Coronavirus fears infect stock market

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WALL Street followed European and UK stocks into the red last night, as coronavirus fears continued to heighten.

The benchmark 10-year Treasury yield hit its lowest level since October, while the Dow Jones index and S&P 500 both fell 1.6 per cent. The FTSE 100 lost 2.3 per cent, its biggest fall in three months, with luxury stocks hit particularly hard. Burberry fell 4.8 per cent and LVMH fell 3.7 per cent.

Fears that the spread of infection could lead to a global health emergency saw Brent crude dipping below $60 a barrel, its lowest level in three months.

Traders are now being forced to guess when pricing in future risks, with John Higgins, chief market economist at Capital Economics, saying: “We simply don’t know how it will evolve.”

Coronavirus has caused fresh worry for investors after China postponed its Lunar New Year holiday by three days to halt the spread of illness.

Yesterday, the death toll rose to 81 as the number of confirmed cases neared 3,000. Nearly 60m people have been affected by lockdowns in cities.

The Department of Health and Social Care yesterday said that 73 people in the UK had been tested for the virus, all of whom came back negative.

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HOWZAT?

JAMES WARRINGTON
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THE CITY was plunged into a row over workplace chatter yesterday after a top management body urged firms to crack down on office conversations about football and cricket.

Former sports minister Tracey Crouch fired back at calls for sporting squabbles to be curbed to ensure women were not excluded, branding it “absolute nonsense” and a “pity patronising look at women and sport”.

It came after Ann Francke, chief executive of the Chartered Management Institute, said banter could divide offices and pave the way for more laddish behaviour.

“A lot of women, I can’t stress enough,” she said. “They don’t follow these sports and they don’t like either being forced to talk about them or not being included.”

Speaking to the BBC, Francke warned idle chatter about topics such as video assistant refereeing (VAR) could escalate into more unsavoury subjects.

“It’s very easy for it to escalate from VAR talk and chat to slagging each other on the back and talking about their conquests at the weekend.”

“It’s a gateway to more laddish behaviour and — if it just goes unchecked — it’s a signal of a more laddish culture,” she said.

But Crouch, who is also a FA-qualified football coach, told City A.M. that the notion of banning any topic of conversation was “taking it too far”.

“I think the conversation should be more about self-awareness and whether or not topics of conversation are making people feel uncomfortable,” she said.

The comments sparked controversy over whether the management guru was perpetuating an “antiquated” view of women’s attitude towards sports, as well as overshadowing more pressing concerns about workplace inclusion.

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THE CITY VIEW: P2

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Coronavirus fears infect stock market

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ANALYSIS: P21

RELAXING ISN’T EASY

Some people need to do something before they can do nothing.
So why would it be any different on holiday?
This summer, try waterskiing, tennis, cycling, windsurfing and more, before hitting the sun lounger.
And then relax. It feels even better when you’ve earned it.
Welcome to all-you-can-do holidays.
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The world as you know it relies on energy and the demand is ever-growing. To meet these expectations we’ve pushed our on-time delivery to 99.9%, so that, whether it’s driving economies, powering communities or simply printing this publication, the world can rely on us.

THIS IS REAL ENERGY. THIS IS ARAMCO.
Management gurus drop the ball this time

England’s cricketers haven’t made a habit of winning Test matches abroad recently, so the 3-1 series victory over South Africa is cause for celebration — not least due to the arrival on the international scene of Ollie Pope and a sign that we might have found openers who can keep us in a game beyond the first morning. Of course, if you were to comment on this in the office, you could be guilty of making women feel uncomfortable — or so the boss of the heterogeneous sensitive Chartered Management Institute yesterday insisted, as she called for bosses to crack down on sports chat in the workplace. “It’s very easy for it to escalate from VAR talk and chat,” Ann Francke said, referring to the new video referee in the Premier League, “to slapping each other on the back and talking about their conquests at the weekend.” Here we can offer a word of advice to anybody considering discussing their “conquests” in the office: don’t. But nor should chat be so rigorously (and ludicrously) policed. This hypersensitivity feels counterproductive and unnecessary. Quite apart from the fact that her comments are remarkably patronising towards women (tell Katarina Johnson-Thompson or Jo Konta that women are alienated by sport talk), what about people who don’t watch Love Island? “I have nothing against sports enthusiasts or cricket fans,” Francke explained. “But the issue is that many people aren’t cricket fans.” What about colleagues who couldn’t care less about politics, Poldark or Harry and Meghan? What other topics does the Chartered Management Institute consider an unexploded workplace grenade? Perhaps it might like to give us an approved list of conversational topics which are universal — the weather, perhaps, or the state of the trains, though the latter would no doubt risk alienating cyclists. The increased awareness in recent years of the need to cultivate an inclusive workplace is entirely welcome, and there are many businesses which have made huge strides in their workplace culture and, doubtless, some that still have a long way to go. There is certainly still work to be done in some corners of the City: the damning report into behaviour at Lloyd’s of London, for one, should be a reminder that some institutions aren’t where they should be. But Francke is guilty here of making a mountain out of what barely amounts to a molehill. The best we can say of her intervention is that it’s given us something to talk about — other than the cricket.

What about people who don’t watch Love Island?

Property sector drives up level of distressed firms

A Spike in struggling real estate and property firms has driven the number of UK businesses in significant financial distress up to almost 500,000, hitting the highest level since records began 16 years ago. Research published today showed that the number of firms facing significant difficulties has soared 81 per cent since 2016, reaching 494,000 in the fourth quarter of last year as ongoing political uncertainty pushed a record number of companies into financial distress. Real estate and property companies in significant financial trouble have jumped 13 per cent in a year to 53,000, according to research by restructuring firm Begbies Traynor. Some of the UK’s biggest landlords — including Intu, Hammerson and British Land — have seen their rental income drop recently as their retail tenants continue to struggle. Meanwhile, the number of retail firms in distress increased two per cent to 31,615, following the “worst year on record” for the UK high street. The latest figures from the British Retail Consortium showed that overall annual sales dipped for the first time since 1995 last year. The number of distressed online retailers spiked eight per cent over the year, suggesting that e-commerce brands did not escape the troubles facing their bricks and mortar rivals on the high street. The support services and construction sectors were also among the industries with the most distressed companies, while across all the sectors new businesses registered since 2014 were the worst impacted. Julie Palmer, partner at Begbies Traynor, said: “Businesses and the UK economy as a whole will want to avoid a repeat performance of 2019, where distress increased to record levels on the back of ongoing uncertainty around Brexit. “These figures clearly demonstrate the impact of this indecision, and with political certainty and a clear Brexit path, UK businesses should, at last, be able to plan for 2020 with a greater sense of clarity.” Palmer added that the restructuring firm were not yet sure if the failing performance within some sectors was due to short term confidence issues, or more fundamental economic and structural issues. The data also highlighted the disparity between London and the rest of the UK. There were 126,000 businesses in distress in the capital, while in the other UK regions more than 358,000 firms were in trouble.

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FINANCIAL TIMES

AIRBUS CLOSE TO SETTLING CORRUPTION PROBES

Airbus is on the brink of settling a bribery and corruption probe with regulators in the UK, France and the US, in a move that could see the aerospace group pay billions of dollars in penalties. A deal is expected in the coming days, according to people familiar with the matter, with analysts forecasting fines of more than €3bn (£2.53bn) to follow the complex negotiations between the three agencies.

FCA: HIGH-SPEED TRADING IMPOSES $5BN TAX

UK market regulators have calculated that aggressive high-speed traders beating the rest of the stock market to deals amounts to a “tax” of €42,000 for every 1€bn traded, that when extrapolated globally amounted to about $5tn.

THE WALL STREET JOURNAL

ARCONIC MULLS CUTS DUE TO BOEING PRODUCTION

Arconic yesterday said it expected to lose $400m (€306.4m) in sales and cut 75% of staff this year as a result of Boeing’s halted production of the 737 Max. Chief executive John Plant said yesterday that uncertainty over 737 Max production is the biggest challenge facing Arconic in 2020.

JOHNSON & JOHNSON BOSS TESTIFIES IN COURT CASE

Johnson & Johnson chief executive Alex Gorsky testified in court for the first time in litigation over the safety of the firm’s signature baby powder yesterday, saying the company has taken steps to ensure it is safe to use.

THE DAILY TELEGRAPH

FBI CLAIMS PRINCE ANDREW HAS FAILED TO COOPERATE

The Duke of York has given the FBI “zero cooperation” following its requests for an interview about his friendship with Jeffrey Epstein, Geoffrey Berman, a US attorney, said federal prosecutors and the FBI had asked to interview the Duke about the late paedophile billionaire, but had been met with a wall of silence.

HIGHWAYS AGENCY FACES CRIMINAL INVESTIGATION

Highways England is facing a police probe over deaths on smart motorways after government ministers claimed safety warnings had been repeatedly ignored.

THE TIMES

EU DEMANDS ITS JUDGES KEEP CONTROL POST-BREXIT

Brussels is demanding that European judges have the power to rule on any post-Brexit agreement with the UK, an internal Brussels diplomatic document, seen by the Times, reveals that the EU will insist that the European Court of Justice be able to enforce the terms of a trade, fishing and security deal.

FCA RETIREMENT ARM FINED BY PENSIONS REGULATOR

The retirement scheme of the Financial Conduct Authority has been fined by the Pensions Regulator as a rare instance of one watchdog taking its fire on another. The authority’s pension plan has been handed a £2.02m penalty.

WHAT THE OTHER PAPERS SAY THIS MORNING

beating the rest of the stock market to deals amounts to a “tax” of €42,000 for every 1€bn traded, that when extrapolated globally amounted to about $5tn.

HOMEOWNERS PREDICTED TO BE WORSE OFF UNDER B dint of the Review

The chancellor has faced a wave of criticism for the £1bn package for small business. The package includes an increase in the small business rate relief threshold, but many feel it will benefit only the largest businesses.
BORIS Johnson has said he will not block "technological progress here in the UK", in a further signal the government is poised to give Huawei a limited role in the country’s 5G rollout.

The National Security Council is thought to be meeting today, where a decision is expected to be signed off on whether to use the Chinese firm’s equipment.

The Prime Minister, shrugged off criticism from former Foreign Affairs Select Committee chair and Tory MP Tom Tugendhat yesterday over the pending decision, insisting that letting the tech giant be involved in the UK’s 5G network would hand power to the Chinese government.

But, in doing so, he effectively confirmed that Huawei would get a role in constructing the 5G infrastructure, noting there was “a very, very important strategic win” for the UK.

