FINANCIAL TIMES

WEDNESDAY 26 JUNE 2024

UK £3.50; Republic of Ireland €3.90

Can Europe's armies win the recruitment war?
BIG READ, PAGE 21

The big election will be the one after this
JANAN GANESH, PAGE 23

Freedom flight
Assange takes US plea deal

Julian Assange approaches Bangkok airport for a stop en route to the US-owned Mariana Islands in the Pacific.

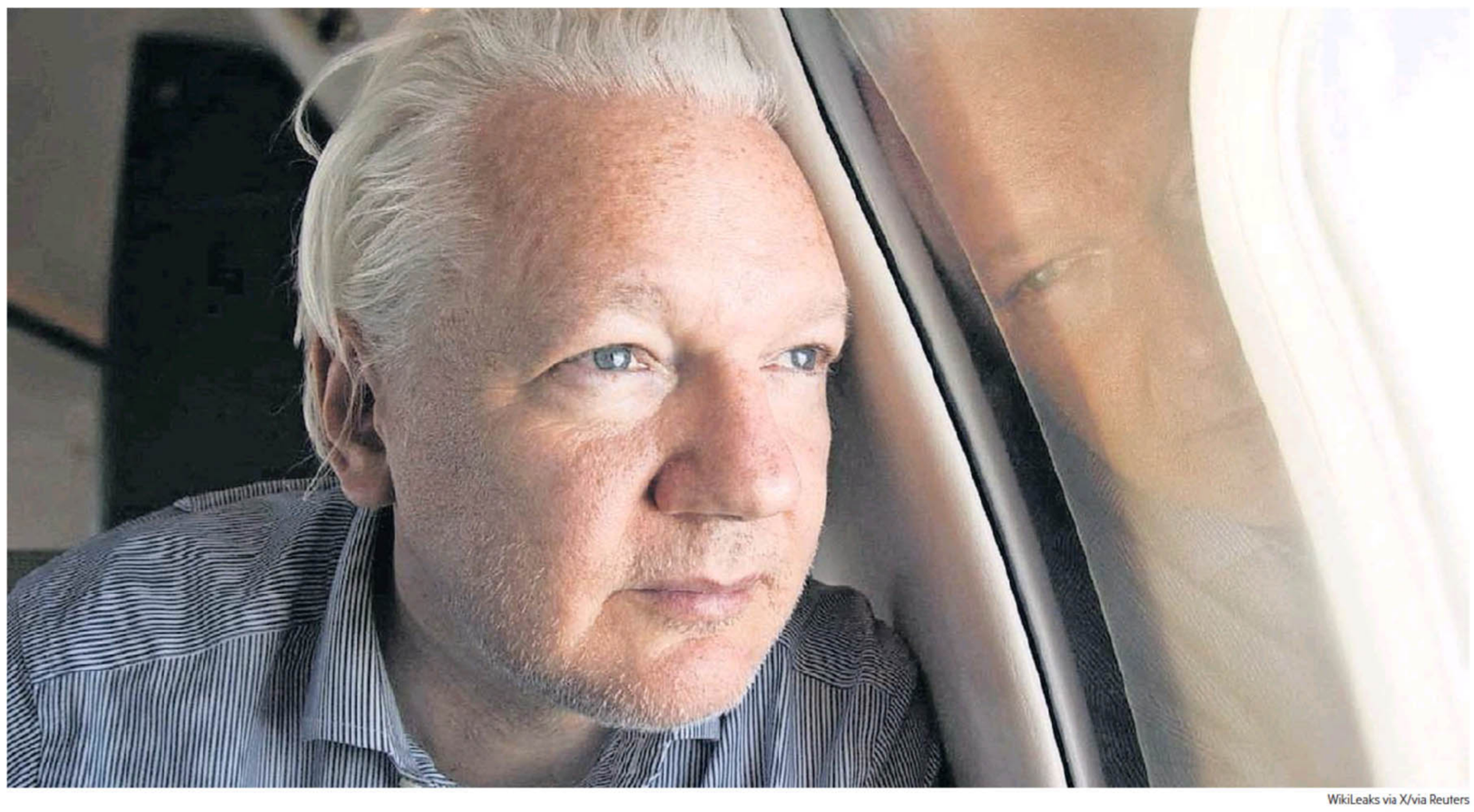
The WikiLeaks founder early yesterday left the high-security Belmarsh prison in London, where he has been held for the past five years fighting US extradition on espionage charges.

Assange was set to plead guilty, in return for a sentence of time served, to one charge of conspiracy to obtain and disseminate classified information.

The plea bargain ends a 14-year pursuit by the US, triggered when WikiLeaks published thousands of classified US military files, including a video dubbed Collateral Murder showing a US Apache helicopter crew gunning down unarmed Iraqis on a Baghdad street.

After the hearing, Assange will be free to return to his wife and children in his native Australia.

Legal battle page 4



WikiLeaks via X/via Reuters

Labour dragged into betting scandal after candidate backs himself to lose

Party suspends Suffolk hopeful • Sunak abandons Tory wager duo • Polls show Reform slipping

JIM PICKARD, GEORGE PARKER AND ROBERT WRIGHT

Labour has suspended a candidate who bet he would lose in his bid to become an MP, as a Gambling Commission probe into political betting widened.

The party confirmed yesterday that the gambling regulator had launched an investigation into Kevin Craig, its candidate for Central Suffolk and North Ipswich. Craig admitted yesterday that he had "a few weeks ago when I thought I would never win this seat . . . put a bet on the Tories to win here".

On current polling, the seat is a toss-up between Labour and the Conservatives.

Labour said that, after the "receipt of communication" from the Gambling Commission, it had acted to suspend Craig, adding: "The Labour party upholds the highest standards for our parliamentary candidates, as the public rightly expects from any party hoping to serve, which is why we have acted immediately in this case."

The party is also set to return a £100,000 donation it took from Craig last year, according to officials.

The suspension drags Labour into a scandal that had hitherto engulfed the Conservatives and the police and will be a relief to Prime Minister Rishi Sunak on the day of his final head-to-head debate with Labour leader Sir Keir Starmer.

Craig said he had not placed the bet "with any prior knowledge of the outcome", adding it "was a huge mistake, for which I apologise unreservedly".

Craig is founder and chief executive of PLMR, a Westminster lobbying firm. His selection by Labour for Central Suffolk and North Ipswich was controversial because he was on a shortlist of one.

Also yesterday, Sunak withdrew support from two Conservative party candidates allegedly involved in betting on the timing of the election.

After backing Craig Williams and Laura Saunders for several days, the prime minister finally pulled the plug on the candidates early in the day.

Asked why the prime minister had changed his mind, one Tory official said simply: "Further inquiries."

Saunders, a Tory staffer and wife of the party's campaign director, is standing in Bristol North West while Williams, a former parliamentary aide to Sunak, is standing in Montgomeryshire.

With nominations closed, Williams and Saunders, like Craig, will appear on ballot papers for their parties but no longer enjoy official endorsement.

After being dropped, Williams said he had committed "an error of judgment, not an offence" in placing the bet, adding: "I intend to clear my name."

London's Metropolitan Police, meanwhile, announced that five more of its officers were being probed by the commission for allegedly placing bets on the timing of the election. One of Sunak's bodyguards was arrested last week. The Met said the five additional officers had not been arrested or suspended.

There was another glimmer of hope for the Tories, with two polls showing support for Reform slipping. A JL Partners poll put Labour on 41 per cent, the Conservatives on 25 per cent, Reform down 3 points on 15 per cent and the Liberal Democrats on 11 per cent.

A Savanta poll put Labour on 42 per cent, the Tories on 21 per cent, Reform down 2 on 14 per cent and the Lib Dems on 10 per cent.

Election reports pages 2 & 3
Janan Ganesh page 23

Osborne inspires Reeves

Rachel Reeves has drawn unlikely inspiration from the bond between George Osborne and David Cameron, as she seeks a 'close relationship' with Sir Keir Starmer if they become Downing Street neighbours. Page 3

Briefing

▸ Premier League clubs on course for record revenues
Deloitte's latest review of football finance has projected bonanza earnings in the new season, amid changes to Uefa competitions, higher ticket prices, increased stadium capacities and lucrative broadcast deals.— PAGE 12

▸ Brussels accuses Microsoft
The European Commission has said the tech group's bundling of its Teams app with its Office suite is anti-competitive, the first such antitrust charges against it in more than a decade.— PAGE 10

▸ Chappell £50mn order
A judge has ruled that Dominic Chappell must pay at least £50mn to cover losses racked up by BHS before the chain's failure, finding that its ex-head sought to "plunder" the retailer.— PAGE 9

▸ Horizon system defended
Former Fujitsu engineer Gareth Jenkins has insisted the IT system at the centre of the Post Office scandal was robust, despite the High Court finding it responsible for wrongful prosecutions.— PAGE 2

▸ Blow for religious Israelis
Israel's supreme court has ruled that the military must conscript ultraorthodox religious students, setting up strains in Benjamin Netanyahu's ruling coalition with religious political parties.— PAGE 6

▸ Washington Post revolt
Newspaper publisher Sir Will Lewis has halted his newsletter for former clients and contacts after sponsor AlixPartners asked to "pause" its involvement amid a newsroom revolt.— PAGE 12

▸ Five die in Kenya protests
Police gunfire has left at least five people dead and more than 30 injured as protesters stormed the parliament building in Nairobi in youth-led demonstrations against planned tax rises.— PAGE 8

▸ Danes launch cow tax
The ruling coalition has agreed the world's first carbon tax on agriculture, with farmers set to be charged almost €100 a year for the greenhouse gas emissions from each of their cows.— PAGE 4

Attacks tell world that Isis was never really defeated

Attacks in Russia, Iran and Turkey, and plots in Sweden, France and Germany, have served as calling cards for Isis, the Islamist militants who never really went away. 'Attacks like these are them saying: don't forget about us, we're still here and we still pose a threat,' says a radicalisation expert. The group has widened its web of affiliates since its territorial defeat in 2019. They now include the hyper-violent Afghan arm, Isis-K, seen as a main threat to Europe.

Stark reminder ▸ PAGE 6

Sparkling winemaker Chapel Down weighs sale as it gets a taste for growth

MADELEINE SPEED
CONSUMER INDUSTRIES REPORTER

England's biggest winemaker Chapel Down is considering a sale of the business as part of a strategic review to explore funding options for its growth plans.

The company said yesterday it was looking for long-term investment to fund new vineyards and a purpose-built winery, and was considering a range of options, including a sale and funding from new or existing shareholders.

The maker of the popular English sparkling wine has set out to double sales between 2021 and 2026, aided in part by the warming climate, which has led to a boom in foreign investment in the country's vineyards and wineries.

Wine production in England and Wales more than doubled to 12.2mn bottles between 2017 and 2022, according to trade association Wine GB, bucking the trend of falling yields in Europe and the rest of the world where hotter weather has hit vine crops.

Investment in English land has soared as foreign winemakers have spotted an opportunity to de-risk by making wine in England's comparatively cooler climate. The UK wine industry recorded about £80mn in investment in 2023, according to property consultancy Strutt & Parker.

Chapel Down's growth strategy includes investing in new vineyards and a purpose-built winery set to open in time for the 2026 harvest.

The company listed on London's Aim market in December at 55p a share. The stock dropped 5 per cent in early trading yesterday before closing 0.8 per cent up.

"Considering the timeline of these investments, the board believes that it is now appropriate to review the full range of long-term funding options that support this plan," said the company, which leases and sources from 1,023 acres of vineyards in south-east England.

Chapel Down reported an 87 per cent increase in annual pre-tax profits for the year to the end of December, to £2.3mn, owing to an "exceptional harvest", and a 15 per cent rise in revenues to £17.9mn.

It said it was on track to deliver "double-digit sales growth" in 2024 and had "significant headroom" to an existing debt facility of £12mn. It has also reached an agreement in principle to extend this financing arrangement.

Foreign investors in UK wines include US group Jackson Family Wines, French houses Taittinger and Pommery, and Spain's Freixenet.

Lex page 24

World Markets

STOCK MARKETS

	Jun 25	Prev	%chg
S&P 500	5465.09	5447.87	0.32
Nasdaq Composite	17711.22	17689.36	0.12
Dow Jones Ind	39107.10	39150.33	-0.11
FTSEurofirst 300	2055.32	2059.66	-0.21
Euro Stoxx 50	4930.77	4950.98	-0.41
FTSE 100	8247.79	8281.55	-0.41
FTSE All-Share	4493.07	4514.76	-0.48
CAC 40	7662.30	7706.89	-0.58
Xetra Dax	18177.62	18325.58	-0.81
Nikkei	39173.15	38804.65	0.95
Hang Seng	18072.90	18027.71	0.25
MSCI World $	3508.95	3507.81	0.03
MSCI EM $	1084.32	1086.93	-0.24
MSCI ACWI $	801.28	801.25	0.00
FT Wilshire 2500	6986.31	7001.30	-0.21
FT Wilshire 5000	54320.40	54432.50	-0.21

CURRENCIES

Pair	Jun 25	Prev	Pair	Jun 25	Prev
$/€	1.070	1.073	€/$	0.935	0.932
$/£	1.267	1.269	£/$	0.789	0.788
£/€	0.845	0.846	€/£	1.184	1.182
¥/$	159.705	159.720	¥/€	170.901	171.379
¥/£	202.371	202.644	£ index	83.487	83.298
SFr/€	0.957	0.959	SFr/£	1.133	1.134

CRYPTO

	Jun 25	Prev	%chg
Bitcoin ($)	61610.00	61307.07	0.36
Ethereum	3401.02	3370.40	0.91

COMMODITIES

	Jun 25	Prev	%chg
Oil WTI $	81.13	81.63	-0.61
Oil Brent $	85.42	86.01	-0.69
Gold $	2328.75	2335.05	-0.27

GOVERNMENT BONDS

Yield (%)	Jun 25	Prev	Chg
US 2 yr	4.75	4.74	0.01
US 10 yr	4.25	4.27	-0.02
US 30 yr	4.38	4.40	-0.02
UK 2 yr	4.22	4.18	0.04
UK 10 yr	4.18	4.19	0.00
UK 30 yr	4.57	4.57	0.00
JPN 2 yr	0.30	0.30	0.00
JPN 10 yr	1.00	0.99	0.01
JPN 30 yr	2.19	2.17	0.02
GER 2 yr	2.81	2.82	-0.01
GER 10 yr	2.41	2.42	-0.01
GER 30 yr	2.60	2.61	-0.01

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JEC CONNECTING THE WORLD WITH COMPOSITES

NATIONAL

General election

Support for main parties lowest since 1918

Polls show combined vote share is smallest since two party system established

JONATHAN VINCENT AND GEORGE PARKER

Labour and the Conservatives are on course to register their lowest combined vote share in a century, according to a series of pre-election polls.

The FT's tracker of 46 polls indicates that both parties have lost support since Rishi Sunak's announcement of the election on May 22, with smaller parties such as Reform, the Liberal Democrats and the Greens all making advances.

Labour's polling average has fallen to 41.7 per cent, down from 44.5 when the election was called — yet its lead over the Conservatives has held steady at 20 percentage points, due to the Tories also falling 3 points to 21.1 per cent.

If the current polling bears out on July 4, it would represent the lowest combined vote share for the main parties since the two party system emerged after the first world war.

Historically, support for smaller parties has tended to ebb over the course of a campaign, as the big parties win supporters back into their camps.

But in this election the opposite trend has emerged. Reform UK, the main beneficiary of the big two parties' decline, has surged from 11.3 to 15.6 per cent over the past four weeks, in part because Nigel Farage announced his candidacy — and took the party's leadership — after the election was called.

"The UK electoral landscape has fragmented dramatically, reflecting rising dissatisfaction with the established parties", said Patrick Diamond, professor of public policy at Queen Mary University of London.

He said the trend was evident across Europe, but has been "largely suppressed in the UK due to the nature of the first-past-the-post electoral system".

Unlike countries that use a form of proportional representation — a system that often leads to governments comprising several parties — the UK's electoral system typically results in a clear victory by a single party.

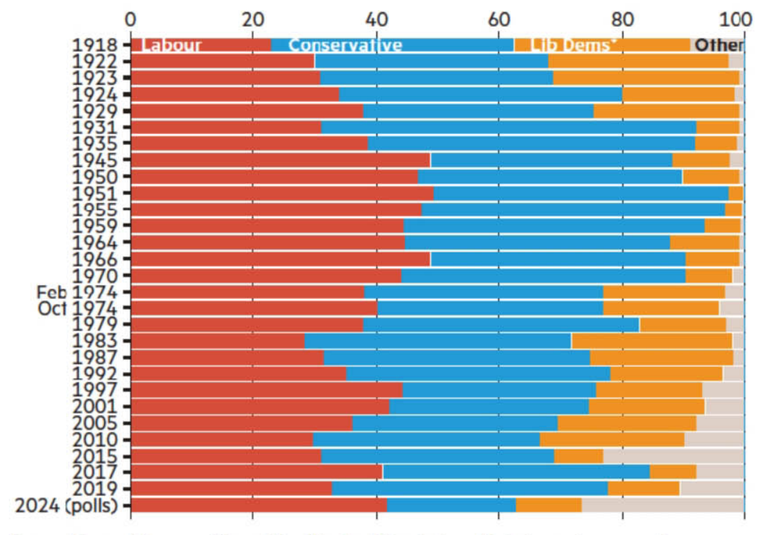
Because the successful party often wins a significantly larger number of seats, the Tories have warned that voters need to back the Conservatives to prevent Sir Keir Starmer's party winning a "supermajority".

The FT's projection model suggests Labour is on course to win roughly 72 per cent of the seats in Parliament on roughly 42 per cent of the total vote.

With polls predicting a significant Labour majority, the party is growing concerned that smaller rivals are picking up support. Labour's campaign chief Pat McFadden warned: "Change, and stopping five more years of the Tories, will only come if people vote for it."

Polling indicates that Labour and the Conservatives could fall to their lowest combined vote share since WW1

General election results, Great Britain only (vote share, %)



Sources: House of Commons Library; FT poll tracker; FT projection • * Includes predecessor parties

State visit

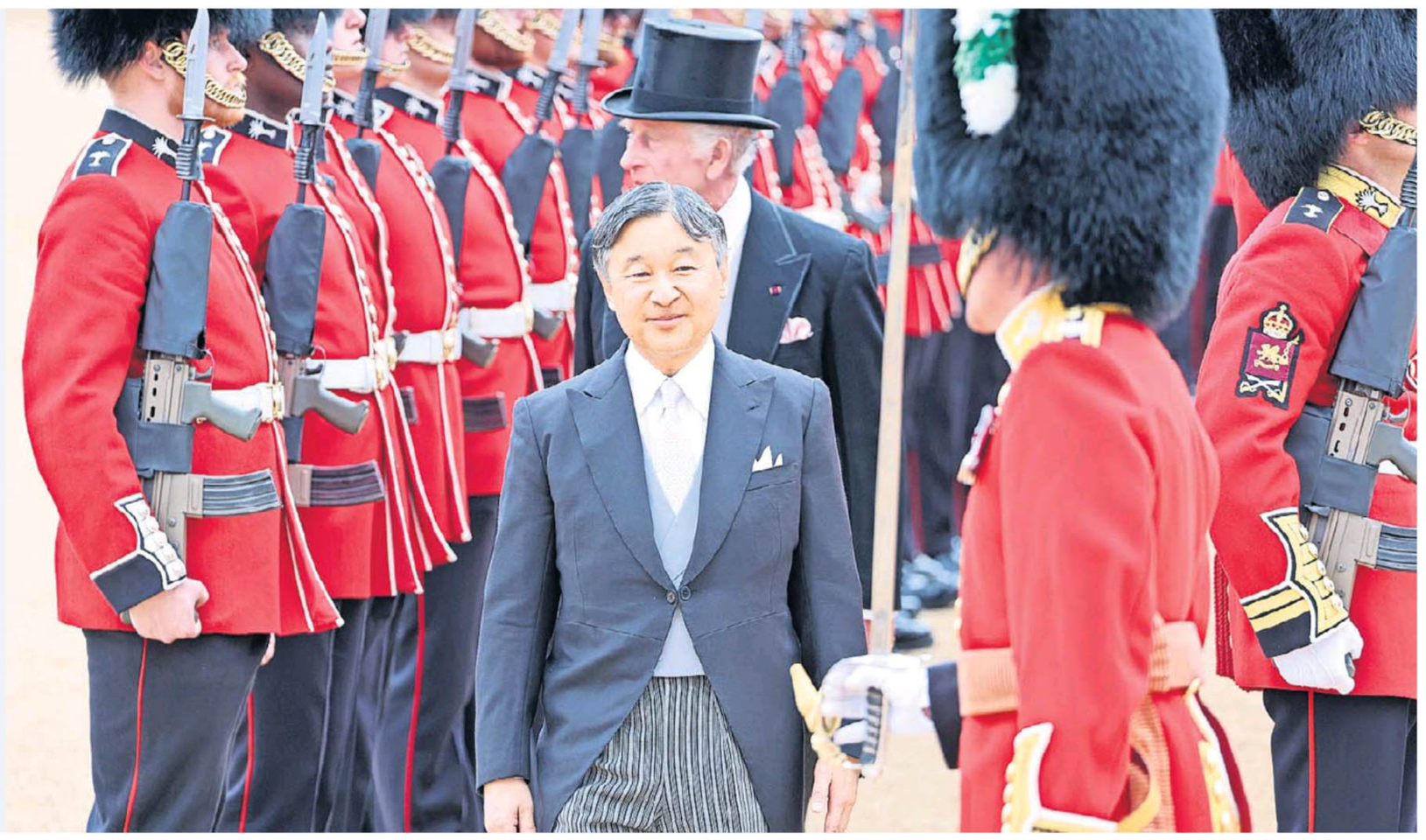
Emperor of Japan receives royal welcome

The emperor and empress of Japan received a ceremonial welcome at the start of their three-day state visit.

King Charles III and Queen Camilla greeted their guests on Horse Guards Parade where the king and emperor inspected the Guard of Honour formed of the 1st Battalion Welsh Guards, pictured.

Emperor Naruhito and Empress Masako went on to lay a wreath at the Tomb of the Unknown Warrior, whose body was brought from France to be buried in 1920, during a visit to Westminster Abbey.

This is the king's first state visit since his cancer diagnosis. The Princess Royal was absent having spent a second night in hospital after she was reportedly kicked by a horse on her Gatcombe Park estate.



Chris Jackson/Getty Images

Post Office scandal

Ex-Fujitsu engineer tells inquiry Horizon system was robust

RAFE UDDIN

A former Fujitsu engineer has insisted the IT system at the centre of the Post Office scandal was robust, despite the High Court finding it was responsible for wrongful prosecutions.

Gareth Jenkins told a public inquiry yesterday that while he accepted there were "discrete bugs" in the Horizon system — developed by Fujitsu — that could result in account discrepancies, they were well controlled and managed.

"They could cause discrepancies in branch accounts but not at the sort of levels that have been talked about," he said. "In general the systems, I believe, were operating as they should."

The High Court ruled in a landmark case in 2019 that several "bugs, errors and defects" had meant there was a "material risk" that Horizon was to blame for account shortfalls at the centre of Post Office prosecutions.

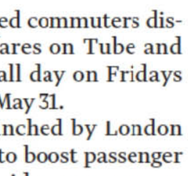
More than 900 sub-postmasters were convicted in cases involving faulty data from Horizon following its introduction in 1999. More than 100 convictions were overturned by the Court of Appeal before legislation was passed this year to exonerate most victims en masse.

In the 2019 High Court ruling, Mr Justice Fraser wrote that legacy Horizon — a system rolled out to branches from 1999 until 2010 — was not "remotely robust".

Jenkins said the system was not infallible but added there were "mechanisms in place" to monitor bugs and errors.

"There were some discrete bugs that caused some problems to the accounts," he said.

"They were very discrete and I believe they were well controlled and managed at the time," he added, though he later conceded that he may have been "wrongly confident" that this was the case.



Discrepancies: Gareth Jenkins accepted there were 'discrete bugs' in the Horizon software

Jenkins joined the company in 1973 when it was International Computers, which was subsequently bought by Fujitsu. He retired in 2015 but was retained by the IT company as a consultant until August 2022.

He was called by the state-owned Post Office as a witness in the prosecution of Seema Misra, a sub-postmaster who was sentenced in 2010 to 15 months in prison for theft while eight weeks pregnant. Misra's conviction was quashed by the Court of Appeal in 2021.

Barrister Simon Clarke in 2013 told the Post Office that Jenkins had failed to disclose information in Misra's case in "plain breach of his duty as an expert witness".

Clarke advised that Jenkins should not be used to provide evidence in any "current or future prosecution".

Jenkins wrote in his witness statement to the inquiry that he was not aware of Clarke's guidance. "This advice was highly critical of me and has had far-reaching consequences," he said.

Jenkins told the inquiry that Post Office lawyers had attempted to "put words in my mouth" and that he was aware officials had rephrased his evidence to be more unequivocal about the robustness of Horizon.

He added lawyers did not properly brief him that he was an "expert witness" in the Misra trial — a role that required him to set out any adverse findings — instead he presented a narrow set of evidence. "No one told me I needed to do more than that," he said.

The former Fujitsu engineer also assisted the Post Office in the 2019 High Court case.

The Metropolitan Police has interviewed Jenkins under caution over allegations of perjury and perverting the course of justice following evidence he provided as a witness in Post Office prosecutions. Jenkins has not been arrested or charged with any offence.

Power generation

GB Energy can lead way on new tech, says Labour donor

RACHEL MILLARD

Labour donor Dale Vince has said the party's planned state-owned energy company has the potential to lead the development of new technologies, while stressing he was not seeking support for his own projects.

The founder and owner of energy provider Ecotricity said Great British Energy could also "make its mark" by helping to foster a national programme of solar rooftop installations to boost clean energy supplies.

The eco-entrepreneur is one of the party's most generous supporters, having donated £5mn over the past 12 months, including £1mn the day after the general election was called.

His support has helped Sir Keir Starmer's party reduce its reliance on contributions from trade unions, some of which are concerned about its plans to stop issuing new oil and gas exploration licences.

"I don't see GB Energy competing with the private sector for wind farms and that kind of stuff. I don't see that it needs to," said Vince. "But what it could do is invest in and dominate and in effect lead a new technology."

Asked if he would be seeking support from GB Energy, Vince said: "I don't want support for my projects . . . I just want to see change."

Formerly a major donor to the anti-fossil fuel campaign group Just Stop Oil, Vince has urged voters not to back the Green party in the election on July 4, arguing that Labour needs a large majority to enact its plans.

Creating a state-owned energy company is a key plank of the party's "green prosperity plan" under which, if elected, it plans to invest £5bn a year over the next parliament to increase the supply of renewables and energy efficiency, and help cut energy bills.

Labour, which has a lead of more than 20 points in opinion polls, has pledged to cut carbon emissions from electricity generation to net zero by 2030, a target that some industry experts believe is unrealistic.

About 30 per cent of Britain's electricity came from gas-fired power plants last year, with more than 55 per cent from low-carbon sources including wind, solar and nuclear.

GB Energy, which will be based in Scotland, will "deliver clean power by co-investing in leading technologies", according to the party's manifesto, as well as supporting capital-intensive projects and local energy production.

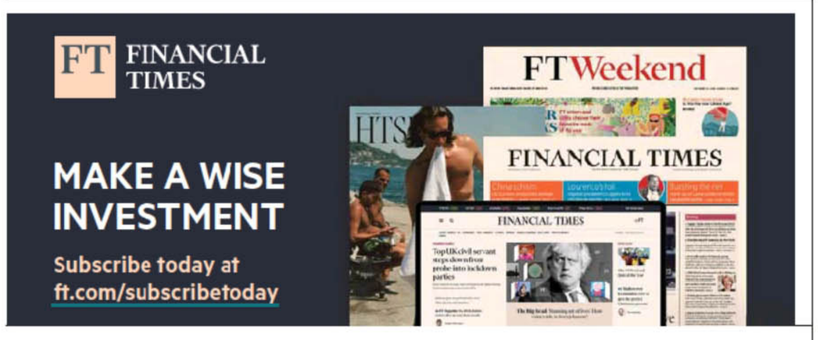
Vince said there was scope for the state-owned body to create a "national programme" in various different areas.

"We've studied the solar potential of rooftops in Britain . . . GB Energy, or the government itself, could lead a programme of national solar rooftop installation alongside energy efficiency, and I think alongside batteries as well," he said. "It's there that GB Energy could make its mark," he added.

Ecotricity supplies energy to roughly 200,000 homes and businesses and also generates electricity from wind and solar farms around England.

Last year, the company built a "green gas" plant in Reading which uses anaerobic digestion to turn grass into biomethane.

Vince has argued that grass-to-gas is a "big opportunity" as a solution for low-carbon home heating and is planning further plants.



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Transport

London off-peak Friday scheme fails to entice commuters

CATHY CHEN

A £24mn trial to boost Friday trips into central London with subsidised tickets only slightly increased passenger numbers on the capital's underground network, data shows.

Friday ridership on the London Underground during the "Let's Do Fridays" trial between March 8 and May 31 increased 3 per cent year-on-year, according to data from Transport for London.

The scheme offered commuters discounted off-peak fares on Tube and some rail services all day on Fridays between March 8 to May 31.

The trial was launched by London mayor Sadiq Khan to boost passenger numbers and the wider economy as working from home proliferated during and after the Covid pandemic.

However, its failure to increase passenger numbers has cast doubt over the value of the £24mn scheme.

Over the course of trial, the average number of Friday Tube journeys was 3.32mn — 66,000 fewer compared with before it began. On Thursdays, the average number of passengers using the Tube was 3.7mn, reflecting the fallback in professional commuters at the end of the week.

Jon Tabbush, senior researcher at the Centre for London think-tank, said the trial was a useful experiment but the effects and scale were limited.

"There are political reasons for doing it," he added, referring to criticism from opponents of the scheme that it had been timed ahead of the mayoral election on May 2 to score political points.

Commuting on the underground at peak times from Zone 6 to Zone 1 costs £5.60 per pay-as-you-go journey but over the trial, the price was reduced to £3.60.

Tabbush said that the discount was simply not big enough to entice commuting professionals, adding that people were more likely to make decisions based on convenience, service reliability and whether they have in-person meetings.

He added that it was "good for the whole country for cities to be able to test out these ideas and monitor their results".

Nick Tyler, director of the Centre for Transport Studies research unit at University College London, argued that the trial had not made a substantive difference to the number of trips made.

Mind the gap: homeworking has led to a significant fall in Tube journeys

He said the ideal was to encourage a "more civilised life by freeing up the working day, away from the 19th-century factory model", by promoting flexible working and spreading journeys throughout the day.

Tyler said the trial had addressed the symptoms rather than the problems themselves.

"We should . . . figure out how to make the transport system fit with the people rather than force the people to fit the transport system," he added.

Khan had previously said the scheme would help "to support the hospitality, culture and retail sectors as we continue building a better more prosperous London for everyone".

TfL said: "We continue to analyse the impact of our trial of off-peak pay-as-you go fares on Tube and rail services . . . as well as the impact to businesses across London."

The annual tube ridership on a Friday shrank nearly two-thirds from 223mn in 2019 to 96mn in 2021. However, it increased steadily to 172mn in 2023.

NATIONAL

Labour diverts activists away from Lib Dem target seats

Campaign data reveals electoral strategy likely to maximise Tory losses

ANNA GROSS, CHRIS COOK AND MAX HARLOW

Labour is directing its activists away from Conservative-held seats targeted by the Liberal Democrats into constituencies far from their homes, a strategy that is likely to maximise Tory losses in the south of England.

Volunteers in Somerset have been told to travel more than 80 miles to Plymouth, while London activists have been advised to ignore Lib Dem targets in the capital's south-west, data from the Labour campaign website shows.

The data suggests Labour leader Sir Keir Starmer has diverted his party's army of door knockers away from roughly 80 Tory-held seats that the Lib Dems have focused on trying to take at the July 4 general election.

The effect is that the two opposition parties have minimised the resources they spend fighting each other and focused their energies on inflicting losses on UK Prime Minister Rishi Sunak's Conservatives.

Since the start of the election, Labour has asked volunteers online for their postcode and then told them where the party would like them to go. Earlier in the race, Labour used the tool for campaigning but now it prepares volunteers for "get out the vote" activities on election day.

Data from the site as of June 24, analysed by the Financial Times, provides a window into how Labour is running its ground campaign of door knocking and leafleting as it tries to regain power for the first time since 2010.

It shows that the party is not sending Labour activists from its strongholds in London to Tory-held Wimbledon, a wealthy suburb in the south-west of the capital, though polls suggest Labour could vie with the Lib Dems to take the constituency. Labour won the seat in its 1997 landslide victory. The party advises only activists from Wimbledon itself to campaign in the seat. In the Lib Dems' traditional west country heartland, Labour activists in Bridgwater, north Somerset, are being sent to Plymouth, an 83-mile journey that means passing at least four other constituencies.

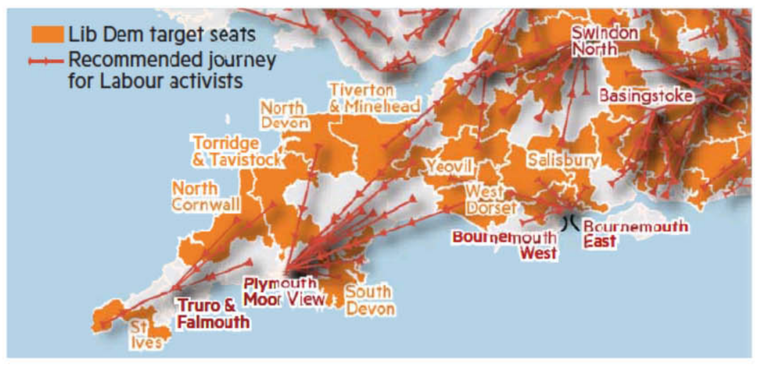
Street beat: former Liberal Democrat leader Vince Cable, left, campaigns in Wimbledon, London, with party candidate Paul Kohler
Katie Collins/Alamy

Labour is also asking activists from nine seats across Surrey and Hampshire to campaign in the strong Tory seat of Aldershot. If the army town in Hampshire had the same boundaries back in 2019, the Conservatives would have won 57 per cent of the vote to Labour's 22 per cent. The seat is not on the Lib Dem target list.

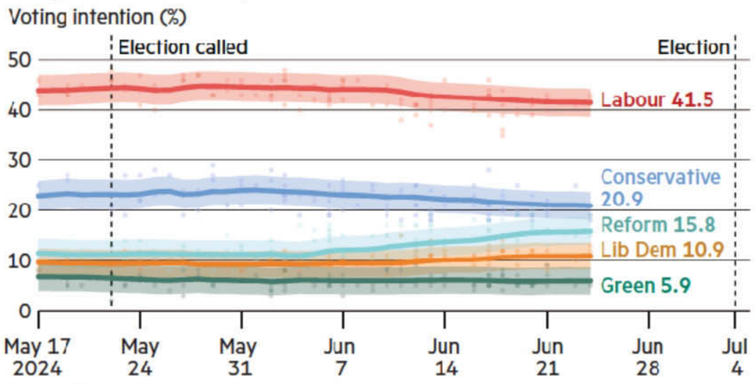
Aldershot is the most ambitious Tory-held constituency that Labour's website currently targets.

> '[There did appear to be a] nod and a wink in working together [to achieve their ambition of] killing Tories off'

Labour sends activists away from Tory-Lib Dem battlegrounds
Constituencies in south-west England



UK general election poll tracker
Voting intention (%)



Sources: FT research; FT poll tracker • Latest poll: Jun 24

Labour and the Lib Dems have long denied that they are engaged in any kind of electoral pact as they battle to unseat the Tories after 14 years in government, with Lib Dem leader Sir Ed Davey explicitly ruling out any such deal in September last year.

But their focus on different Tory-held seats may mean that Labour and Lib Dem votes are extremely efficiently distributed this year — meaning they need fewer voters to prevail in their target seats in the UK's winner-takes-all electoral system.

