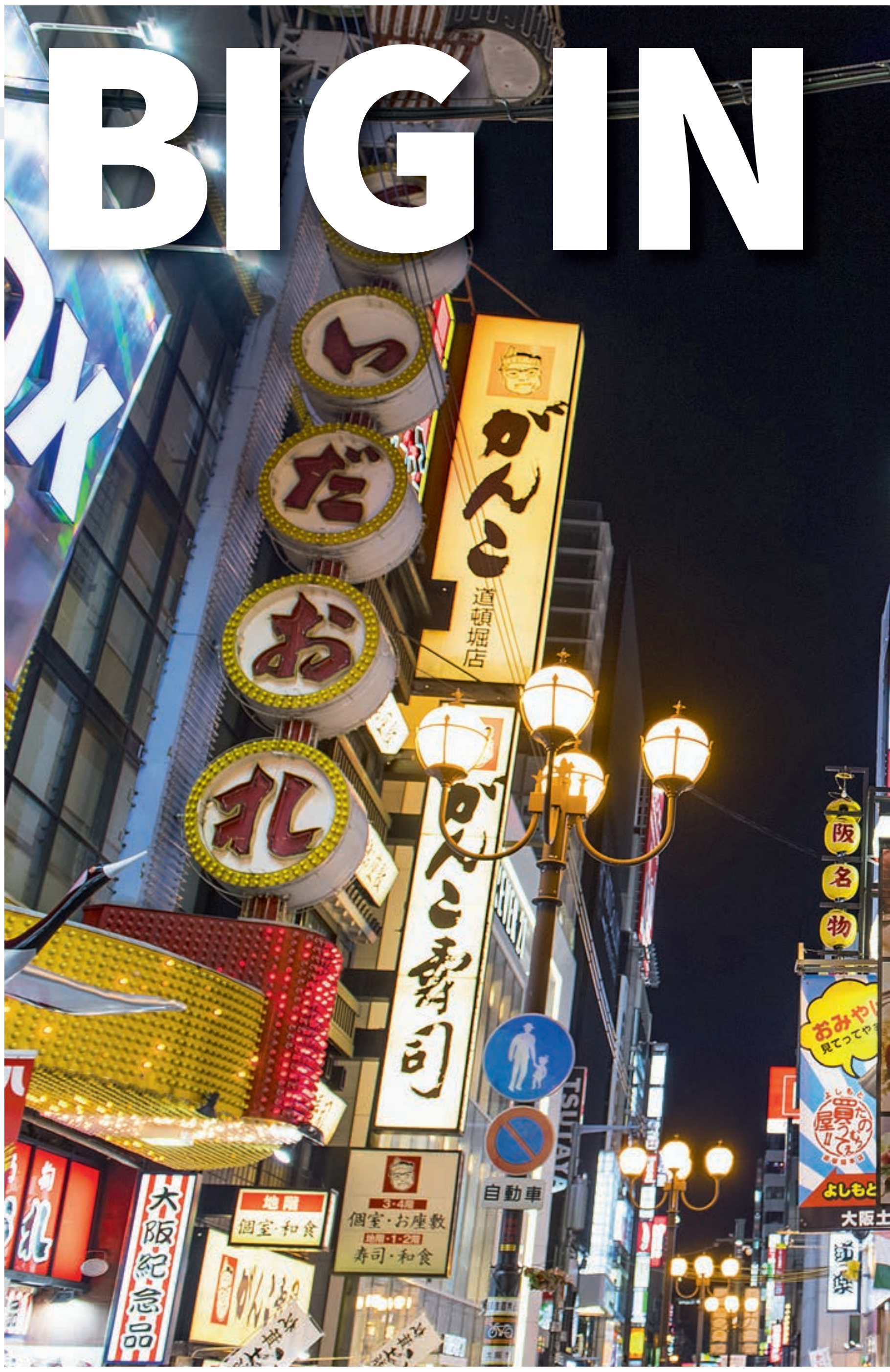
I ask how the seed was planted for that first business, and Stanway says it came from him ordering a bunch of flowers for his now-wife, which arrived in a battered box covered in ugly yellow stickers.

"The box may as well have contained a multi-plug adapter – no care had gone into it. Sending and receiving flowers is meant to be a joy, but the reality was a million miles from that. And ordering them was far more difficult compared to other things you might buy online."