He said: “The way forward for us clearly is to have a system that delivers for people in this country the kind of consumer benefits that they want through 5G technology... but does not in any way compromise our critical national infrastructure.”

Johnson also said that any 5G rollout would not pose a threat to national security or jeopardise the UK’s ability to work with foreign intelligence powers.

“The Five Eyes security relationships we have, we’ve got to keep them strong and safe,” he added.

Last week, City A.M. revealed that the government was leaning towards limited access for Huawei, with restrictions around not just the extent of its involvement — keeping the firm out of the more sensitive “core” network — but also to avoid fostering a market monopoly.

Campaigners warn sports chat row could be serious distraction

“...assumes that women aren't interested in talking about football, which reinforces gender stereotypes and simply isn’t true,” said Chris Paouros from the Women’s Equality Party.

“If there are women or other groups who feel excluded by topics of conversation in a workplace,” said Kent MP Crouch: “patronising”

problem is the organisational culture and most likely a lack of diversity within the organisation.”

Sarah Douglas, chief of AMV, added: “Banning or putting a gender filter over sports chat sets the feminist agenda back a few thousand light years. What matters is connecting in a meaningful way with each other. Bants will always have a place in my heart as long as it is conducted with integrity and by humans cognisent enough to put boundaries on unacceptable cliches and tropes.”

We’ll pay £7,000 to turn your white van green

The Mayor of London, Sadiq Khan, has launched his latest van scrappage scheme to help tackle London’s toxic air.

If you’re a small business or a sole trader with a polluting van, you could now get £7,000 which you could use to trade up to a Euro 6 vehicle. Or, if you trade up to an electric vehicle, £7,000 plus an additional £2,500 towards running costs.

The scheme is now open to businesses with up to and including 50 employees.

To see if you’re eligible and apply, search TfL Scrappage.
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ON YOUR BIKE  Both Amazon and Deliveroo dismiss competition probe as ‘speculative’

TALKTALK EXECUTIVE BRINGS GENDER CASE TO TRIBUNAL

A former manager at TalkTalk has brought a gender discrimination case against the firm, which started yesterday. Rebecca Burke was unexpectedly made redundant in 2017 after two years in senior roles at TalkTalk. Burke claims the firm “let slip” that her £110,000-a-year salary was 40 per cent less than her three male counterparts. Her potential bonus was reportedly 50 per cent lower than the male programme directors. The telecoms firm said it would “strongly” refute the allegations and that the company does not tolerate gender discrimination, according to the Financial Times. The case at the Central London Employment Tribunal will continue today after it was adjourned for the gathering of more legal documents.

UK restructuring firm parachuted in on Flybe talks

Alex Daniel
@alexmdaniel

Ministers have brought in advisers to help negotiate a government loan to struggling regional airline Flybe, despite insisting the rescue deal will not constitute state aid.

Avances & Manal (A&M) has been tasked with advising the Department for Transport (DfT) in assessing the basis for a commercial loan, according to Sky News.

The company, a specialist in corporate restructurings, was involved in talks between Flybe and Whitehall officials last week.

Any loan is expected to come to more than £100m.

It comes after Flybe implored regional airports to give it more time to find millions of pounds it owes them in unpaid landing fees last week.

Europe’s biggest regional airline held crisis talks with airports including Birmingham, Glasgow, Aberdeen and Southampton.

This is despite the government deferring a £10m air passenger duty (APD) tax bill earlier this month — on top of the £100m loan — to help keep the airline afloat. Sources told the Sunday Telegraph that Flybe, which is backed by billionaire Sir Richard Branson, had “got out its begging bowl”.

Flybe enraged rivals including Ryanair and British Airways earlier this month.

British Airways owner International Airlines Group (IAG) filed an official complaint to the European Commission, suggesting Flybe had received unfair state aid.

IAG boss Willie Walsh also said the rescue was “a blatant misuse of public funds”.

Meanwhile, Ryanair boss Michael O’Leary threatened to sue the government over deferring the APD tax bill.

He demanded the “tax holiday” be extended to the rest of the industry. But chancellor Sajid Javid last week dismissed the complaints.

He said he agreed to delay the APD payment was a “standard Time to Pay arrangement... because of their short-term difficulties.”

The DfT declined to comment.

City must fix training and culture to remedy talent and skills crisis

Harry Robertson
@harrygrobertson

Financial services firms face a staffing crisis if they do not improve workplace culture, purpose and diversity and better train their existing employees, a Treasury-commissioned report has found.

The City has been left struggling to adapt as the top graduates are increasingly choosing the tech sector over financial services and the changing nature of the banking industry requires workers to quickly develop new skills.

The report from the Financial Services Skills Taskforce today found a major part of the problem is that students do not see the finance sector as creative and dynamic. Prospective workers are also put off by a growing perception that finance does not benefit society, it said.

The City struggles to keep its current workers well-suited to jobs that are increasingly disrupted by technology such as mobile banking. The sector has the third-lowest spend per employee of all UK sectors.

Scottish Mortgage Investment Trust

IN BRIEF

Scottish Mortgage Investment Trust

WHO SAID THE SKY HAD TO BE THE LIMIT?

UK ROLLS OUT NEW LAWS FOR SECURITY ON SMART DEVICES

The government yesterday unveiled new laws to help protect millions of internet-connected household devices from the threat of cyber attacks. The measures mean all consumer smart devices sold in the UK will have to adhere to three security requirements. Under the new legislation, all internet-connected passwords must be unique, with users unable to reset them to any universal factory setting. Manufacturers will also be obliged to provide a public point of contact for reporting security flaws and must explicitly state the minimum length of time for providing security updates. The plans by the Department for Digital, Culture, Media and Sport, come amid a rise in the number of connected devices, known as the Internet of Things (IoT).
British banks approved the most mortgages in four years in December, data from banking body UK Finance showed yesterday, in the latest sign of green shoots in the UK economy.

Yet mortgage lending in the UK fell in 2019 overall as Britain’s housing market struggled under the weight of Brexit uncertainty, according to the statistics.

Uncertainty over what form Brexit would take put people off making big-ticket purchases last year, causing a rocky year for the housing market.

Boris Johnson’s thumping election victory in December provided some certainty over Brexit, however, causing house prices to jump in the final month of the year according to building society Nationwide’s gauge.

Mortgage approvals for house purchases hit 46,815 last month, the most since August 2015, chiming with indicators which have shown an economic uptick since the election.

However, yesterday’s data also showed that banks and building societies lent a total of £265.8bn in 2019, down 1.1 per cent year on year.

The number of mortgages approved rose 7.4 per cent to 982,000 in 2019 compared to 2018. Approvals for re-mortgages were 7.9 per cent higher over the same period.

“Transaction levels and overall lending volumes in 2019 were still low by historical standards, but in the circumstances they held up exceptionally well,” said Sam Harhat, head of financial services at Andrews Property Group.

Samuel Tombs, chief UK economist at consultancy Pantheon Macroeconomics, said that the rise in optimism following the General Election was yet to fully show up in the data.

“The additional boost to approvals from the result of the general election still is to come,” he said. “All the evidence so far points to a further rise in demand.”

UK Finance’s data also showed that credit card spending rose 7.3 per cent to £11.8bn in December 2019 compared to the same month a year earlier. The group said credit card borrowing has slowed since 2016.

Casper Sleep has said it expects its initial public offering (IPO) valuation to be well below the $1.1bn (£842m) it had commanded in a recent funding round.

In a regulatory filing in New York yesterday, Casper said it expects its offering of 9.6m shares to be priced between $17 and $19 per share. At the top end of this range, this would mean the IPO raises $182.4m, giving the company a valuation of $768m.

Casper had been valued at $1.1bn in a funding round in March 2019. Launched in 2014, Casper is among the online mattress retailers that have squeezed traditional industry players by targeting urban millennials.

Its investors include Leonardo DiCaprio and rapper 50 Cent.

The listing will be seen as a test of US investor appetite for loss-making companies with lofty valuations, which have been largely been shunned following WeWork’s abortive IPO attempt last year.
CATHERINE NEILAN
@CatNeilan

THE GOVERNMENT has signalled there will be no more formal consultation with business groups on immigration policy as it begins drawing up a new system for the post-Brexit regime.

Instead, ministers are now set to rely on a long-awaited report from the independent Migration Advisory Committee (MAC) which will be unveiled in Westminster today. It is understood that the bill will be brought forward in March.

Although Downing Street has remained tight-lipped about what it might look like, it is thought Boris Johnson is keen to scrap the proposal of a salary threshold of £30,000 that was touted under Theresa May.

The proposed net migration target, which May had insisted remain in the face of widespread criticism, is also expected to be shelved. However there is no suggestion that there may be a U-turn over seasonal or low-skilled workers, which the service industry relies on.

Asked by City A.M. if business would be consulted ahead of publication of the immigration bill, a spokesman stressed government would be heavily leaning on recommendations from the MAC’s “expert panel”.

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Number 10 wraps up consultation with business on immigration rules

Catherine Neilan

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Government hints at tax breaks in big boost for news publishers

James Warrington
@j_a_warrington

The government has hinted that it will consider a range of potential tax breaks for news publishers, marking a much-needed boost for the industry amid competition from tech giants.

A major review into the future of UK journalism funding last year set out recommendations to help level the playing field and sustain high-quality reporting.

In a response issued yesterday, the government threw its weight behind the majority of the suggestions, though a top industry body said the response did not go far enough.

The government said it supported the introduction of tax reliefs for publishers, as well as a new code of conduct to rebalance the relationship between publishers and social media platforms.

The proposed net migration target, which May had insisted remain in the face of widespread criticism, is also expected to be shelved. However there is no suggestion that there may be a U-turn over seasonal or low-skilled workers, which the service industry relies on.

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Downing Street unveils EU trade team Taskforce

Catherine Neilan
@CatNeilan

The Prime Minister’s sherpa David Frost will head up trade talks with the EU following the UK’s exit this Friday, Downing Street has confirmed.

Frost, who secured the 11th hour withdrawal agreement with Brussels that paved the way for Commons approval for a final deal, will head up a “small and agile” team of around 40 called Taskforce Europe.

City A.M. revealed Frost would be leading the EU side of trade talks last week.

He will report directly into Boris Johnson, with deputies working within the Foreign Office and Treasury.

The Department for Exiting the EU will cease to exist from 11:01pm, the Prime Minister’s official spokesman confirmed.

