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NOT SO FAST CHINA MAY BE A GLOBAL POWER BUT IT WON'T BE OVERTAKING THE US ANYTIME SOON P20

MONDAY 25 NOVEMBER 2019 | ISSUE 3,507 CITYAM.COM FREE

BORIS PLAYS IT COOL WITH LOW-KEY PITCH

STEFAN BOSCIA
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BORIS Johnson launched the Tory election manifesto yesterday, after polls showed his party has now built a significant lead over Labour.

The Prime Minister travelled to the marginal Shropshire constituency of Telford to unveil the manifesto, a notably low-key document which seeks to put clear blue water between his party and the free-spending opposition.

His speech focused mainly on Brexit and gave details of just one new policy — a promise to train 50,000 new nurses and create 50m new GP appointments.

"We believe after three-and-a-half years it is time to unleash the potential of the whole country and forge a new Britain," he said.

The manifesto reveals plans to spend £100bn on new infrastructure, including building a "Northern Powerhouse Rail" between Leeds and Manchester and upgrading railways connecting the midlands. A target of 1m homes to be built by end of the parliament is also included.

It also confirms earlier announcements of a "triple tax lock" ruling out any increases to VAT, income tax and national insurance, in addition to a review of business rates and an increase in the national insurance threshold.

Details of the long-touted points-based immigration system are also revealed.

The Australian-style system will treat EU and non-EU citizens equally, and will prioritise people with a good grasp of English, tertiary qualifications and those with a history of being "law-abiding citizens".

The manifesto confirms a previous announcement that immigrants would have to "pay-in" to the NHS, via a fee currently levied on non-EU migrant visa applications, before accessing services.

Johnson said in his speech that voters faced a choice between "out and out retrograde destructive socialism" and "sensible one nation Conservatism".

"I say let's go carbon-neutral by 2050 and Corbyn-neutral by Christmas," he added.

The Prime Minister, however, ditched the pledge he made during the Tory leadership election to cut taxes for higher earners, which experts said would cost £20bn.

Instead, the Tory manifesto includes tax cuts worth on average £3.3bn a year over the next four years.

Spending watchdog the Institute for Fiscal Studies (IFS) said the manifesto is "modest".

The organisation's director Paul Johnson noted that other than health and school spending, the document "suggests that for most services, in terms of day-to-day spending — that's it."

Last week the IFS chief described Labour's spending plans as "colossal" and "not credible".

Free market think tank the Adam Smith Institute welcomed a "robust" Conservative manifesto, but said it fails to "address the ballooning size of the state" and that "splashing out... will do little to solve structural issues".

The launch came as new figures revealed that Labour's manifesto unveiling last Thursday failed to generate the momentum that its campaign-turning 2017 effort did.

The latest Opinium/Observer poll released yesterday had the Tories up 47 per cent, Labour on 28 per cent, the Liberal Democrats on 12 per cent and the Brexit Party down to just three per cent.

The Tories' vote jumped three points since last week's poll, while Labour stayed stagnant. A YouGov/the Times poll showed the Tories on 42 per cent and Labour on 30 per cent — identical to last Wednesday's numbers.

THE CITY VIEW: P3

LVMH nears $16bn deal for Tiffany

JESS CLARK
@jclarkjourno

LUXURY fashion house LVMH — the owner of Louis Vuitton — is close to buying jewellery retailer Tiffany & Co for about $16.3bn (£12.7m).

LVMH, which also owns Dior and Moet & Chandon, is nearing an agreement to acquire the US jeweller for $135 per share, in a deal that is expected to be announced later today.

Jewellery is one of the fastest growing parts of the luxury goods market and the purchase, which would be the largest in LVMH's history, would strengthen the company's watch and jewellery division, which includes Bulgari, Hublot and Tag Heuer.

Earlier this month Tiffany rejected a $120 per share, all-cash offer from LVMH to buy the company, saying the $14.5bn bid significantly undervalued the firm.

It was reported last week that LVMH had persuaded Tiffany to provide it with confidential due diligence after it raised its bid to close to $16bn. The iconic jewellery chain, which was founded in New York in 1837 and made famous by the 1961 film Breakfast at Tiffany's, had suffered from slumping sales and profit since 2015, before a revenue turnaround in 2017.

Battle of the billionaires: Bloomberg enters crowded race to take on Trump

SEBASTIAN MCCARTHY
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US PRESIDENT Donald Trump made history after becoming the first New York billionaire to move into the White House, but now it looks as if a fellow titan of the Big Apple is hot on his feels.

Michael Bloomberg officially kicked off his campaign to become the next US president yesterday, entering an already-packed field of Democratic nominees.

The former New York mayor and eighth-richest American is embarking on a $31m (£24.1m) ad splurge as he looks to see off current frontrunners such as Elizabeth Warren, Bernie Sanders and Joe Biden.

The 77-year-old said he was running "to defeat Donald Trump and rebuild America", despite having previously ruled out claims that he would enter the race.

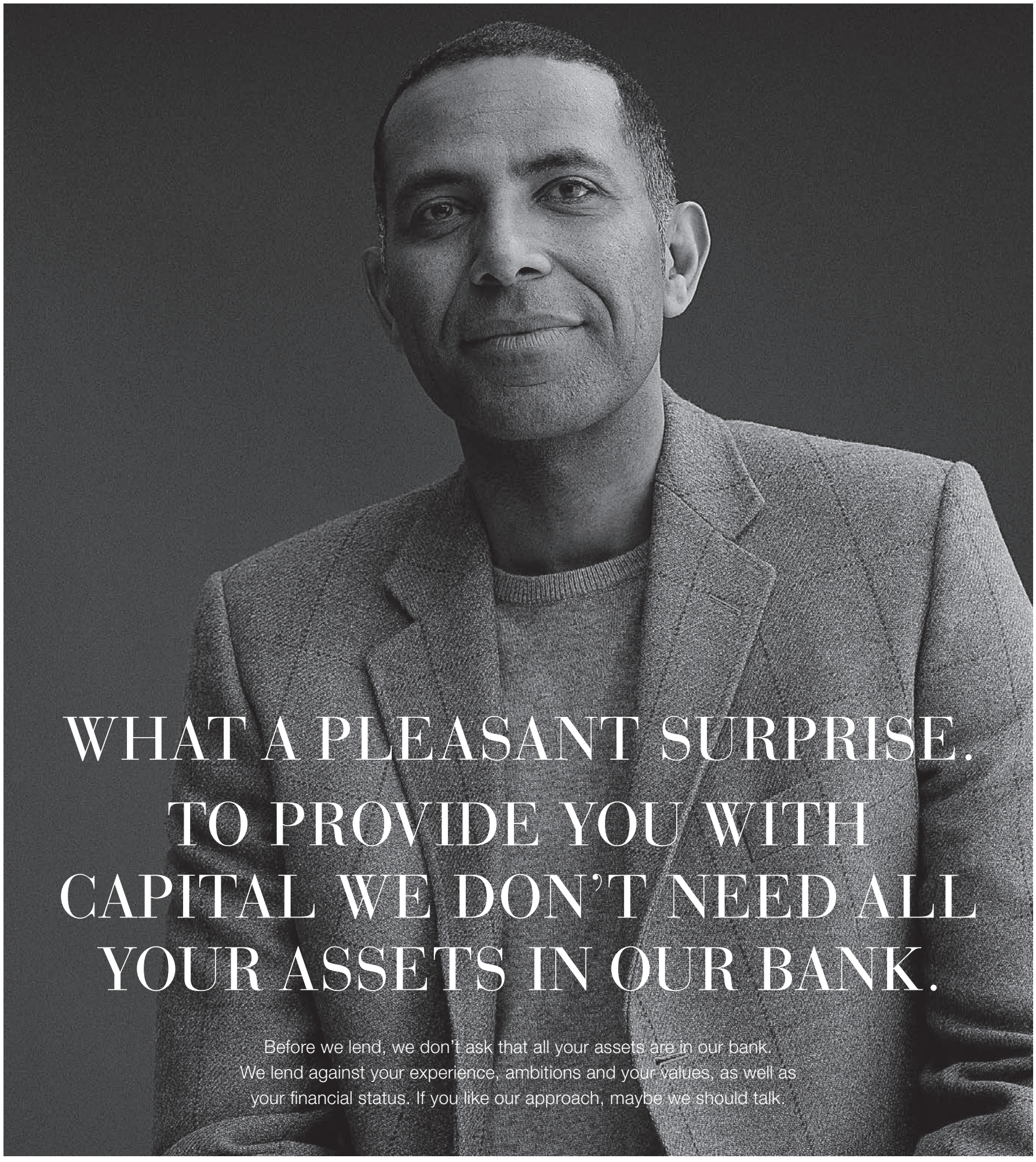
The presidential hopeful, who owns the eponymous media company, is believed to be worth in the region of $54.4bn.

Bloomberg's unusually late entry comes against a backdrop of increasing political pressure on billionaires, with several of his fellow candidates hitting out at the ultra-rich and pledging new wealth taxes on the elite.

Among Bloomberg's initial campaign policies is a promise to expand health insurance, address climate change and raise taxes on the wealthy. He has also vowed to run a self-funded campaign.

Bloomberg, a Massachusetts-born former Wall Street banker, touted his record as mayor of New York and his middle-class roots in his announcement.

Trump has previously taken aim at Bloomberg amid speculation that he would run for president, telling reporters earlier this month: "There's nobody I would rather run against than Little Michael."



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CITY A.M.

THE CITY VIEW

Johnson fights the socialists but Brexit still overshadows all

COMPARED to Labour's manifesto, which offered everything to everyone, yesterday's Tory manifesto launch felt almost ascetic. Much of what was in the document had already been announced, and such surprises as were in evidence were not the type to change the direction of the election.

The Conservatives will be eminently relaxed about this; some in the party were even asking why they had to do a manifesto at all, since only those with skin in the game pay much attention to them. For the government, this election is to be presented as a binary choice — between a blue-collar Tory party and the red in tooth and claw socialism of the Labour party.

From a business perspective, there is enough to like: a new visa to ensure skilled workers can stick around for longer, reviews of business rates and investment reliefs and commitments on infrastructure spending. Free ports are nothing to be sniffed at, either, if they're delivered properly.

The plan for a post-Brexit trade deal relies on optimistic and even heroic assumptions

And in terms of fiscal restraint, the gap between Labour's spending commitments by the end of the parliamentary term — £83bn, even without sudden pension bungs and nationalisation costs — and the Tories' £3bn is striking in and of itself. Even the Institute for Fiscal Studies was surprised, saying yesterday that "the lack of significant policy action is remarkable".

So yes, the manifesto not being a Marxist programme for government is probably enough for some in the City, who fear the ruinous economic plans which would be visited upon the country if Labour contrive a way into power.

But in truth, the B-word overshadows the lot.

Given that the Tory slogan is "Get Brexit Done" there remains precious little detail of how the Conservatives intend to deliver their key policy (leaving with a deal) by December 2020. For while the last three years have been at times interminable, the Withdrawal Agreement remains the easy bit of leaving the European Union.

The document on which Boris Johnson will campaign makes several optimistic assumptions about the speed with which his government can negotiate a future trade deal with the EU. One could in fact describe those assumptions as bordering on heroic.

The party cannot be criticised for lacking ambition in what it wants from Brussels, but it remains to be seen whether it can deliver. Johnson has launched a modest, reasonably sensible manifesto and though questions remain over the funding of some key pledges — notably regarding infrastructure — he deserves credit for juxtaposing himself against Labour's fantasy economics.

And yet, while he promises us a Brexit-free Christmas, he must know that the issue will rear its head in the New Year — and it could yet prove to be the hangover from this election.

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ELECTION 2019

Boris Johnson arrives in Wolverhampton ahead of the launch of the manifesto, entitled Get Brexit Done: Unleashing Britain's Potential

Tories seek to avoid repeat of 2017 manifesto disaster

BORIS Johnson launched the Conservative manifesto yesterday with the City seeking a degree of clarity on what the party would deliver beyond Brexit.

The slimmed down document — designed to avoid the unraveling which sunk Theresa May's election campaign — does leave some key questions unanswered. Here the *City A.M.* team fillet the document to pick out the bits you need to know.

INFRASTRUCTURE

- *Commitment to £100bn worth of infrastructure spending including rail across the midland and northern powerhouses*
- *Promises additional funding for city regions to upgrade services*

Chancellor Sajid Javid isn't wearing a hard hat in his picture in the Tory manifesto, but he'll be tasked with delivering an ambitious scheme.

The party pledges to reopen some of the Beeching lines and improve northern connectivity. It also promises a £2bn pothole fund. But the document stops short of giving High Speed 2 (HS2) the go-ahead, and refers to Heathrow expansion simply as a "private project" which will receive no public money.

CORPORATE TAXATION

- *Cancels the corporation tax cut to remain at 19 per cent*
- *Major review of business rates which the party pledges will reduce the burden*
- *Increases R&D tax credit to 13 per cent*

Johnson had already announced that a planned cut in corporation tax wouldn't go ahead so there were few surprises. The party has also committed to extending the Enterprise Investment Scheme and will "review and reform" Entrepreneur's Relief.

Blick Rothenburg's Nimesh Shah notes that the relief is "considered to be a cornerstone of the entrepreneurial system and highly valued by business owners".

PERSONAL TAXATION

- *National insurance (NI) personal allowance to be hiked to £9,500*
- *A triple tax lock on NI, VAT and income tax, but no commitment to boost the basic rate income tax band to £80,000 — a Johnson leadership campaign pledge*

The party has an ambition to hike the NI threshold to £12,500 but is starting small. Johnson made a pledge not to increase income tax, VAT or NI over the course of the parliament — which spending wonks at the Institute for Fiscal Studies say it is a "constraint [they] may come to regret".

"It is part of a fundamentally damaging narrative — that we can have the public services we want, with more money for health and pensions and schools — without paying for them," says the organisation's director Paul Johnson.

IMMIGRATION

- *Swaps the free-movement system for EU nationals for a points-based system for both EU and non-EU migrant workers*
- *Startup visa category for entrepreneurs*

The arbitrary "tens of thousands" cap is gone and instead the party simply commits to a system open to the "best and brightest." The scheme will prioritise those with "good education and qualifications" and most will need a job offer before they arrive.

Post-study visas will be introduced, as will a startup visa, but details are light.

HOUSING

- *Encourages a "new market in long-term fixed rate mortgages"*
- *Introduces a lifetime deposit scheme for renters*

The party has committed to a target of 300,000 homes a year by the mid-2020s, and promises to make the planning system "simpler." The Green Belt is safe.

WHAT DOES BUSINESS THINK?

Britain's business bodies gave a mixed reaction. The British Chambers of Commerce say it struck "some of the right notes" but more substantial measures were needed to boost growth — and refusing to countenance a further delay to the Brexit transition period was a "real concern". The Institute of Directors says "confidence boosting measures around training and science funding" were welcome. Free marketers the Institute of Economic Affairs say there were "a series of questions about the party's commitment to fiscal responsibility".

Labour pulls £58bn rabbit out of hat for pension plan

STEFAN BOSCIA

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LABOUR has made a last-ditch £58bn spending pledge to compensate the so-called Waspi group of Women Against State Pension Inequality.

Labour announced yesterday it would hand money to every woman born between 1950 and 1960 to compensate for an increase in the state pension age from 60 to 66. The policy did not feature in Labour's manifesto, revealed last week, and was not included in the party's costings.

The retirement age has increased from 60 to 65 for women, and will rise to 66 next year to ensure it is in line with the retirement age for men.

An estimated 3.7m women will receive £100 per week to compensate for lost benefits under Labour's plans, with the average eligible woman receiving £15,000 and some getting more than £31,000.

Shadow chancellor John McDonnell confirmed a Labour government would have to borrow £11.5bn a year for five years to fund the spending.

Steve Webb, director of policy at mutual insurer Royal London, said this meant the cost would be borne by the next generation of taxpayers.

"It's saying that 'we're using your dime to pay for it', and it seems unfair as they will already have to pay a lot of taxes in the future as this generation gets older," he said.

McDonnell told Sky News yesterday that the spending could be counted as a contingency on the books.

WHAT THE OTHER PAPERS SAY THIS MORNING

FINANCIAL TIMES

NOVARTIS AGREES DEAL FOR CHOLESTEROL DRUG MAKER
Novartis has agreed a $9.7bn (£7.6bn) cash deal to acquire The Medicines Company, betting that the US drug maker will come good on a new drug designed to control cholesterol levels. The takeover marks the latest attempt by Novartis chief executive Vas Narasimhan to reshape the Swiss pharmaceutical company, which has a market value of $203bn, through a series of disposals and takeovers.

PARIS PROMISES 'UNIQUE' DEAL IF THE UK PLAYS FAIR
The EU is ready to broker a "unique" trade partnership with the UK after the country leaves the bloc, but only if Britain commits to complying with EU labour and environmental standards, France's trade minister has said. Jean-Baptiste Lemoyne, the French minister for commerce, said both sides needed a future trading relationship that was "very close".

THE DAILY TELEGRAPH

GATWICK INVESTOR MULLS SALE OF HOLDING
Gatwick's second-largest shareholder is exploring a sale of its remaining stake less than a year after infrastructure giant Vinci took control of the airport. US investment manager Global Infrastructure Partners is in talks to sell its 21 per cent holding in the world's busiest single-runway airport.

FACEBOOK AND INSTAGRAM TO ENFORCE NEW RULES
Facebook and its sister app Instagram are to block under-18s from viewing sexual content. The online platforms will hide suggestive adverts and pictures such as art depicting sexual activity, which are otherwise allowed, to children as part of a new policy.

LOSING GROUND
Liberal Democrat MP Umunna trails six points behind Tory rival

CHUKA Umunna is currently six points behind Conservative candidate Nickie Aiken on 33 per cent in the race to become the next member of parliament for the Cities of London and Westminster, according to Deltapoll.

PEUGEOT RECOMMENDS TOTAL Official Fuel Consumption in MPG (l/100km) and CO2 emissions (g/km) for the all-new PEUGEOT 508 SW range are: Combined 37.4 (7.6) – 235 (1.2) and CO2 128 – 39 g/km.

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Uber to face the music as TfL set to reveal future

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UBER could be on the verge of being banned, with rumours swirling that Transport for London (TfL) may not renew its licence today.

The ride-hailing app's operating licence runs out at midnight tonight, after TfL only granted the company a two-month probationary extension in September.

A senior Uber employee recently told *City A.M.* the company was "confident" of getting a licence extension, however a TfL source said this may not come to fruition.

The source told Sky News yesterday that the transport body is "actively considering" the "nuclear option" of banning Uber for failing to show it had done enough to improve passenger safety.

They added there was "zero chance" Uber would be granted a long-term licence due to the frantic nature of discussions.

A TfL spokesperson refused to comment on the veracity of the claim, while Uber declined to comment.

"TfL is considering Uber's application and no decision has been made," the TfL spokesperson said.

Uber was banned by TfL in 2017, after it deemed the company was "not a fit and proper person" to operate in the capital.

The app was then granted a 15-month extension in 2018 after a court appeal, but failed to secure a long-term renewal two months ago. TfL said it needed to see more proof that Uber could "ensure passenger safety".

The two-month extension came with several restrictions, such as stringent driver and licence checks.

It was reported last week that any new licence extension could come with a requirement to provide scans of drivers' fingerprints or faces to TfL.

Uber chief executive Dara Khosrowshahi earlier this month said the company continued to "have a dialogue" with the regulator.

"I think more and more cities and countries around the world are coming to the conclusion that Uber is a good thing for the country and Uber is a good thing for their city as well," he said.

The London market is crucial for Uber and is a part of a group of five cities which combined make up a quarter of total bookings. The firm has faced stiff competition in London as fellow ride-hailing apps Kapten, Ola and Bolt flood the market with claims of cheaper pricing.