Stanway may have branched away from the flower business, but the uniting feature between that and Moneybox is the way they use modern technology to bring outdated services into the twenty-first century. And they both look to bring joy to their customers in the process – whether that involves a bunch of flowers or buying a home.

TRAVEL

BIG IN



Giant crabs, neon-soaked streets, and well-mannered deer; Rugby World Cup host city Osaka is Tokyo's vibrant little sister, finds **Laura Millar**

Dotonbori at 11pm on a Tuesday night already feels like a trip. This is the main entertainment district of Osaka, Japan's third largest city, and it's a crazy riot of pulsing, Blade Runner neon and glittering, Times-Square-style illuminated billboards, all reflected hazily in the water of the canal which flows under the Ebisu-bashi bridge. Oh, and people; lots and lots of people. This is because Dotonbori isn't just Osaka's buzziest area, crammed with shops, theatres and bars, but also one of its culinary hotspots. And when people talk about Japanese food, many of the country's most famous dishes originated right here. Amusingly, the name Dotonbori itself translates roughly as 'to ruin oneself by extravagance in food'. Sounds poetic; in reality it basically means wandering around all the street food stalls, conveyor belt sushi dens and restaurants you can, stuffing as much in your face as possible.

At least, that's what I've been doing for the past couple of hours. And I'm not alone; everywhere I look, locals and tourists are standing in the street, brandishing various fried meats or fish on sticks, gorging themselves on gyoza dumplings, and blowing enthusiastically onto lava-hot takoyaki – small, deep-fried balls of octopus in batter. To find out which places specialise in seafood, all you have to do is gaze at the outside of the dozens of buildings which line the main street; they advertise their wares by means of giant, animatronic models. After a few highballs, it's hard to be sure whether the monster crab adhering to the side of one place actually has a life of its own, and is planning to make a run for it and scuttle off down the road.

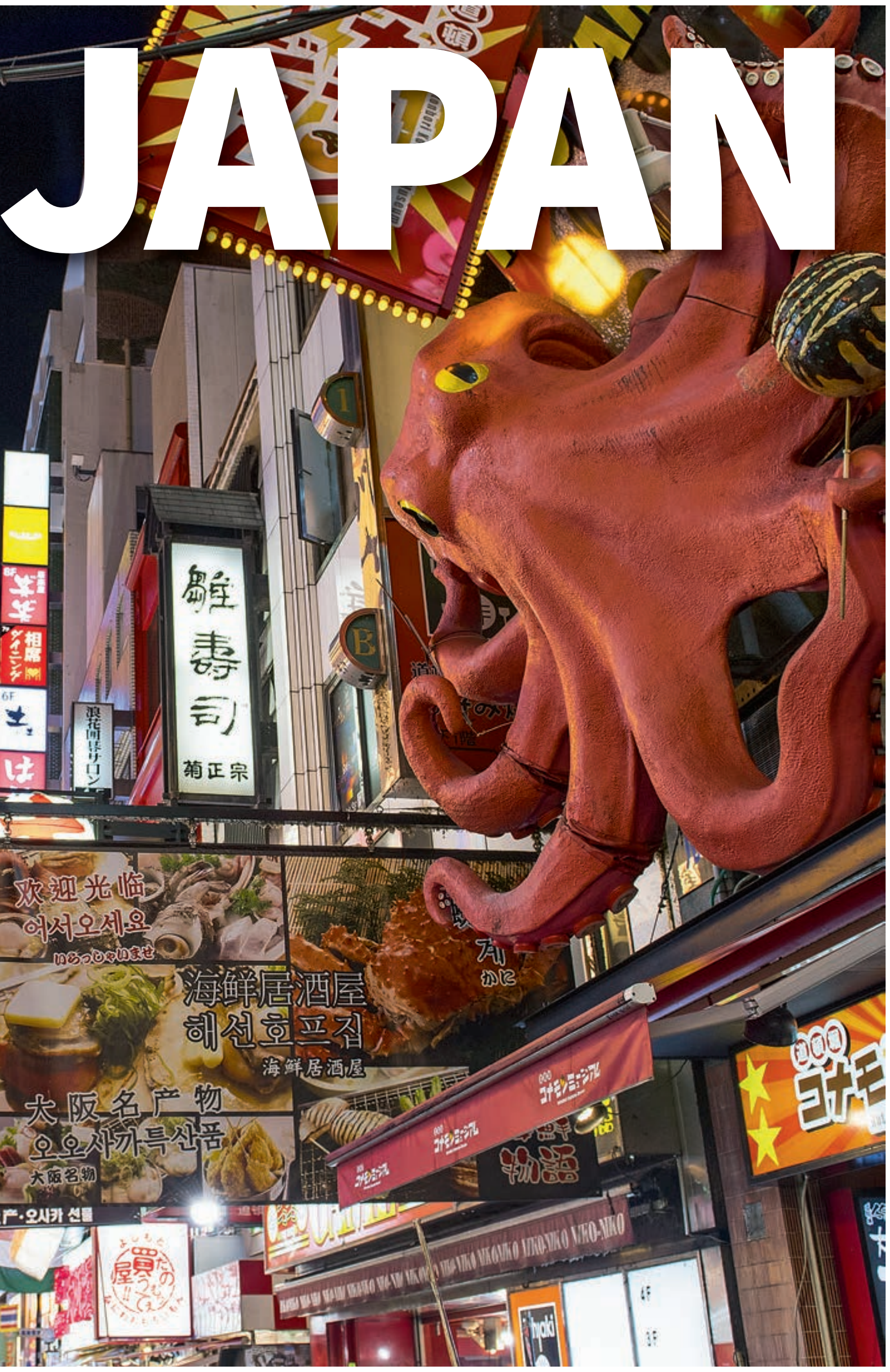
When you've had enough to eat, Osaka's bar scene is ready and waiting. Seek out its hidden, basement vinyl bars, and you'll be richly rewarded; often manned by grey-haired, pensionable rock geeks, these dimly-lit dives are usually so small you might be one of only a handful of customers, and therefore welcome to make requests. I find my thrill at one so dingy I don't even spot its name, where the long-grey-haired owner plays the likes of Blueberry Hill, followed by a smattering of Hendrix and Stones. Stumbling back to my hotel, the brand new, towering, glass and steel Conrad, at 3am, I reflect that Osaka can really give Tokyo a run for its money.

