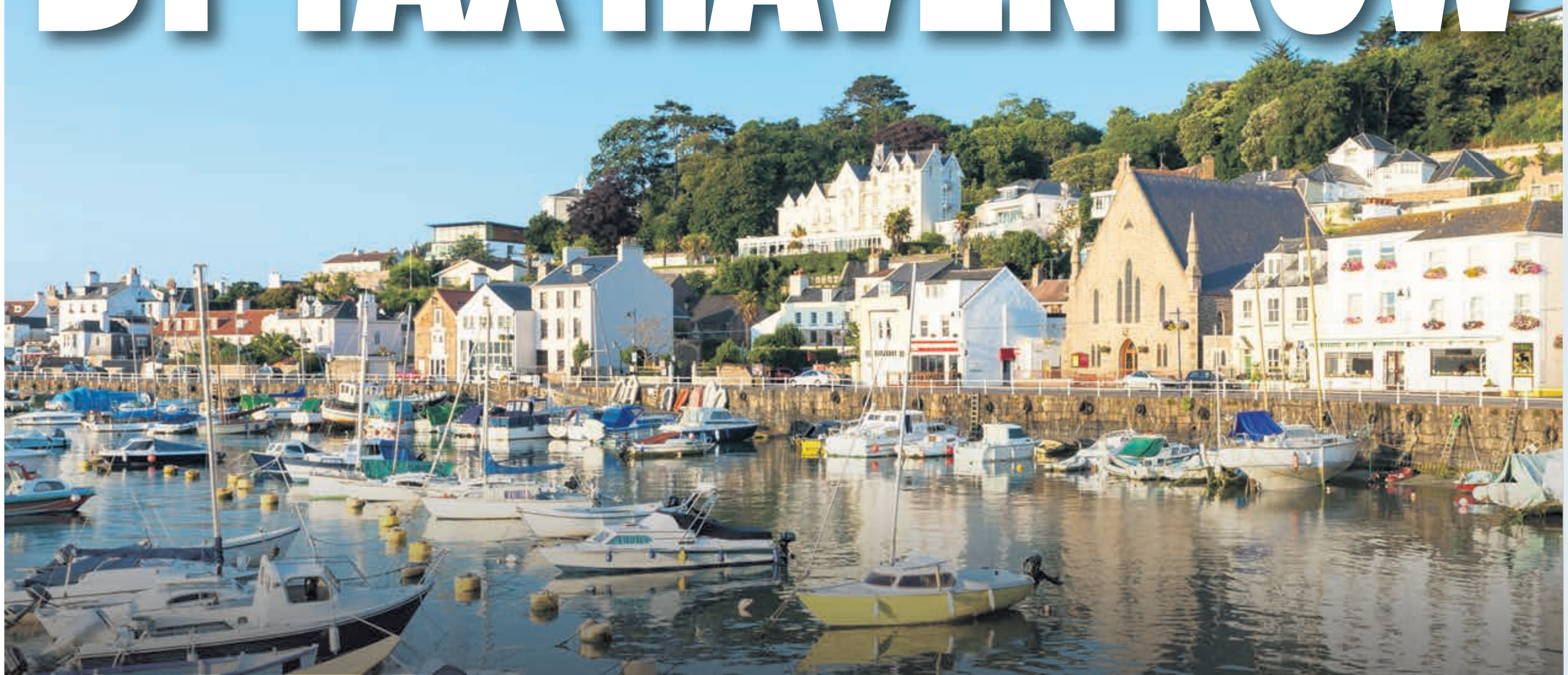
CITY A.M.
BUSINESS WITH PERSONALITY

TIME TO HEAL WHY ENGLISH CLUBS DON'T GET A BREAK BEFORE EURO GAMES P26

CHELTENHAM '19 THE BATTLE TO DEFEAT RACING'S TICKET TOUTS P8

TUESDAY 5 MARCH 2019 | ISSUE 3,323 CITYAM.COM FREE

CITY BILL DELAYED BY TAX HAVEN ROW



JAMES BOOTH AND HARRY ROBERTSON
@Jamesdbooth1 @henrygrobertson

A GOVERNMENT bill designed to protect the City in the event of a no-deal Brexit was pulled last night in the face of almost certain defeat, after MPs added an amendment that would have forced greater tax transparency on the Isle of Man, Guernsey and Jersey.

The decision to pull the bill sparked an outcry among MPs and campaigners who accused the government of going soft on tax evasion and money laundering.

More than 40 MPs, led by Labour's Dame Margaret Hodge and the Conservatives' Andrew Mitchell, signed an amendment that would require the Crown dependencies to set up public share ownership registers by 2020.

A Treasury spokesperson said: "The government will not move the bill today but will reschedule it to ensure that there is sufficient time for proper debate."

The amendment has wide cross-party backing, with signatures from veteran Conservatives David Davis, Ken Clarke and Sir Oliver Letwin, Green MP Caroline Lucas and ex-Labour leader Ed Miliband.

A register for the rest of the UK was created in 2016, but the Crown dependencies remain strongly opposed to being forced to change their laws.

Davis told *City A.M.* that the government was "morally in the wrong" on the issue.

"The reputation of the City rides not just on what we think in the UK but on what the greater family does," he said.

Anti-corruption campaigner Bill Browder told *City A.M.* that "if the British government really wants to stop dictators from laundering their money… they should accelerate this."

Naomi Hirst of campaign group Global Witness said the government "should be fighting to introduce public registers, not thwarting the will of parliament".

Hedgie offers its own plan for Interserve

ALEX DANIEL
@alexmdaniel

STRUGGLING outsourcer Interserve's biggest shareholder, which last week threatened to sue the firm over its handling of a rescue deal, has written to the board to propose new terms for the restructuring.

Coltrane Asset Management, a US hedge fund and 27 per cent shareholder, has been railing against Interserve's suggestions for a deal with its lenders over the last month, because it originally stripped existing shareholders of 97.5 per cent of the firm – instead handing that equity to lenders.

When Interserve suggested new terms last Wednesday – which proposed doubling shareholder value to five per cent – Coltrane's directors threatened to sue the outsourcer, calling it a "terrible" deal.

The fund has now put forward a deal which involves issuing at least £110m of new shares in the company, to be offered to shareholders pro rata and underwritten by Coltrane.

The deal would also convert £435m of the firm's £631.2m debt into equity, giving lenders 55 per cent of the firm and existing shareholders 37.5 per cent, assuming a full take up of the new shares. If the debt-laden outsourcer cannot pass a plan, it will go into a pre-pack administration led by EY.

FTSE 100 ▲ 7,134.39 +27.66 FTSE 250 ▲ 19,411.43 +11.78 DOW ▼ 25,819.65 -206.67 NASDAQ ▼ 7,577.57 -17.79 £/$ ▼ 1.312 -0.004 £/€ ▼ 1.162 -0.002 €/$ ▼ 1.134 -0.004

CITY A.M.

THE CITY VIEW

Removing Ted Baker's boss is the right move

AT A TIME when middle-market retailers are getting crushed for not having an identity, Ted Baker's high-end quirky offering has often provided a welcome antidote to the high street doom-and-gloom. And despite it spooking investors with a profit warning last month, the FTSE 250 firm is still held in relatively high regard among analysts when compared with many of its retail peers.

But there is more to a listed company than its balance sheet, and yesterday's departure of Ray Kelvin serves as a painful reminder of the risks facing even the most successful brands when they have deep ties to a single figure.

Given Kelvin's role in building Ted Baker up from a single shirt shop in Glasgow to a company currently valued at more than £800m, his attachment to the brand can hardly be understated, even if he was notoriously shy in front of the camera. As one retail industry figure puts it: "Ray is the company".

> The Square Mile will need more evidence before being convinced

Or, at least, he was the company. But almost 18 months after the #MeToo movement first started to gather pace, Kelvin's departure has shown that its tremors are still be felt in the City. A "hugging culture" and sexual harassment allegations, which Kelvin denies, proved that public pressure was simply too much in the end. Whether that proves to be the case for fellow retail boss Sir Philip Green, who was facing further calls to resign yesterday after a video of him stroking a colleague's hair emerged, remains to be seen.

Liberum helped soothe jitters over Ted Baker's future yesterday with a note insisting that Kelvin leaves the business "with a strong team", adding that it did not see any dramatic change to the group's long-term prospects. Shares in the firm recovered from an early lull to close up almost five per cent in trading, with investors appearing to be glad to see the back of the fashion mogul. Those in the Square Mile will need more evidence before being fully convinced that the luxury retailer's hard-fought brand will be protected now that its founder, chief executive and largest shareholder is heading for the exit (without a payoff). But Ted Baker's move yesterday nonetheless demonstrates that it values its future more than its history.

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ZERO KELVIN Ted Baker's chief executive leaves firm after investigation into claims of misconduct at retailer's head office

RAY KELVIN resigned as chief executive of British retailer Ted Baker yesterday, seeking to allow the fashion brand he founded to move on from misconduct allegations stemming from his habit of hugging colleagues. Ted Baker had announced an independent investigation the claims after an online campaign claiming to represent over 200 employees asking to end "forced hugging".

Consumers cut back as Brexit fears harm sales

CALLUM KEOWN AND SEBASTIAN MCCARTHY

@CallumKeown1 @SebMcCarthy

CONSUMER spending growth and retail sales fell last month as households cut back on non-essential items amid fears over Brexit and the UK's economic prospects.

Clothing, department store and hotel spending all contracted in February, according to the latest monthly spend data from Barclaycard.

Spending in pubs and restaurants, traditionally robust categories, also grew at a weaker rate.

Consumer spending dropped to 1.2 per cent year-on-year in February, slowing down from 3.8 per cent in the previous 12 months.

New figures from the British Retail Consortium (BRC) and KPMG, released this morning, dealt the retail industry a further blow.

Retail sales in the UK dipped by 0.1 per cent on a like-for-like basis in February, sliding from a 0.6 per cent rise in the same period in the previous year.

Despite a modest recovery in sales during January, when many buyers flocked to the shops for New Year discounts, retailers suffered a slowdown in sales last month as industry experts warned that uncertainty ahead of Brexit seemed to dent shoppers' spending habits.

"Uncertainty over Brexit appears to be driving a shift in behaviour, with many Brits worrying about price rises and cutting back on non-essential spend, and some even stockpiling everyday items," Barclaycard director Esme Harwood said.

"Discretionary expenditure has seen a considerable decline – spending at retailers continues to decrease, and even hotels, pubs and restaurants are feeling the impact of cutbacks," she added.

However, consumers increased their spending on essential items by 2.3 per cent led by growth in supermarket sales, Barclaycard said, while the BRC also reported a rise in food sales.

Meanwhile, clothing spending plummeted 5.2 per cent compared with the previous year and after consecutive months of growth, hotel spending fell 3.8 per cent.

"Across all categories there was sluggish growth, and the milder weather appears to have shifted the focus away from indoors with furniture sales declining – and not even Valentine's Day could boost sales in the stationery category," said KPMG's UK head of retail Paul Martin.

"Non-food continues to be under more pressure than grocery, with shoppers focusing on the essentials," he added.

WHAT THE OTHER PAPERS SAY THIS MORNING

FINANCIAL TIMES

TOP US LAWYER RULES OUT RUSSIA PROBE RECUSAL

William Barr, the US attorney-general, has decided not to recuse himself from the special counsel's investigation, in line with advice from justice department ethics officials, according to a spokesperson. Barr had resisted calls by Democrats to commit to recusing himself from Robert Mueller's probe into links between the 2016 Trump campaign and Russia.

CHINA TRADE DEAL MAY INCLUDE US TARIFFS

Although the odds of a US-China trade deal have grown, at least some US tariffs could remain in place as part of a broad pact, according to Goldman Sachs. Analysts at the investment bank predict some tariffs on Chinese imports will last into 2020, and the US could remove levies "as various commitments under the agreement have been met."

THE TIMES

BANKER 'FEARED INVESTORS MAY GO NUTS'

Senior Barclays executives worried that investors in the bank's 2008 emergency fundraising would "go nuts" if Qatar were given a better deal unfairly, a court was told yesterday. Richard Boath told Roger Jenkins, the bank's former Middle East head, that they had to be careful to ensure the legality of a plan to pay Qatar extra fees in the form of a separate advisory agreement.

BRITAIN 'LAGS BEHIND ON EQUAL PAY FOR WOMEN'

A report has said Britain is making progress on gender equality in the workplace, but it continues to lag behind other developed countries.

THE DAILY TELEGRAPH

WORKERS IN THE NORTH MOST AT RISK FROM ROBOTS

The jobs of workers in the north of England could be swept away by robots and artificial intelligence in the coming decades even as their counterparts in the south benefit from rising demand and increased employment.

AUDIT WATCHDOG CALLS FOR TOUGHER COMPANY CHECKS

The audit watchdog has called for tougher checks on the financial health of companies following a string of collapses. The Financial Reporting Council (FRC) has suggested changing its rules so that accountants must do more work when deciding whether a company is a so-called going concern.

THE WALL STREET JOURNAL

SALESFORCE RAISES ITS FULL-YEAR SALES OUTLOOK

Salesforce said it expects revenue to nearly double in four years, benefiting from companies shifting more of their spending to technology innovation. The firm said it expects about $16bn (£12.14bn) in revenue this year and $26bn to $28bn by fiscal 2023.

DISNEY CUTS ROBERT IGER COMPENSATION IN FOX DEAL

Walt Disney tweaked Robert Iger's compensation package for the second time in three months, removing $13.5m (£10.25m) in potential salary and incentive awards available for the chief executive after the company closes its acquisition of 21st Century Fox assets.

Paperchase eyeing store closures

SEBASTIAN MCCARTHY

@SebMcCarthy

EMBATTLED stationary retailer Paperchase proposed a controversial restructuring process last night, as it became the latest high street chain to opt for store closures amid a swathe of industry-wide challenges.

The group, which is set to shut down five of its 145 stores while putting another 23 at risk of closure amid efforts to slash their rent in half, confirmed it was undergoing a company voluntary arrangement (CVA) in a bid to renegotiate terms with creditors.

Yesterday's announcement is a fresh sign of the current troubles facing many of Britain's high street retailers, which have struggled in the wake of higher costs and lower footfall.

Will Wright, KPMG's proposed 'supervisor' for the CVA, said: "Over the last fifty years, Paperchase has grown to become one of the UK's most well-known and innovative design-led stationery retailers. However, like many other businesses in the retail sector, the company has been adversely affected by a cocktail of well-documented issues, including a reduction in footfall, increased rents and business rates, and margin pressure from sterling depreciation."

A vote on the proposals is set to take place on 22 March.

DINNER FOR TWO?

Giraffe and Ed's Diner to close a third of UK restaurants

Giraffe and Ed's Diner have become the latest casualties in the struggling casual dining sector after the restaurant chains' owner said it will close a third of their branches. The Boparan Restaurant Group is reported to have entered a company voluntary arrangement.

Mike Ashley in takeover move for Findel

SEBASTIAN MCCARTHY

@SebMcCarthy

ONLINE shopping firm Findel rejected a £139m offer from Sports Direct yesterday, spurning Mike Ashley's latest attempt to continue his high street spending spree.

Sports Direct, which is currently Findel's largest shareholder, said in a note to the London Stock Exchange that it has offered to purchase the remaining shares in Findel that it does not already hold for 161p per share, marking a 1p discount to Findel's close on Friday.

In a statement last night, Findel said: "The board believes that the mandatory offer significantly undervalues the group and its future prospects and is unanimous in its rejection of the offer of 161p per share and recommends that shareholders should take no action at this time."

Findel saw its share price close up eight per cent in trading yesterday following its response.

Sports Direct said that it has agreed to acquire shares in the company that will take its current holding to 36.8 per cent, requiring it to make a mandatory cash offer for Findel, which sells a range of fashion, homeware and gifts on its Studio.co.uk website.

It is the latest twist in Mike Ashley's high street spending spree, which the retail tycoon has ramped up since buying House of Fraser last summer.

The Newcastle United owner has since snapped up a number of other retail brands such as Evans Cycles and Sofa.com, and has been linked to bids for firms such as Patisserie Valerie and HMV.

Mike Ashley's £139m offer was rejected

Revolut boss concedes 'toxic culture' claims

EMILY NICOLLE

@emilyjnicolle

THE CHIEF executive of London fintech startup Revolut said his firm "hasn't always gotten things right" in an open letter late last night, after fresh allegations of a toxic culture at the company emerged last week.

Speaking to Wired, former Revolut employees at both senior and junior levels described an environment of unpaid work, unachievable targets and high-staff turnover.

Ex-banker Nikolay Storonsky, who formed Revolut in 2015 alongside co-founder app developer Vlad Yatsenko, said: "We are not the same company that we were 12 to 18 months ago when these mistakes were made."

"Like everyone else at Revolut, I am constantly learning and growing with the company. I now know that there is much more to running a successful business than simply hitting targets," he added.

Storonsky said the business had been investing in the business' internal culture over the last 18 months, now holding biannual staff satisfaction surveys and upping its number of performance reviews.

At over 800 employees, Revolut said its staff turnover is now less than three per cent per year.

Accusations of a poor workplace culture have surfaced multiple times against Revolut, powered by its desire for quick growth. The bank hit 4m registered users last month, having reached 3m customers only six months earlier.

An applicant for a business development role at Revolut last year told Spanish news site Eldiario that she was told to recruit at least 200 users in a week if she was to have a chance at a follow-up interview.

Revolut is also facing several regulatory headaches, with its compliance and advertising tactics under scrutiny by UK regulators.

Wow has asked for another month to negotiate its rescue

Wow Air battles headwinds in rescue deal

ALEX DANIEL

@alexmdaniel

ICELAND's Wow Air is the latest low cost airline facing turbulence, after it has been forced to ask lenders for more time to negotiate a rescue deal.

The troubled carrier confirmed yesterday it had asked for an extra month to negotiate with US investment company Indigo Partners, which previously pledged to inject $75m (£56.9m) over 10 years in return for a 49 per cent stake in the carrier.

When an agreement could not be reached by the 28 February deadline, Wow wrote to bondholders asking for a 29 March extension.

A spokesperson said the firms "continue to work in good faith to negotiate terms".

An industry source told *City A.M.* the main stumbling block was chief executive Skuli Mogensen's stake in the firm after the deal.

"Skuli wants more than what they [Indigo] are going to give him," they said. "So they're telling him: 'If you want us to save your airline then you're going to be diluted down to five per cent or four per cent. And if you don't accept we're going to pull the plug on you.'"

May blasted by MPs for £1.6bn ‘Brexit bribe’

ALEXANDRA ROGERS

@city_amrogers

THERESA May faced further pressure yesterday amid accusations she is trying to “bribe” MPs with a £1.6bn government fund for pro-Brexit towns in England in a bid to secure their backing for her deal later this month.

Around £1bn of the pot will go towards less well-off towns in England, while £600m will be available for communities to bid for. More than half the money will go to the north of England and the Midlands over a seven-year period. The Prime Minister made the pledge to pour investment into Leave-voting constituencies in February.

She was accused of attempting to bribe Labour MPs to back her deal after it was voted down in historic proportions at the beginning of the year.

Shadow chancellor John McDonnell said yesterday: “This towns fund smacks of desperation from a government reduced to bribing MPs to vote for their damaging flagship Brexit legislation.

“The reason our towns are struggling is because of a decade of cuts, including to council funding and a failure to invest in businesses and our communities. No Brexit bribery. Stable investment where it's most needed.”

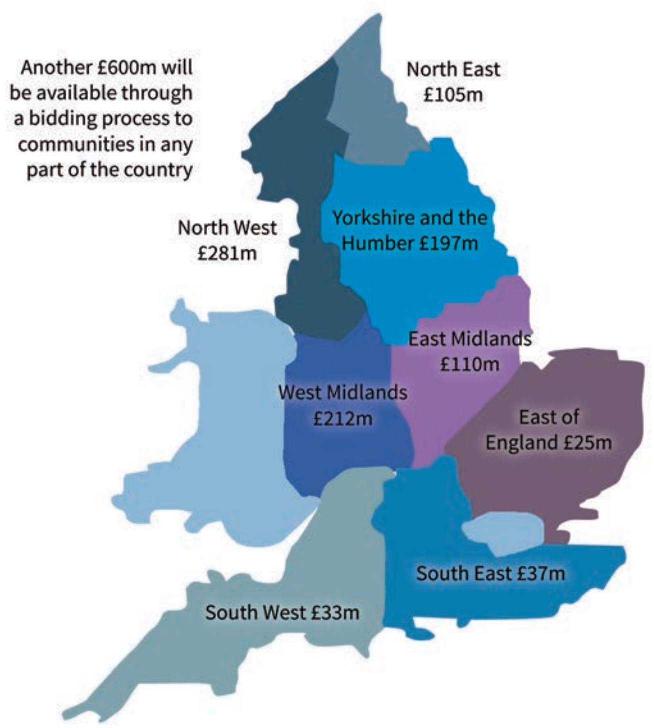
Tottenham MP David Lammy said the “Brexit bribe” was “pathetic in comparison to what UK regions receive from the EU”.

Housing and Communities secretary James Brokenshire denied the funding was a bribe.

He said the money pot would be distributed to the designated areas even if May’s withdrawal agreement – which MPs are due to vote on 12 March – was rejected again.

“This funding is there regardless of the outcome, but obviously we want to see a deal happening, we believe that is what is in the best interests of our country,” he told the BBC.

HOW THE PM’S BREXIT POT WILL BE SPENT



IN BRIEF

INVESTMENT FIRM IN £1BN APPEAL AGAINST TAXMAN

An investment firm that promised celebrities and City grandees tax benefits for investing in film schemes has launched a £1bn appeal against HM Revenue and Customs. Ingenious Media is seeking to overturn a decision that its film investment schemes should not lead to tax relief for its investors. David Pickstone of Stewarts Law, who is acting for more than 250 investors who are suing Ingenious in a separate case, said: “If Ingenious are successful in their appeals, then some of our clients’ losses might reduce. However, it is very unlikely in our opinion that our clients’ losses will be extinguished. These issues have been affecting their day-to-day lives for many years and they simply want to reach a conclusion in these protracted cases as soon as possible.”

