CITY A.M.

BUSINESS WITH PERSONALITY

OUR GIFT GUIDE FOR MEN THE TOP BOYS' TOYS TO GO UNDER THE TREE

P33–35

ELON'S BIG DAY IN COURT MUSK IN THE DOCK IN LOS ANGELES

P11

THURSDAY 5 DECEMBER 2019 | ISSUE 3,515 CITYAM.COM FREE

M&G FORCED TO SUSPEND £2.5BN FUND

KATHERINE DENHAM

@katjdenham

TRADING has been suspended in M&G's £2.5bn property fund after investors rushed to withdraw their money.

Asset management giant M&G said the Property Portfolio had seen unusually high outflows, and blamed continued Brexit-related political uncertainty for the fund's suspension, which had made it difficult to sell commercial property.

In a statement yesterday, M&G said: "Given these circumstances, we have now reached a point where we believe it will best protect the interests of the funds' customers by applying a temporary suspension in dealing."

Any orders placed after midday yesterday will not be accepted until the suspension is lifted. The company is also temporarily waiving 30 per cent of its annual charge.

The fund is particularly vulnerable to the challenges facing the high street, with many retailers going into administration in the past year.

Jonathan De Mello, head of retail consultancy Harper Dennis Hobbs, said: "M&G's issues are the first sign that property funds are materially starting to feel the pain that retailers have been feeling for years. It is pain that can only get worse for those funds that own buildings or centres in locations that are in decline."

Funds which invest in illiquid assets but can be traded on a daily basis have come under intense scrutiny in recent months. There have been calls to create a long-term fund to address the structural mismatch.

The portfolio was also one of several property funds that suspended trading immediately after the EU referendum following large outflows. It has since halved in size.

Jason Hollands, managing director of financial planning firm Tilney, said: "Fund suspensions are especially emotive in the wake of the recent debacle involving the Woodford Equity Income Fund, but it is important not to confuse the situation.

"This fund has not had problematic performance, but it is invested in an inherently illiquid asset class, and therefore redemptions need to be dealt with in an orderly sale process."

Patrick Connolly of Chase de Vere urged investors not to panic. He said M&G has struggled with fund liquidity due to the high number of investors cashing out, coupled with a "relatively high" exposure to retail properties that are harder to sell.

"As a result, the amount of cash in the fund has fallen to about five per cent, making it difficult for them to meet ongoing redemptions," he said.

Connolly added property remains an asset class which can play an important role in investment portfolios.

"When we have some real clarity on Brexit, the prospects for this asset class will hopefully improve," he said.

Yesterday's suspension came just months after M&G temporarily stopped investors exiting its £636m UK Property fund. In July, *City A.M.* revealed that pension holders were blocked from withdrawing their money from Prudential's UK Property Fund, which buys units in the M&G UK Property strategy.

ONE WAY TICKET Metro Bank chief leaves just weeks after chair

SEBASTIAN MCCARTHY

@SebMcCarthy

METRO Bank's chief executive officer (CEO) Craig Donaldson revealed last night that he will step down at the end of this year, bidding farewell to the troubled lender in the wake of a torrid 12 months.

After a decade-long stint running the challenger bank, Donaldson has become the latest in a string of senior figures to announce his departure.

Donaldson's final months at the helm have been clouded by a steep fall in the firm's share price, sparked by the shock discovery of a major accountancy error almost a year ago.

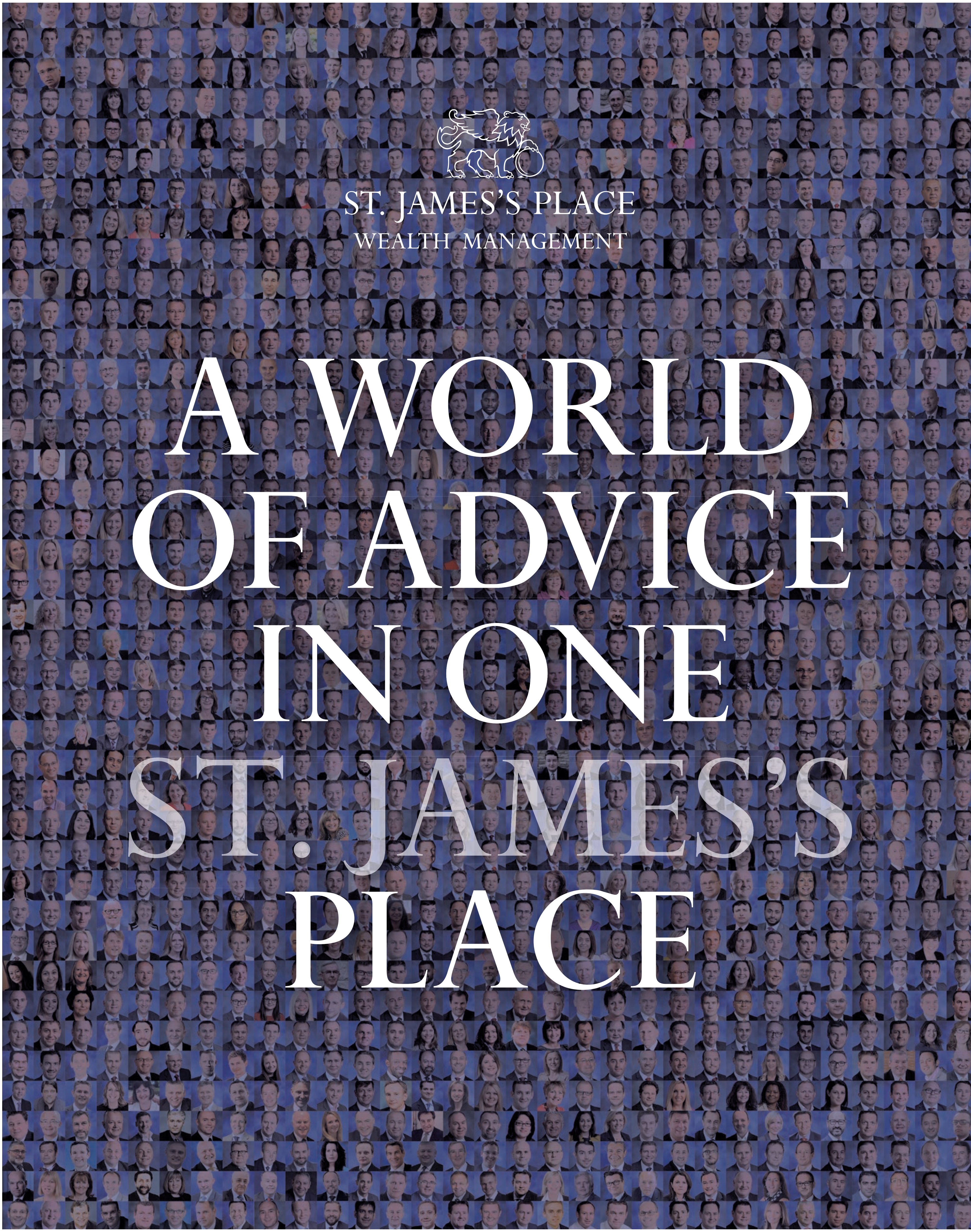
The under-fire firm has since been embarking on a major management shake-up, with chairman Vernon Hill saying in October that he would leave the board by the end of 2019.

Dan Frumkin, who was drafted in to Metro Bank in September as chief transformation officer, has been appointed to the board as interim CEO from 1 January 2020.

"While this has undoubtedly been a challenging year, it has been a privilege to serve," Donaldson said in a statement after markets closed yesterday afternoon.

Chairman Sir Michael Snyder said: "My priority is to appoint a permanent CEO and new [non-execs] to the board who will bring even more retail banking experience."

FTSE 100 ▲7,188.50 +29.74 FTSE 250 ▲20,665.48 +164.55 DOW ▲ 27,649.78 +146.97 NASDAQ ▲8,566.67 +46.03 £/$ ▲1.309 +0.009 £/€ ▲1.182 +0.010 €/$ ▼ 1.108 -0.001


ST. JAMES'S PLACE
WEALTH MANAGEMENT
A WORLD OF ADVICE IN ONE ST. JAMES'S PLACE

CITY A.M.

THE CITY VIEW

M&G fund freeze gives a distinct sense of deja vu

WHY DOES it feel like we have been here before? Well, it's because we have. It wasn't that long ago when thousands of investors in property funds flocked to the exit door after the referendum, forcing several major asset managers to temporarily block withdrawals. So cue the deja vu when M&G yesterday suspended trading in its commercial Property Portfolio for the second time in less than four years. And that's before mentioning that M&G deferred withdrawals in a separate UK Property fund only a few months ago, which impacted some of Prudential's pension-holders. Admittedly, this gating mechanism is in place to protect the remaining investors, by giving the fund managers time to sell-off the assets to meet redemption requests. And for those who are invested for long-term goals like pensions, the suspension won't be such an issue. But fund gating can be painfully frustrating for investors who are unwillingly locked in, particularly when it's not clear when they can access their money. Some will have tens of thousands of pounds frozen in a fund, so it's not just a matter of inconvenience either.

The commercial property sector is currently out of favour with investors, with outflows reaching £1.6bn in the past year. A suspension of this kind has been expected as the retail sector in particular takes a beating. But poorly performing investments are only one part of the story; the root cause is the mismatch between the daily dealings of the funds and the illiquid nature of the underlying assets. The Woodford scandal demonstrated that this is as true with property funds as it is with fund managers who pile money into early-stage biotech companies. There has been a lot of talk about banning illiquid assets from these types of funds, but a clear position is yet to emerge. And in the meantime, more suspensions seem likely — which is as much a problem for the underlying invested companies as it is for the investors. Brexit uncertainty has often been blamed for fund suspensions over recent years, but if these funds can't withstand the shocks, they are not fit for purpose.

Asset managers can't control whether investors panic or not, but they can address this structural problem. How does the industry expect to encourage investment if the sector is plagued with suspended funds? The Financial Conduct Authority won't have been surprised by yesterday's news, and the City will be waiting for its considered response.

Follow us on Twitter @cityam

OBITUARY

BOB WILLIS Fast bowler who took eight for 43 in the famed 1981 Headingley Test passes away following an illness at the age of 70

ONE OF English cricket's finest fast bowlers Bob Willis passed away yesterday. Willis took 325 wickets in 90 Tests but his hostile spell against Australia in the famous 1981 Headingley Ashes Test, in which Sir Ian Botham did the damage with the bat, ensured a famous victory and a place in cricketing folklore. The England and Wales Cricket board said the game "has lost a dear friend".

Legal high as sector sees record overseas growth

JAMES BOOTH

@Jamesdbooth1

REVENUE generated by legal activities in the UK increased six per cent year on year in 2018 to hit £35.5bn, according to a report published today.

The report by lobby group The City UK said the output of legal services in terms of gross value added (GVA) was £26.8bn, or 1.5 per cent of total UK GVA in 2017.

Exports from UK solicitors firms were estimated at £7.5bn in 2018, with the sector's trade surplus increasing to a record £6.5bn.

The UK's top 100 law firms netted over £26bn in revenue in 2018/19.

The report said that the prestige of English common law and the strength of the judicial institutions that underpin it should allow it to continue helping to sustain the UK's position as a leading financial centre.

"The sector and the UK jurisdictions will remain a vital national asset and an essential component of the broader financial and related professional services ecosystem as the UK charts a new economic course beyond Brexit," the report said.

Sandra Wallace, DLA Piper's joint managing director for UK and Europe, said: "The legal sector is pretty robust, as long as we stay attuned to the market we are in and stay ahead of challenges like Brexit, the legal sector can weather those headwinds."

The report also highlighted the UK's growing position as a hub for the burgeoning legal technology sector.

It said the UK had "become a global hub for law tech" and said investment in UK legal technology has increased almost threefold over the past year, with startups receiving £61m in 2018 compared to £22.2m in 2017.

Wallace said client demand was driving investment in technology and alternative delivery models.

"Our clients are demanding it," she said. "They are expecting us to look at new ways of delivering our services.

"If you take the financial services sector, most banks will say they are tech companies now, there is no way we can ignore that. Clients expect judgement and sound legal services but they want us to work in different ways and come to them with proposals as to how we can do that."

The City UK chief executive Miles Celic said: "While this report demonstrates that the UK remains the jurisdiction of choice for international legal services and dispute resolution, there is little room for complacency.

"The UK-based legal services industry remains a crucial national asset and one that will continue to provide the foundation for the country's future economic success."

WHAT THE OTHER PAPERS SAY THIS MORNING

FINANCIAL TIMES

NUMIS SUFFERS FROM LONDON SLOWDOWN

Lacklustre stock market activity and a weakening of corporate confidence ahead of Brexit drove a troubled 2019 for Aim-listed stockbroker Numis, which reported a 61 per cent fall in company profit yesterday. Co-chief executive Ross Mitchinson cited political and macroeconomic uncertainty.

TWITTER PLANS FIRST FORAY INTO JUNK BOND MARKET

Twitter is planning its first foray into the junk bond market, hoping to raise $600m (£457.8m) as the social media platform tries to shrug off lacklustre third-quarter earnings. The company held calls with investors on Tuesday, according to people familiar with the conversations, and is expected to sell the debt today, as it seeks to test its access to capital markets.

THE TIMES

BOOHOO SALE TO NET £150M FOR COMPANY FOUNDERS

The founders of Boohoo have announced plans to sell shares worth up to £150m in the online fast-fashion retailer. Mahmud Kamani and Carol Kane founded Boohoo in 2006 and since then the company has grown into a retailing giant with a market value of almost £3.5bn.

CLAMPDOWN URGED AFTER FRAUD WEB DISCOVERY

Senior politicians and transparency campaigners have called for a clampdown on the regulation of company formation agents after an investigation of a British family-owned business.

THE DAILY TELEGRAPH

ENERGY FIRMS IN THE RED OVER BLACKOUT CASH

A dozen energy suppliers owe more than £24m in overdue payments used to cover emergency provision during blackouts, according to data from watchdog Ofgem's debt collection arm. It is the latest sign of stress in the UK's retail energy sector, which has seen numerous suppliers go bust.

ICELAND COULD STRUGGLE TO PAY £750M DEBT PILE

Iceland could struggle to repay a £750m pile of debt and may be forced to refinance, analysts warned. The frozen food chain, a private company with 966 stores in the UK, must repay two sets of bonds worth £200m and £550m.

THE WALL STREET JOURNAL

STEVE COHEN NEARS DEAL TO BUY NEW YORK METS

Hedge-fund manager Steve Cohen is close to an agreement to purchase a majority stake in the New York Mets, increasing his current stake in the team, according to a person familiar with the matter. Current owners Fred Wilpon and Jeff Wilpon will remain in their positions for the next five years, the person said.

CAMPBELL'S US SOUP SALES DROP IN LATEST QUARTER

Campbell Soup sold fewer of its namesake products in the US in the latest quarter, wiping out gains from its growing snacks division, as retailers delayed Thanksgiving shipments.

Christmas saved at Clinton's after rescue package

JESS CLARK

@jclarkjourno

HIGH street card retailer Clintons yesterday said it had secured a pre-pack administration deal to allow it to continue operating through the crucial Christmas trading period.

Clintons has been bought out of administration by Esquire Retail, a new vehicle that has been established by the Weiss family, which has owned the card retailer since 2012.

The deal, announced yesterday, will allow the retailer's 334 shops to remain open throughout December — its busiest month of the year — and rescued 2,500 permanent jobs.

Clintons had previously explored a number of other rescue options, including a sale and a company voluntary arrangement (CVA), which would have lead to store closures and job losses.

However, the retailer was unable to secure enough support from stakeholders to launch the CVA procedure.

Clintons chief executive Eddie Shepherd said: "As part of our exploration of sale options to secure the future of the business, we entered into extensive discussions with stakeholders with a view to entering into a company voluntary arrangement.

"Despite receiving support from a number of landlords, we were unfortunately unable to secure the requisite support needed to successfully launch our proposals."

"With no other investment options available, we therefore had to take the difficult step to place the company into administration," he added.

Shepherd said the firm was confident that this deal will kickstart a new chapter for the business.

The company said it had been affected by pressures from business rates, weak consumer confidence and the "lack of clarity around the taxation of online retail businesses".

Will Wright, partner at KPMG and joint administrator, said: "Clintons has been a fixture on the British high street for over 50 years, so it is pleasing to have been able to secure this agreement which will see it continue to trade."

Eddie Stobart puts administrators on alert ahead of crunch deal vote

JAMES BOOTH

@Jamesdbooth1

TROUBLED haulier Eddie Stobart has lined up Deloitte to act as its administrator ahead of a crucial shareholder vote tomorrow.

Shareholders are set to vote on whether to approve a £55m financing package from former owner Dbay Advisors.

The Telegraph reported that if shareholders reject the deal, Eddie Stobart's holding company will be put into administration.

In a statement yesterday Eddie Stobart said if the vote failed, the company would face a cash crunch.

"In these circumstances the lenders would support the board taking steps to achieve the Dbay transaction by an alternative route which would see no return to shareholders," the statement said.

Former Stobart Group boss Andrew Tinkler's TVFB vehicle yesterday said it continued to "gather shareholder support" for an alternative financing plan.

"There is no upcoming liquidity issue within the next week," it said.

Eddie Stobart published letters from its lenders yesterday that said "the banks will not entertain any other proposals and are wholly supportive of the Dbay proposal".

M&C Saatchi is famous for its poster campaigns on behalf of the Conservatives

M&C Saatchi's £11.6m accounting error sends shares plummeting

EDWARD THICKNESSE

@edthicknesse

46.17%

M&C SAATCHI suffered as its market cap was nearly cut in half yesterday, after revealing a profit warning and an £11.6m accounting error, its second this year.

The Aim-listed ad firm said profit for the full year is expected to be between 22 and 27 per cent below the level it hit in 2018.

The accounting error came after an independent review by PwC.

M&C Saatchi's share price fell 46 per cent to 79p — its lowest in more than a decade — yesterday as traders abandoned the firm.

The accounting review related to several units in the company's UK business overstating income and receivables and M&C said it would restructure its UK operations.

"This restatement of our numbers and the reduction in forecasts make for very difficult reading," said chief executive David Kershaw.

The ad agency already set aside £6.4m in August after it had spotted an error in its accounts.


Half price
LEGO duplo
10864 Large Playground Brick Box
2-5
LEGO CLASSIC
4-99
10698
IDEAS INCLUDED
14
Hurry, when it’s gone it’s gone.
12
CELEBRATING
TESCO
100 Years
GREAT VALUE
Lego classic large creative brick box and Lego large playground brick box, was £40 now £20, ends 29/12. Available in larger stores. Delivery charges may apply.

'TWO-FACED' Trump slams Trudeau after Canadian PM appears to mock President

US PRESIDENT Donald Trump yesterday called Justin Trudeau "two-faced" after the Canadian Prime Minister was filmed appearing to mock him along with other Nato leaders. Trump also scrapped a press conference, leaving London ahead of schedule.

SWR strike: Exchange of letters as commuters complain of travel 'hell'

ALEX DANIEL

@alexmdaniel

RAIL union bosses have written to South Western Railway in an attempt to halt what is planned to be Britain's longest ever rail strike.

As commuters complained of "hell" on their way to work with the strike entering its third day out of 27 yesterday, the Rail, Maritime and Transport Workers (RMT) Union asked South Western to get back around the negotiating table.

RMT general secretary Mick Cash said: "I am writing to you today to ask for your agreement to reopen talks around an operational framework that would allow for the action called for December to be suspended.

"Obviously, it would be in the interest of all concerned to try and reach a negotiated agreement."

South Western managing director Andy Mellors wrote back later yesterday, saying he was "pleased" the union wanted to resume talks.

However, he added: "We need guarantees that you are serious about ending the strikes in a way that works for the passengers".

"If the RMT has new alternative ways of safely delivering over 10m more peak-time journeys on-time every year, you need to set these out," he added.

McKenzie lawyer admits sexually harassing staff

JAMES BOOTH

@Jamesdbooth1

THE FORMER London managing partner of Baker McKenzie Gary Senior yesterday admitted sexually harassing a lawyer "half his age" in 2012.

Senior has been accused of breaching professional standards after sexually harassing a junior lawyer (Person A) after a night of drinking and then allegedly interfering in the internal investigation into the incident.

Senior was head of the legal giant's London office at the time of the incident. He left the firm last year after the allegations came to light.

Andrew Tabachnik QC, prosecuting for the Solicitors Regulation Authority, asked Senior if he thought his "own version events amounts to sexual harassment of Person A?"

Senior replied: "Yes I think so, yes."

Tabachnik said Senior had "made a pass" at the junior lawyer who was "half your age or perhaps less" after a night of drinking.

Senior admitted giving her a "compliment about her looks and kissing her on the neck... none of which she wanted."

In a note made in the days after the incident, Person A alleged that Senior's conduct went further than this — something he disputed.

Person A said Senior asked her to stay behind at 3am after a small group had spent an hour drinking in his hotel room after a night out.

"Gary Senior said 'time for a hug then,'" Tabachnik said, reading out Person A's account.

"He said 'you are very attractive, I think you're really fit,'" Person A's account said. "He looked at the bed, I felt disgusted, he was still hugging me the whole time," it added.

"I don't recall the situation getting that far advanced," Senior said.

Person A ultimately left the firm after being given a cash settlement and signing a non-disclosure agreement (NDA).

Senior was given a written warning and allowed to keep his job.

Senior denies professional misconduct and denies influencing the investigation. The hearing continues.

Slack beats expectations despite Microsoft app competition woes

JESS CLARK

@jclarkjourno

WORKPLACE messaging app Slack beat analyst expectations in its third-quarter results, following concerns that the tech firm would fall victim to increased competition.

Last night the company reported a loss of $0.02 per share compared to a consensus of an eight cent per share loss. Slack also beat on revenue, which was $168.7m (£128.73m) — an increase of 60 per cent year-on-year —compared to an average estimate of $156m.

In its second financial filing since its direct listing on Wall Street this summer, Slack said it increased the number of paid customers by 30 per cent to 105,000.

The announcement comes as competition in the workplace messaging sector has stepped up as Microsoft pushes its competitor app Teams. The rivalry between Slack and the tech giant turned up a notch last month after Slack accused Microsoft of ripping off its latest advertising campaign.


WHEREVER YOU SIT DON'T SIT ON THE FENCE
Buy or sell Party Seats. There are 650 up for grabs. Ever since John Major returned a majority in '92 we've been squeezing every drop of drama out of the dash to Downing Street.
Spread betting involves risk. Losses can exceed deposit.
Tory seats: 338-344
Labour seats: 216-222
SNP seats: 44-46
Lib Dem seats: 18-22
Plaid Cymru seats: 3.5-4.5
Green Party seats: 1-2
Brexit Party seats: 0.5-2
£100
Join and get £100 (non-withdrawable) to bet with. Keep what you win, but any losses over £100 are your liability. Market restrictions and 7 day time limit apply. Full T&Cs online.
SPORTINGINDEX

ELECTION 2019

Sterling surges on Tory poll lead

HARRY ROBERTSON AND CATHERINE NEILAN

@henrygrobertson @CatNeilan

THE POUND climbed to a seven-month high yesterday as traders grew hopeful that the Conservatives would clinch a majority at the upcoming General Election and bring some certainty to the Brexit process.