David Cutts, a professor of political science at the University of Birmingham, said he did not believe there was any kind of formal agreement between the two parties, but there did appear to be a "nod and a wink in terms of working together" to achieve their ambition of "killing the Tories off".

There are some exceptions. Labour activists in one Labour-held seat in Sheffield, in the north of England, are being sent to fight the Lib Dems in neighbouring Sheffield Hallam, the only seat where the two parties are directly competing. The Labour-held seat was once occupied by Nick Clegg, the Lib Dem former deputy prime minister and now Meta executive.

There are also three seats in Scotland where the Lib Dems are fighting the Scottish National party, and where Labour is telling local activists to stay and campaign: Mid Dunbartonshire, North East Fife, and Caithness, Sutherland and Easter Ross. The latter two are currently held by Lib Dem MPs.

Both Labour and the Lib Dems denied there was any electoral pact between them, tacit or otherwise. Labour said: "Our decisions are made based on the data and where we think we can win."

The Lib Dems said there was "no need" for a pact because it was "super obvious" to voters in almost all seats which party they needed to vote for to oust the Tories.

Janan Ganesh page 23

Downing Street. Partnerships

Reeves finds an unlikely inspiration in Osborne

Labour shadow sees a model relationship in ex-chancellor's close ties with boss at No 10

GEORGE PARKER POLITICAL EDITOR

Shadow chancellor Rachel Reeves has drawn unlikely inspiration from the tight bond between former Tory chancellor George Osborne and his boss David Cameron, as she seeks to maintain a "close working relationship" with Sir Keir Starmer if they become neighbours in Downing Street on July 5.

Reeves views the Cameron-Osborne partnership as a rare example of prime minister and chancellor working in harmony — a feat their Labour counterparts Tony Blair and Gordon Brown had famously failed to emulate.

Despite disagreeing with their politics, Labour officials recognise that Cameron and Osborne worked well together in opposition for five years before taking their partnership into government in 2010. Both left office after the Brexit debacle in 2016.

"It was effective," said one Labour official, saying the Cameron-Osborne partnership had been discussed within the party. "You need to have a good working relationship at the top and no sense of rivalry."

Reeves told the Financial Times that her relationship with Starmer was similar: "It's a very close working relationship and people can see that from the way we take decisions, our approach to politics and the way we want to lead.

"It's a partnership that has served us well in opposition and a partnership we want to take into government."

But Osborne said it was hard to forge a close partnership between the residents of 10 and 11 Downing Street, noting that others had tried and failed including Prime Minister Theresa May and her chancellor Philip Hammond and Boris Johnson and his chancellor Sajid Javid.

"None came close and most ended in tears," he told the Financial Times. "The difference was that David and I had each other's backs in all situations, and each other's complete trust — and were prepared to sacrifice something for that.

"For David, it meant accepting a more powerful chancellor; for me it meant never questioning he was the leader, and ultimately leaving office on the same day he did.

"We'll see if Keir and Rachel are prepared to forge that kind of bond. They've clearly formed a strong partnership and led Labour to the brink of victory."

Lord Nick Macpherson, permanent secretary at the Treasury during Osborne's chancellorship, said the partnership with Cameron was crucially not just based on the fact they were friends but was also rooted in policy. "Just as important as the personal relationship was the fact that Cameron was fully behind Treasury orthodoxy, perhaps more than Osborne," he said.

The 2010-16 period was marked by deep cuts to public spending dubbed "austerity".

Labour officials say that Starmer and Reeves realised that having a close relationship was a vital part of rebuilding public trust in the opposition party.

Recent Labour experience had seen high-profile tensions between Blair and Brown from 1997-2007, followed by discord — after he became prime minister — between Brown and his chancellor Alistair Darling. Ed Miliband, Labour leader from 2010-2015, had poor relations with Ed Balls, his shadow chancellor.

But Macpherson and Balls have recently taught a course at King's College London in which both have argued that "creative tension" between chancellor and prime minister is vital to good government.

In particular they have questioned whether it would have been better for Osborne, who opposed holding an EU referendum, to threaten to resign on the issue rather than deferring to the prime minister ahead of the 2016 vote. "A really close relationship works well but there's a reason why you sometimes want some grit in the oyster," agreed one former Treasury official. "The chancellor needs to be able to tell the prime minister if he is trying to do something stupid or unaffordable."

> 'A really close relationship works well but . . . you sometimes want some grit in the oyster'

On the question of the Blair-Brown partnership, Reeves told The Times on Saturday: "Tony and Gordon are two political heroes of mine, but the relationship wasn't a straightforward one. Obviously David Cameron and George Osborne worked very closely together."

Reeves, a former Bank of England economist, is trusted by Starmer, a former lawyer, to focus on economic policy while he tends to concentrate on wider policy areas and big political messages.

However, with money tight and with pressure likely on any future Labour government to increase public spending, any tensions between Starmer and Reeves are likely to be greater in office than they are in opposition.

Osborne said: "One thing's for sure — as recent Tory premiers learnt — prime ministers who fight against the Treasury rather than using it as an instrument to their ends are bound to fail."

Close harmony: Keir Starmer and Rachel Reeves on the campaign trail. They know relationships between prime minister and chancellor sometimes end in tears
Stefan Rousseau/PA

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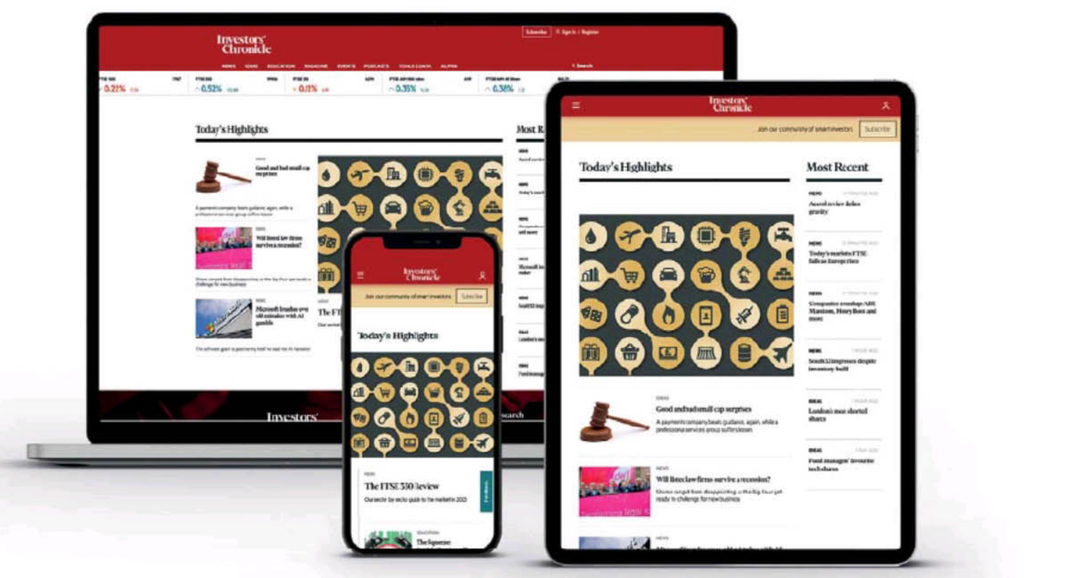

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INTERNATIONAL

Agriculture

Denmark sets €100-a-cow emissions charge

World's first carbon tax on farm animals criticised as too weak by green bodies

ATTRACTA MOONEY
AND SUSANNAH SAVAGE — LONDON
ALICE HANCOCK — BRUSSELS
EMMA AGYEMANG — COPENHAGEN

Denmark is moving ahead with the world's first carbon tax on agriculture, with cattle farmers set to be charged almost €100 a year for the greenhouse gas emissions from each of their cows.

After months of fraught negotiations with trade bodies and environmental groups, Denmark's ruling coalition last night agreed an effective tax rate of DKr120 (€16) per tonne of carbon dioxide equivalent emissions from livestock.

Countries around the world are struggling to cut emissions from food production — which accounts for almost a quarter of global emissions including land use changes — while maintaining food security.

Ruminant animals such as cows and sheep produce methane through their digestive systems, while synthetic nitrogen fertilisers in the grass they eat also produce greenhouse gases. Livestock accounts for 11 per cent of global emissions, with almost two-thirds of that driven by cows.

The Danish agreement, which lays the ground for the levy to be introduced in 2030, comes just months after farmers protested across Europe against EU environmental measures. Mette Frederiksen, Denmark's centre-left prime minister, said she hoped the tax would "pave the way forward regionally and globally" for similar initiatives.

Farmers organisation Bæredygtigt Landbrug, which was not involved in the talks, immediately criticised the deal, while some green organisations privately argued there were too many deductions for the tax to be effective.

"I think it's crazy," said Peter Kiær, chair of Bæredygtigt Landbrug, adding that it would hinder much-needed technology investment in a country that was already one of the world's greenest agricultural producers. "[The government] aren't listening to the farmers."

Denmark's parliament is expected to vote to approve the tax later this year, which has a headline rate of DKr300 per tonne of CO_2 equivalent in 2030, rising to DKr750 per tonne CO_2 equivalent in 2035. There are built-in incentives for farmers to reduce emissions, and the tax will be phased in with a basic tax deduction of 60 per cent for at least the first two years.

The average Danish cow produces six tonnes of CO_2 equivalent per year, according to green think-tank Concito. Using the lower tax rate of DKr120 would incur a charge of about DKr720, or €96.50.

Lars Aagaard, the country's climate minister, said agriculture was Denmark's largest greenhouse gas emitter. "This cannot continue," he said. "Agriculture must contribute and be part of the green future."

Søren Søndergaard, chair of the Danish Agriculture & Food Council, said: "We have succeeded — against all odds — in getting a tax model where the farmer who uses approved and economically sustainable climate solutions can completely avoid the tax."

But Peder Tuborgh, chief executive of Denmark-based dairy co-operative Arla Foods, said the tax regime could unfairly affect some farmers already doing everything they could to reduce their emissions.

New Zealand this month scrapped an attempt to launch a similar tax on sheep and cow farmers.

The European Commission is studying how it could set up an EU-wide agricultural emissions trading system, looking at options including requiring farmers and landowners to pay directly for their emissions.

Cattle drive: moves to tax emissions from farm animals have proved controversial in Denmark
Sergei Gapon/Anadolu Agency/Getty Images

Monetary policy

Fed official 'willing to raise' interest rates again in inflation fight

CLAIRE JONES — WASHINGTON

A top Federal Reserve official has backed more interest rate rises if inflation sticks at its current level, saying immigration and aggressive fiscal stimulus are likely to keep US prices rising more quickly than in other rich economies.

Michelle Bowman, one of the Fed's governors and a voter on its rate-setting Federal Open Market Committee, said she remained "willing to raise" borrowing costs again "should progress on inflation stall or even reverse".

Bowman's remarks came in a speech yesterday in London and point to the debate within the Fed about whether the bank can begin cutting interest rates this year, or at all before November's presidential election.

Another Fed governor, Lisa Cook, said yesterday in New York that she believed inflation was likely to fall "more sharply" next year and that "at some point" it would be necessary to cut rates "to maintain a healthy balance in the economy".

President Joe Biden has made the economy and his efforts to beat back inflation part of his re-election campaign, amid voter anxiety over the high costs of fuel, food and other goods, as well as mortgage rates.

US inflation spiked to more than 7 per cent in 2022, as the economy recovered from the Covid-19 pandemic, prompting the Fed to raise rates from near zero to 5.25 to 5.5 per cent, their highest level in two decades. Inflation has fallen since then but remained at 2.7 per cent in April, above the central bank's 2 per cent target.

Bowman is among the FOMC's most hawkish members — and even she did not think a rate rise this year was the likeliest scenario. But four of 19 officials who attend the committee also revealed earlier this month they expect to make no rate cuts this year.

Another seven expect just one quarter-point cut, potentially pushing a decision back to the Fed's final meeting of the year in December.

The remaining eight members think two cuts are likely, with several members of the committee saying over the past week there were signs the US economy was weakening and price pressures dissipating.

Investors are still betting that the Fed will cut by a quarter-point in mid-September, the central bank's final meeting before the election.

However, Bowman said there remained "upside risks" to inflation — including that looser financial conditions and the federal government's stimulus "could add momentum to demand, stalling any further progress or even causing inflation to accelerate".

The independent Congressional Budget Office expects the US's fiscal deficit to hit 7 per cent of the country's output this year. A surge in immigration could also push up housing costs, with construction yet to catch up with demand, Bowman argued.

The Fed's decision to keep interest rates higher for even longer comes as G7 counterparts such as Canada and Eurozone members — Italy, Germany and France — have begun cutting borrowing costs.

WikiLeaks. Legal battle

Assange leaves UK after striking plea deal

Founder expected to fly home to Australia after guilty plea in US Pacific island court today

STEFANIA PALMA — WASHINGTON
NIC FILDES — SYDNEY

Julian Assange has left the UK and is due to return to his native Australia after striking a plea deal with US prosecutors to end the WikiLeaks founder's legal saga over leaked documents and allow him to walk free after years of incarceration and confinement.

WikiLeaks said on X yesterday Assange, 52, had been released from Belmarsh high-security prison in London and had already flown out of the UK after being granted bail. Stephen Parkinson, the director of public prosecutions, confirmed Assange's departure and said a bail hearing had been held last Thursday, in private at the defendant's request.

According to court filings, Assange has agreed with the US Department of Justice to plead guilty to one charge of conspiracy to obtain and disseminate classified information linked to US national defence.

The deal with the DoJ "has not yet been formally finalised", WikiLeaks said, adding that more information would be provided as Assange "returns to Australia".

The case involves what prosecutors have called one of the biggest leaks of classified material in US history. Washington has long maintained intelligence agents' lives were put at risk because of the information disclosure — a claim Assange's lawyers have disputed.

"Julian Assange is free," WikiLeaks said, adding that he had "paid severely" for publishing stories of "government corruption and human rights abuses".

He is scheduled to submit his plea this morning in federal court in Saipan, which is part of the Northern Mariana Islands, a US commonwealth north of Guam. Sentencing is set to take place immediately after the plea submission. Assange has already served 62 months in a UK jail and prosecutors are not seeking additional imprisonment.

The Saipan court was chosen because Assange declined to carry out proceedings in the continental US. It is also closer to his home country of Australia, where he is expected to go after the proceedings conclude, according to a letter from prosecutors to the court. "This is finally over," Stella Assange, the wife of the WikiLeaks founder, told the BBC.

> 'There is nothing to be gained by his continued incarceration and we want him brought home'

Assange's chartered jet landed in Bangkok yesterday and was due to continue on to Saipan. Stella Assange launched an "emergency appeal" on social media for $520,000 that she said Assange was "obligated to pay back to the Australian government" for the flight. Australian Prime Minister Anthony Albanese told the country's parliament his release was "a welcome development" but that proceedings "are crucial and they are delicate".

"Regardless of the views that people have about Mr Assange's activities, the case has dragged on for too long," Albanese said. "There is nothing to be gained by his continued incarceration and we want him brought home to Australia."

Assange founded WikiLeaks in 2006 as a platform to share leaked materials, shedding what he believed was a necessary light on secretive and powerful organisations, including governments and companies.

In 2010, the site published a cache of military and secret documents leaked by Chelsea Manning, the former US army intelligence analyst who, while serving in Iraq, copied hundreds of thousands of military incident logs and about 250,000 diplomatic cables.

WikiLeaks drew praise for revelations about US operations in Afghanistan and Iraq. But critics, including the US government, said it broke the law and put people's safety at risk.

Some Assange supporters in Australia have depicted him as a political prisoner — he spent seven years taking refuge in the Ecuadorean embassy in London and five in Belmarsh prison as he fought US extradition requests. Others objected to the "extraterritoriality" of the US extradition attempt or simply argued the case had gone on too long.

In 2010, Sweden issued an arrest warrant for Assange linked to a rape investigation, and he left for the UK. In 2012, after a ruling from the UK's highest court to allow his extradition to Sweden, Ecuador granted Assange asylum when he entered its London embassy. In 2019, when Ecuador revoked Assange's asylum status, London police arrested him at the request of the DoJ.

Assange had been fighting efforts to bring him to the US to face the charges, arguing he faced a lifetime in prison if convicted. In May, the High Court in London gave him permission to appeal against an order allowing extradition.

Europe

EU weighs options to insulate itself from Hungarian vetoes

HENRY FOY — LUXEMBOURG
PAOLA TAMMA — BRUSSELS
MARTON DUNAI — BUDAPEST

European capitals are drawing up ways to insulate EU decisions from Viktor Orbán's increasing use of vetoes as Hungary takes over the bloc's rotating presidency on July 1.

The Hungarian prime minister in recent months blocked or delayed a record number of foreign and security policy issues that require unanimity, in part as a way to force access to EU funds frozen over rule of law concerns.

In response, the outgoing Belgian presidency of the EU council, which chairs ministers' meetings and sets their policy agenda, has floated options to circumvent or make it harder for Budapest to exercise its veto, according to a document seen by the Financial Times.

These include EU treaty provisions that allow for some decisions to be taken by a qualified majority instead of unanimity, as well as requiring more explanations from countries when they use a veto and clarifying the circumstances under which they can block policies.

The Belgian document, which was due to be discussed yesterday by EU affairs ministers, is the latest effort to set up guardrails against Orbán's years-long campaign to water down EU sanctions on Russia and oppose the bloc's financial and military support for Ukraine. It comes amid calls from other capitals to adopt a tougher approach to Budapest.

The obstructionism of Hungary's Eurosceptic premier has reached unprecedented levels in recent months, according to four senior EU diplomats. Currently, it is holding up seven decisions related to Ukraine worth €6.6bn.

"It's got to the point where nothing happens without thinking about how they could ruin it," said a senior bloc diplomat involved in negotiations with Budapest. "We're at a moment when it's either give up on ambitions or think creatively to cut them out."

Other member states have started to demand more aggressive solutions to circumvent Budapest, such as a move on Monday to use a novel legal loophole allowing the bloc to move ahead with plans to use proceeds from frozen Russian assets to assist Kyiv.

In addition to the Belgian proposals, other capitals have floated boycotting ministerial meetings that are held in Hungary, and producing confidential annexes to EU documents that outline alternative routes to reach an agreement among the other 26 members.

Some capitals are discussing the nuclear option of advancing a so-called Article 7 procedure against Hungary which can culminate in the stripping of its voting rights. That decision, however, would require consensus among the 26 — with Slovakia, but potentially also others, likely to have reservations.

On Monday, Hungary did not object to the legal interpretation that, since it abstained from a decision on setting aside the proceeds from immobilised Russian sovereign assets to help Ukraine, it also had no say in how these profits were to be used. That legal argument was part of the bloc's counter-offensive against Budapest, the four diplomats said.

Viktor Orbán has blocked or delayed a record number of policy issues

Josep Borrell, the EU's chief diplomat, told Hungary's foreign minister that "we are going to do this without you. We have right on our side," according to two people's accounts of the exchange.

Hungarian officials have floated a potential deal whereby Budapest would lift its veto on €6.6bn worth of funds to reimburse capitals for weapons they sent to Ukraine. In exchange, the Hungarian government seeks full access before mid-December to €6.3bn of EU funds frozen due to rule of law and corruption concerns, according to two people briefed on the discussions.

"Instead of arms shipments, we are advocating a ceasefire," Hungarian foreign minister Péter Szijjártó said on Monday, adding that as long as Kyiv allegedly discriminated against Hungarian companies, Budapest had no intention of lifting its veto.

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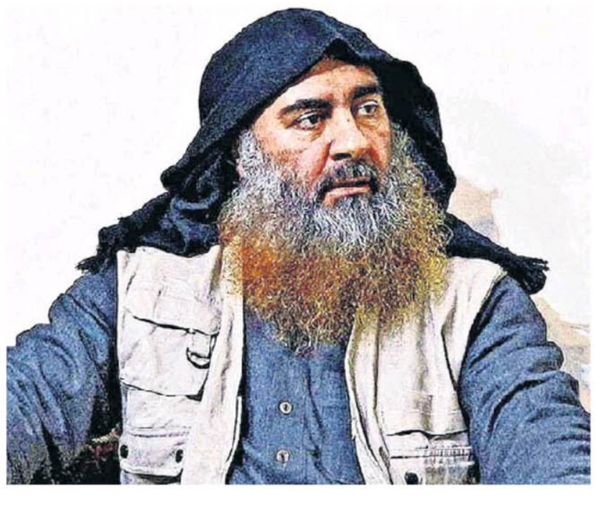
Attacks are a stark reminder that Isis terrorist threat has never gone away

Jihadi group renews lethal assaults on international targets years after fall of self-declared caliphate

RAYA JALABI — BEIRUT
DAVID PILLING — JOHANNESBURG
AANU ADEOYE — LAGOS
JOHN PAUL RATHBONE — LONDON

At least 20 people died in Sunday's attack in Russia's Dagestan region, above. While no group has yet claimed responsibility, it has been praised on some Isis-linked social media channels. Below, the slain Isis leader Abu Bakr al-Baghdadi
AP;Getty Images



Weeks after the last redoubt of his caliphate fell, Isis leader Abu Bakr al-Baghdadi made a final appearance on camera, urging his followers to continue in their quest against "the enemy".

"Our battle today is a battle of attrition," Baghdadi said in the 2019 video, six months before he was killed in a US raid. "They should know that jihad [holy war] continues until judgment day." He commanded supporters to attack "crusader France and its allies".

In the years since, Isis has largely receded from front pages in the west. But this year has provided stark reminders that supporters are still heeding Baghdadi's call.

An Isis assault on a Moscow concert hall in March killed 143 people. This month, six inmates linked with the group took hostages at a prison in southern Russia and were shot dead. France said the same Isis branch had also attempted multiple attacks on its soil.

On Sunday, at least 20 people died in Russia's Dagestan region after gunmen attacked churches and synagogues in two cities. While no group has yet claimed the attack, the shootings were praised on some Isis-affiliated social media channels.

And officials in Berlin warned this month, as their country hosts the Euro 2024 football championship, that Germany could witness an assault on the same scale as Moscow.

Without a caliphate to draw in fighters from around the world, Isis — now led by Abu Hafs al-Hashimi al-Qurashi — has taken the battle to its followers, entwining its millenarian ideology with local grievances.

"[Isis-K] has always been very effective at propagating their ideology — what we called the Nike 'just do it' approach to terrorism," said Sir Alex Younger, former head of British intelligence agency MI6, referring to the hyper-violent Afghan branch of Isis behind the Moscow assault.

Isis has drastically expanded its web of affiliates, and Isis-K is increasing its overseas attacks: this year, it has also been linked with bombings in Iran that killed nearly 100 people, an attack on a church in Turkey and a foiled plot to attack Sweden's parliament.

Created two decades ago amid the insurgency against the US-led occupation of Iraq, the Sunni Muslim Islamist group — allied to al-Qaeda in its early years — later ruled swaths of Iraq and Syria, imposing draconian laws on millions of people. It became synonymous with extreme brutality and mass atrocities. But by 2019, it was territorially defeated, reverting to insurgent tactics and splintering into regional affiliates.

A decade after Isis atrocities were front-page news, the latest spate of high-profile attacks have been designed to draw attention, experts said.

Shiraz Maher, director of the International Centre for the Study of Radicalisation, said: "Attacks like these are them saying: 'Don't forget about us, we're still here and we still pose a threat.'"

Current and former security officials say there are signs of growing confidence among Isis and al-Qaeda because the perceived focus of western security services may have shifted — although Younger said a US warning before the Moscow attack showed western agencies had kept abreast of the threat.

"When we consider the risk of plots against Europe that are directed or enabled from overseas, [Isis-K] is at the forefront of our minds," said one. Isis-K started operating in 2015 in Afghanistan and Pakistan after the original Isis declared its caliphate.

The affiliate aims to create its own caliphate in Khorasan, a region extending across parts of the Indian subcontinent and central Asia. After the Taliban took back power in Afghanistan in 2021, Isis-K went on to become its most formidable adversary, fighting a bloody insurgency and using Afghanistan as a base for attacks elsewhere.

Isis's ferocity is still more evident in Africa. According to the Global Terrorism Index, the locus of terrorism has decisively shifted, with Iraq no longer among the 10 countries most affected.

"The Sahel is now the epicentre of terrorism," said Steve Killelea, lead author of the index. Islamist terror has contributed to recent coups in the Sahel. Isis is most active in the border area between Burkina Faso, Mali and Niger, attacking military outposts and civilians.

It regularly clashes with another Islamist militant group, Jama'at Nusrat al-Islam wal-Muslimin, in north and central Mali and in the border regions with Burkina Faso, where the fighting has displaced millions, and Niger.

Killelea said there was also a "merging of criminal organisations into these movements", including jihadis protecting criminal networks "for the passage of people, drugs or precious metals through their territory".

In the Middle East, Isis operations in Iraq and Syria have greatly diminished but small attacks persist.

About 50,000 men, women and children linked to Isis remain detained without trial in desolate camps in north-east Syria. Most are Iraqi or Syrian, but several thousand are foreigners. Isis routinely stages prison breaks and riots to try to free its detainees.

In the Syrian camps, more than half of those held are children. That presents another risk, said Maher. "They've been held . . . for five years now, without any attempts to rehabilitate and re-educate them," he said. "What happens when those children are finally freed?"

> 'We haven't heard the last of Isis. I would be unsurprised if there's an attack in the west sometime soon'

So far there has been no resurgence of 2015-style assaults, in which individuals, often from the west, were trained overseas and sent back home to launch attacks. Instead, the attacks and recruitment by Isis use "a bit of everything", said Colin Clarke, director of research at The Soufan Center intelligence and security consultancy.

One threat is "lone wolf" attacks while another comes from "enabled" individuals backed by foreign groups. Mohamed Al Bared, a student in the UK, was jailed for life in December for trying to build a kamikaze drone.

But the most potent threat comes from "directed" assaults in which attackers are trained, funded and logistically supported by groups overseas. They were "the most lethal and the most effective, not least because their operational security can be good", said Clarke.

During the war in Gaza, Isis has called for attacks not just against Israel and its western allies, but also against Jews more broadly. "We haven't heard the last of Isis," Maher said, adding that the group could exploit sympathy for Gaza to recruit new followers.

"I'd be unsurprised if there's an attack in the west sometime soon."

Additional reporting by Malaika Kanaaneh Tapper in Beirut

Israel

Court rules out religious exemption from IDF conscription

JAMES SHOTTER — JERUSALEM

Israel's supreme court has ruled that the military must conscript ultraorthodox religious students, in a decision that will test Benjamin Netanyahu's coalition with far-right and religious parties.

The decades-old exemption of ultraorthodox men who attend religious schools from compulsory military service has long been one of the most divisive issues in Israeli politics and has become even more so as Israel's war in Gaza stretches into its ninth month.

It is a particularly fraught issue for Netanyahu because his coalition contains two ultraorthodox parties determined to preserve the arrangement, and others, including defence minister Yoav Gallant, intent on abolishing it.

The court ruled yesterday that since there was no legal basis for exempting religious students, the military must begin conscripting them. It also ruled that state subsidies for religious schools whose students do not perform military service should remain suspended.

"This is a very significant ruling . . . The [military] was never instructed so clearly by the court to recruit the ultraorthodox. It's an entirely new situation," said Yohanan Plesner, head of the Israel Democracy Institute, a Jerusalem think-tank.

"It creates an open wound within the coalition . . . and therefore it's a destabilising factor. But, at the same time, there is no direct mechanism that leads from that to early elections."

Opposition politicians hailed the ruling, while the head of the Movement for Quality Government in Israel, which has campaigned against the exemption, said that it put an end to "76 years of unlawful inequality and discrimination".

"We will no longer agree to the absurd situation where there are those who give to the state, contribute and even risk their lives, and there are those who do nothing," Eliad Shraga said.

Ultraorthodox leaders reacted with anger. Aryeh Deri, leader of Shas, one of the Haredi parties in the coalition, said that studying the Torah was "our secret weapon against all enemies, as promised by the creator of the world".

The exemption stems from a compromise between Israel's founder, David Ben-Gurion, and the ultraorthodox community in 1948, allowing 400 Haredi to avoid military service if they enrolled in a *yeshiva*, or religious school.

The arrangement has become a source of deep frustration for the rest of Jewish Israeli society, as the number of ultraorthodox exempted has soared to more than 60,000, partly because of the rapid growth of the Haredi population.

Israel's top court ruled in 2017 that the exemption was unconstitutional and, since then, successive governments have tried and failed to pass legislation on ultraorthodox conscription.

In an effort to break the deadlock, in recent weeks Netanyahu has been attempting to revive a bill from 2022 that would incrementally increase the number of ultraorthodox who serve in the army. However, critics say it is already out of date as it was conceived before the war with Hamas.

Finance report

G20 to look at billionaires' tax raising $250bn a year globally

EMMA AGYEMANG — COPENHAGEN

A global minimum tax on billionaires raising up to $250bn a year is "technically feasible" and could be successfully enforced even if it were not adopted by every country, according to a report commissioned by the G20.

Gabriel Zucman, an economist and author of the paper, said a co-ordinated minimum tax on the total wealth of the world's 3,000 billionaires was needed to increase their contributions.

The current effective tax rate of billionaires was equivalent to just 0.3 per cent of their wealth, said the report, which was published yesterday. G20 finance ministers meet to discuss the proposals next month.

"Very few individuals agree with the notion that billionaires can have lower tax rates than other social groups," Zucman, a professor of economics at the Paris School of Economics and at the University of California, Berkeley, told the Financial Times. "The super-rich shouldn't pay less tax than schoolteachers or firefighters. That's just not OK."

The report recommended that individuals with more than $1bn in total wealth, including assets, pay a minimum amount of tax equal to 2 per cent of their wealth.

This would raise $200bn-$250bn a year, it said. Extending the levy to individuals with a net worth of more than $100mn would raise an additional $100bn-$140bn. Individuals who already pay more than 2 per cent of their wealth in income tax would face no extra tax liability.

Zucman said a level of 2 per cent would help stop the total tax levy being so regressive for the super-rich.

He said: "That's not very much. We're not talking about making it progressive but just making it less regressive."

The study acknowledged there were "several potential challenges" associated with the idea. These included the difficulties of valuing individuals' wealth and improving compliance.

To be effective, it said countries would need new forms of cross-border information exchange on ultra-wealthy individuals.

War crimes charges

ICC seeks arrest of Russia's Shoigu and Gerasimov

MAX SEDDON — RIGA
CHRISTOPHER MILLER — KYIV

The International Criminal Court has issued arrest warrants on war crimes charges against Russian security council secretary Sergei Shoigu and Valery Gerasimov, the top commander of Russia's invasion force in Ukraine.

Pre-trial judges at The Hague-based ICC found there were reasonable grounds to believe Shoigu, Russia's former defence minister, and Gerasimov "bear individual criminal responsibility" for a campaign of missile strikes against Ukrainian electric power plants and substations from October 2022 to March 2023, the court said yesterday.

This is the third time the ICC has handed out arrest warrants since the start of Russia's full-scale invasion of Ukraine in 2022. President Vladimir Putin was the first to be indicted last year on charges relating to the alleged abduction of Ukrainian children, together with Maria Lvova-Belova, Russia's children's rights ombudsman.

Viktor Sokolov, former commander of Russia's Black Sea fleet, and Sergei Kobylash, commander of long-range aviation, were indicted in March on similar charges relating to the campaign against Ukraine's energy infrastructure.

Volodymyr Zelenskyy, Ukrainian president, welcomed the arrest warrants for Shoigu and Gerasimov, saying that Ukrainians hoped to see them "behind bars" for what he called "heinous crimes against civilians".

"These barbaric missile and drone strikes continue to kill people and inflict damage across Ukraine," Zelenskyy said. "Every criminal involved in the planning and execution of these strikes must know that justice will be served."

The Kremlin, which has dismissed the previous ICC charges, did not immediately comment on the indictment.

The ICC judges found that "there are reasonable grounds to believe that the alleged strikes were directed against civilian objects" — which would constitute a war crime.

Zelenskyy said this month Russia had destroyed half of his country's electricity generation capacity since the winter.

Citizenship law

New German citizens must declare Israel's right to exist

SAM JONES — BERLIN

A landmark new citizenship law came into force in Germany yesterday — with an explicit requirement for applicants to declare the state of Israel's right to exist.

The socially liberal government of chancellor Olaf Scholz made dual nationality a key campaign pledge when elected in 2021, promising to shorten the waiting time for new citizens to obtain German passports to five years.

The country did not previously allow dual citizenship for first-generation migrants.

But rising antisemitism, an increasingly fractious debate over Israel's war against Hamas and a surge in popularity for anti-immigrant far-right politics have prompted Berlin to recast its citizenship overhaul as a tougher measure of loyalty to German values.

"Anyone who shares our values and makes an effort can now get a German passport more quickly and no longer has to give up part of their identity by giving up their old nationality," said interior minister Nancy Faeser yesterday.

"But we have also made it just as clear: anyone who does not share our values cannot get a German passport. We have drawn a crystal clear red line here and made the law much stricter than before."

German parliamentarians agreed the legal basis of the new citizenship requirements in January, but the specific contents of the citizenship test that is at its centre are set by government regulation.

The interior ministry had previously indicated it intended to include questions on Judaism and Jewish life in Germany, but stopped short of saying whether it would include a specific declaration regarding the state of Israel.

The interior ministry yesterday confirmed it would now be a requirement.

Declaring a commitment to gender equality, democracy and Germany's historic responsibility towards Judaism as a result of the crimes of National Socialism will also be part of the test.

Industrial strategy

China dismisses criticism of exports

Premier argues output of green-energy goods is beneficial to world trade

THOMAS HALE — DALIAN

China's Premier Li Qiang has sought to counter western criticism of the country's industrial strategy, saying its exports were a benefit to world trade.

Speaking at a World Economic Forum event in the city of Dalian, Li said China's output of new-energy products such as lithium batteries and electric vehicles, which has soared in recent years, was "enriching global supply".

His comments come weeks after the EU unveiled tariffs of up to 38 per cent on electric vehicles made in China and as tensions between Beijing and the west escalate.

Li also stressed the openness of China's market at a time when complaints over foreign access have intensified and the role of the government — and the hefty subsidies it gives to industry — has come under scrutiny in Washington and Brussels.

"China's market is large and open," he said. "Multinational and domestic companies compete on a level playing field, communicate and co-operate," he added. They had together "become an important force in promoting the development and growth of emerging industries".

Beijing has invested heavily in its industrial strategy this year, backing everything from artificial intelligence to renewables, against an economic backdrop where a prolonged property slowdown has weighed on growth. Li said the economy was on course to meet a growth target of about 5 per cent this year.

Wang Wentao, China's minister of commerce, at the weekend entered into talks with the EU over the tariffs, which follow an investigation into state subsidies and are yet to be finalised. The US, which imports much smaller volumes of EVs from China, announced levies of 100 per cent on them this year.

Robert Habeck, vice-chancellor of Germany, who travelled to Beijing and Shanghai in recent days, welcomed the talks and has said the door was "open for discussions".

The German car industry, which has a significant presence in mainland China where it faces strong domestic competition, also stands to be affected by the tariffs. Trade tensions with China have intensified after a period of worsening geopolitical relations with the west, including a focus on reducing supply-chain dependency on mainland China.

> 'China's market is large and open. Foreign and domestic companies compete on a level playing field'
>
> Li Qiang, premier

Reiterating comments made at the same conference last year, Li said that the "regressive actions of decoupling" would drag the world into a "destructive spiral" where "fierce competition for a larger slice results in a smaller pie".

He also emphasised that the rise of Chinese industry was part of a global technology revolution, and its products helped to address climate change.

He added there was a need for a "more fair non-discriminatory business environment for tech".

At a separate panel at the WEF event, German car group BMW said it was still looking to increase investment in China and cited a recently announced billion-dollar investment in a battery factory in the country.

Security task force

Nairobi sends officers to Haiti in battle with gangs

JOE DANIELS IN BOGOTÁ AND ANDRES SCHIPANI — NAIROBI

The first planeload of Kenyan police officers landed in Haiti yesterday morning, marking the beginning of a long-stalled international task force intended to wrest control of the Caribbean country from violent gangs.