IN BRIEF

EDDIE STOBART HANDED A LIFELINE BY CREDITORS
Struggling haulier Eddie Stobart has been given more than a year's extra time to get its finances in order by its creditors as it prepares to put a takeover deal to its shareholders. Allied Irish Bank, Bank of Ireland, BNP Paribas, and KBC — who are owed £200m between them — will postpone loan repayments until next summer and not put Eddie Stobart's finances through rigorous checks until 2021. The plan, first reported by the Sunday Telegraph, was initiated by Dbay Advisors, an Isle of Man investment group that has offered an emergency loan in a bid to gain control of Eddie Stobart. The £55m high-interest loan is part of a takeover deal that will be voted on by shareholders on next week.

HONG KONG DEMOCRATS CHEER LANDSLIDE VICTORY
Hong Kong's democrats romped to a landslide and symbolic majority in district council elections after residents turned out in record numbers yesterday to vote following six months of anti-government protests in the embattled city. In a rare weekend lull in the unrest that has roiled the financial hub, democratic candidates across the city of 7.4m secured more than half of the 452 district council seats for the first time, against a strongly resourced and mobilised pro-establishment opposition. Late last night, pro-democracy candidates had secured a clear majority with more than 300 of 452 seats. Almost 3m people voted, a record turnout of more than 71 per cent that was spurred by the turmoil.

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Weakest growth since 2015 dents UK's tech sector

ANNA MENIN

@annafmenin

THE UK's tech sector grew at the slowest rate in almost four years in the third quarter as a global economic slowdown and domestic political uncertainty dented the industry, new research has shown.

The tech sector was hit by a downturn in new work for the first time since 2012 during the three months to 30 September while new orders received by UK firms fell at the steepest rate since 2012, according to KPMG's UK Tech Monitor report.

"Continued uncertainty in the UK amidst signs of weaker global economic growth is weighing on the performance of UK tech firms," said KPMG UK vice chair Bernard Brown.

The sector's loss of momentum was widely attributed to clients delaying decision-making, the research found, while anecdotal evidence suggested Brexit-related uncertainty and concerns over US-China trade tensions dented sales during the quarter.

"Businesses are losing confidence and combined with activity expectations nearing lows last seen during the recession, it is easy to see why," said Brown.

Reduced capacity and concerns about outlook led to employment across the sector flatlining during the third quarter, ending a decade of workforce expansion. The industry was also hurt by a weaker pound, with exchange rate depreciation against the dollar helping to push up business expenses.

Optimism for the future remained weak. Although business confidence picked up slightly during the quarter, the degree of positive sentiment remained close to a decade-low.

"Any positive growth forecasts cited for 2020 are often dependent on a clearer path to Brexit in the coming months, painting a pretty gloomy picture," said Brown.

PICK-UP THE PACE New Tesla cybertruck gets 187,000 orders despite launch mishap

TESLA's electric cybertruck has received 187,000 orders, founder Elon Musk said last night, despite its calamitous launch. The vehicle, set to be rolled out in 2021, suffered a setback at its unveiling on Thursday when its "armoured glass" shattered.

Softbank to commence Wework $3bn stock tender bid this week

GREG ROUMELIOTIS

SOFTBANK will this week launch a previously agreed tender offer for as much as $3bn (£2.3bn) of Wework shares, including up to $970m owned by the office sharing company's co-founder Adam Neumann, two people familiar with the matter said.

The tender offer to the founders, investors and employees owning stock was expected to launch earlier this month but was delayed after Softbank sought technical revisions to the offer documents, according to the sources.

Bloomberg reported last week that Softbank had been looking for a way to reduce the size of the offer, and to limit Neumann's payout. *Reuters*

Tax paid out by largest firms rises to £85bn

SEBASTIAN MCCARTHY

@SebMcCarthy

THE UK's largest listed companies stumped up almost £85bn in taxes last year, generating a rising windfall for the Treasury coffers despite a slight dip in collective profit.

The annual Total Tax Contribution (TTC) report released this week is set to show that the overall contributions rose slightly in the 12 months to March, according to Sky News.

Senior City figures told the broadcaster that the figure was likely to receive more attention than usual amid a flurry of spending promises by the main political parties.

One board member of a blue-chip firm said: "The companies covered by the TTC survey are mobile and have flexibility about where they invest — politicians of all colours need to remember that."

The higher tax bill marks the ninth consecutive year of rises.

The new data is also reportedly set to reveal a slight fall in the volume of taxes, such as business rates and corporation tax, paid directly by the firms themselves.

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Concerns mount as councils buy retail properties

JESS CLARK

@jclarkjourno

THE TREASURY has attempted to guide local authorities away from a strategy of buying struggling retail properties over fears that the investments could force councils into bankruptcy.

The rate at which local councils are able to borrow to invest was raised by one percentage point last week, as concerns mount over borrowing levels. Rates on loans from the Public Works Loan Board have increased due to concerns over unsustainable borrowing, the Sunday Telegraph reported.

Pantheon Macro economist Samuel Tombs told the newspaper that the Treasury's intervention has seen borrowing costs "skyrocket" and has jeopardised "many capital projects that local authorities had planned".

Councils have reportedly bought one in five shopping centres sold since 2016, as property developers exit the struggling sector and local authorities seek new revenue streams following cuts to central government funding.

Last week, retail landlord Hammerson offloaded St Oswald's retail park in Gloucester to the local council for £54m as it continued with its property disposal programme. Mole Valley District Council in Surrey bought an Asda site in South Wales for £11.5m.

The Local Government Chronicle reported that the amount spent by councils in England on investment properties increased from £76.4m in 2014/15 to £1.8bn in 2017/18.

Property giants, including British Land, Intu and Hammerson, have seen their portfolio valuations fall as retailers shutter stores and seek rent reductions, often using controversial company voluntary arrangements (CVAs) to restructure. High street stalwarts such as Sir Philip Green's Arcadia have recently implemented CVAs.

Social Entertainment Ventures will launch bars across the US

Owner of ping-pong bar Bounce rakes in $20m for US expansion

JESS CLARK

@jclarkjourno

SOCIAL Entertainment Ventures (SEV), the owner of Bounce, Flight Club and Puttshack, has raised $20m (£15.6m) to drive the expansion of its leisure brands across the US.

The company will accelerate the rollout of Flight Club, a darts bar concept, across the US. Its second venue is set to open in Boston next month. The funding will also drive the launch of SEV's new bingo venue Hijingo, which is due to open in London in spring next year and the expansion of ping-pong bar Bounce beyond London and Chicago.

The funding round was led by Acropolis Capital.

Trademarks for beer soar amid UK craft boom

SEBASTIAN MCCARTHY

@SebMcCarthy

CONSUMERS drank up new craft and low-alcohol products in their masses last year, with the number of trademarks registered for beer in the UK soaring to a record high of 2,500.

Beer trademarks climbed six per cent in 2018 when compared to the previous year, having risen 89 per cent over the last five years.

Law firm RPC, which carried out the research, said the combination of a craft beer boom and alcohol-free beers drove the surge in new trademarks.

Brewdog now has over 130 trademarks registered in the UK, including for its Albino Squid Assassin and Dead Pony Club beers.

"Relentless demand for new niche beer products and flavours is driving the number of beer trademark registrations to record highs," according to RPC IP partner Ben Mark.

"Established players have learnt from the success of new entrants to the craft beer market and realised they can't just offer consumers one product or one brand," he added.

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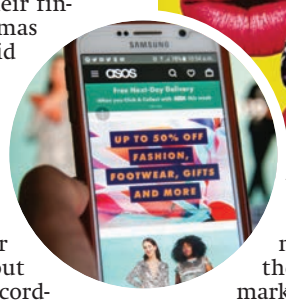
THAT BLACK FRIDAY FEELING

Jess Clark on what UK retailers hope for from the American import

UK SHOPPERS are preparing to splash the cash on Black Friday this week — but with most Brits opting to shop online, retailers will have to pull out all the stops to lure bargain hunters into stores.

Consumers will be feeling flush as the annual discounted shopping event falls after payday, and household finances are much stronger in general than in 2018, prompting retail bosses to cross their fingers for a pre-Christmas boost following a torrid year for the industry.



However, footfall at bricks and mortar shopping destinations is expected to sink 4.5 per cent, with high streets forecast to suffer the worst drop of 5.5 per cent, as shoppers hunt out deals online instead, according to Springboard data.

More than a quarter — 26 per cent — of consumers are planning to spend during Black Friday, which began as a US tradition and only made its way to the UK in the last five years. This marks a rise from 21 per cent last year. But 55 per cent of those planning to take part in Black Friday said they intended to do more shopping online in order to bag a bargain while avoiding crowds, research by Retail Economics and Klarna found.

Meanwhile, PwC research revealed that Londoners plan to spend the most in the UK on Black Friday, with an average spend of £326, more than £100 above the national average, and most Londoners — 75 per cent — plan to do their shopping online.

A survey conducted by payment app Ubamarket found that 74 per cent of Brits respond to promotional offers, but 53 per cent prioritise convenience when shopping in store.

Lisa Hooker, consumer markets leader at PwC says: "Retailers clearly can't ignore the event and do not want to risk losing out to rivals, but they need to manage it smartly and inject newness combined with a swift return to full price during the peak Christmas trading weeks."

Will Broome, chief executive of Ubamarket, adds: "Retailers need to ensure they are making the process as accessible and attractive to as many customers as possible."

"In order to grab this opportunity to increase their profits with both hands, they need to look to retail tech solutions."

Bucking the online shopping trend, spending in London's West End is forecast to increase nine per cent to £164m over the Black Friday weekend. The retail district is expected to benefit from soaring tourist numbers in the run-up to Christmas, attracted by the low value of the pound.

"Black Friday continues to be a significant moment on the calendar for domestic and international shoppers who are set to spend big in order to make the most of discounts," Henry Gregg, director of external affairs at the New West End Company says.

While the West End might benefit from a pre-Christmas rush of visitors, retailers on average high streets across the UK will be battling it out with their neighbours to persuade shoppers to spend their cash in-store in the hope of ending a very difficult year on a high note.

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National Grid and SSE shift towards overseas ownership in Labour snub

EDWARD THICKNESSE

@edthicknesse

THE BACKLASH to Jeremy Corbyn's sweeping nationalisation plans began yesterday, as two of the UK's leading power companies said that they had shifted ownership of their British operations overseas.

The Sunday Times revealed that SSE and National Grid had confirmed that they had set up offshore companies in Switzerland and Luxembourg, and Hong Kong respectively to defend themselves against Labour's policies.

These three countries have "bilateral investment treaties" with the UK which mean that investors are protected in the event of a state asset grab. While the moves in themselves cannot prevent renationalisation, they would force Corbyn to pay a higher rate to try and take control of the businesses.

Last week Labour released its manifesto, with plans to nationalise the rail, water and electricity industries, as well as the Royal Mail and BT Openreach, in plans that sent shockwaves around the UK business community.

The electricity giants follow utilities companies such as Anglian Water and Yorkshire Water in creating overseas subsidiaries.

Corbyn last week detailed large-scale nationalisation plans in his Labour manifesto

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5m people have switched energy suppliers in 2019

EDWARD THICKNESSE

@edthicknesse

MORE THAN 5m customers have switched energy supplier so far in 2019, Energy UK revealed today, as consumers continue to make the most of increased competition.

The latest figures show that 626,284 customers moved to a new supplier last month — down 1.1 per cent on October 2018. Over 100,000 of these came from people switching from small companies to large providers, suggesting that the Big Six — British Gas, EDF, Eon, Npower, Scottish Power and SSE — may have learnt a lesson from their smaller competitors.

The figures come a day after the Conservatives pledged that they would keep the existing energy price cap in place, whilst giving the Competition and Markets Authority enhanced powers to tackle consumer rip-offs and bad business practices.

In its 2019 General Election manifesto the party also promised it would lower energy bills by investing £9.2bn to improve the energy efficiency of homes, schools and hospitals.

Peter Earl, head of energy at Comparethemarket.com, said: "After years of haemorrhaging customers the Big Six have staged a comeback, clawing customers from smaller and medium-sized energy suppliers.

Earl added that the number of customers switching from small and medium-sized suppliers to large providers in October eclipsed any other month in the last two years.

"British Gas appears to have woken up to the threat from startup and challenger energy brands, going gung-ho for value with a very competitively priced tariff in an attempt to lure back customers." he added. "Whether this is a longer-term trend or merely a blip remains to be seen."

The total number of switches hit 5,367,738 so far this year, up 9.2 per cent on the same time last year — when a record 5.8m customers switched supplier.

Audrey Gallacher, Energy UK's director of policy, said: "This month's figures show that consumers continue to take advantage of the increased competition. With the temperatures dropping, I'd encourage consumers to get in touch with their supplier or look online to make sure they're on the best deal ahead of winter and the cold weather."

London office investment loses pace as demand outstrips supply

ANNA MENIN

@annafmenin

INVESTMENT in London's office market is falling despite growing demand from British and overseas investors, as a lack of available stock continues to hamper the sector.

Total turnover for office investments in the capital in 2019 is set to drop well below the figure for the previous year, according to new data from Knight Frank, but a supply shortage may be masking increasing interest from investors.

There was £2.9bn of office real estate available on the market during the third quarter of 2019 spread across 81 assets — a 21 per cent decrease on the second quarter.

Knight Frank's Faisal Durrani said the drop indicated "the severity of the shortage" of assets. The total value of offices under offer in London at the end of the third quarter jumped 38 per cent to £2.4bn, the highest in over a year.

"We're not convinced that the figures are reflective of the true underlying demand," said Durrani.

Ex-Ve Global boss launches lawsuit

ANNA MENIN
@annafmenin

THE FORMER head of Ve Global has launched a legal claim against the embattled tech company over a missed payment.

David Marrinan-Hayes has lodged a winding-up petition against Ve Global over the company's failure to pay a settlement linked to his departure in March, the Sunday Times reported.

Creditors can lodge winding-up petitions against companies that owe them money, and the action can lead to the firm's liquidation if debts are not settled.

The case is due to be heard by the High Court early next year. According to the Sunday Times, Ve Global intends to pay the outstanding sum ahead of the hearing.

Ve, which specialises in digital advertising and e-commerce, has been undergoing a turnaround after being bought out of administration by existing investors for £2m in 2017.

Founder David Brown left the company at the same time, having come under fire for extravagant spending.

Lingerie tycoon Baroness Michelle Mone and her partner Doug Barrowman stepped down from Ve's board in July. The pair founded a cryptocurrency venture in 2018, alongside Apple co-founder Steve Wozniak.

Baroness Michelle Mone stepped down from the firm's board earlier this year

EU members support tough position on 5G

MICHAEL SEARLES
*@Michaelsearles_*

EUROPEAN Union countries are endorsing a tough line on selecting 5G suppliers in a potential blow to market-leading telecoms equipment supplier Huawei.

At a meeting in Brussels last Friday, ambassadors for EU states agreed to an approach which includes vetting the domestic legal framework 5G suppliers are subject to.

The news was confirmed by a spokesperson for Finland, which currently holds the rotating EU presidency.

A draft document ahead of the meeting said EU countries should consider non-technical factors such as the legal and policy framework to which suppliers may be subject in third countries, according to Reuters. No specific companies were mentioned.

EU governments should also diversify their suppliers and not depend on one, the document said.

Ministers from the member states are expected to give the green light to the approach at a meeting next month.

The US has urged the EU to ban Huawei equipment amid an ongoing dispute and tensions with China.

Concerns are based on Chinese law regarding domestic companies' co-operation with the government on security, which the US believe could make Huawei a vehicle for spying.

Huawei has denied the charges and dismissed them as groundless.

Last month the EU warned of increasing risks of cyber attacks by state-backed entities, but did not name companies or countries.

The promotion of 5G networks remains a key possibility to boost economic growth, the EU said.

It added it is looking into a "toolbox of measures" by the end of the year to address cybersecurity risks at national and continental level.

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KPMG to slash bonuses in cost cuts initiative

ANNA MENIN
@annafmenin

PARTNERS at KPMG are facing steep cuts to their bonuses as the accounting giant slashes costs in a bid to prepare for tighter regulation of its audit work.

Partner bonuses — which can reach hundreds of thousands of pounds — are set to fall by as much as 40 per cent this year, according to the Sunday Telegraph.

Citing sources at the firm, the paper reported that partners have been given a preliminary indication of the amount they will receive, and that final bonus figures will be confirmed this week.

KPMG's move to slash bonuses is part of a wider £100m cost-cutting plan known as Project Zebra. The Big Four accountancy giant is slashing the headcount of its in-house project management team and offloading its five-storey members' club in Mayfair as part of the money-saving drive.

Regulators had also expressed concern that KPMG was giving away memberships of the club, Number Twenty, to its audit clients as perks.

The company is preparing for a regulatory clampdown on the audit industry following a series of scandals in the sector, including the demise of KPMG audit client Carillion, which collapsed after being given a clean bill of health by the firm. The collapses of BHS and Patisserie Valerie have heaped further pressure on the sector and their auditors, PwC and Grant Thornton respectively.

It emerged last week that the Financial Reporting Council (FRC), which regulates the audit industry, was considering pushing for powers that would allow it to claw back bonuses from audit partners if their work fell below a certain standard.

KPMG could not be reached for comment.

The retailer cited struggles to keep up with the online market

Clarks calls in consultants amid store fears

JESS CLARK
@jclarkjourno

STRUGGLING footwear retailer Clarks has called in management consultants to conduct a review of the business.

The family-owned business, which this month reported an £82.9m loss after tax for last year, has reportedly hired McKinsey as it plots a restructuring plan amid fears of further store closures.

The high street shoe chain said it had taken a £50m hit on the value of its property in the UK and the US, prompting a "fundamental and comprehensive review of its property portfolio".

In its full-year results Clarks said it is "preparing to take rapid actions to exit the worst-performing sites in as short a timescale as possible".

The company cited an inability to keep up with the shift to online shopping, challenging trading conditions in the UK and US, the complexity of its operating model and increasing overheads as factors that have contributed to its decline.

Major UK chains have closed almost 6,000 stores so far this year, 708 of which were due to administration.

Branson makes his third bid for National Lottery

EDWARD THICKNESSE

@edthicknesse

SIR RICHARD Branson is planning a third attempt to wrest control of the National Lottery from incumbent Camelot, almost 20 years on from his previous efforts.

Representatives for the billionaire founder of Virgin Group have held talks with advisers running the contest to find next operator.

The decision to enter the running to displace the Canadian company as the lottery operator, which was revealed yesterday by the Sunday Telegraph, reignites a rivalry that in the past led to a High Court battle.

However, Branson will not get a clear run at Camelot, as the process is already inundated with parties who have declared an interest. Publishing magnate Richard Desmond, who currently runs the weekly Health Lottery at a loss, has already entered the fray.

In 1994, the authorities turned down Branson's bid, whilst in 2000 only the overturning of a decision to disqualify Camelot by the High Court prevented a Branson victory.

Sources told the Telegraph that the bid will centre around how to modernise the National Lottery as a means of attracting younger players and compete better with other online gambling firms.

Other parties reported to be interested in bidding include Dutch company Novamedia, which operates the People's Postcode Lottery and Czech company Sazka.

Bidders have until mid-December to formally express interest.

Sir Richard Branson made bids in 1994 and 2000

Disney Plus will feature franchise film classics such as Star Wars

BT vies to boost streaming offer further with Disney approach

EDWARD THICKNESSE

@edthicknesse

BT HAS approached Disney about adding the iconic company's new streaming platform, Disney Plus, to its television service.

According to the Sunday Times, the move is part of BT's strategy of making BT TV a streaming "super-aggregator", with most of its on-demand platforms in a single place. Marc Allera, head of BT's consumer division, confirmed it was in talks with Disney and others about new services for BT TV.

Disney Plus will launchin the UK at the end of March. The platform will host a combination of animated classics and franchises.

Justice ministry sued by Mitie over contract

ANNA MENIN

@annafmenin

MITIE is suing the Ministry of Justice over what is claims was a botched tendering process for a contract to clean and repair courts and tribunal buildings.

The outsourcing giant has lodged a High Court claim after losing the contract to French rival Engie last month.

Mitie is set to argue that the government took an "unfair and unequal" approach to scoring during the tender and awarded scores that were "manifestly wrong", the Sunday Times reported yesterday.

The facilities management company is hoping to claim over £200,000 in damages from the government and is calling for Engie to be stripped of the contract.