Sterling rose to $1.312 yesterday afternoon before dropping back somewhat. The pound finished the day 0.01 per cent higher at $1.309, a level not seen since early May.

Most investors think a Tory majority at the 12 December poll would finally see Britain leave the European Union with a deal, bringing some much-needed certainty to the economy.

A poll from asset manager Toscafund and Deltapoll yesterday predicted the Tories will win a majority of about 30 in the 12 December vote. A YouGov poll from Tuesday showed the Conservatives on 42 per cent and Labour on 33 per cent of the vote.

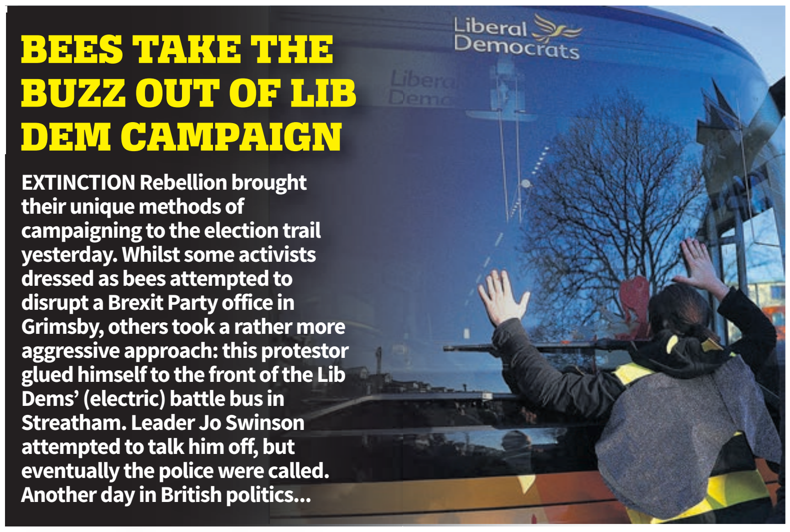
In a report accompanying the poll, the asset manager said a Tory majority would cause an "unleashing of the consumption and investment" that Brexit uncertainty has held back in 2019, it said.

Toscafund's chief economist Savvas Savouri said a win for Boris Johnson's party would give domestic assets "clearance to take off".

He said it would likely send the pound surging to $1.48.

Johnson strategists were breathing a sigh of relief last night as US President Donald Trump left the UK without handing Jeremy Corbyn any early Christmas presents in the form of comments about the NHS.

Campaign sources believe that Friday's head-to-head debate between Johnson and Labour leader Jeremy Corbyn is the last chance for the opposition to build poll momentum.



BEES TAKE THE BUZZ OUT OF LIB DEM CAMPAIGN

EXTINCTION Rebellion brought their unique methods of campaigning to the election trail yesterday. Whilst some activists dressed as bees attempted to disrupt a Brexit Party office in Grimsby, others took a rather more aggressive approach: this protestor glued himself to the front of the Lib Dems' (electric) battle bus in Streatham. Leader Jo Swinson attempted to talk him off, but eventually the police were called. Another day in British politics...

Living costs claim row rumbles on

CATHERINE NEILAN

@CatNeilan

JOHN McDonnell's claim to put £6,717 in the pockets of ordinary Brits was labelled a "lie based on fantasy analysis" by the Tories yesterday.

Labour's claim is part of an ongoing strategy to push the focus of the election onto domestic issues, allowing them to trumpet so-called retail offers on the doorstep, including free broadband for all and a wide swathe of nationalisations.

Tory Treasury minister Rishi Sunak said it "defies belief that Corbyn's Labour are claiming they would reduce living costs at the same time as standing on a manifesto containing tax rises."

SO WHO'S RIGHT? POLICY EXPERTS RUN THE NUMBERS ON LABOUR'S COST OF LIVING MANIFESTO: P18

POLL WATCH

Is it getting closer? A Survation poll which measured voting intention at the start of the week gives the Tories a **nine point lead** over Labour (42 to 33) compared to a **14 point lead** (42 to 28) on 18 November. The good news for the Tories is that their vote seems to be remaining stable.

GOOD DAY

Commercial firms can often come unstuck when they dally in politics but yesterday **Burger King** received deserved online acclaim for its new bus advert, parked up against parliament. "Another Whopper on the side of a bus," it read. "It must be an election." As parties continue to dart round the country in their battle buses, they might be sticking to KFC and McDonald's for their pit-stops after that.

BAD DAY

Even in an election where both main parties have stretched the truth to elastic limits, it takes something for the UK Statistics Authority to step in. Boss Sir David Norgrove yesterday rebuked **Jeremy Corbyn** for a claim at the party's manifesto launch that "violent crime has doubled" under nine years of Tory rule. Sir David said there was "little change in overall violent crime." Whoops.

Philip Day seeks expansion after strong earnings

JESS CLARK
@jclarkjourno

PHILIP Day's Edinburgh Woollen Mill Group reported a strong profit in its latest financial update as the billionaire businessman eyes potential acquisitions for his high street empire.

The group, which includes brands such as Peacocks, Jaeger and Austin Reed, reported profit after tax of £23.4m in the 27 weeks to 2 March, on revenue of £327.14m.

The company also revealed it has a cash balance of £117.8m, is bank debt free and has undrawn bank facilities of £100m.

Edinburgh Woollen Mill posted a profit after tax of £12m and Peacocks, which has recently been named the preferred bidder for Bonmarche, reported profit after tax of £17m.

Day was previously the majority shareholder in Bonmarche through separate holding company Spectre and lost more than £5.5m when it collapsed.

Upmarket brand Jaeger, which lost £7.1m in the year before it collapsed into administration, reduced losses to £1.1m and seven new stores were opened.

A further four standalone stores and four concessions outlets have opened since the end of the reporting period, the company said.

In March, the Austin Reed, Berwin & Berwin and Jacque Vert businesses were consolidated into Jaeger to create a "single luxury tailoring division", the firm said.

It is not possible to compare the group's latest 27-week reporting period with its previous financial filing, which covered 78 weeks.

An Edinburgh Woollen Mill Group spokesperson said: "As we continue to expand our store estate, our multi-faceted strategy has allowed us to appeal to a wide demographic of customers across a range of different prices points."

Johnson said the UK should not prejudice its "vital national security interest"

PM Boris Johnson casts doubt on Huawei's 5G involvement in UK

STEFAN BOSCIA
@Stefan_Boscia

THE UK will not allow Huawei to build the nation's 5G network if it risks security or jeopardises co-operation with other Five Eyes nations, Boris Johnson said yesterday.

Five Eyes allies Australia and the US have banned the firm from taking part in building their respective 5G networks due to worries it could funnel information to the Chinese government.

Johnson said at yesterday's Nato summit that the UK shouldn't be "unnecessarily hostile to investment from overseas, but on the other hand we cannot prejudice our vital national security interest" and that co-operation with the other Five Eyes countries will be the "key criterion".

US proposal for global tax rules risks deadlines

LEIGH THOMAS

THE UNITED States' latest proposal on reform of international tax rules could set back efforts to meet previously agreed tight deadlines, the OECD said yesterday.

US Treasury secretary Steven Mnuchin sent a letter to OECD head Angel Gurria on Tuesday voicing "serious concerns" about the organisation's reform proposals and suggested they could be addressed by creating a safe-harbour regime.

In response to the letter, Gurria said in a letter that was the first time such an idea had been floated despite lengthy consultations, in which Washington already actively contributed. "We raise this concern, as it may impact the ability of the 135 countries that are now participating in this process, to move forward within the tight deadlines we established collectively," Gurria said.

He ended the letter by inviting Mnuchin to Paris for talks "ideally before Christmas" which would include French finance minister Bruno Le Maire. The US threatened tariffs on a range of French goods this week.

Reuters

Quiz shares plunge as it blames 'very challenging' high street for £7m loss

JOE CURTIS
@joe_r_curtis

11.81%

FAST fashion brand Quiz has sunk to a loss due to expensive shop leases and a lack of footfall in the first half of its financial year, it revealed yesterday.

Shares sank 16 per cent during trading yesterday, before closing 11.8 per cent down at 14.75p.

Quiz swung to a loss before tax of £6.8m in the six months to the end of September, after posting a £3.8m profit this time last year.

Underlying profit sank 85 per cent year on year to just £600,000. It was also hit by a drop in sales that knocked revenue five per cent lower to £63.3m.

Shareholders suffered a 4.44p loss per share, compared to 2.46p in earnings per share a year ago.

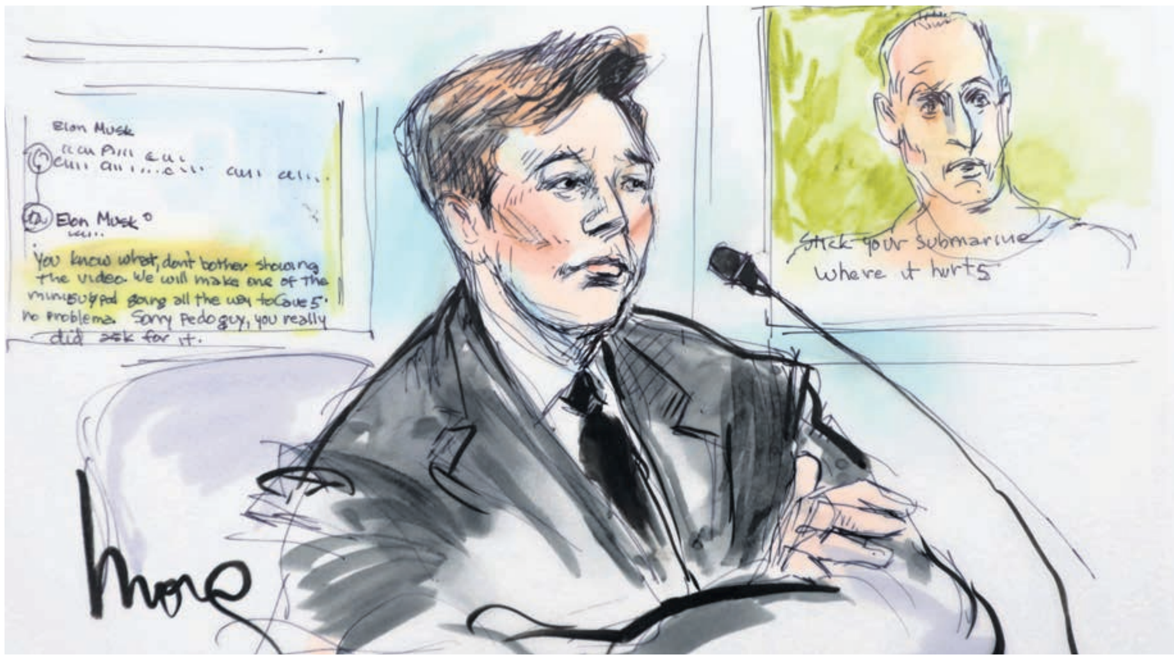
Quiz blamed "very challenging" conditions on UK high streets for the huge drop. It warned more people are increasingly shopping online but its own online revenue was flat year on year at £20m. Quiz, which has 73 stores and 171 concessions in the UK, also booked a £7m charge for onerous leases in its store estate.

John Moore, senior investment manager at Brewin Dolphin, called the results a "nightmare before Christmas" for Quiz. "The City has been worried about Quiz for some time and [these] figures will do little to ease those concerns," he added.

The fashion retailer's profit plummeted 65 per cent year on year to just £600,000

Musk: ‘Pedo guy’ was not meant literally

Alex Daniel reports on the opening of Musk’s defamation trial



ELON Musk has, yet again, gone where most fear to tread. This time he has defended an episode in which he called a British cave diver a paedophile with the excuse that he didn’t mean it like *that*.

His charge? Calling Vernon Unsworth — a British cave diver who helped save 12 boys and their football coach in Thailand in July 2018 — a “pedo guy”. His defence? It was not a literal accusation of paedophilia; just a run-of-the-mill insult.

The statement came in a Los Angeles courtroom on Tuesday — the first time the two have come face-to-face since the daring rescue and subsequent barb took place.

During the session, Musk apologised to Unsworth, who sat stony-faced throughout. But several other comments raised eyebrows among observers.

The controversy stems from a tweet sent by Musk on 15 July 2018, which carried the insult. That was in response to a video interview with Unsworth in which the cave diver was asked about a plan by the Tesla billionaire to save the trapped boys with a mini submarine he created himself.

Unsworth called the idea a PR stunt and said the businessman could “stick his submarine where it hurts”.

Asked about the interview on Tuesday, Musk said: “It was wrong and insulting, so I insulted him back,” implying he did not mean the “pedo guy” statement literally.

Unsworth’s lawyer pointed out, in response, that Musk did not correct the record afterwards. Rather, he later went on to call Unsworth a “child rapist” in an email to a journalist.

But Musk replied: “I think that would have been worse. If you called someone a motherf***er I don’t think you would have to clarify you don’t actually commit incest. It would sound disingenuous.”

“People say a lot of things on Twitter that aren’t true,” he added.

Musk doubled down on his defence as he wrapped up two days of testimoney yesterday, saying the insult was an “off-the-cuff” remark.

Unsworth’s lawyer said that he brought the lawsuit “for accusing him of being a pedophile in what should have been one of the proudest moments of his life.” Instead, Musk brought him “shame,” he said.

Musk tried to suggest he was not an influential person, despite having 22m followers on Twitter at the time — a figure which has now risen to more than 29m. “I’m not sure to the degree I’m influential. I try to get people to take climate change seriously and that hasn’t worked,” Musk said.

However he later contradicted himself, saying yesterday: “Most things I say on Twitter will generally get some press awareness... If I write something on Twitter, it will get reported.”

Musk insisted the tweet in question was his reaction to “an unprovoked attack on what was a good-natured attempt to help the kids”.

EXCUSES, EXCUSES: HOW MUSK DEFENDED HIMSELF

1. Musk’s lawyer called the tweet a “JDART” — meaning a joking, deleted, apologised for, responsive tweet.

2. Musk said in his own defence: “If you called someone a motherf***r I don’t think you would have to clarify you don’t actually commit incest. It would sound disingenuous.”

3. Musk’s lawyer said: “[Unsworth] is saying he has been horribly damaged, and deserves money. He doesn’t.”

Global economy to pick up in 2020 despite slowdowns in US and China

HARRY ROBERTSON

@henrygrobertson

GLOBAL economic growth is set to pick up in 2020 despite the world's two biggest economies slowing, according to asset manager Investec.

The world economy will expand by 3.3 per cent in 2020, Investec said yesterday, up from a post-crisis low of 2.9 per cent growth this year.

Trade tensions, a slowdown in China, and difficulties in Eurozone manufacturing have all dented global economic growth in 2019.

The US-China trade war is likely to carry on into 2020, Investec said, holding back both countries' economies. In China next year growth is expected to be its lowest in 30 years.

The City firm said the two sides should sign phase one of a trade deal in 2020, although this would not be a comprehensive agreement.

"Our baseline case is that a phase two deal will not be settled until after November's [US] Presidential election," said Investec chief economist Philip Shaw.

The report said the pick-up in global growth "primarily reflects" the economic stimulus that has resulted from 60 or so central banks cutting interest rates around the world in 2019.

Services sector contracts as UK election looms

HARRY ROBERTSON AND SEBASTIAN MCCARTHY

@henrygrobertson @SebMcCarthy

THE UK services sector contracted last month at the fastest pace since March, survey data showed yesterday, as domestic political uncertainty once again led to cautious business and consumer spending.

The IHS Markit/Cips services purchasing managers' index (PMI) fell to 49.3 in November, down from a score of 50 — which marks no change — in October. Although the reading beat an initial estimate of 48.6, it nonetheless put the UK's most important sector in contraction territory.

The services sector reading is the latest sign this week that the UK economy has slowed in the final three months of the year. Data showed that the manufacturing and construction sectors both also contracted in November.

Tim Moore of data firm IHS Markit, said: "November's PMI surveys collectively suggest that the UK economy is staggering through the final quarter of 2019."

The Brexit crisis and a global economic slowdown have held back the UK economy in 2019. Survey respondents said in November that the impending General Election has brought fresh uncertainty.

IHS Markit said that private sector output fell in November after stagnating in October, with the composite PMI hitting its joint-lowest reading since July 2016.

Ruth Gregory of Capital Economics said: "GDP growth has slowed sharply in the fourth quarter and perhaps even turned negative".

The outlook for the private sector is also gloomy, according to an EY Item Club report that today said bank lending to firms is expected to creep up at its weakest rate since 2015 next year.

Citing continued uncertainty from Brexit and wider political events, the report suggested that many businesses are "holding off on their investment plans until they have a better understanding of where things stand". Demand for other forms of lending also continues to slow, with consumer credit projected to grow at its weakest rate since 2013.

Fairbairn has guided the CBI through the EU referendum and its political aftermath

CBI hires headhunters as it kicks off search for Fairbairn successor

SEBASTIAN MCCARTHY

@SebMcCarthy

THE CBI is said to have launched the search to select its next boss, as its current director general's term draws to a close.

The business lobbying giant has drafted in headhunters from Russell Reynolds Associates to identify potential executives who could fill the leading role, according to Sky News.

The broadcaster said that CBI employees had been briefed by current director general Dame Carolyn Fairbairn yesterday that the search was getting underway.

Fairbairn, a former BBC executive, has just less than 12 months to serve in her five-year term. She described 2020 as "the most important year in a generation".

The post is due to be publicly advertised next week, with an appointment expected during spring 2020. The CBI's current president John Allan and his colleagues will be in charge of selecting the next director general.

Chinese power firm Sdic delays a London listing

EDWARD THICKNESSE

@edthicknesse

LEADING Chinese power generation firm Sdic Power yesterday announced it would delay listing 10 per cent of its shares on the London Stock Exchange (LSE) due to "market conditions."

In a statement, the company said it "believes this is a prudent decision and is in the best interests of its existing and future shareholders."

The decision comes as another blow to the LSE, which has seen a number of prominent initial public offerings (IPOs) cancelled or delayed recently.

There have only been four IPOs worth more than £1bn in London so far this year. As of September, only 25 companies had listed, compared with 87 in 2018 and 106 in 2017.

High-value potential floats such as those of Wework and Shore Capital have further damaged London's reputation. By contrast, in the US the New York Stock Exchange and the Nasdaq have seen a number of big listings, such as Uber, Pinterest, and Beyond Meat.

Originally it was suggested that Sdic would seek to complete the deal by Christmas. The Shanghai-listed firm is worth 57.92bn yuan (£6.4bn), meaning that the offering could be worth up to £640m, according to a source familiar with the transaction.

The offering would be the second to take place under a new scheme linking the London and Shanghai bourses. Chinese brokerage Huatai Securities listed in London in June this year, raising about $1.5bn (£1.15bn) in the process.

Sdic already has a presence in the UK market through its ownership of renewable energy firm Red Rock. The Scotland-based company owns part of the Beatrice wind farm project, which cost £2.5bn, and will supply electricity to 450,000 homes through a joint venture with SSE Renewables and Copenhagen Infrastructure Partners.

Not-for-profit Clientearth said BP's eco-friendly adverts draw attention away from its mainstream oil and gas business

BP faces complaint over 'misleading' advertising

EDWARD THICKNESSE

@edthicknesse

ENVIRONMENTAL law charity Clientearth has accused BP of "misleading" the public regarding its low-carbon credentials with its multi-million-pound advertising campaign.

The non-profit group said yesterday it has lodged an official complaint under international guidelines regarding the campaign — BP's first in 10 years.

The group are backing up the complaint with demands that all fossil fuel advertising should be banned unless it comes with a "tobacco-style" warning about the dangers to planet and people.

Clientearth climate lawyer Sophie Marjanac said: "BP is spending millions on an advertising campaign to give the impression that it's racing to renewables, its gas is cleaner, and it is part of the climate solution.

"This is a smokescreen. While BP's advertising focuses on clean energy, in reality, more than 96 per cent of the company's annual capital expenditure is on oil and gas."

Google searches for a spark with leadership rejig

The Google founders' departure marks a new era, writes **James Warrington**

GOOGLE's announcement that co-founders Larry Page and Sergey Brin will step back from their top roles is, in some senses, a groundbreaking moment. Since starting the iconic search engine in a rented California garage in 1998, the pair have grown the firm into one of the world's most valuable companies, turning themselves into two of the world's richest men in the process.

Google's ubiquity — it was officially recognised as a verb in 2006 — means it is now hard to imagine life without the colourful search engine. However, Page's and Brin's role in organising the inchoate mass of the early world-wide web should not be overlooked.

Culturally, too, the pair's influence is significant. Over the last two decades, Google has laid the groundwork for the modern Silicon Valley, nurturing — for better or for worse — a culture of flexible working alongside its unofficial motto of "don't be evil".

OTHER BETS

Although Google — and parent company Alphabet — has held its own amid the emergence of new tech rivals, it's clear the company is moving into a new era, and the decision to make way for fresh meat in many ways seems logical.

With the triumphs of the search era and Gmail behind it, the Californian giant is now looking to new avenues such as cloud computing and artificial intelligence (AI), which are contained within its aptly-named Other Bets division.

"Page and Brin revolutionised our access to information and services in the last 10 years, but innovation in the core business is not as fast paced as it once was," says Jim Cridlin, global head of innovation and partnerships at Mindshare.

"Google won the search wars. The question now is will it win in the new battlegrounds of cloud services, AI and all its Other Bets," he added.

Moreover, Google may well be moving into choppy regulatory waters. Political pressure for tighter regulation of tech giants is picking up pace, with critics citing concerns including Silicon Valley's use of data, its dominance in the digital advertising market and its failure to police content posted online by its users.

France has already outlined plans for a digital services tax, and a host of other countries, including the UK, may soon follow suit.

It is not the first time the company has faced regulatory hurdles. However, with public opinion gradually turning against the tech giants, a changing of the guard may be a necessary measure as the company moves into a new era.

PROUD PARENTS

While Page and Brin's departure will be lamented in break-out spaces across the West Coast, in reality the transition has been gradual.

The pair have stepped back from the limelight in recent years, allowing Google chief executive Sundar Pichai to become the public face of the company. Pichai now becomes chief executive of Alphabet and Google, and takes responsibility for the day-to-day running of the firm.

> The tech giant is moving into choppy regulatory waters

Page and Brin have said they will now adopt the role of "proud parents — offering advice and love, but not daily nagging".

But with more than 50 per cent of voting rights still resting with the founders, it's clear they're not ready to relinquish power just yet.

Expedia bosses quit after board strategy clashes

JESS CLARK

@jclarkjourno

EXPEDIA chief executive Mark Okerstrom and finance boss Alan Pickerill have quit following disagreements with the board over the travel group's strategy.

Chairman Barry Diller said he will oversee the company's executive leadership team with vice chairman Peter Kern.

Chief strategy officer Eric Hart will serve as acting chief finance officer.

The pair's exit, effective immediately, comes after Expedia implemented a reorganisation plan that the board said had "resulted in a material loss of focus on our current operations".

This distraction led to "disappointing" third-quarter results and a "lacklustre near-term outlook", the board said.

Two of the travel firm's top leadership have quit

Diller added: "The board disagreed with that outlook, as well as the departing leadership's vision for growth, strongly believing the company can accelerate growth in 2020."