Kenya had volunteered to lead the UN-authorised operation, known as the Multinational Security Support Mission in Haiti, last July, with 1,000 officers. But it was delayed by legal obstacles in the east African nation amid political and humanitarian crises in Haiti.

Dozens of officers, carrying rifles and wearing military fatigues, disembarked from a Kenya Airways jet on the tarmac of the country's main international airport in Port-au-Prince yesterday, according to videos shared by witnesses.

On Monday, Kenyan President William Ruto had addressed 400 departing officers in Nairobi.

"Our police officers' presence in Haiti will give relief to the men, women and children whose lives have been broken by gang violence. We will work with the international community to bring lasting stability in Haiti," Ruto said.

Haiti's national police force, with about 9,000 officers, has struggled to contain about 200 gangs that have grown in power since the assassination of President Jovenel Moïse in July 2021.

Gang violence led to the collapse in April of the interim government of Ariel Henry. He was replaced by a transitional presidential council tasked with convening Haiti's first elections since 2016.

Haiti's displaced population rose 60 per cent between March and June, from 360,000 to 580,000, claims the UN. Hospitals closed due to gang activity, while schools are used as shelters for refugees.

Gangs are believed to control 80 per cent of the capital, Port-au-Prince. Other African and Caribbean nations, and Bangladesh, have agreed to provide personnel. The US is the main backer of the Haiti mission, pledging $300mn in support, though it has not sent troops.

Africa

Police shoot dead Kenya tax-rise protesters

ANDRES SCHIPANI — NAIROBI

Demonstrators stormed Kenya's parliament yesterday in youth-led protests against planned tax rises as police gunfire left at least five people dead and more than 30 injured.

The country's army was deployed yesterday evening to support police after parts of the parliament building in Nairobi were set on fire and lawmakers fled, while police let off tear gas canisters at protesters outside amid the crackling of live ammunition.

Earlier yesterday, parliament had passed a bill ramping up taxes, including fuel levies and import taxes, despite days of protests. The law is now awaiting the assent of President William Ruto.

Demonstrators were calling for a shutdown of the economy over $2bn of planned tax increases that aim to fill holes in the deeply indebted country's budget, but which protesters argue will make it even harder for many of Kenya's 54mn population to make ends meet.

On top of the deaths, 13 of the injured were shot, said legal, medical and human rights organisations including Amnesty International's Kenya branch.

Police tried to disperse protesters chanting "Ruto must go!" amid mounting anger over the government plans.

"Ruto is using the finance bill to impose heavy taxation on Kenyans," 25-year-old Davis Tafari, one of the youngsters leading the protests, told the Financial Times. He called the tax bill "punitive and draconian". "We will make sure to continue with demonstrations until Ruto is gone," he added.

Ambassadors from countries including the US, a staunch Ruto ally, said they were "deeply concerned by the violence witnessed in many parts of the country during the recent protests" and "regret the tragic loss of life and injuries sustained, including by the use of live fire".

Chief Justice Martha Koome said she was "deeply concerned" about allegations of abductions and disappearances.

The Kenya Human Rights Commission had on Monday said security forces had "abducted" prominent critics of the tax proposals, seizing many from their homes under cover of darkness.

Amnesty Kenya and the other non-governmental groups said yesterday that more than 50 people had been arrested in the past 24 hours, while there had been 21 "abductions and disappearances by uniformed and non-uniformed officers".

Violent clashes: protesters try to block a police vehicle as officers use water cannon to disperse crowds during anti-government demonstrations in Nairobi yesterday
Monicah Mwangi/Reuters

Following protests that started a week ago, lawmakers from the ruling coalition dropped some of the most controversial proposals, such as higher taxes on bread, cooking oils, nappies, mobile-money transfers and vehicles. Opposition lawmakers refused to take part in voting for the bill, however.

"You cannot amend a bad bill," opposition lawmaker Otiende Amollo said. "This thing is simple: withdraw the entirety of the finance bill."

Young Kenyans — many of them jobless — have been organising on social media, resulting in a series of protests over the past week in east Africa's most advanced economy. This has marked a change from previous demonstrations during Ruto's time in office, which were spurred by his 79-year-old rival, Raila Odinga, and featured older protesters.

The tax rises aim to bring in an additional $2.3bn of revenue in the fiscal year that starts next week. Ruto wants to reduce the budget deficit from 5.7 per cent of GDP in the current financial year to 3.3 per cent in the next.

GLOBAL INSIGHT

ASIA

Joe Leahy

Kim's embrace of Putin regarded with unease in Beijing

In an article on Vladimir Putin's recent visit to North Korea, China's state-owned Xinhua news agency proclaimed that the trip must have "touched a raw nerve" in Washington.

What the Chinese propaganda mouthpiece naturally omitted was how Putin's get-together with Kim Jong Un, which sealed a mutual defence assistance deal, must have irked another big capital: Beijing.

President Xi Jinping has been warily watching for months as two important if difficult partners have drawn closer, with Pyongyang supplying Moscow with much-needed ammunition for its invasion of Ukraine in exchange for promises of better military technology.

Publicly, China has refrained from any criticism. But signs of discomfort are rising. In April, Xi dispatched the most senior Chinese Communist party figure to visit North Korea in five years to reassert the sides' "deep friendship".

Analysts believe China is concerned that Kim's deepening ties with Putin could increase his sense of independence from Beijing. If emboldened, the North Korean dictator could engage in more missile tests that threaten to destabilise an already tense region.

Putin's visit will not allay concerns. The Russian and North Korean leaders signed a "Treaty on Comprehensive Strategic Partnership", which pledges immediate military and other assistance "by all of one's means available" in the event of an attack, according to an NK News translation.

The problem for China, said Shen Dingli, a Chinese professor of international studies, is that Beijing and Pyongyang have their own mutual defence agreement in the "Treaty on Friendship, Co-operation and Mutual Assistance".

> China and North Korea's relationship has prompted some analysts to label them 'bitter allies'

If Pyongyang felt treaty-bound to become involved in one of Russia's wars — such as in Ukraine — Moscow's enemies could strike North Korea. That might trigger Beijing and Pyongyang's mutual defence treaty, putting China on the spot. "North Korea has unnecessarily put China in a very dangerous situation," Shen said.

Other scholars stress the Sino-North Korean treaty was signed decades ago and Beijing's interpretation of it has evolved. Ren Xiao, a professor at Fudan University's Institute of International Studies, said the pact for China "does not mean automatic military involvement in any conflict on the Korean peninsula". China and North Korea's relationship has long been testy, prompting some analysts to label them "bitter allies".

The language of the Russian-North Korean treaty may have also been vague enough to give both sides leeway. During the Soviet era, the two countries also had a mutual defence agreement, but it was never invoked despite several relevant clashes and eventually lapsed.

"The caveat is what would constitute assistance," said Yun Sun, director of the China programme at the Stimson Center, a think-tank in Washington. "So it seems that they left that pretty blurry."

That leaves the question of why Kim and Putin, who is more dependent than ever on Xi, might risk annoying their powerful partner.

Shen said they might feel China has not helped them enough — Putin would like more from China to assist his war in Ukraine and wants Beijing to buy more Russian gas.

Kim might believe Beijing is not providing support against the US and its allies. He called Russia North Korea's "most honest friend" during Putin's recent visit — an implicit dig at China.

In a hint at Beijing's frustration, Xinhua was dismissive of North Korea's potential trade contribution to Russia. It left unsaid that when it came to economic support, China was virtually the only game in town for Putin.

For Xi, who boasts of his personal rapport with Putin, the episode is a reminder that friendship counts for little in statecraft, even a "no-limits" partnership like the one China claims to have with Russia.

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Middle East

Iranians struggle to afford even a cheap 'coffin' car as presidential election draws near

BITA GHAFFARI — TEHRAN

Iran's cheapest domestic car model, the Pride, has long been criticised for its poor quality and safety defects — Iranians refer to it as a "coffin on the go".

Yet the vehicle's position within the country's economy has become an indicator of the financial pain facing Iranians, and the challenges for their leaders, as they vote in a June 28 emergency election after the death of President Ebrahim Raisi in a helicopter crash.

Iranians often compare the price of the Pride, a budget vehicle that carmaker Saipa began making in 1993, with the minimum wage to highlight their worsening finances. Production of what was once Iran's most popular car ceased in 2020, but stocks remain on sale.

A decade ago, a minimum-wage worker with a family of four — the minimum varies by family size — needed 1.6 times their annual income to buy a Pride. Now, they would need three times what they earn in a year.

Inflation and low pay have reduced living standards to a point where even the cheapest domestically produced Pride model, priced at about $6,000 on the open market, has become an unaffordable luxury for many.

For a regime accustomed to carefully choreographing political transitions, Iranians' difficulty in affording the budget car is one sign of why this election comes at a difficult time.

The winner will face economic problems that have intensified since 2018, when then US president Donald Trump pulled out of the nuclear deal signed three years earlier between Tehran and world powers, and imposed waves of sanctions on the republic.

Problems facing the next leader include goods shortages and rising poverty as well as soaring inflation and a sliding currency. Inflation has hovered near or above 40 per cent for years, though it has slowed slightly in recent months.

The rate fell to single digits in the two years after Iran signed the 2015 nuclear accord, as the lifting of sanctions boosted trade, investment and tourism. But it soared close to record highs after Trump pulled out of the deal.

That jump has been widely blamed on the punitive measures, subsequent decline in oil revenues, high demand for scarce goods and the rial's slide against the US dollar. Iran's authorities have also been accused of stoking price rises by printing money in the face of shrinking income from oil.

Sharply rising prices for food, housing, healthcare and transport, as wages remained low, have pushed people into poverty. More than 30 per cent of the population were living in poverty in the year to March 2022, according to the Majlis Research Center, which advises parliament.

In recent years, however, oil sales have once again become a bright spot for the leaders of the Islamic republic: oil exports rose to a six-year high in April. Iran's GDP growth in recent years is attributed to the country selling more oil to China, its top buyer.

Iran has a relatively diversified economy but oil revenues are a critical component of GDP as well as the main source of foreign currency, making the country vulnerable to shocks such as international sanctions.

The 2015 lifting of sanctions boosted Iran's oil income and other exports, triggering GDP growth. But the return of sanctions on oil and banking caused sharp contractions. Tehran was later aided by the US unofficially enforcing a lighter sanctions regime on Iran, as the Biden administration polices the system less strictly than Trump.

Other important sectors such as agriculture, manufacturing, mining and services have been largely constrained by sanctions and a shortage of foreign currency reserves.

Iranians — including those who have never touched a dollar bill — frantically monitor the greenback's open market rates to gauge their own economic prospects. The rial has fallen sharply against the US dollar over the past decade, pushing up import prices and eroding purchasing power.

Global and regional military and political upheaval, including the Israel-Hamas war, has sent the dollar still higher, putting additional strain on the economy. Iran's central bank does not recognise open market rates and enforces a system of multiple exchange rates, selling cheap foreign currency to local businesses to subsidise the cost of essential imported goods. But critics say this has resulted in profiteering, with corrupt traders selling subsidised commodities at open market rates.

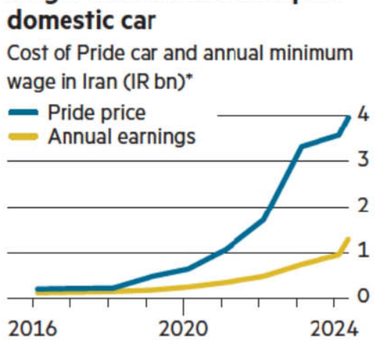
Officials say subsidies on goods such as food, fuel and medicines protect ordinary people from the impact of price rises on the open market. But analysts say the public believes the subsidies are insufficient and their expenses are inevitably shaped by dollar fluctuations.

The rial's weakness has led many to convert their savings into foreign currencies as a defensive investment. Families are hoarding between $20bn and $60bn in foreign currency cash in their homes, according to estimates by central bank officials and lawmakers.

Iranians have historically used gold as an investment to hedge against shocks such as sudden inflation, currency depreciation, war and political upheaval. The price of a gold coin has multiplied 40 times in Iran over the past decade to the equivalent of nearly $700.

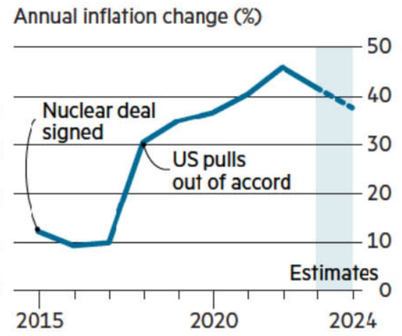
Families on a budget can no longer afford Iran's cheapest domestic car

Cost of Pride car and annual minimum wage in Iran (IR bn)*



Inflation in Iran has hovered around 40% for several years

Annual inflation change (%)



* Years ending March shown, plus Mar-Jun 2024. Annual earnings for a full-time minimum wage worker with a family of four

Sources: Iran's open market; labour ministry; IMF World Economic Outlook Apr 2024

Uncharted waters BBVA's bid for rival bank Sabadell encounters obstacles, not least from the Spanish government PAGE 11

Companies & Markets

JPMorgan tax strategy unit lures $15bn in client assets

- US bank targets demand to cut bills
- Push to win share from Wall St rivals

WILL SCHMITT AND JOSHUA FRANKLIN
NEW YORK

JPMorgan Chase has attracted more than $15bn in assets from wealthy clients to its nascent tax strategy business, according to people familiar with the matter, as the US bank seeks to win a bigger share of the business from Goldman Sachs and Morgan Stanley.

In the past two years, JPMorgan has stepped up efforts to win more clients looking to lower tax bills by selling stocks at a loss as a write-off against other gains, a tactic common in separately managed accounts (SMAs) known as tax-loss harvesting.

Besides lowering tax bills, investors use SMAs to own individual securities and express specific preferences, such as favouring environmental, social and governance factors.

> 'It might be the fastest growing piece of asset management over the last 18-plus months'

"It might be the fastest growing piece of asset management over the last 18-plus months," said one JPMorgan banker. JPMorgan declined to comment.

Wealthy investors are increasingly using SMAs in an effort to lower their tax bills. Assets in SMAs rose almost 30 per cent from $1.7tn in 2022 to $2.2tn in 2023, according to data from Cerulli Associates, a consultancy.

Tax-loss harvesting is also becoming standard in the asset management industry. It has surged in popularity as investors have taken advantage of drops in stock and bond markets to offset years of strong returns and the accompanying tax burdens.

Asset managers surveyed earlier this year told Cerulli that 45 per cent of their assets were subject to tax management, up from 33 per cent in 2022.

SMAs, which offer the ability to recognise losses through the sale of individual securities, have gained traction among high net-worth customers, in large part because the highly customisable portfolios offer generous tax advantages. These usually require lofty minimum account balances, making them more suited to wealthier investors.

"Clients are looking to continue growing that space because they want to dictate the future of their holdings," said Daniel Gamba, president of Northern Trust Asset Management, one of the 10 largest SMA issuers.

Despite the growth in SMAs at JPMorgan, the bank still lags behind Goldman Sachs Asset Management, which has about $280bn in tax-aware strategies, and Morgan Stanley's Parametric platform, the market leader in direct indexing, in which custom indices are based on client preferences.

Goldman last year launched a tool for direct-indexing clients, allowing them to diversify from concentrated equity positions over a decade. Parametric, meanwhile, has been building out its ability to harvest tax losses in multi-asset portfolios within SMAs.

Morgan Stanley acquired Parametric in 2021 as part of its $7bn purchase of asset manager Eaton Vance, which JPMorgan had also tried to buy. After missing out, JPMorgan bought 55ip, now the basis of its tax platform.

BlackRock, after buying SMA shop Aperio in early 2021, this spring closed a deal to buy SMA specialist SpiderRock Advisors, citing "growing demand from wealth managers for personalised, tax-efficient portfolios". Vanguard made its first-ever acquisition in 2021 with the purchase of Just Invest, a direct-indexing boutique.

Supplies turmoil Airbus shares fall as shortage of engines and cabin parts hits profit forecast

Shortfall: an Airbus A350 assembly site near Toulouse in south-western France — Valentine Chapuis/AFP/Getty Images

SYLVIA PFEIFER — LONDON

Shares in Airbus tumbled yesterday after the world's biggest plane maker cut its annual profit forecast as its supply chain disruptions worsened and it took a charge tied to its space business.

The company's supply chain has been beset by delays since the pandemic, but chief executive Guillaume Faury rattled investors after warning that a shortage of engines was again becoming a "significant issue".

The fresh snarls mean that Airbus will deliver "around 770" commercial aircraft this year, down from a previous forecast of 800. It also pushed back its target of producing 75 a month of its best-selling A320 family of jets from 2026 to 2027.

In contrast to 2022, when it last had engine shortages, it is facing shortages from Pratt & Whitney as well as CFM International, both A320 suppliers.

"That is a new situation that we were not expecting," said Faury, who delivered the warning after the close of the French stock market on Monday. "Engines that have not been an issue in 2023 and at the beginning of 2024 are again becoming a significant issue."

Cabin parts were also in short supply, Faury added, as many airlines were refurbishing older aircraft given the challenge of securing new ones.

Shares in Airbus were down 10 per cent by late afternoon trading. The warning hit the wider aerospace sector, with shares in engine maker Rolls-Royce falling 4 per cent and aerospace supplier Melrose Industries' shares declining 3 per cent at one point.

Airbus has been hit over the past two years by supply chain constraints that have hampered its ambition to fully meet resurgent demand for planes following the pandemic.

"The continuation of supply chain issues in commercial aircraft goes against the narrative of gradual improvement," said Robert Stallard at Vertical Research Partners.

"For even the super-conservative Airbus to have got this outlook wrong is emblematic of how challenging this supply chain situation is."

It is the second time since 2022 that Airbus has pushed back its annual goal for deliveries. Faury had told an aerospace summit in Berlin earlier this month that he expected industry supply chain constraints to last for another two to three years.

Airbus also said it would record a charge of about €900mn in the first half related to its space systems business after a review of long-term programmes by new management.

The group now expects adjusted earnings before interest and tax of €5.5bn this year, down from a previous forecast of as much as €7bn.

Lex page 24

Chappell must repay at least £50mn over BHS collapse

ALISTAIR GRAY

Dominic Chappell must pay at least £50mn to cover losses racked up by BHS before the department store's collapse, after a judge found that its former head sought to "plunder" the retailer.

The High Court yesterday found that Chappell, who led the purchase of the chain from Sir Philip Green for £1, was liable for repayments sought by BHS liquidators, who sued Chappell for wrongful trading, misfeasance and breach of fiduciary duty.

Mr Justice Leech said Chappell — who was jailed for six years in 2020 after being convicted of tax evasion on income he and his companies received from the acquisition — had agreed to purchase BHS without "any prospect" of obtaining working capital to meet its day-to-day financial needs. He then took the "opportunity to plunder the BHS Group as and when he could".

At a hearing yesterday, the judge said Chappell "should make the payments" set out in a draft order.

A copy of the order, seen by the Financial Times, shows the sums include £21.5mn for a wrongful trading claim, £17.5mn for breach of fiduciary duty, plus costs and interest, totalling at least £50mn. It also orders him to make a separate payment for a misfeasance trading claim, with the amount to be determined at a later date.

The order is subject to final approval from the judge.

Liquidators sued Chappell — a former bankrupt racing driver who had no experience of running a large retailer when he took charge of BHS — along with two other directors, accusing them of seeking to make money for themselves. They said the company should have ceased trading sooner, reducing losses for creditors.

The judge this month ruled that the other two former directors, Dominic Chandler and Lennart Henningson, were liable for at least £18mn, with the final sum to be set at a later date.

In a handwritten note to the judge, Chappell said he had "no legal counsel due to lack of funds", cited lack of access to computing equipment and raised health concerns.

A lawyer who has represented Chappell was contacted for comment.

Mr Justice Leech said yesterday that Chappell had failed to deal adequately with any of the allegations against him.

Singapore is well placed to benefit from the rise of AI data centres

INSIDE BUSINESS
ASIA

Mercedes Ruehl

Singaporeans are a competitive bunch. One of the must-know Singlish words for those living in the city-state is *kiasu*. The Chinese Hokkien term roughly means a fear of missing or losing out and often refers to someone trying to get ahead of others. "Fomo on steroids" is how one Singaporean friend describes it.

One of the best places to see this in action is the queues at lunchtime around stalls of the city-state's favourite hawker food markets. Another area to observe the *kiasu* mentality in the Asian financial centre is in business, such as foreign investment.

Singapore made a surprise announcement last month that it would free up more power for data centre expansion. The move came as the chief executives of Nvidia, Google, Microsoft and others have been swinging by neighbouring Malaysia — and other countries in south-east Asia — in recent months pledging billions in data centre investment.

In Malaysia alone, the tech groups — three of the top four biggest companies by market capitalisation globally — have committed $8.5bn in new data centre, cloud and artificial intelligence investment in the past six months. That is why more than one Malaysian government official joked that Singapore's decision to court more data centres was a "typical Singapore *kiasu* response" to its neighbour's progress.

Of course there is some competition between Singapore and its neighbours, especially Malaysia, from which it gained independence in 1965. But it is overly simplistic to dismiss Singapore's move as *kiasu*-ness — even if there is an element of that at play.

The city-state is already hyper connected and one of the biggest data centre markets in Asia — a trend that accelerated as Hong Kong became a less favoured destination for data centres and undersea cables. It is one of the top submarine cable hubs globally, with connections to 25 active subsea cables and more to come. None of that will change soon.

The decision to increase data centre capacity last month was a surprise to many because the government imposed a more than three-year moratorium on new data centres between 2019 and 2022. The proliferation of the energy-guzzling facilities had been consuming a substantial amount of Singapore's resources. That ban helped push data centre companies into nearby Johor, the Malaysian state just across the causeway, and to a certain extent Batam, a close-by Indonesian island.

> The city-state realises it cannot ultimately compete with its neighbours for land and power. The key is how to complement it

The conundrum Singapore faces now — like many other countries — is that it grossly underestimated how demand for AI is going to expand the global market for data centres in coming years. The city-state has made little secret of the fact that it wants to be the AI hub for south-east Asia, if not the top in Asia.

That's because being such a hub brings other economic benefits. For example, as part of Nvidia's data centre investment in Malaysia, the company will partner with local conglomerate YTL Power to develop the country's fastest supercomputers using Nvidia's AI chips. Microsoft last month unveiled landmark AI infrastructure investments in Indonesia and Thailand.

Singapore realises it cannot ultimately compete with its neighbours for land and power. The key is how to complement it. The reason Johor is popular with global tech giants from ByteDance to Nvidia and Microsoft is because it is just a few kilometres away from hyper-connected Singapore.

"Both Johor and Singapore can benefit from the data centre boom. They complement each other," says Rangnath Salgame, chair and chief executive of Princeton Digital Group, an Asian data centre company based in Singapore but expanding in Johor. It is a "symbiotic relationship", he adds.

And as more and more companies diversify supply chains away from China that puts Singapore in pole position. One way it can benefit is by promoting a Singapore + one strategy, whereby companies establish a headquarters in the country to leverage its global business environment, free trade accords and access to talent, but then have their manufacturing — or data centre — facilities in places such as Johor.

This is already a long-term trend. Singapore was the top recipient of inward foreign direct investment flows in south-east Asia between 2013 and 2022, according to the latest data published by the bloc. In 2022, Singapore attracted $141bn of FDI, accounting for more than half of the region's total. So should Singapore really be *kiasu*?

mercedes.ruehl@ft.com

Technology

Microsoft faces EU antitrust charges

US group accused over Teams app amid increasing regulator scrutiny of sector

JAVIER ESPINOZA — BRUSSELS

Brussels has accused Microsoft of anti-competitive behaviour by bundling its Teams app with its Office suite, in the first such antitrust charges brought against the US tech group in more than a decade.

The European Commission yesterday handed the world's most valuable public company a charge sheet outlining concerns that Microsoft had given the video conferencing app Teams an "undue advantage", harming rivals such as Slack and Zoom.

The charges are the biggest that Brussels has filed against Microsoft — apart from merger control — since the group's showdown with the US and EU over Windows, which began more than 20 years ago. That landmark case also centred on Microsoft's bundling, or "tying", of its various software products.

The latest case follows a bruising battle with regulators over Microsoft's $75bn acquisition of Activision Blizzard last year and comes as the company also faces scrutiny over its alliances with artificial intelligence start-ups, including OpenAI. "We are concerned that Microsoft may be giving its own communication product Teams an undue advantage over competitors by tying it to its popular productivity suites for business," said Margrethe Vestager, the EU's executive vice-president in charge of competition policy.

"If confirmed, Microsoft's conduct would be illegal under our competition rules. Microsoft now has the opportunity to reply to our concerns."

In April, Microsoft proposed concessions aimed at trying to avert regulatory action, including widening plans to unbundle Teams from other software, such as Office, beyond Europe.

But the EU did not think the move went far enough to enable competition.

Reacting to the fresh charges, Brad Smith, Microsoft president, said: "Having unbundled Teams and taken initial interoperability steps, we appreciate the additional clarity provided today and will work to find solutions to address the commission's remaining concerns."

Sabastian Niles, president at Salesforce, which lodged the original complaint against Microsoft, said that the charges were "a win for customer choice and an affirmation that Microsoft's practices with Teams have harmed competition".

The commission, the EU's executive arm, said fresh charges did not "prejudge the outcome" of the probe.

Microsoft is seeking to settle the case to avoid formal charges that it is breaking the law and a potential hefty fine of up to 10 per cent of its annual global revenues, according to people familiar with the company's thinking.

The move comes as Microsoft faces heightened scrutiny of its activities. Regulators are examining the group over its $13bn partnership with OpenAI and Brussels is considering whether to launch a full probe. The company is also facing a complaint over what some competitors argue are unfair licensing agreements for cloud computing.

Brussels is also looking at other Big Tech companies. On Monday, it accused Apple of stifling competition, the first time regulators have brought charges under its new Digital Markets Act.

Technology

Deepfakes are most common misuse of AI, Deepmind study reveals

CRISTINA CRIDDLE — LONDON

Artificial intelligence-generated "deepfakes" that impersonate politicians and celebrities are far more prevalent than AI-assisted cyber attacks, according to the first research by Google's DeepMind division into the most common malicious uses of the cutting-edge technology.

The study said the creation of realistic but fake images, video and audio of people was almost twice as common as the next highest misuse of generative AI tools: the falsifying of information using text-based tools, such as chatbots, to generate misinformation to post online.

The most common goal of misusing generative AI was to shape or influence public opinion, the analysis, conducted with the search group's research and development unit Jigsaw, found. That accounted for 27 per cent of uses, feeding into fears over how deepfakes might influence elections.

Deepfakes of UK Prime Minister Rishi Sunak, as well as other global leaders, have appeared on TikTok, X and Instagram in recent months. UK voters go to the polls next week in a general election.

Concern is widespread that, despite social media platforms' efforts to label or remove such content, audiences may not recognise these as fake, and the content could sway voters.

> 'What we saw were fairly common misuses . . . that might go under the radar'
>
> Nahema Marchal, Google DeepMind

Ardi Janjeva, research associate at The Alan Turing Institute, called "especially pertinent" the paper's finding that the contamination of publicly accessible information with AI-generated content could "distort our collective understanding of sociopolitical reality".

Janjeva added: "Even if we are uncertain about the impact that deepfakes have on voting behaviour, this distortion may be harder to spot in the immediate term and poses long-term risks to our democracies."

The study is the first of its kind by DeepMind, Google's AI unit led by Sir Demis Hassabis, and is an attempt to quantify the risks from the use of generative AI tools.

As products such as OpenAI's ChatGPT and Google's Gemini become more widely used, AI companies are beginning to monitor the flood of misinformation and other potentially harmful or unethical content created using them. In May, OpenAI said operations linked to Russia, China, Iran and Israel had been using its tools to create and spread disinformation.

"There had been a lot of understandable concern around quite sophisticated cyber attacks facilitated by these tools," said Nahema Marchal, lead author of the study and researcher at Google DeepMind. "Whereas what we saw were fairly common misuses of GenAI [such as deepfakes that] might go under the radar a little bit more."

Google DeepMind and Jigsaw's researchers analysed around 200 misuses between January 2023 and March 2024, taken from social media platforms X and Reddit, as well as online blogs and media reports of misuse.

The second most common motivation behind misuse was to make money, whether offering services to create deepfakes or using generative AI to create content such as fake news articles.

Energy. Chemicals

Adnoc closes in on €14.4bn Covestro takeover

UAE operator's sweetened bid ovecomes German group's reluctance to embrace a deal

MALCOLM MOORE, IVAN LEVINGSTON AND ARJUN NEIL ALIM — LONDON

Sheikh Mohammed bin Zayed al-Nahyan, president of the United Arab Emirates, found a request from Abu Dhabi's National Oil Company Adnoc in his in-tray last week.

Could the team bidding for Covestro, one of Germany's largest companies, show goodwill by sweetening the deal by €2 per share or 3 per cent?

Sheikh Mohammed, who is also chair of Adnoc, agreed, unlocking a potential €14.4bn deal, including debt, after more than 12 months of on-off talks that would make it Europe's biggest takeover this year, the largest cash-deal in the chemical sector and the first big takeover of a Dax 40 company by a Gulf state.

For Adnoc, the €62-a-share deal — a premium of nearly 60 per cent on the German group's share price last June before news of the initial talks — is part of a five-year, $150bn plan to transform itself from a state-owned oil company into an international energy giant.

After a string of smaller deals, in particular for gas assets, Covestro is a tentpole acquisition that the oil group can proudly present to Sheikh Mohammed at its full-board meeting in November.

One person with knowledge of the negotiations said the lengthy courtship had been essential to overcoming the nervousness of the German company.

"Sometimes these things just have to be digested by both sides. You need to reach the right trust level and if you rush it, then you might never get there," they said. "Especially the German side needed to understand what Adnoc's objectives are, because it is not like a private equity firm or a strategic buyer who slashes costs." The final negotiations could be wrapped up soon, as many of Adnoc's questions have already been answered by Covestro ahead of formal due diligence, one person said.

Covestro, spun out of pharma company Bayer in 2015, is a market leader in producing the chemicals used to make foam insulation and speciality plastics. The footballs in the Euro 2024 championships feature Covestro's coatings.

"It is smack in the middle of some [climate] transition megatrends," said the person with knowledge of the negotiations. "They are leading in forms of foam insulation — and insulating buildings is growing above GDP growth. Polycarbonates are lightweight speciality engineering plastics, which are used to replace metals with lighter weights, for example in battery casings for the electric vehicle industry."

A chemical facility in Dormagen, Germany, belonging to Covestro, which is a leader in materials for foam insulation and speciality plastics. Below centre, UAE president and Adnoc chair Mohammed bin Zayed al-Nahyan — Dario Pignatelli/Bloomberg; Hollie Adams/Bloomberg

A large part of its business was in Asia and in the US, they added. "They are not just tied to the German automotive industry and the construction industry. They are much more diversified."

But Covestro's share price peaked in 2018 at €95 and had fallen to under €40 before Adnoc started its pursuit. It has since risen to €53.86, its Monday close.

More recently the German company has suffered from higher energy prices and their impact on its European industrial customers, as well as from competition from China. At its last results presentation, Covestro said that while its sales volumes had increased, its prices had dropped.

Analysts at TD Cowen said in a note that fair value for Covestro's shares was €41.20 and added that "considering the stagnant earnings at Covestro in the last year" and the slim prospect of recovery, it was unclear what strategy the management would have presented at its capital markets day on Thursday this week, which was cancelled after the deal announcement.

But analysts at Barclays and Citi both have price targets of €61 a share on the stock, and Kepler has €65. At its first-quarter results in April, Covestro said it had turned a corner and was forecasting earnings before interest, tax, depreciation and amortisation for this year of between €1bn and €1.6bn.

Sebastian Bray, head of chemicals research at Berenberg, said the deal was a way for Adnoc to expand "by targeting a good-quality asset that has not done that well operationally in the last two years due to weak demand and [high] European energy prices".

Covestro's 20 per cent fall in sales in 2023 to €14.4bn and negative net income left expansion out of the question. Under the cash-rich ownership of Adnoc, the company is likely to have more access to capital for growth.

"A $10bn market cap is not very large for a global company," said the person close to the deal.

"You have to make sure you are always pre-empting the next cycle and not overextending yourself with the next €2bn project."

> 'The German side needed to understand what Adnoc's objectives are, because it is not like a private equity firm [that] slashes costs'

People close to Adnoc stressed that if a deal went through, Covestro would be managed independently and allowed to pursue its growth strategy, as well as its focus on sustainability. "There is obviously a firm belief in both the management team, their credentials, experience and the growth trajectory of this company," they said.

Covestro is trying to transition away from its heavy dependence on feedstocks derived from oil, and is experimenting with ways of recycling and breaking down plastics back into raw materials so that it can reuse them.

Asked how ownership by a huge oil company fitted with Covestro's sustainability efforts, the company's finance chief Christian Baier told the German business magazine Wirtschaftswoche in May: "One thing is clear: sustainability is the core of our strategy."

The people close to Adnoc pointed to synergies with its other petrochemical company Borouge, which is also experimenting with recycling plastics.

Other points for negotiation will include commitments to Covestro's unions over its 17,500-strong workforce, which was trimmed by 500 people last year, and on whether jobs are preserved in Germany as the company grows further in the US and Asia.

Airlines

Lufthansa to impose emissions surcharge

ROBERT WRIGHT — LONDON

Lufthansa has become the first airline group to pass the cost of Europe's new emissions rules on to passengers, announcing a surcharge of between €1 and €72 per ticket from next year.

The Frankfurt-based group, which operates Eurowings, Swiss and Austrian Airlines as well as the German flag-carrier, said yesterday it was imposing the fee on departures from European countries to cover the "steadily rising additional costs" of new environmental fuel requirements.

Lufthansa attributed the introduction of the surcharge to the EU's rule to make sustainable aviation fuel (SAF) at least 2 per cent of airlines' fuel consumption, which takes force at the start of 2025. It also pointed to Europe's emissions trading scheme and the international Corsia scheme, under which airlines buy carbon credits to offset any growth, as factors behind the fee.

SAF is currently at least twice the cost per tonne of conventional, hydrocarbon aviation fuel.

The group's surcharge will apply to departures from the 27 members of the EU, the UK, Switzerland and Norway, all of which participate in the SAF rules.

Andrew Charlton of the Aviation Advocacy consultancy said Lufthansa Group's move, the first by a European airline, was an "extremely aggressive" response to the introduction of the new rules by the European Commission.

"It's hard to believe they haven't done this with an eye to sending a message to the Commission," Charlton said, suggesting the group had acted to make explicit the costs of the new rules.

While some airlines introduced surcharges after airlines' inclusion in the Emissions Trading Scheme in 2012, Lufthansa's move was the first by a European airline in response to the latest measures, according to Charlton.

The EU's SAF quota is due to step up gradually over coming decades, to reach as high as 70 per cent by 2050. The industry is one of the hardest to decarbonise because of the challenges of finding non-fossil fuels that are as dense in energy as existing, highly concentrated kerosene.

Lufthansa expects the gradually increasing SAF requirement to cost billions of euros in coming years. "The airline group will not be able to bear the successively increasing additional costs resulting from regulatory requirements in the coming years on its own," it said.

The new surcharge would cover part of the costs that will arise from the regulatory requirements for 2025, the group said.

See Markets

Retail & consumer

Arnault buys stake in rival group Richemont

SARAH WHITE AND LEILA ABBOUD
PARIS

Bernard Arnault, the billionaire founder of luxury goods group LVMH, has bought shares in Richemont, the rival Swiss-based conglomerate behind high-end jeweller Cartier.

The stake is too small to be disclosed in public registers and is a personal investment by Arnault, two people familiar with the matter said. It is a holding among many other stocks owned by the family and does not signal a particular move on Richemont, they added. LVMH and Richemont declined to comment.