"This was a rigorous and comprehensive 12-month procurement process which followed EU rules," an HM Courts and Tribunals spokesperson said. "At the upcoming court hearing we will be robustly defending our position."

Mitie could not be reached for comment.

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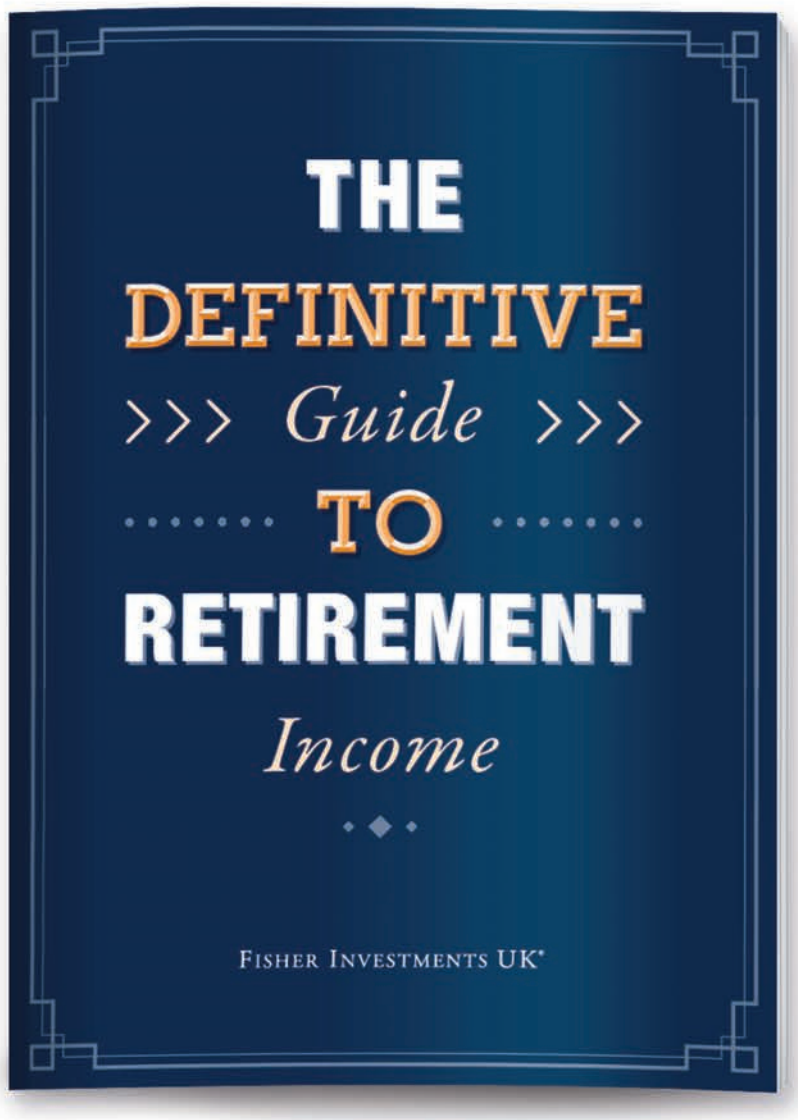

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The DUP's Sammy Wilson could be a thorn in the side of the eventual election victor

DUP: STILL THE KINGMAKERS?

Catherine Neilan talks to the DUP's Sammy Wilson — who warns Westminster that Northern Ireland will have its voice heard loud and clear in Brexit negotiations

BORIS Johnson may be going all-in to get a Conservative majority this election, but the jury is very much still out as to whether he will achieve his aim.

Many in Westminster believe that despite the polling numbers, come the morning of 13 December the country will find itself saddled with yet another hung parliament.

This will benefit Remain-leaning parties. The Liberal Democrats' candidate Chuka Umunna has repeatedly pointed to the fact that backbenchers have managed to drive the agenda and shape legislation without the powers afforded a government.

And in these strange times, arch-Remainers could well find themselves helped out by the Tories' former confidence and supply partners the Democratic Unionist Party (DUP).

Current polling suggests the DUP may lose one or two of its 10 seats — but that could still leave the Northern Irish party in the position of kingmaker to a Tory party that has few alternatives.

Sammy Wilson, the DUP's Brexit spokesman and supporter of the Leave Means Leave group, is quietly confident his party will do well in the election owing to the "alarm and distress" caused by Johnson's Brexit deal. But he is less convinced about the Tories' chances of success.

"The election is a huge gamble for the government," says Wilson. "The combination of the Brexit Party eating away on one side, the Lib Dems on the other — ironically in seats with strong Leave Conservative MPs on small majorities like [Chipping Barnett's] Theresa Villiers — means this election isn't a sure-fire winner."

Whereas the 2017 confidence and supply deal was struck at speed for the eye-catching sum of £1bn, any partnership agreed this time would be a very different beast. Johnson's Brexit deal has been emphatically rejected by the unionists, who argue it would create a border in the Irish sea that would have both economic and constitutional implications.

But Johnson's current "intransigence" is part of his election pitch, Wilson argues with a smile.

"Once that's over they may well say 'if your continued support depends on this...' — well, put it this way, we drive a hard bargain."

"Publicly they are saying this deal is the only deal available, but they said that about the last deal."

And if the PM remains stubbornly committed, the DUP has other tactics up its sleeves — including working with Umunna and pals to block the Withdrawal Agreement Bill (WAB) outright.

"We have said we will use every strategy and tactic available to us," Wilson says.

"Don't forget, Theresa May's bill was killed by the ERG [European Research Group] and ourselves working with Remain groups. We couldn't have done it ourselves. They had different reasons for it, but it had the same effect."

The most likely option will be to ram the WAB full of wrecking amendments until the Tories have no option but to vote against their own bill.

Wilson says the DUP will consider backing amendments "regardless of our view of them", including a second referendum and a customs union, "because we know if they go into the bill, it would never happen".

The ultimate aim is to ensure Johnson fails to meet the current deadline of 31 January to have everything signed off.

> **We will use every tactic available to us**

"If you have a situation where the bill is still not ratified, the more chance there is of it unravelling," Wilson says.

On Johnson himself, Wilson is characteristically honest. He says the PM hasn't "behaved properly".

"In our kind of politics — the politics of Northern Ireland — you don't make those promises to people and then tear them up less than a year later," he says. "People trusted him, and he hasn't honoured that trust."

Despite this, Wilson still believes Johnson is persuadable in a way that May wasn't — her intention was always to keep the UK as close as possible to the EU, whereas Johnson's objective was just to get a quickfire deal to cement his position domestically.

"The battle about whether or not Britain stays in the single market is not yet over," Wilson says. "Those people in the House of Commons who fool themselves that in backing this deal they have released themselves [from the EU] really are being very naive — as they'll soon find out."

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Chris Beauchamp
Chief Market Analyst, IG

IPOS – NO SURE THING?

IPOs always attract plenty of attention, particularly when they are of highly-recognised companies. But are they a wise destination for investor cash?

IPOs offer plenty of glamour, a change from the usual stocks in an index, and there have been plenty of new entrants to the UK stock market over the past ten years. Some of the big names include Ocado, Glencore, Royal Mail, Saga and Metro Bank.

The temptation to invest in these names is undeniable. Who would not want a slice of Aston Martin, with its handsome stable of luxury cars, or miner Glencore, reputedly one of the great trading houses and with substantial commodity operations as well? And even less-exalted firms such as Foxtons, Saga and Ocado will tempt in many investors, especially if the prospectus is sufficiently optimistic as to the future.

But for ordinary investors, the risks are clear. Not all companies will go the way of Facebook or Amazon. Just because a company has the backing to publicly list does not mean that it will turn into a great success. For every Google, there will be hundreds of companies that either fail or go nowhere. In the UK there have been a few spectacular flops.

For example, AO World listed in 2014 at a price of 285p. It promised investors access to a flexible and modern retailer, which would be able to compete with the established firms. But the timing was particularly bad. Over the next five years the growth of internet shopping would see consumers go online for even the large household goods in which the firm specialises. By late November this year, the shares were trading at just 57p, a decline of 79%.

As a miner, Glencore would seem to be well-placed to benefit from the ongoing economic recovery and the relentless demand for raw materials from China and others. But after listing a 530p, the price turned steadily southwards, reaching an astonishing low of 53p in 2015. Admittedly, this moment proved fortuitous for any investor brave (or, mad) enough to jump in, since the price then rallied to 380p over the next two and a half years. But that was the high-water mark, and the downtrend has since resumed, and the shares now sit around 240p.

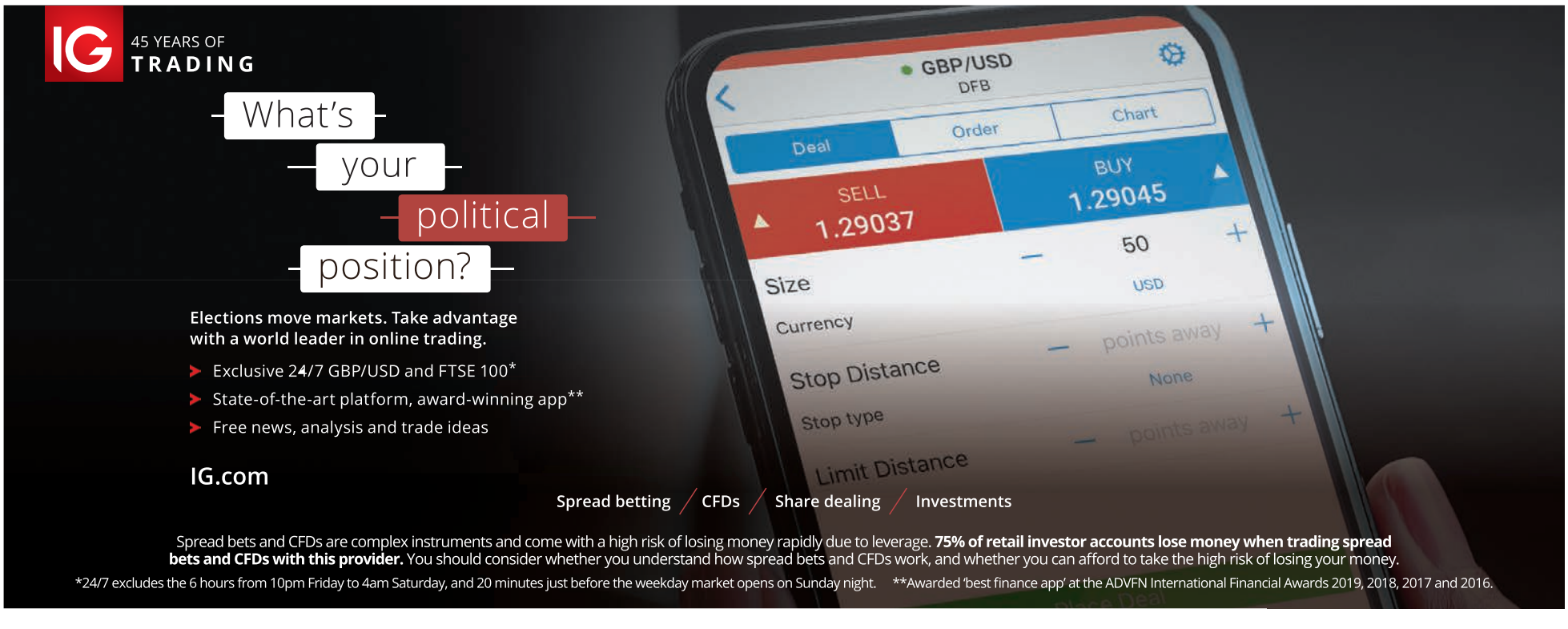
More recent IPOs have been even more impressive in their declines. Aston Martin, seemingly a firm well-placed to prosper in a world of luxury goods, went public in 2018 at a hefty £19 per share. But the decline has been catastrophic, hitting a low of 373p in August 2019 and doing little to recover since then. This represents a decline of 80% in less than a year, one of the most egregious cases of shareholder destruction in recent times.

It is not all bad, of course. Some companies have matched the above declines with equally-impressive rallies. Top of the class is Ocado, which is up 546% in share price terms since it joined the stock market in 2010. But it has not been an easy ride. Ocado lost around two-thirds of its share price in the first two years of existence as a listed firm, but since then has surged, hitting a peak of more than £14 earlier this year as its moves to sell its technology overseas finally bore fruit, and in spectacular fashion.

Another, perhaps more unlikely winner, has been boohoo.com. A ruthless retail environment exists in the UK, both on the high street and online. But boohoo has triumphed against all the odds, gaining 450% since joining the market in February 2014. Other great winners include Just Eat, Jupiter Fund Management and housebuilder Crest Nicholson, which seemed to live a charmed existence after it listed in 2016 – since then its shares are up 67%.

The trick with IPOs, as with all investing, is to do your homework. Clearly, the rewards on offer from joining the party early on can be impressive, as we saw above. But the pitfalls are huge too. Investors must make sure to read the prospectus and absorb all the information on a firm, as well as comparing it to any potential peers and rivals in its sector.

More IPOs will come to fruition in the years ahead, and it will be up to investors to make sure they are choosy about which ones they pick. Most importantly, they will need to make sure only a small part of their portfolio is allocated to a new offering; while this limits the potential gains, it also crucially limits the possible downside. In that respect, investing in IPOs is just like all other types of speculation.



University lecturers to start strikes over pensions, pay and conditions

HARRY ROBERTSON

@henrygrobertson

ACADEMICS at 60 universities across the UK are set to go on strike today over pensions, pay and working conditions in the latest episode of a long-running dispute between management and staff.

Unless averted at the last minute, the strikes will affect around 1m students on eight consecutive working days from 25 November until 4 December.

Called by the University and College Union (UCU), they centre on changes to university lecturers' pensions which mean they pay more in but receive less when they retire. It follows similar action last year.

"The latest round of increased contributions backed by universities represents another pay cut for staff," UCU general secretary Jo Grady said last month.

UCU also wants wage increases for staff, arguing that pay has fallen 17 per cent in real terms since 2009.

Universities UK, the group which represents employers on pensions, argues that the pension scheme is more generous than many others and says employers are increasing their contributions faster than staff.

Universities also argue that intense competition and the freezing of tuition fees over the last three years mean it is difficult to raise wages.

They have pledged to limit disruption where possible, for example by rescheduling classes.

The strikes follow walk-outs over similar issues raised last year

Coal-led power production is set for record drop

EDWARD THICKNESSE

@edthicknesse

GLOBAL coal-fired electricity generation is on track for its biggest fall on record in 2019, with production expected to fall by around three per cent, according to a new report.

This is equivalent to a reduction of around 300 terrawatt hours, which is more than the combined total output from coal in the UK, Germany and Spain last year.

The fall is the result of record reductions in developed economies such as the EU, South Korea, and in the US, which has seen two of the country's largest coal plants close this month.

In addition, India has seen its first reduction in output in three decades, led by a 12 per cent increase in power from non-coal sources.

The report released today by Carbon Brief comes after a study last week showed that China had added more than 40 gigawatts of coal production over the past two years, a rate of almost one large plant every two weeks.

The rest of the world removed a combined eight gigawatts of capacity in the same period, according to the Global Energy Monitor (GEM).

Carbon Brief said that the new analysis was consistent with GEM's report. Despite an overall rise in global capacity, the actual output from coal power stations is on course for a record fall this year.

Running hours are set to reach an all-time low this year, meaning that the plants are not increasing coal use but instead adding to overcapacity.

Carbon Brief found that in 2019 the average coal plant will only have operated 54 per cent of the time, which would have led to an increase in the cost of electricity.

Coal power output is critical to global efforts to tackle climate change. In 2018, for example, a three per cent increase in emissions from coal-fired generation accounted for 50 per cent of the global increase in emissions from fossil fuels.

For 2019, a three per cent reduction in power sector coal use could imply zero growth in global carbon dioxide output, if emissions changes in other sectors are the same as in 2018.

In the past three decades, only two other years have seen declining coal power output: in 2009 in the wake of the global financial crisis, and in 2015 following a slowdown in China.

The goods firm denied reports that its tea brands PG Tips and Lipton were on sale

Unilever quashes rumours that tea division could be offloaded

SEBASTIAN MCCARTHY

@SebMcCarthy

UNILEVER last night made efforts to quash reports that it is mulling the sale of its tea division.

The consumer goods giant said yesterday that its PG Tips and Lipton brands are not on the block and that the firm is trying to turning around a weakening black tea market.

According to the Sunday Telegraph, Unilever is weighing up the sale of its traditional tea business amid waning demand.

A top 20 shareholder told the paper: "Unilever has said 'black tea, we'd love to be rid of it.'"

A spokesperson for Unilever said: "Contrary to reports, we are not exploring a sale of our tea business. PG Tips and Lipton are very popular brands, and although growth of black tea in developed markets has slowed down, we said publicly earlier this month to investors that we are focused on turning this around, while also expanding the brands into herbal teas and other segments that are growing."

£316m cost to business from domestic abuse

EDWARD THICKNESSE

@edthicknesse

DOMESTIC abuse against women costs UK businesses a total of £316m a year, according to a new study by KPMG for Vodafone.

The new research suggests that per woman, the potential loss of earnings as a result of the negative impact domestic abuse can have on career progression could be as much as £5,800.

It also finds that more than half a million working women in the UK have experienced domestic violence and abuse in the past 12 months. Of these, 122,000 have taken time off work in the past year.

Globally, the figures showed that 80m working women across 107 countries — or 15 per cent of the world's female workforce — had experienced domestic violence in this period. More than one-third — 38 per cent — of victims surveyed said they suffered from reduced productivity and 22 per cent said they sometimes stopped going to work or would take days off.

KPMG analysis of records on domestic violence and abuse victims also revealed that the length of unplanned leave averages at 10.1 days per woman.

Vodafone's Bright Sky app, created with crisis support charity Hestia, enables users to locate support services by searching their area, postcode or current location.

Virgin Money is expected to report a £250m loss for the 12 months to September

Costs from PPI surge are expected to push up losses at Virgin Money

SEBASTIAN MCCARTHY

@SebMcCarthy

VIRGIN Money is set to become the latest in a string of lenders to reveal major costs from a surge in payment protection insurance (PPI) claims.

The group is expected to be billed as much as £450m from a rush in claims over the mis-selling scandal before the complaints deadline closed in August.

The bank will slump to a £250m loss for the 12 months to the end of September, according to analyst forecasts in the Sunday Times, with restructuring expenses also expected after the firm was bought by Clydesdale and Yorkshire Banking Group (CYBG) in 2018.

A swathe of British banks have reported vast costs from the long-running PPI scandal, with the banking industry forking out roughly £50bn in compensation.

Barclays, Lloyds Banking Group and Royal Bank of Scotland (RBS) have said that a bigger-than-expected stampede of PPI complaints has dented the balance sheet.

The PPI deadline brought down the curtain on a major financial scandal that involved banks and loan providers mis-selling policies to people who did not need them between 1990 and 2010.

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

LONDON REPORT

FTSE celebrates its best day since July as mid-caps gain

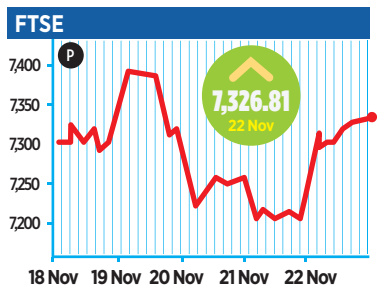
LONDON's FTSE 100 surged more than one per cent last Friday after two days of selling, as investors turned cautiously optimistic about a US-China trade deal and exporter stocks rose after the pound weakened on downbeat UK Purchasing Managers' Indexes (PMI) data.

The main index was powered on its best day since late July by trade-sensitive scrips including **HSBC** and miners and further bolstered by internationally-exposed firms such as **Unilever** and **Diageo**.

The FTSE 250 added 0.6 per cent, though gains were capped by data that showed British business this month suffered its deepest downturn since mid-2016 amid uncertainty around the General Election and Brexit.

Further keeping gains in check was a nine per cent slide in **Hochschild Mining** after its 2020 output targets disappointed.