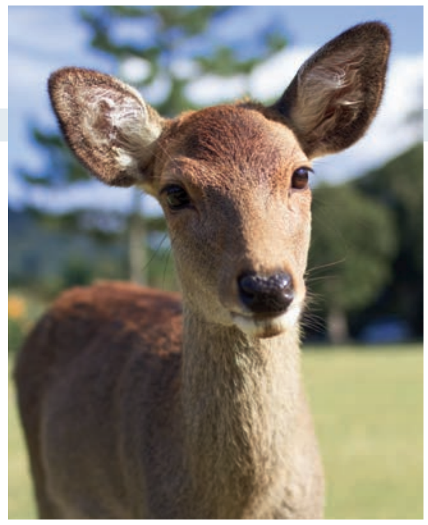
The city is under the spotlight right now for a couple of reasons; firstly, because BA recently launched a direct route here from London, and secondly, because it's one of the twelve host cities in this year's rugby World Cup. Visitors will find a smart, but not sterile, metropolis, where modernity and history combine. Exploring beyond Dotonbori, I start with the outskirts. In the northern district of Suita is the site of the former World Expo of 1970, held at a time when Japan was slowly starting to open up to the west. 64 million people came over a six month period, which gave Japan not only the chance to display their culture, but let them see what was going on in the world around them.

The food stalls of Osaka's Dotonbori district are world-renowned

It's set in beautiful, landscaped gardens, blooming with flowers. In one corner is the Museum of Ethnology, which contains some of the many unusual artefacts which had been on show at the Expo, from regions such as Africa and South East Asia. Standing out on the horizon is the iconic Tower of the Sun, a vast, totem-like sculpture with wings, and three faces – representing the past, present and future – designed by artist Taro Okamoto. You can climb to the top, but I elect to stroll through the scenery, passing through miniature bamboo forests, by small waterfalls, and alongside koi carp ponds. It's like being in a delicate woodblock print, a feeling enhanced by the number of locals sitting sketching clumps of moss on a rock, or a few leaves of fiery-coloured Japanese maple. Afterwards, I

JAPAN





Left: The glittering food markets on Dotonbori Street; Above: The polite, bowing deer of Nara Park, and Osaka Castle

head to one of the city's most traditional sights, Osaka Castle – a pretty, tiered, wedding-cake-like confection in white, gold and pale green. Dating from the 16th century, it was home to samurai warriors and their heirs; scaling its somewhat narrow stairs, I find displays of ancient armour and weaponry and information about the castle's history spread over several different floors.