COUNTRYWIDE FINED FOR MONEY LAUNDERING LAPSES

Estate agent Countrywide was fined £215,000 yesterday for failing to comply with money laundering regulations. HM Revenue and Customs said Countrywide was fined “for failing to ensure policies, controls and procedures at group level; and for failures in conducting due diligence; timing of verification and proper record keeping”. Countrywide said in a statement that it had taken action to improve its systems and had recruited new staff to help with compliance. “The action plan implemented includes investment in systems, training and additional colleagues to improve the checks undertaken and to monitor transactions, all of which reinforces our ongoing commitment to ensure full compliance with regulatory requirements,” it said.

DEMOCRATS TARGET OVER 80 TRUMP ALLIES IN PROBE

Democrats in Congress yesterday made a slew of demands in their investigations of US President Donald Trump, seeking information about his communications with Russian President Vladimir Putin and documents from 81 sources in an obstruction probe. The chairmen of the House Intelligence, Foreign Affairs and Oversight committees wrote to the White House seeking documents and interviews with personnel about Trump’s conversations with Putin. The request followed the powerful House Judiciary Committee’s demand for documents from 81 people, including the President’s sons Donald Trump Jr and Eric Trump, his son-in-law Jared Kushner and former US attorney general Jeff Sessions, in an investigation into possible obstruction of justice or abuse of power.

Price of petrol and diesel inches up after months of reductions

ALEXANDRA ROGERS

@city_amrogers

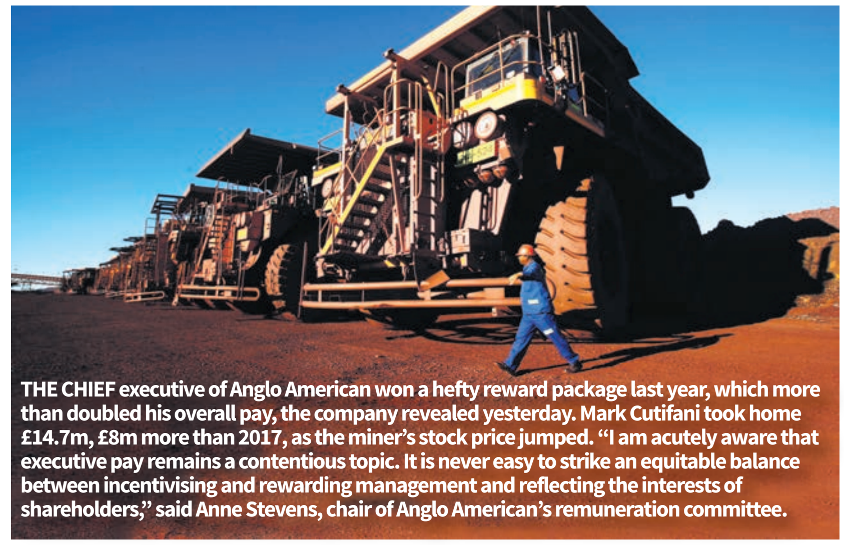
MONTHS of petrol and diesel price reductions were brought to a halt in February, after the price of both inched up last month.

Data from RAC Fuel Watch shows that the average price of a litre of petrol in the UK increased by just under a penny to 120.42p at the end of the month, while diesel increased by 1.24p to 129.88p per litre.

As a result of the price rise in February, caused by a surge in the price of oil, the Big Four supermarkets – Sainsbury’s, Asda, Morrisons and Tesco – all slightly increased their prices to 117p for unleaded and to 126.10p for diesel.

RAC fuel spokesman Simon Williams said: “Retailers, who held off cuts for weeks when they were warranted, instantly raised their prices when they saw the wholesale price go up very slightly. This is unfortunately clear proof of the infamous ‘rocket and feather’ pricing strategy where prices go up like a rocket and fall like a feather.”

GOLD RUSH Anglo American boss doubled his pay last year amid strong share growth



THE CHIEF executive of Anglo American won a hefty reward package last year, which more than doubled his overall pay, the company revealed yesterday. Mark Cutifani took home £14.7m, £8m more than 2017, as the miner's stock price jumped. "I am acutely aware that executive pay remains a contentious topic. It is never easy to strike an equitable balance between incentivising and rewarding management and reflecting the interests of shareholders," said Anne Stevens, chair of Anglo American's remuneration committee.

Newmont directors reject $18bn hostile offer from Barrick

AUGUST GRAHAM

@AugustGraham

NEWMONT chief executive Gary Goldberg has hit out at Barrick Gold's management for its lack of global experience as his company rejected the miner's $18bn (£14bn) hostile offer.

The takeover bid came just months after Barrick completed its $6bn acquisition of Randgold Resources, installing Randgold's chief executive Mark Bristow as head of the combined firm.

"Realising value through Barrick's proposal for Newmont's shareholders hinges entirely on a new management team that lacks global operating experience and is only two months into its own transformational integration," Goldberg said.

The bid, which would have created the largest gold miner in the world by far, was seen as a bold move from Barrick's new boss.

Bristow, who was head of Randgold until earlier this year, has built a reputation as a straight-talking chief executive.

Last week he referred to Goldberg as a "loser" in comments to Reuters.

His proposal came after a period of consolidation within the gold sector as small companies try to gain scale.

Newmont said yesterday that the deal was "not in the best interests" of its shareholders, and committed to its "superior" bid for Goldcorp.

"Unlike Barrick, Newmont Goldcorp will be centred in the world's most favourable mining jurisdictions and gold districts," Goldberg said.

Newmont did not name any "unfavourable and high-risk jurisdictions" where Barrick operates. However, it is negotiating with the Tanzanian government over a tax dispute with London-listed subsidiary Acacia Mining.

Last month, Barrick said it will push ahead with a deal which would see Acacia share Tanzanian proceeds with the regime of President John Magufuli.

FORUM

Higher base pay would attract more talented people into UK politics

RYAN BOURNE ON WHY MPS SHOULD BE PAID A FORTUNE

PAGE 20

CITY A.M.

Telford to strike investor alliance for London plan

SEBASTIAN MCCARTHY

@SebMcCarthy

HOUSEBUILDER Telford Homes has struck a major deal with two global real estate giants, amid efforts to offset woes in the capital's traditional housing market by doubling down on Britain's growing rental sector.

City A.M. can reveal the residential developer is partnering up with M&G and Invesco in a bid to tap into the capital's build-to-rent (BTR) market, which has largely avoided the recent slowdown in activity felt across much of London's wider residential housing scene.

The strategic partnership, which is likely to see Telford embarking on a number of forward-funding BTR developments worth between £75m and £100m, comes less than a week after the group slashed its profit outlook.

In an update last Thursday, Telford pledged to put an "even greater focus" on BTR, which is set to comprise more than 50 per cent of the group's development pipeline before the end of the year, after warning that full-year profits to the end of March would be lower than previously expected.

Chief executive Jon Di-Stefano said that while the group would have continued to invest in BTR regardless of wider property conditions, "the fact that the market has been more challenging from an individual sales point of view exacerbates the move".

However, Di-Stefano added that "BTR would have taken off regardless of current problems in the market... there is an ever increasing demand from people looking to rent rather than buy. That is not a result of Brexit or current sentiment. It is more about ongoing affordability."

US-based Invesco will have exclusivity when bidding with partners for Telford schemes of more than 200 BTR homes, while British investor M&G will be the group's priority partner for sites up to 200 BTR homes.

DIGITAL DOWNER Google pressures MEPs to 'reduce legal uncertainty' in EU copyright

GOOGLE's top legal counsel said the European Parliament's final draft on an update to EU copyright rules will "hold back" Europe's online sector. Kent Walker urged MEPs yesterday to reconsider the draft amendments to Articles 11 and 13.

Nasdaq raises offer for Oslo Bors

JAMES BOOTH

@Jamesdbooth1

NASDAQ boosted its offer for Norwegian stock exchange Oslo Bors yesterday as it seeks to prevail over rival bidder Euronext.

The US exchange said yesterday it had increased its offer from 152 Norwegian kroner per share to 158 Norwegian kroner per share, valuing the business at roughly 6.8bn Norwegian kroner (£600m), matching Euronext's bid. The board of Oslo Bors said it has agreed to recommend shareholders accept the Nasdaq offer and reject the Euronext bid.

A spokesperson for Euronext, which is supported by the majority of Oslo Bors shareholders, said it expects the transaction to pass "once regulatory clearance has been obtained."

Ad spend to hit £15bn this year on digital alone

JAMES WARRINGTON

@j_a_warrington

SPENDING on digital advertising in the UK is set to grow to more than £15bn this year amid a boom in new digital marketing technology, a new report has revealed.

Digital ad spend will enjoy double-digit growth in 2019 as the industry moves away from traditional media formats, according to the latest forecasts by Barclays Corporate Banking.

The optimistic figures come amid an ongoing shift to digital in the sector, with out-of-home (OOH) advertising earmarked as a key area for transformation after digital OOH surpassed traditional outdoor for the first time last year.

Despite concerns about sweeping changes across the industry, the report stated optimism remains high, while private equity appetite for mergers and acquisitions remains buoyant.

Sean Duffy, head of TMT at Barclays Corporate Banking, said: "Adtech is already helping UK businesses compete on the global stage and will continue to allow brands to market themselves more effectively as further technology advances are harnessed."

Construction activity falls for first time in almost a year amid 'Brexit anxiety'

CALLUM KEOWN

@CallumKeown1

UK CONSTRUCTION activity declined in February for the first time in eleven months led by a drop in commercial building work amid "Brexit anxiety."

Civil engineering work also fell but residential building grew for the thirteenth consecutive month, according to the IHS Markit/CIPS Construction purchasing managers' index (PMI) published yesterday.

The survey of businesses also found that a soft patch of new orders led to subdued job creation.

IHS Markit said firms had cited Brexit uncertainty for the slowed decision-making and subdued client demand as the PMI fell below the no-change threshold of 50 to 49.5.

Low transaction volumes and a drop in confidence across the housing market slowed residential building, the survey revealed.

"The UK construction sector moved into decline during February as Brexit anxiety intensified and clients opted to delay decision-making on building projects," IHS Markit director Tim Moore said.

Head of construction at KPMG Jonathan White said: "Construction firms have their heads down in contingency planning for every outcome, but what this means for the long-term health of the sector is uncertain."

Philip Morris cuts forecast after Canada court ruling

JAMES BOOTH

@Jamesdbooth1

MARLBORO-maker Philip Morris International cut its full-year guidance yesterday after a Canadian court turned down an appeal last week against a CA$15.6bn (£8.9bn) award to smokers on health grounds.

The Canadian Court of Appeal last week ruled against Philip Morris subsidiary Rothmans, Benson & Hedges (RBH), alongside Imperial Tobacco Canada and JTI-Macdonald, confirming a 2015 decision by a lower court.

The court ordered that the tobacco companies deposit CA$1.1bn into trust accounts within 60 days.

RBH's share of the deposit is approximately CA$257m.

Philip Morris International said it will incur a pre-tax charge of approximately $194m (£147m) in its first quarter results because of the ruling.

The company cut its full-year 2019 diluted earnings per share to at least $5.28 a share, down from at least $5.37 which it had reaffirmed in February.

UK banks hit by IT glitches more than once a day

CALLUM KEOWN

@CallumKeown1

UK BANKS are suffering IT glitches or security failures at a rate of more than one a day, new figures from the financial watchdog have revealed.

The Financial Conduct Authority (FCA) now requires banks to publish information on IT failures and analysis conducted by consumer group Which found there were 302 incidents affecting payments in the final nine months of 2018.

Barclays reported the most 'operational or security incidents' with 41 over the period, with 15 of those affecting internet banking, followed by Lloyds Bank's 37, and Bank of Scotland/Halifax with 31. The data does not show how long the failures lasted for or how many customers were affected.

Despite the figures, Barclays recently came second in a Competition and Markets Authority customer satisfaction survey on digital banking.

A Barclays spokesperson said: "We take IT resilience extremely seriously and we welcome transparency for our customers which is why we report every incident to the regulator, even minor glitches that have minimal impact on customers."

TSB, which was hit last year by an outage lasting several weeks, which prevented 1.9m customers from accessing their accounts, reported 16 incidents – the 8th highest overall.

THE TEN WORST UK BANKS FOR GLITCHES IN THE FINAL NINE MONTHS OF 2018

BANKS	GLITCHES
Overall	**302**
Barclays	**41**
Lloyds Bank	**37**
Bank of Scotland/Halifax	**31**
Natwest	**26**
RBS	**21**
Ulster	**18**
Santander	**16**
TSB	**16**
Cahoot	**15**

The EMA lost a court battle to end its Canary Wharf lease over Brexit last month

EMA wins right to appeal £500m Canary Wharf office lease ruling

SEBASTIAN MCCARTHY

@SebMcCarthy

THE EUROPEAN Medicines Agency (EMA) has been given the green light to appeal a recent ruling that has prevented the agency from breaking a £500m London office lease in the wake of its planned move to Amsterdam after Brexit.

Frances Richardson, head of real estate litigation at Linklaters, said "Mr Justice Marcus Smith's judgment was a thorough restatement of the law on frustration in the context of leases, so it will be interesting to see which aspects the EMA will focus on unpicking, and how quickly the case will be heard given the pressure of time ticking down to Brexit."

Human side of banking is still vital, study finds

CALLUM KEOWN

@CallumKeown1

CUSTOMERS are becoming more comfortable using online banking but still want to speak to a human for more complex issues such as loans and mortgages, a study has found.

The research, conducted by customer solutions firm Clarabridge, revealed a shifting attitude towards digital banking, with more than 58 per cent of people happy to carry out transactions digitally.

But 60.2 per cent of respondents said they needed to interact with a person on important issues, and more than a third said they still preferred going to branch.

Clarabridge said banks should use the data to make sure its call centres were prepared for complex enquiries and improve awareness of mobile offerings.

"These findings show that there are some conflicts in how customers like to interact with their banks, largely dependent on the query they have, and to meet their expectations, banks must be ready," chief product officer Fabrice Martin said.

FEATURE

TAKING ON THE TOUTS

With Cheltenham starting this time next week, our racing expert **Bill Esdaile** reports that a crackdown on the black market means tickets are still available

THIS time next week, thousands will flock to the Cotswolds for the 2019 Cheltenham Festival to witness no end of scraps up that famous Prestbury Park hill.

Equine giants from both sides of the Irish Sea will tussle for glory over the four days, but the racecourse management team are already adamant that they have won the biggest battle of them all.

Succeeding in gaining a High Court injunction against ticket touts has been hailed by Cheltenham boss Ian Renton as a "landmark decision", and it is to be hoped that the threat of a two-year prison sentence will rid genuine racegoers of what are looked upon as leeches on the world of sporting events.

Declaring that there are still plenty of tickets available for what is universally regarded as the best four days in the racing calendar, Renton said: "We welcomed the judgement of Mr Justice Nugee at the High Court a few months ago, which prohibits the selling and buying of tickets by touts on racecourse property.

"Complaints from our paying customers that they were being repeatedly hassled by these touts has got increasingly worse in recent years, and on occasions they have been very aggressive with the racegoers, many of whom have become frightened.

"It's the first time any such injunction has been granted to prevent touting at a racecourse, but we felt we had to take this action.

"Last year, despite teaming up with Cheltenham Council to issue a public space protection order both in the town and at the racecourse, we found that the touts were as busy as ever, in the knowledge that even if they were caught, they faced fines of just £80 which failed to be an effective deterrent.

"This is the next step in our attempts to reduce and, wherever possible, eliminate the unpleasant and often criminal activity of ticket touts that undermine the enjoyment of our racegoers." It was estimated that more than 150 touts were in action on each of the four days of last year's Festival, with 1,000 fake badges said to have been sold, resulting in 200 racegoers being denied entry to the racecourse after purchasing invalid tickets.

Fake cardboard badges have been one of the recent tactics used, the touts claiming that they will gain entry to the expensive corporate section of the track, while they are also making money at the expense of others by selling duped tickets which have already been scanned.

And it is not just racing who are being fleeced by these criminals. All roads lead to Wembley either when England host a major football match or when the stadium stages one of the lucrative pop concerts, while touts are also seen in their droves for the two weeks of the Wimbledon tennis championships in June and early July.

Sadly, this will never change unless those sporting governing bodies act on the situation like horse racing has done this time around.

Tickets are still available for Club, Tattersalls or Best Mate enclosures from £37, or the special Hospitality Package, which includes world-class cuisine, from £465. You will experience an atmosphere which is unique in the sport of kings, the roar that greets the starter raising the tapes for the opening Sky Bet Supreme Novices' Hurdle on the Tuesday will send shivers down the spine, while Wednesday is Ladies Day. Thursday is when the Irish rule the roost in their shamrocks, and, of course, we build up to the climax of the week on Magners Gold Cup Day on Friday, the most prestigious prize in jump racing.

FTSE 350 firms 'unprepared for cyber attacks'

JAMES WARRINGTON

@j_a_warrington

BOARDS at some of the UK's largest companies still do not fully understand the potential impact of a cyber attack, the government has warned.

A report into FTSE 350 companies, published today, shows that while almost all firms have a cyber security strategy in place, just 16 per cent of boards have a comprehensive understanding of the loss or disruption caused by cyber threats.

In addition, while the vast majority of businesses have a cyber security incident response plan, only around half test it on a regular basis, according to the review.

Digital minister Margot James said: "The UK is home to world leading businesses, but the threat of cyber attacks is never far away."

"We know that companies are well aware of the risks, but more needs to be done by boards to make sure that they don't fall victim to a cyber attack," she said.

Despite the lagging figures, overall awareness of the threat of cyber attacks has risen in the last year, with almost three-quarters of respondents acknowledging that the risk of cyber threats is high.

The report comes amid growing concern around the risk of cyber attacks in the UK. A recent survey by accounting firm EY revealed 40 per cent of businesses see cyber threats as the biggest risk to the adoption of 5G.

Industry experts have also warned of a skills shortage in the cyber security sector, and said negative stereotypes about computer hackers have exacerbated the issue.

Ciaran Martin, chief executive of the National Cyber Security Centre, said: "Cyber security is a mainstream business risk, and board members need to understand it in the same way they understand financial or health and safety risks."

Drake was named the world's best-selling artist last year by industry body the IFPI

Music streaming now generates more revenues than ownership

JAMES WARRINGTON

@j_a_warrington

THE POPULARITY of subscription services reached record levels in the UK last year as music streaming revenues overtook ownership formats for the first time.

Revenues from paid-for music subscription services such as Spotify jumped 39 per cent last year to £829m, meaning subscriptions now account for 62 per cent of all music revenues, according to figures from the Entertainment Retailers Association.

The growth means music has followed video and games to become a majority 'rental' market for the first time.

Dialight shares light up as dud deal is ditched

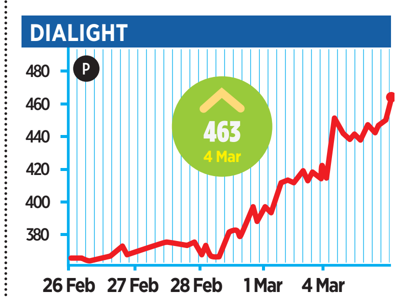
JESS CLARK

@jclarkjourno

SHARES in lighting company Dialight shone yesterday after analysts said the company was back on track following the cancellation of a failed manufacturing outsourcing contract.

The company's share price was up as much as 10 per cent after analysts said the firm's financial results, which were published last week, appeared to "draw a line under the unfortunate past".

The LED lighting specialist cancelled a manufacturing partnership with US firm Sanmina after production challenges forced Dialight to post a profit warning in the second half of 2017.



UK charities call for clarity over ethical stakes

JESS CLARK

@jclarkjourno

LEADING UK charities have called on the government to provide legal guidance on implementing ethical investment policies.

In an open letter, published yesterday and signed by groups such as Joseph Rowntree Charitable Trust, the RSPB and the Quakers, charities also asked for specific guidance on whether they should invest in companies that contribute to dangerous climate change.

The coalition has demanded that the Charity Commission and attorney general implement new laws on ethical investment as there is a "risk that charity trustees misinterpret their duties" because the law is "outdated and insufficient".

Goldman Sachs charity investment group executive director Chris Kavanagh said mobilising capital to address climate change "will require all corners of the investment community – public, private and third sectors – to accelerate investments" in related projects.

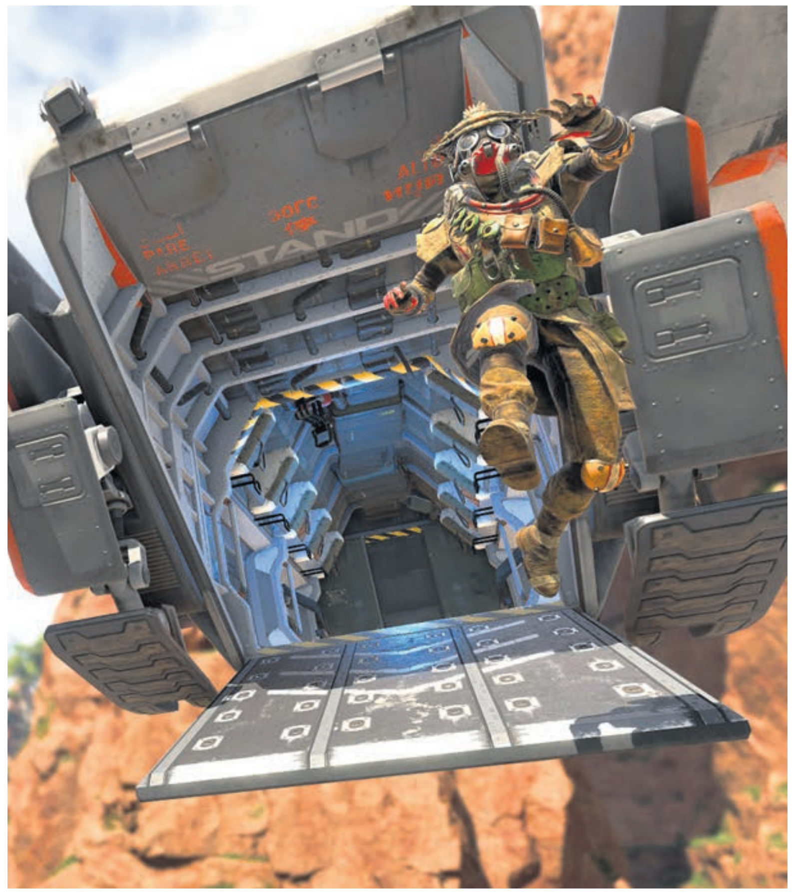
"Charities and their capital can play a central role in the low carbon transition, and their choices will send a powerful signal to all institutional investors about how to align investment with the good of society," he added.