Despite this, the mid-caps enjoyed their fourth straight week of gains, buoyed in recent sessions by polls that point to a likely Conservative Party victory in the 12 December election.



BEST OF THE BROKERS

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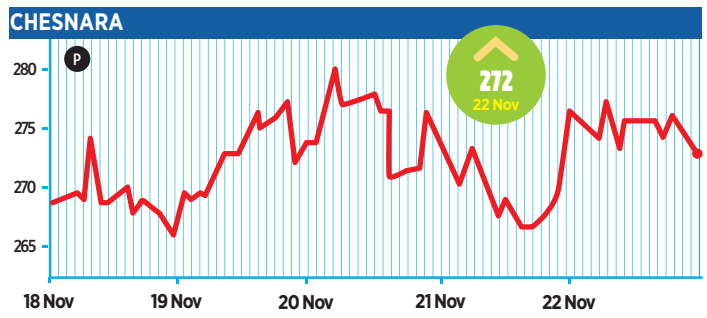
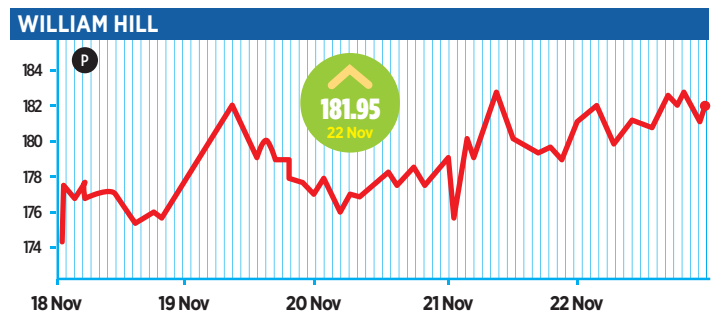


Life insurance company Chesnara has announced an acquisition of a Dutch Life book with £326m of assets under administration for £25m from Belgian bank Argenta. Peel Hunt say the purchase was acquired at an "attractive discount". Its recommendation remains "Hold" and the target price has increased to 280p.



William Hill's third quarter trading update showed the group was in line to achieve annual expectations. Canaccord Genuity say the bookmaker "continues to benefit from substitution into greyhounds and racing from gaming machine play". They retain its "Buy" recommendation and increase the target price to 258p.

NEW YORK REPORT

Wall St rises on economic data

WALL Street rose last Friday with help from positive comments from Washington and Beijing about progress on efforts to reach a US-China trade deal, and from upbeat domestic economic data.

US President Donald Trump told Fox News a trade deal was "potentially very close" following remarks by China's President Xi Jinping that Beijing wanted to work out an initial agreement.

The S&P 500 and the Dow were on track for their biggest daily gains in a lacklustre week marked by uncertainty about trade. In previous days, one report suggested the delay of a trade truce to 2020, while US politicians backed two bills backing protesters in Hong Kong.

Nordstrom jumped 10.2 per cent after the retailer raised its 2019 forecast and reported third-quarter profit above expectations. **Gap** shares were up 4.5 per cent after it beat lowered quarterly profit estimates.

Shares of **Tesla** fell 6.3 per cent as its Wall St questioned its newly unveiled electric pickup truck, whose "armoured glass" windows shattered in a demonstration.

CITY MOVES WHO'S SWITCHING JOBS

CIVITAS

Civitas Social Housing has appointed Alison Hadden to its board as an independent non-executive director. Alison brings a depth of experience within social housing and local government. She has previously served chief executive positions at several major housing associations, including Paradigm Housing, a 13,000-home housing association based in Buckinghamshire. Alison has also been an executive director at Circle Housing, one of the largest housing associations in the UK. She is currently chair of Housing Plus Group, an 18,000-home housing association group, and a non-executive director and member of the Audit and Risk Committee of Yorkshire Housing.

ROOM2

Room2, the UK's first hometel brand, has appointed Mark Harris as strategic investment partner. Mark's primary role will be to help raise finance from institutions, family offices and high net worth individuals to enable up to £250m of investment into Room2's pipeline of hometel developments across the UK. He will also advise on the growth of the Room2 platform and the development and delivery of new schemes. Mark brings more than 20 years' industry experience including 13 years at the Carlyle Group, where he was responsible for over £2.5bn of investments. Robert Godwin, co-founder of Room2, commented: "Mark's 20-plus years in the industry, and particularly the first-hand experience he gained at the Carlyle Group of working with small teams to grow operational platforms in alternative real estate sectors, will be invaluable."

BNP PARIBAS

BNP Paribas Real Estate has appointed hotel expert Artyom Perevedentsev to its International Investment Group (IIG). Artyom will be based in London and brings high-level experience in the hospitality sector having worked for a series of renowned real estate and investment firms with well-established hotel portfolios. Artyom's focus will be to grow the links between the hotel brokerage teams in the UK and across Europe as well as the international investment platforms in the Middle and far East. Artyom has previously worked for Eastdil Secured, where he was involved in a number of high profile hotel portfolio and single asset deals across Europe. During his career he has advised on a series of prominent hotel deals totalling over £1bn. Etienne Prongue, deputy chief executive of BNP Paribas Real Estate in the UK commented: "We are excited to welcome Artyom to the team at this critical time as the hotel market continues to grow and diversify."

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

NEWS

Finnair cancels 276 flights as unions join solidarity strike over low wages

ANNE KAURANEN

FINLAND's national airline Finnair said yesterday it was forced to cancel 276 flights scheduled after attempts to settle a labour dispute at the Finnish postal service failed, leading several Finnish labour unions to join a solidarity strike today.

Around 9,000 employees of the publicly owned postal service Posti have been on a two-week strike against pay cuts and several Finnish employee unions are taking actions to support the strike.

Finnair said around 20,000 travellers would be affected by its cancellations, caused by the Finnish airport workers' union's decision to join the solidarity strike today.

Finland's chief labour conciliator, Vuokko Piekkala, said yesterday that attempts to forge an agreement in the dispute had failed, after extensive negotiations over the weekend.

Piekkala said it was not immediately clear when negotiations would restart.

Finnair spokeswoman Paivyt Tallqvist said: "Our current estimate is that we could operate some 120 of our 377 flights scheduled."

Juhani Haapasaari, chairman of the Finnish Aviation Union, had told Reuters earlier this week that the strike would affect air traffic's ground services, including catering, technical services, cargo, security checks and consequently all airlines flying to and from Finland.

The solidarity strikes were expected to largely stall public bus transport in Finland's capital Helsinki today. The strike has also led to mail deliveries being interrupted in Finland ahead of the busy Christmas season.

Widespread strikes may be on the way as three other employee unions called at least 85,000 workers to join a three-day strike strting 9 December in separate wage disputes. *Reuters*

Saudi Aramco will not breach its weight limit

MARWA RASHAD

SAUDI Aramco's weighting in Saudi Arabia's main stock index once the oil giant has listed shares is not expected to breach the maximum limit set by the Gulf kingdom's Tadawul exchange, a senior executive said yesterday.

"There is a ceiling for the maximum weight any listed company on the Saudi index can reach, it will be around 15 per cent. It is unlikely that Aramco's weight will reach the maximum level," Argaam financial website quoted Tadawul chief executive, Khalid al-Hussan, as saying.

Saudi Aramco plans to sell 1.5 per cent of the company to raise $25.6bn (£20bn) in a deal that would value the company at around $1.7 trillion. The deal is the centerpiece of Crown Prince Mohammed bin Salman's plan to raise funds to help diversify the kingdom's oil-dependent economy.

Hosting potentially the biggest initial public offering in history will be a huge leap for the 12-year-old exchange that only admitted foreign investors four years ago.

Hussan said Aramco's listing will help the Middle East's largest bourse become one of the world's top 10 biggest stock exchanges. *Reuters*

FTSE 100	FTSE 250	FTSE ALL SHARE	DOW JONES	NASDAQ	S&P 500
7326.81	20485.81	4045.74	27875.62	8519.88	3110.19
88.26	115.95	43.37	109.33	13.67	6.65

£/€	1.1632	0.0038	€/$	1.1029	0.0039
£/$	1.2829	0.0086	€/£	0.8597	0.0028
£/¥	139.41	0.7600	€/¥	119.86	0.2700

	Price	Chg	High	Low
GILTS				
Tsy 4.750 20	101.15	-0.02	105.0	101.2
Tsy 8.000 21	111.38	0.03	118.2	111.3
Tsy 2.500 24	364.27	0.97	377.9	360.6
Tsy 5.000 25	123.51	0.28	126.0	122.9
Tsy 4.250 27	129.29	0.45	132.8	125.2
Tsy 6.000 28	147.59	0.54	152.1	143.1
Tsy 4.125 30	380.56	1.95	404.2	364.2
Tsy 4.250 32	140.27	0.69	146.4	131.7
Tsy 4.250 36	147.84	0.84	155.7	135.3
Tsy 4.750 38	162.28	0.99	171.8	147.0
Tsy 4.250 46	168.57	1.29	181.0	146.4
AEROSPACE & DEFENCE				
BAE Systems	575.0	3.8	588.2	443.9
Cobham	159.2	0.4	168.3	96.8
Meggitt	644.8	9.0	644.8	458.0
QinetiQ	339.8	0.4	351.6	267.0
Rolls-Royce	733.2	18.2	988.4	702.0
Senior	182.1	4.6	260.0	174.0
Ultra Electronics	2104.0	-24.0	2252.0	1232.0
AUTOMOBILES & PARTS				
Aston Martin	493.5	18.5	1374.4	399.3
TI Fluid Systems	216.0	3.0	223.0	155.2
BANKS				
Barclays	169.3	1.1	172.8	136.2
BGEO Group	1400.0	-25.0	1755.0	1252.0
HSBC Hldgs	579.8	10.1	680.6	569.7
Lloyds Banking	59.8	1.1	66.6	48.6
Royal Bank of Scot	224.9	4.1	270.4	177.7
Standard Chartered	690.2	11.0	736.8	575.7
TBC Bank Group	1200.0	-4.0	1706.0	1150.0
Virgin Money UK	143.8	0.7	220.1	104.4
BEVERAGES				
Barr (AG)	610.0	0.0	975.0	540.0
Britvic	974.5	16.0	1068.0	782.5
Coca-Cola HBC AG	2485.0	59.0	3074.0	2269.0
Diageo	3119.5	21.0	3625.5	2701.0
CHEMICALS				
Croda International	4818.0	38.0	5375.0	4564.0
Elementis	168.9	-1.9	199.1	129.8
Johnson Matt	2846.0	-143.0	3454.0	2620.0
Synthomer	304.8	5.6	429.6	279.0
Victrex	2412.0	20.0	2676.0	1845.0
CONSTRUCTION & MATERIALS				
Balfour Beatty	216.6	0.4	295.0	194.2
CRH	2900.0	50.0	2900.0	1971.5
Galliford Try	719.5	11.5	791.5	512.0
Grafton Group	834.5	11.5	937.0	630.0
Ibstock	252.0	3.8	262.0	193.1
Marshalls	743.5	9.5	748.0	415.2
Polypipe Group	466.6	3.6	477.0	312.8
DIVERSIFIED INDUSTRIALS				
Smith (DS)	379.1	7.3	388.1	292.2
Smiths Gp	1642.5	17.5	1692.0	1340.0
Smurfit Kappa Gp	2722.0	68.0	2760.0	1934.0
Vesuvius	428.0	2.4	642.0	341.0