However it remains unclear what will happen to Brexit secretary Steve Barclay, who is seen as a loyal and effective minister.

It is thought Barclay will be handed a new role at the impending cabinet reshuffle, where a number of female ministers are likely to lose their jobs.

One of the top priorities for Frost’s team will be fishing, one of the totemic issues to have emerged during the 2016 referendum, and is one of the first scheduled to be concluded.

Irish Taoiseach Leo Varadkar (pictured) last night upped the rhetorical ante by telling the BBC’s Laura Kuenssberg he believes the UK has “yet to come to terms with the fact it’s now a small country” and that the EU would have the “stronger team” in trade negotiations.

Varadkar’s Fine Gael party trails in some recent polls ahead of an early February general election in the Republic.

FORMER chancellor of the exchequer Philip Hammond has joined small business lender Oaknorth as an adviser, it was announced yesterday. The ex-Treasury boss will work on the issue of small and medium-sized firms’ access to loans.

Philip Hammond joins fintech scaleup Oaknorth in advisory role

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Treasury chest

Philip Hammond joins fintech scaleup Oaknorth in advisory role

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TREASURY CHEST Philip Hammond joins fintech scaleup Oaknorth in advisory role

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Oil stocks sink as coronavirus hammers prices

**EDWARD THICKNESSE**

Oil prices continued to tumble as fears over the coronavirus outbreak driving down demand for fuel. Brent crude fell over three per cent to hit $58.17 its lowest levels since October, after sixth straight sessions of decline. At one point it dropped below $58. West Texas Intermediate also fell by the same margin to touch per cent to $52.60.

China is the world’s largest importer of oil, so a slowdown in demand has the potential to derail prices.

Energy minister prince Abdulaziz bin Salman said markets are being “primarily driven by psychological factors and extremely negative expectations adopted by some market participants despite [the virus’s] very limited impact on global oil demand”.

The minister pointed to the limited impact of the virus outbreak in 2003 to try to reassure the market as to its robustness.

Opec, the oil producer cartel, are set to meet again at the beginning of March to discuss further output cuts. The group have reportedly already begun informal talks on the action it may take to prop up prices.

Petra Diamonds revenue falls as slowing demand damages sales

**EDWARD THICKNESSE**

Petra, which owns four mines across South Africa and Tanzania, said that a combination of lower prices and an “adverse product mix” at Finsch and Williamson mines, was responsible for the drop.

Shares fell 8.8 per cent yesterday.

ITM Power loss widens amid venture hopes

**EDWARD THICKNESSE**

ITM Power yesterday reported a widened interim loss due to legacy issues related to the firm’s Shell Refyne project.

The company, which manufactures hydrogen fuel storage cells, fell to a £8.3m loss, 84 per cent higher than last year’s £3.4m loss. This came despite ITM doubling its revenue to £4.4m.

The firm said that its new joint venture with Irish manufacturing giant Linde will be “transformative” for the company.

The joint venture will focus on delivering green hydrogen to large scale industrial projects, and will diminish ITM’s exposure to future deployment risk and allow it to focus on its own developments.

So far the partnership has seen ITM raise £58.8m, which the firm said it had used to fund the continuing development of its five-megawatt electrolyser module.

As a result of the deal the firm’s pipeline is now worth £248m, with 37 projects worth £6.7m each.

Shares in ITM fell nearly seven per cent yesterday to 101.5p.

Energy sector needs to recruit 117,000 people by 2030 to hit its 2050 targets

**EDWARD THICKNESSE**

THE ENERGY sector will have to recruit 117,000 people in the next decade if the UK is to hit its net zero targets by 2050.

According to new research published today by the National Grid, in total the UK will need to fill 400,000 jobs by 2050 to ensure it makes the transition successfully.

The total number combines both jobs which will need to be created, which number 260,000, whilst 140,000 will be to replace those who have left the workforce.

Over 180,000 of the jobs will become available in the north of England, whilst 48,000 new roles will need filling in Scotland.

In the next decade, 65,000 roles will be available for data analysts to forecast energy demand and engineers with expertise in renewables. The remaining 52,000 will be needed to replace workers set to leave the sector, as 20 per cent of the current energy sector workforce is set to retire by 2030.

Nicola Shaw, executive director of the National Grid, said: “Our research shows that to deliver net zero, the energy industry needs to recruit hundreds of thousands of people over the next 30 years — and that really is the tip of the iceberg in terms of the wider impact of net zero across other industries.”
Secret Cinema notches Disney deal

JAMES WARRINGTON

SECRET Cinema yesterday said it has signed a multi-title agreement with Disney to bring some of the entertainment giant’s biggest hits to life in London.

The immersive cinema company said the first shows will premiere in the capital this year, with plans to expand to Los Angeles and New York.

Secret Cinema was launched in London in 2007 and has since staged over 70 productions, transforming films into a live music, art and theatre show.

While the firm did not name the titles involved in the deal, Disney’s slate of movies includes Marvel blockbuster such as Avengers and the Star Wars franchise.

In 2015 Secret Cinema staged a production of Star Wars: The Empire Strikes Back, while other hits have included Stranger Things and Shawshank Redemption.

“Working with The Walt Disney Studios is much more than access to a treasure trove of titles, it’s about bringing together a unique combination of skills and expertise to build even more authentic and amazing experiences, raising the bar again for what we mean by immersive cinema,” said Secret Cinema chief executive Max Alexander.

UK listing rules dent demand as floats slide

ANNA MENIN

INCREASED regulatory burdens and listing requirements are denting private companies’ appetite to list in the UK, a new survey has found, as the London market grapples with weakened demand.

Last year marked the London Stock Exchange’s quietest year since 2009, with just 36 companies listing on the exchange, while the number on Aim slumped to a 15-year low.

Three-quarters of small and mid-cap quoted companies and fund managers are concerned that this trend towards de-equitisation — where the amount of equity within a market shrinks — is having a detrimental impact on the UK stock market, according to a survey by broker Peel Hunt and the Quoted Company Alliance (QCA).

Respondents raised concerns that declining numbers of initial public offerings (IPOs), coupled with the larger volume of share buy-backs, cash acquisitions and deals taking listed firms private was reducing liquidity in UK capital markets.

“The sun set on the UK’s public equity markets in 2019. The number of IPOs and companies leaving the markets in 2019 was stark and action is needed from UK policymakers and regulators to reverse the de-equitisation trend in 2020,” said QCA chief executive Tim Ward.

Some 60 per cent of companies surveyed said burdensome listing requirements were helping to shrink capital markets in the UK, while 57 per cent of fund managers blamed the availability of cheap capital from private equity and venture capital.

“As we approach Britain’s formal exit from the EU as, without efficient, liquid and well-stocked public markets, the UK’s standing as a global financial centre in a post-Brexit world could well be at risk,” said Peel Hunt boss Steven Fine.

Gresham House lifted by strong organic growth

ANNA MENIN

ALTERNATIVE asset manager Gresham House yesterday said it was boosted by strong organic growth in 2019, with assets under management (AUM) rising over 20 per cent despite market volatility.

In a trading update issued yesterday, Gresham House’s said its AUM climbed 20 per cent and reached at least £2.75bn by the end of 2019.

Trading and financial performance in the second half of the year were both in line with expectations, it added.

“We have continued to deliver against our strategic priorities; growing organically, integrating acquisitions, and using our balance sheet effectively to develop the business and align with the interests of our clients,” said chief executive Tony Dalwood.

The asset manager said it successfully integrated two acquisitions from 2018 of fund managers FM and Livingbridge during the year, and that both were performing in line with Gresham’s strategy.

Its Gresham House Energy Storage Fund has successfully raised the £200m outlined in its initial public offering prospectus, it said, while its British Strategic Investment Fund had a further close for institutional and wholesale clients.

Dalwood said the company was “well positioned to benefit from the increasing focus on impact and sustainable investments and, alongside the strong performance of many of our products, we are excited for 2020 and beyond.”

Shares in the Aim-listed asset manager rose 1.7 per cent to 661p yesterday.

Gresham House is due to release its full year results for the year ending 31 December on 5 March.

Sky set to launch two new factual channels

JAMES WARRINGTON

SKY IS set to launch two new factual TV channels as the media firm ramps up its investment in original shows.

New original documentaries will include Tiger Woods: The Comeback, while customers can access to on-demand library of series about stars such as Muhammad Ali and Robin Williams.

The firm will also be hoping to emulate the success of David Attenborough’s natural history shows on Netflix and the BBC. New nature productions will include a double-bill of Extreme Animals, as well as Wild Tales from the Farm, narrated by Hugh Bonneville.

It comes after the Comcast-owned company last year unveiled plans to double its production budget to £1bn and build a new studio complex in Elstree, north London in a bid to strengthen its slate of original content.

Sky also beefed up its entertainment portfolio with the launch of Sky Crime in October, while Sky Comedy hit customers’ screens yesterday.
Chill out with the Microsoft Surface Pro X for less than £31 a month
For the first 3 months

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Each year your Airtime Plan will be adjusted on your April bill by the Retail Price Index (RPI) rate of inflation announced in the preceding February. Find out more at o2.co.uk/prices. £35.50 Device Plan for 36 months and 12 monthly rolling Airtime Plan. Direct purchases only. Pay the cash price for your device or spread the cost over 3 to 36 months (includesonga). The device cost will be the same whatever you choose. There may be an upfront cost. You need a monthly rolling Airtime Plan as long as you have a Device Plan. Pay off your Device Plan at any time and you can choose to keep your Airtime Plan, upgrade or leave. If your Airtime Plan ends for any reason you will need to pay your Device Plan in full. £12 per month for the first 3 months and £32.50 thereafter on a SIM Only tariff. Plus RPI charges when you buy the Microsoft Surface Pro X with a 36-month device plan. Device discount ends 5 Feb 2021. 3 months free airtime ends 5 Feb 2020. UK data only. For usage policy apply. Devices available to customers. Any offer is subject to availability. O2 APRs. Finance subject to status and credit check. 16+. Direct Deal. Credit provided by Telefónica UK Ltd, 311 40X. Telefónica UK is authorised and regulated by the PRA for consumer credit and insurance. Terms apply, see o2.co.uk/terms.
UK-listed tech recruiter S Three charts income bounce as growth rises

JAMES BOOTH

LONDON-LISTED recruiter S Three yesterday reported a 20 per cent increase in pre-tax profit for 2019, driven by strong international growth.

The recruiter, which focuses on science, technology, engineering and mathematics (Stem) roles, said revenue grew nearly seven per cent to £1.3bn.