The investment could nevertheless revive speculation about possible takeover scenarios among big luxury groups, especially as Richemont, controlled by 74-year-old South African billionaire Johann Rupert, is gearing up for a succession challenge.

Cartier has long been one of the most attractive Richemont assets, one of a rarefied circle of very top brands that LVMH would be interested in if it ever came on the market, people at the world's largest luxury group have acknowledged in the past.

Arnault completed a $15.8bn acquisition of US brand Tiffany in 2021 as he added to LVMH's jewellery stall that also includes Bulgari, though the group's biggest revenue driver remains fashion and handbag maker Louis Vuitton.

Richemont has also drawn interest from LVMH's French rival Kering, which had tried to approach the Swiss group with a tie-up but was rebuffed. Rupert has insisted on wanting to preserve Richemont's independence and overhauled management by appointing a new chief executive, Nicolas Bos, who ran its Van Cleef & Arpels brand.

It was not clear when the Richemont shares were purchased. Bloomberg first reported news of Arnault's stake, saying the French billionaire intended to hang on to it as an investment.

Richemont shares are up about 24 per cent this year and rose about 2.7 per cent yesterday, but have come off highs reached last July as the luxury sector grapples with worries over weaker demand in the key Chinese market.

LVMH shares are broadly flat since the start of this year, having taken a hit as jitters over a looming legislative election in France roil the stock market.

Arnault, 75, is known as a canny dealmaker who has used stealth before to get closer to his targets. He stunned Hermès, the maker of Birkin handbags, in 2010 when it transpired he had built up a large stake through derivatives and using intermediaries, which eventually grew to more than 23 per cent.

Additional reporting by Adrienne Klasa

COMPANIES & MARKETS

BBVA takeover bid drifts into uncharted waters

Obstacles to Spanish bank's €10bn hostile pursuit of Sabadell fuel doubts about purpose of merger and likely synergies

BARNEY JOPSON — MADRID
OWEN WALKER — LONDON

BBVA, the Spanish bank facing obstacles in its €10bn hostile bid for Banco Sabadell, is arguing the deal would still be worthwhile even if it only gets half of what it wants — owning Sabadell without being able to merge with it.

Spain's Socialist-led government is firmly opposed to the proposed acquisition of the TSB owner, which would be the biggest transaction in European banking this year. But while it can veto a merger of the two entities, it cannot stop Carlos Torres, BBVA's executive chair, from launching his all-share tender offer to Sabadell shareholders.

That has pushed Spain into uncharted territory and sparked a debate over the extent to which two entities can act as if they have merged, while remaining legally separate and vying for the same clients.

Torres has argued from day one that if the banks merge, he would achieve €850mn in annual cost savings. Last week, however, he said that even if BBVA ended up owning two detached Spanish banks, "the operation would still be extremely attractive".

While describing a non-merger takeover as "far less likely", he said: "Our estimates are that we could optimise to a large extent the savings in overheads and technology costs."

But people close to Sabadell, which rejected a friendly approach in May from BBVA, say that argument is spurious. "That's really either ill-informed or wishful thinking," said one person familiar with the smaller bank.

> 'It doesn't make sense. Why own something that is competing with you? It's counterintuitive'

There would be few precedents for BBVA owning two Spanish banks "because it doesn't make sense", the person said. "Why own something that is competing with you? It's counterintuitive."

Rodrigo Buenaventura, the head of Spain's market regulator, said on Friday that he wanted BBVA to spell out in its bid prospectus what synergies it would achieve if it could not merge the two banks. Hugo Cruz, European banks analyst at KBW, said the financial assumptions behind Torres's optimistic comments were unclear. "I can see that there could be some synergies in IT. You could try to consolidate the back office. But if the companies are separate, the synergies will be a lot smaller."

If the merger were blocked, the person familiar with Sabadell estimated that the cost savings would be just €100mn-€150mn a year, far less than BBVA's initial €850mn target.

BBVA, which is valued at €54bn, has the third-biggest share of Spain's €1.2tn loan market, while Sabadell, led by chief executive César González-Bueno, is the number four player. Combining the two would enable BBVA to leapfrog Santander to grab second spot, behind CaixaBank.

But Carlos Cuerpo, the economy minister fronting the government's opposition to the deal, has warned that an already high level of concentration in the Spanish banking sector "could become excessive as a result of the merger". Last week he highlighted two implications. First, there are financial stability risks inherent in having just three giant banks. Second, a lack of competition could make banks too slow to give savers the benefit of interest rate rises, or borrowers the benefits of cuts.

Beyond cost efficiencies, the deal would help BBVA rebalance its heavy exposure to Mexico, a fast-growing but unpredictable market that delivered 56 per cent of net profit in the first quarter of 2024. BBVA is "at risk of becoming a Mexican bank with a Spanish HQ", said one Sabadell shareholder.

If the deal is done it will not happen until next year. BBVA is awaiting approval for its bid from the European Central Bank and Spain's antitrust and market regulators before it can open its tender offer to Sabadell shareholders, which it wants to do before the end of the year and could last up to 70 days.

They are being offered the chance to own 16 per cent of the combined entity. But they would be voting without knowing whether or not the two banks would be permitted to merge. Carlos Peixoto, analyst at CaixaBank BPI, said the risk of a combination being blocked could be a "significant deterrent" to Sabadell shareholders contemplating the bid.

The government's ruling on the merger plan would be the final stage of the process, probably in mid-2025. A person close to BBVA said it would be hard for ministers to say no once regulators had said yes.

But lawyers sympathetic to Sabadell disagree, arguing that "the law is silent" on what factors the government can consider in its judgment.

Because BBVA has not provided a breakdown of where exactly it would extract €850mn of merger savings, it has sown doubts about what it might do if it could not absorb Sabadell.

It has, however, indicated that it is relying less on job cuts than some investment bankers had expected.

Reducing headcount and shutting branches have traditionally been the way to boost profits after bank mergers.

But Torres said last week that "the bulk of the cost savings here are not personnel costs", noting that both banks had already slimmed down during the pandemic: Sabadell cut 1,800 jobs in 2020 and BBVA slashed 3,000 in 2021.

Francisco Riquel, analyst at Alantra Equities, said that even without a "legal merger", BBVA could execute an "operating merger" that would yield meaningful results, including via branch closures. It could, for example, shut either BBVA or Sabadell branches in certain locations and encourage customers to switch to the other. "Whether the clients want to is another thing," he said. "That's the execution risk."

BBVA could also integrate Sabadell's back office systems into its own platforms without a legal merger, although Riquel said an IT sourcing contract would be needed. Sabadell would also enjoy a lower cost of funding because it would be backstopped by BBVA.

But Germán López Espinosa, professor of accounting at Iese Business School, said that without a merger the two banks could not consolidate the regulatory capital they have to hold. "Sabadell would still be a legal entity and would have to meet all the requirements for capital, provisions and so on," he said. "Overall, it would be less efficient."

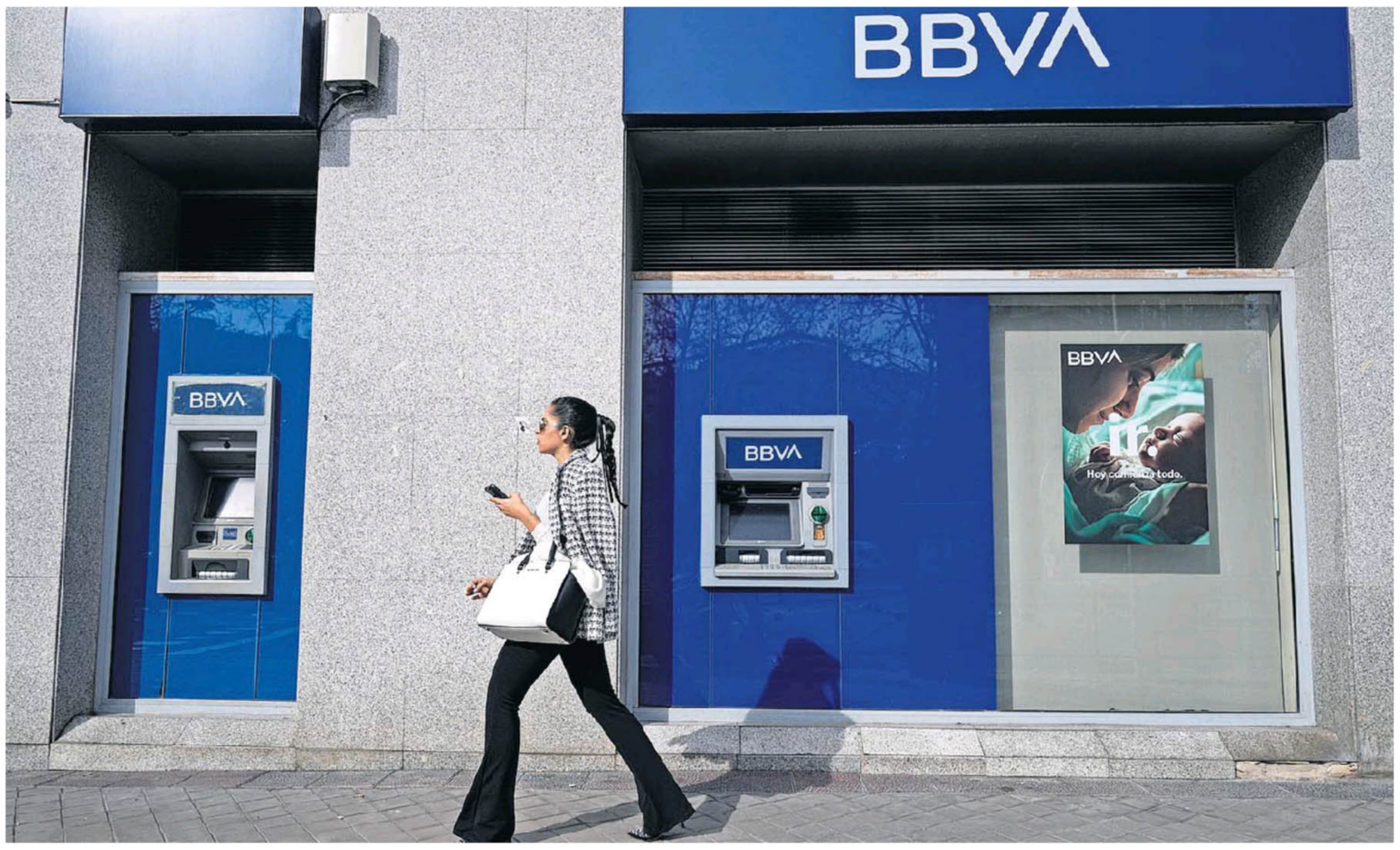
The only precedent in Spain for one bank owning two competing lenders is provided by Santander. In 1994 it took a controlling stake in its troubled rival Banesto but opted not to merge with it. Ana Botín, now Santander's executive chair, ran Banesto from 2002 to 2010 and oversaw some IT integration. But when Santander announced a full-blown merger in 2012, it said "significant efficiencies can still be achieved".

One banker in Madrid said Torres had to sound sanguine about the prospect of a non-merger "because it wants to reduce tensions with the government". Cruz at KBW said it "might be a way of sending a message to the government that they are really serious about this".

Another possibility is that BBVA is playing a long game, recognising that Socialist prime minister Pedro Sánchez has changed his mind on other issues.

An adviser to European banks said BBVA wanted to appear open to a non-merger in the hope that "over time, the government will change its mind, or simply change, and that they will eventually be able to merge both banks".

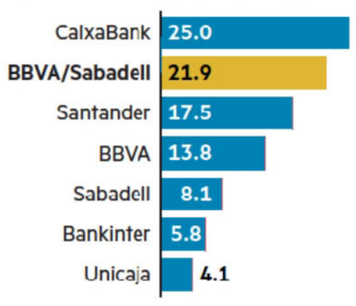
Additional reporting by Ortenca Aliaj in London



While BBVA's leaders insist they can optimise technology savings through a merger, analysts are less convinced
Paul Hanna/Bloomberg

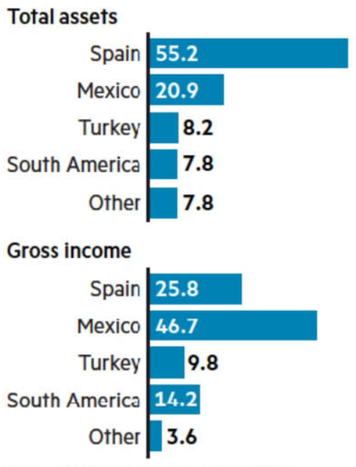
BBVA/Sabadell would become Spain's second-largest lender

Loan market share, Dec 2023 (%)



Mexico plays big BBVA role

Share of total, 2023 (%)



Sources: Bank of Spain; FT research; BBVA

Banks

Goldman adds oil tycoon Hess to its board

JOSHUA FRANKLIN AND JAMES FONTANELLA-KHAN — NEW YORK
MYLES MCCORMICK — HOUSTON

Goldman Sachs has appointed oil tycoon John Hess to its board of directors, just as the bank advises his company on its $53bn takeover by Chevron.

The move comes as Goldman stands to make as much as $80mn in fees for helping Hess sell the family-run oil business in a contentious deal that has created a stand-off with ExxonMobil.

Hess shareholders last month approved its sale to Chevron, despite objections from some investors and proxy adviser ISS. But the deal's close remains subject to an arbitration process with rival Exxon, which could drag into next year. It also remains subject to approval by competition regulators after the Federal Trade Commission launched a review in December. Goldman's fee payment is contingent on completion of the deal.

The purchase of Hess by Chevron — the biggest in its history — hangs in the balance after the intervention by Exxon, which argues it has a right of first refusal over the company's stake in a lucrative oil discovery off the coast of South America. Chevron has said it will pull the plug on the deal if the arbitration process finds in Exxon's favour. Goldman is the lead financial adviser to Hess and has also advised the company on a number of other transactions in recent years, including the $2bn sale of its Russian assets and an $850mn deal for its storage terminals in 2013.

"Advising companies and their management teams is a core part of our business, and we're thrilled to have John Hess, a long-standing client, join our board," the bank said in a statement.

A senior Wall Street adviser said it was "very rare" for a senior executive who picked the adviser for the sale of his company to later join the board of an investment bank helping him in the sale process. Hess did not respond to a request for comment. He has served as chief executive of Hess since 1995. The company was founded by his father Leon in 1933 and grew into one of the biggest operators in the industry.

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Contracts & Tenders

Government of Pakistan
PRIVATISATION COMMISSION

INVITATION OF EXPRESSION OF INTEREST(s)
FROM REPUTED ADVISERY FIRMS FOR PRE-QUALIFICATION AS PANEL OF PRE-QUALIFIED FINANCIAL ADVISER FOR PRIVATISATION PROGRAMME

1. The Privatisation Commission (PC) is a body corporate established under the Privatisation Commission Ordinance, 2000 (LII of 2000). PC is mandated by the Federal Government to undertake privatisation and divestment transactions by virtue of which any property, right, interest, concession or management thereof is transferred to any person from the Federal Government or any enterprise owned or controlled, wholly or partially, directly or indirectly, by the Federal Government.
2. Privatisation Commission (PC) is implementing a Privatisation Programme approved by Federal Government. The Programme is being planned to be executed in phases and will cover following sectors, in addition to any other sector approved by the Federal Government :-

» Power – Generation Companies » Transport » Power – Distribution Companies
» Communication & Telecommunication » Petroleum » Industrial
» Financial » Real Estate » Insurance
» Wholesale & Retail » Hospitality » Others

3. PC invites Expression of Interests ('EoI') from firm, both national and international, for pre-qualification as a Financial Adviser under the provisions of PC (Hiring of Financial Advisers) Regulations, 2018.
   a. The Pre-Qualified Financial Adviser will be placed on the panel of Pre-Qualified Financial Advisers on non-committal basis for Three (03) years to support PC in preparing and implementing privatisation / divestment transactions.
   b. These pre-qualified Financial Advisers will be provided with Request for Proposals ('RFP') for specific transactions as approved by the Board of the Privatisation Commission in terms of the PC Ordinance 2000 and rules and regulations made thereunder as amended from time to time.
   c. The Pre-Qualified Financial Adviser, if it chooses to respond to the RFP, shall be required to submit its Technical & Financial proposals, which will be evaluated as per evaluation criteria provided in the RFP.
   d. While responding to the RFP, the Pre-qualified Financial Adviser will be allowed to propose sub-contractors it intends to engage for a particular transaction in the Technical & Financial Proposals it submits in response to the RFP. The proposals submitted by the Financial Adviser including its proposed sub-contractors will be evaluated as per evaluation criteria given in the RFP.
   e. A pre-qualified Financial Adviser, once engaged by PC as a Financial Adviser, through Financial Advisory Services Agreement (FASA) for a particular transaction, will be barred from offering its services to any potential investor interested in that particular transaction.
4. Information required to be submitted with EoI and the prequalification criteria may be accessed at the following link: **https://privatisation.gov.pk/PQFA**

SUBMISSION DETAILS

5. The IPs shall submit Expressions of Interest, on or before 1600 Hours, **26th July, 2024** both electronically and in hard copy, including a non-refundable processing fee of USD 1,000/- (United States Dollars One Thousand only) or PKR 300,000/- (Pakistani Rupees Three Hundred Thousand only), via following:
   a. Electronically by email to **dgamc@privatisation.gov.pk** including proof of payment
   b. Hard copy addressed to **Director General (I&T/P&U), Privatisation Commission, 4th Floor, New Pak Secretariat Building, Kohsar Block, Constitution Avenue, Islamabad, Pakistan.**
6. The non-refundable processing fee can be paid in the form of bank draft/pay order payable in favour of "Privatisation Commission, Government of Pakistan", which should be submitted with the hard copy of the EOI or through wire/electronic transfers (details for which will be available at following Privatisation Commission link) **https://privatisation.gov.pk/PQFA**
7. Privatisation Commission in its sole discretion may seek any further information in addition to that mentioned in the EoIs as part of the Pre-Qualification / Evaluation Process.
8. Privatisation Commission in its sole discretion, reserves the right to cancel / discard the process without assigning any reason thereof.
9. Privatisation Commission in its sole discretion reserves the right to accept or reject any or all EoIs.

FOR FURTHER INFORMATION, QUERIES AND /OR SUBMISSION OF EOI, PLEASE CONTACT:

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SÃO PAULO STATE GOVERNMENT

AUCTION NOTICE FOR THE CONCESSION OF THE PUBLIC LOTTERY SERVICES OF THE STATE OF SÃO PAULO

INTERNATIONAL COMPETITION Nº 01/2024

The GOVERNMENT OF THE STATE OF SÃO PAULO, through the SECRETARIAT OF PARTNERSHIPS AND INVESTMENTS – SPI, hereby announces the opening of International Tender No. 01/2024 for the Concession of Public Lottery Services of the State of São Paulo. The AUCTION NOTICE along with the CONTRACT and the ANNEXES will be available electronically, free of charge, from June 12, 2024, until the date of the Public Session for Receipt of Envelopes, on the website **https://www.parceriaseminvestimentos.sp.gov.br/** and in a data room, access to which will be granted upon request sent to the email address editalloterias@sp.gov.br with the subject "Concession of Public Lottery Services – access to data room". The documents may also be obtained at Rua Iaiá 126, 11th floor, from June 12, 2024, until the business day immediately preceding the Public Session for Receipt of Envelopes, Monday through Friday, from 9 a.m. to 5 p.m., upon presentation of a recordable media or equivalent device, necessary for copying the file with sufficient capacity for all files to be digitally copied. Interested parties may submit requests for clarification until September 4, 2024. According to the rules of the auction notice, requests must be sent to the email editalloterias@sp.gov.br with the subject "Concession of Public Lottery Services - Requests for Clarification" or physically delivered at Rua Iaiá 126, 11th floor, by 5 p.m. on the date established in item 4.1 of the Auction Notice to the attention of the Procurement Commission. The Public Session for Receipt of Envelopes will take place on September 9, 2024, at 10 a.m., at the headquarters of B3 (Rua XV de Novembro 275, Centro) in São Paulo, and the Public Competition Session will take place on September 13, 2024, at 2 p.m., also at the headquarters of B3 in São Paulo.

UK COMPANIES

A legal threat hangs over London market's revival bid

Matthew Vincent

Shareholders have a right to be angry about corporate malfeasance and institutional incompetence. But should they, automatically, have a right to much more?

Take the case of the London-listed outsourcer Serco and security group G4S, from July 2013. Shares in the two fell heavily when they were accused of overcharging the government by millions of pounds for the electronic tagging of offenders.

Serco had £236mn wiped off its market value in a day, after it was found to have billed for tagging criminals who were still in prison, still at large, or still very much dead. G4S lost £167mn of its value on the same day, having demanded payments for guards so diligent that they strapped an ankle tag to a prosthetic leg. Serco was later fined £19mn, and G4S £44mn, following a Serious Fraud Office investigation.

None of this enforcement action was much help to investors, though. Hence they sued. And, last week, in the first UK shareholder lawsuit to go to trial, Serco deemed disbursement the better part of valour and reached an undisclosed settlement. G4S shareholders' group action settled before it got to court.

Justice was done, investors would argue. Given that seldom appears so whenever the SFO is involved, it is easy to see why they put their faith in civil actions. It is also easy to see why shareholders in Standard Chartered, Barclays, Glencore, Entain, and Reckitt Benckiser are now doing much the same over other claims for financial loss.

Those who feel out of pocket already have proof that UK lawsuits can win redress at a reasonable cost. A group action against Royal Bank of Scotland over its mendacious 2008 rights issue secured £800mn. As one lawyer put it: "It showed these [actions] are profitable".

Meanwhile, those who feel outraged have reason to believe litigation can raise corporate governance standards. A shareholder lawsuit against Tesco alleging overstatement of profits delivered £193mn and a warning to FTSE chief financial officers. As another lawyer argues: "It's a bonus to the market, to the advantage of shareholders."

However, would enabling more, and much larger, group actions really be a bonus to London's market?

Already, corporate advisers, and even some claimants' lawyers, worry that nuisance lawsuits may be encouraged by commercially aggressive law firms and litigation funders.

Grant Thornton consultants in a public web discussion have noted: "The availability of third-party litigation funding and 'after the event' insurance in the UK mean that it's becoming increasingly attractive to bring securities claims in this jurisdiction." One of the claimant lawyers adds privately: "US lawyers are very familiar with 'stock drop' cases . . . It's not really about holding companies to rights, it's all about making money."

Shareholders don't always see much of it, either. Where settlements are small, the amounts flowing through to claimants — after lawyers, funders and insurers take their cut — can be limited. Here, the post-settlement quotes from the opposing parties can be telling: when claimants insist it was really just about holding management to account, that typically means their payout was, to quote Serco, "not material".

> A few years on from a court approval, there 'might be a knock-on effect: a huge rise in class actions'

But it could become easier for shareholders to do these lawyers' and funders' bidding. Although the UK legal system does not permit US "opt out" class actions — where all shareholders are automatically assumed to have signed up — the Court of Appeal has been asked to allow a similar arrangement, currently used in competition cases, for the Reckitt investor lawsuit.

One big action would not change perceptions of London as a listing venue, overnight. However, some in the legal industry suggest, a few years on from a court approval, there "might be a knock-on effect: a huge rise in class actions". For a London market already trying to recover from self-inflicted injuries — from Brexit to listing rules, governance to pay — giving UK companies one more reason to remain private, and losing one last advantage over the US would be shortsighted. Albeit not as much as an errant G4S tagging operative.

matthew.vincent@ft.com

Media

Washington Post chief Lewis spikes newsletter for ex-PR clients

DANIEL THOMAS — LONDON

Washington Post publisher Sir Will Lewis has suspended his newsletter for former clients and contacts after sponsor AlixPartners asked to "pause" its involvement amid a newsroom revolt at the US broadsheet.

New York-headquartered Alix has agreed to halt the weekly email with WJL Partners, the consultancy firm that Lewis controlled until the end of last year, according to two people familiar with the situation.

The move follows intense scrutiny of Lewis's business interests and earlier career at Rupert Murdoch's media empire. The "What to Read" newsletter has been a means of regular correspondence between Lewis and clients of his former PR and consultancy business.

Lewis has continued sending emails through WJLP — which bears his initials — despite taking over as publisher of the Jeff Bezos-owned Washington Post this year, causing confusion among former clients over the extent of his business interests outside the newspaper.

WJLP and Alix declined to comment. Lewis was not available for comment.

WJLP was already considering a pause before Alix asked for a suspension of the newsletter — sent out "in association" with the sponsor — according to one person with knowledge of the situation. It is not clear if or when the emails will start again, the person added.

Lewis has passed ownership of WJLP to his former partners, and retains no financial interest, but the group has continued sending out the emails and organised a dinner that involved Lewis at Davos this year.

> The last newsletter made jokes about Lewis's mother's new cat and had links to news stories

The last newsletter, for the week ending June 14, made jokes about Lewis's mother's new cat and provided links to news stories. The newsletter clearly states Lewis is chief executive and publisher of the Washington Post. WJLP does not charge Lewis a fee for this.

WJLP said last week: "William Lewis has had no financial interest in WJLP since 29 December 2023 and WJLP has no contractual relationship with the Washington Post."

Lewis was appointed boss of the Washington Post last year, but attempts to turn around the lossmaking paper have led to a newsroom crisis and weeks of inquiry — including by the Washington Post itself — over whether he was involved in an alleged cover-up of phone hacking by the News of the World over a decade ago. Lewis also once worked as a journalist at the Financial Times.

Lewis is one of many executives named in court action against News UK, which owned the News of the World, by Prince Harry. Lewis has denied any wrongdoing.

He has also upset staff at the US broadsheet by bringing in former employees. A former WJLP employee, Eleanor Breen, joined as his chief of staff. His choice for the next editor, Robert Winnett, last week withdrew.

Additional reporting by Anna Nicolaou in New York

Sport

Premier League clubs set to score record revenues

Income lifted by format changes, higher ticket prices and broadcast deals

SAMUEL AGINI

Premier League football clubs are projected to report record revenues in the upcoming season, driven by format changes to European competitions, including the Champions League, as well as higher ticket prices, stadium capacity and international broadcast deals.

The 20 teams in the English top flight together are forecast to generate nearly £6.4bn of revenues in 2024-25, up almost 7 per cent from the previous season, according to Deloitte's latest annual review of football finance published yesterday.

> The 20 teams in the English top flight together are forecast to generate nearly £6.4bn of revenues

"Projected increases in Premier League international media rights distributions to clubs will see broadcast revenues rise, whilst the commencement of new sponsorship deals for several clubs is expected to boost commercial revenue," the report said.

Broadcasting, sponsorship and match day revenues were all expected to contribute to the increase, the consultancy said. Not only were the clubs increasing ticket prices after years of relative stasis, but also newly promoted teams such as Southampton had bigger stadiums than Luton Town, which was relegated in the most recent season, said the report.

The projections provide a welcome boost at a time when the Premier League and many of its clubs are squabbling over cost controls and punishments handed out for breaching loss limits.

For 2023-24, the recently finished season in which Manchester City were crowned champions for a record fourth consecutive year, Deloitte expects flat to slightly lower revenues of about £6bn.

The lack of growth in expected revenues for the season is down to English sides' underperformance in European competitions, said the report. No English club made it further than the quarter-finals in the Champions League, as Bayern Munich knocked out Arsenal and Real Madrid defeated City on penalties. Even so, new Uefa competition formats coming into play are expected to boost revenues for English participants.

Profitability remains elusive for most teams in the English top flight: there were combined pre-tax losses of £685mn in 2022-23, an increase of 14 per cent on the previous season. Still, the clubs' £6bn revenue that season was far ahead of the €3.8bn generated by German rivals, the nearest contenders.

Tim Bridge, lead partner at Deloitte's sports business group, said the new generation of "increasingly business-minded" investors and owners were trying to find a balance between financial sustainability and meeting fans' expectations for performances on the pitch.

However, league chief executive Richard Masters has warned the UK government's plans to introduce an independent regulator to supervise club finances threatens to weaken the competition against European rivals.

Separately, fierce divisions have emerged over the future of the league's own financial regulations. A cap on the total losses at a club over three seasons of £105mn has been criticised for holding back ambitious clubs.

Everton and Nottingham Forest were handed points deductions last season for breaching spending rules, while Manchester City is still challenging the league over charges.

Hipgnosis owns a portfolio of 138 catalogues with more than 40,000 songs by artists including the Red Hot Chili Peppers — Ethan Miller/Getty Images

Tuning out Blackstone in 'best and final' Hipgnosis bid

Blackstone has made a "best and final" offer for Hipgnosis Songs Fund as it seeks to forestall any attempt to agitate for a higher price by hedge funds that have built a large stake in the UK-listed music rights owner.

A group of US and UK hedge funds have acquired a potential blocking stake in Hipgnosis ahead of a crucial shareholder vote on Blackstone's $1.6bn offer.

More than a quarter of the shares are held by hedge funds, leaving them with more than enough to vote down the deal next month, a Financial Times study shows. Hipgnosis owns a portfolio of 138 catalogues with more than 40,000 songs by artists including the Red Hot Chili Peppers and Shakira.

Blackstone will need 75 per cent of voting shares at a meeting to be held in July to approve the deal.

Hedge funds that own shares in the company include TIG, which is now its largest investor having raised its stake to 14 per cent. Others include Glazer Capital, which owns about 8 per cent and Kryger Capital, which holds 6.6 per cent.

One person familiar with the thinking of some of the hedge funds said they wanted Blackstone to consider a higher price to secure their votes — a practice known as "greenmailing".

However, the US private equity group yesterday said it had made a best and final offer. While this does not raise the value of the deal, it prevents Blackstone from increasing its offer or making a new one — signalling any attempt to block the takeover could simply bring about the deal's collapse. *Daniel Thomas*

Financials

Ex-cop in 'Ponzi' case to have assets frozen

ALISTAIR GRAY

An ex-police officer accused of netting about £12mn by directing members of the public to an alleged "Ponzi scheme" is to have his property assets frozen.

A High Court judge said he would impose asset restrictions on Paul Careless, who is accused of being a main beneficiary of one of the biggest retail savings scandals in recent years.

Careless is among a group of individuals being sued by administrators to the failed financial services firm London Capital & Finance. Almost 12,000 individual investors were promised high returns through "minibonds" offered by LCF, but lost a total of £237mn when it collapsed in 2019.

Victims had been directed to LCF by Surge Financial, an online marketing company established by Careless that received commissions of 25 per cent for each referral. The claimants have alleged Careless himself netted about £11.9mn.

Administrators have described LCF as "a Ponzi scheme" and said that while the firm purported to use the funds raised to provide much-needed finance to small- and medium-sized enterprises, those it had lent to were not independent but were connected with people behind the firm.

Careless has previously denied the claims against him, and said he had no knowledge of impropriety.

> Victims had been directed to London Capital & Finance by the defendant's marketing company

The judge, Mr Justice Miles, is yet to rule on the merits of the underlying case, which concluded this month. But he said on Monday that he would grant a request made by the administrators to restrict how Careless can use proceeds from the sale of his property in the Cotswolds, estimated to be worth about £2.25mn.

Administrators called on the judge to order that the cash be frozen and not used to cover Careless's legal expenses, which the court heard had reached about £2mn.

Stephen Robins KC, for the administrators, told the court that there was "obviously a risk of serious, and possibly irremediable, prejudice" to the administrators "if, at the close of a long fraud trial, [Careless] is permitted to dissipate the proceeds of sale of his largest identifiable asset".

The judge said he recognised that the order could be "tough" on Careless's solicitors, who had "agreed to act on credit, and now find themselves in the unfortunate position of not being able to be paid".

The claimants' application for a freezing order was granted in principle, although court officials said the final wording was yet to be finalised.

The judge added there was "very substantial evidence" about the "very large amounts of money" received by Careless, and it was unclear what had happened to it.

A ruling in the case is expected in coming months.

Automobiles

Stellantis warns EV rules threaten UK output

MARI NOVIK

Vauxhall owner Stellantis has warned it could stop production in the UK unless the government does more to stimulate demand for electric vehicles or changes its current electrification policy.

In the company's strongest threat yet against the UK's EV quotas, Maria Grazia Davino, the carmaker's top UK executive, warned of tough EV mandates amid slowing sales in battery-run cars. "If this market becomes hostile for us, then we will enter an evaluation of producing elsewhere," she said. "Stellantis production in the UK could stop."

Her comments follow those of Stellantis chief executive Carlos Tavares, who in April called Britain's EV policy "terrible" and said it threatened to bankrupt carmakers.

The carmaker, which owns the Vauxhall, Peugeot, Citroën and Jeep brands, said it was considering the future of all its UK operations.

It directly employs 2,500 people in both Luton and its Ellesmere Port factory in Cheshire. In Luton, it manufactured 90,000 diesel vehicles in 2023 and produced just under 4,500 electric vans in Ellesmere Port in the three months to December last year. Luton will start making some larger battery vans from 2025.

Speaking at the Society of Motor Manufacturers and Traders' annual summit in London yesterday, Davino said the UK's quota regime, which requires manufacturers to meet EV sales targets and rise annually, had put the company's UK financial return "under stress".

Her warning is the latest among car executives pushing back on the government's EV quotas, with targets of 22 per cent of overall car sales this year, rising every year until 2030 to 80 per cent.

Maria Grazia Davino: 'Stellantis production in the UK could stop'

Carmakers that miss the targets face heavy penalties, though the scheme features concessions that aim to minimise the chance of manufacturers paying fines.

EV sales are rising more slowly than had been expected, leading several carmakers to warn they risk missing the targets. Ford's then European boss Martin Sander told the Financial Times last month that the carmaker would divert petrol models to other countries to avoid crippling fines amid weak EV demand.

Davino said the company needed to find the right balance within the government mandate, and that a decision on the future of its UK production would probably come in less than a year.

About 14 per cent of Stellantis's car sales, including the Peugeot, Citroën, Fiat and Jeep brands, in the UK are electric, while almost 8 per cent of its vans are battery models.

Equities. Public finances

Lula's spending plans turn up heat on Brazil's investors

Pressure from below: Brazilian trade unionists protest against high interest rates in front of the central bank headquarters in São Paulo — Nelson Almeida/AFP/Getty Images

Asset prices fall on worry over president's 'unsustainable' model for budget deficit cuts

MICHAEL POOLER AND BEATRIZ LANGELLA — SÃO PAULO

Brazil's financial markets have sold off sharply this year as investors grow increasingly anxious about the spending plans of leftwing President Luiz Inácio Lula da Silva's government.

The Brazilian real is the third-worst performing emerging market currency against the US dollar so far this year, its near-10 per cent decline ranking behind only the Turkish lira and the peso of its perennially troubled neighbour, Argentina.

Meanwhile, the local Bovespa equity index has dropped 8.6 per cent over the same period.

While EMs in general have been hit as investors dramatically scale back their expectations for US interest rate cuts this year, money managers and economists also cite growing concerns over the viability of Brasília's plan to balance the public finances through extra tax collection while also raising spending.

"Today, fiscal risk is what weighs most on the Brazilian economy and the markets," said Ricardo Lacerda, chief executive of local investment bank BR Partners and former head of Goldman Sachs in Brazil. "We are not yet in an out-of-control zone. But the government has bet on an unsustainable model of fiscal adjustment without cost-cutting."

Lula returned to power last year on pledges to boost welfare spending and expand the state, hoping to emulate the political success of his previous spell in government between 2003 and 2011.

His administration sought to reassure investors by promising to eliminate the so-called primary budget deficit, which does not include debt interest payments.

But it has already watered down its own targets for achieving a surplus from next year onwards and has committed to increasing expenditure in real terms annually.

Some investors and analysts fear that it will fail to eliminate the deficit this year as planned.

Public debt levels — already relatively high for an EM at 76 per cent of gross domestic product — are now not forecast to fall until 2028, according to official estimates.

Market volatility has intensified after the government this month failed to win parliamentary backing for its proposal to curtail corporate tax credits following an outcry from business, piling pressure on finance minister Fernando Haddad, whom Lula was later forced to defend.

"This showed that we're hitting the limit of the model of fiscal adjustment proposed by Haddad," said Helder Soares, chief investment officer at asset manager Principal Claritas in São Paulo.