	Price	Chg	High	Low
ELECTRICITY				
Contour Global	210.0	1.0	222.5	159.1
Drax Gp	282.0	0.0	413.8	251.0
SSE	1313.0	13.0	1336.5	1008.0
ELECTRONIC & ELECTRICAL EQUIPMENT				
Halma	2055.0	10.0	2094.0	1282.0
Morgan Advanced	283.0	4.4	283.0	232.4
Oxford Instruments	1540.0	-4.0	1592.0	853.0
Renishaw	3742.0	-12.0	4670.0	3232.0
Spectris	2665.0	11.0	2898.0	2188.0
EQUITY INVESTMENT INSTRUMENTS				
3i Infrastructure	292.5	0.5	306.5	249.7
Aberforth Smlr Cos	1348.0	6.0	1352.0	1114.0
Alliance Trust	813.0	7.0	838.0	672.0
AVI Global Trust	773.0	10.0	781.0	660.0
Baillie Gifford Japan	824.0	5.0	840.0	663.0
Bankers InvTst	948.0	5.0	970.0	766.0
BlackRock Smaller	1544.0	12.0	1544.0	1160.0
BMO Global Smaller	139.9	1.9	140.6	122.0
Caledonia Inv	3045.0	25.0	3110.0	2740.0
City of London IT	420.0	6.0	431.5	376.0
Edin Inv Trust	599.0	4.0	652.0	535.0
European Opp	805.0	2.0	875.0	666.0
F&C Investment	730.0	4.0	731.0	616.0
Fidelity China SPE	215.5	0.5	250.0	183.4
Fidelity Euro Values	254.5	2.5	257.5	202.0
Fidelity Spec Val	268.0	4.0	270.0	220.0
Finsbury G&I Tst	878.0	7.0	958.0	741.0
GCP Infra Inv	130.6	-0.2	131.6	122.4
Genesis Emerging	755.0	3.0	785.0	626.0
Greencoat UK	144.4	-0.4	148.8	124.4
Harbourvest Glb	1698.0	12.0	1786.0	1326.0
Herald Inv Trust	1362.0	6.0	1364.0	1055.0
HICL Infr	165.0	-5.4	174.0	156.6
JPM American	473.0	1.0	494.5	386.5
JPM Emerg Mkt	994.0	6.0	1066.0	809.0
JPM Indian IT	721.0	-3.0	790.0	633.0
JPM Japan IT	466.5	5.5	466.5	367.0
Jupiter Fund Mngt	368.4	5.0	432.0	287.6
Law Debenture	602.0	8.0	618.0	534.0
Mercantile IT	234.0	0.5	234.5	168.0
Monks Inv Tst	926.0	11.0	964.0	710.0
Murray Intl Tst	1222.0	14.0	1248.0	1058.0
NB Glbl Fltg Rate Inc	90.7	0.1	91.0	87.6
Pantheon Intl Partn	2275.0	5.0	2330.0	1955.0
Perpetual Inc & Grth	312.5	3.0	339.0	284.5
Pershing Square	1432.0	2.0	1570.0	990.0
Personal Assets Tst	42150	0.0	43150	38900
Polar Cap Tech Tst	1486.0	12.0	1500.0	1066.0
Renewables Infra Gp	128.2	1.0	133.2	109.6
RIT Cap Partners	2160.0	10.0	2170.0	1892.0
Riverstone Energy	422.5	-6.0	1196.0	422.5
Schroder Asia	451.0	3.5	469.5	389.0
Scottish Inv Tst	815.0	5.0	843.0	748.0
Scottish Mortgage	522.5	1.0	568.5	441.4
Sequoia Econ Infra	115.6	0.0	117.6	108.5
Smithson Inv	1266.0	10.0	1280.0	1000.2
Syncona	220.5	-0.5	294.0	213.5
Temple Bar IT	1340.0	14.0	1366.0	1116.0
Templeton Em Mkts	788.0	7.0	829.0	670.0
Vietnam Enterprise	488.0	0.5	509.0	421.5
VinaCapital Vietna	333.5	0.0	357.5	323.0
Witan Invest	219.0	1.5	225.5	189.6
Wwide Healthcare	2885.0	35.0	2885.0	2325.0
FIXED LINE TELECOMMUNICATIONS				
BT Gp	190.2	2.9	262.9	158.9
Talktalk Telecom	103.9	-0.8	130.0	96.5
Telecom Plus	1328.0	34.0	1528.0	1130.0
FOOD & DRUG RETAILERS				
Greggs	2050.0	28.0	2476.0	1237.0
Morrison (WM)	200.1	2.8	248.4	176.9
Ocado Gp	1126.5	-28.5	1435.0	749.8
Sainsbury(J)	214.4	2.7	318.0	177.1
SSP Group	663.0	11.0	721.0	608.0
Tesco	232.6	2.8	253.0	189.6
FOOD PRODUCERS				
Assoc British Foods	2521.0	43.0	2575.0	2041.0
Bakkavor	123.0	-1.8	170.0	93.3
Cranswick	3226.0	38.0	3408.0	2472.0
Greencore Gp	244.4	0.1	246.9	162.8
Hilton Food Gp	1020.0	2.0	1088.0	884.0
Tate & Lyle	703.8	5.0	800.4	658.4
Unilever	4516.5	21.5	5324.0	3941.0
FORESTRY & PAPER				
Mondi	1680.0	37.5	1898.0	1510.5
GENERAL FINANCIAL				
3i Group	1040.5	12.5	1184.5	756.2
Ashmore Gp	453.0	-6.6	542.5	356.0
Brewin Dolphin	331.0	-1.0	342.8	287.6
Close Brothers	1436.0	10.0	1605.0	1227.0
Coats Group	68.1	-5.9	91.3	68.1
Finablr	182.1	2.9	183.8	140.2
Hargreaves Lans	1805.5	48.0	2433.0	1633.0
IG Gp	665.2	11.2	667.2	474.8
Integrafin Holdings	396.0	1.0	406.1	271.8
Intermediate Capital	1488.0	18.0	1521.0	918.5
Intl Public Prtnshps	159.4	-1.2	165.4	146.8
Investec	428.2	1.1	518.6	395.3
IP Group	60.5	1.5	122.0	55.7
John Laing Gp	363.6	-2.6	402.0	298.2
London Stock Exch	6838.0	56.0	7514.0	3867.0
Man Group	142.8	1.0	175.2	126.8
Onesavings	371.4	4.2	447.4	313.6
Paragon	497.2	-1.4	518.0	379.2
Plus500	754.2	-4.8	1647.0	495.0
Provident Fin	420.2	0.8	658.6	356.0
Quilter	141.4	0.8	156.6	110.6
Rathbone Brothers	2130.0	20.0	2540.0	2075.0
Schroders	3223.0	34.0	3262.0	2334.0
TP ICAP	368.8	-0.5	377.7	270.0
GENERAL RETAILERS				
B&M	373.9	4.9	399.6	278.6
Card Factory	156.5	-2.3	209.0	151.2
Dixons Carphone	122.0	2.4	162.9	104.9
Dunelm Gp	837.5	11.5	981.0	482.8
Howden Joinery Gp	620.0	6.0	620.0	416.4
Inchcape	642.5	4.5	678.0	519.5
JD Sports Fashion	787.8	29.0	787.8	318.5
Just Eat	753.0	-2.0	812.0	535.0
Kingfisher	197.0	-0.5	266.2	185.9
Marks & Spencer	191.9	5.0	309.6	163.9
Next	6796.0	136.0	6850.0	3991.0
Pets at Home Gp	209.0	9.7	239.4	113.3
Sports Direct Intl	336.4	0.4	336.4	214.0
Vivo Energy	123.2	1.2	139.5	105.6
WH Smith	2368.0	54.0	2368.0	1697.0
HEALTH CARE EQUIPMENT & SERVICES				
Convatec	188.0	2.5	202.8	118.5
Mediclinic Intl	400.0	2.7	401.3	293.4
NMC Health	2459.0	-13.0	3600.0	1801.5
Smith & Neph	1702.0	31.5	1990.0	1395.0
UDG Hlthcare	759.0	4.5	821.0	551.0
HOUSEHOLD GOODS				
Barratt Devel	659.4	13.2	683.0	434.0
Bellway	3355.0	62.0	3536.0	2419.0
Berkeley Grp Hldgs	4460.0	-5.0	4589.0	3226.0
Bovis Homes Gp	1194.0	27.0	1226.0	828.0
Countryside Prop	375.2	3.4	375.6	276.8
Crest Nicholson	370.6	4.0	435.2	309.4
McCarthy & Stone	137.8	2.7	158.8	123.5
Persimmon	2513.0	58.0	2513.0	1836.0
Reckitt Benckiser	5925.0	-13.0	6700.0	5593.0
Redrow	653.0	6.0	654.0	460.8
Taylor Wimpey	174.6	4.8	192.2	129.3
INDUSTRIAL ENGINEERING				
Bodycote	864.5	4.5	903.0	652.0
Hill & Smith	1334.0	6.0	1385.0	1049.0
IMI	1102.5	7.5	1136.0	870.0
Melrose Ind	224.9	5.8	226.0	146.3
RHI Magnesita	3798.0	-52.0	5000.0	3352.0
Rotork	322.2	0.6	341.2	235.7
Spirax-Sarco	8590.0	85.0	9400.0	5900.0
Weir Gp	1393.5	13.5	1814.0	1240.0
INDUSTRIAL METALS				
Evraz	358.7	5.6	709.4	351.0
Ferrexpo	145.2	3.6	301.3	123.0
INDUSTRIAL TRANSPORTATION				
BBA Aviation	314.8	3.8	324.8	207.0
Clarkson	2745.0	-5.0	2900.0	1878.0
Fisher (James)	1880.0	16.0	2260.0	1600.0
Royal Mail	199.9	1.4	332.9	188.4
LEISURE GOODS				
Games Workshp	5685.0	-80.0	5765.0	2800.0
LIFE INSURANCE				
Aviva	400.0	2.3	438.8	352.3
Lancashire Hldgs	724.5	-3.5	746.0	561.5
Legal & General	277.9	4.9	291.2	216.7
Phoenix Gp	711.7	11.0	724.8	544.0
Prudential	1306.0	26.5	1790.0	1279.5
St James Place	1038.0	12.0	1143.0	913.6
Std Life Aberdeen	311.4	3.1	314.6	224.8
MEDIA				
4imprint	3000.0	0.0	3130.0	1800.0
Ascential	325.0	5.2	411.0	319.8
Auto Trader Gp	539.8	8.0	606.0	418.1
Entertainment One	557.0	1.0	589.0	336.4
Euromny Inst Inv	1278.0	54.0	1498.0	1132.0
Future	1414.0	-8.0	1528.0	465.0
Informa	786.8	14.4	892.0	605.8
ITV	138.2	1.1	153.4	103.6
Moneysupermkt.com	342.2	0.7	417.7	267.0
Pearson	651.0	11.0	1027.5	640.0
RELX	1857.5	27.5	2011.0	1581.5
Rightmove Group	630.6	12.0	630.6	420.9
WPP	983.8	14.8	1038.0	800.4
MINING				
Anglo American	2058.0	46.0	2266.0	1539.0
Antofagasta	889.2	18.2	1022.5	738.0
BHP Group	1710.2	40.0	2049.0	1497.2
Centamin	111.9	-2.1	152.3	79.8
Fresnillo	561.0	-37.6	1027.5	561.0
Glencore	246.9	7.3	340.3	222.2
Hochschild Mining	170.1	-16.6	227.0	153.2
Kaz Minerals	492.0	11.1	738.4	380.3
Polymet Int	1157.5	-5.5	1272.0	772.6
Rio Tinto	4184.5	87.5	4976.5	3513.5
Sirius Minerals	3.3	-0.1	24.3	2.9
MOBILE TELECOMMUNICATIONS				
Inmarsat	550.0	4.2	608.2	362.8
Vodafone Gp	156.6	4.5	168.9	123.3
NONLIFE INSURANCE				
Admiral Gp	2109.0	49.0	2300.0	1958.0
Beazley	533.0	-0.5	628.0	492.6
Direct Line Ins	295.4	3.2	366.5	270.5
Hastings Gp Hldgs	170.5	2.6	231.6	167.9
Hiscox	1271.0	-4.0	1777.0	1213.0
RSA Ins Gp	545.8	9.6	597.0	496.6
OIL & GAS PRODUCERS				
BP	499.0	1.8	582.5	484.9
Cairn Energy	178.0	1.7	213.8	140.0
Energean Oil & Gas	927.0	13.0	1082.0	568.0
Premier Oil	87.5	-0.2	106.2	55.6
Royal Dutch Shell A	2281.5	18.5	2612.0	2213.0
Royal Dutch Shell B	2269.0	19.0	2622.0	2218.0
Tullow Oil	139.2	-3.4	250.0	139.2
OIL EQUIPMENT & SERVICES				
Hunting	404.8	-1.4	657.0	393.0
Petrofac	400.4	-0.1	559.0	381.5
Wood Gp(J)	359.8	13.2	674.4	327.4
PERSONAL GOODS				
Burberry Gp	2033.0	2.0	2345.0	1623.5
PZ Cussons	201.0	2.6	235.0	178.6
PHARMACEUTICALS & BIOTECHNOLOGY				
AstraZeneca	7418.0	82.0	7580.0	5325.0
Dechra Pharma	2800.0	6.0	3036.0	2022.0
Genus	2986.0	-14.0	3146.0	2146.0
GlaxoSmithKline	1713.8	12.2	1782.0	1418.0
Hikma Pharma	1900.5	16.0	2200.0	1510.5
REAL ESTATE				
Assura	72.5	1.0	75.4	52.5
Big Yellow Gp	1101.0	-3.0	1192.0	858.5
BMO Comm Prop	117.2	0.6	141.8	106.0
British Land	553.4	1.0	638.4	468.3
Captl & Count Prop	248.5	-2.0	270.5	184.8
CLS Hldgs	258.0	1.0	268.5	204.0
Daejan Hldgs	5000.0	50.0	6160.0	4715.0
Derwent London	3610.0	10.0	3666.0	2779.0
Grainger	271.2	3.2	275.8	205.8
Grt Portland Est	801.4	1.6	814.2	649.4
Hammerson	290.3	3.7	421.0	203.9
Land Securities	915.4	10.4	963.0	735.4
LondonMetric Prop	235.0	0.0	240.2	172.7
NewRiver Retail	179.6	-0.2	246.0	147.6
Primary Hlth Prop	142.0	2.2	143.2	108.2
Safestore Hldgs	729.0	-3.0	740.5	506.5
Savills	939.0	11.0	967.5	678.5
SEGRO	868.4	4.4	869.0	585.2
Shaftesbury	940.0	-2.0	979.5	739.5
St Modwen Props	454.5	-2.5	472.0	373.0
TR Property IT	455.5	3.0	456.0	353.5
Tritax Big Box	151.1	0.0	159.7	130.0
UK Commercial Prop	86.5	0.1	92.7	79.9
Unite Group	1198.0	7.0	1200.0	797.5
Workspace Gp	1069.0	-4.0	1113.0	789.5
SOFTWARE & COMPUTER SERVICES				
Avast	434.2	0.8	444.2	259.6
Aveva Gp	4430.0	24.0	4460.0	2284.0
Computacenter	1445.0	22.0	1525.0	952.0
FDM Group	864.0	16.0	994.0	647.0
Kainos Gp	578.0	6.0	676.0	430.0
Micro Focus Intl	1099.6	20.4	2160.0	1004.0
Playtech	400.2	-10.3	457.7	360.5
Sage Group	733.6	13.6	820.4	567.0
Softcat	1161.0	1.0	1176.0	565.0
Sophos	571.0	4.0	577.0	298.2
SUPPORT SERVICES				
Aggreko	800.4	8.6	855.2	691.8
Ashtead Gp	2323.0	46.0	2392.0	1586.5
Babcock Intl Grp	586.8	9.2	587.2	416.7
Bunzl	2024.0	53.0	2551.0	1943.0
Capita	158.9	0.2	173.1	99.9
DCC	6488.0	70.0	7496.0	5680.0
Diploma	1766.0	19.0	1775.0	1150.0
Electrocomp	637.4	5.0	729.8	480.0
Equiniti	201.0	-2.0	236.2	186.2
Essentra	424.0	1.4	442.0	325.4
Experian	2511.0	66.0	2631.0	1843.0
Ferguson	6678.0	28.0	6898.0	4776.5
G4S	212.5	5.0	234.3	168.3
Hays	165.5	2.7	165.5	135.7
Homeserve	1246.0	-2.0	1266.0	849.0
Intertek Gp	5504.0	88.0	5962.0	4509.0
IWG	400.7	2.1	421.9	199.8
Network Int	521.0	1.0	628.0	513.0
Pagegroup	466.6	1.8	539.0	367.8
Paypoint	956.0	20.0	1118.0	748.0
Rentokil Initial	441.1	3.2	467.8	315.9
Sanne Group	581.0	3.0	752.0	450.0
Serco	154.6	2.1	160.0	84.1
SIG	119.2	4.2	153.0	99.3
Travis Perkins	1508.5	9.5	1531.0	1012.0
TECHNOLOGY HARDWARE & EQUIPMENT				
Spirent Comms	212.5	-1.0	219.0	112.8
TOBACCO				
Br Am Tob	2981.0	9.5	3197.5	2375.0
Imperial Brands	1690.0	-19.2	2713.5	1690.0
TRAVEL & LEISURE				
Carnival	3182.0	88.0	4650.0	3056.0
Cineworld Group	200.8	-0.9	321.0	191.0
Compass Gp	2033.0	28.0	2138.0	1583.0
Dominos Pizza	295.0	-7.2	305.8	221.2
easyJet	1347.5	15.0	1348.0	854.8
EI Group	282.2	0.4	285.0	171.4
FirstGroup	117.5	0.0	137.5	79.3
Flutter Ent	8732.0	152.0	8732.0	5525.0
Go-Ahead Gp	2268.0	40.0	2268.0	1480.0
GVC Hldgs	862.4	3.2	897.4	507.5
Intercontl Htls	4749.0	118.0	5738.0	4230.4
Intl Cons Airl	555.2	8.6	667.6	413.5
Marstons	123.2	-0.3	131.3	90.5
Mitchells & Butlers	446.0	-4.0	470.5	238.0
National Express	450.4	4.4	462.0	361.4
PPHE Hotel Gp	1860.0	-20.0	1990.0	1540.0
Rank Gp	235.0	3.0	247.5	135.0
Restaurant Grp	146.0	3.5	162.2	111.9
Stagecoach Gp	132.8	3.5	177.0	115.5
TUI AG	1075.0	29.5	1250.0	698.0
Wetherspoon (JD)	1515.0	7.0	1624.0	1066.0
Whitbread	4474.0	60.0	5114.0	3988.0
William Hill	181.9	0.1	205.2	132.3
Wizz Air Holdings	3890.0	-10.0	3935.0	2722.0

	Price	Chg	High	Low
AIM 50				
Abcam	1291.0	9.0	1500.0	1017.0
Advanced Medical	262.0	3.0	354.5	225.0
Alliance Pharma	77.0	1.0	80.4	60.0
ASOS	3112.0	101.0	5074.0	2107.0
Blue Prism	1204.0	42.0	1472.0	788.0
Camellia	8600.0	-150.0	11750.0	8600.0
Caretech Holdings	384.5	0.5	405.0	325.0
Central Asia Metals	211.5	-0.5	266.5	180.0
Clinigen Group	851.5	16.5	1069.0	721.0
CVS Group	1027.0	8.0	1049.0	395.0
Dart Group	1384.0	-30.0	1414.0	709.5
Diversified Gas & Oil	103.0	1.0	116.5	97.0
Draper Esprit	465.0	-1.0	548.0	410.0
Eland Oil & Gas	160.0	0.6	165.4	101.0
EMIS Group	1046.0	-2.0	1242.0	864.0
Fevertree Drinks	2095.0	91.0	2475.0	1732.5
First Derivatives	2460.0	-15.0	3555.0	2050.0
Frontier Devs	1198.0	-4.0	1254.0	740.0
Gamma Comms	1185.0	-5.0	1235.0	688.0
GB Group	668.0	12.0	668.0	410.5
Gooch & Housego	1275.0	10.0	1527.5	954.0
Hurricane Energy	44.3	-0.3	53.6	38.7
Impax Asset Mgmt	285.0	2.0	295.0	184.0
Iomart Group	366.0	9.0	398.0	308.0
IQE	42.9	-2.6	98.0	42.9
James Halstead	492.0	-11.0	532.0	383.0
Johnson Service Gp	177.0	2.2	183.2	113.6
Keywords Studios	1385.0	25.0	1838.0	900.0
Learning Tech Gp	118.4	0.8	130.0	62.2
M&C Saatchi	157.5	0.0	394.0	146.0
M.P. Evans	686.0	2.0	703.0	612.0
Majestic Wine	226.0	-12.0	318.0	219.0
Midwich Group	600.0	-1.0	633.0	474.5
Mortgage Advice B	630.0	10.0	631.0	546.0
Next Fifteen Comm	465.0	-6.0	658.0	465.0
Nichols	1570.0	-25.0	1880.0	1350.0
Numis Corporation	241.5	1.0	284.5	212.0
Polar Capital Hdgs	546.0	6.0	604.0	448.0
Purplebricks Gp	105.8	-0.8	132.0	96.0
Redde	107.6	4.4	127.6	100.6
Renew Holdings	386.0	-2.0	436.5	333.0
RWS Holdings	600.0	1.0	652.0	450.0
Scapa Group	238.5	-2.5	403.0	157.0
Secure Income REIT	422.0	-1.0	454.0	371.0
Serica Energy	120.0	-0.2	143.4	103.6
Smart Metering Sys	514.0	1.0	665.0	310.0
Telford Homes	349.5	0.0	358.0	267.0
Thorpe (F.W.)	291.0	1.0	340.0	248.5
Watkin Jones	220.0	0.0	241.5	192.2
Young's Brew NV	1195.0	0.0	1238.0	1030.0
Young's Brew-A	1690.0	20.0	1885.0	1322.5

MAIN CHANGES UK 350

Risers		%	Fallers		%
Pets at Home Gp	209.00	4.9	Hochschild Mining	170.10	-8.9
Euromny Inst Inv	1278.00	4.4	Coats Group	68.10	-8.0
Aston Martin	493.50	3.9	Fresnillo	561.00	-6.3
JD Sports Fashion	787.80	3.8	Johnson Matt	2846.00	-4.8
Wood Gp(J)	359.80	3.8	Sirius Minerals	3.26	-4.3
Centrica	82.30	3.8	HICL Infr	165.00	-3.2
SIG	119.20	3.7	Playtech	400.20	-2.5
Glencore	246.90	3.0	Ocado Gp	1126.50	-2.5
Vodafone Gp	156.58	3.0	Tullow Oil	139.25	-2.4
Carnival	3182.00	2.8	Dominos Pizza	295.00	-2.4

EU SHARES

	Price	Chg	High	Low
ADIDAS	273.00	0.00	296.35	180.10
AIR LIQUIDE	121.95	1.20	130.80	102.40
ALLIANZ AG	218.50	0.90	223.80	172.16
AMADEUS IT GROUP	70.96	0.00	71.98	42.30
ANHEUSER BUSCH INBEV	71.43	0.54	92.71	57.35
ASML HOLDING NV	243.10	0.30	249.00	130.88
AXA	25.02	0.02	25.38	18.54
BANCO SANTANDER	310.45	6.55	402.00	300.65
BASF	69.68	0.23	74.49	56.20
BAYER AG	68.53	0.03	72.81	52.53
BBVA	4.80	0.04	9.56	4.19
BMW	74.07	0.47	77.75	58.70
BNP PARIBAS	51.55	0.05	51.50	38.55
CRH	2900.00	50.00	2900.00	1971.50
DAIMLER	52.03	1.00	59.31	40.53
DANONE	74.28	0.42	82.00	60.28
DEUTSCHE POST AG	33.91	-0.06	34.44	23.72
DEUTSCHE TELEKOM	15.10	0.04	16.25	14.10
ENEL	6.75	-0.03	6.98	4.74
ENGIE	14.04	0.02	15.12	11.99
ENI	14.00	-0.05	15.94	13.04
ESSILORLUXOTTICA	128.75	0.00	128.75	128.75
FRESENIUS MEDICAL CARE	66.60	0.56	76.32	56.64
IBERDROLA	8.87	0.01	9.54	6.02
INDITEX	27.49	-0.06	32.37	2.55
ING GROEP NV	10.52	0.14	12.05	8.34
INTESA SANPAOLO	2.34	-0.01	2.38	1.83
KERING	541.40	0.10	549.50	380.70
KON KPN NV	2.79	0.02	2.96	2.47
L'OREAL	255.40	-0.10	265.00	195.25
LVMH MOET HENNESSY	396.25	1.75	405.50	243.25
MUENCHENER RUECKVE	254.90	-1.60	257.80	185.10
NOKIA	21.88	0.00	21.88	21.88
ORANGE	14.82	0.10	15.16	13.15
ROYAL PHILIPS	41.04	0.17	44.34	29.10
SAFRAN	149.25	-0.10	149.90	100.70
SANOFI	84.00	-0.90	85.25	72.24
SAP SE	122.80	0.44	124.38	85.79
SCHNEIDER ELECTRIC	86.40	0.60	88.14	57.58
SIEMENS AG	114.78	-0.06	115.00	85.00
SOCIETE GENERALE	28.64	0.41	33.24	21.13
TELEFONICA SA	6.76	0.09	9.18	5.94
TOTAL	49.10	0.25	52.27	43.18
UNILEVER NV	52.65	-0.06	57.56	46.03
VINCI	99.64	-1.01	102.40	70.50
VIVENDI	24.95	0.09	26.42	20.93
VOLKSWAGEN AG	177.08	0.74	183.46	136.26

Winter forecast: very cool

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COMMODITIES

Gold	1465.90	-2.20	Copper Cash Official	5812.75	-59.75
Silver (Pence)	1709.00	-2.15	Aluminium Cash Official	1752.50	+5.00
Silver (Cents)	1319.00	-8.00	Nickel Cash Official	14407.50	+100.00
Krugerrand	1484.75	+1.11	Aluminium Alloy Cash Official	1345.00	+65.00
Brent Crude	63.97	+1.57	Natural Gas	40.99	+0.18
Platinum	919.00	+7.00	Tin Cash Official	16312.50	+300.00
British Sovereign	346.96	+0.25	Zinc Cash Official	2327.50	-32.50
Lead Cash Official	1972.25	-23.75	White Sugar	334.30	-2.30

TOURIST RATES

Canada	1.6331	New Zealand	1.8762
Croatia	7.8439	Norway	11.25
Czech Republic	27.38	Poland	4.4113
Denmark	8.2975	Singapore	1.6404
Hong Kong	9.5852	Sweden	11.85
Iceland	140.86	Switzerland	1.2229
India	81.74	Turkey	7.0087
Israel	4.0265	United States	1.2327

WORLD INDICIES

	Price	Chg	%Chg
FTSE 100	7326.81	+88.26	+1.22
FTSE 250	20485.81	+115.95	+0.57
FTSE All-Share	4045.74	+43.37	+1.08
FTSE AIM All-Share	906.90	+4.69	+0.52
S&P 500	3110.19	+6.65	+0.21
Dow Jones I.A.	27875.62	+109.33	+0.39
Nasdaq Composite	8519.88	+13.67	+0.16
Xetra DAX	13163.88	+26.18	+0.20
CAC 40	5893.13	+11.92	+0.20
Swiss Market Index	10369.44	+31.09	+0.30
ISEQ Overall Index	6824.67	+96.77	+1.44
FTSEurofirst 300	1582.36	+7.25	+0.46
Hang Seng	26595.08	+128.20	+0.48
Nikkei	23112.88	+74.30	+0.32
STI Index	3225.65	+33.44	+1.05
ASX All Ordinaries	6816.50	+38.80	+0.57

US SHARES

	Price	Chg	High	Low
3M	167.60	2.46	219.50	150.74
ABBOTT LABORATORIES	83.74	0.06	88.74	65.56
ADOBE INC.	299.30	0.50	311.27	205.16
ALPHABET NON VTG-C	1295.34	-6.01	1334.87	976.22
ALPHABET-A	1293.67	-6.47	1333.54	1116.79
AMAZON.COM	1745.72	11.01	2020.99	1343.96
AMERICAN EXPRESS	119.06	0.26	128.57	89.50
APPLE INC.	261.78	-0.23	267.10	142.19
AT&T	37.75	0.15	39.63	27.36
BANK OF AMERICA	33.18	0.34	33.26	22.73
BERKSHIRE HATHAWAY	217.96	1.33	222.74	187.76
BOEING CO	371.34	4.90	432.69	294.16
CATERPILLAR INC	143.88	0.52	148.16	113.38
CHEVRON	118.63	-0.14	126.54	100.99
CISCO SYSTEMS	44.85	0.01	58.05	40.28
CITIGROUP	74.87	0.97	76.12	49.26
COCA-COLA CO	53.03	0.07	55.77	44.69
COMCAST	44.80	0.44	46.97	33.07
DOW	54.20	0.32	66.65	40.71
EBAY INC	35.12	0.18	41.57	26.14
EXXON MOBIL	69.37	-0.30	83.38	65.51
FACEBOOK	198.82	0.89	204.87	174.60
GOLDMAN SACHS GROUP	220.28	2.05	223.29	156.35
HOME DEPOT INC	218.03	-0.51	238.85	158.14
HONEYWELL INTERNATIONAL	176.79	0.26	182.01	124.83
IBM	134.34	0.50	151.36	107.57
INTEL	57.61	-0.61	58.82	43.46
JOHNSON & JOHNSON	138.07	1.63	147.84	122.84
JPMORGAN CHASE & CO	130.79	0.86	130.62	92.14
MASTERCARD INC	282.57	-1.88	292.08	174.65
MCDONALD'S	193.14	0.79	221.15	170.28
MEDTRONIC	110.82	0.33	112.06	82.45
MERCK & CO	85.45	-0.01	86.91	71.15
MICROSOFT	149.59	0.11	150.39	94.13
NETFLIX	310.48	-1.21	385.03	233.88
NIKE INC	93.34	1.18	96.22	67.53
ORACLE	56.39	0.16	60.15	42.69
PAYPAL HOLDINGS	101.77	-0.78	121.30	96.64
PEPSICO	134.07	0.16	140.28	118.61
PFIZER INC	38.33	0.59	46.23	34.24
PROCTER & GAMBLE	120.29	-0.05	124.94	87.36
TRAVELERS COMPANIES	135.13	0.44	154.83	112.63
TWITTER	30.03	0.24	45.42	28.89
UNITED HEALTH GROUP	276.84	0.29	286.33	215.26
UNITED TECHNOLOGIES	147.70	0.40	149.36	102.06
VERIZON COMMUNICATIONS	59.75	0.14	61.05	53.05
VISA	179.47	-0.42	185.74	168.86
WALGREENS BOOTS ALLIANCE	60.60	-0.02	76.05	49.29
WALMART	119.36	-0.50	120.98	85.82
WALT DISNEY CO	148.29	1.39	148.72	100.35
WELLS FARGO & CO	54.28	0.72	54.35	43.38

FORUM

EDITED BY RACHEL CUNLIFFE

Don't panic, China is nowhere close to overtaking America

THERE has been far too much doom-mongering of late about America's structural position in the world. While there is no doubt that the US is in relative decline, it is as if the commentariat does not really understand what these words actually mean, focusing only on the "decline" part of the phrase.