“Whilst early in the year, we can see that broader macroeconomic and political uncertainties may well persist, and the trading environment remains similar to the fourth quarter,” the recruiter said.

Shares in S Three climbed 2.2 per cent to 373.5p yesterday.

Entrepreneur tax relief to be scaled back in 2020 Budget

ANGHARAD CARRICK

The GOVERNMENT will reportedly scale back a tax break for entrepreneurs amid concerns it is overly generous to the wealthy.

A senior cabinet minister told the Financial Times that the chancellor Sajid Javid is drawing up plans to curb the tax break.

The Conservatives’ General Election manifesto outlined plans to review and reform the relief.

Earlier this month Boris Johnson indicated to a group of entrepreneurs in his Uxbridge constituency that the government would go ahead with the plans. He said: “The Treasury is fulminating against it because there are some people who are staggering rich who are using that relief to make themselves even more staggeringly rich.”

OVO ENERGY has bolstered its senior leadership team as it prepares for life as one of the UK’s largest household energy suppliers.

Earlier this month Ovo completed the acquisition of SSE’s retail arm for £505m, meaning that the challenger brand now has around 5m customers in the UK.

Yesterday the firm announced that three people would join the company in senior positions in its retail leadership team. Bill Castell, formerly of Virgin Media, will be joining as chief finance officer of the firm, as well as the group’s controller.

As executive board member and chief finance at the media outfit, Castell was part of the executive team delivering innovative products to over 6m cable and 3m mobile customers.

Alongside Castell, Ovo has brought in Charlotte Eaton as its new chief people officer.

Ovo bolsters its leadership in fresh chapter

EDWARD THICKNESSE

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Sainsbury’s to spend £1bn on green initiative

JESS CLARK
@jclarkjourno

SAINSBURY’s has pledged to invest £1bn over the next 20 years to reduce greenhouse gas emissions to net zero by 2040. The supermarket giant, which currently has a carbon footprint of 1m tonnes, will focus on reducing emissions, food waste, plastic packaging and water usage.

Sainsbury’s will also boost its recycling, biodiversity and healthy and sustainable eating initiatives, the company announced yesterday. By the end of 2022, all Sainsbury’s stores will be 100 per cent lit by LED bulbs and the company has promised to halve its use of plastic packaging by 2025. Sainsbury’s has also committed to reducing food waste by 50 per cent by 2030.

Sainsbury’s chief executive Mike Coupe said: “Our commitment has always been to help customers live well for less, but we must recognise that living well now also means living sustainably. “We have a duty to the communities we serve to continue to reduce the impact our business has on the environment and we are committing to reduce our own carbon emissions and become net zero by 2040, 10 years ahead of the government’s own targets, because 2050 isn’t soon enough.”

Sainsbury’s will work with the Carbon Trust to assess emissions and set targets for reduction, while publicly reporting on its progress every six months. Hugh Jones, managing director of advisory services at the Carbon Trust, added: “Sainsbury’s goal to get to net zero by 2040 is ambitious and will help raise the bar for the sector.”

Last week Tesco announced plans to ditch all plastic wrapping from its branded and own brand multipack tins in a bid to cut waste.

UK fintech Upgrade Pack lands £5m funding for travel rewards

EMILY NICOLLE
@emilyjnicolle

UPGRADE Pack has today surpassed £5m in seed funding after securing fresh investment. The Richmond-based startup provides flight and hotel upgrades as part of a travel-focused rewards app by connecting directly to airline and hotel software. It did not disclose its investors.

The startup expanded into the Asia Pacific region in August and will soon enter the North American market with plans to open an office in Toronto in the first six months of this year. Founded in 2018, the firm is now valued at £23m.

Forward Health secures $5m in rebrand effort

EMILY NICOLLE
@emilyjnicolle
LONDON startup Forward Health has revealed it is rebranding to Pando Health, following a $5m (£3.8m) investment from a notable Australian venture capital firm. It is also the first European healthtech investment for Skip Capital, a billion-dollar fund led by Atlassian co-founder Scott Farquhar and Kim Jackson.

Existing investors Stride.VC and Albion Capital also participated in the round. Pando Health, which provides technology for secure communication between NHS staff in more than 200 hospitals, has now raised $8.8m to date.

The startup will use today’s funding to accelerate its international expansion plans, and increase its headcount to 35 roles.

Launches in India, Canada and Australia have been planned for the first quarter of this year. “Forward was perfect for the start of our journey, but as we look ahead and scale internationally we need a unique name that reflects our broader ambition,” said co-founder Barney Gilbert.
A FOREGONE CONCLUSION?

Londoners will go to the polls 100 days from now to deliver a verdict on Sadiq Khan’s first term as mayor — Stefan Boscia asks who is most likely to stand in his way.

VEN Sadiq Khan’s biggest critics would acknowledge his skill in working a crowd. The mayor of London glides from person to person, selfie to selfie, handshake to handshake. At a time when politicians are not exactly enjoying public favour, he seems to have plenty of Londoners firmly on his side.

The response toward Khan by security staff, doormen and the array of clipboard holders at a recent Square Mile black tie do was telling.

And yet others wonder whether a mayor whose term has been dominated by a failed anti-Brexit campaign and rising violent crime is really as much a nailed-on certainty for re-election in May as the polling suggests.

That said, a poll carried out in November by YouGov and Queen Mary University suggests.

At a time when politicians are not to selfie, handshake to handshake.

For affordable homes by 2022. However with a view to building 116,000 affordable homes by 2022. However his mixed record on house building.

His new campaign director and former New York mayor Rudy Giu lianii’s tough tactics in the 1990s.

Stewart, who this time last year was a Tory minister, has also launched his campaign by putting knife crime as his number one priority. He said he would resign as mayor if he didn’t reduce violent crime in his first term, echoing a similar pledge he made as prisons minister.

He has spent time touring some of the capital’s hotbeds of gang activity and knife crime as a part of his London Speaks initiative. But despite his popularity on social media, Stewart’s campaign has struggled to change the dial when it comes to opinion polling. Faced with one Tory and an ex-Tory, Khan may well benefit from any anti-mayor vote splitting in two.

A PERSONALITY POLITICIAN

The ex-civil servant has released policy proposals to legalise cannabis, create youth programmes to curb violent crime and give unused Oyster card money to home less shelters.

Outflanking her from the left on environmental issues is Green candidate Sian Berry, who along with Benita is making a pitch for voters influenced by Extinction Rebellion’s clarion calls last year.

However, Khan has already tried to neutralise this line of attack by announcing that he wants to make London carbon neutral by 2030. He’ll also want to focus the green debate around the success of the Ultra Low Emission Zone (Ulez), which has led to a drop in air pollution by one-third in affected areas.

Ultimately, Travers only sees one possible way for Khan to lose in May. “His opponents’ attacks will really need to hit home hard and one other candidate would have to display a really different approach to organise the city and to pitch themselves as being able to work with the government,” he says.

Whether Khan’s relationship with Boris Johnson — largely broken due to Brexit — sways votes towards either Bailey or Stewart remains to be seen.

But so far, it’d be a brave punter that bets against a Labour mayor in — as the General Election reminded us — a Labour city.
Finance boss of peer-to-peer fintech lender Funding Circle steps down after tough year

**ANNA MENIN**

The chief financial officer (CFO) of lending fintech firm Funding Circle is stepping down.

Sean Glibbero will be replaced by Oliver White, who is currently CFO of Provident Financial's credit card unit Vanquis Bank.

Funding Circle's platform, which has around 80,000 investors, arranges loans for small and medium-sized companies by linking them with investors.

Shares slipped three per cent yesterday, having lost almost three-quarters of their value in the last year alone as the peer-to-peer sector took regulatory hits.

"I would like to thank Sean for his significant contribution since joining us in 2017," said founder Samir Desai, adding White "the right successor to help support us in the next phase of our journey".

Glibbero said: "It has been an enormous privilege to have worked alongside so many talented people here at Funding Circle. I am leaving to take a break and to rejoin the non-profit sector in the UK as an independent supporter of Funding Circle and its mission."
LONDON’S FTSE 100 suffered its biggest one-day fall in nearly four months yesterday as the coronavirus spread globally with death tolls more than tripling from last week, spooking investors about the potential financial hit to travel and China-exposed companies.

The FTSE 100 index, which had recovered on Friday after the World Health Organisation issued a measured assessment of the virus, stumbled 2.3 per cent. The midcaps slid 2.1 per cent, their steepest one-day decline in more than a year.

All but three stocks ended in negative territory on the main bourse — London — news that China’s death toll from the coronavirus discovered at the end of last year has risen to 81 and drags an index of luxury and airline stocks down 2.6 per cent to its worst day in more than three and a half years. Roughly six per cent has been wiped off the index since last week.

The sector is exposed to a slowdown in the travel market because of the outbreak, with some standout individual losers including British Airways owner IAG, which dropped 5.4 per cent, and China-exposed luxury brand Burberry, down 4.6 per cent.

Asia-focused financials HSBC, Prudential and Standard Chartered all slid between 3.5 per cent and five per cent as business travel shops and the Chinese government lengthened the weeklong Lunar New Year holiday by three days to try to contain the outbreak.

Chinese stocks

Burberry took a 4.6 per cent hit to its share price yesterday, television reported that 2,835 cases of the virus had been recorded, with countries including the United States and Singapore having confirmed the spread of the virus.

“This has the potential to really rattle markets,” said Markets.com analyst Neil Wilson.

“If politics is hard to grasp for most bystanders then virulosity is impossible — that is enough reason to see dodging to happen; although I would still anticipate dips to be bought.”

FTSE 100 shares slide amid fears for virus spread

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CITY MOVES WHO’S SWITCHING JOBS

BGF

Active investor group BGF has announced the appointment of Stephen Welton as executive chairman. Stephen currently serves as the chief executive officer of BGF, having founded the company in 2011. Since then, Stephen has been responsible for the governance and strategic direction of BGF, and will continue to focus on the expansion of the company, which has become the most active investor of growth capital in the UK and Ireland. Sir Nigel Rudd, who is stepping down as chairman at BGF, commented: “Stephen Welton has expertly led BGF’s growth and expansion, combining a deep understanding of entrepreneurship in Britain with vast experience of the investment industry. I am delighted that as executive chairman he will continue to build on the work of the past nine years, leading the company into what I know will be a very bright future.”