"The structural fiscal position is not hopeless but it is delicate."

Brazil has a history of running budget deficits, often with negative knock-on effects for inflation, interest rates and economic activity.

Critics argue the loose fiscal stance limits the ability of the central bank to lower its base rate, which at 10.5 per cent has been attacked by Lula as harmful to growth.

Economists predict GDP growth will come down from 2.9 per cent last year to 2 per cent this year.

While consumer price rises have slowed, forecasts for full-year inflation have crept up to 4 per cent — above the official target of 3 per cent.

"The primary deficit is unlikely to be zeroed in 2024 and could be even greater in 2025," said Rafaela Vitoria, chief economist at Banco Inter, who said fiscal policy was starting to feed through to inflation. She calculated that public spending had grown by about 6 per cent above inflation per year since Lula took office at the start of 2023 and added: "There are no containment mechanisms for 2025."

Analysts and market participants said concerns about the budget deficit and fears of political interference in central bank decisions have led investors to demand higher yields for holding the country's debt, pushing up its borrowing costs.

In defiance of Lula, the central bank on Wednesday last week paused its easing cycle. The monetary policy committee's unanimous decision helped soothe a potential credibility crisis for the institution after members appointed by the leftwing president pushed for a bigger rate cut in May.

Despite the Bovespa edging up slightly the following day, the real touched R$5.46 to the dollar — its weakest level since Lula's inauguration. The currency pared some of its losses to close at R$5.39 on Monday.

"Any bounce in asset prices will be shortlived unless the government finds a more sustainable solution to address the imbalances in the budget," said John Stavliotis, portfolio manager at Antipodes Partners.

'The structural fiscal position is not hopeless but it is delicate'

Bulls argue that Brazilian stocks — trading at seven times forward earnings — are historically cheap.

This year to the end of May, the FTSE Brazil All Cap index is ranked 49th out of 50 country indices tracked by the data provider.

In the wake of investor disquiet and the failure to gain backing for the corporate tax credit plan, Haddad has raised the possibility of spending cuts in certain areas. However, he faces resistance from within his ruling Workers' party while Lula has said that ministers must convince him of the necessity.

Supporters of the government and some investors argue that Brazil's primary deficit — forecast by the IMF to be 0.6 per cent of GDP this year — is relatively small compared with countries such as Mexico where the budget shortfall is expected to reach nearly 6 per cent.

Even so, commentators see little appetite in government for significant cutbacks ahead of municipal elections in October.

"[Lula] had a honeymoon in his first year and that's coming to an end," said Jean Van de Walle, chief investment officer at family office Sycamore Capital.

"There will be a growing clash [between] monetary orthodoxy and the government's ambitions."

Additional reporting by Mary McDougall in London

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Technology

China groups seek assurance from Malaysia over avoiding US tariffs

MERCEDES RUEHL
JOHOR BAHRU, MALAYSIA

Chinese executives have been meeting top government officials in Malaysia to seek assurances that they can avoid US tariffs if they relocate manufacturing to the south-east Asian country.

The companies have asked Malaysian ministers and senior officials to lobby Washington against imposing tariffs on products made or assembled in Malaysia by Chinese groups, according to three people familiar with the matter.

The requests made by battery, medical devices and semiconductor companies come after the US said it would raise tariffs on Chinese goods to protect American manufacturers.

Chinese companies have shifted production to south-east Asian countries such as Malaysia, Vietnam and Thailand, which are not subject to the same duties.

This has fuelled foreign investment from China but there is uncertainty over whether the Biden administration will introduce new tariffs on Chinese-made goods in the region.

In June, China-based lithium battery producer Eve Energy met Malaysian ministers and the Malaysian Investment Development Authority to seek assurances on avoiding tariffs ahead of a planned expansion in the country, according to a Malaysian government official.

'There's no way of knowing what the US will do in the future. We are still trying to work that out ourselves'

"They want guarantees but it is impossible for us to provide them with that," said the official. "We can . . . and do lobby but there is no way [of knowing] what the US will do in the future. We are still trying to work that out ourselves."

Eve, which sends roughly 20 per cent of its exports to the US, did not respond to a request for comment.

Another Malaysian government official said they had received personal visits from "dozens" of Chinese semiconductor executives this year seeking clarification on whether they could legally sell goods to the US if they were based in Malaysia. They also asked if they could access sophisticated US chips.

Malaysia accounts for 20 per cent of US semiconductor imports annually — more than Taiwan, Japan or South Korea, according to US Census Bureau data for 2023.

US export controls include a ban on "US persons" — American nationals and companies — providing direct or indirect support to certain advanced chip factories in China.

"Sometimes they fly in just for one day," the official added. "They ask us if they can access or use US chips or GPUs [graphics processing units] in Malaysia if they establish an entity or domicile here or in Singapore."

Commodities

United says oil sector help is 'critical' if sustainable jet fuel is to become viable

ROBERT WRIGHT — LONDON

The executive in charge of ensuring United Airlines reaches its environmental goals has said sustainable aviation fuel will be economically viable only if there is co-operation with the oil industry.

Lauren Riley, chief sustainability officer for the US's third-largest airline, said one of the big problems for sustainable jet fuel providers was a lack of infrastructure.

"They don't have access to the pipelines," she said. "They don't have the traditional logistics support. We're going to need access to pipelines. Oil companies are a critical part of the solution."

Most sustainable aviation fuel (SAF) is made from recycled cooking oil, although it can also be made from other sources such as household waste. It currently costs at least twice as much per gallon as traditional jet fuel.

United has a target of making its operations net zero for carbon emissions by 2050. But only 0.1 per cent of the fuel it uses a year is sustainable and Riley said there was only a "handful" of producers, among them Finland's Neste and California-based World Energy.

Customers would like to be able to move on from having to transport SAF by barge, which is relatively more expensive and less efficient, Riley said. Traditional aviation fuel in the US moves through infrastructure built to serve oil and gas companies.

SAF manufacturers also face challenges securing the investment and other support they need to expand production towards the levels the aviation industry requires. Riley pointed out that worldwide production of SAF last year was 150mn gallons (570mn litres), while United alone used 4.2bn gallons of conventional jet fuel.

United Airlines' Lauren Riley pointed to a lack of infrastructure

"We have to see the market scale up much faster," Riley said.

However, she expressed confidence that new technology would allow sustainable jet fuel to be made from a wider range of sources. She is optimistic about "power to liquid" fuels, also known as e-fuels, which are produced by using electricity to extract hydrogen from water and carbon from the air to create a synthetic hydrocarbon.

"We're beginning to see a lot of those innovations come to market," she said.

E-fuels, however, are even more expensive than other SAFs and production is at very low levels. "The question on that one is: can we scale it?" she said.

She accepted that the biggest risk for United's efforts to decarbonise was the relatively short time left to transform its technology before 2050.

But she insisted it would be possible to reach the next zero goal in the available time. "The level of innovation I've seen so far is just incredible," she said.

Financials

Blackstone raises €1bn in plan to double the size of European private credit fund

EUAN HEALY — LONDON

Blackstone plans to double the size of its European private credit fund in the next year after raising €1bn from the region's rich to invest in the booming $1.7tn market in private corporate loans.

The private equity giant has taken nearly two years to reach the milestone following the 2022 launch of its European Private Credit Fund, known as ECRED, which aims to replicate the success of its $54bn US flagship fund.

Goldman Sachs, CVC and Ares have also recently launched European funds designed to provide alternative financing for private equity buyouts as European investors slowly warm to the often illiquid asset class.

Wealthy US investors have long tapped the asset class but the $1.7tn market has exploded this year as insurers, sovereign wealth funds and pensions also step up their commitments.

"It took us 21 months to get to €1bn," said Mike Carruthers, senior managing director and the European head of private credit at Blackstone. "I would like to challenge the team to get to €2bn in half that time, to double it in the next 10 to 11 months."

ECRED has been launched in seven countries, including the UK, France and Italy, in partnerships with distributors such as BNP Paribas and Julius Baer. Blackstone plans to push into more markets and add distributors in the near future.

The US group runs its European fund in the same manner as its US counterpart, BCRED, targeting 80 per cent to 85 per cent private credit assets and 15 per cent to 20 per cent liquid assets.

'It took us 21 months to get to €1bn. I would like to challenge the team to get to €2bn in half that time'

Blackstone Credit has committed more than $3bn in Europe in the first half of this year across transactions involving IRIS Software, Zellis, Focus Group, Rimes and PIB.

It is also set to finance TPG's acquisition of Aareon, announced on Monday.

"These are normal, creditworthy, big companies, not funky, not distressed, not complex, not lender of last resort — this is a lender of first choice," Carruthers said, adding the companies that were sold in 2022 and 2023 were particularly high quality "because private equity firms were only selling companies where there was going to be a competitive auction".

The US group initially struggled to get ECRED off the ground due to complex, country-by-country regulation and a wary European investor base, which has traditionally favoured more conservative investments.

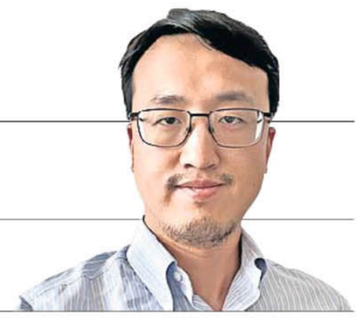
After six months it had raised just €240mn, compared with $12bn raised by its US equivalent by the half-year mark.

Investors also had early worries about the fund's liquidity and their ability to withdraw their assets.

Blackstone has capped redemptions at 2 per cent of the fund's size once a month, or 5 per cent every quarter.

In late 2022, Blackstone limited withdrawals from its $60bn Real Estate Income Trust, known as Breit, after fears about real estate valuations prompted a rush for redemptions.

The big housing correction isn't over for China



Chen Long

Markets Insight

China's real estate recession is three years old and many investors are wondering when it will bottom out. By many measures, we have witnessed one of the greatest housing market corrections in economic history.

The decline in housing sales and construction activities is sharp. On a rolling 12-month basis, China's new home sales have fallen to 850mn square metres, or roughly 8.5mn apartment units, according to my calculations using official statistics — half the level of three years ago.

The floor space of construction starts has fallen to 620mn sq m, two-thirds below the peak in early 2021. The share of real estate and construction activities has shrunk to 12.9 per cent of GDP in 2023 — the lowest since 2009 — from 15.2 per cent in 2020.

The fall in prices is less dramatic. On average, prices have fallen by about 20 per cent in the past three years, according to official and third-party data.

But regional disparity is stark. Some cities saw prices peak much earlier than 2021 and they have declined by more than half. Some residential compounds have lost more than 75 per cent of their value, according to real estate agents.

Both cyclical and structural factors caused the corrections. Cyclical reasons are often cited and a popular view is to blame Beijing's "three red lines", the policy to restrict leverage in the real estate sector. It mattered but the importance was over-exaggerated.

In any case, Beijing policy shifted from cyclical tightening to easing no later than late 2022. After the most recent move, housing policies are now at the loosest of all time in most parts of China.

Yet the market is still down. Markets are split on why Beijing's easing has not worked this time. Often cited reasons include the post-Covid trauma, a decline in consumer confidence, and a policy shift too slow and gradual. These are plausible points but structural factors are bigger forces behind the current correction than the cyclical ones.

Two fundamental reasons were driving China's housing demand over the past three decades: more people living in cities and people having bigger apartments. The number of urban residents increased on average by 22mn a year from 1995 to 2020 with the urbanisation rate surging from 29 per cent to 64 per cent. Living space per person in urban areas has more than doubled to 39 sq m during this period.

> The better-case scenario for the housing market is that sales start to stabilise near the end of the year

Both living space per person and urbanisation rate will probably continue to progress. However, they will be unlikely to grow as fast as they did, given today's much higher levels. This means less demand for new homes per year.

The pace of urbanisation has already slowed. The average annual increase of urban population was 10mn in 2021-23, less than half the levels from the previous 25 years. The slower pace of urbanisation alone means that demand for new homes falls to about 400mn sq m a year, from nearly 900mn sq m.

The growth of living space also matters greatly. Every 0.1 square metre increase in living space per person would create new home demand of 90mn sq m — so some slight slower growth could have a big impact.

The ultimate question is when China's housing market will finally bottom out. The better-case scenario is that sales start to stabilise near the end of the year.

The real estate market is on track to extend its correction by then. New home sales will probably fall to just 800mn sq m and construction of new space will probably fall to 500mn sq m annualised, down 75 per cent from peak.

These corrections would be quite large in the history of global real estate downturns and it would be reasonable to argue that they may be enough for the market to turn around or may even represent an overcorrection.

China's urbanisation will still generate demand of more than 400mn sq m of new homes a year. As long as living space rises by 0.4-0.5 sq m a year, which was half of the annual rate of increase in the past two decades, it will generate another 400mn sq m of new home demand a year — and total new home demand will be 800mn sq m.

If the housing stabilisation happens, the Chinese economy will be on a much stronger footing next year. Beijing can even claim victory in the structural transformation of the economy.

But none of this is guaranteed of course because it is all based on the assumption that living space per person and urbanisation will continue to grow at a moderate rate.

The most bearish case is that the increases will be much less or even not at all. That means the market will not stabilise by year's end and it will continue to search for the bottom in 2025.

Chen Long is founder and managing partner of Plenum

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Find out more:

The day in the markets

What you need to know

- **Defence groups lead declines in European equities**
- **Tech stocks perform strongly on Wall Street with jump for Nasdaq**
- **Europe's single currency retreats against the dollar**

Defence groups led declines in European equity markets yesterday after industry leader Airbus warned of supply chain disruptions and cut its annual profit forecast.

The Stoxx Europe Aerospace & Defence Index lost 3.9 per cent, its biggest daily decline since early April.

The index has nonetheless gained 21.2 per cent since the start of the year and hit a record high in May.

Airbus's 9.4 per cent decline came after it lowered its aircraft delivery target for 2024 from 800 to 770 and marked its biggest full-day retreat since November 2021.

The decline reverberated across the aerospace sector, leaving Swedish tech group CTT Systems — which manufactures humidity control systems for commercial planes, French jet engine maker Safran and German group MTU Aero Engines all nursing share price losses.

The pan-regional Stoxx Europe 600 index lost 0.2 per cent, Frankfurt's Xetra Dax fell 0.8 per cent, Paris's Cac 40 slid 0.6 per cent and London's FTSE 100 retreated 0.4 per cent. The euro slipped 0.2 per cent against the dollar.

On Wall Street, the blue-chip S&P 500 rose 0.2 per cent and the tech-dominated Nasdaq Composite was 1 per cent higher by midday trading in New York with shares in Nvidia advancing.

Last week, the chipmaker briefly became the world's most valuable listed company — overtaking Microsoft and Apple — before falling sharply for three days and wiping more than half a trillion dollars from its market value.

Some analysts had expressed concern that a large enough share price slide for market leader Nvidia could spark an index-wide slump.

But "despite some steep declines in the megacaps, the S&P 500's worst day last week remained limited to a [0.25 per cent] sell-off, with its streak of consecutive days without a 2 per cent decline now reaching 380", Bank of America said in a note to clients.

US consumer confidence meanwhile eased in June, according to a business survey of Americans' outlook on the economy.

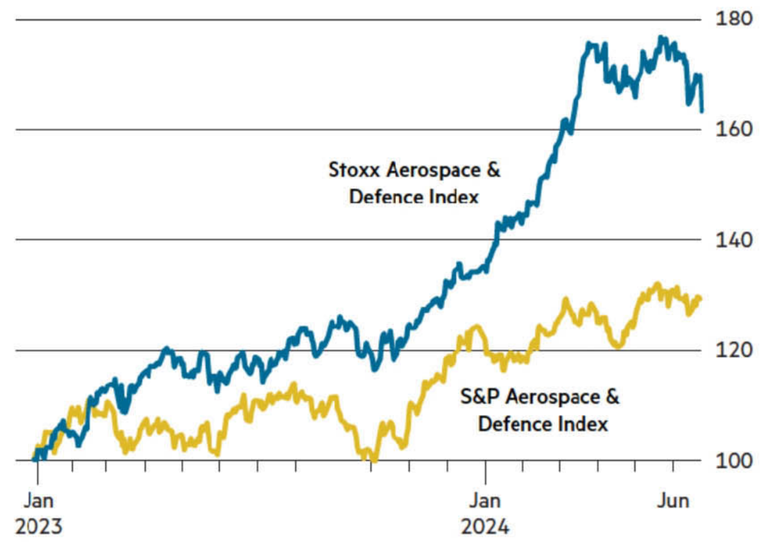
The Conference Board's consumer confidence index dipped to 100.4 from a downwardly revised 101.3 in May. That was marginally stronger than a reading of 100 that economists had forecast.

"Consumers expressed mixed feelings this month: their view of the present situation improved slightly overall, driven by an uptick in sentiment about the current labour market, but their assessment of current business conditions cooled," said Dana Peterson, Conference Board chief economist.

George Steer

European defence stocks slide on Airbus woes

Index returns, rebased



Source: Bloomberg

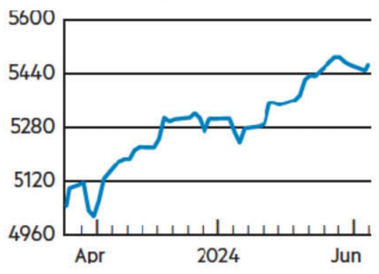
Markets update

	US	Eurozone	Japan	UK	China	Brazil
Stocks	**S&P 500**	**Eurofirst 300**	**Nikkei 225**	**FTSE100**	**Shanghai Comp**	**Bovespa**
Level	5465.09	2055.32	39173.15	8247.79	2950.00	122117.13
% change on day	0.01	-0.21	0.95	-0.41	-0.44	-0.42
Currency	**$ index (DXY)**	**$ per €**	**Yen per $**	**$ per £**	**Rmb per $**	**Real per $**
Level	105.634	1.070	159.705	1.267	7.263	5.435
% change on day	0.153	-0.280	-0.009	-0.158	0.015	0.789
Govt. bonds	**10-year Treasury**	**10-year Bund**	**10-year JGB**	**10-year Gilt**	**10-year bond**	**10-year bond**
Yield	4.249	2.407	0.995	4.181	2.267	11.695
Basis point change on day	-1.700	-1.100	0.920	-0.400	-0.800	15.300
World index, Commods	**FTSE All-World**	**Oil - Brent**	**Oil - WTI**	**Gold**	**Silver**	**Metals (LMEX)**
Level	528.54	85.42	81.13	2328.75	29.56	4160.90
% change on day	0.25	-0.69	-0.61	-0.27	-2.87	-0.26

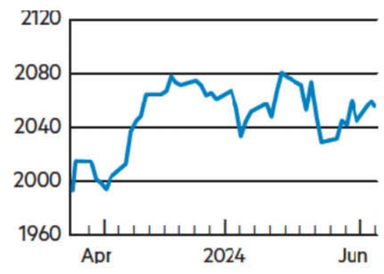
Yesterday's close apart from: Currencies = 16:00 GMT; S&P, Bovespa, All World, Oil = 17:00 GMT; Gold, Silver = London pm fix. Bond data supplied by Tullett Prebon.

Main equity markets

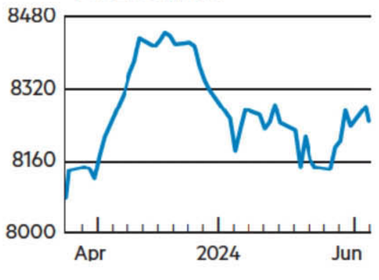
S&P 500 index



Eurofirst 300 index



FTSE 100 index



Biggest movers

%	US		Eurozone		UK	
Ups	Carnival	7.56	Novo Nordisk	4.01	Admiral	2.26
	Nvidia	6.11	Saipem	3.61	Easyjet	1.85
	Norwegian Cruise Line Holdings Ltd	5.03	Omv	1.87	Smith (ds)	1.42
	Royal Caribbean	3.47	Hermes Intl	1.47	Sage	1.31
	Palo Alto Networks	2.93	Lvmh	1.24	Anglo American	0.80
Downs	Pentair	-6.34	Airbus	-10.27	Ocado	-7.07
	Pool	-6.19	Merck	-5.72	Burberry	-4.46
	Mohawk Industries	-5.91	Safran	-3.67	Convatec	-4.14
	Builders Firstsource	-5.60	Thyssenkrupp	-3.06	Bt	-3.52
	Masco	-4.68	Schindler	-3.04	Rightmove	-3.10

Prices taken at 17:00 GMT. Based on the constituents of the FTSE Eurofirst 300 Eurozone

All data provided by Morningstar unless otherwise noted.

Equities

Novo Nordisk's blockbuster weight-loss drug Wegovy approved for sale in China

STEPHANIE STACEY — LONDON
IAN JOHNSTON — PARIS

Wegovy, Novo Nordisk's blockbuster weight-loss drug, has been approved for sale in China — opening the door to a huge market in which obesity rates have more than doubled among adults in the past two decades.

The Danish pharmaceutical company said yesterday that Wegovy "has been approved in China for long-term weight management" for overweight and obese people.

It did not say when the product would launch and declined to share details on pricing or the volume of Wegovy it would supply to the region.

Shares in Copenhagen-listed Novo Nordisk closed up 4 per cent yesterday following the announcement, which was initially shared on the company's account on Chinese social media platform WeChat.

Novo Nordisk has been investing heavily in its manufacturing capacity to meet soaring demand for both Wegovy and Ozempic, which is designed to treat diabetes.

The Danish group said on Monday that it would invest $4.1bn in expanding its US manufacturing operations in North Carolina.

The popularity of the drugs has helped turn Novo Nordisk into Europe's most valuable company with a market valuation of $630.5bn, even as it has struggled to meet huge demand for its products — at times prioritising the supply of the drugs to existing patients rather than new users.

> The popularity of the drug has helped turn Novo Nordisk into Europe's most valuable company

But Semaglutide, the active ingredient in Wegovy and Ozempic, will lose exclusivity in China in 2026, potentially limiting the sales that the Danish drugmaker could generate in the country.

Chinese drugmakers have begun to develop alternative weight-loss drugs that analysts expect could be on the market by 2026.

At an investor day in March, Novo Nordisk said that the China region, which it defines as mainland China, Hong Kong and Taiwan, was likely to be an area of growth for the company with the number of people living with obesity expected to rise by 161 per cent to 479mn people between 2021 and 2045.

Ozempic, a product designed for type-2 diabetes but frequently used off-label for weight loss, has been sold by the company since 2021 in China.

Novo Nordisk has a production site in Tianjin, China's seventh-largest city, and employs more than 6,000 people in the country in various roles.

See Lex

MARKET DATA

WORLD MARKETS AT A GLANCE

FT.COM/MARKETSDATA

Change during previous day's trading (%)

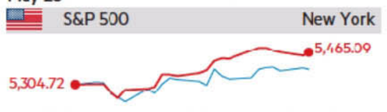
S&P 500	Nasdaq Composite	Dow Jones Ind	FTSE 100	FTSE Eurofirst 300	Nikkei	Hang Seng	FTSE All World $	$ per €	$ per £	¥ per $	£ per €	Oil Brent $ Sep	Gold $
0.01%	0.12%	-0.11%	-0.41%	-0.21%	0.95%	0.25%	0.25%	-0.280%	-0.158%	-0.009%	-0.118%	-0.48%	-0.27%

Stock Market movements over last 30 days, with the FTSE All-World in the same currency as a comparison

AMERICAS

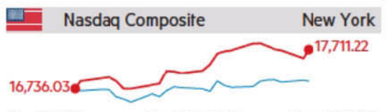
May 26 - -

S&P 500 — New York



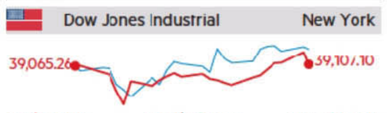
Day 0.01% Month 3.02% Year 25.57%

Nasdaq Composite — New York



Day 0.12% Month 4.65% Year 31.25%

Dow Jones Industrial — New York

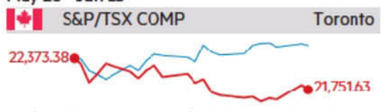


Day -0.11% Month 0.13% Year 15.98%

Country	Index	Latest	Previous
Argentina	Merval	1578655.25	1559657.38
Australia	All Ordinaries	8076.90	7975.10
	S&P/ASX 200	7838.80	7733.70
	S&P/ASX 200 Res	5617.20	5513.10
Austria	ATX	3612.58	3618.70
Belgium	DEL 20	3959.10	3970.37
	BEL Mid	10630.62	10724.72
Brazil	IBovespa	122117.13	122636.96
Canada	S&P/TSX 60	1300.74	1304.84
	S&P/TSX Comp	21766.60	21848.59
	S&P/TSX Div Met & Min	2040.99	2011.54
Chile	S&P/CLX IGPA Gen	32723.71	32917.17
China	FTSE A200	9238.99	9278.01
	FTSE B35	9000.71	8988.96
	Shanghai A	3092.53	3136.29
	Shanghai B	226.37	227.35
	Shanghai Comp	2950.00	2963.10
	Shenzhen A	1682.73	1690.57
	Shenzhen B	1117.74	1136.88
Colombia	COLCAP	1261.61	1250.21
Croatia	CROBEX	2013.05	2011.29

May 26 - Jun 25 — Index — All World

S&P/TSX COMP — Toronto

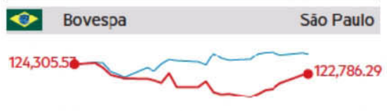


Day -0.38% Month -2.47% Year 12.10%

IPC — Mexico City

Day -1.21% Month -6.36% Year -2.72%

Bovespa — São Paulo



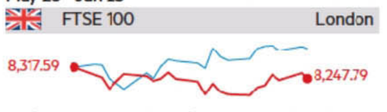
Day -0.42% Month -1.75% Year 2.65%

Country	Index	Latest	Previous
Czech Republic	PX	1540.60	1536.64
Denmark	OMXC Copenahgen 20	2952.52	2874.92
Egypt	EGX 30	26902.40	27062.37
Estonia	OMX Tallinn	1752.56	1761.85
Finland	OMX Helsinki General	10047.21	10120.56
France	CAC 40	7662.30	7706.89
	SBF 120	5793.75	5829.59
Germany	M-DAX	25467.36	25703.64
	TecDAX	3307.74	3300.63
	XETRA Dax	18177.62	18325.58
Greece	Athens Gen	1420.06	1424.04
	FTSE/ASE 20	3442.49	3453.22
Hong Kong	Hang Seng	18072.90	18027.71
	HS China Enterprise	6464.49	6441.16
	HSCC Red Chip	3924.79	3890.44
Hungary	Bux	70647.04	70373.63
India	BSE Sensex	78053.52	77341.08
	Nifty 500	22370.65	22289.10
Indonesia	Jakarta Comp	6882.70	6889.17
Ireland	ISEQ Overall	9516.12	9441.35
Israel	Tel Aviv 125	1927.93	1938.08

EUROPE

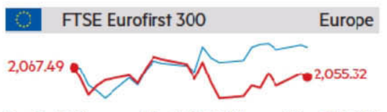
May 26 - Jun 25 — Index — All World

FTSE 100 — London



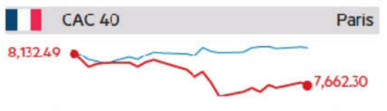
Day -0.41% Month -0.81% Year 10.56%

FTSE Eurofirst 300 — Europe



Day -0.21% Month -0.35% Year 14.24%

CAC 40 — Paris



Day -0.58% Month -5.34% Year 6.96%

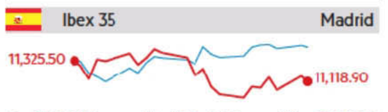
Country	Index	Latest	Previous
Italy	FTSE Italia All-Share	35906.44	36035.97
	FTSE Italia Mid Cap	47292.60	47839.95
	FTSE MIB	33707.21	33834.91
Japan	2nd Section	7228.27	7239.06
	Nikkei 225	39173.15	38834.65
	S&P Topix 150	2474.00	2469.46
	Topix	2787.37	2780.19
Jordan	Amman SE	2408.69	2397.75
Kenya	NSE 20	1726.96	1730.28
Kuwait	KSX Market Index	6633.44	6633.51
Latvia	OMX Riga	1090.54	1124.25
Lithuania	OMX Vilnius	983.68	993.41
Luxembourg	LuxX	1404.41	1407.96
Malaysia	FTSE Bursa KLCI	1585.38	1589.66
Mexico	IPC	51879.63	52512.91
Morocco	MASI	13125.47	13140.91
Netherlands	AEX	926.64	926.40
	AEX All Share	1248.62	1247.10
New Zealand	NZX 50	11716.44	11627.86
Nigeria	SE All Share	97343.42	98255.72
Norway	Oslo All Share	1632.50	1637.11
Pakistan	KSE 100	77940.58	78232.10

May 26 - Jun 25 — Index — All World

Xetra Dax — Frankfurt

Day -0.81% Month 0.61% Year NaN%

Ibex 35 — Madrid



Day -0.48% Month -1.13% Year 20.00%

FTSE MIB — Milan

Day -0.38% Month -2.27% Year 23.88%

Country	Index	Latest	Previous
Philippines	Manila Comp	6299.05	6272.46
Poland	Wig	87899.09	87868.24
Portugal	PSI 20	6567.39	6580.90
	PSI General	4570.40	4577.87
Romania	BET Index	18271.27	18234.81
Russia	Micex Index	3436.57	3445.30
	RTX	1245.71	1212.57
Saudi-Arabia	TADAWUL All Share Index	11697.04	11729.97
Singapore	FTSE Straits Times	3326.28	3314.14
Slovakia	SAX	307.57	307.57
Slovenia	SBI TOP	-	-
South Africa	FTSE/JSE All Share	79577.57	80253.14
	FTSE/JSE Res 20	58662.74	58977.74
	FTSE/JSE Top 40	72903.06	73512.36
South Korea	Kospi	2774.39	2764.73
	Kospi 200	379.85	378.39
Spain	IBEX 35	11118.90	11172.10
Sri Lanka	CSE All Share	12273.41	12271.55
Sweden	OMX Stockholm 30	2561.57	2594.54
	OMX Stockholm AS	971.39	984.20
Switzerland	SMI Index	12086.31	12157.29

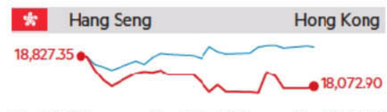
ASIA

May 26 - Jun 25 — Index — All World

Nikkei 225 — Tokyo

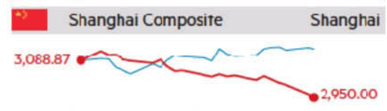
Day 0.95% Month 1.41% Year 19.55%

Hang Seng — Hong Kong



Day 0.25% Month -3.13% Year -4.57%

Shanghai Composite — Shanghai



Day -0.44% Month -4.50% Year -7.75%

Country	Index	Latest	Previous
Taiwan	Weighted Pr	18915.54	18942.30
Thailand	Bangkok SET	1319.14	1316.73
Turkey	BIST 100	10707.88	10757.85
UAE	Abu Dhabi General Index	9222.93	9251.11
UK	FT 30	2861.90	2839.40
	FTSE 100	8247.79	8231.55
	FTSE 4Good UK	7437.25	7435.35
	FTSE All Share	4493.07	4514.76
	FTSE techMARK 100	6907.55	6990.65
USA	DJ Composite	12394.51	12422.38
	DJ Industrial	39107.10	39150.33
	DJ Transport	15011.07	15113.33
	DJ Utilities	910.53	939.46
	Nasdaq 100	19690.27	19730.43
	Nasdaq Cmp	17711.22	17689.36
	NYSE Comp	18027.00	18126.69
	S&P 500	5465.09	5454.62
	Wilshire 5000	42053.18	41446.59
Venezuela	IBC	76463.34	76344.47
Vietnam	VNI	1256.56	1254.12

May 26 - Jun 25 — Index — All World

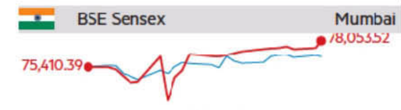
Kospi — Seoul

Day 0.35% Month 3.23% Year 7.95%

FTSE Straits Times — Singapore

Day 0.37% Month 0.17% Year 4.09%

BSE Sensex — Mumbai



Day 0.92% Month 3.52% Year 23.95%

Country	Index	Latest	Previous
Cross-Border	DJ Global Titans ($)	672.32	685.43
	Euro Stoxx 50 (Eur)	4930.77	4950.98
	Euronext 100 ID	1502.22	1508.99
	FTSE 4Good Global ($)	14309.48	14193.95
	FTSE All World ($)	528.54	527.23
	FTSE E300	2055.32	2059.66
	FTSE Eurotop 100	4107.32	4109.96
	FTSE Global 100 ($)	3860.46	3822.43
	FTSE Gold Min ($)	2021.48	2012.80
	FTSE Latibex Top (Eur)	4440.00	4432.20
	FTSE Multinationals ($)	3784.41	3795.74
	FTSE World ($)	971.52	969.09
	FTSEurofirst 100 (Eur)	5514.86	5530.70
	FTSEurofirst 80 (Eur)	6612.16	6632.60
	MSCI ACWI Fr ($)	801.28	801.25
	MSCI All World ($)	3508.95	3507.81
	MSCI Europe (Eur)	2077.58	2062.03
	MSCI Pacific ($)	2986.72	2979.88
	S&P Euro (Eur)	2140.28	2147.19
	S&P Europe 350 (Eur)	2106.27	2110.31
	S&P Global 1200 ($)	3880.89	3870.91
	Stoxx 50 (Eur)	4544.09	4541.92

(c) Closed. (u) Unavailable. † Correction. ♥ Subject to official recalculation. For more index coverage please see www.ft.com/worldindices. A fuller version of this table is available on the ft.com research data archive.