So for all the Chicken-Littles out there — believing the sky is falling down on American preeminence — let me clarify. America today, from a position of utter dominance, is slowly relatively losing ground to countries such as China, India, and other emerging market players, but from an incredibly lofty perch.

Relative decline does not mean that the US will cease to be the preeminent political force in a multipolar world. Far from it. China's recent troubles illustrate that rising powers have problems too.

Much has rightly been made over the past decade about the rise of China to genuine superpower status — the only possible long-term peer competitor to the US.

Since December 1978, when Deng Xiaoping first put in place the liberalising economic reforms that have utterly transformed Chinese society, the country has seen an astonishing 20-fold increase in its economic output. Streaking across the geopolitical sky like a meteor, China's rise is undoubtedly the geopolitical risk story of the past generation.

But, blinded by missing its out-of-nowhere success, political risk analysts have overcorrected from the sin of ignoring China to overrating it.

Student-led protests began in Hong Kong in June, which have since become a lightning rod for more general dissatisfaction. The protesters' demands have expanded, now encompassing calls for genuine democracy in local elections. Suffice it to say that internal dissent on such a scale has the potential to inhibit China's continued rise.

Domestically, the Chinese economic miracle may be nearing its end. In 2015, each employed Chinese worker generated only 19 per cent of the GDP an American worker did. It has been estimated that, when the superior productivity of American workers is taken into account, the costs of manufacturing in China and the US are now startlingly the same.

Further, China has a significant demography problem, as its birth rate has starkly declined to 1.2 children per couple in 2017. The International Monetary Fund has estimated that China's working age population already peaked in 2011.

In 2013, China had 6.57 workers supporting every person 65 or older — by 2050, it is projected this will be down to only 1.14 workers, with almost half the population then elderly. It appears that China will get old before it gets rich.

Assuming (and it is a mighty assumption) that Beijing is able to master these formidable challenges, the realm of geopolitics also stands in the way of any dreams China has of ousting the US as the preeminent country in the world.

For the only way for Beijing to supplant Washington in the foreseeable future would be for it to enter into a cast-iron alliance with one of

The only way for Beijing to supplant Washington in the foreseeable future would be for it to enter into a cast-iron alliance with Russia or Europe

the fading great powers, either Russia or Europe.

For all the flirting Xi Jinping and Russian President Vladimir Putin do with each other, there is a massive psychological barrier to a coherent Sino-Russian alliance emerging: Great Russian nationalism. Putin's entire basis of power and the source of his enduring popularity in his country is that culturally he is seen as "the Good Czar", a strong ruler reasserting Russia's place as a respected great power.

To play second fiddle to Beijing (as Moscow would assuredly have to do for such an alliance to thrive) does not work for Putin either ideologically or practically. As such, all the talk about a firm Beijing-Moscow axis doesn't pass muster.

Cementing ties with Europe is even more far-fetched. Despite the Trump effect, the glacially moving European elite (the 27 non-British members of the EU could not agree on a common ice cream flavour, let alone a decisive geopolitical thrust) are not about to turn on a dime, renouncing all their established ties with America.

Further, given the just-leaked internal Communist papers on how the regime has imprisoned an extraordinary one million of the Uighur minority in western China, it is safe to say that a Europe which places great emphasis on human rights is not about to throw in its lot with the Uighurs' brutal jailers.

For all these reasons, the reports of America's demise are greatly exaggerated. China, while rising to great power status, has myriad problems and geopolitical challenges ahead, which make it highly unlikely that it will supplant the US as the greatest power in the world any time soon.

For at least the next generation, the US will remain the world's predominant power.

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.

The Square Mile must work together with our cities to unlock Britain's full potential

WHEN most people think of the UK financial and professional services sector, they immediately associate it with tall towers and iconic institutions based in the Square Mile.

But that is just one part of the story. Today, 2.3m people are employed in these industries, with over two thirds of those jobs outside of London.

As an international ambassador for the City, I am clear that I must promote the interests of those individuals, employers and clusters of expertise right across the country.

That is why last week I embarked on the first visit of my mayoralty under my theme "Global UK". But my "Global UK" programme was not kickstarted overseas — rather, it involved a short train journey north to Manchester, followed by a trip to Leeds.

It is with good reason that I started with these two cities. Greater Manchester has the second biggest financial centre outside London, joint with Edinburgh.

Leeds, meanwhile, offers businesses access to a highly-skilled workforce of 1.4m people, with seven million within an hour's drive. As well as hosting a strong financial sector, it is home to the UK's leading professional services hub outside of London, and internationally renowned technology, healthcare and manufacturing firms.

Both are key hubs in the City Corporation's UK strategy, which is focused on increasing inward investment and utilising London's strengths as a global gateway to help local firms export their products and services.

Next week I'll be visiting Belfast, another important city in our regional strategy, alongside Cardiff, Edinburgh and Birmingham.

All of these cities share fundamental traits. Like London, they host strong financial and professional services clusters, share an ambitious and creative innovation agenda, and have excellent access to talent via world-leading educational institutions.

While I travel across the country, my message to any ambitious UK firm is clear: join me. I'll be visiting over 20 countries across six continents in my year. It will be a real opportunity for firms to grow connections and expand business internationally, starting with San Francisco next month.

Although the strategy is still a work in progress, we have already had some notable successes. One of those is Delio, a software company headquartered in Cardiff, which joined our overseas trade mission to Australia last year and as a result subsequently set up operations in Sydney.

This is exactly what I want to see more of in my mayoral term. We know that the UK business community is defined as much by the allure of renowned global brands like Manchester United as London's household names. But we also recognise how the Square Mile can be a springboard to the rest of the world. Marrying up these two elements is crucial to the UK's future success.

And with our departure from the EU on the horizon, it is now more important than ever that our cities work together to unlock the full potential of the UK economy.

That is why I am making it my mission to focus on bolstering the already-strong relationship that the City of London has with the UK's cities. Together we are greater than the sum of our parts.

William Russell is the lord mayor of London.

LETTERS
TO THE EDITOR

Boarderline

[Re: Today's Labour party has no excuse for its anti-business agenda]

As well as radical plans to substantially increase taxes on companies, raise the minimum wage, and ban "zero-hour" contracts, Labour's promise to rewrite the Companies Act will undermine the operation of British business and reduce the accountability of company boards.

Labour offers a vague promise to "strengthen protection for stakeholders" while also requiring one third of boards to be reserved for elected worker-directors. Company directors will no longer be accountable to those who have risked the capital for their enterprises. Far from ensuring firm sustainability, the self-destructive policies of directors playing office politics will undermine profit, productivity, future workers' wages, and economic growth.

If investors lose control of their companies, we should expect them to quickly pull out of investments here. Expect capital flight from the country should Jeremy Corbyn enter Number 10.

Cooperation between management and workers is key to long-term success and growth of firms. The best way to do this is to ensure that management is accountable to shareholders. Shareholder activism both limits excessive corporate pay and prevents vanity projects by directors that inevitably harm workers and consumers.

Labour's promises will leave the poorest poorer, just to make the rich less rich.

Charlie Paice, research associate, Adam Smith Institute

BEST OF TWITTER

A sell-side City type: we told clients that a minority Labour government is the ideal election outcome, i.e. 2nd referendum on Brexit, fiscal expansion and no votes in parliament for "mad nationalisations".
And... they've "never experienced such a strong push back from clients".
@DuncanWeldon

This is the ultimate centrist dad opinion. The clients are right to slam it
@MRJKilcoyne

Yeah I'd push back a bit on that too. like saying your kid playing with matches next to a *small* carpet is ideal, because it will keep you warm but the house probably won't burn down.
@spignal

Labour spent £1.1 billion of taxpayers money on the Millennium Dome then sold it for £1.
@RogerDaCosta22

But, sure, let's assume Labour's £400bn National Transformation Fund generates assets that enhance public sector net worth.
@MrRBourne

[Approaches mic.] "The media avoids saying things are lies because to a libel lawyer the word demands an intentional attempt to deceive, which has a high burden of proof that is incompatible with the practicalities of news reporti—" [fifty rabid howler monkeys swarm the stage.]
@BryceElder

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

When the next crisis hits, fiscal policy alone will not be enough

FOR THREE decades, central banks promised us they would take care of the economy. Fiscal policy, we were told, was toothless. Monetary policy would ensure prosperity.

But central banks have failed to deliver the prosperity they promised. And in an astonishing reversal, they are now calling for fiscal authorities to take the strain.

Monetary policy is all about raising aggregate demand. The idea is that if people have more money, they will spend more on goods and services, and that will encourage businesses to invest more, produce more, employ more, and pay more, setting up a "virtuous circle" of rising employment and growing wages leading to higher consumption spending and more production. There is a danger, of course, that the "virtuous circle" will turn into a damaging inflationary spiral, but central banks have inflation targets, and tools to manage inflation.

The 2008 financial crisis was primarily a shock to aggregate demand: banks stopped lending, people stopped spending, businesses stopped producing, people lost their jobs. So it wasn't unreasonable for monetary policy to take the strain.

And central banks undoubtedly worked hard. They threw money at banks in the hope that they would lend. They subsidised corporate borrowing on capital markets in the hope that businesses would use it to invest in people and production. They backstopped distressed governments and offset fiscal consolidation programmes with monetary easing. They created money and reduced interest rates on an unprecedented scale. And they did succeed in averting a 1930s-style Depression.

But that is all they achieved. More than a decade later, the western world remains stuck in a stagnant mire. We now know that monetary policy can't compensate for fiscal austerity that systematically dismantles automatic stabilizers and slashes much-needed investment to the bone. A decade after the crisis, the harsh fiscal consolidations undertaken by many countries have eroded public asset bases, shredded safety nets, and increased poverty levels even among those in work. It is hardly surprising that their economies remain stagnant.

A chorus of voices is now calling for large-scale government investment to stimulate the supply side and restore lost prosperity. This is long overdue, but I must sound a warning about taking it too far. The hubris of central banks contributed both to the crisis and to the disappointing recovery. Those advocating fiscal policy similarly need to beware of hubris.

Demand shocks are inevitable. It is foolish to leave central banks bereft of firepower

Some people have told me that if governments get their policies right, central bank demand stimulus will never be needed. This, I'm afraid, is folly.

Just as storms are natural to our planet's weather system, so crises are natural to our emergent, chaotic global economic system. There is always a crisis somewhere in the world: we only notice those in our own backyards, but we are in fact affected by every crisis, wherever it occurs.

Government investment programmes make the economy more resilient to crises, but they don't make it immune to them. Automatic stabilizers dampen swings in GDP and inflation, but a shock can still capsize the economy. And the effects of fiscal policies are themselves uncertain. Fiscal policy is as likely to set up crises as it is to dampen them.

This is, of course, also true of monetary policy. But in a demand shock, monetary policy can act more quickly and effectively to reflate the economy than fiscal policy. And demand shocks are inevitable. There will be another crisis at some point. It is foolish to leave central banks bereft of firepower or render them merely servants of fiscal policy.

Rejecting fiscal policy in favour of monetary policy was a mistake which has cost us. Let us not make the same mistake in the opposite direction.

Frances Coppola is a commentator of finance and economics and author of Coppola Comment. She will be a speaker at the RADIX conference on monetary policy on 27 November. To find out more, visit radixuk.org/events

DEBATE

Would Modern Monetary Theory be a viable strategy to boost the UK economy?

YES

MELISSA DAVIES

Profound changes have opened the door to creative policy-making in the UK. All the parties have abandoned fiscal belt-tightening, and the Bank of England has implicitly acknowledged that it will continue to support the financial system indefinitely through quantitative easing.

Under these circumstances, politicians may be increasingly attracted to the ideas of Modern Monetary Theory, which argues that a large government deficit isn't a problem in itself, since it can always be financed by reserve creation (where the Bank of England effectively prints money to fund the government).

As an economy with a persistent current account deficit, it is arguably better for the UK to run a corresponding government budget deficit (which it can finance easily) than have it weighing on the private sector. The challenge would be where to direct these resources. If used effectively (say, to build new infrastructure), we could look forward to faster growth, more foreign investment, and better performance for UK assets.

Melissa Davies is partner and chief economist at Redburn.

NO

TOM CLOUGHERTY

Modern Monetary Theory (MMT) says that the government can fund as much public spending as it wants, simply by creating money. The problem is that if you monetise enough spending, you'll eventually end up with too much money chasing too few goods, and inflation spiralling out of control.

MMT proponents say that inflation won't happen while there's "spare capacity" in the economy. But UK employment is already close to a record high. What's more, inflation and "economic slack" can go hand-in-hand. It's called stagflation, and we had it in the 1970s. They also suggests using fiscal policy to control inflation, with taxes rising to choke off "excess demand". But a democratic government will struggle to hike taxes when people are already feeling the pinch from ever-higher prices.

Many governments have tried to live beyond their means via the printing press. It has always ended badly. MMT offers nothing new — it certainly isn't the Magic Money Tree that the British left has been searching for.

Tom Clougherty is head of tax at the Centre for Policy Studies.

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London, EC3M 5DJ
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Certified Distribution
from 30/09/2019 till
27/10/2019 is 86,084

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Printed by West Ferry Printers Ltd, Kimpton Rd, Luton LU2 0SX

THE LORD MAYOR'S APPEAL

Creating A Better City For All and 15,000 OnSide YZ people

The Lord Mayor's Appeal's vision to create A Better City for All and help one million people thrive and 2019 has been the biggest year yet

Through the Appeal's work with its beneficiary charities:

- 9,600 People have accessed the Samaritans Wellbeing In the Workplace tool
- 44,000 Number of children reached by Place2Be's mental health champions school leader programme
- 14,141 young people have joined the first 3 London OnSide Youth Zones in Barking and Dagenham, Barnet and Croydon

Through the Appeal's Thought Leadership Initiatives:

- 369 business employees have attended Power of Inclusion events
- 1,037,633 employees have been potentially reached by This is Me
- 180 young people participated in their She Can Be event
- 5000 volunteers were recruited during City Giving Day

Support from City businesses is at the heart of this success, with over fifty corporate partners now contributing towards the Appeal's beneficiary charities and countless other companies participating in the Appeal's popular thought leadership initiatives each year. Their new Impact Report brings to life just how wide-ranging the effect has been and was launched at their recent Impact reception at Mansion House, where in the company of the new Lord Mayor of the City of London, Alderman William Russell, 300 attendees heard moving, personal presentations from the Appeal's charity beneficiaries, corporate partners and supporters.

The Lord Mayor's Appeal brings together a rich mixture of businesses, employees, neighbouring communities, and charities to find solutions to some of London's most pressing societal issues.

Businesses can contribute to the great work that the Appeal does by becoming a corporate partner. Through their thought leadership initiatives covering diversity and inclusion, mental health and skills development The Lord Mayor's Appeal educates, connects, and empowers workforces to be engaged agents of change, offering a unique way for businesses to amplify their social and commercial impact.

Standard Chartered have been a corporate partner throughout 2018. Sonia Rossetti, Managing Director Corporate Affairs, Brand and Marketing Europe and Americas says: "Having been an active sponsor of Power of Inclusion for many years, Standard Chartered partnered with The Lord Mayors' Appeal in 2018 as we sought to strengthen our work around Diversity and Inclusion and Wellbeing through the development of our employee networks. At a senior level, there is strong belief that being part of committed effort to drive and create a better society for all energises our staff, clients and communities."

If you would like to find out more about becoming a corporate partner of The Lord Mayor's Appeal, please contact info@thelordmayorsappeal.org

LORD MAYOR'S APPEAL CHARITY
A Better City for All

ENTREPRENEURS

FOOD FOR THOUGHT

Luke Graham speaks to the head of discount diners' club Tastecard about helping restaurants to survive the sector's current downturn

THE RESTAURANT sector is in a crisis. A combination of rising rents, food prices and wage costs, plus a decline in consumer spending, is causing more businesses to close.

Research published in September exposed the scale of the problem. According to accountancy firm UHY Hacker Young, the number of restaurants closing in the year to end of June 2019 rose 25 per cent to more than 1,400 — that's equivalent to around 27 restaurants closing every week. And there have been some high-profile casualties this year — Jamie's Italian, the chain belonging to celebrity chef Jamie Oliver, had to close 22 high street locations when it went into administration.

Clearly, restaurants need help getting more customers through the door if they're to survive the downturn. One company looking to do exactly that — while turning a profit for itself — is discount diners' club Tastecard.

"Restaurants are getting squeezed from every angle, at the same time that people are spending less and looking to tighten their belts," says Matt Turner, co-founder and chief executive of the company.

Tastecard — which also runs other schemes like Gourmet Society and Hi-Life, and created Meerkat Meals for price comparison site Compare the Market — sells membership cards that offer two-for-one meals or 50 per cent off food bills at select restaurants across the country, plus other benefits. An annual membership currently costs about £35.

STEAKS ARE HIGH

While Tastecard helps consumers save money, it also helps attract more customers to restaurants — which they desperately need, especially during the current sector downturn.

"It's been a tough time for restaurants. But some of the forecasting I've looked at has said that while the independent sector will continue to struggle in the next year, with around three per cent closures, the branded sector looks like it's on the road to recovery."

Turner's reassurance is worth listening to. He's had a long career in the dining sector, starting back in the mid-90s when he was washing up dishes in a Lancashire restaurant as a teenager. By 2004, he had opened his own restaurant in Huddersfield.

"We were doing around 90 per cent of our revenue on Friday and Saturday nights. During the week we'd take what we could get — which was not a huge amount," he recalls.