Osaka has another advantage, in that it's well placed for fascinating sights beyond the city limits. Love a good temple? Knock yourself out in Kyoto, an hour away by train, where there are over 1,600 of them. Don't miss Tenryu-Ji, with its beautiful landscaped gardens, To-ji, with its pretty pagoda, or the spectacular Fushimi Inari shrine, which impresses with its rows of red gates (there are, apparently, 5,000).

For the ultimate in retirement homes, check out the Golden Pavilion, or Kinkaku-Ji, built in 1397 by a rich shogun when he withdrew from military life. Today it's still almost entirely covered in gold leaf – take that, Kanye. A whizz around Gion, one of Kyoto's oldest neighbourhoods, might involve the brief, sudden sighting of a geiko – otherwise known as a geisha – or a trainee, known as a maiko. These otherworldly creatures slip discreetly from doorway to taxi, taxi to doorway, clad in opulent, patterned silk kimono, on their way to or from their bizarre, ritual forms of entertainment, where they warble weird tunes, pluck at two-stringed instruments, or play silly children's games with rich men.

Elsewhere, it's a 45-minute drive to Nara, a region known for two amazing things. One is the Kehayaza Sumo Museum, in the small town of Katsuragi, which opened in 1990 and is full of information and history about how this rather unusual sport evolved. It transpires it became a thing 2,000 years ago, after a local man, Taimano Kehaya. boasted about his strength, causing the then-emperor to put him to the test, calling for any man in the land to try and beat him. Alas, someone did (resulting in poor Taimano losing his life), but clearly the emperor had found the whole thing highly entertaining, and a sport was born. The museum also gives demos by trainee wrestlers, and the sight of two men who look like giant babies trying to push each other over a rope boundary in the middle of a ring is actually endlessly compelling.

One last essential while you're here is a visit to Nara Park. Why? It's home to around 1,200 spotted deer, who have been allowed to live here, and have been looked after, for centuries (something to do with them being sacred, apparently). Today they are worshipped by throngs of adoring tourists who come here specifically to feed them from little packets of special biscuits, sold on site (£1 a pop). Once they get a sniff of them, they surround you like fans at an Ed Sheeran gig, trampling over each other to get to the good stuff. But then, what's this? They actually start bowing, politely, like all good Japanese do, in the sincere hope you'll give them their treat. I've seen it all now; like I said, it's a trip...

NEED TO KNOW

- Executive rooms at **Conrad Osaka** start from £442pn; book via *conradhotels.com*
- **British Airways** flies direct from Heathrow to Osaka from £599 return; visit *ba.com*

OFFICE POLITICS

Employers, it's time to add some lances to your armoury

Going freelance is clearly appealing to workers, but what's the benefit for bosses?

Albert Azis-Clauson

TALK to graduates, new mothers, or young creatives about work today, and the one word you're likely to hear more than any other is freelance.

The term itself certainly isn't new. In Walter Scott's 1819 novel Ivanhoe, paid mercenaries described as "free lances" are offered from one feudal lord to another. Fast-forward 200 years, and freelance has taken on a whole new vigour, spurred on by a more modern army, looking to earn a living flexibly and be their own lord – or rather, boss.

There are now an estimated 2.1m freelancers working in the UK, contributing up to £145bn to the economy. For many employers, hiring them has become the norm, with a recent study finding that two in five business owners predict their use of freelancers will grow faster than their number of permanent hires in the next five years.

So why should employers be caught up in the freelance phenomenon, just because more people are choosing this kind of lifestyle? Well, along with offering an extra pair of hands when permanent staff are stretched, freelancers bring a number of financial and cultural benefits to a company which pay off in the long term.

Freelancers are modern army, looking to earn a living flexibly and be their own lord – or rather, boss

DIVERSITY OF THOUGHT

Hiring someone who has worked at several different organisations can bring valuable new insights, perspectives, and practices to a company. This diversity of thought will help with problem solving and encourage permanent staff to consider new ways of approaching old tasks.