Several high-profile charities have come under fire recently for investing in companies that act against their charitable aims. There is currently no regulatory requirement for charities to have a responsible investment policy.

Last year, the National Trust was criticised for investing in a fund with holdings in fossil fuel companies.

The Church of England was also found to have invested in the now-defunct company Wonga, despite having previously criticised the payday lender.

POWER-UP Electronic Arts' Apex Legends hits 50m players faster than rival Fortnite



ELECTRONIC Arts said yesterday its Apex Legends online multiplayer game had reached 50m sign-ups in its first month, while rival smash-hit Fortnite took four month to reach 40m. EA's share price has fallen about 23 per cent in the past year.

Firms lobby for Mifid II research pay rules in US

JESS CLARK

@jclarkjourno

GLOBAL asset management firm Invesco is lobbying for the US financial regulator to allow it to implement Mifid II rules.

The firm attended a meeting with the Securities and Exchange Commission (SEC) last year to push for changes to rules which ban brokers from receiving research payments unless they are registered as investment advisers.

Invesco was joined by Wellington Management and Dodge & Cox, according to the Financial Times which first reported details of the meeting.

Introduced across the European Union last year, Mifid II requires providers of investment research to charge for research separately from trading costs.

Invesco hinted at its intention to adopt Mifid II regulations globally in its annual report published in February.

"Client-driven competitive pressures may cause an expansion of these principles to other business regions in which we operate, including the United States," the firm said yesterday.

Half of UK private investors optimistic about Brexit opportunity, survey finds

JESS CLARK

@jclarkjourno

MORE than half of the UK's private investors believe Brexit will provide an opportunity for investment, according to a new survey.

Just 15 per cent of investors surveyed by Master Investor said that the UK's departure from the European Union would be a "disaster", while 51 per cent said it would be an opportunity.

Overall, 86 per cent of respondents said they had a confident investment outlook going forward, and identified the availability of debt finance as their biggest concern.

Higher interest rates were considered to be the second-most risky issue, according to the 175 private investors surveyed last month, followed by currency volatility, international political volatility and a no-deal Brexit respectively. A global economic slowdown and a new UK government led by Labour's Jeremy Corbyn were of the least risk, investors said.

Master Investor director James Faulkner said: "The research clearly shows that despite ongoing economic uncertainty and market volatility, investors are overwhelmingly confident about their investments. Brexit is seen as an opportunity, not a disaster for investors."

Ex-Which director joins UK financial regulator

HARRY ROBERTSON

@henrygrobertson

THE FORMER executive director of Which magazine, Richard Lloyd, will become a non-executive director of the UK's Financial Conduct Authority (FCA) from 1 April, it was announced yesterday.

His term at the FCA, which is the independent conduct regulator for 58,000 financial services firms and financial markets in the UK, will last three years.

Lloyd was at consumer magazine Which for five years, and stepped down as executive director in 2016. He is also a founding trustee of the Money and Mental Health Policy Institute and currently chairs Resolver, a consumer complaint resolution website.

The role was advertised in September 2018, offering £35,000 salary and an extra £10,000 a year for chairing a board committee.

CITY TALK PARTNER CONTENT

INTERACTIVE INVESTOR TALK

Richard J Hunter, discusses the themes and concerns for investors in 2019

The biscuit in question represented the likely themes which investors would need to consider this year and, so far, it has proved to be the case.

These come in the form of (B)rexit, (I)nterest rates, (S)terling, (C)hina, (U)nited States, (I)nflation and (T)rump.

In the words of one institutional international investor, the UK equity market had become close to being "uninvestable", as **Brexit** concerns – let alone the possibility of a Labour win if a general election was called – weighed heavily on investors. At the time of writing, the market is taking a more sanguine view that the end March deadline may be extended, thus avoiding a "no deal" for the moment at least, which has been a positive development. Indeed, following last year's 12.5% decline, the FTSE100 is up around 5% in the year to date.

In addition, the average dividend yield of the FTSE100 is at present 4.5%. This aside, for those investors looking to take a "bottom up", or stock specific approach, there are any number of world-class quality companies within the index, some of whom are largely immune from Brexit uncertainties and/or are defensive by nature. For example, the Consumer Staples sector, which accounts for some 16% of the FTSE100 by value, contains the likes of British American Tobacco, Diageo, Unilever and the supermarkets.

The direction of **interest rates** will continue to be of importance particularly in the US, where investors had previously been pricing in four hikes during 2019, per Fed guidance, whereas the current estimate is for none at all, especially considering some weaker economic numbers of late.

Sterling has had a rather brighter 2019 so far in light of the Brexit developments and currently stands at around 1.33 against the US dollar. It continues to be seen as the Brexit barometer, and is likely to remain volatile as discussions between the UK and EU continue. Ironically, Sterling's recent gains have placed some strain on the FTSE100, where an estimated 70% of earnings from FTSE100 companies are derived from overseas, such that in the face of any sterling strength, overseas earnings become less valuable.

Of particular concern to investors has been the escalation of the trade tensions between **China** and the **US**. Despite the apparent détente in discussions so far this year, the ongoing talks remain complex and guarded, with comments coming from the US delegation in particular being scrutinised on an almost daily basis. With some chinks in the armour beginning to appear in the world's two largest economies, a damaging trade war would likely have the effect of exacerbating any slowdown and therefore investors are keenly hoping that an agreement can be reached.

Inflation also has been caught between rising real wages – usually an invitation for Central Banks to be raising rates – and the volatile oil price. The latter has shown some strength of late and whilst inflation is currently less of an issue – there are other more important fish to fry at the moment –

> The small change in sentiment towards the UK market could begin a domino effect

it will continue to be monitored to ensure that it does not become a concern.

Then there are the tweets of the self-proclaimed "Tariff Man" in the form of President **Trump**. Some have become desensitised to his daily and abundant tweets, but there is little doubt that some of his 280-word diatribes have the force to be market-moving.

The small change in sentiment towards the UK market could begin a domino effect, such that the FTSE100 could well transform from an investment frog to a prince this year.

Richard J Hunter is the Head of Markets at interactive investor. This article is provided for information purposes only and is not intended to be a personal recommendation to adopt any investment strategy.

interactive investor

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cityam.com/talk/interactive-investor

Flybe shares take a dive as investors approve controversial £2.8m sale

ALEXANDRA ROGERS
@city_amrogers

SHARES in troubled airline Flybe dived over 16 per cent at market close yesterday, after shareholders approved its acquisition by Virgin-led consortium Connect Airways.

At a general meeting yesterday, 63 per cent of shareholders voted with the board's recommendation that they approve the sale, while 37 per cent staged a revolt and voted against it.

Flybe has been urging its shareholders to accept the Connect Airways offer, which it said provided the "only viable option the business needs to continue to trade successfully".

However, the deal rankled the airline's largest shareholder, Hosking Partners, which threatened legal action over the cut-price takeover in January.

Flybe confirmed that the nominal value of each share stands at 1p each, valuing the airline at £2.8m.

City watchdog may act to prevent excessive motor finance payments

ALEX DANIEL

@alexmdaniel

BRITAIN's financial watchdog is considering banning controversial methods that lenders use to reward car retailers, which are cost consumers £300m a year.

The Financial Conduct Authority (FCA) said it found widespread use of commission models – in which brokers use their discretion to set the customer interest rate and earn higher commission – that can lead to customers paying "significantly more" for their motor finance.

The FCA is mulling intervening in the market to address the concerns, including strengthening existing regulations, banning certain types of commissioning models or limiting broker discretion.

Jonathan Davidson, executive director of supervision covering retail and authorisations, said motor dealers are "over charging unsuspecting customers more than £1,000 in interest charges in order to obtain bigger commission payouts for themselves".

"We estimate this could be costing consumers £300m annually. This is unacceptable and we will act to address harm caused by this business model," he added.

The FCA said motorists are being hurt by £300m in excessive payments every year

Keller shares up despite a 92 per cent profit crash

ALEX DANIEL

@alexmdaniel

KELLER Group's share price soared 13.9 per cent yesterday despite profits plummeting in 2018, as investors hoped the firm has drawn a line below a difficult restructuring year.

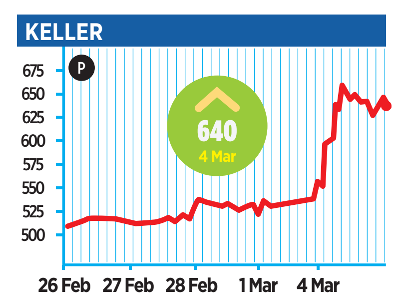
The world's largest geotechnical specialist contractor embarked on a major reorganisation of its businesses in Malaysia, Singapore, Brazil and South Africa. The move caused more than 700 people to lose their jobs and the company to pay out £61.4m mainly in goodwill write downs and impairments.

Pre-tax profit plunged to just £8.4m in 2018, falling 92 per cent year-on-year from £110.6m in 2017.

Revenues rose seven per cent, however, to £2.2bn.

The firm reported net debt of £286.2m, which was better than analyst, but still ballooning by nearly a quarter on 2017's figure of £229.5m.

Chief executive Alain Michaelis called the results "deeply unsatisfactory" that led to necessary restructuring, but mentioned "the successful acquisition and integration of Moretrench in the US a notable highlight".



ANNOUNCEMENTS

LEGAL AND PUBLIC NOTICES

CITY OF LONDON

THE PLANNING ACTS AND THE ORDERS AND REGULATIONS MADE THEREUNDER

This notice gives details of applications registered by the Department of The Built Environment Code: FULL/FULMAJ/FULEIA/FULLR3 – Planning Permission; LBC – Listed Building Consent; TPO – Tree Preservation Order; OUTL – Outline Planning Permission

Guildhall, London, EC2P 2EJ
19/00125/FULLR3
The installation of a replacement CCTV network, comprising 32 No. external and 12 No. internal CCTV cameras at the Guildhall Complex, Gresham Street, London, EC2V 7HH

39 Leadenhall Market, London, EC3V 1LT
19/00132/LBC
Internal alterations comprising the installation of kitchen extraction and fresh air system.

Retail Unit, 59 Fleet Street, London, EC4Y 1JU
19/00133/FULL
Change of use of ground floor and basement from Class A1 use (Shop) to Class D2 use (Assembly and Leisure) (130sq.m).

523 Willoughby House, Barbican, London, EC2Y 8BN
19/00135/LBC
Removal of glazed partition from the bedroom and relocation of the bedroom door to the hallway.

10 Trinity Square, London, EC3N 4AJ
19/00143/LBC
Installation of directional signage within the UN Room and covering of the AHU at roof level.

Applications can be viewed at www.planning2.cityoflondon.gov.uk or at the Department of the Built Environment, North Wing, Guildhall, Basinghall Street, London EC2, between 09.30 and 16.30. Representations must be made within 21 days of the date of this newspaper online or in writing to PLNComments@cityoflondon.gov.uk or the Chief Planning Officer, PO Box 270, Guildhall, London, EC2P 2EJ. In the event that an appeal against a decision of the Council proceeds by way of the expedited procedure, any representations made about the application will be passed to the Secretary of State and there will be no opportunity to make further representations.

CITY OF LONDON

Crackdown on 'offensive' drink ads

The new rules aim to crack down on discriminatory marketing in the industry

JAMES WARRINGTON

@j_a_warrington

UK DRINKS body Portman Group has urged alcohol brands not to create "offensive" adverts in a bid to crack down on discriminatory marketing in the industry.

The trade group has laid out new rules to ensure a drink's name, packaging and any promotional material does not cause serious or widespread offence, with producers urged to be careful when referencing topics such as race, religion and gender.

The new code of conduct also warns against marketing that links alcoholic drinks with illegal behaviour, or claims the product has mind-altering qualities.

Additionally, Portman has outlined new guidelines stating that single-serve, non-resealable containers should not contain more than four units of alcohol.

Portman chief executive John Timothy said: "In completing this review we have been conscious throughout of the need to drive up standards and provide better protection for consumers, while at the same time supporting producers to innovate and bring forward new and exciting brands and products."

The new code of practice will come into force in September.

Oxycontin drug maker on brink of bankruptcy

JESSICA DINAPOLI

OXYCONTIN maker Purdue Pharma is exploring filing for bankruptcy to address potentially significant liabilities from roughly 2,000 lawsuits alleging the drug manufacturer contributed to the deadly opioid crisis sweeping the US, people familiar with the matter said yesterday

The potential move shows how Purdue and its wealthy owners, the Sackler family, are under pressure to respond to mounting litigation accusing the drugmaker of misleading doctors and patients about risks associated with prolonged use of its prescription-strength opioids.

Purdue denies the allegations, arguing that the US Food and Drug Administration-approved labels for its opioids carried warnings about the risk of abuse and misuse associated with the pain treatments.

Filing for Chapter 11 protection would halt the lawsuits and allow Purdue to negotiate legal claims with plaintiffs under the supervision of a US bankruptcy judge, the sources said.

Shares of Endo International and Insys Therapeutics, two companies that like Purdue have been named in lawsuits related to the US opioid epidemic, were down as much as 14 per cent in trading yesterday.

More than 1,600 lawsuits accusing Purdue and other opioid manufacturers of using deceptive practices to push addictive drugs that led to fatal overdoses are consolidated in an Ohio federal court.

Purdue has held discussions to resolve the litigation with plaintiffs' lawyers, who have often compared the cases to widespread lawsuits against the tobacco industry that resulted in a $246bn (£186.5bn) settlement in 1998.

However, sources said a bankruptcy filing is not certain. *Reuters*

888 punts £15m for Bet Bright's sports platform

JAMES WARRINGTON

@j_a_warrington

ONLINE gambling company 888 has snapped up Bet Bright's sports betting platform for £15m as it continues to expand its offering.

888 said the deal, which will give it full control over Bet Bright's technology and product development, will enhance its long-term prospects in the global sports-betting market.

Itai Pazner, 888 chief executive, said: "This acquisition of a high-quality and scalable sportsbook is an exciting milestone for 888.

"It gives the group the missing piece in our proprietary product and technology portfolio and will enable 888 to own proprietary, end-to-end solutions across the four major online gaming verticals."

As part of the deal, Bet Bright's Dublin office will be integrated into 888's operations. The betting firm said it will look to integrate Bet Bright's technology "as soon as practically feasible".

Shares in 888 ticked up following the announcement, but closed down almost three per cent yesterday.

The takeover is the latest in a string of acquisitions by 888 as it looks to boost its position in the online gambling market.

The firm recently paid £18m for a string of bingo brands owned by JPJ Group, while last year 888 bought the remaining half of All-American Poker Network for $28m (£22.3m).

The London-listed firm is also looking to expand its operations in the US following a relaxation of sports betting laws in the country.

Pazner said the recent tie-ups demonstrate "the group's commitment to its strategy: To be a global leader in the online gaming market by driving organic growth across regulated markets, supported by value-accretive [mergers and acquisitions]".

Warner Media is banking on heavyweight movie titles like Detective Pikachu

AT&T reveals restructuring of Warner Music

HARRY ROBERTSON

@henrygrobertson

US TELECOMS giant AT&T detailed plans to restructure its Warner Media business in a memo to employees yesterday, as it prepares to enter the world of streaming and do battle against Netflix and Disney.

The move comes after AT&T defeated the US government's efforts to undo its $85bn (£65bn) purchase of Warner Media, formerly called Time Warner, last week on antitrust grounds.

Warner Media boss John Stankey told employees the firm "can't sustain a model where we invest one dollar more than necessary in the administrative aspects of running our business".

"Put simply, our priority is to direct resources to product development and innovation", he added.

It is hoped that this tough approach will save money which can be pumped into programming. AT&T will launch its subscription video streaming service late this year, but is competing against Netflix and Amazon, who have spent heavily on famous names in TV and film.

Sector veteran Tulloch named new Aviva chief

JOE CURTIS

@joe_r_curtis

AVIVA has appointed a new chief executive five months after sacking former boss Mark Wilson, saying it had “much further to go” to enhance shareholder value.

The insurer has named company veteran Maurice Tulloch as its new boss effective immediately, who will leave his previous position as boss of Aviva's international business.

“I am honoured to lead Aviva, a business I've been part of for 26 years,” Tulloch said. “There is a clear opportunity to realise Aviva's significant but untapped potential.

“Aviva is financially strong, we have a well-known brand and excellent business. But there is more to do to improve returns to shareholders.”

He signalled a return to the “fundamentals of insurance” and improving the customer experience.

Tulloch will earn a basic salary of £975,000, as well a bonus worth up to 200 per cent of his salary, with two-thirds of such awards made into Aviva stock that vests over three years.

Aviva requires Tulloch to build a stake in the firm to the value of 300 per cent of his basic salary.

Tulloch was Aviva's international boss

The insurer will also pay up to £250,000 to help Tulloch relocate from Canada to the UK.

Chairman Sir Adrian Montague said the board had interviewed internal and external candidates but said its choice of Tulloch was unanimous.

Aviva shares rose 0.58 per cent by yesterday's market close in London.

Huawei's chief financial officer Meng Wangzhou was arrested in Canada

China accuses Canadian of secret theft as row over Huawei grows

DAVID LJUNGGREN

CHINA's government and its leading smartphone maker Huawei yesterday stepped up pressure on US and Canadian governments in a dispute over market access that has ensnared Huawei's chief financial officer, who faces US criminal charges.

China yesterday accused a detained Canadian man of stealing trade secrets passed on to him from another detained Canadian, while the telecoms gear-maker is also preparing a lawsuit against the US government over a law that restricts its market access.

The moves were the latest escalation of an global crisis for Huawei, the world's top telecoms equipment maker and number two manufacturer of smartphones. *Reuters*

Laundry firm Johnson eyes further buyouts

ALEX DANIEL

@alexmdaniel

LAUNDRY company Johnson Service Group plans to continue a series of acquisitions which helped it grow profits through 2018.

The services group's shares fell 1.5 per cent yesterday as it announced a strong balance sheet, following the buyout of South West Laundry in August.

Johnson's pre-tax profit was £33.1m in 2018, up 6.1 per cent year-on-year from £31.2m. Revenue was up 10.4 per cent, at £321.1m, up on £290.9m the year before.

Net debt rose to £98.4m, up 7.8 per cent on £91.3m in 2017, while dividend rose 10.7 per cent to 3.1p.

Chief executive Peter Egan told *City A.M.* the firm intends to continue its plan of selective acquisitions, after moving into south west England with the South West Laundry acquisition.

“We've got a few more geographic areas still in the UK that we'd like to sit in,” he said. “There are a number of potential acquisitions out there, a number of independents. We still see opportunities for ourselves on the acquisition pipeline.”

US judge orders acquittal of Barclays banker accused of insider trading

JONATHAN STEMPEL

A US JUDGE acquitted a former top foreign exchange trader at Barclays accused of illegally trading ahead of an $8bn (£6.1bn) transaction for Hewlett-Packard without letting the case go to a jury.

The acquittal of Robert Bogucki, who led Barclays' foreign exchange trading desk in New York, by US district judge Charles Breyer in San Francisco sets back federal efforts to hold senior bankers and traders criminally responsible for suspected misconduct.

It also marks a rare instance of such a case being tossed out immediately after the prosecution presented its case at trial, because the evidence was too weak to support a conviction. Bogucki's trial began on 21 February.

A spokesman for US attorney David Anderson in San Francisco said that office was reviewing Breyer's decision. Sean Hecker, a lawyer for Bogucki, did not respond to requests for comment.

Bogucki was charged with “front-running” a 2011 transaction involving the sale of £6bn worth of cable options linked to HP's purchase of British software company Autonomy.

Prosecutors accused Bogucki of trying to push down the options' price, enabling Barclays to profit at HP's expense. *Reuters*

SPEED READS Uber links up with Puffin to put kids' books in cars for World Book Day

RIDE-HAILING company Uber has teamed up with Penguin Random House imprint Puffin and the National Literacy Trust to launch a programme of “mobile libraries” – cabs stocking children's books – ahead of World Book Day, on 7 March.

Budget airline passengers rack up a mixed bag

JESS CLARK

@jclarkjourno

BUDGET airlines Ryanair and Wizz Air reported boosted traffic year-on-year in February, but both carriers saw passenger numbers drop compared to the previous month.

A total of 9.3m customers flew with Ryanair in February, an increase of 13 per cent from 8.6m the previous year.

However, passenger numbers fell from 10.3m the previous month.

Wizz Air had 2.54m customers last month, up from 2.33m in February 2018, but saw a decline in passengers from 2.56m in January this year.

Ryanair reported a load factor of 96 per cent, up one per cent on the previous year, while Wizz Air said its load factor was 94.2 per cent, up from 91.2 per cent.

City Index senior market analyst Fiona Cincotta said "the outlook seems to be improving", after several months of negative news for European airlines, which included budget airlines Cobalt and Primera Air falling into administration and Slovenian national carrier Adria Airways teetering on the brink of bankruptcy.

"Overcapacity, higher oil prices, strikes and political events like Brexit have all left their mark but the issues, apart from Brexit, are slowly being resolved," she said.

Cincotta added that the numbers provided yesterday by budget carriers Ryanair and Wizz Air "indicate a new trend, with both companies showing double digit annual increases in passenger figures".