Loungers shares rise as group cuts losses amid restaurant openings

JAMES WARRINGTON

@j_a_warrington

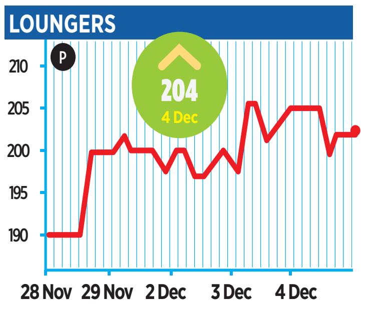
SHARES in Loungers rose as much as four per cent during trading yesterday after the bar and restaurant group slashed its loss and boosted revenue after opening a string of new sites.

Revenue rose 22 per cent to £79.8m in the 24 weeks to 6 October, while the firm cut its loss from £4.3m to £2.5m.

The strong performance was driven by an uptick in like-for-like sales, which rose 5.4 per cent over the period.

Loungers, which owns the Lounge and Cosy Club, said it had 10 restaurant and bar openings scheduled in the second half, taking its portfolio to 171 sites.

Shares closed up 2.3 per cent at 202.1p yesterday.



City of London update

Book of condolence at Guildhall Art Gallery

CITY OF LONDON

Following last Friday's attack at London Bridge, a book of condolence has been set up at the City of London Corporation's Guildhall Art Gallery (Guildhall Yard EC2V 5AE).

This book is available for all City workers, residents and visitors to pay their respects and express their sympathies for all those affected.

Advice, assistance and support for victims, witnesses and those affected by the attack is also available.

Victim Support can offer free and confidential help and support. Call their 24/7 Supportline on 08 08 16 89 111 or visit **www.victimsupport.org.uk**

Have a good time but stay safe

BY taking a few, good steps and some simple party planning everyone can have a fun night out. So this Christmas you are invited to do three wise things and keep your night, merry and bright: Eat, Pace, Plan.

Eat: Drinking on an empty stomach is never a good idea, so make sure you eat before you go out.

Pace: Try having a soft drink or some water between alcoholic drinks to slow the rate of your drinking.

Plan: Plan your journey home in advance, check the train or bus times and only use licenced taxis.

Look after your friends and colleagues and stick to safer drinking levels.

cityoflondon.gov.uk/eatpaceplan

News, info and offers at www.cityoflondon.gov.uk/eshot

London comes top in world ranking of most popular city fintech hubs

SEBASTIAN MCCARTHY
@SebMcCarthy

LONDON boasts the most fintech headquarters of any city in the world, according to new research.

The capital has topped a new ranking for global fintech hubs, with more than 1,000 companies in the sector choosing to put their HQ in London.

New York is trailing in second place, a new report from Savills and its flexible office specialist Workthere found, with 939 fintech HQs in the Big Apple.

Worldpay, Finastra, Monzo and Transferwise are among the fast-growing firms to base themselves in London.

Matthew Fitzgerald, a Savills director of cross border tenant advisory, said: "As these early-stage companies grow headcount and become more established over the coming years, we expect to see them making the move from flexible to conventional offices and then major occupiers in their own right, as we have seen in London."

London, New York and San Francisco were also shown to be "the clear epicentres of the fintech world", making up a combined 38 per cent of global fintech venture capital investment this year.

Duolingo is now focusing its efforts on the UK, where it has 12m users

Google funding grants Duolingo unicorn status

JAMES WARRINGTON
@j_a_warrington

LANGUAGE-LEARNING app Duolingo has joined the ever-growing ranks of tech unicorns, reaching a valuation of $1.5bn (£1.1bn) thanks to funding from Google's venture capital arm.

The US firm yesterday announced it has bagged $30m in a series F round led by existing investor Capital G — a private equity fund owned by Google parent company Alphabet.

The latest cash injection brings Duolingo's total funding to $138m, and makes it the first tech startup from Pittsburgh, Pennsylvania to reach a valuation over $1bn and achieve unicorn status.

Duolingo said the new funds would be invested in research and development to improve its product, as well as to expand its staff numbers.

"Duolingo has been adding users and revenue at an impressive pace, continuing to solidify their position as the number one way to learn a language globally," said Laela Sturdy, general partner at Capital G.

"The team has demonstrated that sticking to their mission of providing free education is not only good for the world, but it's also good for business. We are thrilled to continue to support them in this next stage of growth."

Duolingo's app and website have amassed more than 30m monthly active users, who can choose from 91 courses across 30 different languages.

The firm has now shifted its focus to the UK, where it has 12m users. Last week it launched a new Scottish Gaelic course, and there are now more people learning Scotland's indigenous language on Duolingo than there are native speakers alive.

Duolingo has more than doubled its number of employees over the last two years, and now has offices in New York, Seattle and Beijing.

Polish drinkers boost revenue at Stock Spirits

JAMES WARRINGTON

@j_a_warrington

SHARES in Stock Spirits rose more than nine per cent yesterday after the drinks company served up a strong rise in full-year revenue and profit.

The London-listed firm posted a nine per cent rise in revenue to €312.4m (£264.7m) in the year to the end of September, while pre-tax profit jumped almost 20 per cent to €38.2m.

The strong trading was driven by a surge in vodka sales in Poland — the firm's largest market. Revenue from Poland was up 13 per cent to €171.7m over the year.

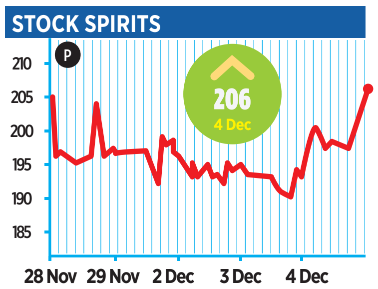
Stock Spirits, which is focused on central and eastern Europe, also said it will pump €25m into extra distillation capacity in Poland as it seeks to double down on the lucrative market.

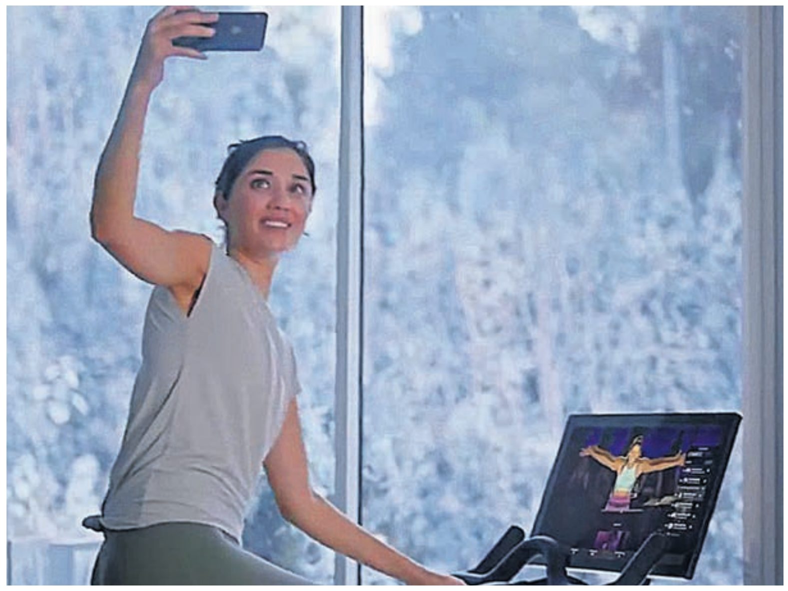
The company pinned its successes in the country on strong economic growth, which has boosted disposable incomes and helped increase sales.

Growth was also driven by acquisitions, as Stock Spirits bought Italian grappa maker Distillerie Franciacorta and Czech spirits firm Bartida.

"The turnaround of our Polish business is complete, and we have now delivered 29 consecutive months of year-on-year volume share growth in that market. We have also strengthened our leadership position in the Czech Republic," said chief executive Mirek Stachowicz.

Shares rose 9.3 per cent to 206p.





Viewers compared the "dystopian" ad to cult TV show Black Mirror

Peloton's 'sexist' advert so bad it sends shares tumbling down

JAMES WARRINGTON

@j_a_warrington

EXERCISE bike firm Peloton is facing a fierce backlash over a Christmas advert that has been widely mocked as "sexist" and "dystopian".

The 30-second campaign shows a woman receiving a Peloton bike — which costs roughly £2,000 — from her husband. She then films herself exercising over the year and presents the video to her spouse as a way of saying thank you. "A year ago, I didn't realise how much this would change me," she says.

Shares in the fitness startup dropped as much as four per cent yesterday as investors baulked at the campaign.

Many branded the advert "sexist" and comparing it to a horror film.

Collapsed Italy bridge suffered falsified checks

EMILIO PARODI

AN ITALIAN court in Genoa yesterday found that motorway unit Autostrade per l'Italia applied pressure on officials at a sister maintenance firm to falsify safety reports for several bridges to save money for parent company Atlantia.

In a court document seen by Reuters, three judges said for the first time that the pressure to cut costs had guided several employees of both Autostrade and maintenance company SPEA when producing the reports.

They did not find any evidence of wrongdoing by executives at Atlantia, the group which controls both Autostrade and SPEA.

Autostrade says on its website that it spent €5.43bn (£4.5bn) on maintenance from 2000 to 2018, approximately €196m more than it had promised to spend in its concession agreement with Italy's transport ministry.

The court finding could benefit Italy's ruling coalition party 5-Star Movement, which has been demanding that Atlantia be stripped of its lucrative concessions after 43 people were killed in the collapse of a Genoa bridge. *Reuters*

Buzzfeed issued strike-off warning as news site's company accounts are late

JAMES WARRINGTON

@j_a_warrington

BUZZFEED is under fierce pressure from financial authorities for failing to produce its company accounts more than two months after the deadline.

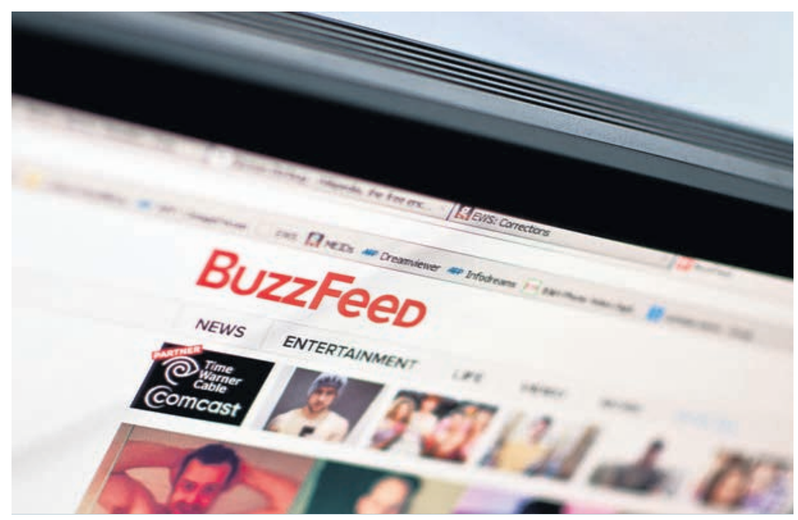
Government agency Companies House has lodged a proposal to strike Buzzfeed from the official register as its 2018 accounts, which were due by 30 September this year, have yet to be submitted. A spokesperson for Buzzfeed said the firm would be filing its accounts soon, but declined to comment on the cause of the delay.

The delayed accounts have fuelled speculation that the publisher could be in financial difficulty, and an industry source told *City A.M.* the company was "running at an unsustainable rate".

Buzzfeed's accounts for 2017 showed a pre-tax loss of £1.9m on revenue of £33.4m, while the firm owed £7.7m to creditors at the end of the year. However, auditors Blick Rothenberg said they had received assurances of continuing support from Buzzfeed's US parent company.

In January, Buzzfeed slashed its London newsroom in half as part of a wider effort to reduce global headcount by 15 per cent.

In an email to staff, chief executive Jonah Peretti said while revenue was growing, the company needed to cut costs and revamp its business model.



The digital media firm cut jobs at its London newsroom earlier this year

Money saving expert or dodgy salesman?

Catherine Neilan asks experts if Labour's budget claims to save household money actually stack up

LABOUR's pledge to save households more than £6,700 each year has been savaged by commentators and industry experts who question the party's figures and assumptions about privatisation.

John McDonnell in Birmingham yesterday called out those warning about the risks of Labour's plans to nationalise energy, broadband, water and other industries, claiming that "the privatisation fat cats are scaremongering with their threats of legal action".

He added: "Of course they need paying for. But we believe in a fair society, we don't leave them to the market so those with the most can afford them while others can't."

Experts queued up to question their numbers, however.

Former party adviser, Tom Hamilton, said: "Anyone who tells you Labour will put £6,717 in your pocket is lying to you, it's as simple as that."

Robert Colvile, director of the Thatcherite Centre for Policy Studies think tank, slammed Labour's figures as "a naked deceit" and offered a forensic look at the numbers.

Colvile pointed to the inconsistencies in their assumptions of an average household. "This is a 'household' in which two working parents are rich enough to both commute into London (or another big city), to pay for their own NHS prescriptions, and receive zero state help with childcare," he said.

"Yet at the same time poor enough to still be receiving free school meals, and renting their home — and, according to the final paragraph, earning the minimum wage."

Colvile also rubbished Labour's use of nominal inflation figures while complaining that wages have not risen in real terms as "batsh*t".

Paul Johnson, director of the Institute for Fiscal Studies, agreed. "There is no sense that this is an average person," he told *City A.M.* "This is a carefully constructed person, of whom there are very few in the country."

"There probably isn't a family in the land who would get all the things they are talking about," he added.

Johnson also attacked Labour for what he described as "clearly just a made-up number" on energy savings,

The shadow chancellor's claims on cost of living have been roundly slammed

and noted that whatever happened: "Someone is going to have to pay for it... Labour's taxes are progressive, but it's just absurd to suggest this can all be paid for by the top five per cent."

Those potentially affected by the changes also hit back.

Water UK chief executive Michael Roberts attacked what he called

> Someone is going to have to pay for it

Labour's "fantasy figures", which he said ignored inflation.

"On average, customers have seen water bills going down in real terms for the last 10 years, and they will keep going down over the next five years. And according to Ofwat, bills in England and Wales are £120 lower than they would have been without privatisation and regulation.

"It's also completely untrue to state, as the Labour document does, that 'privatisation has not meant more investment'. Water would be nationalised under Labour's plans."

Tech taxes to go ahead despite Trump warning

JESS CLARK

@jclarkjourno

GOVERNMENTS around the world yesterday reiterated their plans to implement a tax on tech giants, despite threats of retaliation by the US.

Canada, Austria and Indonesia are among those to join the UK in reaffirming a commitment to a tax on US tech companies such as Amazon, Facebook and Google.

The move comes despite a proposal by the US to punish France with 100 per cent tariffs on $2.4bn (£1.83bn) of exports such as cheese and Champagne, in response to the country's digital services tax.

Prime Minister Boris Johnson has committed to a new two per cent tax on the revenues of search engines, social media platforms and online marketplaces.

However, tech bosses have warned that a digital services tax could derail future US-UK trade talks, after Trump on Tuesday said "if anyone was going to tax American companies it will be me… They're starting to tax other people's products… therefore we're going to tax their products".

The Canadian and Austrian finance ministries have both committed to continuing with their tech tax policies, the Financial Times reported.

Meanwhile, Indonesia yesterday issued new rules to make overseas companies that have a presence in its booming online economy pay taxes.

The new regulation requires foreign firms that trade in goods or services electronically in the country to be considered as equal to having a physical presence in Indonesia and pay all taxes accordingly.

It followed a letter sent by US Treasury secretary Steven Mnuchin to the OECD, urging all countries to suspend plans for digital services taxes that Washington believes unfairly target US tech companies in order to allow the body to reach a consensus.

Neil Woodford was sacked as the fund's manager in October

Woodford Income Focus stays suspended as options mulled

SEBASTIAN MCCARTHY

@SebMcCarthy

THE ADMINISTRATORS of Woodford Income Focus have delayed a decision over the fate of the suspended fund.

Link Fund Solutions has said it is in the "final stages" of deciding the fund's future, aiming to choose a direction before the end of this year.

In a letter yesterday, the group said that it is still continuing a review of possible options for the firm's long-term viability.

On 13 November, the group previously told investors that it expected "to confirm which of them [the options] we believe is in the best interests of investors in the next 21 days".

Chrysler was undervalued by Fiat, says Italy

BEN KLAYMAN

ITALIAN tax authorities believe that Fiat Chrysler Automobiles (FCA) underestimated the value of its US business by €5.1bn (£4.3bn) following Fiat's phased acquisition of Chrysler, according to a source close to the matter.

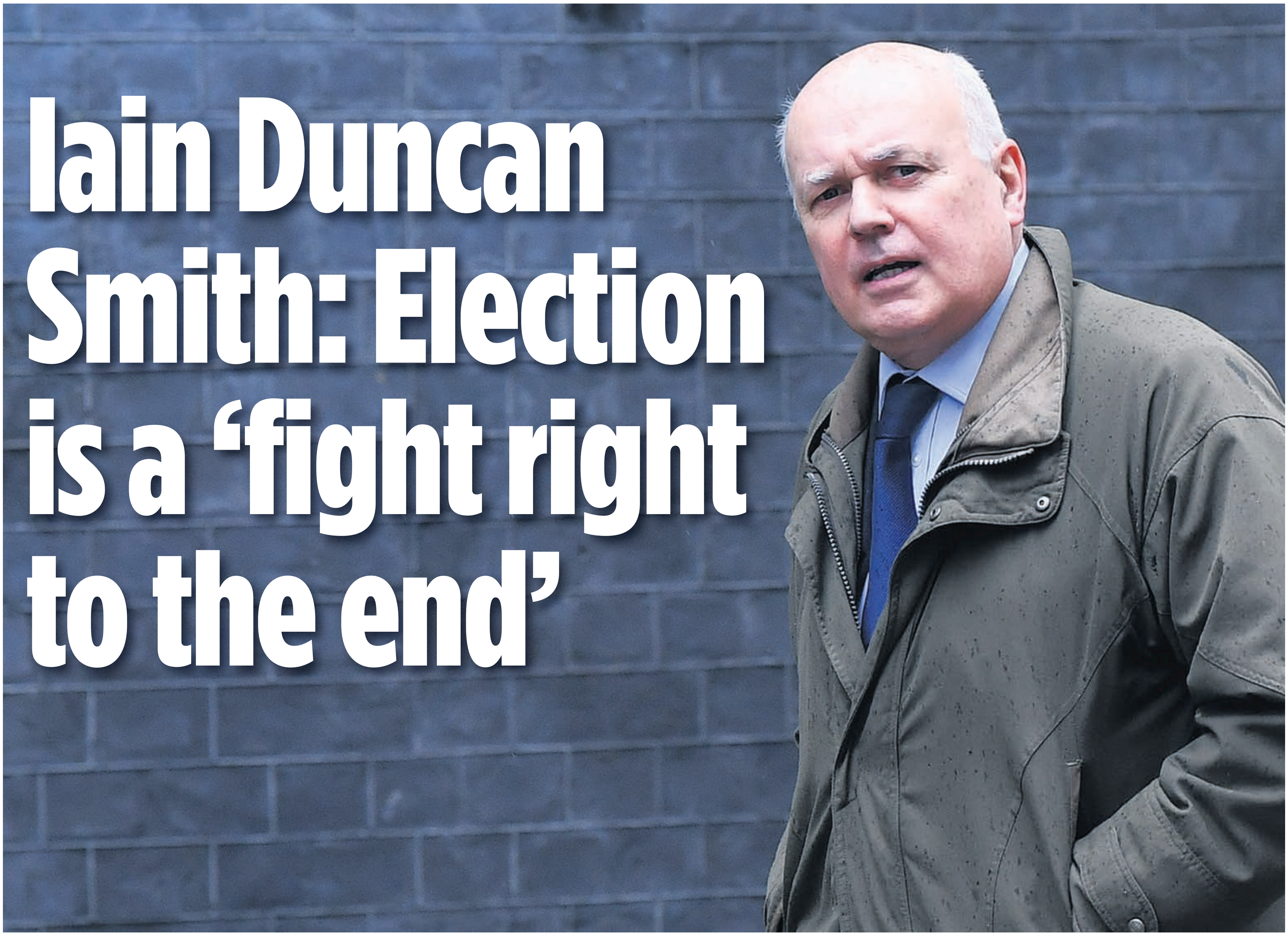
The audit, which concerns transactions dating back to 2014, could result in FCA having to pay back taxes for $1.5bn (£1.1bn), the source added. FCA said in its third-quarter report that the tax authorities had issued to the company a final audit report in October this year "which, if confirmed in the final audit assessment, could result in a material proposed tax adjustment related to the October 12, 2014 merger of Fiat SpA into FCA NV".

It said the issuance of a final audit report starts a 60-day negotiation period, which ends with the issuance of a final audit assessment expected to be received by the end of December 2019.

"The company believes that its tax position with respect to the merger is fully supported by both the facts and applicable tax law," it said yesterday. *Reuters*


GET THE AMAZING iPAD 6TH GEN
THIS BLACK FRIDAY
SAVE £129.60
'TIS THE SEASON FOR SAVING
NOW
£22.50 per month
£0 upfront | 2GB Plan
Was £27.90 per month
Annual price changes apply
iPad
Offer ends 9th December or while stocks last
Available to existing EE customers only
In store | ee.co.uk | 0800 956 6037
Monthly price will increase from March every year by RPI published in January. See ee.co.uk/increase 24 month min term. Subject to credit check & availability. Online billing. Data allowance can be used in UK & EU/EEA but data fair use policy may apply. Deposit needed for roaming in limited circumstances. You own device 6 months from plan start date. Personal use only. Essential Plan: Includes access to our fastest 4G speeds. Terms apply, see ee.co.uk/terms Information and pricing correct as at 26.11.2019.

Iain Duncan Smith: Election is a 'fight right to the end'



Catherine Neilan sits down with the former Tory leader to discuss Labour, the election and death threats

LABOUR has made no secret of its plan to unseat former Conservative leader and minister Iain Duncan Smith in favour of Corbynite candidate Faiza Shaheen. Hundreds of the hard-left Momentum group's activists have been diverted into Chingford and Wood Green in the past few weeks in the hope of claiming such a recognisable scalp — that of the poster boy for Brexit, universal credit and the chairman of Boris Johnson's leadership campaign this summer. At the start of November, pollsters told *City A.M.* IDS should be "looking over his shoulder", with the seat — a marginal of around 2,400 — looking very risky.

But a month on, Labour's plan seems to be backfiring. Polls suggest Duncan Smith will cling on. So is the quiet man of British politics feeling confident? "Never confident, just determined," he says, voice just audible over the jaunty Christmas music in Chingford's Belgique cafe.

"I take nothing for granted. This is a fight right to the end. But I am up for a fight. I've been fighting all my life... whether it's against my own party or government, or the other side. This is nothing more than a continuation of my political life."

Duncan Smith stands firmly behind the PM on the need for an election — "to get this damned thing done"— and he says that view is shared by voters on the doorstep, even Remainers who see the need to break the impasse. However, the tone of this campaign is very different.

The former Scots Guards lieutenant has received numerous death threats and his constituency office was recently vandalised, resulting in him being given police protection for election night. "This is the nastiest campaign I've seen in my 27 years," he tells me.

"What am I supposed to do? Stop campaigning? I'm not going to do that. I am pretty well recognised around the country so that comes with a certain amount of risk, but I have dedicated most of my working life to public service. This is what I do."