STOCK MARKET: BIGGEST MOVERS

AMERICA

ACTIVE STOCKS	stock traded m's	close price	Day's change
Nvidia	271.5	125.33	7.22
Tesla	63.4	187.23	4.70
Apple	47.9	210.32	2.18
Advanced Micro Devices	36.9	159.95	-0.29
Broadcom	35.5	1589.61	-2.60
Meta Platforms	28.8	508.47	9.56
Microsoft	21.9	449.94	2.27
Amazon.com	21.8	188.51	2.94
Super Micro Computer	21.7	849.27	22.29
Micron Technology	21.1	139.17	0.16
BIGGEST MOVERS	**Close price**	**Day's change**	**Day's chng%**
Ups			
Carnival	17.63	1.24	7.56
Nvidia	125.33	7.22	6.11
Norwegian Cruise Line Holdings Ltd	18.28	0.83	5.03
Royal Caribbean	159.00	5.30	3.47
Palo Alto Networks	325.97	9.23	2.93
Downs			
Pentair	74.93	-5.07	-6.34
Pool	316.98	-20.93	-6.19
Mohawk Industries	106.11	-6.65	-5.91
Builders Firstsource	134.25	-7.97	-5.60
Masco	64.91	-3.13	-4.68

Based on the constituents of the S&P500

LONDON

ACTIVE STOCKS	stock traded m's	close price	Day's change
Rolls-royce Holdings	228.9	466.00	-5.30
Astrazeneca	183.9	12550.00	72.00
Shell	163.1	2807.50	13.00
Gsk	156.0	1595.00	-13.50
Anglo American	132.6	2520.00	20.00
Barclays	128.5	206.15	-1.40
Unilever	117.3	4428.00	-9.00
Hsbc Holdings	112.2	687.00	-3.70
Rio Tinto	106.7	5239.00	11.00
London Stock Exchange	105.7	9598.00	-28.00
BIGGEST MOVERS	**Close price**	**Day's change**	**Day's chng%**
Ups			
Carnival	1251.00	107.00	9.35
Sdcl Energy Efficiency Income Trust	67.80	3.80	5.94
Octopus Renewables Infrastructure Trust	72.70	2.30	3.27
Mobico	51.75	1.45	2.88
Helios Towers	122.00	3.20	2.69
Downs			
Ocado	290.40	-22.10	-7.07
Bodycote	690.00	-41.00	-5.61
Burberry	972.60	-45.40	-4.46
Convatec	231.40	-10.00	-4.14
Pz Cussons	100.60	-4.00	-3.82

Based on the constituents of the FTSE 350 index

EURO MARKETS

ACTIVE STOCKS	stock traded m's	close price	Day's change
Airbus	745.8	133.50	-15.28
Nestle N	323.7	98.10	-0.31
Novartis N	239.6	100.18	-0.13
Roche Gs	259.0	264.74	-2.09
Unicredit	249.9	34.91	-0.45
Asml Holding	242.4	946.90	-1.50
Iberdrola	232.7	12.45	0.13
Richemont N	214.5	150.81	4.32
Ubs N	187.8	24.77	-0.31
Stellantis	183.4	19.37	-0.32
BIGGEST MOVERS	**Close price**	**Day's change**	**Day's chng%**
Ups			
Richemont N	150.81	4.02	2.74
Dsv A/s	146.20	2.21	1.54
Hermes Intl	2210.00	32.00	1.47
Lvmh	735.50	9.00	1.24
Air Liquide	166.80	2.04	1.24
Downs			
Airbus	133.50	-15.28	-10.27
Safran	198.45	-7.55	-3.57
Ubs N	24.77	-0.81	-3.18
Atlas Copco Ab Ser. B	15.04	-0.40	-2.56
Atlas Copco Ab Ser. A	17.52	-0.46	-2.55

Based on the constituents of the FTSEurofirst 300 Eurozone index

TOKYO

ACTIVE STOCKS	stock traded m's	close price	Day's change
Disco	2020.8	59700.00	-3500.00
Lasertec	1699.2	35260.00	-1160.00
Toyota Motor	1454.1	3296.00	146.00
Mitsubishi Ufj Fin	1158.0	1641.50	62.00
Softbank .	1040.3	9938.00	-33.00
Hitachi,	843.2	17525.00	775.00
Tokyo Electron	802.6	34400.00	-580.00
Sumitomo Mitsui Fin	699.4	10350.00	320.00
Mitsui & Co.,	632.6	7446.00	51.00
Advantest	626.4	5814.00	14.00
BIGGEST MOVERS	**Close price**	**Day's change**	**Day's chng%**
Ups			
Ihi	4477.00	396.00	9.70
Ms&ad Insurance Holdings	3366.00	176.00	5.52
Kawasaki Heavy Industries,	6032.00	299.00	5.22
Chugai Pharmaceutical Co.,	5637.00	279.00	5.21
Tokio Marine Holdings	5780.00	260.00	4.71
Downs			
Disco	59700.00	-3500.00	-5.54
Lasertec	35260.00	-1160.00	-3.19
Nidec	7291.00	-157.00	-2.11
Tokyo Electron	34400.00	-590.00	-1.69
Murata Manufacturing ,	3300.00	-45.00	-1.35

Based on the constituents of the Nikkei 225 index

UK MARKET WINNERS AND LOSERS

FTSE 100	Jun 25 price(p)	%Chg week	%Chg ytd
Winners			
Phoenix Holdings	526.50	8.7	-1.6
Jd Sports Fashion	127.05	7.8	-23.4
Prudential	744.00	6.3	-16.1
Smith (ds)	370.80	5.8	20.7
Anglo American	2520.00	5.5	27.9
Frasers	897.50	4.1	-1.4
British American Tobacco	2515.00	3.7	9.6
Antofagasta	2117.00	3.4	26.0
Fresnillo	556.50	3.1	-5.9
Severn Trent	2450.00	2.8	-4.7
Shell	2807.50	2.7	9.2
Easyjet	463.60	2.5	-9.6
Losers			
Ocado	290.40	-17.9	-61.5
Berkeley Holdings (the)	4654.00	-7.1	-0.7
Convatec	231.40	-5.6	-5.2
Marks And Spencer	287.70	4.4	5.8
B&m Eur Value Retail S.a.	456.60	-3.5	-17.7
Persimmon	1356.00	-3.5	-2.4
Pershing Square Holdings Ltd	4156.00	-3.5	16.0
Hikma Pharmaceuticals	1941.00	-2.9	8.5
Croda Int	4027.00	-2.8	-20.3
Taylor Wimpey	143.70	-2.5	-2.3
Auto Trader	796.60	-2.2	10.4
Scottish Mortgage Investment Trust	877.80	-2.1	8.6

FTSE 250	Jun 25 price(p)	%Chg week	%Chg ytd
Winners			
Britvic	1160.00	20.3	38.0
Cmc Markets	314.00	16.7	199.0
Games Workshop	10750.00	13.9	8.9
Mobico	51.75	11.8	-38.8
Carnival	1251.00	11.6	-4.7
Sdcl Energy Efficiency Income Trust	67.80	8.3	4.3
Rhi Magnesita N.v.	3420.00	7.9	-1.2
Aston Martin Lagonda Global Holdings	154.80	7.1	-31.4
Jtc	962.00	7.0	18.0
Itv	81.20	6.8	20.3
Trainline	325.40	5.7	1.1
Tbc Bank	2570.00	5.5	-9.2
Losers			
Spectris	2790.00	-13.0	-26.2
Furetech Health	192.40	-10.3	-0.9
Renishaw	3750.00	-9.1	4.8
Tate & Lyle	523.00	-8.4	5.5
Molten Ventures	380.50	-7.4	37.5
Ssp	154.90	-6.1	-35.2
British Land	409.00	-6.0	2.4
Telecom Plus	1758.00	-5.5	9.1
Bodycote	690.00	-5.1	16.1
Ip	43.20	-4.8	-25.3
W.a.g Payment Solutions	63.60	-4.8	-29.3
Travis Perkins	778.50	-4.6	-6.0

FTSE SmallCap	Jun 25 price(p)	%Chg week	%Chg ytd
Winners			
Cab Payments Holdings	145.40	16.9	75.6
Speedy Hire	33.00	15.4	0.3
Xps Pensions	300.00	8.3	28.8
Costain	84.00	8.0	32.5
Alfa Fin Software Holdings	191.00	7.9	34.4
Augmentum Fintech	116.00	7.9	4.0
Smiths News	61.00	7.8	14.2
Gulf Marine Services	19.85	7.6	36.9
Severfield	76.40	6.7	20.1
Pantheon Infrastructure	82.00	6.5	-2.4
Xp Power	1488.00	6.1	9.7
Hostelworld	170.00	5.9	24.5
Losers			
Seraphim Space Investment Trust	54.30	-9.5	54.9
Treatt	427.00	-7.2	-15.1
Pinewood	358.00	-7.0	-44.6
Videndum	206.00	6.9	-15.2
Luceco	168.60	-6.3	36.0
Petrofac	12.38	-6.2	-66.9
Ct Private Equity Trust	440.00	-6.0	-6.3
Oxford Biomedica	300.00	-5.8	36.4
Secure Trust Bank	774.00	-5.7	12.5
Saga	110.60	-5.0	-24.1
Zotefoams	468.00	-4.7	39.7
Tullow Oil	31.42	-4.7	-18.8

Industry Sectors	Jun 25 price(p)	%Chg week	%Chg ytd
Winners			
Life Insurance	5814.70	3.7	-6.8
Tobacco	29017.48	3.5	10.9
Automobiles & Parts	1155.40	3.3	-27.2
Oil & Gas Producers	9156.54	2.4	6.8
Electricity	10915.43	1.6	-0.9
Nonlife Insurance	3646.39	1.5	8.7
Industrial Metals	6790.20	1.5	-0.5
Beverages	21054.06	1.5	-6.3
General Industrials	7010.50	1.4	3.2
Mining	10212.38	1.3	3.1
Media	12654.62	0.9	13.5
General Financial	15107.01	0.8	3.2
Losers			
Household Goods	13087.52	-3.0	-0.1
Electronic & Electrical Equip.	10359.28	-2.4	4.0
Industrial Engineering	13285.34	-1.7	-6.7
Real Estate Investment Trusts	2384.37	-1.6	4.2
Food Producers	7918.80	-1.2	8.2
Real Estate & Investment Servc	2251.78	-1.0	-2.5
Support Services	11309.21	-0.9	7.1
Mobile Telecommunications	2033.36	-0.7	6.4
Aerospace & Defense	11251.78	-0.7	30.8
Construction & Materials	10293.30	-0.7	10.8
Industrial Transportation	3984.64	-0.7	0.0
Food & Drug Retailers	4155.49	-0.6	3.7

Based on last week's performance. †Price at suspension.

CURRENCIES

Jun 25	Currency	DOLLAR Closing Mid	DOLLAR Day's Change	EURO Closing Mid	EURO Day's Change	POUND Closing Mid	POUND Day's Change
Argentina	Argentine Peso	909.4915	0.2563	973.2491	-2.3566	1152.4659	-1.1223
Australia	Australian Dollar	1.5063	0.0044	1.6118	0.0004	1.9087	0.0032
Bahrain	Bahraini Dinar	0.3770	-	0.4034	-0.0011	0.4777	-0.0006
Bolivia	Bolivian Boliviano	6.9100	-	7.3944	-0.0200	8.7560	-0.0110
Brazil	Brazilian Real	5.4347	0.0426	5.8157	0.0299	6.8866	0.0453
Canada	Canadian Dollar	1.3663	-0.0301	1.4620	-0.0040	1.7312	-0.0022
Chile	Chilean Peso	942.2200	0.6200	1008.2720	-2.0610	1193.9390	-0.7130
China	Chinese Yuan	7.2628	0.0311	7.7719	-0.0198	9.2031	-0.0102
Colombia	Colombian Peso	4099.2850	-6.7300	4386.6556	-19.0499	5194.4274	-15.0238
Costa Rica	Costa Rican Colon	525.5000	1.9950	562.3388	0.6094	665.8895	1.6821
Czech Republic	Czech Koruna	23.2063	0.0106	24.8331	-0.0558	29.4059	-0.0236
Denmark	Danish Krone	6.9705	0.0189	7.4591	0.0001	8.8326	0.0129
Egypt	Egyptian Pound	48.3763	0.0781	51.7676	-0.0561	61.3002	0.0221
Hong Kong	Hong Kong Dollar	7.8092	0.0012	8.3567	-0.0213	9.8955	-0.0108
Hungary	Hungarian Forint	370.1757	1.7460	396.1259	0.8024	469.0697	1.6261
India	Indian Rupee	83.4363	-0.0375	89.2853	-0.2817	105.7256	-0.1804
Indonesia	Indonesian Rupiah	16375.0300	-19.0000	17522.9551	-67.7514	20749.6862	-50.1508
Israel	Israeli Shekel	3.7479	0.0249	4.0106	0.0158	4.7492	0.0256
Japan	Japanese Yen	159.7350	-0.0150	170.9007	-0.4782	202.3703	-0.2732
Kenya	Kenyan Shilling	128.5300	-	137.5082	-0.3718	162.8293	-0.2045
Kuwait	Kuwaiti Dinar	0.3066	-0.0002	0.3281	-0.0010	0.3885	-0.0007
Malaysia	Malaysian Ringgit	4.7045	-0.0070	5.0343	-0.0211	5.9613	-0.0164
Mexico	Mexican Peso	18.1385	0.1510	19.4636	0.1094	23.0475	0.1626
New Zealand	New Zealand Dollar	1.6365	0.0051	1.7513	0.0007	2.0737	0.0038
Nigeria	Nigerian Naira	1483.0000	-12.0000	1586.9620	-17.1669	1879.1895	-17.5853
Norway	Norwegian Krone	10.6304	0.0506	11.3435	0.0236	13.4323	0.0473
Pakistan	Pakistani Rupee	278.6250	-0.8500	298.1573	-1.7182	353.0603	-1.5219
Peru	Peruvian Nuevo Sol	3.8093	0.0127	4.0763	0.0026	4.8273	0.0101
Philippines	Philippine Peso	58.7515	-0.0535	62.8808	-0.2274	74.4593	-0.1614
Poland	Polish Zloty	4.0209	0.0153	4.3028	0.0048	5.0951	0.0130
Romania	Romanian Leu	4.6507	0.0123	4.9767	-0.0005	5.8932	0.0079
Russia	Russian Ruble	87.7750	0.3253	93.9282	0.0947	111.2245	0.2726
Saudi Arabia	Saudi Riyal	3.7519	0.0004	4.0149	-0.0104	4.7542	-0.0055
Singapore	Singapore Dollar	1.3550	0.0023	1.4500	-0.0015	1.7170	0.0007
South Africa	South African Rand	18.1725	0.0237	19.4464	-0.0271	23.0274	0.0012
South Korea	South Korean Won	1387.5000	-1.5000	1484.7671	-5.6243	1758.1765	-4.1113
Sweden	Swedish Krona	10.5149	0.0475	11.2520	0.0205	13.3240	0.0435
Switzerland	Swiss Franc	0.8945	0.0005	0.9572	-0.0019	1.1334	-0.0007
Taiwan	New Taiwan Dollar	32.4335	0.0555	34.7072	-0.0343	41.0982	0.0188
Thailand	Thai Baht	36.6500	-0.0375	39.2193	-0.1463	46.4412	-0.1059
Tunisia	Tunisian Dinar	3.1408	0.0052	3.3609	-0.0036	3.9798	0.0015
Turkey	Turkish Lira	32.9632	0.0641	35.2739	-0.0263	41.7694	0.0292
United Arab Emirates	UAE Dirham	3.6730	0.0003	3.9305	-0.0107	4.6543	-0.0059
United Kingdom	Pound Sterling	0.7892	0.0013	0.8445	-0.0012	-	-
..One Month		0.7892	0.0013	0.8444	-0.0012	-	-
..Three Month		0.7893	0.0010	0.8442	-0.0012	-	-
..One Year		0.7894	0.0010	0.8432	-0.0012	-	-
United States	United States Dollar	-	-	1.0701	-0.0029	1.2672	-0.0016
..One Month		-	-	1.0699	-0.1987	1.2672	-0.0016
..Three Month		-	-	1.0696	-0.1986	1.2672	-0.0016
..One Year		-	-	1.0682	-0.1986	1.2674	-0.0016
Vietnam	Vietnamese Dong	25467.5000	9.0000	27252.8575	-64.0238	32271.2853	-25.0822
European Union	Euro	0.9345	0.0025	-	-	1.1841	0.0017
..One Month		0.9343	0.0025	-	-	1.1840	0.0017
..Three Month		0.9340	0.0025	-	-	1.1838	0.0017
..One Year		0.9326	0.0025	-	-	1.1828	0.0017

Rates are derived from WM Reuters Spot Rates and MorningStar (latest rates at time of production). Some values are rounded. Currency redenominated by 1000. The exchange rates printed in this table are also available at www.FT.com/marketsdata

FTSE ACTUARIES SHARE INDICES

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Produced in conjunction with the Institute and Faculty of Actuaries

	£ Strlg Jun 25	Day's chge%	Euro Index	£ Strlg Jun 24	£ Strlg Jun 21	Year ago	Div yield%	Cover	P/E ratio	X/D adj	Total Return
FTSE 100 (100)	8247.79	-0.41	7609.76	8281.55	8237.72	7461.87	3.70	1.98	13.60	165.71	9001.36
FTSE 250 (250)	20363.43	-0.97	18788.14	20562.57	20442.35	18062.33	3.34	1.56	19.19	331.13	17842.10
FTSE 250 ex Inv Co (167)	21222.19	-1.27	19580.47	21494.90	21296.39	18612.58	3.46	1.53	18.88	357.33	19006.16
FTSE 350 (350)	4537.93	-0.49	4186.88	4560.05	4535.57	4094.07	3.65	1.93	14.17	88.77	9814.68
FTSE 350 ex Investment Trusts (264)	4480.33	-0.49	4133.74	4502.30	4476.36	4048.22	3.71	1.91	14.14	89.26	5012.78
FTSE 350 Higher Yield (128)	3843.76	-0.46	3545.41	3861.46	3835.42	3417.59	5.22	1.80	10.62	103.56	9604.47
FTSE 350 Lower Yield (222)	4786.26	-0.5	4415.00	4810.93	4791.95	4379.60	2.03	2.27	21.65	56.53	6104.14
FTSE SmallCap (217)	6752.74	-0.26	6230.36	6770.65	6763.08	6093.22	4.15	0.53	45.35	114.43

MARKET DATA

FT500: THE WORLD'S LARGEST COMPANIES

Stock	Price	Day Chg	52 Week High	52 Week Low	Yld	P/E	MCap m
Australia (A$)							
ANZ Bank♦	28.82	0.17	29.90	22.64	5.99	12.95	57544.54
BHP Group	43.32	0.89	50.84	41.93	5.97	19.86	145858.09
CmwBkAu	128.63	1.83	128.68	96.15	3.57	21.87	142919.6
CSL	293.70	1.69	306.42	228.65	1.21	38.54	94228.27
NatAusBk♦	36.69	0.73	36.72	25.40	4.49	16.89	75500.87
Telstra	3.63	0.01	4.38	3.39	4.78	20.19	27845.71
Wesfarmers	66.15	0.85	71.11	46.64	2.95	29.29	49809.67
Westpac Bank	27.47	0.32	28.05	20.41	5.10	15.56	63272.56
Woolworths	33.99	0.56	40.22	30.12	3.132773	69	27566.35
Belgium (€)							
AnBshInBv	55.88	-0.78	62.16	49.17	1.40	25.58	107467.61
KBC Grp	66.74	-0.38	71.70	48.78	6.15	8.09	29803.41
Brazil (R$)							
Ambev	11.39	0.07	15.78	10.98	7.13	11.19	33024.74
Bradesco	11.18	-0.05	15.77	10.87	5.50	8.85	10965.24
Cielo	5.63	0.01	5.67	3.24	8.42	6.52	2814.46
ItauHldFin	28.18	-0.07	31.02	22.46	4.88	7.54	25709.73
Petrobras	38.73	-0.31	44.77	31.44	26.91	3.33	53038.13
Vale	60.35	-0.55	78.55	59.36	9.88	6.12	50403.73
Canada (C$)							
Bausch Hlth	9.06	-0.28	15.43	8.32	-	-5.33	2393.83
BCE	44.83	-0.59	60.60	43.96	8.81	22.93	29930.9
BkMontrl	115.65	-0.75	133.95	102.67	5.17	15.63	61732.31
BkNvaS	62.58	-0.26	70.40	55.20	6.85	10.07	56319.58
Brookfield	58.88	11.29	63.88	41.28	0.63	73.41	69948.82
CanadPcR	107.57	-1.33	123.37	94.45	0.72	25.41	73440.38
CanImp	66.15	-	69.54	47.44	5.37	9.94	45659.9
CanNatRs♦	48.55	-0.18	56.50	35.08	7.85	6.31	76121.49
CanNatRy♦	160.70	-0.88	181.34	143.13	2.03	18.29	74632.21
Enbridge	47.84	-0.13	52.34	42.75	7.64	16.36	74446.24
GtWesLif♦	39.13	0.04	45.14	37.06	5.47	11.02	26709.4
ImpOil	93.54	-0.41	101.63	63.36	2.27	10.75	36685.95
Manulife	36.19	0.40	36.61	23.69	4.18	15.34	47406.77
Nutrien	70.77	-1.12	92.48	64.89	4.12	30.20	25624.74
RylBkC	145.33	0.23	149.24	107.92	3.78	13.26	150523.53
SHOP	88.87	1.05	123.20	63.16	-	-405.28	78700.49
Suncor En	51.26	-0.51	56.69	37.37	4.23	7.86	48080.69
ThmReut	225.51	-0.23	242.92	163.01	1.20	29.18	74212.97
TntoDom	74.87	-0.54	87.10	73.67	5.30	11.62	95754.9
TmCan	53.34	-0.05	55.28	43.70	7.12	20.10	40504.74
China (HK$)							
AgricBkCh♦	3.38	0.01	3.85	2.50	7.05	4.39	13304.38
Bk China	3.84	-	3.99	2.60	6.58	4.85	41118.75
BkofComm	6.15	0.02	6.33	4.23	6.65	4.89	27572.89
BOE Tech	0.54	-	0.87	0.40	5.52	6.87	13.76
Ch Coms Cons♦	4.72	0.04	5.07	3.16	5.26	2.92	2670.57
Ch Evrbrght	2.43	-0.02	2.64	2.13	8.58	3.68	3945.24
Ch Rail Cons	5.78	0.09	5.96	4.06	5.23	3.06	1536.77
Ch Rail Gp	4.36	0.10	5.35	3.06	4.94	3.15	2349.03
ChConstBk	5.80	0.02	5.95	4.01	7.30	4.09	178560.35
China Vanke	4.89	0.03	11.46	3.63	14.94	5.16	1381.67
ChinaOtic♦	4.98	-	5.09	3.39	7.25	3.93	9490.5
ChinaLife	11.30	-0.02	14.18	8.19	4.73	15.56	10767.38
ChinaMBank	35.75	0.35	39.60	24.20	5.30	5.89	21016.69
ChinaMob♦	74.45	0.50	77.80	60.90	6.19	11.04	195675.01
ChinaPcIns	20.00	-0.50	23.30	12.72	5.56	6.50	7107.74
ChMinsheng	2.94	-0.02	3.20	2.43	8.04	3.88	3132.42
ChMrchSecs	14.15	-0.08	15.91	12.62	1.32	15.09	14460.14
China Utd Coms	4.50	-0.05	5.61	3.90	2.74	16.66	19186.32
ChShenEgy	39.50	-0.05	40.70	21.45	7.39	12.72	17083.64
ChShpbldng	4.68	-0.01	5.31	3.81	-	-149.57	14693.18
ChStCnrEng	5.48	0.01	6.25	4.54	4.65	4.15	31177.47
ChUnicHK♦	6.78	0.13	6.83	4.45	5.12	10.16	26565.29
CNNC Intl	10.52	-0.02	10.63	6.72	1.63	18.67	27352.06
CSR	4.69	0.13	5.13	3.10	4.69	10.06	2625.13
Daqin	7.04	-0.01	7.82	6.91	6.87	10.75	17027.28
GuosenSec	8.79	-0.09	10.90	7.42	3.10	18.17	11060.56
HaitongSecs	3.70	-0.16	5.70	3.44	6.25	-85.37	1615.45
Hngzh HikVDT	30.92	-0.50	37.75	29.82	2.28	20.02	38777.42
Hunng Pwr	5.77	0.16	5.83	3.22	-	10.65	3472.97
IM Baomu Stl	1.38	-	1.97	1.36	-	205.41	5984.77
In&Cm$kCh	4.58	0.02	4.80	3.35	7.21	4.36	50902.97
IndstrlBk	17.32	-0.10	18.45	13.95	6.91	5.35	49541.71
Kweichow	1486.65	10.10	1935	1414.01	1.76	23.75	257135.02
Midea	0.34	-	0.41	0.26	-	-1.40	13.11
New Ch Life Ins	15.66	-0.04	23.45	12.46	7.54	6.72	2073.71
PetroChina♦	7.75	0.06	8.22	4.73	6.13	8.03	20938.76
PingAnIns♦	37.10	0.40	57.45	29.55	7.35	7.38	35381.8
PngAnBnk	10.08	0.10	12.53	8.96	2.85	4.42	26932.76
Pwr Cons Corp	5.48	-	6.08	4.45	2.21	7.96	9852.86
SaicMtr	13.96	-0.04	15.77	12.92	2.43	11.35	22249.11
ShenwanHong	0.08	0.00	0.15	0.05	-	-4.55	87.33
ShgPdgBk	8.20	0.05	8.64	6.36	3.93	7.82	33139.78
Sinopec Corp	4.97	0.05	5.28	3.64	7.75	8.56	15514.19
Sinopec Oil	1.71	0.03	2.27	1.60	-	53.09	3194.91
Denmark (kr)							
DanskeBk	208.30	-1.60	213.70	152.00	7.05	8.16	25764.91
MollerMrsk	11670	-20.00	14430	8412	4.46	15.60	10166.56
NovoB	1028	39.60	1028	504.40	0.93	51.00	499975.13
Finland (€)							
Nokia	3.51	-0.01	3.95	2.70	3.46	23.11	21084.63
SampoA	40.20	-0.19	41.80	34.55	4.53	17.04	21577.75
France (€)							
Airbus Grpe	134.78	-14.00	172.78	120.28	1.35	26.84	114269.81
AirLiquide	166.52	1.76	179.47	137.60	1.82	27.65	93407.44
AXA	30.76	-0.14	36.19	25.21	5.62	10.51	74761.99
BNP Paris	60.56	-0.71	73.08	52.82	6.52	9.88	73282.64
ChristianDior	696.00	2.00	839.50	613.50	1.84	19.42	134440.42
Cred Agr	13.14	-0.15	15.93	10.22	8.09	5.98	42547.67
Danone	58.16	-0.70	63.80	50.59	3.53	41.68	42293.51
EDF	12.00	-	12.05	7.27	2.41	-2.31	53889.44
Engie SA	13.68	-0.06	16.64	13.07	10.50	15.32	35637.11
EssilorLuxottica	207.40	-1.50	212.40	159.68	1.60	39.79	101496.87
Hermes Intl	2209	31.00	2436	1641	0.60	52.35	249550.91
LOreal	436.50	-5.60	461.85	372.00	1.41	36.93	249770.11
LVMH	736.80	10.30	892.70	644.00	1.74	23.67	394337.45
Orange	9.48	-0.10	11.41	9.19	7.48	-	26973.75
PernodRic	133.80	0.60	205.70	123.50	3.60	16.23	36601.27
Renault	48.38	-0.33	54.54	31.32	0.53	5.90	15310
Safran	199.25	-6.75	219.90	133.66	0.70	24.06	91099.6
Sanofi	90.87	0.51	104.32	80.60	3.97	24.86	123141.36
Sant Gbn	73.32	0.16	82.76	43.87	2.80	13.66	39543.76
Schneider	226.45	-0.70	239.00	134.38	1.43	31.71	139130.85
SocGen	22.28	-0.28	27.95	20.23	7.72	12.78	19144.55
Total	62.88	0.37	70.11	50.55	4.78	7.57	161335.16
UnibailR	74.40	-0.20	82.16	41.66	-	-6.19	11094.93
Vinci	101.50	-1.40	120.62	97.44	4.09	12.09	64037.16
Vivendi	9.85	-0.04	10.49	7.99	2.61	22.85	10851.45
Germany (€)							
Allianz	260.20	-1.30	280.00	202.35	4.50	11.97	109070.49
BASF	46.41	0.25	54.93	40.25	7.42	1527.99	44325.73
Bayer	26.15	-0.51	53.80	24.96	9.42	-8.52	27491.35
BMW	90.24	0.60	115.35	86.54	9.67	4.98	58132.29
Continental	54.20	-1.10	78.40	54.02	2.80	14.87	11600.26
Deut Bank	14.67	-0.17	17.01	9.90	2.07	5.08	31309.35
Deut Tlkm	23.32	0.17	23.45	13.50	3.08	27.72	124436.03
DeutsPost	44.73	0.54	45.03	23.68	4.18	14.57	60466.66
E.ON	12.59	-0.02	13.48	10.43	4.16	68.16	35585.41
Fresenius Med	35.67	-0.68	49.62	30.16	3.22	20.45	11199.75
Fresenius SE	28.26	-0.11	31.22	23.93	3.34	43.72	16889.71
HenkelKgaA	73.45	-0.30	75.80	53.36	2.56	22.87	20419.7
Linde	412.00	-2.00	437.60	313.00	1.15	35.23	211921.61
Mercedes-Benz	64.81	0.27	77.45	55.08	8.12	5.07	74106.3
MuenchRkv	466.10	-1.00	471.20	324.70	2.55	13.41	68066.86
SAP	181.72	2.26	188.48	113.52	1.14	88.86	238893.72
Siemens	169.58	-1.46	180.88	113.48	2.57	15.01	145174.39
Volkswgn	114.50	0.10	156.40	105.95	7.69	3.77	36156.39
Hong Kong (HK$)							
AIA	55.00	-0.45	81.70	45.25	2.81	21.47	78883.7
BOC Hold	24.20	0.20	26.10	17.86	5.90	7.87	32763.88
Ch OSLnd&Inv♦	14.00	-0.22	19.24	10.10	5.44	5.47	19621.44
ChngKng	29.95	0.50	45.60	23.05	7.57	6.20	13464.73
Citic Ltd	7.57	0.04	9.63	5.53	8.50	3.49	28198.94
Citic Secs	11.80	-0.10	18.07	10.86	4.54	8.64	3959.01
CK Hutchison	36.55	-0.20	49.00	35.35	7.73	5.99	17925.95
CNOOC♦	22.70	0.15	23.60	11.02	5.93	7.59	129576.13
HangSeng	161.50	-1.80	179.20	73.05	6.19	11.38	24645.09
HK Exc&Clr	255.40	-2.40	335.00	212.20	3.19	27.45	41464.36
MTR♦	24.45	-0.05	35.41	22.30	5.33	19.68	19465.42
SandsCh	17.22	-0.14	31.45	17.14	-	25.91	17040.55
SHK Props	69.40	-	100.20	63.55	7.09	8.20	25752.23
Tencent	382.00	1.60	401.00	260.20	0.62	29.36	460178.47
India (Rs)							
Bhartiart	1414.95	-4.85	1455.95	845.35	0.28	97.84	103161.04
HDFC Bk	1711.35	38.95	1757.5	1363.55	1.11	17.94	156049.21
Hind Unilevr	2432.2	-10.00	2769.65	2172.05	1.64	55.58	68491.53
ICICI Bk	1157.95	27.85	1206	899.00	0.67	20.21	101008.3
Infosys♦■	1541.95	14.80	1733	1262.25	2.30	26.19	76729.43
ITC	423.30	-	499.70	399.35	3.00	25.85	63339.11
L&T	3587.8	56.20	3919.9	2367.95	0.67	39.53	59119.14
OilNatGas	267.00	-2.90	299.95	155.85	3.83	8.04	40257.57
Reliance In	2908.3	25.35	3029	2220.3	0.31	28.16	235832.82
SBI NewA	842.25	9.55	912.00	543.20	1.34	11.82	90089.76
SunPhrmInds	1505.2	10.70	1633.85	986.00	0.76	40.71	43284.31
Tata Cons	3838.45	21.65	4254.75	3173	1.33	30.39	166448.6
Israel (ILS)							
TevaPha	62.35	-0.48	64.94	27.39	-	-39.70	18967.55
Italy (€)							
Enel	6.58	0.04	6.89	5.47	6.25	11.64	71564.53
ENI	14.24	0.11	15.83	12.64	6.61	13.14	50035.86
Generali	23.55	-0.11	24.98	17.98	5.06	-	39544.05
IntSPaolo	3.52	-0.02	3.77	2.28	6.83	8.15	68798.54
Unicred	34.92	-0.45	37.18	19.62	2.90	6.74	62837.3
Japan (¥)							
AstellasPh	1578.5	16.00	2270	1426	4.64	528.82	17886.44
Bridgestne	6490	125.00	7058	5474	3.47	12.08	29002.86
Canon	4435	67.00	4703	3422	3.26	15.01	37038.54
CntJpRwy	3431	82.00	4027	3218	0.92	8.39	22127.86
Denso	2482.5	50.00	2993.5	2075.5	2.18	20.42	48992.15
EastJpRwy	2652	46.00	3108.33	2505	1.49	12.56	18837.62
Fanuc♦	4323	65.00	5168	3603	2.46	26.25	26944.66
FastRetail	40690	430.00	48040	31140	0.89	34.69	81475.57
Fuji Hvy Ind	3448	94.00	3610	2395.5	2.48	6.74	16276.59
Hitachi	17525	775.00	17615	8561	1.00	18.20	101757.46
HondaMtr	1730	42.00	1958.5	1380.33	3.19	8.06	57195.44
JapanTob	4491	53.00	4622	2997	4.86	14.68	56241.2
KDDI	4260	40.00	5080	4059	3.70	11.71	58465.71
Keyence	70670	770.00	75040	52080	0.48	42.06	107467.93
MitsbCp	3165	117.00	3775	2182.33	2.47	12.98	82818.9
MitsubEst	1154.64	5.57	1191.47	972.54	-	-	-
MitsubishiEle	2639	29.50	2942.5	1651.5	2.04	18.21	33595.81
MitsuiFud	7905.8	4.41	1071.91	732.82	-	-	-
MitUFJFin	1641.5	62.00	1723.5	995.60	2.50	8.54	126811.06
Mizuho Fin	3265	138.00	3310	2116	3.19	11.23	51912.27
Murata Mfg	3300	-45.00	3488	2461	1.71	25.69	41132.23
Nippon TT	150.90	1.50	192.90	144.80	3.66	9.55	85558.28
Nissan Mt♦	547.50	7.80	712.50	518.00	3.08	4.39	13402.45
Nomura	934.60	33.30	1006	526.20	2.41	22.44	18513.29
Nppn Stl	3395	52.00	3847	2893	5.47	5.07	20450.37
Panasonic	1323	19.50	1808	1252.5	2.77	5.47	20331.15
Seven & I	1964.5	24.50	2244.5	1720.67	2.02	21.08	32390.79
SmtEtsuCh♦	6125	106.00	6926	4190	5.97	20.40	76768.8
Softbank	9538	-33.00	10550	5639	0.50	-23.06	91473.73
Sony	13170	245.00	14915	11535	0.68	16.92	102966.84
Sumitomof	10350	320.00	10580	5885	2.83	14.69	85376.54
Takeda Ph	4176	81.00	4873	3990	4.96	32.98	41377.42
TokioMarine	5780	260.00	5780	2960.5	2.15	16.76	71587.24
Toyota	3296	146.00	3891	2180	2.22	8.80	325977.74
Mexico (Mex$)							
AmerMvl	16.40	0.11	20.25	15.66	-	17.00	41116.45
FEMSA UBD	191.26	-3.65	245.00	175.10	1.83	28.22	22725.74
WalMrtMex	61.01	0.35	73.50	59.28	2.02	18.19	58520.55
Netherlands (€)							
ASML Hld	950.20	1.70	993.60	534.40	0.64	51.97	406302.12
Heineken	93.56	1.06	99.30	81.54	2.11	22.29	57668.68
ING	15.86	0.05	16.66	11.43	4.78	7.58	56057.33
Unilever	52.44	-0.04	52.80	42.97	2.82	23.64	166052.5
Norway (Kr)							
DNB	210.20	-0.80	224.40	180.45	5.03	9.64	30509.16
Equinor	296.30	2.35	382.85	256.70	4.33	8.57	83942.12
Telenor	122.60	-	131.80	102.05	7.51	23.25	16185.57
Qatar (QR)							
QatarNtBk	14.33	0.11	17.15	12.83	4.56	7.26	36352.09
Saudi Arabia (SR)							
AlRajhiBnk	81.30	0.30	91.60	63.10	2.84	20.18	86685.32
NatnlCombnk	36.40	-	44.35	30.90	4.00	11.18	58216.74
SaudiBasic	74.50	-0.30	91.00	73.50	4.58	195.14	59576.16
SaudiTelec	37.05	-0.45	45.95	35.00	4.30	13.99	49380.25
Singapore (S$)							
DBS	35.65	0.11	36.15	27.75	4.93	8.81	74828.41
JardnMt US$	36.12	-0.64	52.57	34.92	6.05	15.33	10498.6
OCBC	14.41	0.10	14.58	12.00	5.59	8.78	47847.54
SngTel	2.66	0.01	2.68	2.25	3.84	13.41	32397.06
UOB	30.90	0.32	31.35	26.82	5.29	9.09	38181.6
South Africa (R)							
Firstrand	74.87	0.22	78.68	58.90	5.07	11.19	23110.87
MTN Grp	84.55	-0.73	142.99	77.53	3.85	38.38	8767.19
Naspers N	3563.41	-121.07	4084.54	2673.3	-	8.61	34059.36
South Korea (KRW)							
HyundMobis	250500	12500	270000	198300	0.43	6.21	16789.38
KoreaElePwr	19350	-	25450	16030	-	17.53	8952.8
SK Hynix	225000	2000	243000	109700	0.55	-32.45	118054.44
SmsungEl	80800	200.00	86000	65800	1.91	35.41	347645.69
Spain (€)							
BBVA	9.28	-0.11	11.28	6.53	1.75	6.74	57232.59
BcoSantdr	4.38	-0.03	4.93	3.01	3.25	6.45	74183.67
CaixaBnk	5.01	0.00	5.32	3.49	7.92	7.85	39526.74
Iberdrola	12.45	0.13	12.51	9.88	4.21	13.44	85576.14
Inditex	46.82	-0.39	47.68	32.32	1.72	26.86	156151.09
Repsol	14.76	-0.05	16.22	12.48	5.15	6.07	20169.27
Telefonica	4.04	-0.07	4.48	3.49	7.52	-24.92	24495.1
Sweden (SKr)							
AtlasCpcoB	169.20	-4.45	178.45	119.10	1.34	29.17	25116.76
Ericsson	64.36	-0.58	66.48	48.53	4.14	-8.55	18891.95
H & M	190.65	-2.35	195.10	137.10	3.47	32.33	25676.66
Investor	286.85	-2.60	293.50	197.88	1.51	5.53	49703.05
Nordea Bk	126.50	-1.40	134.30	108.80	8.28	7.71	42174.14
SEB	151.80	-1.85	157.45	111.90	5.52	8.46	30545.53
SvnskaHn	99.30	-1.35	125.95	86.34	6.46	7.19	18365.97
Swedbank	215.10	-2.90	233.80	173.15	6.95	7.03	23157.09
Telia Co	27.93	-0.11	28.07	20.98	5.30	236.06	10444.59
Volvo	267.70	-3.60	321.10	210.10	2.76	10.83	40440.97
Switzerland (SFr)							
ABB	49.67	-0.45	51.78	29.13	1.74	28.39	104510.11
CredSuisse	0.82	0.01	5.86	0.66	11.88	-0.31	3611.19
Nestle	93.90	-0.78	109.80	89.52	3.32	21.01	275049.46
Novartis	95.89	-0.12	96.28	79.21	3.51	24.29	234772.7
Richemont	144.35	3.85	154.00	102.95	1.62	21.31	85757.2
Roche	253.40	-2.00	277.90	212.90	3.96	16.76	199037.83
Swiss Re	112.45	-0.65	117.20	83.10	5.06	12.06	39915.67
Swisscom	505.50	-1.00	565.80	486.80	4.60	14.49	29275.96
UBS	26.5'	-0.87	28.78	17.26	2.08	3.06	91779.95
Zurch Fin	485.30	-1.90	492.90	401.70	4.90	18.36	79407.96
Taiwan (NT$)							
Chunghwa Telecom	126.00	-0.50	128.00	114.00	3.79	26.20	30136.67
Formosa PetChem	65.50	-0.30	87.00	64.70	1.71	27.30	19237.87
HonHaiPrc	211.00	5.00	217.50	94.00	2.64	19.95	90187.35
MediaTek	1385	-25.00	1500	652.00	7.63	27.27	68296.4
TaiwanSem♦	945.00	5.00	984.00	516.00	1.32	27.69	755516.22
Thailand (THB)							
PTT	32.50	-	36.50	31.00	4.93	7.77	25328.81
United Arab Emirates (Dhs)							
Emrtestele	24.30	0.70	38.98	11.60	2.95	22.59	57535.64
United Kingdom (p)							
Anglo American	2520	20.00	2813	1630	4.02	139.67	42711.91
AscBrFd♦	2498	-21.00	2765	1907.5	1.89	16.16	23574.13
AstraZen	12550	72.00	12704	9461	1.82	39.15	246533.91
Aviva	480.10	-4.20	501.40	366.00	6.62	12.91	16306.17
Barclays	206.15	-1.40	224.30	128.12	3.88	7.96	38769.89
BP	473.90	-0.25	562.30	441.05	4.61	7.04	99875.59
BrAmTob	2515	-20.00	2742	2233	9.18	-3.89	70818.48
BT	139.95	-5.10	145.95	101.70	5.50	7.40	17549.69
Compass	2225	-19.00	2332	1940.5	1.67	29.55	47386.79
Diageo	2572.5	-5.50	3509	27.11	3.04	17.54	72468.05
GlaxoSmh♦	1595	-13.50	1823.5	1302.6	3.64	14.66	83774.32
Glencore	454.50	-5.00	506.72	365.31	7.69	17.04	70266.58
HSBC	687.00	-3.70	725.20	572.90	7.09	7.48	162198.63
Imperial Brands	2055	-9.00	2077	1968	6.90	8.19	22337.42
Jardine Mathes.	62.50	-	51.00	36.45	3.54	26.53	18166.19
LlydsBkg	55.54	-0.14	57.39	39.42	4.54	7.93	44348.76
LSE Group	9598	-28.00	11080.2	7784	1.16	69.49	64514.45
Natl Grid	895.00	6.20	1052.85	845.00	5.77	12.13	54516.2
Natwest Group	310.00	-5.70	329.80	168.00	5.48	6.67	32593.35
Prudential	744.00	-15.00	1123	684.73	2.06	15.32	25922.87
RecktitB	4378	-66.00	6086	4102.64	4.27	19.25	38802.78
RELX	3615	3.00	3635	2432	1.55	38.42	85335.31
RioTinto	5239	11.00	5910	4509.5	6.06	10.83	83153.67
RollsRoyce	466.00	-5.30	488.50	143.75	-	16.24	49700.09
Shell PLC	2807.5	13.00	2961	2251	3.64	12.99	225202.09
StandCh	728.40	-3.40	796.00	571.00	2.93	8.23	23568.95
Tesco♦	307.60	-0.80	316.10	217.53	3.54	15.66	27328.77
Unilever	4428	-9.00	4464	3680.5	3.39	19.96	140213.66
Vodafone	70.66	-1.64	82.56	62.71	11.05	2.14	23970.96
WPP♦	743.80	-21.40	878.60	7.24	5.30	13.64	10165.47
United States of America ($)							
21stC Fox A	34.38	-0.09	35.41	28.26	1.52	10.81	7945.79
3M	101.48	-1.51	106.04	71.35	5.94	-7.95	55155.1
AbbottLb	105.6'	0.31	121.64	89.67	1.98	32.80	183722.72
Abbvie	170.07	-1.07	182.09	130.90	3.44	63.20	301733.03
Accenture	307.46	0.25	387.51	278.69	1.57	27.83	206599.86
Actvision Bli.	94.42	-0.05	94.57	70.94	-	36.23	74289.5
Adobe	527.70	3.53	634.59	433.97	-	50.31	235409.6
Advanced Micro	159.96	-0.29	227.30	93.12	-	231.11	258545.41
AEP	87.23	-0.91	93.44	69.36	3.93	16.19	45380.83
Aflac	90.10	-0.33	91.15	67.02	1.96	9.88	51196.84
AirProd	267.0'	-3.90	307.71	212.24	2.64	24.07	59356.79
Allstate	160.72	-1.69	177.37	100.57	2.24	35.06	42416.47
Alphabet	182.56	3.34	182.66	115.35	-	27.91	1072357.44
Altria	46.37	-0