Last month, Ryanair announced it had suffered a €20m (£17.2m) loss in the third quarter of the financial year due to weaker ticket prices, while Wizz Air reported an 88 per cent drop in pre-tax profits at the end of 2018.

Shares in both Ryanair and Wizz Air ended fairly flat yesterday, rising 0.63 and 0.95 per cent respectively.

FOR THE LONG HAUL Investors target air carriers over long-term emissions goals

INVESTORS including BNP Paribas and the USS pension scheme have called on top carriers to meet the goals of the Paris Agreement. Easyjet is along among the world's 20 largest listed airlines on track to meet the targets after 2020, according to the TPI.

Rolls-Royce ditches Turkish fighter jet bid

ALEX DANIEL

@alexmdaniel

1.08%

ROLLS-ROYCE shares fell as much as three per cent yesterday after announcing over the weekend it had scaled back attempts to join a programme to build a new Turkish fighter jet.

The engine manufacturing giant had been in talks with Turkey's Kale Group, but they ran into problems last year because of a dispute over the sharing of intellectual property and the potential involvement of a Qatari-Turkish company.

The firm said it had abandoned its efforts to win the bid for the fifth-generation fighter jet after both sides failed to find a compromise.

The news comes hot on the heels of last week's announcement that Rolls-Royce was also pulling out of bidding to supply engines for Boeing's new midsize plane model because it could not meet the timetable. That came alongside reporting an annual loss of £2.9bn for 2018, driven in part by long-running mechanical problems.

Rolls-Royce's share price closed the day down 1.08 per cent.

Ghosn's new lawyer sets fresh strategy to cut bail deal for former Nissan chief

HARRY ROBERTSON

@henrygrobertson

CARLOS Ghosn's new lawyer struck an optimistic note yesterday, saying the ousted former Nissan boss could soon win bail from custody in Japan despite the failure of two previous requests.

Junichiro Hironaka, dubbed "the Razor", told a news conference: "I believe it's possible he could be released in the near future."

Ghosn's new legal team, assembled after previous lawyer Motonari Otsuru resigned without explanation last month, filed a third bail request with a Tokyo court at the end of February.

Otsuru had been pessimistic about the prospect of bail being granted, but his successor is more positive, vowing to follow a different strategy.

Hironaka is well-known in Japan for successfully defending clients accused of high-profile white-collar crime, such as the "Shadow Shogun" Ichiro Ozawa, a politician who was accused of breaking fundraising laws.

Ghosn was arrested by Japanese police in November 2018 and accused by the country's prosecutors of significant misconduct, including under-reporting his salary.

The car industry titan has since had his detention extended numerous times, and two previous bail requests have been rejected. He denies any wrongdoing.

Ghosn has had his detention extended numerous times since November

IN ASSOCIATION WITH THE Global GROUP | UK INVESTOR SHOW 2019

'UK assets are very compelling when looked at on a global basis'

Never mind Brexit, take a broader perspective, Mark Slater tells **Ian Hall**

Mark Slater speaking at The Global Group UK Investor Show 2018; he returns to Westminster's Queen Elizabeth II Centre *(inset)* for this year's conference on 30 March

AS *City AM* is chatting with Mark Slater, warnings of a 'No Deal' Brexit are again flashing across the media headlines. The biggest news story in town is impossible to ignore as Theresa May, Donald Tusk and co make painfully incremental progress in their high-stakes discussions about Britain's EU exit. But as the politicians flounder, Slater's focus – naturally – is on what will happen in the markets.

The 49-year-old fund manager says: "With Brexit we are close to a resolution, one way or the other. 'No Deal' would clearly spook the market at which point UK equities would be a magnificent buy. All the bad news would be fully reflected in share-prices, and UK and international investors would be scrambling to get back in. The waiting and drifting would be over."

Investors want certainty – businesses are crying out for it. 'No Deal' is, in a sense, an outcome, even if it would effectively constitute a screeching emergency-stop with a phalanx of very agitated travellers urging clarity on the new route ahead.

Slater, who co-founded Slater Investments almost 25 years ago and is chairman and chief investment officer, says: "[With Brexit] I don't think it pays to speculate on anything. For an asset manager, or any investor, you'll go mad if you try to predict every political event. My advice would be to invest in businesses that will do well doing their own thing, come what may [politically].

"Markets tend towards efficiency although they are regularly inefficient for periods of time. This means that, when you buy an undervalued business, the odds are against you being able to finesse the timing of a re-rating. A patient, long-term approach makes the most sense."

Over the past couple of years international businesses have been seeking to 'Brexit-proof' themselves by investing further in – or indeed setting up – subsidiaries on the other side of the English Channel. As an example, UK airline EasyJet has established a subsidiary in Austria.

Slater, speaking to *City AM* from his office just off Cannon Street, reflects: "All British firms that needed a European subsidiary have probably done it. They have had about three years to sort it out." But he adds: "These kind of things pop up all the time."

This observation reflects Slater's perspective that although Brexit is undeniably important, many businesses are wrestling with more potentially challenging concerns.

By way of example, Slater points out that the auto industry – with its famously cross-border supply-chains (carmakers have been particularly noisy about Brexit's potential impact) – is also challenged by issues such as the move away from diesel and US tariffs. He believes these issues are "far more significant" than Brexit.

Slater says that he has no exposure to businesses with European supply-chains

> **"**
> UK assets have been unpopular for the past couple of years

but cites house-building as a sector impacted by the aftershock of Britain's 2016 referendum in which he has – or at least *had* – an interest.

"House-builders are more exposed. They are very highly geared to changes in consumer sentiment and falling house prices," he says. "We did have significant exposure in the run-up to the referendum and we rode that exposure through the referendum and added afterwards. The whole sector was down

about 40% in one day. But we sold all of our traditional housebuilders at the end of 2017 as we felt that the house-price headwind was strengthening."

We discuss exchange-rate volatility and Slater cites his interest in UK-based travel retailer On the Beach Group. He says: "In the event of a No Deal there would be a move on Sterling. But On the Beach is a relatively small exposure for us."

Looking globally, he points out that 2018 was "difficult for all asset classes – none beat inflation. This was the case in places like China and the USA, too, so it clearly wasn't Brexit [that was the primary cause of under-performance]."

But he says: "A huge amount of capital has left the UK – UK assets have definitely been unpopular for the past couple of years."

Naturally positive, he adds his perspective that "UK assets are very compelling when looked at on a global basis, particularly outside the main indices".

He continues: "Medium and smaller companies were hit particularly hard in the fourth quarter of 2018. UK equities have been the most unpopular asset class for UK investors almost every month since mid-2016 based on industry fund flow data and most international investors have sold their UK equities. Prices are back to where they were circa 2012-2013."

Slater is speaking to *City AM* ahead of The Global Group UK Investor Show 2019 at Westminster's Queen Elizabeth II Centre on Saturday 30 March – by coincidence the day after Britain's proposed EU exit. He jokes: "One thing's for sure – we'll know more then [about Brexit] than we know now."

To claim your free Investor Class ticket for The Global Group UK Investor Show 2019 on Saturday 30 March, visit www.ukinvestorshow.com/tickets and enter CITYSLATER as the discount code

EU set for trade talks with US on tariff concerns

JAN STRUPCZEWSKI

THE EUROPEAN Union's top trade officials will update their US counterparts this week on progress in obtaining a negotiating mandate for a EU–US trade deal on industrial goods and raise concern over existing and potential future US tariffs.

EU trade commissioner Cecilia Malmstrom will meet US trade representative Robert Lighthizer tomorrow in Washington, and the secretary-general of the European Commission, Martin Selmayr, will meet the director of the United States national economic council Larry Kudlow the following day.

The European Union's executive arm, the European Commission, has the sole responsibility for negotiating trade deals for the whole 28-nation bloc of 513m people and has been in close discussions with Washington over trade policy since last July to avert the threat of US tariffs on EU cars and car parts.

The European Commission has asked member countries to approve two negotiating mandates so that formal talks can begin.

Germany is keen to start quickly, while France is reluctant.

"The discussions will focus on the next steps towards the implementation of the July 2018 Joint Statement and on the EU–US cooperation on World Trade Organisation reform and level playing field issues," Commission spokesman Margaritis Schinas said of this week's talks.

Rather than negotiating a comprehensive trade deal that could take a very long time, the EU is keen to reach a quicker agreement with the United States on trade in industrial goods alone, excluding agriculture that tends to be more controversial.

That could help resolve the issue of US tariffs on European steel and aluminum and avoid tariffs on EU-made cars and car parts. *Reuters*

Energean grew revenues 56 per cent last year, while slashing the cost of production

Energean energised as drilling begins at offshore Israeli wells

AUGUST GRAHAM

@AugustGraham

ENERGEAN Oil and Gas jumped on the London Stock Exchange yesterday as it started drilling in Israel.

The FTSE 250 company said it was drilling three development wells, and will spud its Karish North well on schedule. The development sent shares up by 4.6 per cent.

The firm said it would drill the top parts of the wells in batches from its drillship Stena Drillmax.

In January, Energean secured a $900m (£682.3m) deal to supply gas to an Israeli provider from the Karish and Tanin fields which will start supplying in 2021.

"I look forward to continuing this positive momentum in 2019," chief executive Mathios Rigas said.

Plexus looks up after deal with giant Gazprom

AUGUST GRAHAM

@AugustGraham

29.67%

PLEXUS Holdings' shares soared yesterday as the small oil and gas service provider said a licensee had signed a deal with energy giant Gazprom.

The contract becomes the first major deal for its Russian licensing partner LLC Gusar, which will supply so-called pos-grip equipment to Gazprom.

Shares in Plexus rocketed 29.7 per cent to 59p, bringing Plexus' market value to nearly £59m.

Chief executive Ben van Bilderbeek hailed the "breakthrough" order, which it has been working towards since partnering with Gusar in the beginning of 2016. Plexus did not reveal the value of the order.

Finance director Graham Stevens told *City A.M.* the company hopes that the deal will "lead on to bigger and better things," with Gazprom and other firms in Russia.

He said the company is tendering for more contracts as it tries to convince drillers to take on its pos-grip technology, which is used to seal gas wells.

"The world is crying out for gas-proof technology," Stevens said.

Opec likely to defer April output policy decision in bid for supply cuts clarity

RANIA EL GAMAL

The Organisation of the Petroleum Exporting Countries (Opec) cartel and its partners are unlikely to decide on their output policy in April as it would be too early to get a clear picture of the impact of their supply cuts on the market by then, three Opec sources said yesterday.

The sources said the production policy by the so-called Opec+ alliance is expected to be agreed on in June with an extension of the pact being the likely scenario so far, but much depends on the extent of US sanctions on Opec members Iran and Venezuela.

Opec and its allies meet next in Vienna on April 17–18 and delegates say another gathering is scheduled for June 25–26.

One Opec source said the most likely outcome of the June meeting was "a rollover" of the current oil supply cuts.

On 1 January, Opec and its allies began new production cuts to avoid a supply glut that could soften prices. Opec, Russia and other non-members – the Opec+ alliance – agreed to reduce supply by 1.2m barrels per day (bpd) for six months.

Opec's share is 800,000 bpd, to be delivered by 11 members – all except Iran, Libya and Venezuela, which are exempt from cuts. The baseline for the reduction was in most cases their output in October 2018. *Reuters*

Eli Lilly to quell drug price anger with cheaper insulin

MANAS MISHRA

DRUGMAKER Eli Lilly announced plans yesterday to sell a half-price version of its popular insulin injection Humalog, as it fends off criticism about rising drug prices in the US.

Major drugmakers including Lilly, a leading producer of insulin, have come under fire from patients and politicians over the rising cost of the life-saving medication used to treat diabetes.

Lilly's rebranded product would be called Insulin Lispro, it said, while Humalog, which makes $3bn (£2.3bn) in annual sales, will remain available for those wishing to access it through existing insurance plans.

Other companies have taken price cuts in recent years, as the US government gradually increases scrutiny of the industry.

The cost of insulin for treating Type 1 diabetes in the United States has nearly doubled over a five-year period, leading some patients to ration their medication. *Reuters*

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

LONDON REPORT

Banks lift FTSE index as trade optimism rises

THE FTSE 100 rose yesterday as financial firms gained on reports China and the United States were nearing a trade deal, a stronger dollar helped exporter stocks, while clothing retailer **Ted Baker** advanced after chief executive Ray Kelvin's resignation.

The FTSE 100 ended 0.4 per cent higher and the FTSE 250 closed 0.1 per cent higher and clung to its four-month high that it hit in the last session.

Financial stocks gained after the Wall Street Journal reported on Sunday that US President Donald Trump and Chinese President Xi Jinping could reach a formal trade deal at a summit around 27 March, raising hopes of an end to the protracted dispute.

Data showed activity in the UK's construction industry fell for the first time in almost a year last month amid Brexit uncertainty and a slowdown in the housing market.

This softened sterling and helped dollar earners such as **Astrazeneca** and spirits company **Diageo** to be among the top boosts to the main bourse.

Property website operator **Rightmove** also jumped 5.1 per cent on its best day in more than two-and-a-half years after bullish comments from JP Morgan.

British Airways owner **IAG** dropped 4.8 per cent on its worst day in more than a year after it forecast 2019 free cash flow to be lower than last year.

Ted Baker, which slumped five per cent in early deals, recovered to add 4.8 per cent as Ray Kelvin, the retailer's founder and top boss, quit the firm following allegations of misconduct relating to his habit of hugging business colleagues.

Rightmove shares jumped after JP Morgan gave it the thumbs up

Daily Mail and General Trust rose 4.5 per cent, its biggest intraday gain since late June, after plans to return all its shares in **Euromoney** and £200m in cash to eligible shareholders.

Euromoney shares shed 4.6 per cent.

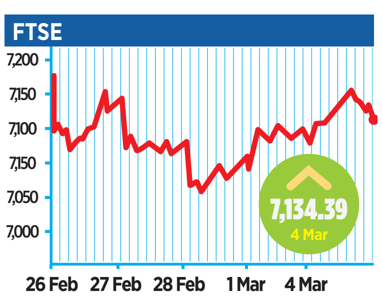
Speciality chemical company **Synthomer** slipped 8.1 per cent on the mid-caps after its full-year report, but losses were largely offset as drugmaker **Indivior** surged 7.5 per cent in a no-news move.

TOP RISERS

1. **Rightmove** Up 5.15 per cent
2. **NMC Health** Up 3.70 per cent
3. **Smith** Up 2.85 per cent

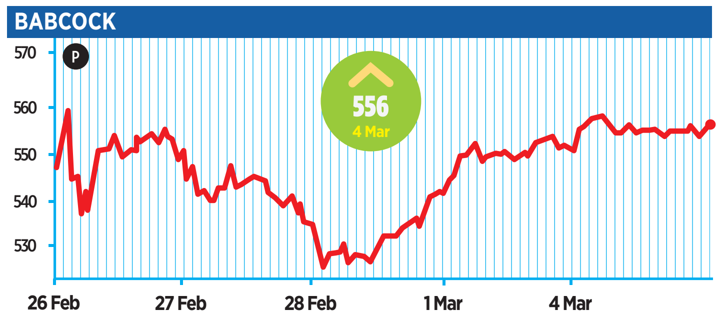
TOP FALLERS

1. **ICA** Down 4.81 per cent
2. **Fresnillo** Down 3.03 per cent
3. **GVC Holdings** Down 2.25 per cent

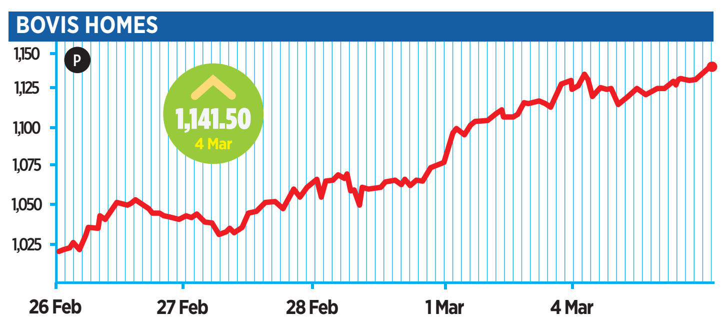


BEST OF THE BROKERS

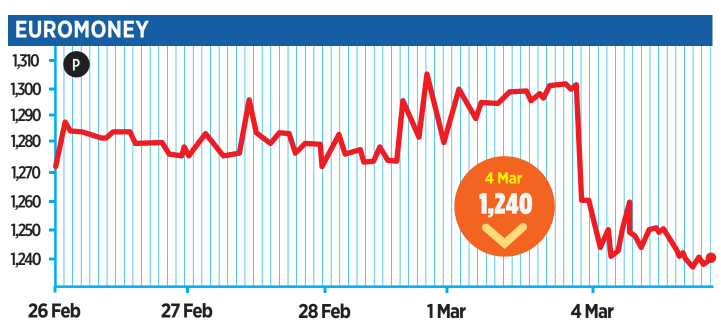
To appear in Best of the Brokers, email your research to notes@cityam.com



Defence company Babcock was recently hit with a £10m bill to make its aviation business compliant with European operating requirements, prompting a share price fall. Broker Liberum has reduced its 2020 earnings per share by two per cent. However, it says that underlying sales growth is still positive for this year, and "attractive margins" are achievable. "Our new profit bridge for 2020, taking into account all the known puts and takes, implies two per cent growth on the base, which seems reasonable." Liberum states its "buy" rating with target price of 900p.



Kent-based homes provider and FTSE 250 member Bovis Homes has had its profit before tax forecasts upped by four to five per cent by broker Peel Hunt, on the back of strong final results last week in which Bovis increased its divident by 20 per cent. "This increase reflects a bit more confidence in the volume/price for sales in calendar year 2019 as well as a slightly better performance on the margin front," the broker says. Peel Hunt increases its target price to 1,025p on the back of the pre-tax profit changes, but keeps its "hold" recommendation in place.



Euromoney is in the money after the Daily Mail and General Trust said it will return its stake in the firm and pay out a £200m cash sum to select shareholders as a result. Peel Hunt's verdict is that the move is a positive step for Euromoney and completes the emergence of the company as a wholly independent company for the first time. "Whilst today's news may herald a period of share price volatility, we see this as an opportunity to buy well for future strong performance." says the broker. Peel Hunt confirms its "add" rating, with a target price of 1,475p.

NEW YORK REPORT

Wall Street drops after weak US data

WALL STREET's major indexes fell yesterday, weighed down by a weak US construction spending report and declines in healthcare shares, as an initial rally on optimism over a US-China trade deal faded.

US construction spending unexpectedly fell in December as investment in both private and public projects dropped, leading economists to expect that the government will trim its economic growth estimate for the fourth quarter.

Before turning negative, stocks had climbed following a report that the US and China could reach a trade agreement later this month.

Optimism over the world's two largest economies reaching a trade truce already has been a significant factor fuelling the market's rally since late December, along with investors' belief that the Federal Reserve will not be aggressive in raising interest rates. The S&P 500 remains up more than 11 per cent in 2019.

The Dow Jones Industrial Average fell 206.67 points, or 0.79 per cent, to 25,819.65, the S&P 500 lost 10.88 points, or 0.39 per cent, to 2,792.81 and the Nasdaq Composite dropped 17.79 points, or 0.23 per cent, to 7,577.57.

Healthcare, which has underperformed this year, was the biggest declining major S&P 500 sector, sinking 1.3 per cent. Shares of **Unitedhealth** fell 4.1 per cent, weighing on the Dow, while shares of other health insurers also fell sharply.

In healthcare news, Reuters reported that OxyContin maker **Purdue Pharma** is exploring filing for bankruptcy to address potentially significant liabilities from lawsuits alleging the company contributed to the opioid crisis, sending shares of some sellers of opioid drugs lower.

Still, indexes finished above their session lows. Materials rose 0.44 per cent, the most among the S&P 500 sectors.

In corporate news, **AT&T** shares fell 2.7 per cent as the company is restructuring its **Warner Media** business, according to a memo.

CITY MOVES WHO'S SWITCHING JOBS

CO-OP GROUP

Central England Co-op has welcomed its new chief executive Debbie Robinson on her first day with the society. Debbie was appointed in November last year and will oversee one of the largest independent retail co-operative societies in the UK with over 8,000 staff and over 400 trading outlets across 16 counties. Debbie will take over from Martyn Cheatle who will be retiring in April after successfully leading Central England Co-op since 2010. Previously, Debbie has worked for over 30 years with the likes of Co-op Group, Marks & Spencer and WHSmith among others and most recently held the position of UK managing director at Spar. Added to her retail expertise, Debbie also sits on the boards of the Association of Convenience Stores and the British Retail Consortium.

DELOITTE

Deloitte Global has announced Sharon Thorne as the designated incoming chair of the Deloitte Global board of directors. Effective June 2019, Thorne will become the first woman to serve in this role. Thorne, who currently serves as the deputy chief executive and managing partner of global and strategy of Deloitte in north west Europe, will succeed David Cruickshank, who has completed his four year-term before which he served as chair of the Deloitte UK board for eight years. Thorne is an audit partner with more than 30 years of experience auditing and advising clients across a broad range of sectors. Now based in London, Thorne spent over 20 years of her career based in Deloitte UK's Manchester office. In her current role, Thorne has been responsible for the global dimension of Deloitte North West Europe's strategy, which recognizes the importance of international trade and investment to Deloitte. She has significant governance experience, including nine years spent on the Deloitte Global board, six years on the Deloitte UK board, four years as chair of Deloitte CIS Holdings, and six years on the board of the Confederation of British Industry.

HUNTERS

Franchised sales and lettings agency business Hunters has appointed Dan Rafferty as chief operating officer. Rafferty brings a wealth of experience to the role, most recently including a 14 year spell at Foxtons as its chief information officer. The appointment from Hunters represents further investment in its technological offering as it continues to drive customer fulfilment. Rafferty's role at Hunters, which operates over 200 branches in locations across the country, will see him hold overall responsibility for the execution of a programme to help improve the productivity and efficiency of the company's highly commended customer service offering and its digital marketing strategy.