Labour's Chingford and Wood Green candidate Faiza Shaheen

Duncan Smith acknowledges some of this is down to politicians of both sides, saying the Commons debate in which Boris Johnson rubbished a Labour MP's death threat fears was "unseemly". But he believes the media, and social media, have created a "toxic" political environment.

Local well-wishers, who come up to us in the cafe to shake his hand, tell us how they feel "intimidated" by the sheer number of Labour activists on the doorstep.

One of Duncan Smith's team says they've been told Shaheen's team have been arguing with residents on the door. "That's not how you win votes," he says.

Labour is attempting to position Shaheen, who was born and raised in the constituency, as a change candidate. She has been likened to the charismatic young US politician Alexandria Ocasio-Cortez, who unseated an older white male incumbent in a shock primaries midterm election last year.

But IDS believes the new Prime Minister is bringing in enough changes to fend off this attack. He points to the end of austerity as one example, which IDS resigned over in 2016 because he thought the cost-cuts were political rather than necessary.

He advocates "a little dose of Keynesianism" to nudge inflation in the right direction. "The trading environment needs growth, but it's got to be affordable growth. Corbyn is just walloping money at the public sector and you know what happens — productivity goes out the window."

> This is the nastiest election campaign I've seen in my 27 years... I'm not going to stop campaigning

Far from being a boon to Shaheen, who did not respond to requests for an interview, her proximity to Corbyn could be what keeps Duncan Smith safe. The Labour leader "runs like a thread through all of this" — his name acts like "a galvaniser". It certainly seems to be galvanising a number of Tory voters who stayed away in 2017, but promise to vote this time for fear of letting in what one person calls "the red ants". We meet a self-described socialist, a man who after 15 minutes on the doorstep Duncan Smith thinks he has persuaded, although I am not so sure.

But there's more — a voter who says he once marched with Corbyn but now will be voting Tory. Another voter says she is switching from Labour for the first time. By this point Duncan Smith is fist-pumping, last seen in the Commons when George Osborne hiked the minimum wage in the 2015 budget.

The shift in sentiment is partly down to Labour's "Brexit mess", Duncan Smith says, but more usually it's concern about the scope of the party's tax and spend plans.

Despite the shifting demographics, which mean Chingford has become home to more traditional Labour voters, he believes Momentum has miscalculated in focusing so heavily on his seat.

"We are not Hackney, we are not Islington — this is not a Momentum seat. We don't have champagne socialists here. We have families who are making decisions for different reasons. There are some ideologues, but they are few and far between. Most people just get on with their lives here."

Ryanair blames 737 Max delay in further job cuts

CONOR HUMPHRIES

LOW-COST airline Ryanair trimmed its passenger traffic forecast yesterday, saying it would cut summer capacity and an unspecified number of jobs as a result of further delays in returning Boeing's grounded 737 Max aircraft to service.

Ryanair has scrapped planned summer operations from bases in Nuremberg and Stockholm Skavsta, as well as some flights from other bases, "solely due to delivery delays" to Max jets on order from Boeing, the firm said.

It also cut its traffic forecast to 156m passengers for the year to 31 March 2021 from 157m.

"We are continuing to work with Boeing, our people, our unions and our affected airports to minimise these capacity cuts and job losses," Ryanair added.

The 737 Max, Boeing's fastest selling aircraft, was grounded in March after two crashes in which a total of 346 people died.

US airlines have so far canceled planned Max flights until March and a return to service is likely to take longer in Europe.

Ryanair cut its traffic forecast to 156m passengers for the year

Ryanair, one of the biggest Max customers with 210 planes on order, is working with "a steadily declining number" of deliveries expected by summer, group chief executive Michael O'Leary said during a court hearing in Dublin.

Shares rose 1.8 per cent to €13.85 despite the news. *Reuters*

The state-owned airline is hoping for a government bailout by the end of the week

South African Airways in limbo as carrier bailout doubts persist

ALEX DANIEL

@alexmdaniel

TIME is running out for South African Airways (SAA), as the embattled carrier hopes for a bailout from South Africa's government.

The state-owned airline paid only half of staff salaries last month, and may have to file for liquidation in the near future if it cannot secure 2bn rand (£100m).

SAA operates flights to and from London Heathrow airport.

Last week, Pravin Gordhan, minister for state-owned companies in South Africa, said the firm suffered a "sudden deterioration" in its finances after a recent strike left flights grounded.

Norwegian Air sells Argentine arm to Jetsmart

VICTORIA KLESTY

LOSS-MAKING budget airline Norwegian Air said yesterday it is selling its Argentinian subsidiary Norwegian Air Argentina (NAA) to Jetsmart Airlines for an undisclosed sum.

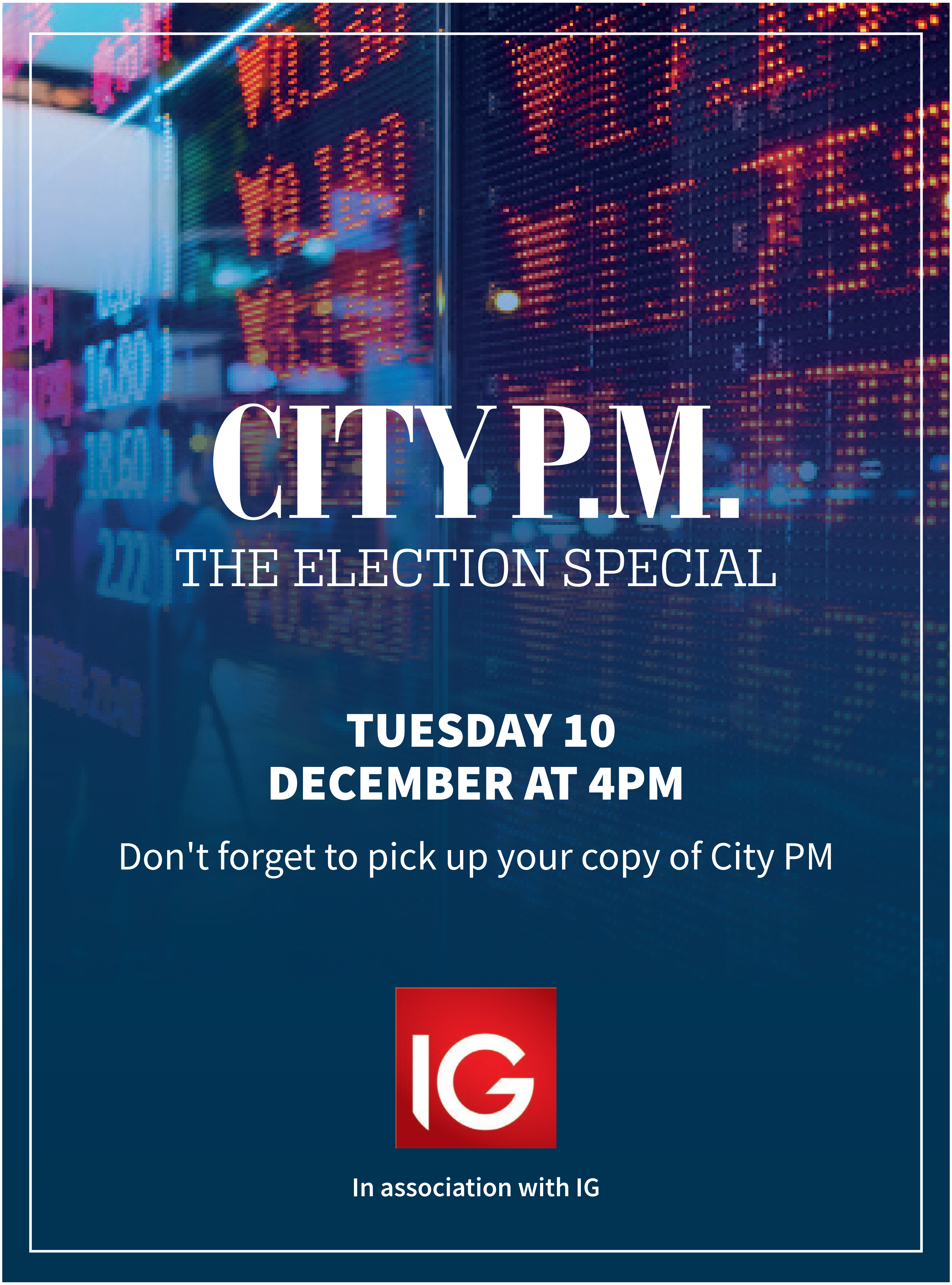
Jetsmart will assume the NAA operation with immediate effect, the firm said in a statement.

"Attaining satisfactory profitability for a relatively small domestic operation has proved difficult to achieve, given the overall situation in the country," Norwegian Air's acting chief executive Geir Karlsen said.

Norwegian has switched this year from rapid growth to cost cuts, trimming its huge network in a bid to stem losses and preserve cash.

The company said Jetsmart will continue to operate scheduled flights from the Buenos Aires Aeroparque airport, with the Norwegian brand expected to be phased out in the domestic Argentinian network over several months.

Three Boeing 737 aircraft currently operated by NAA will be replaced by Jetsmart's Airbus A320 aircraft. *Reuters*


CITY P.M.
THE ELECTION SPECIAL
TUESDAY 10
DECEMBER AT 4PM
Don't forget to pick up your copy of City PM
IG
In association with IG

Christine and the greens: Lagarde's climate fight

Balazs Koranyi on how the European Central Bank's mandate will limit what its new president can do to tackle climate change

CHRISTINE Lagarde has called the fight against climate change "mission critical" for the European Central Bank (ECB) but she will struggle to match those words with actions during her eight years leading Europe's most powerful financial institution.

While the ECB will be able to use its platform to highlight the financial risks associated with climate change, its narrowly defined mandate of fighting inflation will limit what Lagarde can actually do.

"It's fashionable to include climate change in the discussion but right now it's much ado about nothing," said Angel Talavera, an economist at Oxford Economics. "There's not a lot the ECB can do. Climate change isn't really part of the ECB's mandate."

Central banks have come under growing pressure to do their part in fighting climate change and pioneers like Bank of England chief Mark Carney – soon taking up a UN climate finance job – have spoken up about it for years.

They fear extreme weather events could lead to large fluctuations in economic growth and result in food price surges as crops are wiped out.

It could also pose a systemic risk to the financial system through banks' exposure to sectors like coal, which may be rendered less viable by policies needed to tackle climate change.

While Federal Reserve chief Jerome Powell said dealing with climate change was not a job for the US central bank, Lagarde confirmed to the European Parliament this week that it would be part of an ECB policy review. But she cooled expectations of major change by presenting a narrow list of options to discuss.

The ECB, already buying up €20bn (£16.9bn) worth of debt each month to lower borrowing costs and generate inflation, could use its financial firepower to buy more "green" assets, some argue.

But abandoning the principle of market neutrality may be seen as too risky for the ECB's unelected technocrats, calling into question the bank's independence and opening it up to political attacks that could undermine its monetary policy.

The ECB could be given an explicit political mandate to fight climate change but that would require a revision of the European Union Treaty – a notoriously difficult process that would need consent from all 28 EU countries and which appears to be deeply unpopular among central bankers.

"I actually think that the mandate as is does a good job so I would not start a discussion about changing the mandate," said Isabel Schnabel, Germany's next representative on the ECB board.

Bundesbank president Jens Weidmann and Italian central bank chief Ignazio Visco, normally at opposing ends in debates, have both publicly argued that fighting climate change is a task for elected politicians.

The bank has some leeway to act under the EU Treaty, which calls on it to "support" the bloc's general economic policies.

> "Abandoning market neutrality may be seen as too risky for the ECB's technocrats

If credit rating agencies factored climate risk into their assessment, the ECB could differentiate between assets without giving up on market neutrality. But even then, the pool of green assets is limited and the criteria for inclusion is poorly defined.

If the ECB overbought a particular sector, that would raise the price of assets and lead to accusations it was providing a direct subsidy.

Lagarde suggested the ECB could force banks to factor climate impacts into their risk assessments, which could require them to build bigger buffers for investments in polluting sectors. She also argued that the ECB's pension fund could differentiate between green and other assets, but that move would be largely symbolic.

So the ECB's first major policy review since 2003 could herald the inclusion of climate change goals, but probably only where they do not take focus away from its legal mandate. *Reuters*

Parcel problems cost consumers £85m in a year

JESS CLARK

@jclarkjourno

THE UK competition watchdog has been urged to review the delivery sector after research found consumers have lost £85m due to parcel problems over the last year.

According to new research, more than half — 59 per cent — of online shoppers faced issues with parcel deliveries including packages being left in insecure locations, delivery instructions being ignored, damaged contents and parcels arriving late or not at all.

The issues amounted to an average cost of £15.50 per person, which could cover making telephone calls, replacing lost or damaged items or travelling to return item in person.

Research released today by Citizens Advice found that it takes on average two hours to fix an issue following a botched parcel delivery or pick up.

The survey of more than 5,000 UK adults also found that one in three online shoppers were unable to find contact information to address their problem. The same number did not receive any information about their consumer rights.

The consumer advice charity has urged the Competition and Markets Authority to review the sector, saying the scale of the problem "is a sign of a broken market, rather than simply isolated bad practice".

It also told companies to improve their complaints procedure and make it easier for shoppers to access solutions to parcel problems.

Citizens Advice chief executive Gillian Guy said: "More of us now rely on parcel delivery services as we shop online for convenience and to access the best deals."

"Problems with parcels can be incredibly frustrating, and can be especially disruptive for people who rely on deliveries like people with disabilities," she added.

The Gospel Oak to Barking service will extend to meet growing commuter numbers

London Overground's peak time capacity set for two new services

STEFAN BOSCIA

@Stefan_Boscia

THE LONDON Overground will add capacity on morning services from Gospel Oak to Barking next month.

The line will benefit from two extra services before 6am to meet "growing customer numbers".

Rory O'Neill, Transport for London's (TfL) general manager for London Overground, said: "These additional early morning trains are being introduced to meet growing customer demand on the route since the introduction of the new electric trains earlier this year."

The new services will begin on 16 December, just a day after Crossrail will officially start running limited services. The £15bn project, which was supposed to open in December 2018, has had its full rollout pushed back until 2021.

However, services will begin running on 15 December on the line between Paddington and Reading. It will come under the banner of TfL Rail, instead of the Elizabeth line as it will eventually be known.

TfL cracks down on hundreds of illegal minicabs

STEFAN BOSCIA

@Stefan_Boscia

TRANSPORT for London (TfL) has banned hundreds of minicab drivers on the back of an investigation into centres fraudulently offering licences.

It was revealed in November that the transport regulator was investigating Vista Training Solutions in Newham and all other centres offering Business and Technology Education Council (Btec) diplomas that can be used to gain private hire vehicle licences.

A BBC London News investigation found Vista was giving out licences for a £500 fee, without actually testing the participants. It prompted a TfL investigation into 2,000 potentially fraudulent minicab drivers.

TfL has now revoked 352 minicab licences, shut down Vista Training Solutions and is preparing to ban other private centres from offering minicab licences.

Helen Chapman, TfL's director of licensing, regulation and charging, said: "To eliminate the risk of fraudulent topographical certificates... we will remove this exemption after February."

US-Japan mini deal is signed at a record speed

HARRY ROBERTSON

@henrygrobertson

JAPAN's upper house ratified a trade deal with the US yesterday just nine months after negotiations began, staving off US President Donald Trump's threats of higher car tariffs and clearing the way for a lowering of levies on American farm goods.

The finalisation of the deal came in a week that has seen Trump reapply levies to metal imports from Brazil and Argentina and threaten to slap 100 per cent tariffs on $2.4bn (£1.8bn) of French goods.

Japanese Prime Minister Shinzo Abe has said the agreement will benefit Japan as much as the US. Critics said it has made too many concessions while only postponing possible tariffs on Japanese cars, however.

The deal, which will come into force on 1 January, will open up Japanese markets to billions of dollars of US products a year, slashing tariffs on the country's beef, pork, wheat and cheese. Japan secured cuts to tariffs on products such as machine tools.

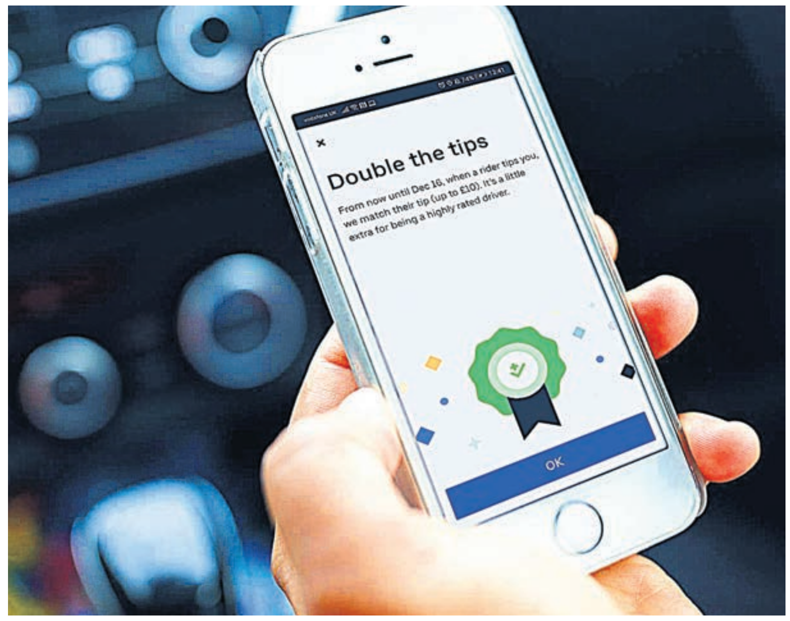
Abe's approach to trade with the US varies to the lines taken by China and the European Union.

The long-awaited so-called phase one trade deal with China looked a way off this week when Trump said he could wait until after the US presidential election at the end of 2020 to sign an agreement.

The US President's threats and new tariffs on allies rattled global markets. The FTSE 100 finished at its lowest closing level since October on Tuesday, while bond yields fell as investors bought up safe assets.

Many analysts said Trump's threats and comments should not be taken at face value.

"It still baffles me that investors hang on every Trump statement and tweet," said Craig Erlam, senior market analyst at trading platform Oanda.



Uber will double all tips for drivers and couriers from 9–15 December

Uber to match Christmas driver tips as Londoners top the charts

HARRY BANKS

UBER is to match every tip given to its drivers and couriers next week, donating up to the tune of £1.2m.

It comes alongside research revealed by the ride-hailing giant that showed London and Glasgow to be the most generous cities for tipping at Christmas, giving on average a total of £16.55. Meanwhile Nottingham was the most unwilling to part with its money, at £9.71.

Post office workers were deemed the least likely to receive a tip at Christmas, while restaurant staff and taxi drivers were the most likely.

Across the UK, workers receive a total of £647.9m in tips during the festive period.

Copper rises on improved China trade prospects

ZANDI SHABALALA

COPPER rose yesterday on reports of progress towards an initial trade deal in US-China negotiations, though gains were capped by scepticism in some quarters.

Bloomberg reported that the US and China were moving closer to agreeing on the amount of tariffs to be rolled back in a phase one trade deal. This came a day after a US President Donald Trump warned that a deal may not be possible until late next year, pushing copper prices on Tuesday to their lowest in three weeks.

"We are seeing a short rebound in some metals today, but it's a rebound from low levels," said Commerzbank's head of commodities research, Eugen Weinberg.

Benchmark copper prices on the London Metal Exchange (LME) gained 0.6 per cent to $5,850 a tonne in official rings after shedding 1.1 per cent in the previous session. The LME index hit its lowest in three months, putting it within striking distance of the weakest since mid-2017.

Reuters

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

LONDON REPORT

FTSE shines on fresh US-China trade deal hope

LONDON's FTSE 100 ended a four-day losing run yesterday as a report that the United States and China were moving closer to a trade deal lifted demand for risky assets, while optimism around the British election supported the mid-cap index.

Markets rallied in a flurry after Bloomberg reported that Washington and Beijing were close to agreeing on the amount of tariffs that would be rolled back in a phase-one trade deal.

The main index rose 0.4 per cent, boosted by Asia-exposed **HSBC** and miners, as the report helped offset pessimism from US President Donald Trump's earlier comments that hinted at a delay.

Trump said on Tuesday that a deal with Beijing might have to wait until after the US presidential election in November 2020 and separately threatened to impose tariffs on France and the European Union.

Meanwhile, hopes of a Conservative majority in the 12 December election helped blue-chip firms with more exposure to Britain such as housebuilders to advance, and the FTSE 250 surged 0.7 per cent.

The pound and domestic stocks have rallied in recent weeks on hopes that Prime Minister Boris Johnson's Conservative party will secure a majority in next week's election and push Brexit through. Several opinion polls have also bolstered those hopes.

Sterling jumped above $1.31 for first time in seven months, causing exporter firms to dip. That left the FTSE 100 trailing the broader European benchmark and Wall Street.

Aim-listed **M&C Saatchi** tanked 47 per cent to its lowest in more than a decade after the ad agency warned on annual profit for the second time in less than three months.

Stock Spirits rose over nine per cent yesterday on strong demand

Fast-fashion retailer **Quiz** skidded 7.3 per cent after its half-year earnings plunged, another reminder of sluggish demand that the UK retail sector is grappling with.

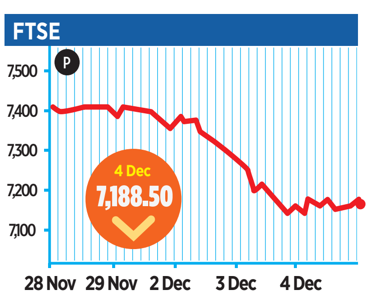
By contrast, **Stock Spirits** added 9.3 per cent on its best day since August, after its annual profit more than doubled on strong demand for its premium brand vodka in Poland and the Czech Republic.