A freelancer's experience can also help a company to keep in touch with different parts of the market, ensuring that the business is not missing a trick against the competition.

SAVE ON ONE-OFF PROJECTS

Occasionally, a new project will arise which requires a specific skill set, and the options available are to either train a member of staff to meet this need, or to hire a freelancer for the project.

With the latter option, the freelancer – already skilled in this area – is going to hit the ground running and should finish the job sooner and to a higher standard. This will make it a cheaper option in the long run, while impressing the client with better work.

SECURING THE BEST TALENT

According to the self-employed professionals association IPSE, the number of UK freelancers has risen by 46 per cent since 2008, partly driven by the surge in skilled women going it alone.

With such a vast and growing talent pool, employers who ignore this section of the workforce will miss out on some of the best people, especially in the creative industries where a third of workers are self-employed.

On the other hand, those businesses which consider freelancers when filling gaps in their workforce may elevate the company's performance, while also inspiring permanent members of staff to raise their game.

Freelancers have come a long way since the days of Scott's mercenaries, yet the unique skills, experience, and know-how that they can inject into a business may still be the difference between winning and losing battles.

In a world where the concept of work is fast evolving, I would encourage all employers to evolve their philosophies too, by embracing the freelance phenomenon and reaping its rewards.

Albert Azis-Clauson is chief executive and founder of freelancer site UnderPinned.

FIND A FREELANCER

Fiverr
Free

Fiverr advertises itself as the "largest marketplace for digital services". Whether you're an employer seeking help to finish a project, or a freelancer looking to access more work around the world, this app might be the answer. There are over 100 different service categories on Fiverr, so whatever you're looking for, someone in the app's global network will have the skills to help you out.

COFFEE BREAK

SUDOKU

Place the numbers from 1 to 9 in each empty cell so that each row, each column and each 3x3 block contains all the numbers from 1 to 9 to solve this tricky Sudoku puzzle.

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

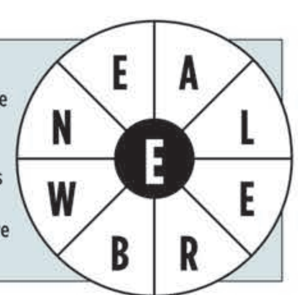
KAKURO

Fill the grid so that each block adds up to the total in the box above or to the left of it.

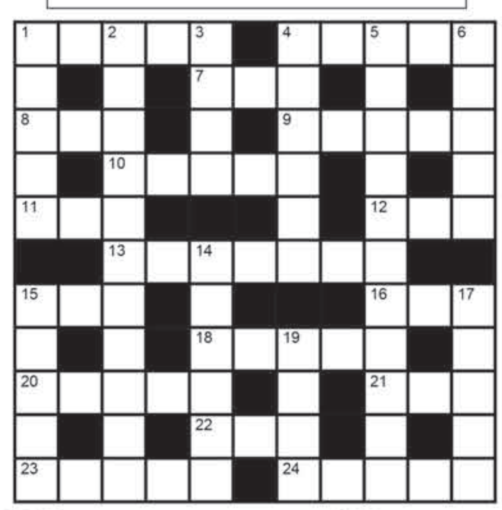
You can only use the digits 1-9 and you must not use the same digit twice in a block. The same digit may occur more than once in a row or column, but it must be in a separate block.

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 Liquorice-flavoured seeds (5)
4 Addition, subtraction, etc (abbr) (5)
7 Israeli submachine-gun (3)
8 Snake (3)
9 Dish out (5)
10 Colloquial term for one's ancestry (5)
11 Time period (3)
12 Snake-like fish (3)
13 Frame supporting the body of a car (7)
15 Deep hole (3)
16 Vat (3)
18 Roll of tobacco (5)
20 Recess (5)
21 Electrically charged particle (3)
22 Small coin (3)
23 Book of maps (5)
24 Round objects used in games (5)

DOWN

1 Humble (5)
2 Not workable, speculative (11)
3 Major monetary unit (4)
4 Informal term of address for a wife (6)
5 Earthly (11)
6 Carapace (5)
14 Admission (6)
15 Bamboo-eating mammal (5)
17 Public announcement of a proposed marriage (5)
19 Wormlike insect larva (4)