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

FTSE 100	FTSE 250	FTSE ALL SHARE	DOW JONES	NASDAQ	S&P 500
7134.39	19411.43	3923.73	25819.65	7577.57	2792.81
27.66	11.78	12.66	206.67	17.79	10.88

£/€	1.1621	0.0006	€/$	1.1341	0.0021
£/$	1.3182	0.0019	€/£	0.8602	0.0004
£/¥	147.29	0.4572	€/¥	126.71	0.5813

	Price	Chg	High	Low
GILTS				
Tsy 4.500 19	100.08	0.00	103.9	100.0
Tsy 3.750 19	101.51	-0.01	104.6	101.5
Tsy 4.750 20	103.98	-0.01	108.0	103.9
Tsy 3.750 20	104.46	0.02	107.4	104.4
Tsy 2.500 20	357.92	0.03	362.9	357.7
Tsy 8.000 21	116.25	0.00	123.0	115.9
Tsy 4.000 22	109.50	0.05	112.2	109.4
Tsy 0.500 22	98.91	0.08	99.3	97.4
Tsy 1.875 22	115.74	0.10	119.2	115.5
Tsy 2.250 23	105.91	0.10	106.8	104.7
Tsy 2.500 24	361.60	0.13	369.1	355.4
Tsy 0.125 24	111.38	0.13	114.1	110.9
Tsy 5.000 25	123.27	0.04	125.9	122.1
Tsy 4.250 27	125.78	0.04	127.5	122.6
Tsy 1.250 27	130.68	0.20	134.9	128.4
Tsy 6.000 28	143.63	0.05	146.0	140.5
Tsy 0.125 29	122.14	0.33	126.2	118.7
Tsy 4.750 30	136.54	0.10	138.8	132.1
Tsy 4.125 30	366.96	0.25	378.8	353.9
Tsy 4.250 32	133.27	0.19	135.9	128.5
Tsy 1.250 32	148.76	0.41	154.7	144.1
Tsy 0.125 36	139.21	0.50	145.7	133.4
Tsy 4.250 36	138.68	0.24	141.4	133.1
Tsy 4.750 38	151.52	0.26	154.6	144.9
Tsy 0.625 40	158.89	0.53	166.3	152.8
Tsy 4.500 42	153.37	0.30	156.9	145.9
Tsy 3.500 45	135.41	0.32	138.9	128.0
Tsy 4.250 46	153.93	0.39	158.3	145.7
Tsy 4.025 49	159.13	0.43	164.0	150.0
Tsy 0.500 50	184.05	1.05	194.4	173.7
Tsy 0.250 52	179.72	1.17	190.4	168.8
AEROSPACE & DEFENCE				
BAE Systems	475.6	5.4	676.4	445.5
Cobham	120.0	0.4	133.7	96.8
Meggitt	533.6	-1.0	572.0	417.1
QinetiQ Group	310.9	-0.5	314.7	200.1
Rolls-Royce Holdi	895.2	-9.8	1094.0	759.2
Senior	232.6	2.8	334.4	185.4
Ultra Electronics	1279.0	6.0	1743.0	1232.0
BANKS				
Aston Martin Lago	1044.8	-25.2	1810.0	1034.2
Bank of Georgia G	1697.4	7.2	3680.0	1310.0
Barclays	163.7	1.2	217.0	146.1
Close Brothers Gr	1518.0	-7.0	1660.0	1398.0
CYBG	204.0	4.5	364.2	173.9
HSBC Holdings	618.0	3.9	745.7	600.8
Lloyds Banking Gr	63.1	0.2	68.2	50.0
Metro Bank	966.0	54.0	4040.0	889.5
Royal Bank of Sco	266.3	3.0	296.0	203.0
Standard Chartere	624.1	12.8	784.0	519.8
TBC Bank Group	1516.0	-22.0	1896.0	1290.0
BEVERAGES				
Barr (A.G.)	778.0	0.0	821.0	615.0
Britvic	927.5	4.0	934.0	661.5
Coca-Cola HBC AG	2589.0	12.0	2801.0	2244.0
Diageo	2962.5	24.5	3064.5	2354.5
CHEMICALS				
Croda Internation	4885.0	-3.0	5318.0	4422.0
Elementis	177.0	-3.0	288.8	166.1
Johnson Matthey	3184.0	35.0	3823.0	2620.0
Sirius Minerals	20.1	0.0	38.7	19.1
Synthomer	365.0	-32.2	575.5	347.4
Victrex plc	2328.0	-64.0	3408.0	2172.0
CONSTRUCTION & MATERIALS				
Balfour Beatty	291.6	-1.7	311.1	230.6
CRH	2419.0	-15.0	2857.0	1971.5
Galliford Try	780.0	5.0	1104.0	565.5
Ibstock	251.4	-4.8	305.4	193.1
Marshalls	542.5	0.5	545.0	399.8
Polypipe Group	415.0	-2.2	424.2	307.8
ELECTRICITY				
Contour Global	186.8	2.1	282.0	150.1
Drax Group	376.2	-0.2	427.2	264.0
SSE	1202.0	-2.0	1440.5	1032.5
ELECTRONIC & ELECTRICAL EQ.				
Halma	1585.0	10.0	1613.0	1146.0
Morgan Advanced M	274.6	3.4	363.0	246.4
Renishaw	4344.0	34.0	5685.0	3670.0
Spectris	2692.0	13.0	2908.0	1966.5
EQUITY INVESTMENT INSTRUM.				
Aberforth Smaller	1266.0	2.0	1442.0	1120.0
Alliance Trust	744.0	3.0	785.0	672.0
Apax Global Alpha	145.0	0.0	149.0	127.0
Baillie Gifford J	755.0	11.0	869.0	663.0
Bankers Inv Trust	857.0	5.0	904.0	766.0
BBGI SICAV S.A. (	156.0	0.5	168.0	130.5
BlackRock Smaller	1370.0	5.0	1600.0	1160.0
BMO Global Smalle	1320.0	0.0	1495.0	1220.0
British Empire Tr	723.0	1.0	767.0	660.0
Caledonia Investm	2980.0	20.0	3015.0	2625.0
City of London In	405.0	1.5	442.5	376.0
Edinburgh Dragon	373.0	0.0	382.0	324.0
Edinburgh Inv Tru	639.0	2.0	712.0	588.0
F&C Investment Tr	686.0	3.0	741.0	612.0
Fidelity China Sp	230.0	4.0	268.0	182.4
Fidelity European	226.0	0.0	239.0	202.0
Fidelity Special	259.0	2.0	280.0	220.0
Finsbury Growth &	808.0	6.0	854.0	728.0
GCP Infrastructur	128.4	-0.4	130.8	115.0
Genesis Emerging	698.0	3.0	734.0	615.0
Greencoat UK Wind	134.0	-0.4	138.0	118.4
HarbourVest Globa	1440.0	6.0	1476.0	1178.0
Herald Investment	1260.0	10.0	1370.0	1055.0
HGCapital Trust	2010.0	10.0	2040.0	1685.0
HICL Infrastructu	164.7	-1.5	170.1	133.5
International Pub	158.0	0.0	161.4	138.2
JPMorgan American	429.5	1.0	472.0	368.5
JPMorgan Emerging	892.0	1.0	906.0	759.0
JPMorgan Indian I	645.0	5.0	734.0	566.0
JPMorgan Japanese	388.0	4.0	472.0	367.0
Jupiter European	714.0	1.0	895.0	666.0
Mercantile Invest	202.4	-0.2	226.0	168.0
Monks Inv Trust	826.0	1.0	872.0	710.0
Murray Internatio	1186.0	2.0	1238.0	1056.0
NB Global Floatin	90.9	0.7	94.5	87.6
Pantheon Internat	2120.0	-10.0	2200.0	1830.0
Perpetual Income	325.0	1.0	375.0	301.5
Pershing Square H	1276.0	8.0	1284.0	856.0
Personal Assets T	39850.0	0.0	40600.0	38750.0
Polar Capital Tec	1242.0	6.0	1386.0	1060.0
RIT Capital Partn	2055.0	10.0	2130.0	1884.0
Riverstone Energy	1006.0	-10.0	1298.0	1004.0
Schroder Asia Pac	432.0	3.0	481.0	379.0
Scottish Inv Trus	800.0	2.0	902.0	748.0
Scottish Mortgage	494.6	3.2	568.3	420.6
Sequoia Economic	112.0	0.0	114.0	104.5
Smithson Investme	1110.0	4.2	1123.4	1000.2
Syncona Limited N	294.0	7.0	303.5	185.4
Temple Bar Inv Tr	1314.0	2.0	1354.0	1116.0
Templeton Emergin	746.0	0.0	793.0	649.0
The Renewables In	118.0	0.0	121.0	103.2
TR Property Inv T	381.0	0.0	433.5	353.5
Vietnam Enterpris	468.0	1.0	499.0	390.0
VinaCapital Vietn	339.0	2.0	361.0	306.0
Witan Inv Trust	1028.0	6.0	1138.0	948.0
Woodford Patient	82.2	-1.3	91.0	72.0
Worldwide Healthc	2740.0	10.0	2915.0	2325.0
FINANCIAL SERVICES				
3i Group	955.4	-1.2	1029.5	756.2
3i Infrastructure	271.5	-0.6	272.5	198.5
Allied Minds	57.0	-0.2	134.6	37.3
Amigo Holdings	227.0	-3.0	310.0	202.4
Arrow Global Grou	189.0	1.0	380.5	167.2
ASA International	430.0	-7.9	510.0	336.0
Ashmore Group	419.6	-2.6	422.2	337.0
Brewin Dolphin Ho	318.6	-4.6	388.0	295.4
Charter Court Fin	318.8	-2.8	363.6	228.8
City of London In	427.5	21.5	454.0	360.0
CMC Markets	86.8	0.7	206.0	83.5
Coats Group	85.6	4.1	91.3	69.8
Georgia Capital	1111.6	-18.4	1260.0	975.0
Hargreaves Lansdo	1816.0	25.5	2270.0	1629.5
IG Group Holdings	581.0	3.0	954.5	534.0
IntegraFin Holdin	356.2	-2.6	401.0	257.0
Intermediate Capi	1048.0	-15.0	1203.0	899.0
International Per	202.8	-2.4	254.8	171.6
Investec	490.0	-5.0	648.6	423.4
IP Group	100.0	-3.2	142.8	99.6
John Laing Group	378.2	-6.2	389.2	242.0
JTC	330.0	12.0	410.0	295.0
Jupiter Fund Mana	369.7	7.0	519.2	287.6
Liontrust Asset M	611.0	9.0	688.0	532.0
LMS Capital	46.1	0.0	53.5	44.0
London Finance &	39.5	0.0	45.5	39.5
London Stock Exch	4717.0	22.0	4794.0	3837.0
Man Group	137.7	3.1	196.3	126.8
OneSavings Bank	393.0	-1.8	449.6	330.0
Paragon Banking G	431.6	-5.0	552.5	379.2
Plus500 Ltd (DI)	797.0	-8.0	2040.0	720.0
Provident Financi	596.6	-3.2	715.6	488.4
Quilter	131.7	-0.1	154.7	110.6
Rathbone Brothers	2326.0	-24.0	2652.0	2198.0
Real Estate Credi	172.0	0.0	174.5	159.0
Record	30.0	0.0	51.1	28.6
River and Mercant	230.0	6.0	348.0	212.0
S&U	1917.5	-35.0	2790.0	1900.0
Sanne Group	530.0	-4.0	724.0	450.0
Schroders	2784.0	0.0	3488.0	2334.0
Standard Life Abe	249.3	0.7	435.2	224.9
TP ICAP	318.3	-4.6	547.8	259.7
VPC Specialty Len	77.2	-0.8	84.4	76.0
Walker Crips Grou	26.5	0.0	39.0	25.8
XPS Pensions Grou	135.0	-5.0	192.0	135.0
FIXED LINE TELECOMS				
BT Group	214.0	-0.5	264.7	203.0
TalkTalk Telecom	101.3	-0.9	137.0	96.6
Telecom Plus	1424.0	10.0	1512.0	1010.0
FOOD & DRUG RETAILERS				
Greggs	1793.0	-16.0	1823.0	942.0
Morrison (Wm) Sup	229.6	-1.8	269.4	204.1
Ocado Group	1046.5	1.5	1146.0	504.4
Sainsbury (J)	233.7	1.9	341.5	225.3
SSP Group	679.6	2.9	742.7	594.9
Tesco	229.2	-0.1	266.2	189.6
UDG Healthcare Pu	609.5	15.0	940.0	558.0
FOOD PRODUCERS				
Associated Britis	2259.0	11.0	2836.0	2041.0
Bakkavor Group	145.0	0.0	206.0	132.2
Cranswick	2512.0	-6.0	3460.0	2472.0
Dairy Crest Group	626.0	-1.0	640.0	413.2
Greencore Group	194.7	-0.3	207.5	127.0
Hilton Food Group	928.0	-6.0	1005.0	766.0
Tate & Lyle	694.4	-3.8	731.4	526.0
Unilever	3999.5	16.5	4486.0	3695.0
FORESTRY & PAPER				
Mondi	1812.5	35.5	2236.0	1584.0
GAS, WATER & MULTIUTILITIES				
Centrica	123.5	0.1	163.7	121.2
National Grid	848.6	-0.7	887.8	739.2
Pennon Group	779.6	-0.2	812.4	583.4
Severn Trent	2029.0	0.0	2088.0	1705.0
United Utilities	845.0	1.6	852.8	656.0
GENERAL INDUSTRIALS				
RPC Group	794.2	-0.8	835.0	632.2
Smith (DS)	346.6	9.6	538.9	292.2
Smiths Group	1463.0	18.5	1801.0	1279.5
Smurfit Kappa Gro	2230.0	46.0	3292.0	1934.0
Vesuvius	621.5	8.5	662.0	473.2
GENERAL RETAILERS				
Auto Trader Group	477.0	0.5	482.6	334.8
B&M European Valu	367.5	0.2	426.3	278.6
Card Factory	197.2	-3.8	247.6	162.6
Dixons Carphone	138.6	2.1	234.7	116.2
Dunelm Group	854.5	-13.5	872.0	482.8
Halfords Group	246.0	-1.0	388.0	214.0
Inchcape	594.5	16.5	799.0	486.6
JD Sports Fashion	482.9	-2.1	521.4	318.5
Just Eat	771.6	6.0	883.4	533.8
Kingfisher	248.5	3.0	354.1	205.4
Marks & Spencer G	283.1	4.1	314.5	242.4
Next	5182.0	12.0	6202.0	3991.0
Saga	123.7	0.7	138.7	98.9

MAIN CHANGES UK 350

Risers		%
Indivior	110.8	7.5
Metro Bank	966.0	5.9
Rightmove	496.2	5.2
Coats Group	85.6	5.0
Fisher (James) & S	2140.0	4.9
Ted Baker	1982.0	4.8
Energean Oil & Gas	706.4	4.6
CLS Holdings	245.5	4.5
NMC Health	2856.0	3.7
Superdry	550.0	3.3

Fallers		%
Synthomer	365.0	-8.1
International Cons	574.0	-4.8
Euromoney Institut	1240.0	-4.6
Acacia Mining	203.1	-4.6
Vivo Energy	129.2	-4.5
Spirent Communicat	154.0	-4.5
Rotork	285.7	-3.5
IP Group	100.0	-3.1
Fresnillo	799.0	-3.0
Hastings Group Hol	220.0	-2.9