TOP RISERS

1. **Meggitt** Up 3.46 per cent
2. **Evraz** Up 3.42 per cent
3. **Smith DS** Up 2.88 per cent

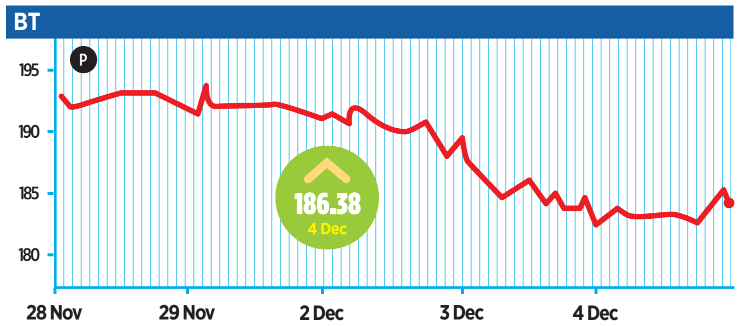
TOP FALLERS

1. **Fresnillo** Down 6.39 per cent
2. **M&G** Down 2.68 per cent
3. **Morrison WM** Down 1.41 per cent

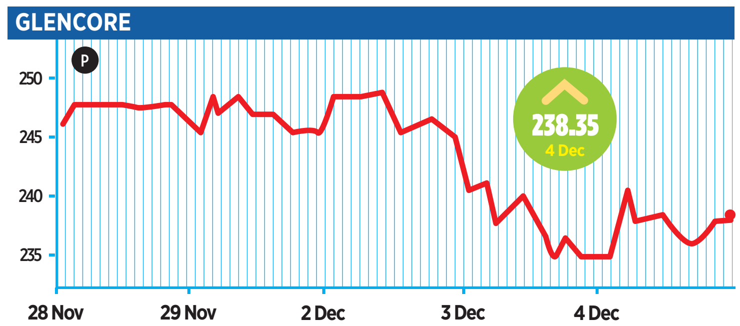


BEST OF THE BROKERS

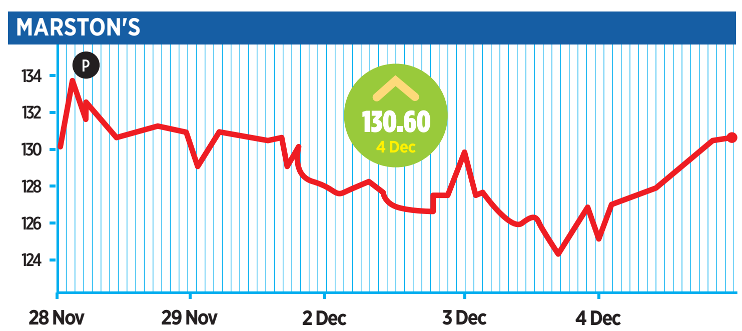
To appear in Best of the Brokers, email your research to notes@cityam.com



BT shares have struggled since Jeremy Corbyn suggested nationalising Openreach. Currently priced at 185p, they are down on the 204p price at the start of November. But Openreach has launched a new volume discount offer to accelerate Fibre to the Premises take-up across its Fibre First footprint, something which Jefferies analysts said would "drive home first-mover advantage". They said shares could rise as far as their 330p target, if investors heed their "buy" rating. As for the election, BT execs will have their fingers well and truly crossed that Labour doesn't come out on top.



London-listed miner Glencore, one of the world's biggest producers of thermal coal, is attempting to transitition to cleaner sources of energy if it is to keep up with rivals. Its chief executive Ivan Glasenberg said this week that he believes coal "still has a future". Analysts at UBS reckoned Glencore "has arguably the right commodities and good self-help potential", but the ongoing investigation by the US Justice Department , its coal outlook and impending change in leadership "are still an overhang". It maintained its stock rating as "neutral" with a target price of 240p.



Pub giant Marston's is still hungover after it slipped to a loss last week, with shares lower than the 131p valuation before it reported. But analysts at Canaccord Genuity said investors would benefit from staying off the sauce for the moment, and kept it on a "hold" rating, whilst marginally increasing its target price to 125p. Chief executive Ralph Findlay was more hopeful. He said he thinks punters will use his pubs to turn away from politics over the Christmas period. To be fair, a December General Election is enough to make even the best of us turn to drink.

NEW YORK REPORT

Trump remark lifts Wall Street out of gloom

WALL Street gained ground yesterday in a broad-based rally as investor sentiment brightened after US President Donald Trump said talks with China on an interim trade deal were going "very well."

All three major US stock indexes were on course to snap a three-day losing streak, with financials and tariff-sensitive technology stocks leading the charge.

Trump's comments supported a Bloomberg report that the world's two largest economies were closer to agreeing how many tariffs would be rolled back in a phase one trade deal.

The Dow Jones Industrial Average rose 203.05 points, or 0.74 per cent, to 27,705.86, the S&P 500 gained 24.26 points, or 0.78 per cent, to 3,117.46 and the Nasdaq Composite added 56.60 points, or 0.66 per cent, to 8,577.24.

Google owner **Alphabet** rose 2.1 per cent following its announcement that Sundar Pichai would take the helm as chief executive.

Shares of **Johnson & Johnson** advanced 1.5 per cent after recent tests showed its baby powder was asbestos-free. US Food and Drug Administration investigations reported trace amounts of the carcinogen in the product earlier this year.

Online travel platform **Expedia** jumped seven per cent, among the top gainers on the S&P 500, after chair Barry Diller announced the resignations of the company's chief executive and financial officers.

On the economic front, market participants largely shrugged off weak November data from ADP, which reported fewer private payroll additions than expected, and from the Institute for Supply Management's PMI report, which showed the services sector's growth losing steam.

All 11 major sectors of the S&P 500 were in positive territory, with energy enjoying the biggest percentage gain, boosted by a 4.2 per cent jump in crude prices. Trade-vulnerable industrials were up one per cent, the sector's best day in a month.

CITY MOVES WHO'S SWITCHING JOBS

RIVERCROWN

Rivercrown has appointed Charles Archer to lead its debt investment management team, with responsibility for originating, underwriting, execution and loan asset management of real estate debt opportunities in the UK and Europe. Charles, who joins as a director, will oversee the European Credit Opportunities Vehicle — Rivercrown's €250m (£211.6m) annual allocation mandate with a sovereign wealth fund. Charles joins from Legal & General where he worked in the real estate debt team. Prior to this he was at AIG, where he was involved in originating, structuring and underwriting loans and commercial mortgage backed securities (CMBS) in the UK and Europe, as well as working on non-performing loan (NPL) funding and development finance. Stephen Benson, managing director at Rivercrown commented: "We are delighted to welcome [Charles] joiners to our debt team, with [his] significant industry experience."

CASHFLOWS

Payments specialist fintech Cashflows has appointed Helen Smith as chief operating officer (COO). Helen joins from London-based Earthport, where she also served as COO. Prior to this, Helen held senior roles with Visa Europe where she played a key role in transforming the business. Cashflows chief executive officer Amanda Mesler commented on the new appointment: "Helen is a great fit and truly complements our executive team. Her impeccable track record and vast experience in transforming and expanding payments businesses will be key in continuing to support and accelerate our high-growth commercial strategy."

CROMWELL

Real estate investor and manager Cromwell Property Group has appointed Nigel Batters as chief financial officer, Europe, with effect from April 2020. Nigel will be responsible for Cromwell's corporate finance operations across Europe. He has a strong international background spanning more than 20 years in commercial finance and property, principally as a senior audit executive with Ernst & Young UK, where he worked with a number of large international companies such as Investec, National Australia Bank (including Clydesdale and Yorkshire Banks), Royal Bank of Scotland, ING Lease, Siemens Financial Services and Chicago Mercantile Exchange from 2004 to 2011. Michael Wilde, chief financial officer of Cromwell, said: "Nigel is extremely familiar with the group's finances and operations, having worked alongside Cromwell since 2013 when he became the lead engagement partner on the group audit."

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

FTSE 100	FTSE 250	FTSE ALL SHARE	DOW JONES	NASDAQ	S&P 500
7188.50	20665.48	3990.92	27649.78	8566.67	3112.76
29.74	164.55	19.27	146.97	46.03	19.56

£/€	1.1822	0.0099	€/$	1.1076	0.0014
£/$	1.3094	0.0092	€/£	0.8459	0.0071
£/¥	142.56	1.5100	€/¥	120.58	0.2600

	Price	Chg	High	Low
GILTS				
Tsy 4.750 20	101.03	-0.02	105.0	101.0
Tsy 8.000 21	111.10	-0.12	118.2	111.1
Tsy 2.500 24	362.09	-1.59	377.9	360.6
Tsy 5.000 25	123.03	-0.40	126.0	122.9
Tsy 4.250 27	128.73	-0.59	132.8	125.2
Tsy 6.000 28	146.92	-0.70	152.1	143.1
Tsy 4.125 30	378.79	-2.59	404.2	364.2
Tsy 4.250 32	139.84	-0.96	146.4	132.4
Tsy 4.250 36	147.30	-1.35	155.7	137.5
Tsy 4.750 38	161.89	-1.66	171.8	150.0
Tsy 4.250 46	168.38	-2.42	181.0	151.7
AEROSPACE & DEFENCE				
BAE Systems	552.6	4.2	588.2	443.9
Cobham	158.1	1.1	168.3	96.8
Meggitt	640.2	21.4	660.0	458.0
QinetiQ	334.2	1.4	351.6	267.0
Rolls-Royce	701.8	9.6	988.4	692.2
Senior	179.5	3.5	239.2	174.0
Ultra Electronics	2012.0	6.0	2252.0	1232.0
AUTOMOBILES & PARTS				
Aston Martin	503.0	2.4	1374.4	399.3
TI Fluid Systems	233.0	1.5	236.0	155.2
BANKS				
Barclays	167.2	0.8	174.4	136.2
BGEO Group	1499.0	48.0	1755.0	1252.0
HSBC Hldgs	558.8	2.6	680.6	556.2
Lloyds Banking	60.6	1.4	66.6	48.6
Royal Bank of Scot	222.5	4.5	270.4	177.7
Standard Chartered	679.0	1.8	736.8	575.7
TBC Bank Group	1268.0	28.0	1706.0	1150.0
Virgin Money UK	172.3	1.6	220.1	104.4
BEVERAGES				
Barr (AG)	569.0	4.0	975.0	540.0
Britvic	962.5	6.5	1068.0	786.0
Coca-Cola HBC AG	2500.0	-24.0	3074.0	2299.0
Diageo	3083.5	-34.0	3625.5	2701.0
CHEMICALS				
Croda International	4874.0	-20.0	5375.0	4564.0
Elementis	165.9	5.4	197.9	129.8
Johnson Matt	2828.0	11.0	3454.0	2620.0
Synthomer	296.2	8.2	420.8	279.0
Victrex	2340.0	32.0	2522.0	1845.0
CONSTRUCTION & MATERIALS				
Balfour Beatty	222.2	3.6	295.0	194.2
CRH	2918.0	27.0	3014.0	1971.5
Galliford Try	738.0	19.5	780.0	512.0
Grafton Group	836.0	-1.5	937.0	630.0
Ibstock	264.6	2.2	267.6	193.1
Marshalls	768.0	-6.0	804.0	415.2
Polypipe Group	506.0	6.0	506.0	312.8
DIVERSIFIED INDUSTRIALS				
Smith (DS)	378.9	10.6	388.1	292.2
Smiths Gp	1598.5	3.5	1692.0	1340.0
Smurfit Kappa Gp	2700.0	20.0	2774.0	1934.0
Vesuvius	454.8	15.0	642.0	341.0
ELECTRICITY				
Contour Global	207.0	-1.0	222.5	159.1
Drax Gp	278.8	6.2	413.8	251.0
SSE	1300.5	20.5	1336.5	1008.0
ELECTRONIC & ELECTRICAL EQUIPMENT				
Halma	2091.0	-23.0	2151.0	1282.0
Morgan Advanced	286.4	-0.8	289.0	232.4
Oxford Instruments	1540.0	-32.0	1626.0	853.0
Renishaw	3826.0	54.0	4670.0	3232.0
Spectris	2733.0	-4.0	2898.0	2188.0
EQUITY INVESTMENT INSTRUMENTS				
3i Infrastructure	288.0	-0.5	306.5	249.7
Aberforth Smlr Cos	1396.0	12.0	1408.0	1114.0
Alliance Trust	805.0	1.0	838.0	672.0
AVI Global Trust	764.0	1.0	781.0	660.0
Baillie Gifford Japan	834.0	3.0	840.0	663.0
Bankers Inv Tst	944.0	3.0	970.0	766.0
BlackRock Smaller	1552.0	6.0	1592.0	1160.0
BMO Global Smaller	138.4	-0.6	143.1	122.0
Caledonia Inv	3070.0	5.0	3110.0	2740.0
City of London IT	416.0	0.0	431.5	376.0
Edin Inv Trust	600.0	2.0	652.0	535.0
European Opp	817.0	3.0	875.0	666.0
F&C Investment	724.0	0.0	745.0	616.0
Fidelity China SPE	210.5	0.0	250.0	183.4
Fidelity Euro Values	249.5	0.5	257.5	202.0
Fidelity Spec Val	267.0	1.0	271.5	220.0
Finsbury G&I Tst	870.0	-2.0	958.0	741.0
GCP Infra Inv	131.4	0.0	131.8	122.4
Genesis Emerging	744.0	-5.0	785.0	628.0
Greencoat UK	147.8	-0.2	148.8	124.4
Harbourvest Glb	1720.0	-4.0	1786.0	1326.0
Herald Inv Trust	1404.0	2.0	1418.0	1055.0
HICL Infr	160.6	-0.4	174.0	156.6
JPM American	463.5	-1.5	494.5	386.5
JPM Emerg Mkt	983.0	1.0	1066.0	814.0
JPM Indian IT	725.0	-2.0	790.0	633.0
JPM Japan IT	476.0	6.0	476.0	367.0
Jupiter Fund Mngt	366.9	7.9	432.0	287.6
Law Debenture	606.0	2.0	618.0	534.0
Mercantile IT	238.0	1.0	241.5	168.0
Monks Inv Tst	920.0	3.0	964.0	710.0
Murray Intl Tst	1190.0	2.0	1248.0	1058.0
NB Glbl Fltg Rate Inc	90.7	0.1	91.0	87.6
Pantheon Intl Partn	2340.0	25.0	2340.0	1955.0
Perpetual Inc & Grth	314.0	0.0	339.0	284.5
Pershing Square	1386.0	-18.0	1570.0	990.0
Personal Assets Tst	41950	50.0	43150	38900
Polar Cap Tech Tst	1474.0	8.0	1514.0	1066.0
Renewables Infra Gp	128.8	-0.8	133.2	109.6
RIT Cap Partners	2135.0	0.0	2180.0	1892.0
Riverstone Energy	408.0	2.5	1180.0	405.5
Schroder Asia	442.0	-2.0	469.5	389.0
Scottish Inv Tst	806.0	-5.0	843.0	748.0
Scottish Mortgage	518.5	4.5	568.5	441.4
Sequoia Econ Infra	115.8	0.2	117.6	108.5
Smithson Inv	1270.0	-2.0	1304.0	1000.2
Syncona	222.0	-1.5	294.0	213.5
Temple Bar IT	1350.0	8.0	1376.0	1116.0
Templeton Em Mkts	778.0	0.0	829.0	670.0
Vietnam Enterprise	484.0	1.5	509.0	421.5
VinaCapital Vietna	327.5	-2.5	357.5	323.0
Witan Invest	215.0	0.5	225.5	189.6
Wwide Healthcare	2955.0	15.0	3000.0	2325.0
FIXED LINE TELECOMMUNICATIONS				
BT Gp	186.4	1.8	253.0	158.9
Talktalk Telecom	105.0	0.6	126.5	96.5
Telecom Plus	1338.0	8.0	1528.0	1130.0
FOOD & DRUG RETAILERS				
Greggs	2046.0	40.0	2476.0	1257.0
Morrison (WM)	192.8	-2.8	245.8	176.9
Ocado Gp	1228.0	34.0	1435.0	749.8
Sainsbury(J)	213.4	1.4	300.0	177.1
SSP Group	653.0	11.0	721.0	608.0
Tesco	226.1	-0.2	253.0	189.6
FOOD PRODUCERS				
Assoc British Foods	2505.0	33.0	2588.0	2041.0
Bakkavor	133.4	1.4	170.0	93.3
Cranswick	3082.0	-16.0	3408.0	2472.0
Greencore Gp	241.2	1.7	248.3	162.8
Hilton Food Gp	989.0	3.0	1088.0	884.0
Tate & Lyle	735.0	8.4	800.4	658.4
Unilever	4520.5	-4.0	5324.0	3941.0
FORESTRY & PAPER				
Mondi	1643.0	11.0	1898.0	1510.5
GENERAL FINANCIAL				
3i Group	1062.5	17.0	1184.5	756.2
Ashmore Gp	479.6	-1.2	542.5	356.0
Brewin Dolphin	333.0	-5.2	350.2	287.6
Close Brothers	1486.0	13.0	1605.0	1227.0
Coats Group	72.1	0.3	91.3	68.1
Finablr	210.0	4.6	210.0	140.2
Hargreaves Lans	1808.5	50.5	2433.0	1633.0
IG Gp	689.2	17.4	695.4	474.8
Integrafin Holdings	400.0	0.5	406.1	271.8
Intermediate Capital	1553.0	20.0	1564.0	918.5
Intl Public Prtnshps	157.8	0.4	165.4	146.8
Investec	439.0	21.5	518.6	395.3
IP Group	59.8	2.1	122.0	55.7
John Laing Gp	396.0	8.6	402.0	298.2
London Stock Exch	6794.0	112.0	7514.0	3867.0
Man Group	151.2	3.6	175.2	126.8
Onesavings	390.2	14.8	447.4	313.6
Paragon	480.4	3.6	518.0	379.2
Plus500	766.6	18.0	1647.0	495.0
Provident Fin	424.7	16.7	658.6	356.0
Quilter	150.8	4.8	156.6	110.6
Rathbone Brothers	2120.0	0.0	2540.0	2075.0
Schroders	3201.0	50.0	3349.0	2334.0
TP ICAP	390.1	5.5	390.1	270.0
GENERAL RETAILERS				
B&M	380.9	4.7	399.6	278.6
Card Factory	156.9	2.3	209.0	151.2
Dixons Carphone	124.5	1.9	157.4	104.9
Dunelm Gp	832.0	1.5	981.0	482.8
Howden Joinery Gp	626.8	4.2	636.4	416.4
Inchcape	650.0	3.5	678.0	519.5
JD Sports Fashion	778.0	20.6	807.0	318.5
Just Eat	766.6	1.2	812.0	535.0
Kingfisher	204.1	-0.6	266.2	185.9
Marks & Spencer	191.1	4.2	303.2	163.9
Next	6726.0	158.0	6920.0	3991.0
Pets at Home Gp	250.4	8.0	259.8	113.3
Sports Direct Intl	341.2	7.2	341.2	214.0
Vivo Energy	118.8	3.2	139.5	111.4
WH Smith	2394.0	20.0	2458.0	1697.0
HEALTH CARE EQUIPMENT & SERVICES				
Convatec	195.5	3.0	202.8	118.5
Mediclinic Intl	389.9	4.7	401.3	293.4
NMC Health	2435.0	38.0	3166.0	1801.5
Smith & Neph	1661.0	-21.0	1990.0	1396.0
UDG Hlthcare	799.0	-7.5	832.5	551.0
HOUSEHOLD GOODS				
Barratt Devel	665.0	15.4	684.4	434.0
Bellway	3371.0	56.0	3536.0	2419.0
Berkeley Grp Hldgs	4612.0	49.0	4712.0	3230.0
Bovis Homes Gp	1223.0	20.0	1242.0	828.0
Countryside Prop	415.6	18.4	415.6	276.8
Crest Nicholson	388.6	7.6	435.2	309.4
McCarthy & Stone	138.8	-0.4	158.8	123.5
Persimmon	2533.0	43.0	2614.0	1836.0
Reckitt Benckiser	5928.0	24.0	6688.0	5593.0
Redrow	670.0	10.0	676.0	460.8
Taylor Wimpey	175.0	2.5	192.2	129.3
INDUSTRIAL ENGINEERING				
Bodycote	868.0	9.0	903.0	652.0
Hill & Smith	1330.0	6.0	1385.0	1049.0
IMI	1129.0	23.5	1137.0	870.0
Melrose Ind	227.0	3.0	237.9	146.3
RHI Magnesita	3834.0	12.0	5000.0	3352.0
Rotork	328.0	8.0	341.2	235.7
Spirax-Sarco	8845.0	-15.0	9400.0	5900.0
Weir Gp	1389.0	34.5	1814.0	1240.0
INDUSTRIAL METALS				
Evraz	357.2	11.8	709.4	345.4
Ferrexpo	142.6	2.6	301.3	123.0
INDUSTRIAL TRANSPORTATION				
Clarkson	2690.0	0.0	2900.0	1878.0
Fisher (James)	1936.0	42.0	2260.0	1650.0
Royal Mail	220.5	5.2	310.8	188.4
Signature Avi	324.9	0.0	406.0	258.8
LEISURE GOODS				
Games Workshop	5735.0	70.0	5845.0	2800.0
LIFE INSURANCE				
Aviva	395.4	2.1	438.8	352.3
Lancashire Hldgs	716.0	3.5	746.0	561.5
Legal & General	277.2	6.5	291.2	216.7
Phoenix Gp	740.0	13.5	745.5	544.0
Prudential	1312.5	12.0	1790.0	1279.5
St James Place	1067.0	12.0	1143.0	913.6
Std Life Aberdeen	303.9	-0.1	322.3	224.8
MEDIA				
4imprint	3110.0	10.0	3130.0	1800.0
Ascential	323.4	-1.0	411.0	319.0
Auto Trader Gp	557.6	0.4	606.0	418.1
Entertainment One	556.5	0.5	589.0	336.4
Euromny Inst Inv	1216.0	-36.0	1498.0	1132.0
Future	1370.0	102.0	1572.0	465.0
Informa	764.4	-2.2	892.0	605.8
ITV	141.1	2.3	145.1	103.6
Moneysupermkt.com	323.3	-9.7	417.7	267.0
Pearson	628.0	-5.0	1027.5	628.0
RELX	1816.0	4.5	2011.0	1581.5
Rightmove Group	620.2	-1.4	630.6	420.9
WPP	960.0	5.4	1038.0	800.4
MINING				
Anglo American	2048.5	32.5	2266.0	1556.4
Antofagasta	866.6	21.4	1022.5	738.0
BHP Group	1689.0	14.6	2049.0	1497.2
Centamin	127.8	-1.0	152.3	79.8
Fresnillo	545.4	-37.2	1027.5	539.6
Glencore	238.3	2.7	340.3	222.2
Hochschild Mining	164.4	-2.5	227.0	155.0
Kaz Minerals	470.3	6.2	738.4	380.3
Polymet Int	1191.0	-1.0	1272.0	772.6
Rio Tinto	4179.5	5.0	4976.5	3513.5
Sirius Minerals	3.6	0.2	24.3	2.9
MOBILE TELECOMMUNICATIONS				
Inmarsat	544.4	0.0	608.2	362.8
Vodafone Gp	146.1	0.3	165.2	123.3
NONLIFE INSURANCE				
Admiral Gp	2085.0	3.0	2300.0	1958.0
Beazley	532.0	5.5	628.0	492.6
Direct Line Ins	298.3	1.7	366.5	270.5
Hastings Gp Hldgs	174.9	3.5	231.6	167.9
Hiscox	1340.0	-10.0	1777.0	1213.0
RSA Ins Gp	536.8	7.8	597.0	496.6
OIL & GAS PRODUCERS				
BP	472.4	2.3	582.5	470.1
Cairn Energy	180.2	1.4	213.8	140.0
Energean Oil & Gas	899.0	14.0	1082.0	568.0
Premier Oil	90.0	5.0	106.2	55.6
Royal Dutch Shell A	2164.0	3.0	2612.0	2161.0
Royal Dutch Shell B	2144.5	4.5	2622.0	2140.0
Tullow Oil	137.8	4.8	250.0	130.9
OIL EQUIPMENT & SERVICES				
Hunting	379.4	2.4	657.0	377.0
Petrofac	389.7	5.7	559.0	381.5
Wood Gp(J)	323.3	3.7	644.2	319.6
PERSONAL GOODS				
Burberry Gp	1988.0	18.0	2345.0	1623.5
PZ Cussons	200.5	-2.0	227.0	178.6
PHARMACEUTICALS & BIOTECHNOLOGY				
AstraZeneca	7313.0	-21.0	7580.0	5325.0
Dechra Pharma	2750.0	-10.0	3036.0	2022.0
Genus	3104.0	-30.0	3206.0	2146.0
GlaxoSmithKline	1708.0	0.8	1782.0	1418.0
Hikma Pharma	1890.0	-7.0	2200.0	1510.5
REAL ESTATE				
Assura	76.9	1.7	76.9	52.5
Big Yellow Gp	1146.0	27.0	1192.0	858.5
BMO Comm Prop	117.2	-1.2	135.4	106.0
British Land	585.6	14.0	638.4	468.3
Captl & Count Prop	251.2	8.7	270.5	184.8
CLS Hldgs	293.0	4.0	293.0	204.0
Daejan Hldgs	5190.0	-10.0	6160.0	4715.0
Derwent London	3650.0	44.0	3744.0	2779.0
Grainger	278.0	0.0	292.2	205.8
Grt Portland Est	828.4	8.4	832.2	649.4
Hammerson	295.6	5.6	388.4	203.9
Land Securities	934.8	1.6	964.2	735.4
LondonMetric Prop	232.0	2.6	241.2	172.7
NewRiver Retail	190.8	1.6	246.0	147.6
Primary Hlth Prop	148.0	-1.0	149.0	108.2
Safestore Hldgs	744.0	3.0	756.0	506.5
Savills	990.5	20.5	1009.0	678.5
SEGRO	860.4	-5.6	894.0	585.2
Shaftesbury	910.0	-2.0	979.5	739.5
St Modwen Props	448.5	-2.0	472.0	373.0
TR Property IT	458.5	-1.5	466.0	353.5
Tritax Big Box	144.6	-0.9	159.7	130.0
UK Commercial Prop	86.8	-0.8	92.7	79.9
Unite Group	1194.0	-27.0	1251.0	797.5
Workspace Gp	1088.0	19.0	1113.0	789.5
SOFTWARE & COMPUTER SERVICES				
Avast	429.6	-5.4	450.8	259.6
Aveva Gp	4530.0	8.0	4558.0	2284.0
Computacenter	1505.0	7.0	1525.0	952.0
FDM Group	925.0	8.0	994.0	647.0
Kainos Gp	622.0	28.0	676.0	430.0
Micro Focus Intl	1083.8	-14.2	2160.0	1004.0
Playtech	375.1	0.0	457.7	360.5
Sage Group	722.2	-9.8	820.4	567.0
Softcat	1108.0	-2.0	1176.0	565.0
Sophos	558.6	-3.4	577.0	298.2
SUPPORT SERVICES				
Aggreko	823.6	6.2	855.2	691.8
Ashtead Gp	2318.0	38.0	2450.0	1586.5
Babcock Intl Grp	579.8	14.0	594.2	416.7
Bunzl	2071.0	15.0	2551.0	1943.0
Capita	160.0	3.4	173.1	99.9
DCC	6474.0	-12.0	7496.0	5680.0
Diploma	1830.0	13.0	1902.0	1150.0
Electrocomp	653.4	0.4	729.8	480.0
Equiniti	192.7	1.7	236.2	186.2
Essentra	420.4	1.2	442.0	325.4
Experian	2457.0	-16.0	2631.0	1843.0
Ferguson	6636.0	162.0	7004.0	4776.5
G4S	206.7	1.8	234.3	168.3
Hays	166.6	2.0	169.1	135.7
Homeserve	1202.0	-1.0	1266.0	849.0
Intertek Gp	5434.0	32.0	5962.0	4509.0
IWG	402.0	3.1	421.9	199.8
Network Intl	569.0	0.0	628.0	513.0
Pagegroup	484.6	7.0	539.0	367.8
Paypoint	1000.0	3.0	1118.0	748.0
Rentokil Initial	434.6	-0.6	467.8	315.9
Sanne Group	630.0	-10.0	752.0	450.0
Serco	146.8	-2.7	160.0	84.1
SIG	120.1	0.1	153.0	99.3
Travis Perkins	1521.0	18.0	1614.5	1012.0
TECHNOLOGY HARDWARE & EQUIPMENT				
Spirent Comms	216.0	0.5	219.0	112.8
TOBACCO				
Br Am Tob	2975.0	-10.0	3197.5	2375.0
Imperial Brands	1707.0	2.0	2713.5	1669.4
TRAVEL & LEISURE				
Carnival	3129.0	21.0	4430.0	3056.0
Cineworld Group	209.6	11.7	321.0	191.0
Compass Gp	1843.5	-6.5	2138.0	1583.0
Dominos Pizza	298.1	-1.9	309.8	221.2
easyJet	1373.5	67.0	1373.5	854.8
EI Group	281.6	-0.2	285.0	171.4
FirstGroup	116.2	-2.1	137.5	79.3
Flutter Ent	8666.0	-84.0	8924.0	5525.0
Go-Ahead Gp	2000.0	-18.0	2278.0	1480.0
GVC Hldgs	852.6	6.2	897.4	507.5
Intercontl Htls	4750.0	-17.0	5738.0	4230.4
Intl Cons Airl	552.2	13.4	667.6	413.5
Marstons	130.6	4.2	131.4	90.5
Mitchells & Butlers	440.0	1.5	470.5	238.0
National Express	459.8	-3.4	473.0	361.4
PPHE Hotel Gp	1900.0	0.0	1990.0	1620.0
Rank Gp	250.5	-0.5	252.5	135.0
Restaurant Grp	140.0	-0.2	160.2	111.9
Stagecoach Gp	134.0	2.7	170.9	115.5
Wetherspoon (JD)	1522.0	-8.0	1624.0	1066.0
Whitbread	4510.0	79.0	5114.0	3988.0
William Hill	169.0	-3.0	205.2	132.3
Wizz Air Holdings	3935.0	8.0	3950.0	2722.0