LAST ISSUE'S SOLUTIONS

QUICK CROSSWORD

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

KAKURO

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

SUDOKU

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

WORDWHEEL

The nine-letter word was CLERGYMAN

Japan stun Scotland with vibrant World Cup display

Hosts produce scintillating rugby to reach quarter-finals for first time, writes **Felix Keith**

THE FACT that Japan made history, beating Scotland 28-21 to reach the Rugby World Cup quarter-finals for the first time in their history yesterday, was remarkable enough. But to do so on their own turf, in such style and in front of an adoring fan base just hours after the pain and destruction wreaked by Typhoon Hagibis was even more special.

Scotland's build-up to the game was dominated by what would happen if the game didn't go ahead.

In the end it wasn't the weather which knocked them out in the group stages for only the second time in their history, but an emotionally charged and high quality performance from the tournament's hosts.

Having spoken of taking legal action against World Rugby only to lose to the Tier Two nation for the first time in eight games, questions will be asked of Scotland's squad, and in particular coach Gregor Townsend. They fell short of expectations and didn't deserve to progress to the knockout clash with South Africa.

And yet, considering the devastating and all-consuming backdrop to the fixture and wider significance to the sport, yesterday's events in Yokohama were all about glory for Japan.

While Japan's famous 34-32 victory over South Africa in the 2015 World Cup still holds its standing as the biggest upset in rugby union history, wins over Ireland and Scotland in their own tournament have underlined their status as a team on the rise.

Japan don't play in the Six Nations. They don't play in the Rugby Championship. But in the last fortnight they have beaten two established nations, finished top of Pool A with four successive wins and moved past France into seventh place in the world rankings.

"You can just look around and see how special a moment this is for our team and for this country," said Japan coach Jamie Joseph.

"I think the world has always respected Japan, but Japan have not always trusted themselves. Tonight we went up another level."

The way they ascended to that level was certainly easy on the eye.

Japan winger Fukuoka used his pace to deadly effect, scoring twice

Unlike some other so-called smaller nations, Japan don't count on a physical forward pack as their biggest weapon. Instead they rely on rapid ball from the ruck via excellent scrum-half Yutaka Nagare, ambitious and exciting running from just about every position and bold, inventive and skilful ball-handling from all 15 players.

Their four tries against Scotland were a brilliant display of that philosophy. Kotaro Matsushima benefited from Kenki Fukuoka's pace and offloading ability to run in the first before Keita Inagaki touched down inside the posts following a run of three perfectly executed offloads.

Timothy Lafaele's well-judged grubber kick on the run set up the lightning-quick Fukuoka to make it 21-7 before half-time and the winger's rip and break minutes after the restart ensured Scotland would require a miraculous recovery to progress.

Scotland did mount a comeback through WP Nel and Zander Fagerson's tries but Japan defended manfully to hold on and claim the chance to repeat their historic win over the South Africa four years ago when they face the Springboks in the quarter-finals on Sunday.

FORMAT SHAKE-UP KEEPS EURO GAME OPEN TO ALL

With its diverse locations and free TV coverage, Euro 2020 promises to be a rare treat, says **Neil Hopkins**

EVERY time Indiana Jones takes a plane, his journey is illustrated by a red line moving gradually towards its destination, the aircraft pivoting now and again to refuel as it traverses continents.

For those still recovering from trying to understand the Uefa Nations League, the Raiders of the Lost Ark motif helps explain what will happen at Euro 2020.

It's simple. Instead of heading from San Francisco to Nepal via Hawaii and Manila, a nation that qualifies and is drawn in Group A, for example, could in theory reach Wembley for the semi-finals via Rome, Baku, Bucharest and Saint Petersburg. For the teenagers out there, it may seem reminiscent of Alan Partridge's World Cup '94 Soccermeter, but essentially it boils down to the European Championship finals being held across the continent for the first time in the competition's 60-year history, with 12 host cities in all.

Ahead of tonight's qualifier against Bulgaria, England appear well placed to qualify, so, where Indy wore a tattered leather jacket and a carried a bullwhip, Gareth Southgate will don his celebrated waistcoat and carry a nation's dreams.