	Price	Chg	High	Low
Sports Direct Int	274.2	1.6	436.1	233.2
Ted Baker	1982.0	90.0	3214.0	1420.0
Vivo Energy	129.2	-6.1	187.0	96.0
WH Smith	2130.0	4.0	2136.0	1697.0
HEALTH CARE EQUIPMETN & S.				
Assura	57.4	-0.3	61.9	52.4
Convatec Group	137.8	-0.3	239.0	118.6
Mediclinic Intern	331.0	-0.8	706.4	303.7
NMC Health	2856.0	102.0	4120.0	2536.0
Smith & Nephew	1448.5	9.5	1545.0	1258.0
HHOLD GDS & HOME CONSTR.				
Barratt Developme	605.4	5.0	605.4	434.0
Bellway	3060.0	4.0	3433.0	2419.0
Berkeley Group Ho	3948.0	15.0	4321.0	3226.0
Bovis Homes Group	1141.5	15.5	1301.5	828.0
Countryside Prope	329.0	1.8	384.0	270.0
Crest Nicholson H	401.8	0.4	506.5	296.4
McCarthy & Stone	125.0	0.0	149.6	97.5
Persimmon	2460.0	27.0	2880.0	1859.5
Reckitt Benckiser	5899.0	36.0	7155.0	5443.0
Redrow	635.0	-1.0	647.0	460.8
Taylor Wimpey	181.4	1.6	205.0	129.3
INDUSTRIAL ENGINEERING				
Bodycote	770.0	0.0	1055.0	676.0
Hill & Smith Hold	1182.0	-3.0	1523.0	902.5
IMI	960.0	19.0	1242.0	870.0
Melrose Industrie	180.9	2.8	247.0	146.3
RHI Magnesita N.V	4464.0	12.0	5350.0	3318.0
Rotork	285.7	-10.3	361.4	235.7
Spirax-Sarco Engi	6825.0	65.0	7345.0	5560.0
Weir Group	1630.0	-9.5	2325.0	1240.0
INDUSTRIAL METALS & MINING				
Evraz	581.8	7.4	586.0	365.2
Ferrexpo	270.0	5.7	316.1	143.5
INDUSTRIAL TRANSPORTATION				
BBA Aviation	254.0	7.8	350.0	207.0
Clarkson	2580.0	40.0	3450.0	1878.0
Fisher (James) &	2140.0	100.0	2150.0	1512.0
Royal Mail	278.3	-4.9	631.0	260.8
Stobart Group Ltd	152.0	-0.2	266.5	142.8
NON LIFE INSURANCE				
Admiral Group	2193.0	-9.0	2227.0	1844.0
Beazley	548.5	0.0	619.5	492.6
Direct Line Insur	356.2	-2.4	393.2	304.9
Hastings Group Ho	220.0	-6.6	287.2	174.0
Hiscox Limited (D	1634.0	7.0	1711.0	1380.0
Jardine Lloyd Tho	1910.0	0.0	1912.0	1212.0
Lancashire Holdin	661.5	-1.0	667.5	530.0
RSA Insurance Gro	519.4	-3.4	681.8	496.6
Sabre Insurance G	278.0	0.0	290.0	235.0
LIFE INSURANCE				
Aviva	434.5	2.5	552.0	364.6
Just Group	108.0	-0.9	150.6	71.0
Legal & General G	285.8	1.6	287.3	223.7
Phoenix Group Hol	706.5	6.5	723.5	544.0
Prudential	1619.5	13.5	1954.5	1340.0
St James's Place	1005.0	9.0	1240.5	914.0
MEDIA				
4Imprint Group	2040.0	5.0	2260.0	1575.0
Ascential	364.4	2.4	465.0	349.4
Bloomsbury Publis	240.0	3.0	254.0	165.0
Centaur Media	48.6	-0.1	53.0	34.7
Entertainment One	420.6	-3.0	447.6	268.0
Euromoney Institu	1240.0	-60.0	1450.0	1132.0
Gocompare.com Gro	64.6	-0.4	139.0	61.4
Haynes Publishing	206.0	0.0	246.0	160.0
Huntsworth	96.0	-5.0	139.0	76.0
Informa	714.4	12.4	859.0	605.8
ITE Group	68.7	-3.1	105.2	56.3
ITV	137.5	1.4	180.4	122.9
Moneysupermarket.	346.1	-4.0	353.1	257.2
Pearson	842.8	1.4	1027.5	718.8
Reach	65.1	0.9	88.5	54.6
Relx plc	1647.0	36.5	1769.5	1429.5
Rightmove	496.2	24.3	535.0	419.3
STV Group	365.0	-4.5	458.0	305.0
Tarsus Group	280.0	4.0	320.0	243.0
WPP	873.4	7.2	1360.5	800.4
MINING				
Acacia Mining	203.1	-9.8	256.6	96.1
Anglo American	2006.0	6.0	2057.0	1464.6
Antofagasta	941.6	-1.6	1149.0	727.2
BHP Group	1744.6	3.6	1827.4	1373.8
Centamin (DI)	89.1	-1.7	164.6	86.3
Fresnillo	799.0	-25.0	1340.0	746.4
Glencore	305.2	0.8	400.4	269.1
Hochschild Mining	191.3	-0.6	224.6	149.1
Kaz Minerals	657.0	-5.2	1076.0	436.7
Polymetal Interna	846.8	-17.6	894.0	591.0
Rio Tinto	4395.5	39.5	4492.0	3486.0
MOBILE TELECOMS				
Inmarsat	415.3	6.8	632.2	336.4
Vodafone Group	131.4	-2.9	214.0	131.0
OIL & GAS PRODUCERS				
BP	536.1	3.1	598.3	459.8
Cairn Energy	213.8	3.8	267.6	140.0
Energean Oil & Ga	706.4	30.9	713.6	418.0
Premier Oil	74.3	0.6	143.6	55.6
Royal Dutch Shell	2352.0	1.5	2748.5	2175.5
Royal Dutch Shell	2366.5	2.0	2841.0	2201.5
Tullow Oil	226.0	2.5	276.0	165.2
OIL EQUIPMENT & SERVICES				
Hunting	562.5	-4.5	914.0	453.6
Petrofac Ltd.	448.9	7.6	663.4	381.5
Wood Group (John)	544.2	9.2	796.4	489.4
PERSONAL GOODS				
Burberry Group	1953.0	5.5	2325.0	1623.5
PZ Cussons	194.7	1.6	290.0	178.6
Superdry	550.0	17.5	1813.0	355.2
PHARMACEUTICALS & BIOTECH				
AstraZeneca	6212.0	26.0	6317.0	4736.0
BTG	833.0	-1.0	853.0	475.0
Dechra Pharmaceut	2518.0	20.0	3168.0	2014.0
Genus	2186.0	-14.0	2992.0	2098.0
GlaxoSmithKline	1508.4	-2.0	1621.6	1273.8
Hikma Pharmaceuti	1703.5	17.0	2025.0	858.2
Indivior	110.8	7.8	496.2	76.5
REAL ESTATE INVEST. & SERV.				
Capital & Countie	255.3	-2.2	308.9	226.3
CLS Holdings	245.5	10.5	255.0	195.4
Daejan Holdings	5900.0	0.0	6400.0	5600.0
F&C Commercial Pr	123.4	-0.6	155.0	121.2
Grainger	248.0	-1.2	291.6	205.8
NewRiver REIT	230.0	2.0	303.0	195.0
Safestore Holding	611.0	-0.5	615.0	491.0
Savills	924.5	7.5	1012.0	678.5
St. Modwen Proper	408.8	-6.4	425.2	365.0
UK Commercial Pro	86.4	-0.1	90.6	81.0
REAL ESTATE INVEST. TRUSTS				
Big Yellow Group	979.0	1.0	984.0	823.0
British Land Comp	601.0	-0.4	697.0	523.0
Civitas Social Ho	99.0	0.0	114.0	95.8
Derwent London	3235.0	-15.0	3288.0	2761.0
Great Portland Es	758.3	-1.8	794.6	652.3
Hammerson	384.1	-4.3	570.0	322.4
Intu Properties	114.4	-2.5	219.6	106.8
Land Securities G	903.0	-1.6	989.5	791.8
LondonMetric Prop	193.9	-0.1	195.7	171.8
Primary Health Pr	124.0	0.6	124.0	106.4
SEGRO	653.8	-1.2	679.0	572.2
Shaftesbury	890.0	-3.0	1015.0	817.0
Tritax Big Box Re	142.5	-0.8	155.7	129.0
Unite Group	907.0	-9.0	926.0	765.5
Workspace Group	995.0	5.5	1165.0	789.5
SOFTWARE & COMPUTER SERV.				
Avast	305.8	-4.3	313.0	208.2
Aveva Group	3014.0	-26.0	3072.0	1826.0
Computacenter	1130.0	10.0	1620.0	952.0
FDM Group (Holdin	850.0	0.0	1128.0	734.0
Micro Focus Inter	1844.5	-21.5	2036.0	911.8
Playtech	428.7	-0.4	833.6	361.8
Sage Group	665.8	0.4	700.0	525.6
Softcat	770.0	-8.0	888.0	565.0
Sophos Group	344.4	1.6	639.0	310.2
SUPPORT SERVICES				
Aggreko	735.6	-3.4	882.0	641.8
Ashtead Group	2066.0	19.0	2438.0	1586.5
BCA Marketplace	209.5	4.0	242.0	149.6
Bunzl	2416.0	22.0	2539.0	1950.0
Capita	124.1	-2.0	169.1	80.2
DCC	6595.0	95.0	7565.0	5555.0
Diploma	1380.0	5.0	1475.0	1068.0
Electrocomponents	579.2	3.2	761.6	480.0
Equiniti Group	200.0	-3.5	326.5	196.8
Essentra	384.8	-3.2	507.0	325.4
Experian	1999.0	28.5	2057.0	1508.0
Ferguson	5316.0	33.0	6556.0	4749.0
G4S	212.3	1.2	282.0	175.9
Grafton Group Uni	803.0	-2.0	841.5	630.0
Hays	155.2	0.1	212.0	135.7
Homeserve	992.5	22.5	1041.0	705.0
Howden Joinery Gr	491.4	3.3	539.0	416.4
Intertek Group	5188.0	68.0	6014.0	4387.0
Pagegroup	453.0	-2.2	623.5	432.2
Rentokil Initial	356.7	9.1	357.4	258.7
Serco Group	135.0	3.0	135.0	84.1
SIG	123.3	-2.7	149.8	102.2
Travis Perkins	1455.0	6.0	1475.5	970.0
Spirent Communica	154.0	-7.2	161.2	103.0
TOBACCO				
British American	2871.5	8.5	4311.0	2375.0
Imperial Brands	2560.0	29.0	2987.5	2310.0
TRAVEL & LEISURE				
888 Holdings	176.6	-3.3	324.8	153.9
Carnival	4210.0	-57.0	5000.0	3659.0
Cineworld Group	287.4	-0.2	323.6	223.8
Compass Group	1682.5	-5.0	1758.5	1440.0
Domino's Pizza Gr	240.1	0.8	386.9	225.6
easyJet	1234.5	-21.5	1796.0	1051.5
EI Group	206.0	0.0	208.5	115.0
FirstGroup	91.5	0.5	117.5	77.0
Go-Ahead Group	2048.0	-18.0	2084.3	1388.0
Greene King	660.0	0.0	671.8	458.9
GVC Holdings	651.0	-15.0	1170.0	615.0
InterContinental	4566.0	-30.5	4979.1	3958.4
International Con	574.0	-29.0	726.6	557.0
Merlin Entertainm	361.3	-3.3	410.5	307.1
Millennium & Copt	473.0	5.0	575.0	457.0
Mitchells & Butle	287.0	-1.2	291.4	234.8
National Express	429.6	6.8	433.2	361.4
Paddy Power Betfa	6115.0	-10.0	9110.0	6010.0
Rank Group	163.8	-4.2	224.5	135.0
Restaurant Group	129.1	-2.3	237.1	126.1
Stagecoach Group	164.6	1.1	177.0	127.3
TUI AG Reg Shs (D	799.0	-12.2	1810.5	799.0
Wetherspoon (J.D.	1317.0	-11.0	1337.0	1066.0
Whitbread	4852.0	-2.0	4965.0	3617.0
William Hill	179.2	-4.3	336.1	151.9
Wizz Air Holdings	3068.0	29.0	3797.0	2329.0
AIM 50				
Abcam	1105.0	-235.0	1539.0	1017.0
Advanced Medical	314.0	3.5	370.0	260.0
Alliance Pharma	65.4	-1.0	102.0	60.0
ASOS	3343.0	95.0	7730.0	2128.0
Blue Prism Group	1634.0	110.0	2575.0	1040.0
Camellia	11350.0	325.0	12900.0	9100.0
CareTech Holding	347.0	-5.0	418.0	325.0
Central Asia Meta	254.5	4.5	339.5	203.0
Clinigen Group	965.0	-3.0	1043.0	721.0
CVS Group	499.6	0.6	1163.0	395.0
Dart Group	840.5	-3.5	1017.0	740.0
Diversified Gas &	109.0	-3.0	114.5	80.8
Draper Esprit	540.0	10.0	645.0	437.0
Eland Oil & Gas	126.5	-1.5	137.5	79.0
EMIS Group	946.0	0.0	1050.0	720.0
Fevertree Drinks	2731.0	-11.0	3956.0	2131.0
First Derivatives	2200.0	70.0	4680.0	2050.0
Frontier Develop	928.0	14.0	1825.0	740.0
Gamma Communicati	840.0	10.0	900.0	680.0
GB Group	499.0	4.0	626.0	395.0
Gooch & Housego	1190.0	30.0	1880.0	1127.5
Hurricane Energy	44.7	-0.3	60.1	30.5
Iomart Group	387.0	6.0	475.0	308.0
IQE	98.0	8.0	149.0	56.3
James Halstead	472.0	5.0	480.0	367.0
Johnson Service G	128.0	-2.0	145.2	113.6
Keywords Studios	1158.0	-14.0	2065.0	900.0
Learning Technolo	72.0	0.0	166.5	62.2
M&C Saatchi	366.5	-11.5	412.0	270.0
M. P. Evans Group	698.0	3.0	800.0	640.0
Majestic Wine	286.5	-6.0	485.0	236.0
Midwich Group	577.5	0.0	685.0	491.5
Mortgage Advice B	576.0	0.0	720.0	490.0
Next Fifteen Comm	570.0	-1.0	599.0	439.5
Nichols	1510.0	-7.5	1667.5	1240.0
Numis Corporation	265.0	-4.0	440.0	221.5
Polar Capital Hol	520.0	0.0	732.0	448.0
Purplebricks Grou	135.3	0.1	415.4	125.0
Redde	144.0	-9.0	196.0	143.4
Renew Holdings	384.5	0.5	440.0	333.0
RWS Holdings	477.0	-2.0	513.0	343.5
Scapa Group	309.0	1.0	509.0	295.6
Secure Income Rei	400.0	1.0	402.0	358.0
Serica Energy	123.0	-3.5	142.0	57.4
Smart Metering Sy	630.0	-4.0	831.0	497.0
Staffline Group	670.0	0.0	1340.0	670.0
Telford Homes	299.0	13.5	471.5	270.0
Thorpe (F.W.)	308.0	-3.5	347.5	248.0
Watkin Jones	221.5	-2.5	232.5	177.6
Young & Co's Brew	1582.5	35.0	1830.0	1322.5
Young & Co's Brew	1070.0	-20.0	1325.0	1030.0

WebfinancialGroup
http://corporate.webfg.com
mailto:
globaltechsales@webfg.com

EU SHARES

	Price	Chg	High	Low
AB INBEV	71.65	-1.15	95.08	56.32
ADIDAS N	215.80	-0.10	217.70	168.40
AIR LIQUIDE	109.90	-0.55	115.25	97.12
AIRBUS	114.38	-0.38	111.16	77.50
ALLIANZ	197.70	0.36	204.60	170.38
AMADEUS IT GRP BR-A	65.86	-0.54	82.20	56.60
ASML HLDG	163.88	2.42	189.50	130.12
AXA	22.46	-0.07	26.88	18.40
BANCO SANTANDER	4.24	-0.01	6.01	3.80
BASF N	68.31	0.25	95.21	57.26
BAYER N	72.62	1.02	104.51	58.33
BBVA	5.34	-0.04	7.73	4.48
BMW	74.67	-0.08	93.80	68.85
BNP PARIBAS BR-A	44.94	0.05	67.62	38.14
CRH PLC	28.04	-0.22	34.87	26.53
DAIMLER N	53.48	0.20	74.10	44.54
DANONE	66.72	0.84	70.41	59.72
DEUTSCHE POST N	27.42	0.12	38.28	23.43
DEUTSCHE TELEKOM N	14.58	0.06	15.63	12.72
ENEL N	5.30	-0.01	5.40	4.22
ENGIE	13.20	-0.14	14.82	11.31
ENI N	15.11	0.07	16.89	13.22
ESSILORLUXOTT	108.10	1.40	129.55	105.35
FRESENIUS	48.67	-0.16	71.10	38.50
IBERDROLA	7.31	0.02	7.24	5.44
INDITEX	26.86	0.11	30.30	21.85
ING GROUP	11.63	-0.04	16.01	9.09
INTESA SANPAOLO N	2.17	0.01	3.23	1.86
KERING	494.50	-1.00	522.40	333.68
KON AH DEL BR	22.26	-0.55	23.49	16.96
L'OREAL	223.20	-0.20	214.90	170.30
LVMH	308.00	1.40	313.70	232.50
MUENCHENER RUECKV N	208.50	0.00	200.00	175.00
NOKIA	5.33	0.00	5.76	3.89
ORANGE	13.31	-0.02	15.25	13.26
ROY. PHILIPS	35.88	0.50	40.01	29.05
SAFRAN	120.45	0.45	122.25	81.04
SANOFI	75.03	1.03	80.44	62.88
SAP I	94.68	-0.21	108.42	81.37
SCHNEIDER EL	69.98	0.92	78.56	57.54
SIEMENS N	97.42	0.48	121.40	94.79
SOCIETE GENERALE	27.22	0.17	47.51	26.32
TELEFONICA	7.42	-0.06	8.48	6.59
TOTAL	50.37	0.49	56.07	41.00
UNILEVER CERT	47.10	0.05	50.16	42.13
VINCI	83.52	0.36	87.38	69.98
VIVENDI	25.45	-0.17	23.56	20.26
VOLKSWAGEN VZ I	154.24	0.06	180.86	131.02

US SHARES

	Price	Chg	High	Low
3M	206.86	-0.63	243.10	176.87
ABBOTT LABORATOR	78.62	0.03	78.97	56.81
ADOBE	258.16	-5.85	277.61	201.76
ALPHAB NON VTG-C	1147.80	6.81	1273.89	970.11
ALPHABET-A	1153.42	4.90	1291.44	977.66
AMAZON.COM	1696.17	24.44	2050.50	1307.00
AMERICAN EXPRESS	109.00	0.10	114.55	89.05
APPLE	175.85	0.88	233.47	142.00
AT&T	29.98	-0.84	37.81	26.80
BANK OF AMERICA	29.03	-0.28	33.05	22.66
BERKSHIRE HATH RG-B	201.81	-1.32	224.07	184.75
BOEING CO	432.69	-7.93	446.01	292.47
CATERPILLAR	138.35	0.88	161.60	112.06
CHEVRON	122.12	0.09	131.08	100.22
CISCO SYSTEMS	51.16	-0.25	52.09	40.19
CITIGROUP	63.75	-0.72	76.53	48.42
COCA-COLA CO	45.65	0.27	50.84	41.45
COMCAST-A	38.73	-0.37	39.66	30.43
DOWDUPONT	54.25	0.91	73.23	48.89
ELI LILLY & CO	127.46	-1.38	130.51	74.51
EXXON MOBIL	80.31	0.31	87.36	64.65
FACEBOOK-A	167.37	5.09	218.62	123.02
GOLDMAN SACHS GR	195.98	-2.22	275.31	151.70
HOME DEPOT	183.81	-1.36	215.43	158.09
IBM	138.43	-0.77	162.11	105.94
INTEL	53.94	0.64	57.60	42.36
JOHNSON & JOHNSO	138.48	0.13	148.99	118.62
JPMORGAN CHASE	104.19	-0.24	119.24	91.11
MASTERCARD RG-A	226.29	-0.96	228.50	167.94
MCDONALD'S	180.59	-4.46	190.88	146.84
MEDTRONIC	92.29	0.20	100.15	76.41
MERCK	81.37	-0.28	82.12	52.83
MICROSOFT	112.26	-0.27	116.18	87.08
NETFLIX	351.04	-6.28	423.21	231.23
NIKE -B-	85.64	-1.52	87.99	63.21
ORACLE	52.04	-0.47	53.48	42.40
PEPSICO	118.61	0.56	119.74	101.06
PFIZER	43.07	-0.29	46.47	34.32
PHILIP MRRS INT	87.28	-0.23	109.90	64.67
PROCTER&GAMBLE	98.87	0.43	100.45	70.73
SALESFORCE.COM	158.50	-6.03	166.15	113.34
TRAVELERS COS	132.08	-0.88	143.25	111.08
TWITTER	30.50	-0.12	47.79	26.19
UNITEDHEALTH GRO	236.02	-10.13	287.94	212.50
UTD TECHS	125.74	-0.03	144.15	100.48
VERIZON COMM	56.24	-0.72	61.58	46.09
VISA RG-A	147.96	-1.51	151.56	116.03
WALGREENS BOOTS	64.74	-1.87	86.31	59.07
WALMART	97.85	-0.08	106.21	81.78
WALT DISNEY RG-DIS	114.33	0.32	120.20	97.68
WELLS FARGO	50.11	0.08	59.53	43.02

COMMODITIES

Gold	1311.95	-7.20
Silver	15.56	-0.25
Brent Crude	66.39	1.18
Krugerrand	1350.85	2.25
Palladium	1533.00	-17.00
Platinum	862.00	-12.00
Tin Cash Official	21750.00	4.00
Lead Cash Official	2152.00	-2.00
Zinc Cash Official	2839.00	45.00
Copper Cash Official	6570.00	34.00
Aluminium Cash Official	1890.00	-3.00
Nickel Cash Official	13155.00	120.00
Aluminium Alloy Cash Official	1474.00	11.00
Cocoa Futures	2217.00	-33.00
Coffee 'C' Futures	97.20	-3.00
Feed Wheat Futures	162.25	1.70
Soybeans Futures Continuation Contract	903.00	3.60

CREDIT & RATES

BoE IR Overnight	0.750	0.00
BoE IR 7 days	0.750	0.00
BoE IR 1 month	0.750	0.00
BoE IR 3 months	0.750	0.00
BoE IR 6 months	0.750	0.00
LIBOR Euro - overnight	-0.473	0.00
LIBOR Euro - 12 months	-0.162	0.00
LIBOR USD - overnight	2.385	0.00
LIBOR USD - 12 months	2.895	0.01
Halifax mortgage rate	3.990	0.00
Euro Base Rate	0.000	0.00
Finance house base rate	1.000	0.00
US Fed funds	1.91	0.00
US long bond yield	3.09	-0.04
Euro Euribor	-0.373	0.00
The vix index	14.63	1.06
The baltic dry index	664.00	6.00
Markit iBoxx EUR	232.49	0.30
Markit iBoxx GBP	328.49	0.89
Markit iBoxx USD	241.43	-0.43

WORLD INDICES

	Price	Chg	%chg
FTSE 100	7134.39	27.66	0.39
FTSE 250	19411.43	11.78	0.06
FTSE All-Share	3923.73	12.66	0.32
FTSE AIM All-Share	915.29	-0.53	-0.06
S&P 500	2792.81	-10.88	-0.39
Dow Jones I.A.	25819.65	-206.67	-0.79
Nasdaq Composite	7577.57	-17.79	-0.23
Xetra DAX	11592.66	-9.02	-0.08
CAC 40	5286.57	21.38	0.41
Swiss Market Index	9394.05	-17.97	-0.19
ISEQ Overall Index	6220.19	24.57	0.40
FTSEurofirst 300	1473.45	3.66	0.25
Hang Seng	28959.59	147.42	0.51
Shanghai Composite	3027.58	33.57	1.12
STI Index	3251.08	30.68	0.95
ASX All Ordinaries	6302.50	28.70	0.46

FORUM

EDITED BY LUKE GRAHAM

If we want good politicians we should pay them far more

Ryan Bourne

FEW PEOPLE are as hawkish on government spending as me. However, there is one area where taxpayers should be willing to spend much, much more: the salaries of our members of parliament.

Last week, the Independent Parliamentary Standards Authority announced that MPs' basic pay was to increase by 2.7 per cent to £79,468 from 1 April. Outrage ensued.

Given that there is seemingly no shortage of wannabe politicians, and other public sector workers have endured pay restraints, this response was to be expected. But the truth is that we'd get better outcomes if we paid our MPs £500,000 or even £1m each per year.

I know, I know. Imagining our current politicians getting these salaries is sickening. Given current events, many (or perhaps most) are being paid more than they are worth. Some might even struggle to find work with a minimum wage employer.

But before the TaxPayers' Alliance set the pitchforks on me, the whole point of much higher base pay would be to attract more talented people into politics in the first place.

In general, we know that if we want a better phone, computer, or house, then we must part with more money. Yet when it comes to our elected representatives, who make hugely important decisions that will affect our lives, incomes, house prices, education, and health, we pay far less than the market rewards granted to top roles in other sectors.

Few people would disagree that we'd prefer knowledgeable, experienced elective representatives. But it's difficult to attract such talent when the financial rewards are so low compared to other more lucrative jobs, particularly in business.

A decent legislator should be about much more than parroting the party lines, dealing with a bit of casework, and turning up for whipped votes. Given the size and scope of government, we should desire people who have a firm grip of the legal implications of their decisions, an appreciation of economics, knowledge of foreign affairs, good public relations and media skills, and the ability to weigh trade-offs and prioritise.

Yes, plenty of people are willing to put themselves forward for election right now. Yet there's a thin gruel of candidates who possess all these skills within parliament. Higher pay would increase the number and range of people willing to run. It might even help break the party system too, if more independent MPs or parties are attracted into politics with the ability to self-fund their campaigns.

Even when talented MPs do get into parliament right now, the high opportunity cost of their role creates incentives for them to worry about their future options or earn money elsewhere – leading to conflicts of interest.

For contrast, Singapore rightly sees high politician pay as an anti-corruption measure, as well as a means of attracting better brains.

Yes, such a pay hike would cost taxpayers more. The truth though is that much higher pay would be a drop in the government-spending ocean. Paying the 650 MPs £500,000 each per year would amount to just 0.04 per cent of total government spending for 2019. That's only around a sixth of the resource budget for the Department for Digital, Culture, Media and Sport – a department of trivial importance compared to decisions taken by the House of Commons.

The truth is that we'd get better outcomes if we paid each MP £500,000 or even £1m per year

One potential problem is worth addressing. A paper by economist Renee Bowen and political scientist Cecilia Mo suggests that when politicians are better remunerated, they vote for policies perceived as better for the public than for vested interests. Good, but this is a double-edged sword. Better pay also means that politicians have more to lose from electoral defeat, providing greater incentives to maintain their jobs around election time by voting for "feel-good" policies that may have clear short-term benefits but hidden longer-term economic costs.

One way of dealing with this tension might be to limit how long MPs can serve. But that would diminish the ability for them to accumulate parliamentary expertise.

A better way would be to ensure that politicians had skin in the long-term economic game. Their pay should be linked to what happens to real GDP per capita over the parliamentary term, and grow or be reduced accordingly. As a proxy for the sustainable growth rate, this would incentivise them to factor in long-term economic health when making decisions.

Most readers will, of course, instinctively recoil from the suggestion of very high pay and potentially big bonuses for MPs.

But in our own lives and with most goods, we recognise that "you get what you pay for". Why should we expect anything different when it comes to politicians?

Ryan Bourne occupies the R Evan Scharf Chair in the Public Understanding of Economics at the Cato Institute in Washington DC.

Physical retailers and their online rivals must collaborate to save the high street

Debbie Williamson

IN JANUARY, affiliate marketing company Awin released research showing that 39 per cent of Britons wouldn't really mind if we lost all high street stores altogether, with over a third of respondents saying that they "almost never" shopped there anyway.