AIM 50

	Price	Chg	High	Low
Abcam	1347.0	-1.0	1500.0	1017.0
Advanced Medical	264.0	3.0	354.5	225.0
Alliance Pharma	76.9	0.3	80.4	60.0
ASOS	3109.0	29.0	4615.0	2107.0
Blue Prism	1012.0	18.5	1472.0	788.0
Camellia	9025.0	125.0	11750.0	8600.0
Caretech Holdings	378.0	0.0	405.0	325.0
Central Asia Metals	205.5	-3.5	266.5	180.0
Clinigen Group	852.0	-8.0	1069.0	721.0
CVS Group	1054.0	5.0	1105.0	395.0
Dart Group	1522.0	47.0	1522.0	709.5
Diversified Gas & Oil	99.2	1.6	116.5	97.0
Draper Esprit	486.0	6.0	548.0	410.0
Eland Oil & Gas	163.8	-0.2	165.4	101.0
EMIS Group	1080.0	14.0	1242.0	864.0
Fevertree Drinks	2157.0	-2.0	2475.0	1732.5
First Derivatives	2515.0	55.0	3555.0	2050.0
Frontier Devs	1186.0	-6.0	1254.0	740.0
Gamma Comms	1245.0	-25.0	1275.0	730.0
GB Group	698.0	13.0	713.0	410.5
Gooch & Housego	1260.0	-10.0	1527.5	954.0
Hurricane Energy	35.0	0.3	53.6	34.9
Impax Asset Mgmt	298.0	0.0	298.0	184.0
Iomart Group	357.5	4.5	398.0	308.0
IQE	49.9	0.8	98.0	41.8
James Halstead	514.0	10.0	532.0	405.0
Johnson Service Gp	182.2	5.2	183.2	114.0
Keywords Studios	1335.0	-9.0	1838.0	900.0
Learning Tech Gp	110.6	-2.6	130.0	62.2
M&C Saatchi	79.0	-67.8	394.0	79.0
M.P. Evans	683.0	-1.0	703.0	612.0
Majestic Wine	214.5	-2.5	318.0	214.5
Midwich Group	593.0	-1.0	633.0	474.5
Mortgage Advice B	706.0	9.0	706.0	546.0
Next Fifteen Comm	470.0	-5.5	658.0	465.0
Nichols	1560.0	-20.0	1880.0	1350.0
Numis Corporation	247.5	10.5	280.0	212.0
Polar Capital Hdgs	522.0	-4.0	604.0	464.0
Purplebricks Gp	105.0	4.8	132.0	96.0
Redde	105.2	2.2	127.6	100.6
Renew Holdings	410.0	9.0	436.5	333.0
RWS Holdings	651.0	6.0	656.0	450.0
Scapa Group	247.5	6.5	403.0	157.0
Secure Income REIT	418.0	1.0	454.0	371.0
Serica Energy	122.8	2.0	143.4	103.6
Smart Metering Sys	521.0	-13.0	665.0	310.0
Telford Homes	349.5	0.0	358.0	267.0
Thorpe (F.W.)	311.0	2.0	340.0	248.5
Watkin Jones	229.0	-2.0	241.5	192.2
Young's Brew NV	1195.0	0.0	1238.0	1030.0
Young's Brew-A	1615.0	0.0	1885.0	1322.5

MAIN CHANGES UK 350

Risers		%	Fallers		%
Future	1370.00	8.0	Fresnillo	545.40	-6.4
Cineworld Group	209.60	5.9	Moneysupermkt.com	323.30	-2.9
Premier Oil	89.98	5.8	Euromny Inst Inv	1216.00	-2.9
Investec	439.00	5.1	Unite Group	1194.00	-2.2
easyJet	1373.50	5.1	Oxford Instruments	1540.00	-2.0
Kainos Gp	622.00	4.7	Serco	146.80	-1.8
Countryside Prop	415.60	4.6	FirstGroup	116.20	-1.8
Sirius Minerals	3.59	4.5	William Hill	169.00	-1.7
Provident Fin	424.70	4.1	Sanne Group	630.00	-1.6
Onesavings	390.20	3.9	Brewin Dolphin	333.00	-1.5

EU SHARES

	Price	Chg	High	Low
ADIDAS	277.85	-0.25	296.35	180.10
AIR LIQUIDE	120.80	1.90	130.80	102.40
ALLIANZ AG	216.00	2.70	223.80	172.16
AMADEUS IT GROUP	72.30	0.44	72.30	42.30
ANHEUSER BUSCH INBEV	71.44	0.41	92.71	57.35
ASML HOLDING NV	242.75	6.15	249.00	130.88
AXA	24.54	0.28	25.38	18.54
BANCO SANTANDER	298.80	3.75	402.00	295.05
BASF	68.35	0.97	74.49	56.20
BAYER AG	69.32	1.65	72.81	52.53
BMW	72.76	0.95	77.75	58.70
BNP PARIBAS	50.29	0.79	51.55	38.55
CRH	2918.00	27.00	3014.00	1971.50
DAIMLER	49.60	0.35	59.31	40.53
DANONE	73.20	0.40	82.00	60.28
DEUTSCHE POST AG	33.79	0.48	34.44	23.72
DEUTSCHE TELEKOM	15.03	0.11	16.25	14.10
ENEL	6.73	0.05	6.98	4.74
ENGIE	14.40	0.20	15.12	11.99
ENI	13.65	0.17	15.94	13.04
ESSILORLUXOTTICA	128.75	0.00	128.75	128.75
FRESENIUS MEDICAL CARE	66.12	0.56	76.32	56.64
IBERDROLA	8.67	0.07	9.54	6.02
INDITEX	28.04	0.14	32.37	2.55
ING GROEP NV	10.32	0.21	12.05	8.34
INTESA SANPAOLO	2.29	0.05	2.38	1.83
KERING	538.10	7.80	551.90	380.70
KON KPN NV	2.73	0.00	2.96	2.47
L'OREAL	253.10	2.10	265.00	195.25
LVMH MOET HENNESSY	396.00	5.30	408.65	243.25
MUENCHENER RUECKVE	258.90	3.40	260.60	185.10
NOKIA	21.88	0.00	21.88	21.88
ORANGE	13.70	-0.67	15.01	13.15
ROYAL PHILIPS	41.70	0.41	44.34	29.10
SAFRAN	145.15	1.60	149.90	100.70
SANOFI	83.89	1.82	85.25	72.24
SAP SE	122.08	1.92	124.38	85.79
SCHNEIDER ELECTRIC	88.12	2.02	88.44	57.58
SIEMENS AG	117.94	1.02	117.70	85.00
SOCIETE GENERALE	28.86	0.86	30.55	21.13
TELEFONICA SA	6.84	0.13	9.18	5.94
TOTAL	47.21	0.57	52.27	43.18
UNILEVER NV	53.84	0.47	57.56	46.03
VINCI	98.10	1.38	102.40	70.50
VIVENDI	24.36	-0.02	26.42	20.93
VOLKSWAGEN AG	175.16	0.86	183.46	136.26

CRYPTO A.M. DAILY POWERED BY BEQUANT

CRYPTOCURRENCIES

Name	Price (USDT)	↑/↓(24h)
Bitcoin (BTC)	$ 7,488.48	2.04%
Ethereum (ETH)	$ 150.00	1.04%
Ripple (XRP)	$ 0.21	-0.33%
Bitcoin Cash (BCH)	$ 215.28	0.28%
Litecoin (LTC)	$ 46.07	0.38%
EOS.IO (EOS)	$ 2.72	0.38%
Bitcoin SV (BSV)	$ 99.89	1.62%
TRON (TRON)	$ 0.01	-3.70%
NEO (NEO)	$ 9.00	-0.30%
Cardano (ADA)	$ 0.03	-0.55%
CryptoCompare Large Cap Index		1.54%
CryptoCompare Small Cap Index		1.36%

Market	$202,127,222,519
Bitcoin Volatility	2.00%
Bitcoin Volume on BEQUANT Exchange (USDT)	341,682,565

Sources: Bequant.io, CryptoCompare.com
Prices and data are correct as of 15:00, 04.12.2019
Crypto AM features in City AM every Tuesday.
Previous Editions: www.cityam.com/crypto-insider
Read more at: https://bequant.pro/cityam

CRYPTO & COFFEE

The market kicked off the session on the back foot in reaction to comments made by US President Donald Trump late Tuesday, who once again threatened to extend the 17-month long trade war with China, raising the spectre of fresh tariffs on Chinese goods within weeks. This also resulted in the Yuan dropping to its weakest level since late October.

However, unlike earlier in the year when a weaker Yuan resulted in aggressive capital flight, especially via fiat pathways provided by crypto firms and exchanges, this time the government effectively front run Trump trade by clamping down on such outlets to prevent outflows.

As a result, Bitcoin may weather the macro storm and come out on top this time. Elsewhere, Bank of Japan Governor Kuroda said that there is no public demand for a central bank digital currency (CBDC) in the country.

The comments were made during his speech at the symposium for Financial Industry Information Systems, where the governor addressed the challenges posed by private global stablecoins and CBDCs. At the same time, MUFG Bank, the largest bank in Japan, denied reports that it plans to launch a digital currency in Japan next year.

COMMODITIES

Gold	1476.40	-1.40	Copper Cash Official	5811.50	-43.75
Silver (Pence)	1701.00	+13.50	Aluminium Cash Official	1801.75	+12.50
Silver (Cents)	1309.00	+2.00	Nickel Cash Official	13957.50	+335.00
Krugerrand	1493.99	+0.80	Aluminium Alloy Cash Official	1325.00	+10.00
Brent Crude	60.82	-0.10	Natural Gas	41.17	-0.70
Platinum	899.00	+2.00	Tin Cash Official	16747.50	+272.50
British Sovereign	349.08	+0.19	Zinc Cash Official	2221.00	-64.25
Lead Cash Official	1883.25	-28.25	White Sugar	344.60	+2.30

TOURIST RATES

Canada	1.6441	New Zealand	1.858
Croatia	7.8766	Norway	11.40
Czech Republic	27.50	Poland	4.4144
Denmark	8.3339	Singapore	1.6522
Hong Kong	9.6447	Sweden	11.84
Iceland	139.62	Switzerland	1.2202
India	82.07	Turkey	7.1068
Israel	4.0838	United States	1.2396

WORLD INDICIES

	Price	Chg	%Chg
FTSE 100	7188.50	+29.74	+0.42
FTSE 250	20665.48	+164.55	+0.80
FTSE All-Share	3990.92	+19.27	+0.49
FTSE AIM All-Share	907.49	+1.16	+0.13
S&P 500	3112.76	+19.56	+0.63
Dow Jones I.A	27649.78	+146.97	+0.53
Nasdaq Composite	8566.67	+46.03	+0.54
Xetra DAX	13140.57	+151.28	+1.16
CAC 40	5799.68	+72.46	+1.27
Swiss Market Index	10334.56	+101.63	+0.99
ISEQ Overall Index	6985.79	+79.28	+1.15
FTSEurofirst 300	1575.15	+17.67	+1.13
Hang Seng	26062.56	-328.74	-1.25
Nikkei	23135.23	-244.58	-1.05
STI Index	3159.79	-13.29	-0.42
ASX All Ordinaries	6714.40	-104.00	-1.53

US SHARES

	Price	Chg	High	Low
3M	167.14	1.97	219.50	150.74
ABBOTT LABORATORIES	85.18	0.82	88.74	65.56
ADOBE INC	302.51	-1.40	311.27	205.16
ALPHABET NON VTG-C	1320.54	25.26	1334.87	976.22
ALPHABET-A	1318.94	24.20	1333.54	1116.79
AMAZON.COM	1760.69	-9.27	2020.99	1343.96
AMERICAN EXPRESS	117.94	1.37	128.57	89.50
APPLE INC	261.74	2.29	267.84	142.19
AT&T	38.10	0.55	39.63	27.36
BANK OF AMERICA	33.15	0.31	33.47	22.73
BERKSHIRE HATHAWAY	218.40	0.32	222.74	187.76
BOEING CO	348.84	-3.24	432.69	294.16
CATERPILLAR INC	140.12	0.06	148.16	113.38
CHEVRON	116.94	1.05	126.54	100.99
CISCO SYSTEMS	43.89	-0.39	58.05	40.28
CITIGROUP	74.23	0.90	76.12	49.26
COCA-COLA CO	54.29	0.49	55.77	44.69
COMCAST	43.51	-0.14	46.97	33.07
DOW	52.28	0.46	66.65	40.71
EBAY INC	34.97	0.22	41.57	26.14
EXXON MOBIL	68.65	0.77	83.38	65.51
FACEBOOK	198.71	-0.11	204.87	174.60
GOLDMAN SACHS GROUP	215.94	3.70	223.29	156.35
HOME DEPOT INC	214.10	0.10	238.85	158.14
HONEYWELL INTERNATIONAL	173.21	0.66	182.01	124.83
IBM	131.99	-0.13	151.36	107.57
INTEL	56.02	-0.05	58.90	43.46
JOHNSON & JOHNSON	139.38	2.22	147.84	122.84
JPMORGAN CHASE & CO	132.34	2.56	132.06	92.14
MASTERCARD INC	286.84	-0.25	292.23	174.65
MCDONALD'S	194.31	1.19	221.15	170.28
MEDTRONIC	111.94	0.95	112.47	82.45
MERCK & CO	88.67	1.29	87.61	71.15
MICROSOFT	149.85	0.54	152.32	94.13
NETFLIX	304.32	-1.84	385.03	233.88
NIKE INC	93.72	1.26	96.22	67.53
ORACLE	54.41	-0.18	60.15	42.69
PAYPAL HOLDINGS	105.00	-0.59	121.30	96.64
PEPSICO	137.30	1.84	140.28	118.61
PFIZER INC	38.14	0.09	44.98	34.24
PROCTER & GAMBLE	124.53	1.58	124.94	87.36
TRAVELERS COMPANIES	135.17	0.55	154.83	112.63
TWITTER	30.00	0.03	45.42	28.89
UNITED HEALTH GROUP	279.32	2.42	282.67	215.26
UNITED TECHNOLOGIES	144.52	0.79	149.36	102.06
VERIZON COMMUNICATIONS	60.53	0.39	61.05	53.05
VISA	180.60	-1.30	185.74	168.86
WALGREENS BOOTS ALLIANCE	58.91	-0.08	76.05	49.29
WALMART	118.69	0.02	120.98	85.82
WALT DISNEY CO	148.28	-0.30	151.64	100.35
WELLS FARGO & CO	53.24	0.66	54.46	43.38

FORUM

EDITED BY RACHEL CUNLIFFE

We cannot afford to be timid about calling out radical Islam

Alan Mendoza

ONCE MORE, the spectre of terrorism has come to impact upon the daily lives of those living and working in our capital city.

Last Friday's London Bridge attack was sadly unsurprising in terms of its occurrence, although that in no way diminishes its horror. Two young graduates, Jack Merritt and Saskia Jones, were cut down in the prime of life, on account of convicted terrorist Usman Khan.

This tragedy was particularly shocking as Khan, who had been jailed for 16 years as part of a plot to bomb the London Stock Exchange and pubs in Stoke, as well wanting to establish a jihadist training camp in Pakistan, had given a passable impersonation of having been successfully deradicalised following his automatic release from his sentence.

The event where he launched his rampage — and which his victims had the misfortune to have participated in — was for Learning Together, a prisoner rehabilitation initiative. Khan had become something of a poster child for this group, having had a case study written about him, and been provided with a secure laptop that complied with his licence conditions.

Khan even went as far as to contribute a poem to a Learning Together brochure, where he also expressed gratitude for his computer. As deceptions go, this one appears pretty comprehensive.

A lot of election heat has been vented since the attack, with both major parties blaming the other for Khan's offence. Labour has suggested that foreign policy and police cuts were the reasons Khan strapped knives to his hands and stabbed his fellow citizens. The Conservatives have claimed that he was only released on account of a previous Labour government sentencing policy.

Both have missed the point.

Usman Khan did not wreak havoc on London's streets because of procedural issues. He would have attempted to do so regardless of when he was released, or however many police stood in his way.

He did so, instead, because he was an Islamist extremist, convinced that he was carrying out God's word in slaying those he had referred to as "kuffar" – a pejorative term for non-believers – and "dogs".

Our prisons are indeed breeding grounds for radicalisation. But Khan went into prison a committed extremist; he had no need of further assistance in this regard.

The infamous hate preacher Anjem Choudary claimed Khan as one of his students, and Khan spent years attempting to proselytise in Stoke through "dawah stalls" linked to the proscribed terrorist organisation al-Muhajiroun that Choudary once headed.

Given the depravity of Khan's religious views, and the cunning with which he evidently concealed them after his release, no government desistance and disengagement programme was going to deradicalise him.

For all the brow-beating of the British state, and the political ping-pong that has resulted from it, the wrong solutions are being posited to guard against the scale of the threat (even if it is common sense to suggest that those guilty of particularly heinous crimes should serve a longer portion of their sentences than Khan did if they remain a potential security concern).

For all the brow-beating of the British state, the wrong solutions are being posited to guard against the scale of the threat

Part of the problem is that it is increasingly difficult to raise the issue of the menace of radical Islam without being accused of "Islamophobia" by those who have hijacked a noble cause — the fight against anti-Muslim hate crime — and turned it into an attempt to silence all discussion of extreme variants of Islam.

It is perfectly obvious why some Islamophobia campaigners desire such a blanket rallying cry: it masks scrutiny of their own views, which they would be able to promote without fear of challenge.

What is less clear is why politicians and state entities are happy to go along with this charade, when alternative and much tighter definitions of racism against Muslims — such as "anti-Muslim hatred" — exist that would avoid the pitfalls of catch-all Islamophobia definitions while still ameliorating a societal ill.

For the reality is that, despite the recent growth in far-right extremism in this country, radical Islam remains the principal threat to our security today — and, indeed, to the British Muslim community, for the first victims of Islamists have always been their fellow Muslims.