FINANCIAL TIMES SHARE SERVICE

Main Market

	Price	+/-Chg	52 Week High	52 Week Low	Yld	P/E	Vol 000s
Aerospace & Defence							
Avon Protection	1312	-40.00	1408	582.00	2.79	-29.23	19.8
BAE Sys	1337	-15.50	1415.25	883.40	2.10	22.14	6155.3
Chemring	379.00	-4.00	412.14	258.00	1.61	28.93	530.1
Automobiles & Parts							
FordMtr $◆	12.11	-0.12	15.42	9.63	4.97	12.45	16903.4
Banks							
ANZ A$◆▪	28.82	0.17	29.90	22.64	5.99	12.95	4337.3
BcoSant	366.00	-4.50	423.00	257.00	3.28	6.33	128.6
BnkGeorgia	3990	-90.00	5510	2646.26	3.49	4.53	200.8
BankIre Grp €	9.86	0.03	10.80	7.74	2.19	6.85	14.9
BkNvaS C$◆	62.58	-0.26	70.40	55.20	3.85	10.07	748.8
Barclays◆	206.15	-1.40	224.30	128.12	3.88	7.95	62344.8
CanImp C$◆	66.15	-	69.54	47.44	5.37	9.94	410.7
HSBC◆	687.00	-3.70	725.20	572.90	7.09	7.43	16325.4
LlydsBkg◆	55.54	-0.14	57.39	39.42	4.54	7.93	96974.7
NWG◆	310.00	-5.70	329.80	168.00	5.48	6.67	17518.5
PermTSB €	2.35	-0.04	2.81	1.18	-	53.03	65.9
RylBkC C$◆	145.33	0.23	149.24	107.92	3.78	13.25	503.9
StandCh◆	728.40	-3.40	796.00	571.00	2.93	8.23	3289.8
..7.375%Pf	110.35	1.60	108.43	94.50	5.68	-	650.0
..8.25%Pf	122.00	1.25	122.00	101.36	5.76	-	200012.9
TntoDom C$◆	74.87	-0.54	87.10	73.67	5.30	11.62	685.9
Westpc A$◆	27.47	0.32	28.05	20.41	5.10	15.55	5153.0
Chemicals							
Elementis	147.00	-1.60	161.17	96.60	-	39.87	486.0
Johnsn Mtthey	1595	-29.00	1917.07	1428.5	4.83	16.53	973.4
Victrex◆	1182	-38.00	1632	1114	5.04	16.77	73.9
Construction & Materials							
Boot(H)	205.00	-3.00	229.00	170.00	3.38	10.62	58.9
GalfrdT	242.00	-2.00	279.00	185.81	4.34	17.54	113.2
MorgSdl	2600	-25.00	2705	1640.14	4.00	10.33	35.4
Tyman	350.50	-3.50	400.00	231.50	3.91	17.97	562.9
Electronic & Electrical Equip							
Dialight	195.50	-	238.00	135.00	-	-16.80	0.9
Discoverie PLC	680.00	-11.00	900.00	586.00	1.68	30.22	63.6
Halma	2686	-16.00	2711	1802	0.75	42.75	728.1
Morgan Ac	315.00	-7.50	338.00	215.50	3.81	10.33	208.5
Oxfordin	2545	-90.00	2850	1634	3.77	24.71	126.4
Renishaw	3750	-45.00	4500	2823.42	2.03	28.05	25.9
Spectris◆	2790	-68.00	3861	2750	2.75	20.01	166.4
TT Elect	151.50	-0.50	189.80	133.60	4.26	-38.85	241.1
XP Power	1488	34.00	2489.2	682.41	3.63	-32.73	13.2
Financial General							
3i◆	3110	-18.00	3180	1837.5	1.70	6.73	2419.2
abrdn	147.30	-5.75	238.00	134.60	9.91	1473.00	13473.5
Bridgepoint Grp Plc	222.20	-5.00	300.60	164.80	3.78	24.69	352.3
CtyLonInv	376.00	2.00	435.00	300.00	8.37	13.01	10.3
ClosaBrs	438.40	-6.60	989.50	273.00	15.40	4.63	245.9
CoinShares Int Ltd Sdr	58.70	-0.40	72.90	34.55	-	0.59	32.3
Hargr Lans	1134.5	-5.00	1169	675.40	3.39	20.22	649.9
Indvardn SKr	356.60	-3.70	377.20	273.70	2.01	4.95	268.9
ICG	2124	12.00	2176	1224	3.89	27.46	1022.3
Investec	571.00	-5.50	594.00	413.00	5.43	7.77	470.4
Jupiter	78.50	-2.70	128.30	71.10	5.10	-31.40	280.8
Liontrust	751.00	-19.00	865.00	513.00	6.26	9.39	312.5
LSE Gp◆	9598	-28.00	11080.2	7784	1.16	69.49	1101.2
RathbnGrp	1732	-28.00	1954	1436	6.87	34.09	21.0
Record	65.00	-	98.90	55.20	6.92	12.77	46.8
S & U◆	1920	30.00	2450	1750	6.93	9.18	0.1
Schroder	371.80	-6.60	470.00	345.20	5.78	15.36	3100.2
Shires Income	244.00	-3.00	253.00	200.00	5.82	8.70	70.3
StJmsPl	550.50	-7.00	1185.5	393.60	9.63	-305.83	1300.4
TP ICAP	204.00	-3.50	230.50	140.60	6.23	21.94	1105.6
Vanqus	49.85	-	200.50	43.15	30.69	-20.77	530.8
Food & Beverages							
AngloEst◆	666.00	-	800.00	650.50	2.93	7.15	3.7
AscBrFd◆▪	2498	-21.00	2765	1907.5	1.89	16.16	1091.9
BarrAG)	626.00	5.00	637.00	445.00	2.12	18.28	145.9
Britvic	1160	-12.00	1214	773.00	2.53	24.22	1142.8
CarrsGroup	147.00	0.50	152.02	92.00	5.48	-133.64	57.6
Coca-Cola HBC	2730	-	2830	2065	2.48	18.21	1429.3
Cranswk	4460	-20.00	4570	3158	1.78	18.97	48.4
Diageo◆	2572.5	-5.50	3509	27.11	3.04	17.54	2638.2
Grncore	165.40	-2.40	178.60	69.35	-	22.97	1777.8
HiltonFd◆	894.00	-6.00	957.00	614.00	3.53	22.24	61.6
Kerry €	75.90	0.40	92.88	71.05	1.46	18.05	12.1
PremFds	165.40	-5.00	180.20	111.50	0.87	14.90	840.5
Tate&Lyl	623.00	-8.50	777.50	587.00	4.94	13.34	2107.6
Unilever◆	4428	-9.00	4464	3690.5	3.39	19.96	2650.1
..NV	-	-	-	-	-	-	-
Health Care Equip & Services							
GNStre kr	200.70	-1.70	227.90	113.10	-	52.17	432.6
Smith & Nephew	979.20	-17.00	1269	887.00	2.99	41.47	2048.8
House, Leisure & Pers Goods							
BarrttDev	474.60	-1.20	582.60	384.15	7.10	21.09	4422.2
Bellway◆	2564	-8.00	2898	1903	5.46	14.22	86.4
Berkeley	4654	22.00	5360	3753	2.77	11.05	261.3
Burberry Gp	972.60	-45.40	2275	952.40	6.27	8.14	4438.7
Cairn Homes	136.20	-2.00	151.20	89.00	3.94	12.47	1468.5
GamesWk	10750	-40.00	11850	8860	4.14	25.39	33.2
Gleeson	530.00	-	590.00	344.50	2.64	18.21	17.4
Headlam	140.00	-1.00	260.00	138.00	10.86	14.58	17.3
McBride	134.50	3.00	139.00	24.10	-	13.32	85.9
Philips €	23.78	-0.77	29.10	16.48	-	-48.42	16703.4
PZCusns	100.60	-4.00	177.00	81.50	6.36	-12.51	2887
Redrow	667.50	-0.50	750.00	423.62	4.49	10.40	1448.4
Superdry Plc	6.06	-0.33	20.57	1.21	-	-0.04	17154
Vistry Group	1181	-11.00	1383	12.65	2.71	18.54	854.1
Industrial Engineering							
Bodycote	690.00	-41.00	774.00	545.00	3.13	15.40	383.4
Goodwin	8060	140.00	8100	4200	1.38	38.65	4.4
Hill&Sm◆	1904	-50.00	2155	1426	1.94	22.40	101.0
IMI	1780	-40.00	1911	1429	1.49	19.52	438.1
Melroselnd	567.80	-13.80	681.20	445.40	1.06	5678.00	12866.9
Renold	53.00	-1.00	66.80	26.50	-	7.79	616.2
RHIM	3420	5.00	3827.43	2456	4.18	11.54	25.9
Rotork	325.60	-7.20	348.00	277.20	2.10	24.67	620.9
Severfd	76.40	-1.20	79.64	48.10	4.45	11.22	682.3
Weir	1991	-5.00	2210.25	1652.5	1.86	22.57	466.6
Industrial General							
Coats Group	80.50	-1.90	89.60	63.50	2.47	20.00	1342.5
Macfrlne	121.50	-1.50	147.50	98.38	2.85	13.01	197.4
Smith DS	370.80	5.20	415.00	260.50	4.85	11.07	6268.8
Smiths	1699	-26.00	1776.5	1517.5	2.45	25.55	566.2
SmurfKap	3616	-4.00	3910	2528	3.38	14.33	609.5
Industrial Transportation							
Braemar	292.00	-1.50	317.64	215.00	3.77	-32.44	94.2
Fisher J	319.00	4.00	416.53	238.73	-	75.71	41.9
intˈldistser	315.40	-2.40	340.00	209.82	-	-2.99	1610.1
OceanWI	1310	-5.00	1500	912.26	4.18	8.81	66.8
Insurance							
Admiral	2627	58.00	2873	2010	2.87	23.71	894.5
Aviva◆	480.10	-4.20	501.40	366.00	6.62	12.91	8190.0
Chesnar	247.00	-	289.50	242.70	9.52	20.10	106.2
Direct Line	201.60	-0.80	240.13	132.11	-	12.84	1638.8
Eccles prf◆	132.00	-	138.00	115.00	6.53	-	36.9
Hansard	47.50	-0.10	53.00	37.20	9.37	9.90	3.4
Hiscox	1150	-11.00	1277.85	926.04	2.53	7.28	424.2
Lancashire	605.00	-4.00	690.00	525.00	1.94	5.84	79.0
Leg&Gen	229.20	-1.20	257.90	203.10	8.57	31.40	13778.1
Old Mut	51.60	-0.90	58.30	41.55	6.98	7.81	1038
PhoenixGrp	526.50	1.00	564.80	436.40	9.88	-38.15	7632.1
Prudntl◆	744.00	-15.00	1173	684.73	7.06	15.32	5174.0
LEISURE							
PhotoMe International Plc	107.00	5.00	109.00	55.70	5.58	8.04	655.5
Media							
4imprint	5950	-210.00	6780	4115.9	2.50	26.61	27.4
Auto Trader Group PLC	796.60	-8.00	849.00	584.80	1.05	31.47	3003.3
DlyMailA	270.00	-2.50	1178	264.50	8.95	10.31	111.0
Informa◆	868.60	-0.20	890.62	684.00	1.45	29.05	4700.6
ITV	81.20	-1.00	82.85	55.49	6.16	15.62	6904.8
Pearson	977.60	1.80	1046.5	809.60	2.24	18.55	1611.9
MEDIA							
Reach PLC	93.70	-0.80	95.40	58.47	7.83	13.78	322.6
Media							
RELX PLC◆	3615	3.00	3635	2432	1.55	38.42	2212.9
Rightmove PLC	549.60	-17.60	603.00	5.31	1.60	22.52	5148.5
STV Grp	275.00	-1.00	297.00	175.00	4.11	29.26	12.7
WPP◆▪	743.80	-21.40	878.60	7.24	5.30	73.64	2937.7
Mining							
AngloAmer◆	2520	20.00	2813	1630	4.02	139.67	5263.0
ArGoldA R	441.05	2.47	483.57	287.40	1.93	243.50	1001.7
Antofagasta	2117	-4.00	2425	15.82	2.32	31.86	1011.7
BHP Group	2246	7.00	2707.5	2157	6.06	19.65	742.9
Ecora Resources	74.80	-1.40	124.20	69.40	8.57	288.80	364.5
Ferrexpo	44.35	0.35	97.90	40.75	-	-3.92	926.1
Fresnillo	559.50	-4.50	647.50	435.20	2.08	22.50	649.5
Glencore◆	454.50	-5.00	506.72	365.31	7.69	17.04	21862.7
Hermony R	168.30	1.78	187.42	65.00	0.44	11.89	2568.6
PolymtIntl#	215.00	50.00	362.02	125.00	-	2.47	12.0
Rio Tinto◆	5239	11.00	5910	4509.5	6.06	10.83	2036.2
Troy Res A$	0.04	0.00	0.20	0.03	-	-0.24	3131.9
Oil & Gas							
BP◆	473.90	-0.25	562.30	441.05	4.61	7.04	17541.3
Capricorn Energy	177.50	-5.50	379.56	139.14	-	-1.63	45.2
ExxonMb $◆	113.63	-0.42	123.75	95.77	3.28	13.88	4169.1
Gazprom PJSC ADR $◆	0.58	-	10.97	0.02	-	0.61	3213.3
GeoPark $	11.12	0.03	11.13	8.05	4.70	5.77	118.8
HELLENIQ ENERGY €	7.90	-0.04	8.81	6.55	9.74	4.94	650.0
ImpOil C$◆	93.54	-0.41	101.63	63.36	2.27	10.75	277.6
TnCan C$◆	53.34	-0.05	55.28	43.70	7.12	20.10	2032.9
Wood Group (John) PLC	197.30	-1.80	211.80	117.67	-	-12.96	3255.1
Pharmaceuticals & Biotech							
AstraZeneca◆	12550	72.00	12704	9461	1.82	39.15	1465.6
GlaxoSmh◆▪	1595	-13.50	1823.5	1302.6	3.64	14.66	9783.1
HikmaPhm	1941	-38.00	2222	1711	2.50	29.11	252.5
Oxfd Bio	300.00	-9.50	460.00	164.29	-	-1.84	133.7
RichterG $	25.40	-	27.60	23.40	4.44	10.28	0.0
Real Estate							
REITs							
Assura	39.92	-0.18	50.12	37.54	8.02	-7.13	4761.3
BritLand	409.00	-3.40	446.80	287.30	5.54	-3.55	6155.7
Cap&Rag	60.40	-	63.80	48.88	8.59	-11.53	12.7
Civitas SH	79.80	-	86.18	51.67	6.81	13.62	115.0
DrwntLdn	2276	-14.00	2452	1766	3.47	-5.36	79.3
Great Portland	335.50	-4.50	381.00	290.50	3.76	-2.57	375.1
LandSecs	625.50	-4.00	729.40	551.20	6.24	-7.60	4050.4
LondonMtrc	193.90	-2.30	210.80	152.30	4.95	-10.26	3964.5
Palace Cap	237.00	-	265.00	200.00	6.33	4.45	17.1
PrimyHth	91.55	-0.75	109.00	84.20	7.32	45.78	1961.6
SEGRO	902.20	-5.20	944.80	675.00	2.98	-43.58	2128.0
Shaftesbury Cap	138.70	-1.80	151.10	101.50	2.31	3.06	3016.8
TritaxBBOX	153.20	-2.00	173.00	121.80	4.72	41.18	3041.6
Wkspace	579.00	-9.00	617.00	449.20	4.46	4.99	52.6
Real Estate Inv & Services							
Grainger	238.00	-4.50	278.80	215.40	2.59	68.00	561.5
Harworth Grp	146.00	-0.50	149.50	95.40	0.94	12.70	43.5
Helical	240.00	1.00	281.80	181.00	4.90	-1.68	278.4
Lon&Assc	11.50	-	18.00	7.00	-	-2.54	4.7
Mntview	9700	-	11500	9075	5.15	14.20	0.1
Savills	1100	-32.00	1208	745.00	1.85	38.19	118.2
SiriusRE	96.20	-0.40	101.70	77.50	5.08	31.86	1104.4
Smart(J)	125.00	-	172.00	108.00	2.58	416.67	12.0
U+I	148.50	-0.50	151.50	58.51	-	-2.12	98.8
Retailers							
Caffyns	450.00	-	628.00	400.00	5.00	9.55	1.4
Dunelm	1080	-14.00	1335.53	959.00	3.89	14.63	315.6
Halfords	136.40	-3.20	244.80	136.64	7.33	9.22	376.8
Inchcape	752.50	-11.00	892.50	597.50	4.11	11.61	330.6
JDSportsF	127.05	-2.90	177.75	103.00	0.63	33.17	6673.0
Kingfisher	244.20	-3.10	274.00	198.30	5.08	13.57	12468.9
Marks&Sp	287.70	-8.30	314.00	183.80	-	221.31	7676.6
Ocado	290.40	-22.10	1017	281.20	-	-7.55	9657.7
Saga	110.60	-2.20	154.80	100.20	-	-1.37	442.2
Sainsbry (J)◆	259.80	-0.40	311.16	243.80	4.08	21.83	6037.3
Tesco◆▪	307.60	-0.80	316.10	217.53	3.54	15.66	22854.4
Support Services							
Ashtd&p	5354	-140.00	6180	4437	1.48	18.50	459.4
Bunzl◆	3018	-36.00	3306	2680	2.11	19.35	473.1
Capita	13.76	-0.44	29.70	12.48	-	-1.30	4564.7
DCC	5535	-105.00	6075	4145	2.89	18.29	126.7
DeLaRue	99.40	0.40	107.00	29.10	-	4.48	116.7
Diploma	4098	-42.00	4340	2772.88	1.38	47.49	144.6
Essentra PLC◆	164.00	-2.00	191.80	130.20	1.34	82.00	377.1
Experian	3675	-12.00	3796	2366	1.21	39.98	1547.3
Ferguson	15045	-430.00	17810	11665	1.56	22.28	61.2
Hays	98.70	-3.20	111.90	87.00	3.04	18.94	1488.1
HowdenJny	872.00	-19.00	937.00	605.00	2.37	18.83	1136.6
Intertek	4732	-46.00	5145	3746	2.31	25.86	264.1
Mitie	116.40	-2.60	124.94	90.70	2.49	16.87	2204.7
Rentokil	458.40	0.60	663.80	387.80	1.72	30.42	12486.3
Ricardo	492.00	-	619.60	394.01	2.43	-492.00	6.9
RbrtWtts	420.00	-	472.00	344.00	5.60	22.11	7.1
RS Grp	720.00	-21.50	852.60	551.20	2.90	14.43	1533.5
SIG	25.55	-0.35	39.36	20.65	-	-6.72	970.4
Yp	720.00	20.00	745.00	460.00	5.21	12.00	21.6
Tech - Hardware							
SpirentCM	184.50	0.10	203.80	79.75	3.33	55.21	1397.2
Tech - Software & Services							
Computcnt◆	2942	-18.00	2982	1994.3	2.32	16.99	125.9
NCC Grp	151.00	-2.00	157.20	90.50	3.08	-33.56	514.0
Sage	1080.5	14.00	1285	864.40	1.73	52.88	2701.3
TriadGp	290.00	-	300.47	105.00	2.07	-75.92	2.3
Telecommunications							
Airtel Africa	117.90	-1.00	132.50	90.20	3.86	-33.86	2291.4
BT◆	139.95	-5.10	145.95	101.70	5.50	7.40	22166.3
TelePlus	1758	-44.00	1932	1356	3.24	45.06	83.3
Vodafone Gp◆	70.66	-1.64	82.56	62.71	11.05	2.14	55165.1
Tobacco							
BrAmTob◆	2515	-20.00	2742	2233	5.18	-3.86	3298.3
Imperial Br◆	2055	-9.00	2077	19.68	6.90	8.19	2652.3
Travel & Leisure							
Carnival	1251	107.00	1388	793.00	-	49.45	2390.4
Dalata Hotel	347.00	-	436.00	324.00	1.00	10.04	21.2
easyJet	463.60	8.40	591.07	350.00	-	10.86	7220.9
FirstGrp	158.30	1.90	189.00	131.40	2.40	-105.53	856.3
Rutter Entertainment	14800	200.00	17980	12020	-	-25.23	187.3
Fuller A	700.00	4.00	742.00	540.00	2.10	40.00	5.3
IntCon Htels Gp	8350	12.00	8790	5184	1.35	24.12	259.7
Intl Cons Air	168.20	-3.35	187.65	2.14	-	3.76	10064.3
Whitbrd◆	2977	16.00	3714	2848	-	-24.16	1378.8
Utilities							
Drax	511.50	-3.50	637.60	395.20	4.26	3.67	462.2
Natl Grid◆	895.00	6.20	1052.85	645.00	5.77	12.13	10194.6
Pennon	596.50	-9.00	774.50	532.83	7.16	-92.31	574.4
Severn Trent	2458	-16.00	2761	2243	4.35	59.05	497.6
SSE	1828	2.00	1932.5	1485	5.29	34.30	1921.3
UtdUtils	1006	-8.50	1139.5	896.76	4.52	-214.04	1268.2

AIM

	Price	+/-Chg	52 Week High	52 Week Low	Yld	P/E	Vol 000s
Aerospace & Defence							
Cohort	786.00	2.00	860.00	430.00	1.70	24.13	15.1
Velocity Composites PLC	39.00	-	53.00	28.00	-	-4.88	3.9
Banks							
Caribbean Inv	26.50	-	45.40	24.03	-	3.05	138.6
Basic Resource (Ex Mining)							
CropperJ	345.00	-	870.00	212.00	1.74	10.15	0.7
Chemicals							
Directa Plus PLC	17.00	-	65.00	16.00	-	-2.83	5.6
Versarien PLC	0.07	-	2.39	0.06	-	-0.01	37429.8
Construction & Materials							
AccsysTch	63.00	1.10	108.00	49.90	-	-2.73	98.0
Electronic & Electrical Equip							
Checkit	23.00	-	31.00	18.10	-	-5.43	22.5
IPA	65.50	-	92.00	55.60	-	-242.59	4.3
ThorpeFW	340.00	15.00	460.00	320.00	1.90	18.03	54.0
Zytronic	58.00	-1.00	100.00	50.00	3.79	-3.77	12.1
Financial General							
Arbuthnot	985.00	-2.50	1150	840.00	4.47	4.42	1.3
BP Marsh	520.00	-	529.80	347.20	0.47	14.33	18.5
Burford Capital Ltd	1029	-10.00	1388	900.00	0.96	4.79	240.5
Gresham House Plc	1100	-20.00	1120	652.00	1.45	30.51	177.7
MatlolWds	789.00	1.00	800.00	481.00	3.40	41.09	276.6
Premier Miton Group	69.00	-	89.60	43.10	13.48	29.36	85.3
Food & Beverages							
Camellia	4280	-60.00	5850	4048.6	3.41	-31.94	0.4
Fevertree Drinks	1079	-2.00	1445	947.00	1.52	81.87	192.0
Nichols	1030	-5.00	1520	882.00	2.71	20.47	12.6
Health Care Equip & Services							
AVO#	1.93	-	25.75	1.75	-	-0.23	2000
Tristel	432.50	-	503.50	315.00	2.43	34.57	19.4
House, Leisure & Pers Goods							
Churchill	1150	-	1500	947.00	2.74	15.39	38
Frontier Developments PLC	254.00	-	649.00	95.00	-	-1.62	58.3
Portmern	230.00	-	426.72	200.17	5.65	-3.74	7.5
Sanderson Design Grp	102.50	-	130.00	95.31	3.41	7.88	34.4
Industrial Engineering							
600 Grp#	2.65	-	13.50	2.00	-	15.50	40.4
MS Intl	1025	10.00	1086	522.00	1.46	24.58	7.3
IT							
Keywords Studios◆	2192	-46.00	2498	1101	0.11	101.43	947.5
Learning Technologies Group◆	82.50	-0.60	90.13	58.62	1.94	20.70	771.4
Media							
Mission Group	20.50	-0.50	50.00	10.00	8.15	-1.63	16.2
Mining							
AMC#	0.09	-	48.00	11.20	-	-0.55	5981.6
CentAsiaM	200.50	-3.50	235.00	150.20	9.21	13.01	95.4
Gemfields	13.00	0.25	16.65	11.00	17.40	-20.70	606.1
Oil & Gas							
BorSthnPet	2.60	0.05	3.30	1.70	-	-17.45	1334.8
Phoenix Global	6.50	0.25	7.95	3.07	-	-1.63	53.0
UrJackOil	16.75	-	32.50	14.00	1.79	8.86	20.9
Pharmaceuticals & Biotech							
Reneuron#	3.38	-0.08	11.50	3.28	-	-0.38	177.6
Sareum	40.00	-2.50	136.40	10.00	-	-6.45	283.0
Real Estate							
Lok'nStor	1095	-	1180	621.50	1.74	87.32	56.7
Retailers							
Boohoo Group PLC	34.44	-0.88	42.63	27.77	-	-5.07	1613.5
CVS Group PLC	1040	-16.00	2225	902.41	0.72	21.01	212.6
Support Services							
Begbies	103.50	1.50	136.50	101.00	3.67	345.00	146.8
Christie◆	132.50	5.00	167.00	66.00	2.83	89.53	7.3
Impellam	675.00	35.00	950.00	580.00	-	25.00	4.6
JhnsnSrv	159.20	-1.40	172.00	99.00	1.57	24.88	566.3
LonSec	3050	-	3300	2800	2.75	17.18	0.0
NWF	182.50	-	280.00	170.50	4.27	6.94	114.1
Petards	7.00	-	8.46	2.13	-	33.33	14.0
Renew	1070	-8.00	1100	672.00	1.62	18.02	98.2
Tech - Hardware							
EnBlue Prism Group PLC	1274	-	1392	747.50	-	-23.65	1869.0
Eckoh	45.00	-	47.00	32.05	1.64	36.59	358.9
Oxford Metrics	101.00	-	121.64	78.00	2.48	23.38	172.1
Travel & Leisure							
gamingrealms	37.80	1.00	43.00	28.20	-	23.92	184.0
Jet2	1290	-7.00	1560	960.00	0.85	7.06	120.0
MinoanGp	0.73	-	1.19	0.41	-	-5.14	3108.8

Investment Companies

Conventional (Ex Private Equity)	Price	+/-Chg	52 Week High	52 Week Low	Yld	NAV	Dis(-) or Pm
abrdnuksm	491.00	-0.50	510.00	366.00	2.24	563.3	-12.8
3i Infra◆

MANAGED FUNDS SERVICE

SUMMARY

FT.COM/FUNDS

Winners - US Fund Foreign Large Blend

Fund Name	1yr Return GBP	3yr Return GBP	5yr Return GBP	3yr Sharpe Ratio	3yr Std Dev
State Street Hedged International Developed Equity Index Fund	16.07	8.21	8.85	0.67	12.41
PIMCO StocksPLUS® International Fund (U.S. Dollar-Hedged)	17.10	7.11	8.57	0.53	12.94
Artisan International Value Fund	13.22	5.62	8.78	0.32	15.87
JOHCM International Opportunities Fund	12.21	4.50	6.24	0.24	16.73
FMI International Fund	9.88	4.47	5.46	0.27	14.18

Losers - US Fund Foreign Large Blend

Fund Name	1yr Return GBP	3yr Return GBP	5yr Return GBP	3yr Sharpe Ratio	3yr Std Dev
Mercator International Opportunity Fund	1.34	-13.41	3.01	-0.60	28.13
Nationwide Janus Henderson Overseas Fund	11.75	-7.68	5.08	-0.46	21.62
Selected International Fund	11.53	-5.53	0.90	-0.32	24.28
Davis International Fund	12.63	-4.85	1.49	-0.31	24.19
Centerstone International Fund	-1.31	-3.47	-0.63	-0.31	16.72

Morningstar Star Ratings

Fund Name	Base Currency	Morningstar Rating 3 Yr	Morningstar Rating 5 Yr	Morningstar Rating 10 Yr
Global Focus	Pound Sterling	★★★★	★★★★★	★★★★★
UK Growth B Inc	Pound Sterling	★★★★	★★★	★★★
Oasis Crescent Global Equity Fund	US Dollar	★★★	★★	★★
UK Micro Cap Growth A	Pound Sterling	★★	★★	★★★
Junior Oils	Pound Sterling	★	★	★

Global Broad Category Group - Miscellaneous

Morningstar Category	Base Currency	Total Ret 1Yr GBP	Total Ret 3Yr GBP	Total Ret 5Yr GBP
Guaranteed Funds Equities	Mexican Peso	-4.87	6.66	-
Capital Protected Funds	Mexican Peso	12.31	6.31	6.65
Other	Mexican Peso	12.42	1.92	4.22
Capital Protected	Baht	0.64	-0.47	-0.20
ELF/DLF	US Dollar	-0.60	-4.38	-

Advertising Feature

M&G Investments

Please remember that past performance is not necessarily a guide to future performance