In response, he trialled a simple two-for-one offer during the week. The deal, which he describes as "a mini-version of what ultimately became Tastecard", worked well enough that Turner decided to sell the restaurant, and in 2005 he co-founded Tastelondon. It was later renamed to Tastecard in 2010 to include the rest of the UK.

The initial launch in 2006 offered members discounts at 300 restaurants in the capital. Today, Tastecard is accepted in over 6,000 locations, and has three million cardholders. The company's turnover is £24m.

Turner describes the business as a co-operative that works to help both restaurants and consumers. He credits its success with the commitment to keeping the scheme simple.

Matt Turner launched Tastecard — now accepted in 6,000 locations — in 2006

"We gave restaurants a choice of two offers: the first was two-for-one across all courses, the other was 50 per cent off the food bill. They could exclude Friday and Saturday evenings, which some do and some don't," he explains.

"So it worked for the restaurants and it worked for the customers, because they could order whatever they wanted and get a deeper discount than they could elsewhere."

Tastecard is obviously just one of many discount schemes. But Turner argues that its specific business model is particularly attractive to restaurants.

"Other schemes charged the restaurants for participating or being listed on their website. Restaurants were paying upfront with no guarantee of any footfall or revenue on the back of it," he explains. "We flipped that model and said to restaurants 'don't pay us anything, ultimately you will give discounts and that's how you pay, but you only pay if we get people through the door for you. If no one comes, there's no cost to you'. The restaurants quite liked that. They understood that we were a marketing tool."

As well as helping to advertise the restaurants and attract new customers, Turner claims that Tastecard holders dine out twice as often, and their spend per head is higher.

"Customers are buying more courses or upgrading on their wine and beer, and staying for longer — so the restaurants are really happy about that."

THE WAITER'S WORTH IT

Tastecard has branched out from just selling memberships directly to consumers. It also generates revenue from its employee benefit scheme, where businesses offer their staff discounted memberships that are deducted from their salary, or else given to employees for free as a way to save money on company dining expenses.

The other revenue stream is Tastecard's business-to-business partnerships. As well as creating the Meerkat Meals offer for Compare the Market, the company works with banks such as Natwest, Lloyds, and Barclays, which offer its cards as part of their packaged account benefits.

"The B2B revenue stream is a big growth area for us. It's a great acquisition tool and a great loyalty tool for those companies as well," adds Turner.

CHECK, PLEASE?

There are plenty of other challenges facing the restaurant sector, including the rising popularity of takeaway services like Uber Eats. So I ask Turner what's his advice for struggling companies looking to attract customers? His first suggestion is that they need to keep their act together.

"The general public are more aware of where they're eating and what's going on these days. You can't get away with sloppy service or poor quality food anymore," he says.

He also advises that restaurants need to be on top of the latest food trends, especially the current move towards healthier eating.

"People are conscious of the quality and nutrition of the food they're putting into their bodies. You only need to look at the vegan trend and see that early adopters of vegan menus, the likes of Zizzi and Ask, are performing really well, because they were there at the beginning."

Clearly, there'll be more victims in the dining sector in the short term, but at the same time, people will always want to dine out. Tastecard aims to leverage that desire while helping consumers to eat out more economically, and in doing so help restaurants attract business. That sounds like a recipe for success.

MARKETING

Ahead of Black Friday, Google's **Martijn Bertisen** reveals how shopping habits are changing

MERRY MILLENNIAL MONEYSPENDING

THE CHRISTMAS season is a time for family and cheer. But for brands and retailers, the time between late November and early January represents the most crucial — and most competitive — period of the year, accounting for up to 30 per cent of annual sales.

As journalist Katharine Whitehorn once said, "from a commercial point of view, if Christmas didn't exist it would be necessary to invent it".

But the way that consumers approach the festive period is changing. Last year, the British Retail Consortium reported that retailers had their worst Christmas in a decade.

The Office for National Statistics attributed this drop in sales to Black Friday, as consumers chose to spend more during the high-profile November sale. This is supported by research from McKinsey which shows that just 19 per cent of UK consumers participated in Black Friday in 2015 — but by 2017, this had soared to 54 per cent.

But changing habits do not equate to less spending. In fact, research shows that almost a third of shoppers expect to spend more this year than last — with millennials showing the greatest desire to increase their budgets.

For brands and retailers, understanding these changes and how to leverage them is paramount to success, particularly with this audience. So how are millennials shopping this year?

INCREASING SPENDING POWER

Let's begin by dispelling some myths. While millennials have had it worse off than previous generations, that doesn't mean they're penniless. In fact, as millennials grow older, they're starting to out-earn their parents.

Millennials now have an average household income of £40,000, slightly above the £36,000 for Baby Boomer households. They're also maturing in other ways: 80 per cent of millennials are employed, 58 per cent are married or in a domestic partnership, and 44 per cent are parents. And for brands, that means they're an increasingly important audience to engage.

SHOPPING ONLINE...

As the first digitally native generation, it's unsurprising to find that millennials are the most comfortable with buying online.

According to Google's own research, they spend 60 per cent of their shopping time online, and are outstripping both Generation Z (56 per cent) and Generation X (58 per cent). Furthermore, both millennials and Gen Z shoppers said that they shopped online more in 2018 than previous years.

Smartphones are a key driver here. Millennials want information to be quickly and easily available — research shows that a one-second delay in mobile load times can impact conversion rates by up to 20 per cent.

What does this mean for brands? Well, making it easier for millennials to find what they want online can help you convert browsers into buyers.

... AND IN-STORE (WITH SOME HELP FROM THEIR PHONES)

Even when millennials brave the crowds on the high street, they tend to use online resources to make their shopping trips easier.

Nearly three quarters of millennials (72 per cent) visited a store for their Christmas shopping over a two-day period that we tested last year — a figure comparable to older generations.

The difference? Millennials are much more likely to have searched online (86 per cent) beforehand. Plus, 40 per cent of all shoppers use their phone in-store to help make decisions as they shop.

Therefore, if you help your customers get online quickly with free wifi that is easy to access in-store and make information about inventories, locations and deals easy to find, you'll benefit from these better-connected shoppers.

Millennials want as much information as possible — but they can't research everything alone. Retailers should ensure that all marketing material is available early to assist shoppers on the purchase journey.

MORE GIFTS TO BUY

Both millennials and members of Gen Z spend most of their shopping time over Christmas buying for others, including their parents (23 per cent and 32 per cent respectively), siblings (16 per cent and 23 per cent) and friends (20 per cent and 24 per cent).

However, they also have younger families to consider. One in five millennials (21 per cent) also buys for their children.

It's a growing trend — over a quarter of millennial and Gen Z shoppers say that they have more gifts to buy (27 per cent for both) and more people to give gifts to (28 per cent and 25 per cent) this Christmas than in previous years.

Of course, while habits are changing around the festive period, the opportunity for retailers remains the same. By understanding how new generations are browsing and buying this season, retailers can make themselves as helpful as possible — and reap the rewards.

Martijn Bertisen is head of retail at Google UK.

Confidence tricks: Can advertising predict a recession?

"THERE'S going to be a recession," someone says at a dinner table or boardroom meeting, certain of the fact. "You can see it coming."

In advertising, we're at the coalface of confidence — the barometer and engine room of recession and recovery. What we look for are three measures of confidence which correlate with historic recessions: corporate, consumer, and creative.

Spending on advertising is itself indicative of corporate confidence. Here, the news is positive. Total spend is predicted to rise by five per cent next year to £24.7bn, driven by continuing growth of digital and a resurgence in video.

So far so good, but the second measure — consumer confidence — has been falling since the Brexit vote, with GfK's scores declining from zero to minus 14.

In advertising, we have a further layer of insight: ad response (the extent to which consumers respond to advertising versus historic norms). Here, we're seeing a difference. A drop followed the referendum, but reverted quickly. For two years, people responded largely as before.

But the last six months have seen deviation. Ads are becoming less effective, just as they did in early 2008. The gap is opening, especially in high-value purchases such as for cars.

The final measure is the most subjective: creative confidence. Despite overwhelming data showing that distinctive, brand-building work drives long-term effectiveness, marketing departments become nervous when times are tight.

This leads to "safe" advertising that's sales-oriented and short-term. This is particularly true for campaigns that matter most, like Christmas campaigns for retailers.

These nervous marketers confine creative bravery to less critical work, such as corporate social responsibility campaigns and one-off PR stunts.

With the laudable exception of brands like Nike and John Lewis, more than 50 per cent of the highest awarded work at the Cannes Festival of Creativity was stuff that real people have never seen. Businesses were happy to be brave, but only when it didn't count.

Luckily, the data is just as instructive on how to avoid this crisis.

This is the formula: investment in brand, spend on broad-reach marketing, and bravery in execution.

It's not complicated, but the results show that it works in every category from B2B to grocery. The "safe" way to go is the real risk. Those safe paths — indicative of lost confidence — are how to bring about and then suffer badly through, a recession.

But signifiers of confidence — going broad, brand and brave — will help avert one. And if it's too late to stop a recession, this formula shows you how to make it through.

Alex Hesz is group chief strategy officer at adam&eveDDB.

TRAVEL

48 HOURS IN...

TBILISI, GEORGIA

WHERE TO STAY
Originally a 20th century publishing house, the design-led **Stamba Hotel** is a glorious combination of vintage and modern with an impressive five storey atrium filled with trees and foliage. *Visit: stambahotel.com*

WHERE TO GO
Explore the old part of the city on foot and by metro, from the museums on Rustavelli Avenue to the cobbled back streets of the old town, ducking into art galleries, churches, cafes or enjoying a scrub down in the sulphur baths.

WHERE TO DRINK
Part hostel, part trendy nightspot, part urban artist studio community, **Fabrika** is spread across multiple spaces that include designer shops and a row of cool little bars and cafes to choose from. *Visit fabrikatbilisi.com*

WHERE TO EAT
Café Littera is situated inside a historic home where Georgian writers used to work and live. There's a beautiful garden to enjoy in the summer and food is sophisticated and delicious. *13 Ivane Machabeli, Tbilisi St*

Siobhan Grogan discovers Gstaad isn't just for Christmas

GSTAAD SWITZERLAND

THE WEEKEND: For megastars, oligarchs and billionaires, there is only one place to spend winter. With 200km of sparkling ski slopes, rustic chalets that seem transported straight from a snow globe and all possible luxuries to hand, glamorous Gstaad has long been adored by everyone from Valentino and Madonna to Audrey Hepburn and Princess Diana. Long-term resident Julie Andrews even bought the village's Christmas lights – and generously paid the electricity bill for several years.

WHERE? If you like rolling Alpine hills, fresh air and the soothing sound of jangling cowbells, there's nowhere more beautiful. Locals will tell you it's actually the best time to see the real Gstaad – a traditional, relaxed farming village nestled in the lush green valley of Sannenland where Swiss flags fly over immaculate cobbled streets and chalets boast window boxes bursting with flowers.

THE STAY: Built into a hill overlooking the village, The Alpina Gstaad could be the world's cosiest hotel. Nearly seven years old, it was certainly one of the most expensive to build, costing its billionaire owners more than £200m to create just 56 rooms. Chic but understated and welcoming, it contrasts centuries old wood, lived-in leather and local stone with stunning modern art including a Tracey Emin, a James Bond-style underground entrance and a tranquil Six Senses spa with outdoor heated pool where you can swim year-round with unbeatable views of snow-capped mountains and dense pine forests. All rooms have balconies too, taking in the distant brilliant white glacier or the pretty undulating valley below, dotted with picture-perfect chalets and mountain goats. Rooms also come with cashmere blankets, a minibar stocked with complimentary Swiss chocolate, quirky coffee table books and vintage painted dressers sourced from across Switzerland.

THE FOOD: If you really can't bear to leave the hotel, there are three restaurants including Michelin-starred Japanese Megu, seasonal Stübli for fondue and Michelin-starred Sommet where I ate tender local steak with summer vegetables and a heavenly Baked Alaska-style mix of guava sorbet, popcorn ice-cream and milk foam, all paired with outstanding Swiss wine. It's worth heading into neighbouring Saanen one night to visit local favourite 16 too, a former bell-making factory turned intimate restaurant with a menu that changes daily.

TOP TIP
Gstaad has 7000 inhabitants – and just as many cows, famed for producing strictly-regulated Alpine cheese.

WHAT TO SEE: With the Alps at your doorstep, choose from canoeing, white water rafting, fishing, horse riding, rock climbing or hot air ballooning. I hiked up the mountains near Lake Lauenen past meadows of wild flowers, hills blanketed in pine trees and countless hidden waterfalls thundering into the valley below. Cool off in picturesque Lake Lauenen afterwards then hire an e-bike for an exhilarating but not-so-exhausting trek through the forest back to the hotel.

AND AFTER THAT? Don't miss nearby Glacier 3000, high above the clouds and covered in thick snow even during summer. I zipped up 3000 metres in just 15 minutes in two ear-popping cable cars, hiked across the spectacular, stately glacier and then braved the incredible Peak Walk, the world's only suspension bridge connecting two mountain peaks. You can also sample tobogganing, a dog sled ride, cross-country skiing and the world's highest bobsleigh track, or grab a window table in the excellent Botta restaurant and look out over a dazzling white horizon crammed with mountains including the Matterhorn and Mont Blanc.

NEED TO KNOW For more information on **Gstaad**, visit *gstaad.ch*. Double rooms at **The Alpina Gstaad** start at CHF580 between 9 June and 22 September. Flights with **SWISS** (*swiss.com*) from London to Geneva start at £84 one way. For train tickets from Geneva to Gstaad, book at **Swiss Travel System** (*swisstravelsystem.co.uk*).

LES DEUX ALPES

Boasting the largest skiable glacier in Europe, France's second oldest ski resort offers plenty of modern thrills. Words: **Simon Miller**

There are two oft-repeated promises of ski holidays. Firstly, the claim of "guaranteed snow", which even the most altitudinous peaks of Nepal would struggle to meet, and secondly the allure of a "ski-in-ski-out" location. But Les Deux Alpes (trendily abbreviated to L2A) lives up to both, from mid December through to mid April, and courtesy of the very well located Hotel Aarlborg and the Mont-de-Lans glacier.

For a family holiday, convenience and the certainty of snow are important considerations, especially in April. Holiday company Neilson provided the convenience, and L2A delivered the certainty of snow. From the top of the Jendri express lift at 3,200m the snow in mid April – and I am assured if you were to return in July or August – is in perfect condition. Wide, well-groomed red and blue runs suited my family perfectly. The same terrain is used in summer by professional ski teams for training, but the real treat for me was skiing in knee deep, fresh powder off-piste halfway through April. Fantastic.

The guarantee of snow is not one L2A makes lightly. We saw this effort firsthand on a piste basher excursion (organized through the tourist office) and were told by our driver of the

> We launched into the air at speeds you'd be ticketed for in London, skimming the tops of the trees

work throughout the season to ensure the ice is covered in deep snow to keep it from melting. This effort is important to the local community, as well as the lift company that hopes to win a 30-year licence to operate the area's infrastructure. Both entities are thinking about what the skiing in the alps will be like in 2050. To lose one glacier in the area could be regarded as a misfortune, but to lose two...

When you arrive in Les Deux Alpes don't look for the two alps in question, instead look down. The marketeers of the 1950s were unable to choose between the names of the two high alpine meadows where the original, rudimentary drag lifts were installed in 1938. You could imagine a fierce row between the mayors of Mont-de-Lans and Venosc, before the marketeers stepped in and said that L2A was a better name anyway. I think I would have preferred one of the mayors to have prevailed.

Roll on 60 years and there are 200km of high quality family skiing. Particularly noteworthy are the beginner zones located at 1,800m and 2,100m on the Cretes plateau so that regardless of the weather or snow conditions there is somewhere decent to make those first tentative turns.

The third rule of any holiday is the food. Again Neilson played their part not only with quality meals, but also imaginative buffet-style breakfast and dinner. The mussels and jumbo shrimp were excellent, but nothing quite compares to late lunch on a sun terrace at 2,240m rounding off a supreme steak frites with a cold beer. Over at Café Fairy – or La Fée – legend has it that fairies fly from a cave just behind the café. I can't provide firsthand proof but my three daughters were utterly convinced and I wasn't willing to argue the case.

Still poopooing the fairy story I found myself later that day with a strangely apt choice: speed riding or paraponting. Paraponting is a gentle, relaxing flight above the valley giving spectacular views, and speed riding is a harum-scarum 60kmph airborne thrill ride. Keen to outpace the fairies, my choice turned was the latter.

I met Jean Baptiste, who was reassuringly old. When putting my life in someone's hands I prefer somebody with a proven sense of self-preservation. Our meeting point at Le Diable au Coeur – Devil in the Heart (a fine place for a last meal by the way) – did little to calm my nerves, though Jean Baptiste's matter-of-fact tutorial certainly helped.

Firstly we would be loosely strapped together, then we would point our skis straight down the mountain until we reached a speed that filled the 19sqm canopy whereupon he would launch us into the air at speeds you'd be ticketed for in London, swooping from side-to-side skimming the tops of the trees on either side of a gulley before spinning us upside down in a corkscrew maneuver and landing smoothly. He hoped. Only subsequently did I learn that Jean Bapiste represented France at the paraponting Olympics and is only one of six people in France qualified for tandem speed riding. Check him out – worth every penny.

This was my first visit to Les Deux Alpes and was I very impressed by the breadth of runs as well as the simplicity of navigating the resort. The runs are well organised; there are no "wrong" valleys to get caught in because all runs lead back to town. And who can argue with finding untracked powder at 3,200m in mid April? All in all this is an excellent family mountain.

The resort itself isn't the most beautiful in the alps, but neither it is a carbuncle. Far from it, in fact, with recent developments being built in sympathy with the alpine setting.

For those thinking long term about skiing, and potentially buying a property in the Alps, L2A would be worth a look. A major investment programme is about to commence as part of the new 30-year licence being issued to the lift company by the town authorities – there's no stronger indication that Les Deux Alpes is looking towards the future.

NEED TO KNOW

Tourist Office: les2alpes.com
Neilson Holidays: neilson.co.uk

Flights from Gatwick to Grenoble.
Transfer time 2 hours.

OFFICE POLITICS

Want to ban after-work emails? Don't

Why your wellbeing initiatives could actually be exacerbating workplace stress

David Carry

FROM "Massage Mondays" to "Drinks Trolley Fridays", many organisations have started putting wellbeing initiatives in place to combat burnout.

Even airports are thinking about the wellbeing of their customers by bringing puppies and pigs into their lounges to calm passengers facing delayed flights.

But how effective are these initiatives in actually reducing stress?

DOUBLE-EDGED SWORD

Many C-suite teams in FTSE 100 companies admit to getting up at 4am to clear their inbox, or sifting through emails on the sofa in the evenings. While this may feel like it's easing the burden, missing out on sleep or down-time only reduces recovery time further.

As a result, one popular method being used to support stressed-out staff is the banning of out-of-hours emailing, installed by companies such as Volkeswagen and Lidl.

However, recent research from the University of Sussex has shown that banning after-work emails actually increases stress for some employees, further complicating the situation.

What these findings show is that there is no one-size-fits-all fix for workplace stress.

They also highlight a crucial issue with existing stress management initiatives — the very people who are creating and implementing them are unaware of how best to manage their own stress levels.

The most successful employee stress initiatives are those that encourage individuals to manage it for themselves. But this must begin with awareness that they are in a stressed state, as well as what does and doesn't make it worse.

NO BLANKET POLICIES

People who are good at managing stress are not necessarily successful because they never send emails after-hours. Rather, they're good because they understand how best to manage their own performance.

Many C-suite teams in FTSE 100 companies admit to getting up at 4am to clear their inbox

For example, they know what time of day to schedule difficult meetings or tasks to give themselves enough recovery time for important decision-making.

Rather than launching blanket policies, organisations that are serious about wellbeing must support their employees in understanding what their stress triggers are. They should then help to manage the symptoms and develop personalised performance plans.

Another important realisation for many senior leaders is the impact that their behaviours have on the wider organisation or team.