We ignore this at our peril. The Usman Khans of our world rejoice when we wring our hands in apology for real or imagined foreign policy disasters, just as Osama bin Laden did over Iraq War soul-searching, having launched his first attacks against the west well before a western boot touched Iraqi soil.

Radical Islam hates us for who we are and the liberal democratic and tolerant views that we hold, not for what we do. Being timid in naming it and pretending that it is not a factor in our security debate won't make it go away.

Only by challenging this pernicious ideology with a rigorous and proactive approach to safeguarding, and a renewed focus on real integration, can we guarantee a safer future for all of us.

Alan Mendoza is executive director of the Henry Jackson Society.

Hunting unicorns? Stop chasing a myth and invest in innovation, not disruption

Kevin Monserrat

IN 2016, an American healthtech startup named Theranos completed what would be its final funding round, raising a jaw dropping $700m in investment. Just two years later, the company collapsed after a sensational scandal.

The story of Theranos is bizarre. At one point, its paper valuation exceeded $9bn, and when the scandal broke, its founder Elizabeth Holmes went from being worth $4.7bn to almost nothing overnight.

The problem? The cutting-edge technology that Theranos promised would revolutionise blood testing didn't work. One honest worker described the tech as no more sophisticated than a school science project.

How is it possible that some of the most respected investors and venture capitalists in the world were fooled to the tune of hundreds of millions of dollars by a student straight out of college and her so-called "unicorn" company?

Far from being mythical creatures, startups that are valued at over £1bn are now relatively common. Go back to January 2015, and there were just 82 companies that could be classed as unicorns. Now, according to TechCrunch, there are 484 members of the unicorn species.

Sadly, this is not down to four of the most innovative years in technological history. Rather, it's a reflection on the drastic impact that rapid-growth models are having on investment — a trend where great waves of finance now circle the globe hunting for unicorns.

The need for VC funds to seek out unicorns is obvious. These are companies that can cover the losses and write-offs in a portfolio, while simultaneously multiplying the value of the fund.

Yet, those who remember the dot.com bubble of the late nineties should not be alone in viewing the huge rise of new companies valued above £1bn as a clear sign of something troubling within the market.

Theranos is a dramatic cautionary tale in its own right, but it is also a symptom of a model that is broken to its very core.

This is a model where a few select companies attract mountains of private capital, while 95 per cent of VC-backed firms are not profitable and at least 75 per cent fail, never to return any cash to investors.

Unicorns instead represent a bet. They are a financial game played behind the smoke and mirrors of the investment industry. Often, they fail to live up to expectations. The recent rejection of WeWork by public capital is a clear reflection of the issues of over-valuation in the private arena.

The aim of unicorns is to swell in size from private capital and then challenge existing markets. They do so by being disruptive — a term that is now used positively. They play the game aggressively, ignore the rules, and undercut the market.

They are rarely successful through doing real business and usually make huge losses, while their values still skyrocket. Uber's instant success, for example, has subsequently become a battle for its licence with Transport for London, as the debate rages over passenger safety, choice, and the livelihoods of its drivers.

The UK needs to invest in innovation again, not in disruption. Society doesn't need any more unicorns; it needs robust, stable-growth companies that can develop new ideas to tackle our complex problems while contributing to the economy. An environment that fosters unicorns doesn't provide that.

Kevin Monserrat is chief executive of Consilience Ventures.

LETTERS TO THE EDITOR

Til divorce do us part

[Re: For richer or for poorer? The economic case for marriage is worth remembering]

Paul Ormerod may be right to celebrate the declining divorce rate, but he ignores the context in which it comes — the declining popularity of marriage. While for some matrimony may be the rational choice, it is really the advance of other viable choices that have ensured that the marriages which are made last.

That a range of relationship models can now flourish without cultural opprobrium, such as cohabitation, allows for greater choice and autonomy. Those who want marriage select it, and increasingly thrive in it. Those who do not want it can now avoid it and still have a full family life.

While evidence may point towards marriage being the gold standard of relationships, this is by no means universal. A happy marriage can provide a stable upbringing and all of its advantages, but there is no evidence that divorce is any worse than a family home which is wracked with disputes (or worse).

A decline in divorce rates is no bad thing, but we must ensure that all types of family are supported — by both society and the state — to be as loving and stable as possible. This should include the long-awaited move to allow no-fault divorce, which would remove some of the hostility of separation and encourage sensible and pragmatic approaches for families after the marriage has ended.

Rather than focusing on specific models of family formation, we should encourage happiness and stability in all its shapes and forms.

John Oxley, divorce barrister, Vardags

BEST OF TWITTER

I have now been sent the Labour dossier on their claim to save the average household £6,700. Even by the standards of modern politics, it is impossible to stress how bloody shoddy these numbers are and how quickly they fall apart.
@rcolvile

The @NewStatesman, a house magazine of the Labour Party, says @jeremycorbyn "unfit to be Prime Minister". A devastating blow for Corbyn. Battle for the soul of Labour post-election is already under way
@toryboypierce

Twitter dunked Peloton over a dumb ad so hard that the stock dropped 10%
@claireeboston

The only comment I have on that Peloton ad is that there's no way that child is vaccinated
@rmccarthyjames

My Twitter feed is really mad about the Peloton ad. My Facebook feed hasn't mentioned the Peloton ad. My Instagram feed wants a Peloton bike for Christmas.
@katierosman

Almost as dystopian is the fact that some people are paying more than £2,000 for a stationary bike with a tablet bolted to the handlebars....
@shjfrench

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

The tampon tax isn't the problem — our inconsistent VAT system is

Ben Ramanauskas

LAST week, Boris Johnson promised to scrap the so-called "tampon tax" — the VAT levied on feminine hygiene products. The current VAT regime, which dates back to the 1970s, cannot be changed while Britain remains in the EU.

Feminists and progressives have long argued that such a tax is unfair and sexist, so scrapping it probably seems like a smart way for the Conservatives to target this group with the benefits of Brexit.

It could even be argued that the policy makes sense from a free market perspective: here is a chance to get rid of another tax which is increasing the cost of living for women.

However, such a move would be deeply misguided.

What the tampon tax situation serves to do is highlight the absurdity of our VAT system. Most goods and services in the UK attract the standard rate of VAT at 20 per cent. Others, such as sanitary products, face a five per cent levy. And some — namely food products and, oddly, children's shoes — are VAT exempt.

Such a system creates bizarre outcomes. Take everyone's favourite example: Jaffa Cakes. Are they are a biscuit or are they a cake?

Jaffa Cakes are found in the biscuit aisle at the supermarket and you'd probably scoff a few during your tea break at work. But for VAT purposes, a Jaffa Cake is a cake (the clue is in the name). This was the ruling of a tax tribunal. A giant Jaffa Cake was baked in order to demonstrate the cake-like qualities of the spongy chocolate discs.

Why does this matter? Chocolate-covered cakes are zero-rated when it comes to VAT, whereas covering a biscuit in chocolate will attract the standard rate of 20 per cent.

Part of the logic behind this is the idea of essential goods versus luxury goods. A chocolate-covered cake was seen in Whitehall in the 1970s as the staple of good honest folk, whereas smothering a biscuit in chocolate makes it a luxury good only ever consumed by the filthy rich.

Such a situation is clearly absurd. What is more, it is applied inconsistently. As is rightly pointed out by campaigners who want to scrap the tampon tax, sanitary products are clearly not a luxury. However, neither is soap, for example — which is just as essential to personal hygiene, and also incurs VAT.

The absurdity doesn't stop there. Chocolate buttons, for example, are subject to the standard rate. That is, unless they are to be used to decorate a cake, in which case they are zero-rated. Buying nuts still in their shells incur no VAT, but out of their shells, expect to shell out more as they are charged the standard rate.

> **Chocolate buttons are subject to the standard rate — unless they are used to decorate a cake**

Buying a book? Good news, no VAT — unless it's an eBook, then you'll have to pay more. It might make sense to learn that a bike helmet is exempt from VAT, but is slightly more puzzling that a chocolate teacake from Marks & Spencer is also zero-rated.

All of this creates burdens for businesses, which have to spend time and money ensuring that they comply with VAT, with the risk of lengthy and expensive legal battles against HMRC over the status of products. Surely the resources of both businesses and the law courts could be better utilised in other pursuits?

And that's only on the business side. The system also creates economic distortions for consumers, who make choices based on the VAT rate instead of their own preferences.

Rather than scrapping the tampon tax and creating yet another exemption, complicating the tax system even further, the government would do better to go the other way, broadening and simplifying the VAT base. By scrapping the various exemptions and different rates, the overall rate could be much lower — on everything.

This would boost the Treasury's coffers, while allowing us to cut more economically damaging taxes and target welfare to those who need it most. The debate over the tampon tax could therefore lead to a fairer, more logical tax system for all.

Ben Ramanauskas is a research economist at Oxford University.

DEBATE

Does Labour's pledge to cut rail fares make sense from a social mobility perspective?

YES

GRACE BLAKELEY

Many have pointed out that middle-earners are most likely to use trains, but few analyse why. First, trains around London are too expensive for many commuters, meaning that they are forced to use slow and cramped buses. Second, outside London trains often aren't an option because of the parlous state of our rail infrastructure, particularly when travelling from east to west in the Midlands and the North.

Understanding the impact of Labour's pledges on transport requires taking them as a whole. As well as cutting rail fares, Labour will invest billions of pounds in infrastructure — including long-overdue projects like Crossrail for the North. Labour will also reinstate 3,000 bus routes that have been cut under the Tories, which act as lifelines to people in rural communities.

These pledges will not only cut the cost of living for working people — they are also imperative for meeting our decarbonisation targets. Investing in public transport across the country is the only way we will achieve a just, prosperous and sustainable economy.

Grace Blakeley is an economics columnist at the New Statesman.

NO

EMMA REVELL

Rail accounts for a tiny two per cent of journeys taken each year in the UK. It might not feel like it from Labour HQ in London, but just 11 per cent of people commute to work by train, and train passengers are wealthier than the average Brit.

What Labour is effectively proposing is making it cheaper for city workers to get the train from their leafy suburban home to the office, by transferring the cost of a ticket onto lower-income workers in more deprived areas of the country, who only ever drive, walk, or catch the bus to work.

Fare increases over the last two decades have in part come from a re-prioritisation of costs. In 1995, half the day-to-day cost of running the railways was borne by travellers, and the rest by taxpayers. Today, roughly 75 per cent of the cost sits on passengers' shoulders.

It is bad public policy and bad politics to burden people who don't use trains with the cost of the service — especially when the latter tend to be those in lower income brackets.

Emma Revell is head of communications at the Institute of Economic Affairs.

CITY A.M.
Fountain House,
3rd Floor, 130 Fenchurch Street,
London, EC3M 5DJ
Tel: 020 3201 8900
Email: news@cityam.com

abc
Certified Distribution
from 30/09/2019 till
27/10/2019 is 86,084

Editorial Editor **Christian May** | Deputy Editor **Andy Silvester**
News Editor **Josh Martin** | Comment & Features Editor **Rachel Cunliffe**
Lifestyle Editor **Steve Dinneen** | Sports Editor **Frank Dalleres**
Creative Director **Billy Breton**
Commercial Sales Director **Jeremy Slattery** | Head of Distribution **Gianni Cavalli**

Distribution helpline
If you have any comments about the distribution of City A.M. please ring 0203 201 8955, or email distribution@cityam.com

Our terms and conditions for external contributors can be viewed at cityam.com/terms-conditions

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


Grand Seiko
SPRING DRIVE

THE CITY A.M. CHRISTMAS GIFT GUIDE FOR *HIM*...

Let us take the hard work out of Christmas with our comprehensive guide to gifts for the men in your life. And don't worry: women are covered next week!

SOREL MEN'S CARIBOU WOOL SNOW BOOTS

£159.99, ellis-brigham.com

If you're in the market for a pair of walking boots that will be used beyond the postprandial Christmas day walk, then train your eyes on these professional-level snow boots, which feature full-leather uppers, a 9mm woolen inner-boot, a vulcanised rubber shell and a seam-sealed waterproof construction. If your loved one is serious about hiking and mountaineering, these will hit the spot.

SIMON CARTER ANIMAL CUFFLINKS

From £50, simoncarter.net

Menswear guru Simon Carter has a wide range of products and price points to chooose from. We're especially taken with his Animal range of cufflinks, with creatures from the mighty shark to the humble pigeon wonderfully realised in metal and enamel. Decide which of your uncles is a cheeky monkey and which is a real (blue) tit.

GLENFARCLAS 10 YEARS

£32.90, masterofmalt.com

A quality, easy-drinking whisky that's recomended as an aperitif. This would be perfect if you're hosting on Christmas day and want to impress your guests without breaking the bank.

BEOSOUND 1

£1,250, bang-olufsen.com

Legendary Danish audio manufacturer Bang & Olufsen is known for merging quality craftsmanship with eye-catching design. No surprises, then, that its flagship Beosound 1 is a striking object as well as an incredible speaker. Chromecast, Airplay and Bluetooth means this curious aluminium cone is compatible with whatever devices you've got, while the 360-degree design allows for placement anywhere in the room.

WILLIAM & SON SHIRT

£125, williamandson.com

The countrywear and shooting specialists at William & Son sell everything from fine leatherware to jewellery set with precious stones. But if you're looking for a simple stocking filler, look to its range of wonderfully designed, hard-wearing shirts, which will look equally at home around the dinner table as it will on a foggy field in the Highlands.

THE CITY A.M. LUXURY CHRISTMAS GIFT GUIDE – FOR *HIM*

LEICA Q2

£4,5000, en.leica-camera.com

The sequel to the legendary Leica Q camera is improved in all of the right places, but untouched where it matters most. It boasts a new 47.3 megapixel full frame sensor, a super fast Summilux 28mm f/1.7 prime lens, but retains Leica's timeless design and world-renowned build quality. The Q2 is also completely weatherproof, so you can use it come rain or shine.

MONDAINE WALL CLOCK

£219, uk.mondaine.com

Mondaine made the first iteration of this sleek minimalist design all the way back in 1944 when it was first used as a railway clock to keep Swiss train drivers running on time. The original clock – and some of the new wall clocks – even pause for two seconds at the minute mark to give drivers more chance of pulling out of the platform bang on time. A classic of it's kind, which can now decorate your very own wall.

APPLE AIRPODS PRO

£349, apple.com/uk

With active noise cancellation to turn your cacophonous commute into a cocoon of calmness, the latest iteration of Apple's wireless Airpods are easily the finest earphones the company has ever made. A choice of silicone tips means they're comfortable, the battery case gives you a day of continuous use, they're Siri-enabled and sound incredible.

SENNHEISER PXC 550 II

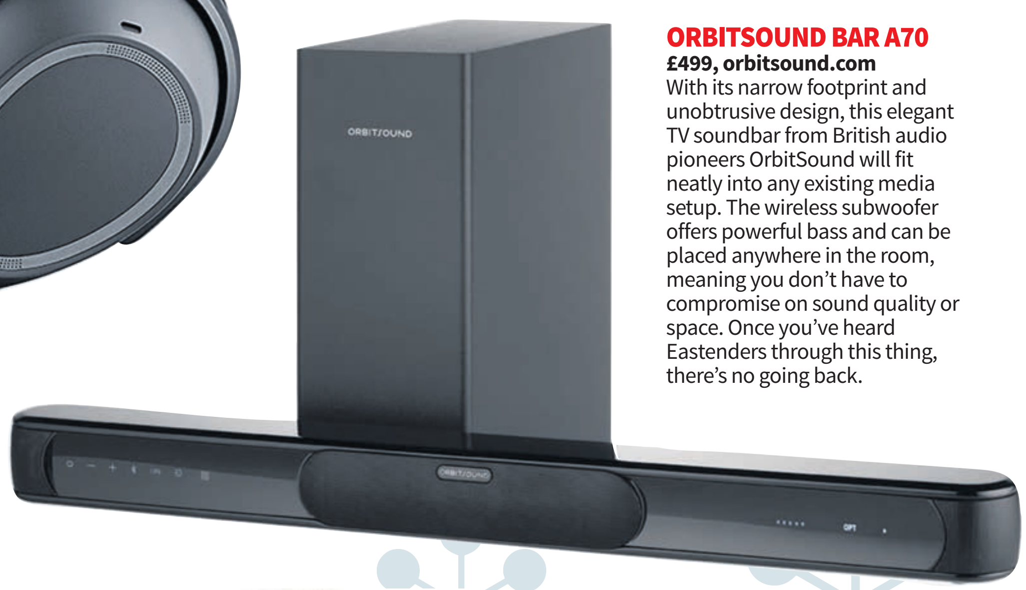
£299, en-uk.sennheiser.com

An essential tool in any business traveller's armoury, the Sennheiser PXC 550 represents the pinnacle of headphone tech. Active noise cancellation adapts to your surrounding to ensure near-total silence without compromising music quality. Intelligent features such as pausing when removed, and integration with both Alexa and the Google Assistant, make everyday use a breeze. This second iteration offers a huge battery upgrade over the originals, meaning you can listen for even longer.

ORBITSOUND BAR A70

£499, orbitsound.com

With its narrow footprint and unobtrusive design, this elegant TV soundbar from British audio pioneers OrbitSound will fit neatly into any existing media setup. The wireless subwoofer offers powerful bass and can be placed anywhere in the room, meaning you don't have to compromise on sound quality or space. Once you've heard Eastenders through this thing, there's no going back.



FALKE SOCKS

From £11, falke.com

It is a truism that, as a gentleman, you will receive socks on Christmas day. Most of those socks will soon become threadbare, widowed from their partner and forgotten. But not if they are from Falke. These finely-made foot-warmers will stand the test of time and you'll make damn sure they stay together as a happy couple long past Boxing day.

NOBIS TRAPPER HAT

£150, uk.nobis.com

Winter is coming. The winds are already beginning to howl around the base of the Walkie Talkie and soon the real blizzards will descend upon the City, forcing Berghaus jackets and thermal underwear out of hibernation. But as every good boy scout knows, the majority of heat is lost through the head. Protect yours with this super-warm, super-stylish trapper hat, which will make you feel like a cowboy, or a noir detective, or both.

VICTORINOX WINE MASTER

£135, victorinox.com

Stylish and practical, every gent should have one of these about his person, ready to whip the foil of a beaujolais at a second's notice. It's beautifully crafted, with a satisfying heft in the hand: the perfect gift for the oenophile in your life.

JOHNNIE WALKER TIMOROUS BEASTIES SPECIAL EDITION

£225, selfridges.com

Every whisky-drinker worth his or her salt will appreciate a nice bottle of Johnnie Walker Blue Label. But if you want to give them something extra special, consider this limited edition bottle designed by Glasgow Studio Timorous Beasties, which celebrates the natural fauna and flora of Scotland.

HANRO ROBE

£183, hanro.co.uk

If your loved ones don't own a quality dressing gown, then quite frankly they are doing winter all wrong. Correct that immediately with this super-luxe robe from the expert craftsmen at Hanro. Warm and soft, this will be your fella's perfect partner during the colder months.

ASPINAL OF LONDON HIP FLASK

£85, aspinaloflondon.com

A cosy robe isn't the only thing that can keep you warm this winter. Aspinal have this sumptuous double hip flask, which will allow you to seamlessly switch between brandy and whisky on the fly, as your mood takes you. It comes in various finishes, although we like this classic "cognac" leather.

POL ROGER CHAMPAGNE

£46, waitrosecellar.com

Never in the history of mankind has someone been disappointed when gifted a bottle of Champagne. There are, of course, gradients of impressedness, however, and we recommend plumping for a bottle of Pol Roger to make sure you score high on the scale. Wonderfully quaffable, this bottle is great for wolfing down immediately or storing in your cellar for a special occasion.

NYETIMBER CLASSIC CUVÉE

£34, mrwheelerwine.com

England's greatest success story when it comes to the small matter of grapes, Nyetimber's best-selling Classic Cuvée is a delicious premium fizz to rival anything grown by our neighbours across the Channel.

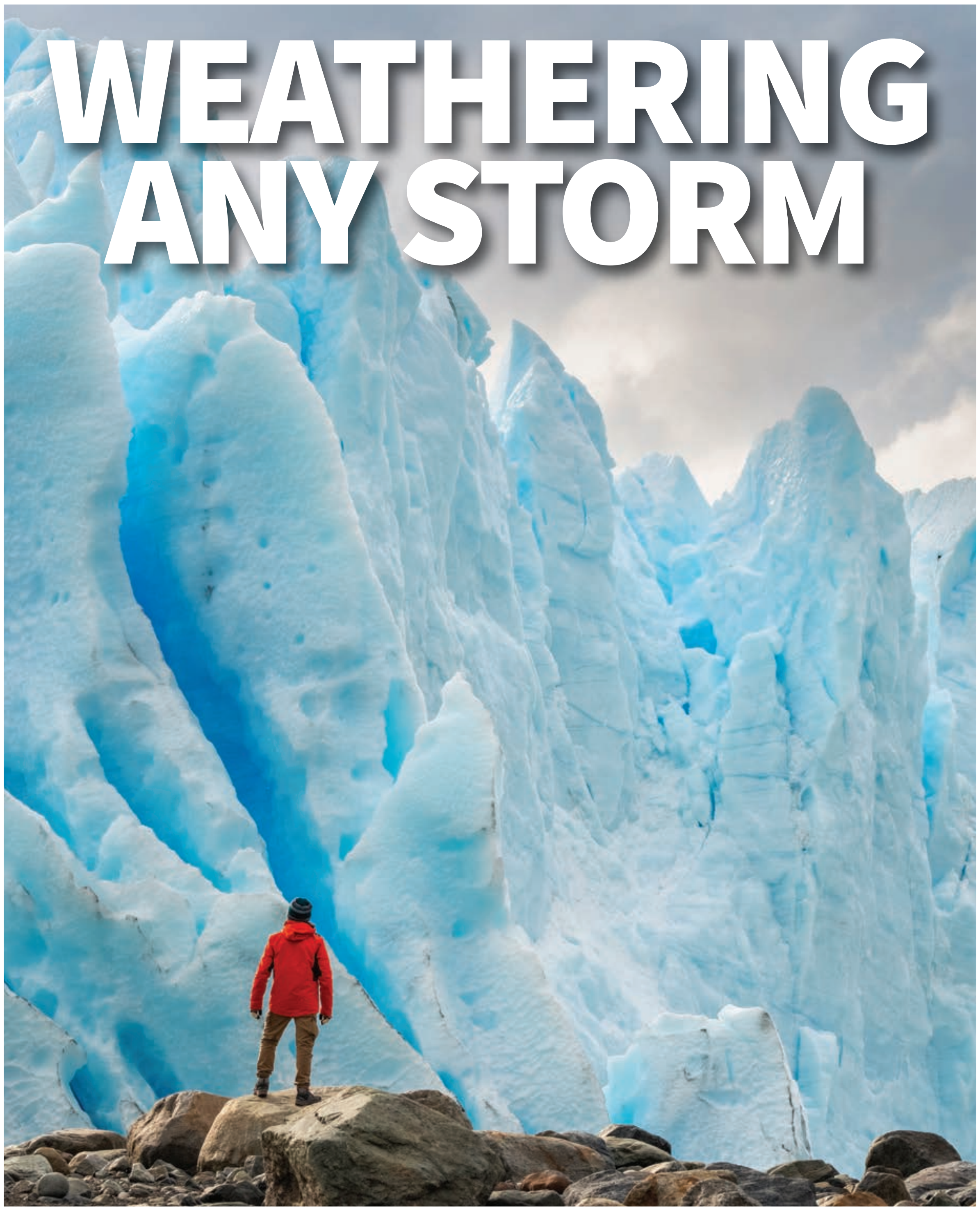
SEIKO 5 SPORTS

£280, seikowatches.com

Disrupting the Swiss hegemony, Japanese watchmaker Seiko has been selling watches since 1881. And it continues to impress to this day, as this handsome – and vaguely festive – watch can attest. With its stainless steel case, green canvas strap and textured green dial, it's exactly what we want in a sports watch: rugged design, stylistic flair and that all-important automatic movement.