News stories about high street stalwarts being in the doldrums have become a recurring theme, from struggling Patisserie Valerie being bought out by Irish private equity firm Causeway Capital Partners, to Sports Direct founder Mike Ashley acquiring retailers such as Evans Cycles and House of Fraser.

So against this backdrop of growing national consumer apathy, do traditional retailers have what it takes to rejuvenate our high streets? Are rent negotiations – as HMV's rescuer, the Canadian entrepreneur Doug Putman, is pursuing – and an injection of merchandising enough to save the majority of these retailers, even though they have missed the modernising boat?

This is where customer data comes in. At the moment, data collection continues to be vilified because of entirely valid consumer concerns over privacy and the commercial exploitation of personal details taken from social media.

However, when data is collected lawfully and put to work respectfully – such as by retailers which use it to take the guesswork out of product development and reduce overstocking supply chain risk – it not only results in products that people want to buy, but it creates better sustainability outcomes too. And this is where online markets have a big advantage.

In contrast to the seemingly-endless price discounting on the high street, "digital native" retailers hone in on online customer acquisition costs. They continue to use observations about what customers browse and buy to give the customer more of what they want.

But business-building data lessons can also be learned in store – although these tend to focus on the experiential. For example, Paris-based Hardware Club, a venture capital investor in tech startups, successfully opened an outlet in London's Harrods in order to collect data to gauge consumer response to its products.

Similarly, Smartech – the business started by former footballer Jacov Nachtailer under an escalator at Selfridges – attributes its 450 per cent sales growth to offering its consumers an opportunity to experience the latest tech.

By pooling expertise to put customers first, including data lessons learnt online and experiential consumer practices developed in stores, collaborations between traditional retailers and digital natives could help the high street shops survive and thrive.

I have huge respect for physical retailers. Their expertise is vast, especially when it comes to managing physical infrastructure, which is a difficult thing to do well.

What a data-driven business brings to the party (alongside speed and responsiveness) is the ability to pinpoint those winning designs that customers really want to buy. This will minimise surplus stock waste, which is critical in a world where sustainability matters more and more to consumers every day.

Debbie Williamson is chief creative officer and co-founder of digital furniture retailer Swoon.

LETTERS
TO THE EDITOR

Pay day for MPs

[Re: MPs are about to get a pay rise, but do they deserve it?, yesterday]

IPSA, the body that sets MPs' pay, has announced that it will be increasing their salary by 2.7 per cent in April. Taxpayers will be rightly angered by this.

It's a good thing that MPs don't determine their own pay. But in 2015, they received a £7,000 raise. The justification for this was, in part, to reflect a reduction in pension and expenses benefits.

Though there have been smaller increases in recent years, IPSA needs to put a stop to these rises immediately.

They have once again shown themselves to be out of touch with the wider public. MPs' salary rises have been linked with the average public sector increase, who've been doing rather well in recent years. Yet in the private sector (where most of us work), earnings have been behind the public sector for some time.

There is not a compelling reason why there should automatically be a link between the public sector average increase and MPs' pay.

Let's not forget that MPs are already in the top five per cent of earners.

We are told that to work in politics is to fulfil a public duty. If that is the case, then why the pay rise?

In the US, the 27th amendment to the constitution prohibits representatives from increasing (or decreasing) their salary during a session of Congress. While such a statutory prohibition is currently unlikely in the UK, IPSA should break the link to average public sector earnings immediately and institute a freeze.

Four years ago, some MPs promised to donate their pay rise to charity (though few, if any, actually did). Taxpayers would be more impressed if they did indeed follow through with that.

Duncan Simpson, policy analyst, TaxPayers' Alliance

Junktion station

[Re: Mind the ban, yesterday]

Luke Graham's doubts about the efficacy of banning junk food advertising on TfL are well founded, particularly the point that foods are banned, not brands, so brands can offer healthier food but, as Sam Ashken of Interbrand asks, how can they get customers to buy it?

I am reminded of when cigarettes could not be advertised on television but cigars could, and the tobacco companies simply produced small cigars which just happened to have similar names and packaging to their cigarettes.

Ray Ward

BEST OF TWITTER

PM pays tribute to Salisbury as a "beautiful, welcoming English city" in @10downingstreet tweet using a photo of... BATH
@MattChorley

After a man is arrested for throwing an egg at Jeremy Corbyn, senior Labour MPs come out in support of a second egg.
@haveigotnews

Bit bored of Twitter at the moment, might rebrand as a Chris Grayling fan account to spice things up
@youngvulgarian

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The race between carmakers and the tech industry is about to accelerate into a new gear

Sven Raeymaekers

MORE than 100 years after the petrol-powered car passed go for the first time – and despite worldwide sales at a record high in 2018 – stress fractures are starting to appear.

Tesla is on track to outsell both BMW and Mercedes-Benz in the US, car sales in China are declining for the first time in decades, and several automakers have issued profit warnings in recent months. Indeed, the industry is facing unprecedented change across a number of fronts.

People's expectations of mobility are changing – they increasingly value the concept of sustainable living, and are embracing a pay-per-use and sharing economy. As a result, car ownership continues to fall in cities around the world. Instead, they are using ride-hailing services, scooters, and bikes offered by the likes of Uber and Bird.

Last year saw over half a billion people use some kind of ride-hailing service, providing the autotech sector with its most prominent successes: Uber and Chinese firm DiDi both reached valuations of over $50bn.

At a political level, governments are increasingly concerned with the well-being and protection of vehicle occupants and vulnerable road users. At the same time, pressure to limit the environmental impact of road transport is mounting, as illustrated by the introduction of emission targets, ICE bans, and subsidies for electrified vehicles.

The real revolution, however, is driven by tremendous progress in terms of enabling technologies, which are providing the foundation for connected, autonomous, shared, and electric driving platforms.

These technologies have involved huge advances in artificial intelligence, computer vision, and sheer computational power.

Over the next 10 to 15 years, these trends are set to converge and potentially change the industry forever. Profits will be redirected to areas where carmakers lack prior knowledge and experience, while investment will be routed towards new technology. On top of this, Boston Consulting Group estimates that the average profitability of classic components – the key offering of car manufacturers – will only increase by three per cent to 2035, while on-demand mobility is set to increase 76 per cent over the same period, and data and connectivity by 27 per cent.

Meanwhile, of the 56 companies who obtained a permit to conduct autonomous vehicle tests in the state of California, an astonishing 71 per cent are tech native companies, from the FAANGs to innovative startups such as Drive.ai, Zoox, and Pony.ai. The tech giants have begun to establish themselves in the automotive space, and much like the bank versus fintech battle of the past decade, tensions are building between traditional car manufacturers and tech companies.

However, don't write the automakers off just yet. Especially in the luxury car segment, their hold on the end customer remains powerful, and so is the cost advantage that they derive from a century of experience with mass production. They've reacted with energy: investing billions in research and development; restructuring and breaking up operations; spinning off their mobility units; taking stakes in upcoming players; and engaging in full-scale acquisitions. They have also proven increasingly adept at partnerships and alliances, willing to relinquish a portion of their value chain in order to keep their essential control of the consumer and their own brands.

More than anything, success will depend upon the ability of the incumbents to effectively change corporate culture. They must create a brand and working environment that attracts top software talent who are otherwise destined to join the Googles, Facebooks, and Amazons of this world.

If they do this, the mother of all tech battles may not unfold, but one thing is certain: we are about to see the most fundamental change in terrestrial transportation since combustion engine vehicles replaced horse carts.

Fasten your seat belts.

Sven Raeymaekers is a partner at GP Bullhound.

DEBATE

Will the European Research Group's three legal tests help pass Theresa May's Brexit deal?

YES

OLIVIA UTLEY

The three tests proposed by the European Research Group (ESG) have been rejected by the European Union. But, although they are now off the table, the very fact that they were mooted will help Theresa May get her deal passed.

Up until now, the ERG has managed to present itself as an entirely unified group. But that's not the full story.

The ERG is, in fact, a loose collection of MPs, with subtly differing ideas on what sort of Brexit is acceptable.

The hardcore, noisy ringleaders of the group – Peter Bone, Bill Cash, Jacob Rees-Mogg, etc – will have insisted on the tests, but the quieter, more practical members will have been sceptical about such a blunt tool from the beginning.

Now that the tests have been rejected, the ERG is bound to split.

A few refuseniks will continue to hold out for a pure Brexit, but the vast majority of the so-called group will put their weight behind the Prime Minister's deal, helping to get it over the final line.

Olivia Utley is deputy editor at TheArticle.

NO

JAYNE ADYE

The ERG's three Brexit tests take a direct approach to the Irish backstop issue alone, when in reality there are several problems with the Prime Minister's withdrawal agreement.

Many of these are far more serious. They include a commitment to a level playing field policy with the EU, which will restrict the ability of the UK to set its own standards of regulation and our own tax policy. It's a betrayal of the vote to leave.

Many MPs understand this and rightly believe, as May has said herself, that "no deal is better than a bad deal".

These tests might convince the ERG to back the agreement, but that does not guarantee victory. The Conservative Party is not run by the ERG. Remain-backing MPs know that by voting against no deal and then for a delay, they can plan to prevent Brexit, which defies the democratic will of the great British public.

Assurances about the backstop will not solve Mrs May's Brexit dilemma, or guarantee a good trade deal.

Jayne Adye is director of the cross-party grassroots campaign Get Britain Out.

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

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Our series on AI, Blockchain, Cryptoassets and Tokenisation

PARTNER CONTENT

CITY A.M.'S CRYPTO INSIDER

JAMES BOWATER

The Ethereum network finally and successfully implemented the Constantinople and St Petersburg hard forks on 28 February (in simple terms, a hard fork is akin to an upgrade on an operating system). Since the market had already priced this in there was little significant change to the Ethereum price.

In fact, the whole market has remained pretty flat over this past week. At time of writing, BTC is trading at US$3,733.62; Ethereum (ETH) remains at number two position, although down just over 6% at US$125.62; with third position Ripple (XRP) at US$0.3044. Overall market cap has ended up pretty much identical since the last *Crypto AM* at US$125.75bn (data source: www.CryptoCompare.com).

Ripple hit the headlines when last week when it listed on Coinbase, taking most observers by surprise. So, in true Cryptosphere style, accusations started flying around that this had been privately organised, leading to an emphatic Twitter denial by XRP executive Miguel Vias: "We're happy to go on the record. Coinbase's listing of XRP (also, not 'our token') was Coinbase's independent decision – we did not give them anything to make it happen." I'm sure things will continue to rumble on, especially with the advent of the JPMorgan Coin as a possible threat to XRP dominance.

There is also buzz around Facebook and its reported development of a stablecoin, dubbed by many 'FaceCoin', to be used as a payment method on its WhatsApp messaging platform. The team is rumoured to be more than 50-strong and the first use of the tech most likely to be in the Indian market.

Separately, friend and *Crypto AM* contributor Thomas Power has recently set up a London-based Blockchain Dinners forum. It was through this that last week I met Liliana Reasor, Founder & CEO of SupraFin, a fintech company based in London. SupraFin, which is in capital-raising mode, is a global automated asset management platform for cryptocurrencies for the benefit of the masses. SupraFin aims at democratising portfolio management of cryptocurrencies through automation, artificial intelligence, and customisation. SupraFin empowers the individual to benefit from analytics usually only available to quant asset managers and hedge funds.

I also met up with Rob Gaskell from 20|30 shortly after our 'Spotlight' piece was published a fortnight ago. He was thrilled to explain that after months of work between 20|30, the London Stock Exchange and Nivaura, the world's first tokenised equity was created between regulated companies and a regulated exchange. This opens the way for new forms of capital-raising and is a great 'first' for London. It really is good to see that our capital city is still leading the way in innovative projects.

SOFTBANK'S 300-YEAR VISION MISSES PARADIGM SHIFT

Designed by Phill Snelling, Bowater Media

Masayoshi Son, the charismatic leader of SoftBank, has been making headlines with his 300-year, $100bn vision of the future. But, for me, it misses a paradigm shift happening in the internet today: a change that could render many of his investments vulnerable.

In short, the most transformational technology of tomorrow, from data collection to AI, will be increasingly open source, tokenised and highly decentralised.

SoftBank's model takes the logic of the economies of scale and network effects core to 'Web 2.0' venture investing to the extreme, focusing on 'winner takes most' sectors. Son often opens meetings with "imagine capital were no longer a problem", enabling the team to prioritise aggressive growth over profitability.

If we look at Softbank's portfolio, it focused on a handful of synergistic categories such as: multi-sided marketplaces, real estate (offices, storage, robotics), e-commerce and logistics (last-mile delivery). Often these investments are based on one primary premise: they are 'AI optimised' companies that at scale, and with a data advantage, can better optimise utilisation and capacity to outcompete on the fundamental economic unit costs of their market over the long-term.

To support this thesis they are also investing in hardware companies such as ARM and Nvidia that are making machine learning easier, faster and cheaper, as well as software startups such as Improbable, which provides a virtual environment to support the development of complex digital worlds. Interestingly, with Improbable, they have recognised that the gamification of networked problem-solving may be the best way to parallelise machine learning at scale. And it's here there is a hint at what may await them.

THE SHIFT TO SHARED 'GLOBAL PUBLIC UTILITIES'

This story starts with a shift of computer power away from cloud to open source internet protocols that enable the same benefits of scale but through distributed marketplaces. The most famous example being the bitcoin blockchain: where billions in resources, including specialist hardware and energy, have emerged 'bottom-up' co-ordinated by a simple algorithm and reward system. However, this was just the first example. Where bitcoin mining was focused on mobilising hardware to solve a very particular mathematical game there are many other distributed systems emerging where parties commit resources to solve a variety of problems in exchange for digital rewards.

In our own portfolio we have Haja Networks (enabling interoperability between traditional database silos), Ocean Protocol (for that data to be sold through decentralised data marketplaces to help train algorithms) and Fetch.AI (where those algorithms can gain economic agency and sell their value to others). When combined they provide an emerging stack of technologies that level the playing-field for start-ups by bringing economies of scale for a longtail of market participants. This means many of the old advantages that underpin Son's vision, such as data monopolies and centralised IT infrastructure, will be available to all through these new 'global public utilities'.

VISION AND VALUATIONS UNDER THREAT

The advantages of proprietary datasets,

Crypto A.M. shines its Spotlight on HAYVN

HAYVN's platform will enable significant volumes of digital currency to be bought and sold easily and securely with over-the-counter (OTC) transactions directly between counterparties such as institutional investors, banks, hedge funds, asset managers, liquidity providers, and ultra-high net-worth individuals (UHNWIs).

HAYVN believes that the lack of regulated custodianship and trading has been a significant barrier to entry of institutional capital into the industry. HAYVN Custody provides insured and auditable safekeeping of customers' digital currency under the technical oversight of our regulators.

Becoming financially regulated in the world's leading regulatory centres for digital currencies is the backbone of HAYVN's strategy for the institutional user-base, recognising the importance to clients that governance, Know Your Customer (KYC) & Anti-Money Laundering (AML) policies adhere to the highest global standards.

Upon launch, HAYVN will have both on-shore and off-shore banking capabilities to ensure its clients can obtain swift and efficient conversion of their crypto-assets into fiat.

HAYVN works to the highest possible standards of security and technical governance to deliver the platform that institutional investors require. HAYVN has partnered with nCipher, the global leader in cryptographic technology in the banking industry, to create a peerless bank-grade security solution.

HAYVN is required to ensure that controls are put in place to prevent market manipulation practices that impact both financial and cryptocurrency markets, such as 'pumping and dumping' and 'front running'. They deploy state-of-the art controls to ensure that all market participants adhere to strict policies and procedures.

HAYVN eliminates counterparty and liquidity risk by using a 'double escrow' system where trades are fully collateralised and pre-funded.

As an OTC platform, HAYVN does not use unregulated matching engines and the fee structure is clear and transparent on either a 'maker fee' or a 'taker fee' model. There are no hidden costs unlike other unregulated platforms, which can hide fees in spreads or in artificial volatility at settlement.

> Becoming regulated in leading centres for digital currencies is the backbone of HAYVN's strategy

Christopher Flinos, Co-Founder, HAYVN

HAYVN Research offers institutional-quality insights into the digital currency markets and industry developments in collaboration with Imperial College London. This research will provide the guidance that institutional investors need to make informed investment decisions.

In an increasingly crowded environment, why HAYVN?

- **Liquidity – HAYVN has secured significant digital currency liquidity to ensure there is always a market available to meet demand.**
- **Fees – Fees are transparent and low, split between maker fees and taker fees, providing clarity for clients on the true cost of their trading activity.**
- **Trading certainty – HAYVN holds in escrow both the digital currency and fiat currency of all our clients, eliminating counterparty risk.**
- **Custody and security - HAYVN Custody allows users to custody their digital currency in the secure regulated environment legally required by many institutional investors.**
- **Regulation - We adhere to the highest compliance standards in the digital currency industry and we expect to be regulated by the most exacting regulator in this industry.**
- **Fiat conversion - Regulation gives HAYVN uninterrupted access to the fiat banking system.**

For more info, see www.hayvnglobal.com

E: CryptoInsider@cityam.com @CityAm_Crypto

In association with wirex

their algorithms, and in-house talent will gradually diminish as open networks offer an attractive alternative. As governments push for sovereignty of data and users gradually respond to the incentivises of tokenised networks these new protocols it will challenge Son's 'winner takes most' platforms.

If these trends are not responded to by SoftBank's portfolio then the dream of building sustainable companies with any meaningful AI advantage is under threat, and so too are their valuations.

Uber will become a company nobody chooses to drive for; Doordash a company that cannot recruit couriers; and WeWork a heavily indebted commercial real-estate company.

In fact, the very economic model of Silicon Valley's freewheeling 'move fast and break stuff' capitalism, at the heart of Son's vision, is itself falling out of vogue as eloquently described in 'The Age of Surveillance Capitalism' by Shoshana Zuboff. The idea of trusting platforms such as Uber to develop benevolent AI to extract and exploit the 'digital exhaust' of our interactions is quickly becoming unacceptable and dated.

WHAT COULD SOFTBANK DO NEXT?

Well, given they have already deployed 40% of their $100bn, the best they can do is hedge at least some capital into the counter-narrative. However, what's unique about these new protocols is because they are open source they aren't as vulnerable to the typical response by incumbents: buy, assimilate or kill.

Currently the 'crypto' market is 90% down from its 2017 all-time highs, and furthermore many next-generation protocols are only just coming to market - this time with bear market valuations. One thing that is in short supply right now in crypto is patient capital.

So, if Son repeated what he did so well after the dotcom bubble, with investments into Yahoo! and Alibaba, he could 'buy the dip'. Theoretically, SoftBank could lead the investment round of every threatening new protocol coming to market or, more importantly, those that complement its portfolio.

> One thing in short supply right now in crypto is patient capital

Why? Because all these protocols are looking for adoption to effectively turn their technology into internet standards. If SoftBank's portfolio are the early adopters of these technologies they can adapt and protect their multi-sided marketplace cash-cows secured by ubiquity of service, brand and network effects.

Bringing that much capital into the market combined with real-world adoption, would see the mother of all bull runs, with the potential for a trillion-dollar crypto industry.

Jamie Burke, Founder & CEO of Outlier Ventures, in conversation with James Bowater

WIREX MARKET VIEW

Crypto's calm after the storm

After its precipitous fall on 24 February, the crypto market cap stabilised and remained stagnant for the rest of the week. The top coins posted marginal losses, with Ethereum down 5.62% despite the successful Constantinople upgrade. Litecoin saw healthy gains of 6.6%, however. Maker (MKR) is still bucking the trend, as it rose against the market this week to $672.46.

After slipping from $4,125 to $3,800 on Sunday (24 Feb), Bitcoin (BTC) recovered to post gains and grew over the day to hit $3,888 by Monday evening. BTC continued to toggle around $3,800 until Wednesday, when it moved from $3,845 to $3,790. After recovering to reach $3,850 on Thursday, the price of BTC has moved within a $25 range and continued to fluctuate around $3,840 by the end of the weekend just gone.

Coinbase's listing of XRP this week was subdued after accusations emerged that Ripple, the parent company, had paid for the currency to be listed. Ripple's head of markets, Miguel Vias, refuted these claims, stating that his company had nothing to do with the listing and that it was an independent action by Coinbase.

Twitter co-founder and CEO Jack Dorsey continues to back crypto and recently showcased his Bitcoin Lightning Network full node from Casa. The Bitcoin Lightning Network enables fast transactions between participating nodes and has been positioned as a solution to the Bitcoin scalability problem.

Further supporting the fundamentals was the announcement that the private Swiss bank Julius Baer will start offering crypto services to its clients. They have partnered with SEBA Crypto to allow them to offer investing, crypto asset trading and storage to clients.

A report by Bloomberg on Sunday stated that companies in the cryptocurrency industry still face huge resistance when trying to open bank accounts. Sam Bankman-Fried, CEO of Alameda Research, explained that, while it's not illegal for banks to accommodate crypto companies, they don't want to deal with the compliance requirements. Recognising these challenges, Wirex, a hybrid crypto/fiat payment platform, has recently announced a business offering that should bode well for increased business adoption.

Rumours around Facebook releasing a crypto asset are not going away and a recent *New York Times* article reiterated that Facebook may build a coin for its WhatsApp subsidiary *(see James Bowater's column, far left)*.

TOKEN INTELLIGENCE
TokenIntelligence.io

Frontier Insights takes off

Some extraordinarily interesting stats, facts and insights are emerging as our new *'Frontier News & Insights'* takes shape, and takes off. Weekly, we bring together news on applications, use cases, blockchain DApps (decentralised applications) and distributed ledger technology (DLT). *In our most recent edition…:*

178 CRYPTO EXCHANGES GLOBALLY AND ASIA LEADS THE WAY

The digital asset market continues to expand and there are now an incredible 178 crypto exchanges globally, with Asia leading the way accounting for more than 80 per cent of digital asset trading globally.