WAVERTON

Waverton Investment Management has announced the appointment of Nick Tucker, formerly managing director and head of UBS Domestic Wealth Management business in the UK, as chief executive officer, subject to regulatory approval. He joins the company on 10 February. Nick is a highly experienced private client professional and has spent nearly 30 years building wealth management businesses in the UK and overseas. For the first 13 years of his career, he was with Merrill Lynch, latterly as head of private clients UK and Ireland. Commenting on the appointment, David Rosier, chairman of Waverton, said: “I am delighted to welcome Nick to Waverton. Nick brings a wealth of relevant, commercial and operational experience and expertise within the private banking and wealth management sectors. Nick has built a strong reputation for growing successful businesses and he has been particularly adept at nurturing and developing private client teams in different jurisdictions.”

MONEY AND PENSIONS SERVICE

The Money and Pensions Service (MaPS) has announced the appointment of Caroline Szkwarekiewicz as chief executive officer (CEO). Caroline has been acting CEO since June 2019, during which time the organisation has developed and published its UK Strategy for Financial Wellbeing. She was previously partnerships and commissioning director at Age UK, an executive board role with responsibility for the organisation’s relationships with partners throughout the UK. Sir Hector Sants, chair of the MaPS, said: “Caroline has demonstrated, both through her time as acting CEO and in her previous roles, her understanding of 3 per cent to MaPS’s vision, its customers, its people and its stakeholders.”

NEW YORK REPORT

US stocks face serious test in health panic

The benchmark S&P 500 suffered its worst weekly performance since September last week as China locked down several cities and curbed travel, reminding investors of the deadly Sars virus that killed nearly 600 people in 2003 and cost billions of economy billions.

Travel-related stocks, including airlines, casinos and hotels, were among the hardest hit on Wall Street, while shares of companies exposed to China’s growth, including technology, materials and energy, pressured the market.

Wynn Resorts, Melco Resorts & Entertainment and Las Vegas Sands, which have large operations in China, plunged at least five per cent.

The NYSE Arca Airline index dropped 3.3 per cent.

Yum China tumbled 5.3 per cent after the company said it had temporarily closed some of its KFC and Pizza Hut stores in Wuhan, the epicentre of the outbreak.

The Dow Jones Industrial Average fell 453.93 points, or 1.57 per cent, to 28,535.8, the S&P 500 declined 51.84 points, or 1.57 per cent, to 3,243.63 and the Nasdaq Composite dropped 175.60 points, or 1.89 per cent, to 9,139.31.

Adding to downside pressure was the sluggish start to corporate earnings season with indexes near record levels.

Earnings are now expected to show a decline of 0.5 per cent for the fourth quarter, according to Refinitiv data. Of the 87 companies that have reported through yesterday morning, 67.8 have met or beat expectations, an improvement on the 74 per cent rate from the past four quarters. The S&P energy index dropped 2.76 per cent as crude prices settled down about two per cent on fears that the outbreak could significantly dent demand.

TOP RISERS

1. NMC Health Up 0.93 per cent
2. BT Up 0.54 per cent
3. Polymetal Int Up 0.24 per cent

TOP FALLERS

1. IAG Down 5.48 per cent
2. Prudential Down 5.04 per cent
3. Rio Tinto Down 5.01 per cent
It’s not just civil servants who need a Dominic Cummings

Robert Colville

The TOPIC of Whitehall reform has been exactly as sexy. No list of “Moments that Made the Modern World” would ever include, let alone kick off with, the publication of the Northcote-Trevelyan Report in 1854.

Even many who work in Westminster would be unable to pick the cabinet secretary out of a line-up, even though the holder of that office is generally one of the three or three most powerful people in the country, alongside the Prime Minister and chancellor – and it has often been debatable as to which order the trio should be ranked in.

Yet there is an irony here. Much of the conversation around public sector reform has long been couched in terms of injecting “private sector service”: it is the civil servants who make the whole thing work, which is why they need to be working at optimum capacity too.

We've got online shopping and internet banking, now it’s time for digital voting

Roger Parry

Vast amounts of paper go straight from letterbox to waste bin – unwanted, unopened, and unread. Most of us now shop, bank and do our taxes online. In 2015, the Speaker’s Commission on Digital Democracy said that by 2020 secure online voting should be an option for all voters. It has not happened.

It seems crazy that, although the technology now exists, we still elect our MPs with potentially insecure, inconvenient and expensive paper and pencil – when we could put the whole thing onto our phones. Digital voting systems are in use in Ontario in Canada, New South Wales in Australia, as well as in Estonia and Switzerland. These pioneering new systems have met many of the problems, but the technology is advancing rapidly – try it by looking up Vote Australia.

It could be a reality here too. In the UK, we have some 38m vehicles on the DVLA database and can instantly find out if a registered car is taxed and has its MoT. To securely register 52m electors and then and record their votes would be complex and costly, but it is certainly achievable.

The upsides are huge: cost savings for each election, no more postal voting, the possibility of higher turnout, and, of course, instant results at 10.01pm. No more all-night election e-mails. We need legislation to ensure that the originator of election communication is clearly identified and the private sector act more like the public, rather than vice versa.

Roger Parry is the author of Renovation: Rebuilding UK Politics, which proposes nine initiatives for reform. In addition to digital elections, it calls for a reduction in the number of MPs to 500, and for the size of the House of Lords to be reduced to 400 peers.
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TUE 28 JANUARY 2020
OPINION

From climate change to the Iran crisis, we need the experts back

Victoria Mackarness

The challenges facing Britain require a return to rational thinking

The EU Referendum set in motion a debate the nation had rarely seen before. Among the first casualties of the divisive and brutal campaign were the “experts”. As Michael Gove famously said, the country had had enough of experts getting it wrong.

The public rejected advice from academics, business leaders and prominent politicians, and voted against the status quo. The Referendum was, we now understand, about deeper and more fundamental issues than the establishment experts could quantify. It was a statement of identity, and individuals neither needed nor wanted specialist guidance from those who had been mistaken so many times before to help them make such a personal choice.

But Brexit was an exception. Now that the debate is over and the rows over our future with the EU have subsided somewhat, the country needs to turn its focus to issues that have been pushed to the back of the queue for too long – and we must not let our Brexit-induced scepticism towards expertise cloud our judgement.

From oscillating Iran-US tensions to climate change, the biggest challenges facing Britain require a return to rational thinking and trust in expertise. In an increasingly unstable and unpredictable world, populist rhetoric, political careerism, and hysterical international diplomacy have no place.

In foreign policy, for instance, we need practical, comprehensive solutions to the threat of global warming that will not destabilise our economy. An ideologically driven politician does not have the capabilities to analyse the trade-off between growth and climate change alone. This is not to say that ideology has no place in this process. The government needs to stay true to its mandate, and deliver on its manifesto promises. But this cannot be the only lens it looks through. If there is a wealth of evidence on one side of a debate, it would be grossly negligent to ignore this in favour of partisan beliefs.

Yes, this government has a duty to its electorate, but it also has a duty to the long-term needs of the country, and must be willing to accept its responsibility to seek out specialists.

This applies to domestic challenges too. Rumours of recession at home and abroad do not make the immediate future look comfortable – regardless of how Brexit works out. Acknowledging this is not “doing Britain down”, but heralding an honest warning and taking proactive steps to protect the economy.

In our increasingly interconnected globalised world, a “one size fits all” ideological approach will not be sufficient. Experts across the financial world will have a range of ideas for maintaining economic stability. If the government narrows its pool of advisors to only those who match its worldview, it risks missing out on potential solutions. Considering a wealth of information and expertise from across a spectrum of experts can only help with the bigger picture.

With existential crises facing our nation, from climate change to economic shocks, policymakers would be fools to follow dogma over expertise. It’s time to bring the experts back.

Victoria Mackarness is an account manager at CMS Strategic.

DEBATE

Does it make sense to ban Huawei from access to the UK 5G network?

Chinese state-owned enterprises are accused by our Five Eyes intelligence partners in Australia and the US of keeping extensive databases on foreign individuals. That’s everything from who you’ve rung, and when and where, to data transferred by the network and biometrics scanned across it.

A deal with Huawei might mean a slightly quicker 5G network for a few years, but it could shut the door on security collaboration with our closest allies forever. China’s National Intelligence Law from 2017 requires state firms to hand over data to agencies of the Communist regime that continues to hold political prisoners, target anyone who dissents from party doctrine, and is accused of building camps to forcibly “re-educate” Uighur muslims in Xinjiang.

We don’t need to give a contract worth billions to a company that ultimately answers to a dictator for life. Let’s align ourselves with the democratic west, seek out other market alternatives for our 5G infrastructure, and walk away from Huawei.

Russ Shaw is founder of Tech London Advocates and Global Tech Advocates.

YES

RUSS SHAW

Excluding a company like Huawei from the UK’s digital future is to fundamentally remove it from the conversation on 5G in this country, and to ignore the fact that the Chinese tech sector is a large part of the global economy. To cement the UK’s place at the forefront of global tech, we must learn to do effective business with international companies that offer advanced technological solutions.

We know that China is a leader in 5G, and having Huawei contribute to “non-core” elements of the network could well prove crucial to our own timely deployment, which is essential for Britain’s tech community.

That being said, we must be cautious in our approach, clear in our intentions, consistent in our judgements, and strict with our regulations and standard setting – promising national security.

Russ Shaw is founder of Tech London Advocates and Global Tech Advocates.

NO

MATT KILCOYNE

NO

Matt Kilcoyne is deputy director of the Adam Smith Institute.

The security concerns of the public and enterprise must always remain central to debates on advanced technologies, but an outright ban on Huawei’s involvement in the UK’s 5G networks does not make sense.

Excluding a company like Huawei from the UK’s digital future is to fundamentally remove it from the conversation on 5G in this country, and to ignore the fact that the Chinese tech sector is a large part of the global economy. To cement the UK’s place at the forefront of global tech, we must learn to do effective business with international companies that offer advanced technological solutions.

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## CRYPTO-M.COM DAILY

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## TOURIST RATES

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## WORLD INDICES

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<td>11939.31</td>
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SATURDAY marked the beginning of the Year of the Rat. This animal – representing one of the 12 signs of the zodiac – is associated with wealth and prosperity in China.

In other cultures, the rat is more often associated with plague and disease. It is unfortunate, then, that the dominant Chinese story this new year has been the outbreak of a health epidemic: the coronavirus.

At the time of writing, 81 people have died from the disease, and there have been almost 3,000 confirmed cases in China. A further 44 cases have been recorded abroad in countries including the US and Australia.