FINANCE FEATURE

WEATHERING ANY STORM



How can banks factor in climate change without damaging the economy? **Rob Smith** explains

IN A FEW weeks, we will get the results of the UK bank stress tests, which is a measure of our biggest banks' ability to withstand the toughest of economic shocks.

In 2021, these tests will include a scenario on climate change. The regulator wants to know that our biggest financial institutions really can weather any storm without bringing the economy to its knees.

This means that, regardless of sea levels, banks have a hard deadline to really understand the extent of the risks that climate change might pose, and how to mitigate them.

So far in 2019 alone, the Bank of England has issued seven separate communications on the topic. The European Commission has also issued a raft of new rules for all types of financial services firms and is now looking at changing banks' capital requirements to take account of the increased risk climate change poses.

To think of climate change as a side issue is to underestimate the real, tangible risks for banks — and for the businesses and individuals that they finance.

When we think of climate change and financial services, we tend immediately to think of insurers and their exposure to natural catastrophes such as fires, floods or hurricanes. And it is true that insurers are, and will increasingly be, hit hard by changing weather conditions. Homes on flood plains, for instance, will become more difficult to insure.

But the impact on the financial services sector goes beyond just the insurance industry.

For example, will banks have to make mortgages for homes built on flood plains more expensive to factor in the increased costs resulting from climate change? Or will they refuse to offer mortgages for homes that are not built or adapted to the latest environmental standards?

In doing so, banks would be taking a leap towards discouraging environmentally damaging construction, factoring in the increased risk of climate change and putting a big tick against their environmental credentials.

However, the 40 per cent of Britons who don't yet own a home probably won't be cheering that approach. Neither will the people living in at-risk areas, who could see the value of their most prized asset plummet overnight. And what would it mean for our housebuilders, who are under pressure to build nearly four million new homes to ease the UK's housing crisis?

For every action, there is a reaction. And when it comes to balancing finance and the environment, the balance needs to be finely struck and carefully evolved.

While many argue that melting ice caps and rising sea levels are a very distant threat, let's think about the here and now.

In a recent KPMG poll, 70 per cent of the British public said that they care more about the environmental impact of their consumption than they did five years ago. And 62 per cent said that they look to corporate Britain to make sure their consumption is responsible.

This is leading to a change in corporate and public behaviour, which will have an impact on the value of the assets underlying the banks' balance sheets. Hotels are moving away from using plastic bottles, retailers from single-use bags, and even the transport industry is moving away from oil.

In Bristol, the council has proposed banning diesel vehicles from the city centre, and we can only expect to see more of this sort of initiative. Diesel and petrol cars will therefore lose

> **Will banks have to make mortgages for homes built on flood plains more expensive?**

value as they fall out of favour with the public and policymakers, and banks risk being left with a lot of high-risk loans and low-value cars.

Banks and regulators have worked hard to reduce consumers' use of car finance, but it still makes up a notable amount of overall consumer credit. If lenders start making it harder for those still producing, selling or buying non-environmentally friendly assets to get financing, it can have a huge impact on livelihoods and companies' ability to operate.

So at what point can banks really start to protect the environment and their reputation?

Changes must be made, but they must not be to the detriment of financing our economy in the short term. Britain needs a steady and considered transition towards a financial system that prices assets for the long term, and which sensibly incentives environmentally-responsible industry.

Rob Smith is a banking partner at KPMG UK.

What can the financial sector learn from cows?

NOBODY would travel with an out-of-date passport, so why should the world of finance be any different? And yet, many major institutions are at great risk of acting on outdated information as they navigate through the increasing complexity of modern-day markets.

With so much out-of-date information out there, it is imperative to know where data comes from and where it ends up. But despite the increasing importance of pure data to a bank's wellbeing, numerous companies are still struggling to become data-driven businesses.

According to research that we carried out across 15 tier one and tier two US and European financial institutions, 60 per cent said that poor quality and inconsistent data was a major barrier.

Given the era we operate in, this is a staggering finding.

What is even more staggering is that other industries which are far less complex than finance have proven that there is no need to carry the burden of poor data on their shoulders.

For example, did you know that every cow in the UK has a passport? From this, dairy farmers know who the cow's parents are, how many farms it has grazed on, which fields it has stood on, where its milk has been processed and by whom, even which batch of milk and cheese has ended up on each restaurant table.

Why is this so important? Well, one only has to look at the global rise in veganism to understand how concerned people are with what they put into their bodies.

Perhaps the financial industry should be taking a leaf out of the dairy farmers' book.

The question is: could a financial institution be 100 per cent confident of where its data comes from? Do they really know what other data has been linked to the original source, and who has manipulated it?

Banks are not just looking for the provision of a commodity like milk. The data affects their entire reputation as a business.

It is now paramount that a bank can see where the information has been. Data needs to be digitised, with no manual intervention on the content. The information also needs to arrive in the right format so that it can integrate easily into tools and workflows.

There is, however, no overnight utopia. Data will continue to be expensive, and with the market dominated by just a few firms, financial institutions need to ensure that they are getting maximum bang for their buck.

Having survived successive waves of technology-fuelled disruption, firms are finally adapting to change.

The sheer scale of information may not be something that the markets can control, but the provenance and traceability of data, including where it comes from and where it end up, very much can be.

After all, if a dairy industry can recognise the importance of customer health through in-depth data insights, so too can financial institutions.

Frédéric Messein is head of product propositions at SIX.

OFFICE POLITICS

Sorry seems to be the hardest word for businesses

Companies have no excuses when it comes to communicating bad news to customers

Mike Reed

EVERY business has to deliver bad news from time to time — whether it is a delay, a data breach, or a price hike. Of course, these can be tricky situations to navigate.

It's easy to sound good when you're telling people about the wonderful products and services that you offer. It's much harder when you're telling them that they're going to be four hours late getting home.

This is something that we get asked about a lot at my brand writing agency. Is it best to cushion the blow? Should we keep things formal when we're saying sorry? Here's what I think.

MISTAKES WERE MADE

It's tempting to fall back on safe, noncommittal language, or bury bad news at the end of a long email. But this can be a big mistake.

An obvious example is the "non-apology apology". When the Equifax breach compromised the personal details of 143m Americans (almost half the US population), this was the company's official statement: "Earlier this year, Equifax experienced a security incident involving a payroll-related service. The incident was reported to customers, affected individuals and regulators."

Reminding customers of the benefits that you offer can be wise if you're increasing prices — but drop the hard sell, fast

It's cold, passive, and doesn't really take responsibility for what went wrong. Unsurprisingly, it just made people angrier.

NOW IS NOT THE TIME TO BOAST

It can also be tempting to soften an apology by reminding customers of all the great things that you do. But that's tricky to pull off.

For instance, Ryanair delivered the news that it was shrinking its fleet — and therefore cancelling flights — with an odd boast: "Ryanair, Europe's largest airline, today confirmed it will slow down its growth this winter, by flying 25 less aircraft."

Reminding customers of the benefits that you offer can be wise if, say, you're increasing prices. But drop the hard sell, fast.

WINNER WINNER, CHICKEN DINNER

The best corporate apologies share two qualities: they sound human, and are consistent with the brand's standard communications.

You probably heard about KFC running out of chicken last year. Its response — a full-page ad in The Sun — was note-perfect: "A chicken restaurant without any chicken. It's not ideal. Huge apologies to our customers, especially those who travelled out of their way to find we were closed."

It's humble, honest, empathetic, and feels consistent with the brand's usual voice. It feels genuine, which turned a crisis into a triumph.

THE POWER OF PLANNING

So how do you deliver an apology this good? One essential tactic is to plan ahead. If a crisis hits, you want to be ready for it — not formulating strategies in a panic.

Tone of voice guidelines generally focus only on "good news". But we encourage our clients to explore a range of scenarios — the good, the bad, and the just plain boring — so that they're ready for anything.

Armed with the right strategy, saying sorry doesn't have to be a disaster. In fact, as KFC showed, it could be one of the best things that you ever do.

Mike Reed is founder and creative director at Reed Words.

HOLA, MI AMIGO

Tandem Language Exchange
Free

It may be December, but you still have a few weeks to achieve your New Year's resolution from the start of 2019 to learn a new language. Tandem claims that it can get users to fluency level in over 160 dialects. The app's USP is that it helps users learn a lingo by connecting them with native speakers from around the world. It also comes with an in-app translator.

COFFEE BREAK

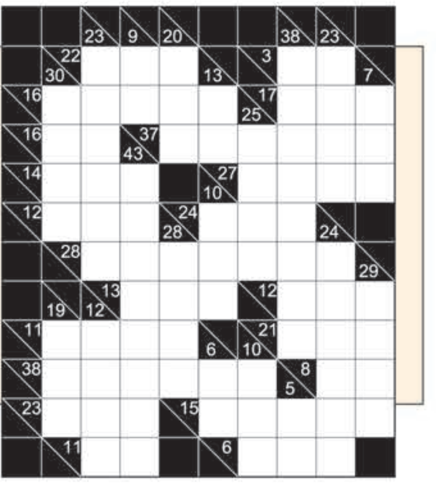
SUDOKU

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

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

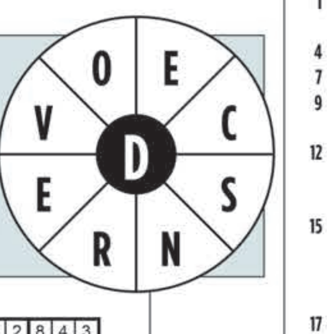
KAKURO

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

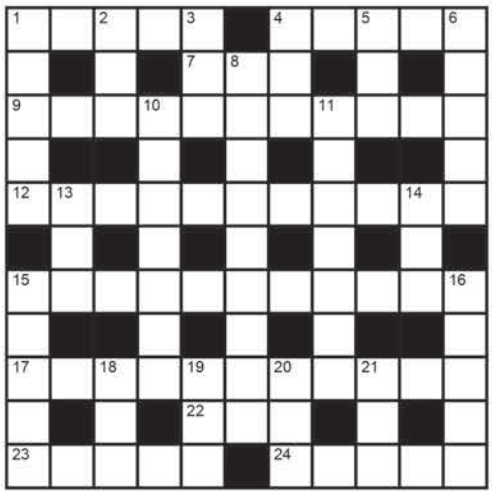


WORDWHEEL

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



QUICK CROSSWORD



ACROSS
1 Spicy tomato sauce (5)
4 Apostolic (5)
7 Her (3)
9 Of no significance (11)
12 Disrespectful mental attitude (11)
15 Roadside device triggered by fast-moving vehicles (5,6)
17 Think intently and at length (11)
22 Garment worn by Arabs (3)
23 Conduit for carrying off waste products (5)
24 Observed (5)

DOWN
1 Of an Arabic royal family (5)
2 Floral garland (3)
3 Venomous snake (3)
4 For every (3)
5 Pulse vegetable (3)
6 Measure equal to approximately 1.76 pints (5)
8 Bees' wax structure of six-sided cells (9)
10 Most modest (7)
11 Heat-related (7)
13 Tear apart (3)
14 Mongrel dog (3)
15 Fires from a job (5)
16 In front (5)
18 Fresh (3)
19 Organ of hearing (3)
20 Metal cooking vessel (3)
21 Perform (3)

LAST ISSUE'S SOLUTIONS

QUICK CROSSWORD

KAKURO

SUDOKU

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

WORDWHEEL

The nine-letter word was TACTFULLY

SPORT

Stakes are high for the British fighter's Riyadh rematch with Ruiz, writes **Michael Searles**

AJ'S ARABIAN NIGHT

BOXING has a tendency to over-promote the significance of its fights but for Anthony Joshua the magnitude of Saturday's bout in Saudi Arabia truly is career-defining.

The Briton will step into the ring to face Andy Ruiz Jr knowing that defeat will likely end his hopes of unifying the heavyweight division and leave him cast aside, another "what if" of British boxing.

Victory, however, would make him a two-time world champion and put a huge bout with Deontay Wilder next year back on the map.

"It's amazing how life works out," Joshua's promoter, Matchroom Sport supremo Eddie Hearn, told *City A.M.* at the stable's annual fight night at the Monte Carlo Casino last weekend.

"Six months ago, everyone was saying the dream's over. Now it's the biggest fight of the year – of the decade – and the biggest payday of AJ's career."

Joshua lost the WBA, WBO, IBF and IBO heavyweight belts to Ruiz at Madison Square Garden, New York, in June, having originally been scheduled to fight Jarrel Miller, who was banned in the build up for a doping violation.

Up stepped Ruiz with three weeks' notice and an unathletic build. His seventh-round knockout shook the boxing world and ended Joshua's undefeated reign, although the real damage had been done in the third round when Joshua went for glory himself.

"Wilder knocked out Breazeale [two weeks earlier] and Joshua definitely felt he needed to produce a grandstand finish in America," says Hearn.

"It was impossible to focus on Ruiz because no one took him seriously: not the media, not the fans. He still wanted to win, he still trained hard, but he was just thinking 'knock him out, look sensational, and then see if we can get the Wilder fight'."

> He still wanted to win, he still trained hard, but he was just thinking 'knock him out, look sensational'

This time around Joshua will not underestimate the 6ft Mexican who stole his crown and has geared his training more towards technique than strength and conditioning.

Having just had "one or two" sparring partners in the short build-up for Ruiz – it was "very difficult to get a 6ft chubby guy with speed", Hearn says – this time Joshua has had eight people in for the whole camp.

"I'm guessing he's deliberately done this, but it's a carbon copy of the Klitschko camp," says the promoter, referencing Joshua's watershed 2017 victory. "In a proper gym, with eight or nine sparring partners, using three of four over 12 or 15 rounds."

Both Joshua and Hearn dismissed a series of explanations for the loss to Ruiz, with Hearn suggesting his fighter's "head and heart" were not in the right place and that the short notice hindered planning.

"He's always been a student of the game, but he's an overthinker and when you haven't planned correctly, he's the kind of person where that would unravel and you may have seen that in the first fight," Hearn says.

"He wasn't in the frame of mind to solve that problem, whereas he's very regimental and if you tell him this is how you beat Ruiz, he's good at carrying out a game plan."

Joshua (main) will take on Ruiz (left) in the purpose-built Diriyah Arena on the outskirts of Saudi Arabia's capital Riyadh

Despite being 30, Joshua has only had 23 professional fights and 41 amateur fights, and is still "having to learn under the most pressured environment", Hearn adds.

His 24th pro fight is set to be crucial to the trajectory his career takes, but regardless of the outcome, it will also be his biggest payday to date by virtue of its location, a purpose-built 15,000-seater outdoor arena on the outskirts of Riyadh.

The original plan had been to fight in Cardiff, with Joshua accepting a 40 per cent pay cut on an American offer. But a reported £83m offer from Saudi Arabia blew both out of the water.

That has brought about its own issues, with questions over the country's human rights record and Amnesty International last week accusing the regime of trying to "sportswash" its image.

Still, around 4,000 British fans are expected to make the journey, including expats from Dubai and around 2,500 people from the UK.

Hearn has defended the decision to host the event there, pointing out the presence of sporting events such as Formula E and the PGA Tour, as well as brands like Gucci and Starbucks.

"You've got a fiduciary duty to your client to stage the event there," Hearn says. "What are you going to do? Present the numbers to your fighter and they go, 'right, let's go', and you say, 'I'm not comfortable with this, so I'm not going to be promoting this fight'. They'd go, 'alright then, f*** off, see you later'.

"No one has a right to tell a fighter in a sport like this where they can and can't fight for money. It was exactly the same with [Muhammad Ali fights] the Rumble in the Jungle and the rulership of Congo at the time, and the Thrilla in Manila and [Philippines president] Ferdinand Marcos."

The Essex-born promoter also defended a price increase from £19.95 to £24.95 to watch the fight on Sky Sports' pay-per-view Box Office platform and insisted it was a one-off, "outside of something like a Joshua-Wilder fight".

"Contrary to people thinking we own Sky, DAZN, we don't set the price," says Hearn, who still expects UK pay-per-view records to be broken.

"The first bell is at 9pm, which is a great time, and it's coming off the back of the Manchester [football] derby, so you've got that huge audience ready to migrate straight over to the AJ fight.

"It couldn't have worked out better. Now he's just got to win."

SPURS SUNK Rashford double hands Mourinho his first defeat

Marcus Rashford scored twice as Manchester United beat Tottenham 2-1 at Old Trafford last night to hand Jose Mourinho his first defeat as Spurs manager. United dominated the early stages and Rashford opened the scoring with a powerful shot which beat Paolo Gazzaniga at his near post. The Spurs keeper kept out Mason Greenwood and two shots by Rashford before Dele Alli produced a brilliant piece of skill to level before half-time. But Moussa Sissoko tripped Rashford soon after the break and the United striker converted the penalty to seal the points.

SPORT DIGEST

ABRAHAM RETURNS TO HELP BLUES BEAT VILLA

Tammy Abraham returned from injury to guide Chelsea to a 2-1 win over Aston Villa last night. Abraham, who missed Saturday's 1-0 defeat by West Ham through injury, headed the Blues in front early on before Trezeguet bundled in an equaliser. The Blues striker then chested down for Mason Mount to volley in and secure the points. Elsewhere in the Premier League, Leicester made it seven successive victories with a 2-0 win over Watford, Southampton beat Norwich 2-1 and West Ham lost 2-0 at Wolves.

GATLAND: ALTITUDE WON'T BE AN ISSUE FOR THE LIONS

Warren Gatland believes the British and Irish Lions will be able to cope with playing against South Africa at high altitude in 2021. The Lions will play the world champions in Soweto and Cape Town before finishing the eight-game tour in Johannesburg. "I am absolutely thrilled with how this schedule looks," said Gatland "It falls in a way that allows us to start at sea level before building up and acclimatising to the unique environment of playing at altitude."

WOMEN'S CHAMPIONS LEAGUE REVAMPED BY UEFA

The Women's Champions League will feature a group stage for the last 16 from 2021-22 season, it has been announced. Since 2009 the European competition has used a two-leg, knockout format from the last 32 onwards, but the change has been made as part of governing body Uefa's desire to double the reach and value tournament. The top six countries by ranking will all receive three qualification spots, meaning England's allocation will increase from two. "The game is growing," said director of competitions Giorgio Marchett. "So we think the time is right to do for women what we did for men many years ago."

PIUTAU SIGNS A NEW DEAL WITH BRISTOL BEARS

Bristol Bears fullback Charles Piutau has signed a new two-year contract with the Premiership club to run until 2022. Former New Zealand international Piutau's commitment to Bristol, 28, follows the signing of Fiji back Semi Radradra on a three-year deal from next season. "Charles is an outstanding team man and a world-class talent," said Bristol rugby director Pat Lam said.

SPENDING ON AGENTS GOES PAST £500M FOR FIRST TIME

The money football clubs spend on agent fees worldwide has risen to over £500m for the first time this year. Data from world governing body Fifa showed that $653.9m (£501m) has been spent on commissions to agents and intermediaries in 2019 so far – an increase of 19.3 per cent on the previous year. Fifa said 80 per cent of that total was paid by clubs from Italy, England, Germany, Portugal, Spain and France combined, although England's outlay dropped by a third.

Reds rest, rotate and roll on undeterred

Much-changed Liverpool still streets ahead of Everton in derby, writes **Felix Keith**

SOME might have questioned Jurgen Klopp's wisdom when they saw the Liverpool teamsheet he turned in to face Everton in the Merseyside derby last night.

With a daunting and draining festive fixture list lying ahead, Klopp has decided rotation is his only option. The clash with their rivals from across Stanley Park represented the fourth of 12 games Liverpool have to play between 23 November and 2 January, with Premier League, Champions League, Carabao Cup and Club World Cup matches piling up.

When you are sitting pretty at the summit of the Premier League, eight points clear of your nearest rivals and in a brilliant position to win the club's first league title since 1990, injuries cannot be allowed to derail you.

Balancing local bragging rights with the bigger picture saw Klopp settle on five changes to his starting line-up. Adrian came in for the suspended Alisson in goal, but the fresh legs of James Milner, Adam Lallana, Xherdan Shaqiri and Divock Origi were all in on the manager's say so.

Klopp cited "respect" for the occasion and the "intensity" of the tie as his reasons. He soon proved the naysayers wrong, as his second-string side outplayed an Everton team fighting for their lives at the opposite end of the Premier League table.

Origi (pictured) holds a unique place in the hearts of Liverpool fans. He's a back-up striker, using sparingly behind the holy trinity of Roberto Firmino, Sadio Mane and Mohamed Salah. And yet he's so much more.

PREMIER LEAGUE

LIVERPOOL	EVERTON
5	2
Origi (6', 31'), Shaqiri 17', Mane 45', Wijnaldum 90'	Keane 21', Richarlison 45+3'

He's a certified scorer of big goals. A 96th-minute winner against Everton in a cherished 1-0 league win last December. Two in the second leg of the Champions League semi-final on an unforgettable night at Anfield to come back from 3-0 down on aggregate against Barcelona. And, for good measure, one to wrap up the 2-0 win in the final against Tottenham.

For a man who has picked his moments so well, his two strikes in a 5-2 victory over a struggling Everton side doesn't even get on the podium. But they were important nonetheless, helping to dispatch his team's bitter rivals – and perhaps their manager, Marco Silva, too – and maintaining Liverpool's stranglehold on the title race. With every passing game that eight-point gap looks more and more unassailable. Of course Origi was no one-man band, and with Firmino and Salah rested it was Mane who ran the show for the red-hot Liverpool attack. His perfectly-weighted through ball which sent the Belgian striker around the hapless and helpless Jordan Pickford was a work of art, and he repeated the trick to give Shaqiri the simple task of making it 2-0.

Everton defender Michael Keane did grab a goal back from a set-piece, but Origi's second – from an inch-perfect, quarterback-style ball straight over the top from Dejan Lovren – was another hymn to simplicity, the striker taking a silky first touch to control and then gently lifting it over Pickford to make it 3-1.

> With Firmino and Salah rested, it was Mane who ran the show

Mane swept in a flowing counter-attack which owed much to Trent Alexander-Arnold's athleticism, adaptability and vision, and while Richarlison's diving header ended an entertaining first half and gave Silva hope, nothing materialised for the away side. Instead, Firmino rubbed salt into the wound when he climbed off the bench and set up Georginio Wijnaldum to power in a fifth.

While Southampton's win over Norwich sent Everton into the relegation zone, Liverpool's win – in which Salah was not required at all and of which Firmino played just 21 minutes – maintained their complete authority in pole position. Over 94 minutes, the contrasting fortunes of Liverpool's two sides were laid bare.