KPMG, BLOCKCHAIN AND THE 'DIGITAL TRANSFORMATION' OF INSTITUTIONS

KPMG says the big areas for the coming year, for institutions, are capital markets and derivatives trading, with projects already nearing completion. Then insurance, and 'neglected areas' such as mortgage origination, securitisation and servicing.

40% SEE BLOCKCHAIN TECH AS GREATEST INNOVATION SINCE WEB

Clearly word is starting to get around. According to a Global Blockchain Business Council survey, already 40% of companies consider the invention of blockchain technology as the most important technological innovation since the invention of the internet. And the chief factor holding back wider adoption is a lack of understanding of blockchain and its benefits.

BIG DATA: THE RISE OF 'BLOCKCHAIN INTELLIGENCE'

The operation of a blockchain (or DLT) generates large amounts of fine-grained data in real time. This can have incredible value - in addition to all the other benefits of security, availability and universal openness (in the case of blockchain) - for ad hoc multi-party transactions. A new industry is in the offing: Chainalysis competing with Neutrino – who have just been acquired by Coinbase (who have said the acquisition 'is particularly important as we work with regulators and agencies in different countries to bring new assets there', adding that this will help Coinbase identify 'which new tokens [that] are gaining value and gaining traction'). Coinbase's director of engineering, Varun Srinivasa, prefers the term 'blockchain intelligence', because it includes the aim to predict trends based on data insights...

Sneak peek: next week we uncover yet more....

FACEBOOK AND TELEGRAM DRIVE DIGITAL CURRENCIES INTO MAINSTREAM

Digital currencies could be far closer to widespread adoption in the mainstream than you think. Various top ranking internet giants, including Telegram and Facebook, are planning to roll out new cryptocurrencies over the next year, according to the *New York Times*.

LSE SEIZES THE MOMENT – AND A SEAT AT THE FINTECH TABLE

In another mainstream development, the London Stock Exchange (LSE) has joined the board having taken a significant stake in fintech firm Nivaura. The first company globally to issue a bond on blockchain while in the FCA's sandbox. Since then the FCA has granted Nivaura 'full regulatory permission to do business'. They claim to reduce the time needed to issue bonds by more than 60% and have healthy revenues from 10 unnamed clients.

For now there's more (in greater depth than is possible here) available by joining, free. Go to bbfta.org/insights. (You don't have to be a blockchain expert or British to join and benefit from the network).

By Barry E James, chair of bbfta.org and founder, Token Intelligence

OFFICE POLITICS

Don't overlook apprentices – they are key to our future

Thinking about taking on trainees? National Apprenticeship Week is a good time to start

Anne Milton

ONE OF the great things about my job as a minister is hearing from employers about the positive impact that apprentices have had on their businesses.

Employers often talk about the energy and enthusiasm that apprentices bring to the workplace. And they are not just talking about young people either, but apprentices of all ages and backgrounds.

More employers, including the likes of Royal Mail, EY, and Channel 4, are offering people a chance to get a good job and launch their career.

IT'S ABOUT TIME

Apprentices bring new and innovative ideas to the workplace.

Recent survey results showed that employers have reported benefits, such as improved productivity, better service quality, as well as the new ideas apprentices bring to their organisation.

Of those employers surveyed, 83 per cent would also recommend apprentices to other businesses.

The latest figures show that there were 132,000 people starting apprenticeships in the first three months of the 2018/19 academic year – a rise of 15 per cent on this time last year.

There is still some scepticism from employers about apprenticeships, which will take time to turn around

Despite this, there is still some scepticism from employers about apprenticeships, which will take time to turn around.

A VIABLE OPTION?

In 2017, we overhauled the apprenticeship system, because both apprentices and employers said that they were not seen as a viable option.

Many thought that apprenticeships were too short, did not include enough off-the-job training, and trainees were not learning the skills that are needed by employers.

Nearly two years on and things are very different.

Our new apprenticeship "standards" are designed by employers themselves and are longer, higher-quality, with more off-the-job training and a proper assessment at the end.

We worked with employers to design the new system because it is them, and not the government, who are best placed to decide what skills apprentices need for their businesses.

There are almost 400 new apprenticeship standards available in every profession, including engineering, accountancy, law, retail, and fashion, with options to train right up to master's degree level.

The number of people starting on our new-style apprenticeship standards has risen by 139,100 compared to last year – a sure sign that things are improving.

OUTDATED ATTITUDES

Our recently launched Fire it Up campaign hopes to help challenge outdated attitudes towards apprenticeships, and to raise awareness of the huge variety of options available.

The campaign aims to help more employers see how hiring an apprentice is a great way to develop the skilled and experienced workforce that they need.

Our apprentice stars are of all ages and backgrounds, from employers including the Royal Opera House, Pizza Express, and even the NHS.

The scheme is a win-win for everyone. By taking on an apprentice, you can kick-start someone's career, and benefit your business in the process.

Anne Milton is minister of state for skills and apprenticeships. Find out more at www.apprenticeships.gov.uk

YOUNG BLOOD

Indeed Employer
Free

Barry and Barbara are about to retire, and you've known for a while that it's time to get some fresh blood in the business. You ponder over your custard creams... Perhaps it's time to train up a couple of millennials. After all, the business has been getting a bit dusty recently. But how does one hire young folk in this digital age? A quick Google search, and you'll probably find yourself on the Indeed job site.

COFFEE BREAK

SUDOKU

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

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

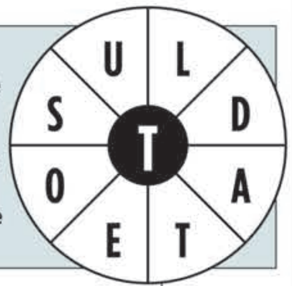
KAKURO

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

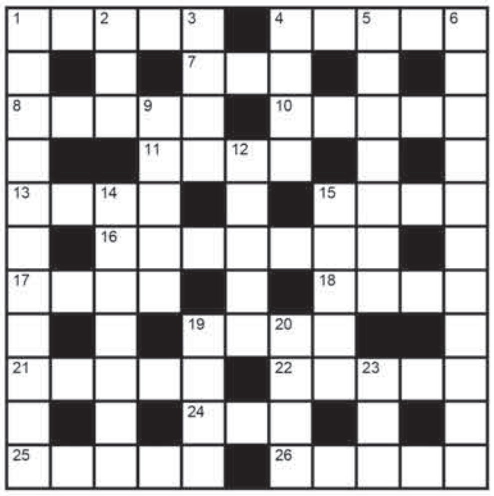
You can only use the digits 1-9 and you must not use the same digit twice in a block. The same digit may occur more than once in a row or column, but it must be in a separate block.

WORDWHEEL

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



QUICK CROSSWORD



ACROSS
1 Creased (5)
4 Old Nick (5)
7 Viper (3)
8 Hail (5)
10 Paved surface where aircraft stand (5)
11 Underwear item (4)
13 Weary (4)
15 Adroit (4)
16 Wounded (7)
17 Direction of the rising sun (4)
18 Olfactory organ (4)
19 Fools (4)
21 Atmosphere of depression (5)
22 Bequeath (5)
24 Good discernment (3)
25 Link up, connect (3,2)
26 Noblemen (5)

DOWN
1 Having no importance or influence (11)
2 Maiden name indicator (3)
3 Go steady (4)
4 Rained gently (4)
5 Underwater missile (7)
6 Despite anything to the contrary (11)
9 Incident (5)
12 Steam bath (5)
14 Meat cake (7)
15 Closely packed (5)
19 Portent (4)
20 Ran away quickly (4)
23 Noah's boat (3)

LAST ISSUE'S SOLUTIONS

QUICK CROSSWORD

KAKURO

SUDOKU

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

WORDWHEEL

The nine-letter word was REMINISCE

MOTORING

BY MOTORINGRESEARCH.COM FOR CITY A.M.

Scream! It's a Spider!

The McLaren 600LT Spider is faster than the modern classic car that inspired it, but cheaper as well. To **Richard Aucock**, it's a steal

Only 10 minutes into my drive across Arizona, and barely out of Phoenix, I had already spotted a great location for an Instagram post. Big Country is like that. I parked the McLaren 600LT Spider, clambered out and… said a cheery hello to the young couple in the elderly V8 pickup truck that had just veered alarmingly across the highway to take a closer look.

McLarens are those sorts of cars. People swoon over Astons, scowl at Lamborghinis, snub Porsches. They celebrate McLarens, losing all inhibitions and, like my new American friends, literally squeal and jump in delight just to get near one. If you want to feel like a beloved celebrity, rather than one the public's sick of, get a McLaren.

They asked me what it was. "600LT Spider, the open-top version of the 600LT coupe." I sensed I'd lost them. McLaren model names are a bit engineery, and I didn't think they'd want to know that LT stands for longtail, referencing the original 'longtail' McLaren F1 racing car of the late 90s. "McLaren Spider, you say? Oh my god!"

The 600LT Spider is part of McLaren's Sport Series range. Apart from the obvious lack of a roof, it is just like the coupe we drove on track last year: raw, intense, race-bred and thrilling. It's the (slightly) more affordable version of the modern-legend 675LT, the first modern LT road car (and a high-end McLaren Super Series model). Despite sitting in the class below it, the 600LT is just as quick, if not quicker.

I eventually waved goodbye to the American couple by doing a launch control start in the Spider because it would have been rude not to. The engine wailed and, 2.9 seconds later, I was travelling at over 60mph, to an ear-splitting, borderline-painful (but glorious) soundtrack.

MCLAREN 600LT SPIDER	
PRICE:	£201,500
POWER:	600HP
TOP SPEED:	201MPH
0-62MPH:	2.9SECS
FUEL ECONOMY:	23.2MPG

THE VERDICT	
DESIGN	★★★★★
PERFORMANCE	★★★★★
PRACTICALITY	★★☆☆☆
VALUE	★★★☆☆

This is a stupendously fast supercar, helped by liberal use of carbon fibre that, in its lightest guise, weighs in at less than 1,300kg. But you'd have to go without air con to hit that weight, and nobody's that daft.

Speaking of crazy, the 600LT Spider keeps the coupe's party trick of spitting flames out the exhaust. Yes, really. To save weight, McLaren's removed half the exhaust system, so the tailpipes exit the rear deck just above the mid-mounted engine. And so they shoot actual fire. So much so, that the centre of the rear wing has to wear heat-proof paint.

Such theatre is the crowning glory of the 600LT Spider. The reason people buy open-top McLarens is not necessarily to sunbathe, but to be closer to the action. Roof down, the cacophony from the engine and exhausts is utterly miraculous. It's unbelievably intense and makes for a truly unforgettable spectacle.

Frustratingly, Arizona is big, but the roads are straight and a bit boring. So, short of repeatedly stopping and doing launch control starts (there seems to be no limit to the number of times you can do it), the drive wasn't as interesting as it could have been. Luckily, like many 600LT Spider owners are expected to do, I was driving to a racetrack.

And, out on track, the 600LT Spider bagged itself another truckful of superlatives. The 675LT, which today trades for prices nearing half a million, was a colossus, but this is, unbelievably, even faster, sharper and pin-point precise. It's basically a racing car and keeps on delivering more and more as your driving improves. You'll be revelling in chasing tenths of seconds of lap time in no time.

Don't buy it to go cruising gently in. There's the 570S for that. The 600LT Spider is more hardcore, a joyous car that, at £201,500, looks like a triple-A investment that will bring you untold delights. Be quick: they're only making it for a year. But if you nab one, you too will be whooping like an American.

Richard Aucock works for automotive publisher motoringresearch.com

NOT CONVINCED? CHECK OUT THESE ALTERNATIVES…

FERRARI 488 PISTA SPIDER

		THE VERDICT:	
PRICE:	£252,765	DESIGN	★★★★★
POWER:	720HP	PERFORMANCE	★★★★★
TOP SPEED:	211MPH	PRACTICALITY	★★☆☆☆
0-62MPH:	2.85SECS	VALUE	★★☆☆☆
FUEL ECONOMY:	24.6MPG		

LAMBORGHINI HURACAN PERFORMANTE SPYDER

		THE VERDICT:	
PRICE:	£195,078	DESIGN	★★★★☆
POWER:	640HP	PERFORMANCE	★★★★☆
TOP SPEED:	201MPH	PRACTICALITY	★★☆☆☆
0-62MPH:	3.1SECS	VALUE	★★★☆☆
FUEL ECONOMY:	20.2MPG		

AUDI R8 SPYDER V10 PLUS

		THE VERDICT:	
PRICE:	£149,890	DESIGN	★★★☆☆
POWER:	610HP	PERFORMANCE	★★★☆☆
TOP SPEED:	203MPH	PRACTICALITY	★★★☆☆
0-62MPH:	3.3SECS	VALUE	★★★★☆
FUEL ECONOMY:	20.8MPG		

SPORT

SPORT DIGEST

ROBSHAW RETURNS TO SQUAD FOR ITALY CLASH

Chris Robshaw could make a first England appearance since June against Italy in the Six Nations on Saturday after being named in the squad for the first time in four months. The former captain has recovered from a knee injury and will compete with Mark Wilson and Brad Shields having being named in the 31-man squad alongside fit-again Maro Itoje and Jonathan Joseph. "Everyone has a chance to play," said scrum coach Neal Hatley. "It depends on how he goes over the next two days of training."

SNODGRASS CHARGED BY FA FOR ABUSING OFFICIALS

West Ham midfielder Robert Snodgrass has been charged by the Football Association for allegedly abusing anti-doping officials. The 31-year-old faces a one-match ban and a £8,000 fine for the incident, which is alleged to have taken place at the club's training ground on 6 February. The Scotland international, who was not tested nor was not due to be tested, has until 18 March to respond to the charge.

MERCEDES BEHIND RIVALS FERRARI, SAYS HAMILTON

Lewis Hamilton believes Mercedes have a "hill to climb" in the upcoming Formula One campaign due to Ferrari's impressive pre-season. Hamilton clinched a fifth title in 2018 but admitted the Italian manufacturer have closed the gap with their new SF90 model ahead of the opening race in Melbourne next weekend. "We've got a hill to climb but we know how to do it," the 34-year-old said. "We know the car has not been performing optimal in these two weeks and we might tweak it."

SURREY HAND MORKEL A CONTRACT EXTENSION

South African fast bowler Morne Morkel has signed contract extension with Surrey. The 34-year-old took 59 wickets last year at an average of 14.32 to help Surrey win a first County Championship title since 2002. He has been rewarded with a new deal which will keep him at The Oval until the end of the 2020 season. "Morne was outstanding for us during his first season, both on and off the field," said Surrey director of cricket Alec Stewart.

Unlike their continental rivals, English clubs don't get favourable scheduling from the Premier League to aid their progress in Europe. But whose fault is that, asks **Michael Searles**

BEST OF THE REST

IT IS just as well that Tottenham take a three-goal advantage into tonight's Champions League clash with Borussia Dortmund, given the testing week in the lead-up to the second leg of their last-16 match.

While Spurs battle fatigue following hard-fought games against Burnley, Chelsea and Arsenal, Dortmund come into the fixture having had four days' recovery. Such is the support that the Bundesliga, and the majority of leagues, afford their clubs ahead of European ties.

It is a situation that undoubtedly puts English clubs at a disadvantage. Dortmund played Augsburg on Friday night last week in order to maximise their recovery time, just as Bayern Munich played on a Friday two weeks ago ahead of their trip to Liverpool.

Italian giants Juventus have Friday games before both legs of their tie with Atletico Madrid, as do Roma and Porto prior to facing each other in the Champions League.

That luxury is not afforded in Spain, but of the major European leagues it is only there and England where clubs' European exploits are not more willingly accommodated.

In France an even more striking precedent has been set, with Rennes granted a postponement of their Ligue 1 match with Nimes, scheduled for last weekend, in order to give them a week off to prepare for their Europa League last-16 date with Arsenal on Thursday. It is not yet clear whether Rennes will also be allowed to postpone their next league match, this weekend against Caen, ahead of the second leg with Arsenal. What is certain, however, is that the Gunners will have to travel to Manchester United on Sunday in between their matches with Rennes – and a week after playing Tottenham.

OBSTACLES

This problem that has frustrated Premier League managers over the years. Maurizio Sarri complained earlier this season that Chelsea had to contend with two games, against West Ham and Liverpool, in the week following their Europa League trip to play PAOK in Greece.

"In Italy, if you are playing in the Champions League you can ask to play the match before on a Friday or Saturday," said former Napoli boss Sarri.

"If you play in the Europa League away, you can ask to play on the Monday night. In England we cannot ask this so we have to play after 64 hours. For an English team, it is very difficult to play in the Europa League with the Premier League rules."

DIFFERING APPROACHES

DORTMUND V TOTTENHAM
While Spurs had a tough derby with Arsenal on Saturday, Dortmund faced Augsburg on Friday night, meaning they have had an extra day to recuperate before tonight's last-16 second leg.

BAYERN MUNICH V LIVERPOOL
Bayern played on the Friday night before the first leg of their tie with Liverpool last month and play on the Saturday before next week's second leg, a day earlier than Liverpool who play on Sunday.

RENNES V ARSENAL
French league chiefs took the unusual step of allowing Rennes to postpone their scheduled match with Nimes at the weekend so that they would have extra time to prepare for their Europa League date with Arsenal this Thursday.

For Tottenham, it means facing Dortmund not only with a day's less rest than their opponents but also on the back of draining derbies against Arsenal and Chelsea in the six days prior. They then return to Premier League action with minimal delay on Saturday when they visit Southampton.

It must also be noted that the Bundesliga, with two fewer teams and thus four fewer games per year, also has a three-week winter break. In fact, all other major European leagues take at least 11 days off in the middle of their seasons. The absence of a break has been blamed for the comparative lack of success of English clubs on the continent in recent years, and Premier League teams have voted to introduce their own version from next season.

While that has been an issue in itself, it has been the obstacles to rearranging kick-off times in the interest of clubs rather than broadcasters that has irked managers.

Jose Mourinho has repeatedly called on the Premier League to do more to help clubs, and on his way to winning the Europa League with Manchester United in 2017 he took exception to a match being scheduled for 12pm on a Sunday when it could have

Dortmund have not played since Friday

Tottenham have had one fewer day of rest than their opponents

been later that day or on Monday while still being available on live broadcast.

"I don't understand why we don't receive any help from the Premier League," Mourinho said. "Every other country gives its support to teams playing in Europe but I don't think the Premier League gives an 'S'."

GRIEVANCES

Last season then-Arsenal manager Arsene Wenger said there was "no point talking to the Premier League because it is the television [companies] that decides" when games are played and, echoing Mourinho, claimed that some matches on TV could have been easily swapped.

Managers might be better served taking up these grievances with their employers, however; after all, it is the clubs who agree on the terms of the packages that are sold to broadcasters.

If clubs wished to include provisions for rearranging fixtures to suit their European schedules then they could – although it would likely reduce the world-leading value of their rights.

"Scheduling Premier League fixtures is complex and includes having to ensure twinned clubs do not play at home at the same time, and take into account police requests, local events, broadcast selections and several other factors," a Premier League spokesperson said. "For matches selected for live broadcast in the UK, the options available to the broadcasters in terms of days and kick-off times were agreed by the Premier League prior to the rights being sold."

This is a situation of the clubs' own making, then, to some degree. And with the number of Premier League games shown live only set to increase, putting more influence in the hands of the broadcasters, European clubs look likely to continue to enjoy an advantage.

Mitchell beat demons to claim landmark win

GOLF COMMENT

Sam Torrance

KEITH Mitchell found himself in a familiar predicament at the Honda Classic on Sunday: facing a birdie putt from 15 feet for a victory that would change his life.

The last time he had been in that position, back in August 2017, it was a title on the second-tier Web.com Tour – and, with it, promotion to the PGA Tour – at stake. Mitchell missed it, and it had haunted him ever since.

Until Sunday, anyway, when the 27-year-old from Tennessee holed his putt at the last, confronted his demons and claimed a maiden PGA Tour title that secures his membership for two years.

Had he missed, he'd have landed in a three-man play-off with Brooks Koepka and Rickie Fowler, the world's third and seventh highest ranked players.

It's a lovely story, and Mitchell looks a very good player with a bright future.

His win also capped a fantastic turnaround in fortunes on the day. Mitchell bogeyed the first two holes of his final round and was in a five-way tie for the lead with three to play.

This time he got the break, although you make your own breaks in golf. Four birdies in the last seven holes saw Mitchell home.

Fowler made four birdies on the back nine to surge into contention for a second win of the year. Koepka was also brilliant down the stretch and must have thought his score of eight under par would be enough for a play-off at the least.

Both are doing nicely, though, as they look to get up to speed for The Players Championship next week and the first official Major of the year, next month's Masters.

Vijay Singh played beautifully all week and, with just two holes left, he looked to be in with a chance of becoming the PGA Tour's oldest ever winner.

Keith MItchell clinched a maiden PGA Tour title with a 15-foot birdie putt

But at the end of a rollercoaster back nine which began with two bogies and three birdies, the 56-year-old from Fiji found the water at 17. It was to be Mitchell's week.

WINNER

Over in Oman, meanwhile, another young American, Kurt Kitayama, was continuing his fine season by winning a second European Tour title.

Like Mitchell, he clinched the win with two late birdies in a sterling finish. But while his countryman had been inspired by past misses, Kitayama's victory owed something to his own recent success.

Having come through qualifying school in November, the Californian won on only his third European Tour start, at the Mauritius Open in December.

It hasn't all been plain sailing since then – he arrived in Oman following three missed cuts – but he had learned that he could do it.

A winner's a winner. It means that when you are in contention you know what's to come; you're more settled and confident.

He knew what he had to do on Sunday and he has now converted his two chances to win.

STRONG FIELD

Golf fans have a great week in prospect as a strong field assembles for the Arnold Palmer Invitational.

Fresh from four consecutive top-five finishes, will Rory McIlroy defend his title? It will also be interesting to see whether Justin Rose can reclaim the world No1 ranking from Dustin Johnson.

Sam Torrance OBE is a multiple Ryder Cup-winning golfer and media commentator. Follow him @torrancesam