Footage of stars such as Ronaldo are increasingly kept behind a paywall

ADDED CHALLENGE

But how different will this tournament feel to past campaigns? To the stay-at-home fan, probably not much. International tournaments are presented in a consistent way regardless of location.

A little colour is added by the location of the broadcast centre on, say, Red Square, or a nod to local culture in the design of the tournament emblem, but broadly speaking the games could be taking place anywhere.

For the travelling fan, however, travel will be the operative word. The route to the final outlined above would be an 8,000-mile round trip with the added challenge of only being able to book transport and accommodation for the business end of the tournament after the group stage.

Although England have been pre-drawn to play at least two group games at Wembley, they would then be on the road for the round of 16 and quarter-finals.

As such, the chance to experience different footballing cultures should nonetheless act as a huge pull for England fans at precisely the point it is becoming less straightforward to watch European football on TV.

Let's raid the lost archive for a moment to a time when Southgate was better known for missing penalties than missing sleeves.

Euro '96 featured players who were already household names thanks to Channel 4's Gazza-inspired coverage of the Italian league. Two years later,

Sky Sports began broadcasting Spanish football and the best of the rest were on show for all with Champions League nights a staple on ITV.

Nowadays, fans are more likely to have become aware of the likes of the Argentine Juventus star Paulo Dybala from playing the Fifa video games than watching him on TV. Football Italia allowed fans to keep track of Gascoigne and the clutch of England stars, such as David Platt and Paul Ince, who followed him to Italy. Then, Sky's LaLiga coverage let them to monitor the progress of Michael Owen, Steve McManaman and David Beckham at Real Madrid.

GREATER SIGNIFICANCE

This season, in order to keep tabs on England right-back Kieran Trippier at Atletico Madrid, fans have had to keep patient while a broadcaster was found willing to meet the reserve price for LaLiga football rights in the UK.

> The chance to experience other footballing cultures should be a huge pull

As it stands, to watch LaLiga or Serie A requires a subscription to Premier Sports, which is, in all likelihood, an additional cost for fans to bear alongside a BT Sport and/or Sky package.

The huge investment the likes of Sky and BT Sport now have to make to retain their marquee rights – the Premier League and Champions League – mean budgets no longer stretch to the £18m per season Sky was reportedly paying LaLiga before declining to bid for a renewal.

With live club football all but vanished from terrestrial TV, the flagship international tournaments like Euro 2020 take on even greater importance. They offer every fan the chance to watch the very best players without having to pay, while a revamped European Championship format will offer a glimpse of footballing cultures that are increasingly closed off to English fans.

This time, with Wembley hosting both semi-finals and the final, football really is coming home. England fans will hope the team can go at least one better than their last crusade.

Neil Hopkins is a director and global head of strategy at M&C Saatchi Sport and Entertainment.

FOOTBALL FOR ALL?
Fans can get cosmopolitan fix from revamped Euros PAGE 27

SPORT

DOWN AND OUT Japan stun Scotland to reach the Rugby World Cup quarter-finals

Scotland were knocked out of the Rugby World Cup in the pool stage yesterday after losing 28-21 to Japan. The game had been in doubt following the destruction of Typhoon Hagibis, but hosts produced a brilliant performance to finish top of Pool A and set up a quarter-final with South Africa. Finn Russell put Scotland ahead early on before Japan roared back with three quick tries. Kotaro Matsushima, Keita Inagaki and Kenki Fukuoka all crossed before half-time and Fukuoka ran in another after the break to put them 28-7 ahead. Tries from WP Nel and Zander Fagerson got the Scots within touching distance, but Japan held on to reach the knockout stages for the first time in their history.

SPORT DIGEST

WALES HOLD CROATIA TO DRAW AS SCOTS HIT SIX

Gareth Bale scored as Wales held Croatia to a 1-1 draw in Euro 2020 qualifying in Cardiff last night. Nikola Vlasic found the corner to give the World Cup runners-up the lead early on but Bale's sweet finish levelled it to keep Wales's Group E hopes alive. Scotland ended a run of four defeats as John McGinn scored a hat-trick in a 6-0 thrashing of San Marino.