The outbreak could have serious consequences for China’s economy. Tourism is likely to be dent, with fewer people willing to travel to the country due to the risk of exposure. Consumption will also take a hit, as Chinese citizens who fear contracting the virus will be less willing to go out and spend money.

China is the world’s second-largest economy, so any economic weakness there will impact the rest of the global financial system. Stock markets in the US and Europe are already falling as fears rise over the spread of coronavirus. Rupert Thompson, chief investment officer at Kingswood, says that the virus has provided a catalyst for a market setback.

“The US market was down on Friday, and the UK and European equity markets fell around two per cent on Monday,” he says. “The coronavirus has provoked comparisons with the SARS virus back in 2003, which ended up with close to 800 people losing their lives. That outbreak hit Chinese growth and the Chinese equity market significantly, but the impact was short-lived with both rebounding within a matter of months.”

This outbreak comes at a difficult time for China. Its economy in 2019 grew at its slowest pace in 29 years, expanding by just 6.1 per cent according to official figures.

This slowdown is partly the result of the trade war with the US. While the two nations recently signed the first phase of a trade deal, tariffs on goods from China and the positive impact of the virus will be, there are still reasons to be cautiously optimistic about China’s economy in general.

“The slowdown has been more of a glide than a sharp fall, and it is important to recognise that the relative rate of growth we see in China is still significant compared to the west,” says Dale Nicholls, portfolio manager of the Fidelity China Special Situations fund.

“Moreover, a number of areas related to domestic consumption are still growing rapidly, as domestic demand continues to play an increasingly important role in driving overall economic activity in China.”

There are other positive signs ahead, according to Nicholls, with the Chinese government taking more action to stimulate the economy. Mike Kerley, manager of the Henderson Far East Income fund, agrees that there are reasons to be optimistic.

“The optimism is based on improvements in China and the positive impact this will have on the rest of the region,” he says. “Unlike previous cycles where the Chinese response to domestic or external challenges has resulted in a spurt on debt-funded spending, the response through 2019 has been much more pragmatic. Cuts in interest rates and bank reserve requirements have increased liquidity and access to credit, while tax cuts and state-owned enterprise reforms have stabilised consumption and increased the productivity of the most inefficient parts of the economy.”

He adds that recent manufacturing and services data suggests that, if you take the coronavirus out of the picture, the worst is behind China and economic expansion is possible in the quarters ahead.

Given these positive signs, what is the outlook for China’s stock market? “Chinese equities are looking attractive from a valuation point of view – with mainland stocks trading below historical averages,” says Emma Wall, head of investment analysis at Hargreaves Lansdown. “In fact the cyclically adjusted price-to-earnings ratio – a measure of value often used to predict long-term market returns – suggests that investors in mainland China stocks could double their money over the next 10 years.”

Kerley’s advice to investors considering the region is to first check what China’s government is planning.

“Every five years, the Chinese government issues a five-year plan which details strategy, objectives, and industries which will receive government support, while identifying those that need restructuring or restriction,” he says. “Unlike most political manifestos, this plan is adhered to almost religiously and gives a clear indication of where government policy will most be supportive.

Therefore, the sector in which a company operates is more important than whether a company is owned by the state or privately. This should be the starting point for investors looking at companies in China and whether you are investing alongside or against the state objectives.”

China’s stock markets will not reopen until 3 February, as the authorities have extended the Lunar New Year public holiday, so we have yet to see how Chinese share prices will be affected by the outbreak. But there is a chance that the Year of the Rat may still prove to be a profitable one.

With the coronavirus having been dramatic, the fact is that global health epidemics are unpredictable — this could be solved in a few days, or it could hit other economies across the world.

Don’t trust big tech’s call for new regulation

A T THE World Economic Forum in Davos last week, “tech for good” was one of the key themes on the agenda. The big tech companies like Microsoft and Google used their airtime to call for more regulation, particularly in the area of artificial intelligence (AI).

It’s a broad term that applies to a set of different technologies, so the past couple of years, discussion at Davos has focused on what impact AI and increasing automation might have on jobs, society, and privacy.

Everyone agrees that the development of AI needs to be done responsibly and carefully. They also agree that it needs to be regulated. Believe it or not, the loudest calls for regulation are coming from the tech giants themselves. IBM’s chief executive Ginni Rometty told CNBC at Davos that she backs AI regulation on “how the technology is used”, but not necessarily the technology itself.

Meanwhile, Google’s chief executive Sundar Pichai called for “sensible regulation”. Satya Nadella, the boss of Microsoft, called for global rules around AI. He also backed regulation around the “time of use” of AI, like facial recognition.

So why is big tech pushing so hard for more regulation?

First, these firms want to seem like benevolent forces using technology for good. And they want to make it seem like they are ready to work with governments around the world.

But I would argue that they actually see regulation as a chance to increase their dominance. There have been calls for the breaking up of big technology firms in the US. Elizabeth Warren, a Democratic senator and presidential candidate, is perhaps the best-known proponent, arguing that these companies have become too dominant. In the EU, the argument for the regulation of big tech firms is that they have become too powerful and have stifled competition.

However, we have seen before that regulation can have unintended consequences. The EU’s General Data Protection Regulation (GDPR) brought in stringent rules around the handling of people’s personal information and data. It was designed to make sure that there was no misuse for data. But the cost of complying with it was so high that it actually helped Google and Facebook consolidate their dominance of the European advertising market.

A similar trend could happen if more and more regulation is brought in, particularly around AI. Big tech can afford the lawyers and compliance costs, while startups could be left behind.

With AI being seen as such a critical technology, big tech’s power could be stronger than ever. That’s why the bosses of these firms want more rules.

© Arjun Kharpal is senior technology correspondent at CNBC.
Greetings from Gibraltar where I’m meeting with Alberto Isola the Minister for Financial Services, Digital, Gaming, various regulatory advisors as well as Dego Zakhar of RS Labs an investee company of Consilium Group run by Eddie Travia and Malcolm Palle. It was on the 30th Oct 2018 that Crypto AM ran a special so it’s getting to be interesting to see how things have changed.

With global stocks falling in reaction to the apologise coronavirus outbreak in China, the crypto market, at the time of writing, is remaining resilient and up on last week. Bitcoin (BTC) is trading at US$8,735.00 / GB£6,703.38, Ethereum (ETH) is at US$189.63 / GB£139.73, Ripple (XRP) is at US$0.2308 / GB£0.1706, Binance (BNB) is at US$317.36 / GB£238.13 and Cardano (ADA) is at US$0.0465 / GB£0.0346. Overall Market Cap is at US$241.71bn / GB£185.05bn.

(data source: www.CryptoCompare.com)

I spent last week in Davos where climate change dominated the discussion topics as well as diversity and inclusion - all of which was central to the City of London: The Global City event. The HR Hon Lord Mayor of the City of London, John Burkhalter opened the proceedings for this very strong panel event entitled: The Future of London, Global Financial hubs in an age of Disruption: Friend or City AM, Charlotte Crosswell, CEO Innovate Finance joined the strong female panel who included Catherine McGuinness, Dr Rhian-Mari Thomas OBE and Dame Elizabeth Corley.

IOHK and Cardano were represented in force at the CV Labs organised Crypto Valley Week, Davos 2020 with Charles Hoskinson and Nathan Silver announcing announcements throughout. One in particular caught my ear confirmed by meeting Philippe A. Naegeli and Luca A. Eref of GENTWO AG (based in Zug, Switzerland). They explained to me that they are able to offer customers the chance to secure bankable and non-bankable assets including digital assets such as cryptocurrencies and tokens. The launch of these investment products with a Swiss ISIN will potentially unlock a huge amount of institutional investors. If GENTWO and Cardano can reach a partnership agreement for the launch of a financial product then Cardano, IOHK becomes investable and a bankable asset for qualified investors.

As you are aware I announced that the inaugural Crypto AM Awards 2020 will be taking place on Wednesday, 11th March. The nominations are open and free to register, but will close on 31st March. Please use the following link https://www.cityam.com/crypto/crypto-am-awards/

Finally, for your diaries, I am attending Security Tokens Realised (https://www.securitytokensrealised.com/) which is taking place at the Grand Connaught Rooms next Tuesday & Wednesday. Last year sold out but there are still tickets available. However, since I am hosting the inaugural Crypto AM Awards I have kindly agreed to give the first City AM readers to apply a 30% discount by using CRYPTOAM30.

CRYPTO A.M.

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

CRYPTO A.M.’S CRYPTO INSIDER

JAMES BOWATER

Jeffrey Sweeney is a lifelong entrepreneur with extensive experience in leading firms with a forward thinking approach. Currently Chairman and CEO of US Capital Global, a full-service private financial services group headquartered in San Francisco, Jeffrey is a keen supporter of technological innovations that can help to improve and grow the finance sector especially regulated digitisation.

Now in its twentieth year, US Capital Global is a 100% investment bank through deploying a successful strategy that leverages technological innovation (FinTech) and regulatory developments (RegTech). The group is a leading provider of sophisticated financing solutions and investment opportunities for lower middle market businesses. Under Jeffrey’s leadership, the group consistently fulfils its commitment to doing well by doing good through facilitating profitable economic development that also has a positive social and environmental impact.

Jeffrey Sweeney is a finance veteran as well as an innovator with a significant track record of helping businesses to reach their full potential. With a successful career spanning over three decades, Jeffrey’s expertise has been sought after by a variety of organisations, including large institutional clients, entrepreneurs, the ultra-rich, and high net worth individuals.

Jeffrey Sweeney, Chairman & CEO of US Capital Global

Jeffrey Sweeney, Chairman & CEO of US Capital Global

US Capital Global has a keen interest in the UK and European market, and recent transactions include Millions of dollars raised in a pure digital security for a California tech fund, $10MM growth equity financing for NAIS, a Norwegian-based bank chain centered energy efficient and sustainable real estate development firm, for which Jeffrey has also joined the board. Also in 2019, US Capital Global has provided term loan financing up to $2MM for UK based Manifesto Holding PLC, which owns prestigious arts, culture, and entertainment venues across Paris, US Capital Global is expanding its reach in the UK, representing innovative projects in FinTech, MedTech, and beyond.

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For 20 years and prior to being a financier, Jeffrey Sweeney served as a principal and CEO of a Southern California aerospace manufacturing company which was a leader in adoption of the latest technology to improve manufacturing and financial reporting. His experience leading a business in the highly regulated aerospace manufacturing industry has led to his appreciation of the need to work closely with regulators while adopting technological solutions to improve efficiency in the sector. This successful approach has been brought over to US Capital Global, where leveraging innovation and regulatory developments has been a key driver in the firm’s growth as a FinTech investment bank.