While many chief executives are either reticent about their work hours and stress levels or consider themselves good at coping by working extremely long hours, in reality this can have a trickle-down effect on the company culture. Leaders who encourage workforce wellbeing initiatives must start looking at their own stress and ensure that they're setting the tone for the wider business.

When launching or reviewing workplace wellbeing schemes, I'd also encourage businesses to ask themselves how the initiatives will be received by different sections of their workforce. For example, parents may appreciate flexibility or the ability to catch up on emails after the school run far more than the after-work drinks favoured by younger employees.

Ultimately, employee wellbeing initiatives are about balance — on their own, they aren't necessarily bad, but organisations need to consider how they are spending their resources versus the actual output.

The most successful stress reduction schemes don't simply alleviate the symptoms, but address the causes. It is only when individuals take control of their own wellbeing that cultural change occurs.

David Carry is chief executive of coaching business Track Record.

DIGITAL DETOX

Offtime
Free

You watch in horror as the unread emails pile up before your eyes. No matter how hard you try, you just can't get it down to zero. You've started taking your phone to the loo with you. It's clearly time for some stress management. Apps like Offtime can filter out what's important and help you take a much-needed break.

COFFEE BREAK

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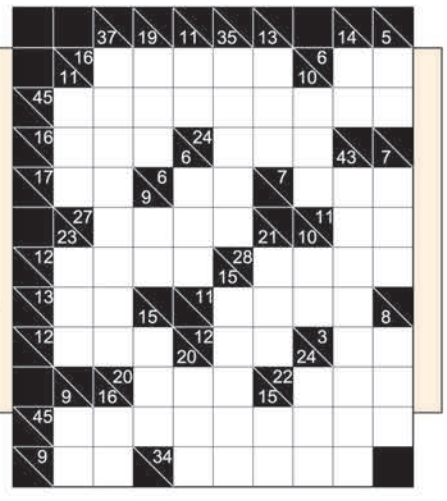
SUDOKU

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.

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

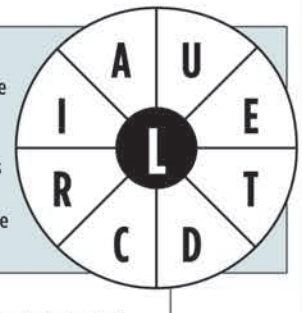
KAKURO

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.

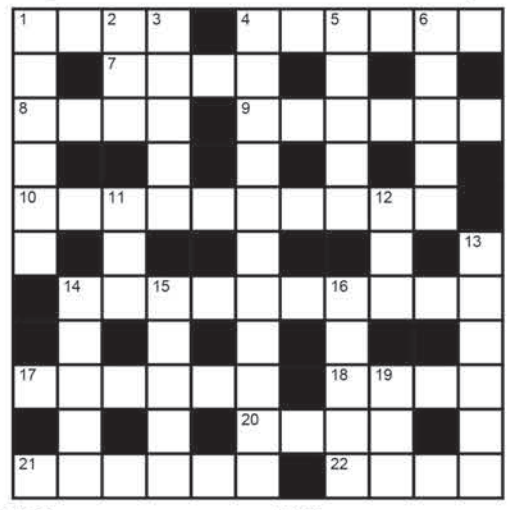


WORDWHEEL

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 Not in abundance (4)
4 Jaunty (6)
7 Erstwhile (4)
8 Eggs of head lice (4)
9 Forgive (6)
10 Represent as less significant or important (10)
14 Number or amount in each hundred (10)
17 Faintly detectable amounts (6)
18 Have to (4)
20 All the time (4)
21 Oozed, percolated (6)
22 Disparaging remark (4)

DOWN

1 Become used up (3,3)
2 Decompose (3)
3 Follow as a result (5)
4 Claimed back (11)
5 Destiny, fate (5)
6 Rock (5)
11 Mature female deer (3)
12 Popular beverage (3)
13 Flower 'juice' (6)
14 Money container (5)
15 Provide a brief summary (5)
16 Measures the duration of (5)
19 Address on the World Wide Web (inits) (3)

LAST ISSUE'S SOLUTIONS

QUICK CROSSWORD

F	■	C	■	T	E	M	P	E	S	T		
O	T	H	E	R	■	■	A	■	H	■		
R	■	I	■	A	L	A	R	M	E	D		
I	N	L	A	W	■	■	C	■	A	■		
N	■	L	■	L	A	T	E	■	R	■		
T	H	I	S	■	L	■	L	A	S	S		
■	A	■	T	O	L	D	■	V	■	E		
■	V	■	A	■	■	R	E	A	C	T		
C	A	P	T	U	R	E	■	T	■	T		
■	N	■	I	■	■	S	H	A	R	E		
B	A	C	C	H	U	S	■	R	■	E		

KAKURO

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

SUDOKU

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

WORDWHEEL

The nine-letter word was **WINEGLASS**

Solskjaer's side exciting but naive in seesawing draw

The good cancels out the bad for the away team in end-to-end encounter. By **Felix Keith**

PREMIER LEAGUE

SHEFF UTD	MAN UTD
3	3
Fleck 19', Mousset 52', McBurnie 90'	Williams 72', Greenwood 77', Rashford 79'

AT THE end of a Premier League weekend which was defined by damaging results for under-pressure managers, Ole Gunnar Solskjaer went through the wringer in an unpredictable, see-sawing classic at Bramall Lane yesterday.

The Manchester United manager veered from joining the pending P45 crew of Marco Silva, Unai Emery and Manuel Pellegrini at 2-0 down, to redemptive managerial masterclass territory at 3-2 up, before ending up back where he started as a principled but flawed youth promoter when the full-time whistle blew at 3-3.

In many ways the game told the story of United under Solskjaer: naive and disorganised defensively, yet with glimpses of exciting, sprightly potential in attack.

Their opponents largely resembled the side we have come to expect under Chris Wilder: organised, hard working and inventive. To see them allow the game to swing back in the away side's favour by conceding three goals – more than in any other game this season – in a hectic seven-minute period was uncharacteristic.

As impressive as Solskjaer's team were for a brief but profitable spell in the second half, they were every bit as bad in the first half.

Sheffield United started on the front foot and pummelled the visitors into submission, with possession coughed up frequently to allow the continuation of pressure.

Solskjaer's decision to switch formation and play a five-man defence backfired spectacularly as the addition of Phil Jones was quickly regretted. Jones was substituted at half-time for the third time in his last five matches, but the damage had already been done when the centre-back was brushed off the ball by Lys Mousset in the build-up to John Fleck's opener.

As bad as Jones was – and he was near the upper limits of the Jones calamity sliding scale – the away side's midfield was almost worse. Andreas Pereira and Fred didn't appear to be a workable duo on paper and sure enough they were dreadful in reality, giving away the ball in dangerous areas and drifting out of position with regularity. Pereira misplaced a whopping 24 passes in total, while Fred was nowhere to be seen when Mousset charged into wide open space and rifled in to make it 2-0.

Solskjaer will have been as delighted as onlookers were surprised by United's revival, which had its roots in youth and a tactical rejig. Jones was jettisoned for Jesse Lingard at the break and the away side made hay in quick time. Brandon Williams' sweetly-struck half-volley gave hope before substitute Mason Greenwood poked in Marcus Rashford's curling cross to equalise. Rashford finished off a flowing move involving Anthony Martial and Daniel James to make it 3-2 and ensure that three goals had been scored in seven minutes by players aged 19, 18 and 22.

But in such an open, end-to-end game it was nowhere near safe. Wilder's decisions had a similar impact when Callum Robinson crossed for fellow substitute Oli McBurnie to volley in past David de Gea's grasp.

"Sometimes football is beyond tactics," Solskjaer offered post-match. But sometimes implementing them properly can prevent a helter-skelter 3-3 draw.

With Manchester United in ninth place, on four wins from 13 Premier League games, the Norwegian needs to settle on the right ones quickly.

CITY AWAIT REDS' SLIP

Champions stay in hunt and hope for Liverpool's luck to run out, writes **Frank Dalleres**

WHEN the final whistle sounded on Saturday evening, bringing to a close almost two hours of breathless and unpredictable football in the teeming Manchester rain, Pep Guardiola could afford himself a sigh of relief.

Despite seeing Raheem Sterling's late goal ruled out for offside in controversial circumstances, Guardiola's Manchester City had done enough – just – to keep a fingertip on the Premier League trophy.

A 2-1 win over Chelsea was not undeserved, although so open was the end-to-end contest that the visitors, who led through N'Golo Kante's goal, might equally have taken all three points.

That would probably have been fatal for City's hopes of retaining their crown.

Already nine points adrift following a demoralising 3-1 defeat at leaders Liverpool this month, another slip-up would have left them needing a momentum swing only seen once before in the Premier League era, when Kevin Keegan's Newcastle melted away in 1996.

Instead, their task remains improbable but not virtually unprecedented.

City wobbled, conceding first when Kante outmuscled Benjamin Mendy in the chase for a rudimentary long ball and slotted past Ederson, and gave up a bigger share of possession than any of Guardiola's teams ever have in more than 380 top-flight games.

They responded swiftly, though, first through Kevin De Bruyne's deflected shot and then, eight minutes before half-time, when Riyad Mahrez danced in from the right flank and threaded a low shot into the far corner in mesmerising fashion.

More goals after the break seemed certain, yet none came – save for Sterling's disallowed effort, chalked off for a margin of offside seemingly imperceptible to the naked eye.

Having dodged a bullet himself, Guardiola could be forgiven for thinking that Liverpool's luck must run out soon.

A 2-1 win at Crystal Palace earlier on Saturday was the latest example of the Reds snatching maximum points with very little to spare.

Six of their last seven league wins have come by a single goal, which on five occasions was scored in the last 20 minutes and three times in the last five minutes.

Manuel Pellegrini is under pressure after West Ham's loss to Spurs

It is the sort of pattern that makes their run of 37 points from a possible 39 this season seem unsustainable. That they are the best team in the country is undeniable, but this is extraordinary.

A looming trip to Qatar next month for ther dubious privilege of contesting the Club World Cup might prove the stick in their spokes; an additional workload that weakens them before the busy Christmas period.

City, meanwhile, have their own potential pitfalls in the coming weeks, including a Manchester derby and a visit from in-form Leicester. That can wait. They remain in the hunt – just – for now at least.

DANGEROUS MONTHS

November and December are dangerous months for a football manager, especially those in charge of teams performing below expectations.

Marco Silva, Unai Emery and Manuel Pellegrini may therefore not be sleeping soundly, given the troubled start to the campaign they have presided over at Everton, Arsenal and West Ham respectively.

Saturday's 2-0 home defeat to a Norwich side who had taken one point from their previous seven games may well be the final straw for Silva, who has never looked at ease at Goodison Park.

Emery must also be on thin ice at Arsenal following their 2-2 draw at home to struggling Southampton, even if the club have previously indicated they are reluctant to axe the Spaniard.

Pellegrini has two points from the last eight matches, after Saturday's 3-2 defeat by Jose Mourinho's Tottenham, and lie 16th in the table, one place below Everton.

History suggests the Chilean could be the safest of the three, though. West Ham have shown a reluctance to fire coaches – only two have been paid off in the last eight years – and Pellegrini, the highest-paid manager in Hammers history, would not be cheap to release.

SPORT

CITY CLING ON Champions still in title hunt and wait for Liverpool to slip up PAGE 27

BLADES BITE BACK McBurnie nets late equaliser to stop Manchester United's revival

Sheffield United substitute Oli McBurnie scored a 90th-minute equaliser to deny Manchester United a dramatic comeback win in an engrossing 3-3 draw in the Premier League yesterday. Chris Wilder's side dominated the first half and found themselves 2-0 up in the 52nd minute through goals by John Fleck and Lys Mousset. But Manchester United turned things around, netting three goals in seven minutes to take the lead. Brandon Williams' half-volley, Mason Greenwood's stabbed finish and Marcus Rashford's tap-in stunned the hosts, before McBurnie (pictured) volleyed in from close-range and survived a VAR check for handball to secure the draw late on. Turn to P27 to read more.

SPORT DIGEST

NADAL LEADS SPAIN TO SIXTH DAVIS CUP TRIUMPH

Rafael Nadal beat Canada's Denis Shapovalov to help Spain win their sixth Davis Cup title in Madrid last night. The world No1 overcame Shapovalov 6-3, 7-6 (9-7) to give the hosts an unassailable 2-0 lead following Roberto Bautista Agut's straight-sets triumph over Felix Auger-Aliassime. Nadal, 33, won all of his eight ties over the week to maintain his record of not losing a singles match since his debut in 2004. "I could not be happier," Nadal said. "It has been an unforgettable moment in this amazing stadium."

RAHM BIRDIES FINAL HOLE TO WIN RACE TO DUBAI

Jon Rahm won the DP World Tour Championship by a single shot yesterday to clinch the European Tour's Race to Dubai title. Rahm, 25, birdied the final hole in Dubai to finish on 19 under-par, one stroke ahead of England's Tommy Fleetwood, win the event for a second time and scoop the £2.34m prize money and a further £1.56m for becoming Europe's top player.

SALE BEAT LA ROCHELLE IN CHAMPIONS CUP TIE

Sale Sharks laboured to a scrappy 25-15 win over 14-man La Rochelle in the European Champions Cup yesterday. The hosts failed to take full advantage of Pierre Bourgarit's red card, but a win was enough to move them second in Pool 2. Gloucester fought back from 24-10 behind at half-time but were beaten 30-27 by Montpellier in France.

BLUES STAY TOP OF WSL WITH THUMPING VICTORY

Chelsea thrashed Birmingham City 6-0 to stay top of the Women's Super League yesterday. Bethany England and Drew Spence both netted twice to keep the Blues a point ahead of Manchester City, who beat Bristol City 5-0. Arsenal overcame bottom side Liverpool 1-0, while West Ham lost 3-2 to Reading.

BRITS ENJOY DAVIS BOOST

Run to the semis in Madrid has given Edmund, Evans and Co fresh hope, says **Frank Dalleres**

IF THERE was trepidation or at least uncertainty in the Great Britain camp on the eve of the Davis Cup last week then it would have been no surprise, given recent developments.

A drastic overhaul of the 119-year-old tournament had prompted concerns for the future of the event, while results this season offered little hope of the Brits troubling the latter stages of the week-long finals in Madrid.

The jury remains out on the new Davis Cup format, but for Andy Murray and compatriots it has been a resoundingly morale-boosting, restorative experience that offers fresh hope for the coming months.

In actual fact, that is not entirely true. For Murray's compatriots it exceeded expectations; for the Scot himself, however, it was tainted by frustration. The man who almost single-handedly led the country to the title four years ago was restricted to a watching brief – even for Saturday's semi-final against hosts, and eventual winners, Spain – after looking short of fitness in Wednesday's opening tie with Holland.

Happily for captain Leon Smith, Kyle Edmund, Dan Evans and the doubles pairing of Jamie Murray and Neal Skupski rose to the challenge and raised their games in the absence of their talisman.

Edmund's trajectory was the most encouraging. The 24-year-old has endured a dispiriting year in which he has plummeted from 14th to 69th in the rankings, split from his coach and lost eight matches in a row between August and October.

So bad was his form that Smith hesitated to name Edmund in his team at all, leaving one space open while he waited to see whether his form would improve.

Two long-awaited wins at the Paris Masters last month were enough to be selected and he repaid his captain's faith in spades.

Chosen ahead of Murray to face Mikhail Kukushkin in the second group match against Kazakhstan on Thursday, he won in straight sets.

Edmund repeated the trick against Germany's Philipp Kohlschreiber in Friday's quarter-final and, by the time he silenced the home crowd by doing the same again to Feliciano Lopez on Saturday, he looked a man transformed.

Evans, too, had his moment of redemption. The 29-year-old from Birmingham got off to a rocky start, losing his singles matches against both Holland and Kazakhstan.

But the man who has taken on the mantle of British No1 following Murray's career-threatening hip problems delivered against Germany, beating Jay-Lennard Struff in three sets to clinch the tie.

Kyle Edmund starred, with three singles wins

Jamie Murray and Skupski, meanwhile, proved a solid doubles pairing, winning their matches against Holland and Kazakhstan when it was needed.

Although they came unstuck against Spain, they were facing the tournament favourites and a duo of world No1 Rafael Nadal and the seasoned Feliciano Lopez. Anything more than gallant defeat would have been extraordinary.

"Everyone's got their different journey but I think we should be excited by what we have in British tennis," said Smith.

"We've got so many different things going. Hopefully everyone can just keep on that path and we come back here next year with an even stronger team than we have already got."

Murray and Skupski did pass up set points against Nadal and Lopez, but that would have been fairytale stuff. As it was, even reaching the semi-finals was a superb showing by Great Britain.

It is worth remembering that the team was in danger of relegation to the lowest tier at the start of this decade and, until 2015, had not won the Davis Cup for 79 years.

Andy Murray's heroics have warped expectations since, but the last few days have offered cause for optimism if – when – he is not playing.

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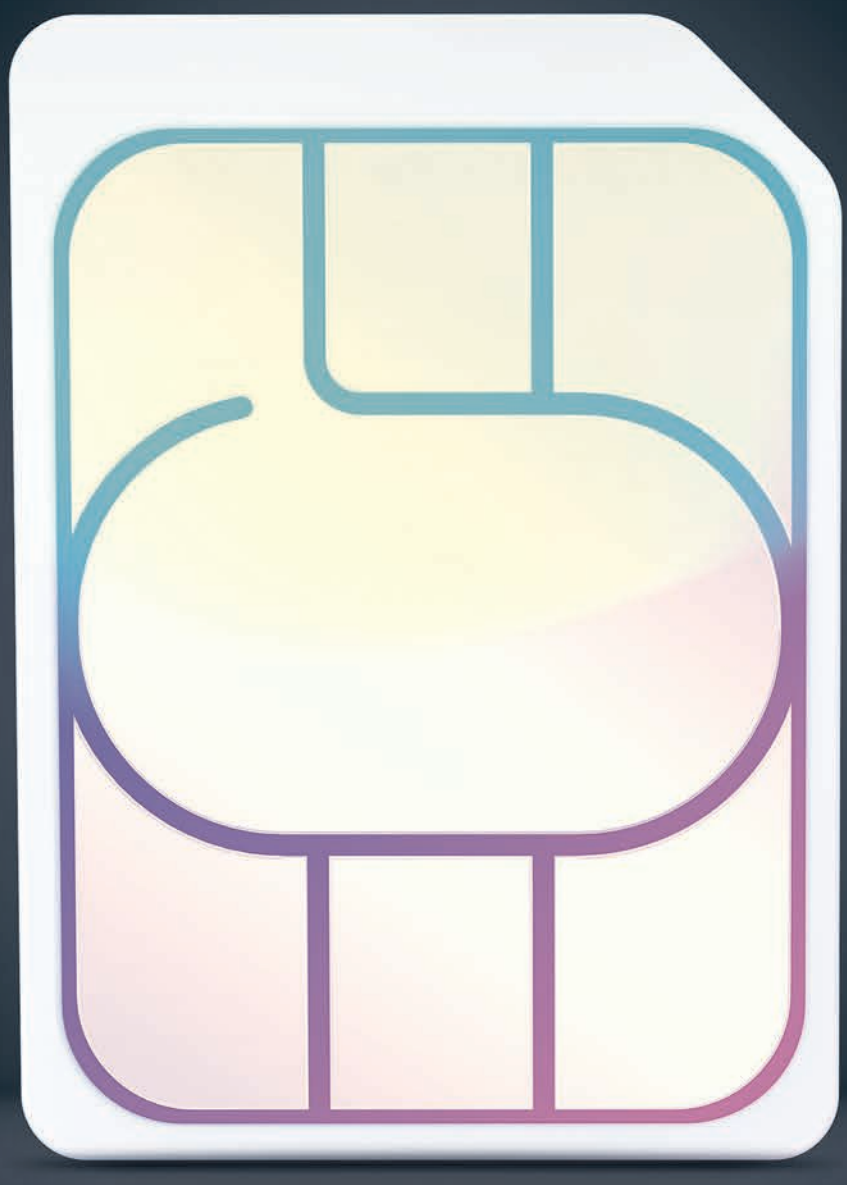

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