BOTTAS MAKES HISTORY FOR DOMINANT MERCEDES

Valtteri Bottas won the Japanese Grand Prix yesterday to secure a record sixth successive World Championship double for Mercedes. Bottas finished ahead of Ferrari's Sebastian Vettel and Mercedes teammate and leader Lewis Hamilton. The result sealed the constructors' title for Mercedes with four races remaining, while Hamilton can now only be caught by Bottas.

KOSGEI SETS NEW RECORD FOR WOMEN'S MARATHON

Kenya's Brigid Kosgei smashed the women's marathon world record as she retained her Chicago title yesterday. Kosgei ran two hours 14 minutes and four seconds to comfortably beat Paula Radcliffe's mark of 2:15:25 set at the London Marathon in 2003. Meanwhile, Mo Farah finished eighth in the men's race, over four minutes behind Kenyan winner Lawrence Cherono.

FRASER TAKES GOLD ON THE PARALLEL BARS

Britain's Joe Fraser won his first World Gymnastics Championships gold medal in the men's parallel bars yesterday. The 20-year-old got a score of 15.000 in Germany to become the first British gymnast to ever win a medal in the discipline. Simone Biles won two golds to become the most decorated athlete in World Championships history.

SOUTHGATE'S QUANDARY

England in need of fine-tuning but not dismantling in light of Czech setback, says **Frank Dalleres**

OVERREACTION clings to international football, where the relative infrequency of fixtures lends absurd weight to every result.

So it was inevitable that England's flat performance and surprise defeat in Friday's European Championship qualifying match against the Czech Republic prompted not only justifiable soul searching about the team's level but also some wild calls to abandon the current tactical direction and revert to a five-man defence.

What is clear, however, as Gareth Southgate looks to right his faintly listing ship against Bulgaria this evening, is that the setback in Prague was no fluke and the national team has issues that must be addressed.

Defensively, England are unconvincing. For all of their exciting attacking potential, they were deeply suspect at the back against the Czech Republic and in the previous 5-3 win over Kosovo. Although they swept tonight's opponents aside 4-0 last month, a poor Bulgaria side still cut through with alarming ease at Wembley.

Southgate seems intent on rotating his full-backs, with Kieran Trippier and Danny Rose playing one game and Trent Alexander-Arnold and Ben Chilwell the next, and perhaps that is not helping. But the bigger problem is at centre-back, where Michael Keane looks out of sorts. There is no easy solution currently at hand.

Southgate's side lost for the first time in 44 qualifiers

When fit again, John Stones will likely resume his partnership with Harry Maguire. In the meantime Southgate's other options are Joe Gomez, who has not convinced with Liverpool this term, and two uncapped players who were operating at Championship level last season, Tyrone Mings and Chelsea youngster Fikayo Tomori.

The real quandary lies in midfield, though. Southgate's experiment with swapping a three-man system for the duo of Declan Rice and Jordan Henderson supporting a more advanced third man – Mason Mount making his first international start – backfired in Prague. Despite taking an early lead, England failed to exert control, leaving their defence exposed and their forwards' powder dry. There must be temptation to restore the more box-to-box Ross Barkley in place of Mount. For all that Barkley is a flawed player whose decision-making continues to be a weak point, the Rice-Henderson-Barkley combination was effective enough against Kosovo and Bulgaria, while he had maybe the best of his 32 England outings in the 5-1 win in Montenegro in March. With opportunities to hone his tactical approach in competitive situations limited by the scarcity of games, Southgate may reasonably feel it is wiser to work on a system that has some legs.

> Now that friendlies have all but disappeared, this is the ideal setting for experimentation

On the other hand, if ever there was a time to try new idea then this is it. Whatever happens in Sofia, England will reach Euro 2020; before Friday, their first defeat in a qualifier for 10 years, they had taken maximum points in the group. Maybe the Rice-Henderson-Mount axis needs more time to gel, to learn their roles. Or maybe Southgate has another possible solution worth trialling. The England manager's progress stems from a tactical bravery and now that friendlies have all but disappeared, this is the ideal setting for experimentation.

England are not broken, just as they were not world beaters last month. A 4-3-3 system or slight variant has been a huge success, freeing Raheem Sterling to reproduce his club form in a similar role, and any move back to a five-man defence would almost certainly sacrifice that. The defence must improve and the right blend in midfield remains elusive, but there can be hope that if the latter is fixed the former will benefit too. What is needed is fine-tuning, not a dismantling.