Approaching the FinTech and Digital finance sector with the experience of the transformative in aerospace manufacturing, US Capital Global sees the need to respect and embrace regulatory compliance and assessment of counterparty risk. The company is in continuous contact with US regulators regarding primary offerings of digital securities and looking ahead to the required protocols of secondary sales of those same securities.

US Capital Global has facilitated the sale of Millions of Dollars in private sales of secondary securities and is connected to one of the largest regulated. Alternative Trading Systems (ATS) of affiliated Broker Dealers and Registered Investment Advisors (RIA) network in the US. We are granularly familiar with the compliant requirements for secondary sales of private securities.

When we collectively speak of “digitization of securities” or assets we are really addressing the primary sale of those securities but facilitating the ease of secondary sales of those securities. Completely making those sales happen is probably the most relevant area of development in the digital sector.

Counterparty risk, investment issuer due diligence, current financial and operational information on the issuer, is of at least equal concern as the relatively easy KYC and AML of the pretentual buyer. The above issues are more complicated to solve and will require collective coordination within the industry to set best practice.

To have the digital securities sector grow, as is the aspirational hope, there will have to be clear differentiation between offerings with strong counterparty verification as well as offering diligence and those less robust offerings carrying more execution risk due to lack of information provided by regulated entities.

For further information visit https://uscapglobal.com
that investors are moving their Bitcoin on January 3. After Iran’s retaliatory thousand BTC on January 2, the day found strong correlation between the demand in practice very recently. It is not impossible – for authoritarian counter-parties in the transaction. In the careful use of transparency between multiple parties. They both increase margin and reduce costs through open-source, transparent code, and a broker or intermediary. These marketplaces are not without their execution value. Neobanks agree to governance models which reflect the (after conferring with) interests of the members as well as standards that sometimes span geographic and political jurisdictions. But they are possible. They are possible today, thanks to blockchain.

Vodafone Leaves Facebook’s Libra Project

Markets last week remained relatively buoyant as Bitcoin managed to stay above the $8,500 mark, standing close to its weekly high around the $9,000 level. Ethereum, the second-largest cryptocurrency by market capitalization, is also close to its high of $170, currently trading at $166. The team at Vodafone last week said goodbye to the Facebook-led Libra cryptocurrency project. One of the founding members of the Libra Association, an independent not-for-profit membership organization set to govern the Libra cryptocurrency, Vodafone now joins PayPal, Visa, Mastercard, eBay, Mercado pago, and Stripe in leaving the beleaguered venture.

Data published by crypto tracking website Coin Metrics showed that in 2018 a total of $2.5 trillion were transacted via the Bitcoin network, with the average transaction amount standing at $2.7 BTC, or $23,000. The largest amount transacted in a single day on the Bitcoin network was close to $20 billion. For comparison, Visa’s network processed a total transaction volume of $1.1 trillion in 2018. Bitcoin Cash, a cryptocurrency created through a hard-fork of Bitcoin blockchain, has seen some miners propose a 12.5% “tax” on mining rewards to fund developers, threatening to “abandon” the blocks of those who do not comply. Following the proposal, the creator of Litecoin, the cryptocurrency seen as the silver to Bitcoin’s gold, proposed a voluntary 15% tax on mining rewards for the same purpose. In regulatory news, Israel’s International Institute for Counter-Terrorism (ICT) has alleged that Hamas has been using bitcoin to raise funds, with activity from a financial intelligence unit (FIU) dropping in the organization. Last week also saw HMRC offer a £100,000 contract for software that can accurately value cryptocurrencies being used to avoid paying taxes.

Are YOU the next NeoBank?

Any brand with an active audience can be a challenger bank. Whether you’re in retail, entertainment or finance, NeoBanks offer an important opportunity for you that you are a leader in your industry with a community that trusts you, as Vanta Tech did when creating a digital bank. We’ve seen how digital banking platforms have the chance to be attractive value propositions, which are more non-traditional brands get into the digital banking space, we’ll see the growth of third-party service innovation, and an increasing number of millennial users. Apple already has payment software and is releasing its own Apple Pay, while Facebook plans to launch its own NeoBank, with the rise of digital finance, providing white label Baas (Banking as a Service) from conception and feature ideas, through to launch, licensing, and management. Vanta can confidently get you into the market in 2020. It is a new area, and with an active audience can be a challenger bank. Whether you’re in retail, entertainment or finance, Neo Banks offer an important opportunity for you.
NOT CONVINCED? CHECK OUT THESE ALTERNATIVES...

FORD MUSTANG CONVERTIBLE 5.0 GT V8 AUTO

THE VERDICT:

DESIGN PERFORMANCE PRACTICALITY VALUE

£48,310
0-62MPH: 4.5 SECS
TOP SPEED: 155MPH
CO2 G/KM: 279G/KM
MPG COMBINED: 22.6MPG

LOTUS ELISE CUP 250

THE VERDICT: DESIGN PERFORMANCE PRACTICALITY VALUE

£49,555
0-62MPH: 4.2 SECS
TOP SPEED: 166MPH
CO2 G/KM: 170G/KM
MPG COMBINED: 38.2MPG

PORSCHE 911 CARRERA CABRIOLET

THE VERDICT: DESIGN PERFORMANCE PRACTICALITY VALUE

£92,438
0-62MPH: 4.4 SECS
TOP SPEED: 180MPH
CO2 G/KM: 210G/KM
MPG COMBINED: 28.0MPG

MOTORING

BY MOTORINGRESEARCH.COM FOR CITY A.M.

MORGAN SPICED

The new Morgan Plus Six combines classic styling and modern mechanicals. Tim Pitt drives it

Nostalgia ain’t what it used to be. The Morgan Plus Six has a downsized, turbocharged engine and paddle-shift gearbox. It has electric power steering, LED running lights, a digital speedo and a Sport Plus mode. It even has remote central locking and paddle lights under the doors. A truly modern Morgan, then? Well, let’s get carried away...

Regular readers may recall that, exactly a year ago, I took a road-trip in the final Morgan Plus 8. First launched in 1968, this rambunctious roadster once held the title of Britain’s fastest car. However, after BMW called time on its throaty but oh-so-thirsty V8, a rethink was required. After 51 years, Plus 8 was succeeded by Plus Six (now a word rather than a number). At £77,995, it’s Morgan’s new flagship sports car.

As per its name, the Plus Six is powered by a six-cylinder engine, again sourced from BMW. The 3.0-litre ‘BS8’ unit usually resides in the Z4 M40i, along with with the Toyota Supra. With 340hp and 369lb ft of torque driving – and occasionally spinning – the rear wheels, it serves up 62mph in 4.2 seconds. Crucially, it also ekes out nearly 40 miles per gallon in official tests. The Plus 8 struggles to halve that.

This radical reinvention is cunningly hidden, of course. Apart from the bonnet catches, every part on the Plus Six is new; yet it still looks like a car designed in the 1960s. Up to a point, it’s still built like one, with its bonded aluminium chassis supplemented by a hand-formed ash wood frame. Traditional sweat-and-sawdust craftsmanship is alive and well in Malvern.

The process of dropping its top feels decidedly retro, too. Undo a sequence of pop fasteners and a latch, pull a lever, repeat the process on the other side of the car, wriggle the frame upwards, then prod the fabric to ensure it folds flat. A one-press power roof this ain’t. Slide across the wide running board, though, and you’ll find a much roomier cabin than the Plus 8. Car nerds will spot a few borrowed components (a gear lever from BMW, shift paddles from Citroen), but everything is neatly integrated.

Not many owners will.

The Plus Six is only the start of Morgan’s next chapter. Its architecture is already prepared for hybrid and electric drivetrains, while a recent takeover by Investindustrial, the private-equity firm that previously owned Aston Martin, should lead to a raft of new models. I concluded my Plus 8 review by imagining it ‘roaring into a sepa-tinged sunset’. This is the bright new dawn.

Tim Pitt works for motoringresearch.com
OFFICE POLITICS

Wellbeing is the new health and safety

Do your staff suffer from unhealthy pressure and mental stress? Time to deal with that

A NEW decade focuses minds on the future and new strategies to encourage companies and individuals to thrive. And if there’s one commitment that the City should make in the 2020s, it’s to treat the mental health of staff as seriously as their physical health and safety.

Everything from the harnesses used by window cleaners who scale the gleaming glass towers of the City to those bright yellow “Caution: Wet Floor” signs are governed by health and safety law to protect workers’ physical health. Directors know that they are legally obligated to ensure a safe working environment for their staff.

Now, in a sector with stress levels as high as the buildings, we need the equivalent care for mental wellbeing. If you think that’s too nanny state, look at the impact on your company’s bottom line.

Last week, Deloitte published figures showing that poor mental health costs UK employers up to £45bn a year. Work-related stress, anxiety, or depression now accounts for over half of all working days lost due to ill health. In total, 15.4m working days were lost in 2017/18 as a result of mental health issues, up from 12.5m in 2016, according to figures from the Health and Safety Executive (HSE).

It doesn’t have to be this way. As HSE’s senior psychologist Peter Kelly says: “Pressure is the new norm but stress is a preventable condition at work. The time to act is now.”

THE HSBC SOLUTION

The problem is particularly acute in the financial services sector. In fact, banking employees are 44 per cent more likely to experience stress-related illness than other workers, with one in six employees facing stress, depression, or anxiety.

Fortunately, businesses are beginning to take note. Andrew Rodgers, former director of wellbeing at HSBC and now founder of Re Envisage, explains why the bank made mental wellbeing a priority: “At HSBC, we wanted to create the healthiest human system in financial services. Our former CEO John Flint recognised a healthy workforce was a productive one. He felt the organisation wasn’t achieving its potential because of an unhealthy pressure. It was a response to the ‘industry norm’ of passing pressure and urgency down the line, which can promote unhealthy adrenaline and fear.”

Flint’s approach instigated conversations around mental health from the ground up. Rodgers worked with leadership teams on creating caring environments, helping to identify and resolve unhealthy stress.

THE NEXT GENERATION

This isn’t just an issue affecting existing employees. Increasingly, recruitment of top talent relies on a wellbeing strategy too.

The young potential superstars seeking City careers today will have been steeped in mental health awareness at school. They will have heard everyone from rugby players and rap stars to royals disclosing their mental health struggles. They will expect not only gym membership and Bupa coverage for their physical health, but care for their psychological wellbeing too.

A 2019 report by the CIPD found that only a third of private sector employers have a specific wellbeing strategy. This needs to change.

The steps are simple. Be proactive. Remove stigma by talking about mental health regularly. Make someone at board level responsible for wellbeing. Stop treating the office like a battlefield. Enable people to be confident in having supportive conversations with colleagues. Don’t expect staff to “toughen up”; instead, instil purpose and energy — a belief that they are the best and are supported in their role. Make colleagues know that their views are valued. Start building a culture of trust rather than fear. Staff will thrive — and so will productivity.

Amy McDonald is founder and chief executive of mental health learning and development provider Headtorch.

Am

COFFEE BREAK

SUDOKU

KAKURO

WordWheel

Quick Crossword

Quick Crossword

SUDOKU

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KAKURO

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

Quick Crossword

ACROSS

1 Make mention of (6)
2 Not a single person (6)
3 Gambling establishment (6)
4 Pass from the body (7)
5 Fathers (5)
6 Thick black liquid (3)
7 Make folds in cloth (5)
8 Baby’s soft woollen shoes (7)
9 Smaller in amount (6)
10 Bushes (6)
11 Attract by exciting hope or desire (6)

DOWN

1 Boulders (5)
2 Baba, fictional character in One Thousand and One Nights (3)
3 Site of the US bullion depository. Fort (4)
4 Female tutor (9)
5 Computer memory units (5)
6 Narrow buoyant plank for riding the waves (9)
7 Snuggle (6)
8 Dead body (6)
9 Inhumane treatment (5)
10 Lactic (6)
11 Otherwise (4)
12 Posed for artistic purposes (5)

 ELECTRIC DREAMS

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One of the best ways to improve your mental wellbeing is to get a good night’s sleep — but that’s easier said than done if you’re already under pressure. From soothing sounds and white noise, to bedtime stories and calming music, this app promises a soundtrack that will have you nodding off in minutes.

Amy McDonald is founder and chief executive of mental health learning and development provider Headtorch.
There were many factors behind England’s series win in South Africa, says Felix Keith

ENGLAND bowled South Africa out for 279 on day four of the Fourth Test in Johannesburg yesterday to complete a 194-run victory and wrap up a 3-1 series victory.

Having gone 1-0 down at Centurion, the visitors surged back to dominate the next three Tests and earn only their second overseas series win in four years. Here are five conclusions from the six weeks in South Africa.

ROOT’S AT THE WHEEL
After the first Test of the winter Joe Root’s captaincy was under intense scrutiny. There has long been a theory that Root’s batting has been affected by leadership, with a dip in form coinciding with added responsibility.

In a spiky interview after his poor run continued in a crushing defeat by an innings and 65 runs against New Zealand at Bay Oval in November, Root said he was “not too worried” and reaffirmed his commitment to the captaincy.

This tour in South Africa has seen him back up that statement. Root has scored 317 runs in seven innings at an average of 45.28 while also stamping the captain as well as his bowlers.

TOP-ORDER SOLIDITY
When Rory Burns suffered ankle ligament damage ahead of the second Test of the series it appeared a major blow - not just for England’s hopes in South Africa, but also for the following games offset the losses and more.

When Rory Burns suffered ankle ligament damage ahead of the second Test of the series it appeared a major blow - not just for England’s hopes in South Africa, but also for the following games. They had an extra reason to cheer Herbert and Leishman in the series, but another average series from Burns in Cape Town, and also have been inspired by the performance of the opening pair have done a wonderful job to fill Burns’s shoes.

In the fourth Test the pair made 191. It was Herbert’s victory, in a play-off with compatriot Cameron Smith win on the day four. Herbert and Leishman will be compensated for the loss of Burns as Jack Nicklaus did – and he won six Green Jackets.

Butler’s struggles
It hasn’t all been plain sailing, however. Joe Denly’s returns – 210 runs at an average of 30 and a strike-rate of 36.14 – look fairly meagre, although he has performed the valuable service of chipping on 51 balls, more than anyone bar Sibley.

He has no place at No6 may well be safe for Sri Lanka, but another average series could spell trouble upon Burns’s return in the summer.

Things are less certain for Jos Buttler after a series in which he failed to show the natural talent he possesses with the bat. An average of 16.42 and a top-score of 29 does not make for pretty reading, especially with viable wicket-keeping options Jonny Bairstow and Ben Foakes waiting in the wings.

England have consistently defended Buttler’s position in the side. But considering the performances of the other top-order batsmen in the series, there is much to ponder.

AUSTRALIANS do like their holidays and they celebrate like no other nation – I’ve been there during horse racing’s Melbourne Cup and everything seemed to shut for two days.

They had an extra reason to cheer as Jack Nicklaus did – and he won six Green Jackets. As for Australians: sure, Australia Day would have spurred them on a wee bit. Herbert and Leishman will also have been inspired by seeing compatriot Cameron Smith win on the PGA Tour earlier this month.

When you’re coming down the stretch, however, none of that is anywhere in sight.

It is all about the player with the club in their hand and how they handle the situation.

GOLF COMMENT

Sam Torrance

Wins like means Herbert can get a home in Europe and use it as his base.

I felt sorry for Bezuhihout, who found water and bogged the par-five 18th when he only needed par to take the title.

But he’s a proven winner so will do so again and this duel between two pros may prove to be a glimpse into the future.

Leishman, meanwhile, played a blistering round of 65 at Torrey Pines to set a formidable target of 15 under par for overnight leader Jon Rahm, who stumbled, surged back into contention and ultimately fell just short.

LEARNING CURVE

I find it incredible that Rahm failed to check the scoreboard after Leishman had finished with a birdie, meaning that the Spaniard didn’t know that he needed an eagle to force a play-off.

You’re the last man on the course: you have to know what is required. Hopefully this is a huge learning curve for him.

Rory McIlroy had an extraordinary round – three over through four holes, then three birds and an eagle in the next five – as he shared third place in his first tournament of the year.

Tiger Woods looked good on his 2020 debut too as he ended up tied for third place in his first tournament of the year. Joe Root’s return to form is another sign that he is on the right path.

POPE’S SERENE PROGRESS

Ollie Pope has lived up to the hype. Billed as the most exciting young batsman since Root, the Surrey youngster has come of age in South Africa.

His unbeaten 135 in Port Elizabeth was an exhibition of stroke play all around the wicket and was finished with some ramps and flicks which gave a nod to the inventiveness of the Twenty20 generation. That wasn’t it though: his 63 not out, batting along side the tail in Cape Town and 56 in Johannesburg showed the century was no fluke.

Pope has balanced the side nicely at No6 and his unselfishness in playing the situation, as well as his short-leg fielding, appear to be real strengths.
Saka stars, Youngest scores and assists in Arsenal FA Cup win

ARSENAL will travel to Portsmouth in the fifth round of the FA Cup after beating Bournemouth 2-1 last night. The Gunners flew out of the blocks on the south coast and took the lead after four minutes when Bukayo Saka thundered a powerful shot into the roof of the net past goalkeeper Mark Travers. Saka then turned provider, crossing for Eddie Nketiah to sweep home a second. Bournemouth improved after the break and, after Shkodran Mustafi was stretchered off, substitute Sam Surridge scored in injury-time, but Arsenal held on to progress.

Rooney could face old club United in FA Cup

Wayne Rooney could face former club Manchester United in the fifth round of the FA Cup. His side, Derby County, can beat Northampton Town in their replay. Holden managers Manchester City will travel to Sheffield Wednesday, Chelsea face the winner of Shrewsbury Town’s replay with Liverpools at Stanford Bridge, while Tottenham will host Norwich if they overcome Southamptons in their fourth-round replay. The ties will be played on three midweek evenings from 3-5 March.

Bees, Crawley and Sibley to join England Lions

Dom Bess, Zak Crawley and Dominic Sibley will all feature for England Lions on their tour of Australia next month. The trio, who have helped the England Lions to a 3-1 series win in South Africa, will travel to Australia on 7 February to get experience of the conditions. “This will not only allow them to hone their skills on Australian wickets for future Ashes series, but is also a chance to continue their form with selection for England’s Sri Lanka tour on the horizon,” said ECB performance director Mo Bobat.

Ashton: I didn’t realise Wembley deal broke rules

Chris Ashton has admitted he did not realise his business deal with former Saracens chairman Nigel Wray was in breach of salary cap rules. Ashton was named in the report which detailed why Saracens have been relegated after Wray helped Ashton buy a house during the winger’s stint at Sarries between 2012 and 2017. “I completely understood why people are annoyed about it because it is a benefit that you don’t get at

Nadal into quarter-finals with Kyrgios win

Rafael Nadal beat Nick Kyrgios in four sets to reach the quarter-finals of the Australian Open yesterday. The Spanish top seed battled hard to beat Kyrgios 6-3, 3-6, 7-6 (8-6), 7-6 (7-4). Nadal, 33, will play Austrian fifth seed Dominic Tomic in the last eight in Melbourne on Wednesday, after Stan Wawrinka faces Alexander Zverev.

England’s sinckler to leave Quins for Bristol

England prop Kyle Sinckler will leave Harlequins and join Bristol Bears at the end of the season after agreeing a two-year contract. Sinckler, 26, made his professional debut with Quins in September 2013 and has become a key part of the England squad. “There’s a clear plan in place for long-term success and I’m looking forward to contributing,” he said.

Prime candidate

Another key feature of Grealish’s game more difficult to quantify is his leadership. The Villa captain is tenacious and wears his heart on his sleeve, often stepping up when his team are in need of inspiration. He is also not afraid to get his hands dirty, demonstrated by his six yellow cards to Maddison’s two; neither have been sent off. While Maddison is just over a year younger and still has room to grow in this department, Grealish has accumulated a vast amount of experience and captained one of the country’s traditionally bigger clubs all while still relatively young.

Ultimately, England have two exceptional talents on their hands to add to Southgate’s array of attacking options who could play together in the same team. Grealish will both be knocking on the door come the next international break. Unfortunately for Grealish, his Leicester counterpart is a better fit for a position in a midfield trio where there is less competition than out on the left wing – a position typically occupied by Sterling or Rashford. His quality and leadership skills, however, suggest he is a prime candidate to affect a match from the bench.

Tonight their teams compete for a place in the Carabao Cup final, and on a personal level, it will be an opportunity to showcase their individual quality. Southgate, surely, will be watching.
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