Firm Name
M&G Group

Fund Name
Charifund Inc

Morningstar Category
UK Equity Income

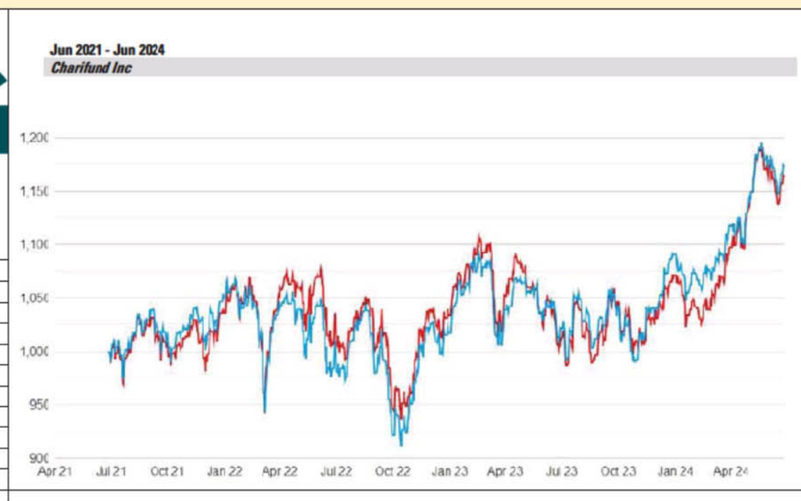
Max Annual Charge
-

3Yr Rating
★★★

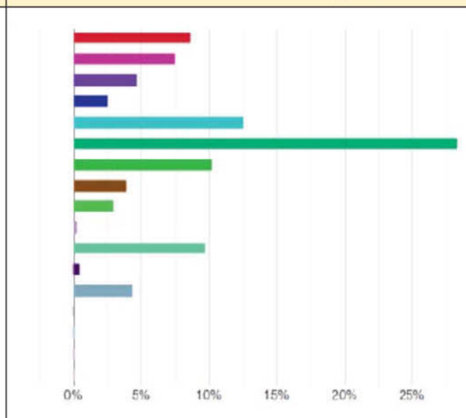
Morningstar Sustainability Rating

Bid Price	-	KIID Ongoing Charge	0.55
Offer Price	-	Day-End One Year Return	14.53
+/-	-1.64	Total Ret 3Yr	5.78

Performance



Weightings - As of 29/02/2024



Sector	Weighting	Cat Avg.
Basic Materials	9.00%	6.65%
Communication Services	7.80%	5.08%
Consumer Cyclical	4.88%	10.92%
Consumer Defensive	2.66%	11.11%
Energy	13.01%	8.20%
Financial Services	29.52%	20.47%
Healthcare	10.68%	8.62%
Industrials	4.06%	12.69%
Real Estate	3.08%	2.64%
Technology	0.24%	2.76%
Utilities	10.13%	4.91%
Cash & Equivalents	0.35%	5.24%
Corporate	4.57%	0.59%
Derivative	0.00%	0.00%
Government	-	0.10%
Municipal	-	-
Securitized	-	0.02%

Risk Measures - As of 31/05/2024

	1Yr	1Yr Cat Ave	3Yr	3Yr Cat Ave	5Yr	5Yr Cat Ave
Alpha	-0.38	-1.30	-1.95	-1.39	-0.42	-0.87
Beta	0.96	0.99	0.97	0.99	1.05	1.04
Information Ratio	-0.28	-0.26	-0.56	-0.27	-0.08	-0.15
R Squared	88.16%	80.70%	87.03%	81.03%	91.06%	83.82%
Sharpe Ratio	0.94	0.69	0.32	0.40	0.32	0.34
Std Dev	9.60	11.89	11.38	13.00	15.78	15.76

Top 10 Holdings - As of 29/02/2024

Holding	Sector	Weighting
HSBC Holdings PLC	Financial Services	6.58%
BP PLC	Energy	6.33%
AstraZeneca PLC	Healthcare	5.15%
Shell PLC	Energy	5.02%
Rio Tinto PLC Registered Shares	Basic Materials	4.42%
GSK PLC	Healthcare	4.33%
National Grid PLC	Utilities	3.60%
Aviva PLC	Financial Services	2.36%
Legal & General Group PLC	Financial Services	2.34%
Lloyds Banking Group PLC	Financial Services	1.80%

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Algebris Investments

Atlantas Sicav (LUX)
Regulated

Fund	Bid		Offer	+/-	Yield	1Yr	3Yr
American Dynamic	$7844.43	-	20.77	-		17.72	1.77
American One	$8792.31	-	-14.66	0.00		17.60	7.04
Bond Global	€1613.85	-	2.12	0.00		5.78	1.91
Eurocroissance	€1456.13	-	7.73	0.00		4.50	0.69
Far East	$991.89	-	-7.49	0.00		-6.05	-9.90

CANDRIAM
A NEW YORK LIFE INVESTMENTS COMPANY

DRAGON CAPITAL

GUINNESS GLOBAL INVESTORS

Algebris Investments (IRL)
Regulated

Fund	Bid		Offer	+/-	Yield	1Yr	3Yr
Algebris Core Italy I EUR	€158.75	-	1.95	0.00		6.94	1.25
Algebris Core Italy F EUR	€148.95	-	1.81	0.00		6.14	0.63
Algebris Financial Credit I EUR	€200.73	-	0.23	0.00		16.54	1.25
Algebris Financial Credit R EUR	€171.19	-	0.18	0.00		15.97	0.63
Algebris Financial Credit Rd EUR	€ 95.54	-	0.10	6.04		16.14	0.72
Algebris Financial Equity B EUR	€227.08	-	2.76	0.00		37.63	18.07
Algebris Financial Equity R EUR	€188.03	-	2.27	0.00		36.26	16.73
Algebris Financial Income I EUR	€222.95	-	1.25	-		24.21	8.04
Algebris Financial Income R EUR	€200.06	-	1.10	-		23.10	7.07
Algebris Financial Income Rd EUR	€113.78	-	0.63	-		23.11	7.07
Algebris Global Credit Opportunities I EUR	€144.10	-	0.04	0.00		12.07	3.15
Algebris Global Credit Opporunities R EUR	€139.05	-	0.03	0.00		11.70	2.63
Algebris Globe Credit Opportunities Rd EUR	€115.29	-	0.02	4.61		11.97	2.77
Algebris IG Financial Credit I EUR	€108.74	-	0.04	0.00		11.77	-0.81
Algebris IG Financial Credit R EUR	€106.23	-	0.03	0.00		11.20	-1.31
Algebris Sust. World B	€130.16	-	0.06	-		21.40	-
Algebris Sust. World R	€127.36	-	0.04	-		19.82	-

BLUE WHALE GROWTH FUND

Blue Whale Investment Funds ICAV (IRE)
www.bluewhale.co.uk, info@bluewhale.co.uk
FCA Recognised - Ireland UCITS

Fund	Bid		Offer	+/-	Yield	1Yr	3Yr
Blue Whale Growth USDT	$ 13.81	-	-0.19	-		36.54	3.89

Candriam Investors Group (LUX)
FCA Recognised

Fund	Bid		Offer	+/-	Yield	1Yr	3Yr
Candriam Abs Ret Eqt Mkt Neutral-C-Cap	€216.46	-	1.33	0.00		6.19	2.70
Candriam Eds Euro High Yield Cap	€1319.63	-	0.95	-		9.62	1.33
Candriam Bonds Glb Hi Yield -C-Cap	€265.30	-	0.17	-		9.12	2.53
Candriam Bonds Glbl Infl Sh Dtion-I-Cap	€156.34	-	0.08	0.00		3.02	0.73
Candriam Bonds Total Return - C - Cap	€137.32	-	-0.05	-		4.34	0.20
Candriam Dversified Futures-I-Cap *	€14326.53	-	16.99	0.00		0.00	5.94
Candriam Eqts L Australia CapA$	$2097.68	-	29.51	0.00		9.40	6.28
Candriam Eqts L Emerging Mkts Cap	€975.25	-	0.03	0.00		13.50	-6.87
Candriam Equities L Biotecth-C-Cap	$879.55	-	21.77	0.00		10.69	2.72
Candriam Equities L Europe Innov-R-Cap	€274.55	-	1.94	0.00		4.38	-2.42
Candriam Index Arbitrage-C - Cap	€1486.59	-	1.50	0.00		4.52	1.73
Candriam Long Short Credit-R - Cap	€112.64	-	0.02	0.00		5.60	2.13
Candriam Risk Arbitrage - C - Cap	€2568.04	-	0.29	0.00		5.44	0.23
Candriam Sust Bond Emerg Mkts-I-DIST	$788.74	-	0.84	8.48		5.29	-3.90
Candriam Sust Bond Euro Corp-R-Cap	€103.74	-	-0.05	0.00		7.40	-1.91
Candriam Sust Bond GlobalHighYield-I-Cap	€1167.37	-	0.68	0.00		7.21	0.41
Candriam Sust Eq Clrl Econ-R-Cap	$146.08	-	0.72	0.00		8.18	-1.80
Candriam Sust Eq Clmt Action- I - Cap	$1667.75	-	6.03	0.00		3.39	-3.07
Candriam Sust Eq Emerging Mkts C Cap	€124.29	-	0.65	0.00		7.17	9.60
Candriam Sust Eq EMU-C-Cap	€186.10	-	1.37	0.00		9.94	3.95
Candriam Sust Eq Eurp S&M Caps-I-Cap	€2397.38	-	23.53	0.00		2.60	-4.09
Candriam Sust Eq World -C-Cap	€ 36.88	-	-0.13	0.00		19.70	7.89
NYLIM GF US HighYieldCorp Bond-R-Cap	$153.30	-	0.11	0.00		9.61	2.19

Dragon Capital
www.dragoncapital.com
Fund information:info@dragoncapital.com
Other International Funds

Fund	Bid		Offer	+/-	Yield	1Yr	3Yr
Vietnam Equity (UCITS) Fund A USD	$ 31.98	-	0.05	0.00		16.55	-4.34

edentree investment management

Guinness Global Investors

Fund	Bid		Offer	+/-	Yield	1Yr	3Yr
Guinness Global Equity Income Y GBP Dist	£ 21.73	-		-0.01		17.34	11.18
Guinness Global Innovators Y GBP Acc	£ 37.92	-		-0.52		33.82	11.06
Guinness Sustainable Global Equity Y GBP Acc	£ 12.76	-		-0.08	0.00	16.03	4.66

HPB Assurance Ltd
Anglo Intl House, Bank Hill, Douglas, Isle of Man, IM1 4LN 01638 563490
International Insurances

Fund	Bid		Offer	+/-	Yield	1Yr	3Yr
Holiday Property Bond Ser 1	£ 3.50	-		0.00	0.00	1.61	1.50
Holiday Property Bond Ser 2	£ 3.64	-		0.00	0.00	-	1.18

The Antares European Fund Limited
Other International

Fund	Bid		Offer	+/-	Yield	1Yr	3Yr
AEF Ltd Usd	$541.01	-	-13.82	0.00		-2.21	-1.33
AEF Ltd Eur	€498.45	-	0.25	0.00		-1.56	-1.84

BROOKS MACDONALD

Brooks Macdonald International Fund Managers Limited (JER)
Third Floor, No 1 Grenville Street, St Helier, Jersey, JE2 4UF
+44 (0) 1534 700 104 (Int) +44 (0) 800 735 8000 (UK)

Fund	Bid		Offer	+/-	Yield	1Yr	3Yr
Brooks Macdonald International Investment Funds Limited							
Euro High Income	€1.2369	-	-0.0005	2.50		5.18	-4.01
High Income	£0.6601	-	0.0001	3.77		10.26	-3.57
Sterling Bond	£1.2880	-	0.0001	2.06		9.68	-3.52
Brooks Macdonald International Multi Strategy Fund Limited							
Cautious Balanced Strategy	£1.3125	-	0.0015	0.00		7.96	-0.71
Cautious Balanced Strategy A	£0.9365	-	0.0011	1.68		8.52	-
Balanced Strategy	£1.0027	-	0.0016	0.95		10.44	-
Balanced Strategy A	£1.0017	-	0.0016	1.40		11.01	-
Growth Strategy	£2.1843	-	0.0023	0.00		12.26	1.90
Growth Strategy A	£1.0419	-	0.0011	-		13.32	-
High Growth Strategy	£3.0956	-	0.0042	0.00		13.20	2.11
High Growth Strategy A	£1.0537	-	0.0015	0.66		13.99	-
US$ Growth Strategy	$2.0378	-	0.0036	0.00		14.43	-1.23

Dealing Daily. Initial Charge Nil for A classes and up to 2% for other classes

Candriam Investors Group
Other International Funds

Fund	Bid		Offer	+/-	Yield	1Yr	3Yr
Candriam Bds Euro Sh.Term Cap	€2072.53	-	-0.36	-		4.18	-0.04
Candriam Bonds Credit Opportunities	€208.15	-	-0.05	0.00		4.77	0.82
Candriam Bonds Emerg Mkt -C-Cap	$2659.45	-	0.96	-		15.87	-1.15
Candriam Equities L Eurp Opt Olit-I-Cap	€217.02	-	1.25	0.00		1.21	-1.06
Candriam Equities L Global Demg-R-Cap	€318.43	-	-1.66	0.00		21.99	8.97
Candriam Equities L Onco impt-I-Cap	$2894.05	-	22.94	0.00		8.71	0.31
Candriam Equities L Robt& InvTech I Cap	$4687.60	-	56.44	0.00		26.17	6.23

EdenTree Investment Management Ltd (UK)
Sunderland, SR43 4AU, 0800 358 3010
Authorised Inv Funds

Fund	Bid		Offer	+/-	Yield	1Yr	3Yr
EdenTree European Equity Cls A Inc	357.60	-	-1.80	2.22		15.80	6.75
EdenTree European Equity Cls B Inc	361.90	-	-1.70	2.69		16.46	7.34
EdenTree Global Equity Cls A Inc	373.80	-	-1.20	0.94		11.64	2.35
EdenTree Global Equity Cls B Inc	377.60	-	-1.30	1.42		12.22	2.89
Edentree Global Impact Bond B	87.85	-	0.20	3.01		6.31	-
Edentree Green Future B Net Inc	112.30	-	-0.20	1.02		13.77	-
EdenTree Green Infrastructure Cls B Inc	£ 0.83	-	-0.01	6.44		-3.70	-
EdenTree Managed Income Cls A Inc	123.70	-	-0.10	4.47		10.16	1.67
EdenTree Managed Income Cls B Inc	132.70	-	-0.20	4.59		10.53	2.13
EdenTree Multi-Asset Balanced Cls B Acc	£ 0.99	-	0.00	1.95		9.81	-
EdenTree Multi-Asset Cations Cls B Acc	£ 0.98	-	0.00	2.09		8.80	-
EdenTree Multi-Asset Growth Cls B Acc	£ 1.01	-	0.00	-		11.75	-
EdenTree Responsible and Sust S Dd Bd B	95.74	-	0.07	2.96		7.66	0.27
EdenTree Sterling Bond Cls A Inc	87.41	-	0.22	-		10.93	-2.44
EdenTree Sterling Bond Cls B Inc	99.57	-	0.24	4.42		11.60	-1.85
EderTree UK Equity Cls A Inc	221.00	-	-0.90	1.50		3.83	-3.92
EderTree UK Equity Cls B Inc	220.70	-	-0.90	2.03		4.41	-3.39
EdenTree UK Equity Opps Cls A Inc	302.30	-	-0.40	1.48		12.90	-3.44
EdenTree UK Equity Opps Cls B Inc	309.10	-	-0.50	1.98		13.54	-2.91

Findlay Park

Findlay Park Funds Plc (IRL)
30 Herbert Street, Dublin 2, Ireland Tel: 020 7968 4900
FCA Recognised

Fund	Bid		Offer	+/-	Yield	1Yr	3Yr
American EUR Unhedged Class	€201.39	-	-1.07	0.06		25.59	10.19
American Fund USD Class	$216.14	-	-0.18	0.06		23.83	6.38
American Fund GBP Hedged	£104.85	-	-0.09	0.06		23.12	5.11
American Fund GBP Unhedged	£170.33	-	0.95	0.06		24.03	9.66

Janus Henderson INVESTORS

Janus Henderson Investors (UK)
PO Box 9023, Chelmsford, CM99 2WB Enquiries: 0800 832 832
www.janushenderson.com
Authorised Inv Funds

Fund	Bid		Offer	+/-	Yield	1Yr	3Yr
Janus Henderson Absolute Return Fund A Acc	162.50	-	-0.40	1.64		7.61	2.88
Janus Henderson Asia Pacific Capital Growth Fund A Acc	1212.00	-	3.00	0.20		9.78	-5.76
Janus Henderson Asian Dividend Income Unit Trust Inc	81.13	-	-0.16	5.16		14.19	0.60
Janus Henderson Cautious Managed Fund A Acc	365.80	-	0.40	3.84		10.56	1.21
Janus Henderson Cautious Managed Fund A Inc	143.50	-	0.20	3.94		10.57	1.20
Janus Henderson China Opportunities Fund A Acc	957.20	-	2.80	0.56		-4.85	-17.99
Janus Henderson Emerging Markets Opportunities fund A Acc	265.40	-	0.00	0.04		7.48	-7.19
Janus Henderson European Selected Opportunities fund A Acc	2674.00	-	-17.00	0.74		18.27	6.38
Janus Henderson Fixed Interest Monthly Income Fund Inc	17.30	-	0.04	4.52		6.43	-4.57
Janus Henderson Global Equity Fund Acc	5353.00	-	0.00	0.00		27.67	5.61
Janus Henderson Global Equity Income Fund A Inc	73.81	-	0.03	2.99		12.50	6.99
Janus Henderson Global Sustainable Equity Fund A Inc	561.70	-	-5.50	-		21.75	6.44
Janus Henderson Global Technology Leaders Fund A Acc	4625.00	-	-73.00	0.00		44.26	12.09
Janus Henderson Instl UKIndex Opportunities A Acc	£ 1.29	-	0.00	2.84		14.87	6.62
Janus Henderson Mrkt & Large Cap Fund	340.90	-	-2.50	0.65		15.79	6.13
Janus Henderson Multi-Asset Absolute Return Fund A Acc	171.20	-	-0.20	1.38		7.74	3.77
Janus Henderson Multi-Manager Active Fund A Acc	263.90	-	-0.30	1.12		11.55	2.30
Janus Henderson Multi-Manager Distribution fund A Inc	128.20	-	0.10	3.38		7.72	0.34
Janus Henderson Multi-Manager Diversified Fund A Acc	92.32	-	0.08	4.07		7.40	-0.74
Janus Henderson Multi-Manager Global Select Fund Acc	366.60	-	-0.70	-		16.38	5.87
Janus Henderson Multi-Manager Income & Growth fund A Acc	202.50	-	0.10	3.45		8.58	0.72
Janus Henderson Multi-Manager Income & Growth Fund A Inc	150.60	-	0.10	3.52		8.57	0.71
Janus Henderson Multi-Manager Managed Fund A Acc	345.10	-	-0.40	1.40		10.82	2.05
Janus Henderson Multi-Manager Managed Fund A Inc	327.70	-	-0.40	1.54		10.84	2.05
Janus Henderson Strategic Bond Fund A Inc	98.78	-	0.24	3.43		2.13	-5.96
Janus Henderson Sterling Bond Unit Trust Acc	214.60	-	0.40	-		8.44	-4.89
Janus Henderson Sterling Bond Unit Trust Inc	56.43	-	0.12	-		8.48	-4.88
Janus Henderson UK Alpha Fund A Acc	158.20	-	-0.60	1.41		18.86	-2.12
Janus Henderson UK Equity Income & Growth fund A Inc	523.30	-	-1.60	4.04		16.32	4.70
Janus Henderson US Growth Fund A Acc	2412.00	-	-20.00	0.00		32.56	9.05

ARTEMIS
The Profit Hunter

Artemis Fund Managers Ltd (1200)F (UK)
57 St. James's Street, London SW1A 1LD 0800 092 2051
Authorised Inv Funds

Fund	Bid		Offer	+/-	Yield	1Yr	3Yr
Artemis Corporate Bond I Acc	272.57	-	-7.70	3.27		17.62	9.52
Artemis European Select I Acc	107.70	-	0.32	5.04		11.91	-1.97
Artemis Global Income I Inc	566.66	-	-2.68	2.58		27.54	11.35
Artemis Global Select I Acc	152.45	-	-2.04	1.65		19.40	4.53
Artemis High Income I Q Inc	208.93	-	1.27	-		25.07	7.25
Artemis Income I Inc	462.84	-	0.46	2.45		23.72	7.83
Artemis Monthly Dist I Inc	134.57	-	0.25	3.19		34.06	11.24
Artemis Positive Future Fund	195.83	-	-0.75	0.55		20.39	5.83
Artemis Short-Dn Strat Bond	117.77	-	0.10	4.42		11.40	2.43
Artemis SmartGARP Eur Eq I Acc	72.41	-	0.03	5.96		12.83	1.85
Artemis SmartGARP GloEmr Eq I Acc	278.49	-	0.52	3.60		19.90	8.23
Artemis SmartGARP Glo Eq I Acc	76.64	-	0.10	4.53		20.17	5.51
Artemis SmartGARP UK Eq I Acc	65.92	-	-0.19	0.00		-0.47	-14.38
Artemis Strategic Assets I Acc	101.16	-	0.10	1.59		0.94	4.17
Artemis Strategic Bond I Q Acc	111.08	-	0.19	4.51		10.43	-0.33
Artemis UK Select Fund Class I Acc	976.72	-	-9.06	2.19		24.58	8.03
Artemis UK Smaller Cos I Acc	2369.88	-	-10.28	2.18		21.22	3.43
Artemis UK Special Sits I Acc	911.51	-	6.05	2.06		18.77	4.17
Artemis US Extended Alpha I Acc	446.22	-	-0.61	0.00		30.57	12.95
Artemis US Select I Acc	409.54	-	-1.22	0.00		34.75	10.53
Artemis US Smlr Cos I Acc	368.08	-	0.94	0.00		27.73	1.42

Euronova Asset Management UK LLP (CYM)
Regulated

Fund	Bid		Offer	+/-	Yield	1Yr	3Yr
Smaller Cos Cls One Shares	€ 56.09	-	-0.96	0.00		2.45	-2.71
Smaller Cos Cls Two Shares	€ 35.53	-	-0.61	0.00		1.92	-3.29
Smaller Cos Cls Three Shares	€ 17.73	-	-0.31	0.00		1.90	-3.57
Smaller Cos Cls Four Shares	€ 23.37	-	-0.40	0.00		1.92	-2.03

Foord Asset Management
Website: www.foord.com - Email: info@foord.com
FCA Recognised - Luxembourg UCITS

Fund	Bid		Offer	+/-	Yield	1Yr	3Yr
Foord International Fund | R	$ 48.30	-	0.23	0.00		-2.21	-1.44
Foord Global Equity Fund (Lux) | R	$ 18.25	-	0.07	0.00		7.80	-2.46
Regulated							
Foord Global Equity Fund (Sing) | B	$ 21.84	-	0.09	0.00		9.28	-2.38
Foord International Trust (Gsy)	$ 47.10	-	0.23	0.00		-1.42	-1.41

Hermes Property Unit Trust (UK)
Property & Other UK Unit Trusts

Fund	Bid		Offer	+/-	Yield	1Yr	3Yr
Property	£ 5.93	6.35		0.00		3.80	-6.48	-2.81

BROWN ADVISORY
Thoughtful Investing.

Brown Advisory Funds plc (IRL)
http://www.brownadvisory.com Tel: 020 3301 8130
FCA Recognised

Fund	Bid		Offer	+/-	Yield	1Yr	3Yr
Global Leaders Fund USD C	$ 27.40	-	-0.04	0.00		21.35	5.89
Global Leaders Sustainable Fund USD C	$ 16.39	-	-0.04	0.00		20.07	5.19
Global Sustainable Total Return Bond GBP B	£ 9.40	-	0.00	2.69		2.75	-
Global Sustainable Total Return Bond USD B	$ 9.98	-	0.00	0.00		3.10	-
US Equity Growth Fund USD B	$ 63.21	-	-0.45	0.00		20.61	0.62
US Flexible Equity Fund USD B	$ 33.05	-	0.04	0.00		29.25	8.20
US Mid-Cap Growth Fund USD C	$ 20.61	-	0.00	0.00		17.37	-2.65
US Small Cap Blend Fund USD B	$ 24.15	-	0.16	0.00		12.64	-0.37
US Smaller Companies Fund USD B	$ 37.47	-	0.17	0.00		5.55	-4.24
US Sustainable Growth Fund USD C	$ 33.57	-	-0.42	0.00		29.02	7.76
US Sustainable Value Fund USD C Acc	$ 13.34	-	0.02	0.00		28.89	-

Dodge & Cox Worldwide Funds (IRL)
48-49 Pall Mall, London SW1Y 5JG.
www.dodgeandcox.com +44 (0)203 642 3370
FCA Recognised

Fund	Bid		Offer	+/-	Yield	1Yr	3Yr
Dodge & Cox Worldwide Funds - Global Bond Fund							
EUR Accumulating Class	€ 17.41	-	-0.04	-		8.61	4.31
EUR Accumulating Class (I I)	€ 11.26	-	0.02	0.00		5.14	-1.21
EUR Distributing Class	€ 11.90	-	-0.03	-		8.69	3.34
EUR Distributing Class (H)	€ 7.65	-	0.02	4.44		5.24	-2.19
GBP Distributing Class	£ 12.37	-	-0.02	-		7.34	3.91
GBP Distributing Class (H)	£ 8.30	-	0.01	5.05		6.48	-1.15
USD Accumulating Class	$ 13.49	-	0.03	-		7.06	0.73
Dodge & Cox Worldwide Funds -Global Stock Fund							
USD Accumulating Share Class	$ 35.83	-	0.39	0.00		18.02	5.77
GBP Accumulating Share Class	£ 46.45	-	0.36	0.00		18.34	9.13
GBP Distributing Share class	£ 30.75	-	0.24	1.26		18.34	8.77
EUR Accumulating Share Class	€ 50.12	-	0.34	0.00		19.76	9.57
GBP Distributing Class (H)	£ 16.06	-	0.17	1.65		17.19	4.18
Dodge & Cox Worldwide Funds -U.S. Stock Fund							
USD Accumulating Share Class	$ 46.93	-	0.41	0.00		21.93	6.47
GBP Accumulating Share Class	£ 57.54	-	0.33	0.00		22.27	9.86
GBP Distributing Share Class	£ 34.10	-	0.20	0.81		22.30	9.86
EUR Accumulating Share Class	€ 56.68	-	0.26	0.00		23.70	10.29
GBP Distributing Class (H)	£ 18.23	-	0.16	0.80		21.40	5.06

Fidelity INTERNATIONAL

FIL Investment Services (UK) Limited (1200)F (UK)
Beech Gate, Millfield Lane, Lower Kingswood, Tadworth, KT20 6RP
Callfree: Private Clients 0800 414161
Broker Dealings: 0800 414 181
OEIC Funds

Fund	Bid		Offer	+/-	Yield	1Yr	3Yr
Allocator World Fund W-ACC-GBP	£ 3.18	-		0.00		19.12	7.28
American Fund W-ACC-GBP	£ 70.91	-		-0.05		24.03	6.82
American Special Sits W-ACC-GBP	£ 25.52	-		-0.01		19.31	10.86
Asia Fund W-ACC-GBP	£ 16.36	-		-0.11		10.24	-5.29
Asia Pacific Ops W-Acc	£ 2.84	-		-0.02		1.94	-2.91
Asian Dividend Fund W-ACC-GBP	£ 2.43	-		-0.01		10.81	3.23
Cash Fund W-ACC-GBP	£ 1.10	-		0.00		5.35	2.81
China Fund W-Accumulation (UK)	£ 2.17	-		0.00		-9.70	-10.23
Emerging Mkts NAV	£ 7.21	-		-0.16		19.64	-6.12
Enhanced Income Fund W-INC-GBP	£ 0.84	-		0.00		9.64	7.32
European Fund W-ACC-GBP	£ 28.65	-		0.15		15.57	8.96
Extra Income Fund W-ACC-GBP	£ 1.40	-		0.00		11.89	-1.36
Sustainable Emerg Mkts Equity Fund A-ACC Shares	£ 1.52	-		0.01		-13.81	-0.91
Sustainable European Equity Fund W-ACC-GBP	£ 6.28	-		0.04		12.27	3.60
Sustainable Global Equity Fund W-ACC-GBP	£ 37.64	-		-0.04		12.39	1.52
Japan Fund W-ACC-GBP	£ 6.65	-		-0.01		12.86	7.06
Japan Smaller Companies Fund W-ACC-GBP	£ 3.66	-		-0.01		0.63	-3.54
Select 50 Balanced Fund PI-ACC-GBP	£ 1.24

MANAGED FUNDS SERVICE

M & G Securities (1200)F (UK)
PO Box 9038, Chelmsford, CM99 2XF
www.mandg.co.uk/charities Enq./Dealing: 0800 917 4472
Authorised Inv Funds

Fund	Bid	Offer	+/-	Yield	1Yr	3Yr
Charifund Inc	1518.26	-	-1.64	5.68	15.60	5.16
Charifund Acc	32571.46	-	-35.23	5.07	15.58	5.15
M&G Charibond Charities Fixed Interest Fund (Charibond) Inc	£ 1.10	-	0.00	-	8.30	-0.91
M&G Charibond Charities Fixed Interest Fund (Charibond) Acc	£ 41.46	-	0.08	3.60	8.30	-0.92
M&G Charity Multi Asset Fund Inc	£ 0.93	-	0.00	4.34	12.77	5.73
M&G Charity Multi Asset Fund Acc	£118.94	-	0.29	3.77	12.78	5.73

MMIP Investment Management Limited (GSY)
Regulated
Multi-Manager Investment Programmes PCC Limited

UK Equity Fd Cl A Series 01	£3080.40	3080.41	-231.75	-	-2.98	13.94
Diversified Absolute Rtn Fd USD Cl AF2	$1688.02	-	45.93	-	-1.51	1.32
Diversified Absolute Return Stlg Cell AF2	£1579.00	-	-1.96	-	0.70	2.45
Global Equity Fund A Lead Series	£1747.16	1747.16	-5.31	-	-1.04	9.13

Marwyn Asset Management Limited (CYM)
Regulated

Marwyn Value Investors	£329.72	-	-6.14	0.00	-	-7.17

McInroy & Wood Portfolios Limited (UK)
Easter Alderston, Haddington, EH41 3SF 01620 825867
Authorised Inv Funds

Balanced Fund Personal Class Units	6221.20	-	-11.60	1.40	7.41	3.38
Income Fund Personal Class Units	2968.70	-	5.40	2.40	9.15	4.41
Emerging Markets Fund Personal Class Units	2049.70	-	-8.50	1.48	-5.37	-3.62
Smaller Companies Fund Personal Class Units	6163.30	-	-9.90	1.30	1.78	-5.21

Milltrust International Managed Investments ICAV (IRL)
mimi@milltrust.com, +44(0)20 8123 8316 www.milltrust.com
Regulated

Milltrust Global Emerging Markets Fund - Class A	$ 90.28	-	-0.48	0.00	-5.52	-11.53

Milltrust International Managed Investments SPC
em@milltrust.com, +44(0)20 8123 8316, www.milltrust.com
Regulated

Milltrust Alaska Brazil Fund SP A	$ 84.38	-	3.15	0.00	-18.16	-3.41
Milltrust Laurium Africa Fund SP A	$105.12	-	0.18	0.00	11.53	-0.36
Milltrust Marcellus India Fund SP	$155.23	-	0.33	0.00	19.61	4.88
Milltrust Singular ASEAN Fund SP founders	$147.24	-	-0.60	0.00	16.37	-2.21
Milltrust SPARX Korea Equity Fund SP A	$139.79	-	-2.47	0.00	10.55	-5.70
Milltrust Xingtai China Fund SP A	$ 82.43	-	-0.38	0.00	-10.50	-21.82
The Climate Impact Asia Fund SP A	$ 70.62	-	-1.07	0.00	-8.64	-11.86

Ministry of Justice Common Investment Funds (UK)
Property & Other UK Unit Trusts

The Equity Idx Tracker Fd Inc Distribution Units	2129.00	-	-2.00	2.33	15.81	5.48

Mirabaud Asset Management (LUX)
www.mirabaud.com, marketing@mirabaud-am.com
Please find more details on our website: www.mirabaud-am.com
Regulated

Mir. - Glb Strat. Bd I USD	$125.03	-	0.13	-	8.22	0.52
Mir. - DiscEur D Cap GBP	£189.63	-	0.76	0.00	18.90	-2.19

Oasis Crescent Global Investment Funds (UK) ICVC (UK)
Regulated

Oasis Crescent Global Equity Fund USD A(Dist)	$ 38.48	-	0.29	0.79	10.38	0.18
Oasis Crescent Global Income Fund USD A(Dist)	$ 10.15	-	0.01	3.76	5.37	0.11
Oasis Crescent Global Low Equity Fund USD D(Dist)	$ 13.03	-	0.06	1.45	8.29	-0.16
Oasis Crescent Global Medium Equity Fund USD A (Dist)	$ 14.64	-	0.09	1.04	8.39	-0.04
Oasis Crescent Global Property Equity Fund USD A (Dist)	$ 8.85	-	0.10	1.67	19.21	-1.10
Oasis Crescent Glbal Short Term Income Fund USD A (Dist)	$ 0.94	-	0.00	3.45	4.40	0.68
Oasis Crescent Variable Fund GBP A (Dist)	£ 10.35	-	0.05	0.71	10.07	0.55

Omnia Fund Ltd
Other International Funds

Estimated NAV	$1139.68	-	32.23	0.00	24.32	20.48

Platinum Capital Management Ltd
Other International Funds

Platinum All Star Fund - A	$165.41	-	-	-	11.78	2.41
Platinum Global Growth UCITS Fund	$ 10.16	-	0.02	0.00	20.81	-11.08
Platinum Essential Resources UCITS and SICAV USD Class E	$ 9.42	-	-0.70	0.00	-13.83	13.34
Platinum Global Dividend UCITS Fund	$ 49.03	-	-0.05	0.00	5.49	-5.70

Private Fund Mgrs (Guernsey) Ltd (GSY)
Regulated

Monument Growth 25/06/2024	£575.84	582.49	1.73	0.85	7.81	2.60

Prusik Investment Management LLP (IRL)
Enquiries - 0207 493 1331
Regulated

Prusik Asian Equity Income B Dist	$167.26	-	1.08	5.96	-1.04	-0.33

Purisima Investment Fds (UK) (1200)F (UK)
2nd floor, 20-22 Bedford Row, London, WC1R 4EB
Order Desk and Enquiries: 0345 922 0044
Authorised Inv Funds
Authorised Corporate Director - Waystone Management (UK) Limited

Global Total Fd PCG A	531.99	-	-3.32	0.26	29.20	11.20
Global Total Fd PCG R	524.50	-	-3.27	0.07	28.88	10.92
Global Total Fd PCG INT	513.23	-	-3.20	0.00	28.55	10.65

Purisima Investment Fds (CI) Ltd (JER)
Regulated

PCG B ✠	416.72	-	0.10	0.00	30.39	7.92
PCG C ✠	404.06	-	0.10	0.00	30.10	7.69

Ram Active Investments SA
www.ram-ai.com
Other International Funds

RAM Systematic Emerg Markets Eq	$254.04	254.04	0.07	-	12.84	0.84
RAM Systematic European Eq	€614.25	614.25	5.07	-	17.43	2.76
RAM Systematic Funds Global Sustainable Income Eq	$173.67	173.67	1.44	0.00	15.04	4.00
RAM Systematic Long/Short European Eq	€167.74	167.74	0.19	-	14.39	4.81

Royal London (UK)
80 Fenchurch Street, London EC3M 4BY
Authorised Inv Funds

Royal London Sustainable Diversified A Inc	£ 2.63	-	0.00	-	14.02	2.08
Royal London Sustainable World A Inc	408.00	-	-2.30	-	16.69	4.18
Royal London Corporate Bond Mth Income	77.21	-	0.11	-	11.12	-2.13
Royal London European Growth Trust	232.30	-	-0.80	-	14.77	5.71
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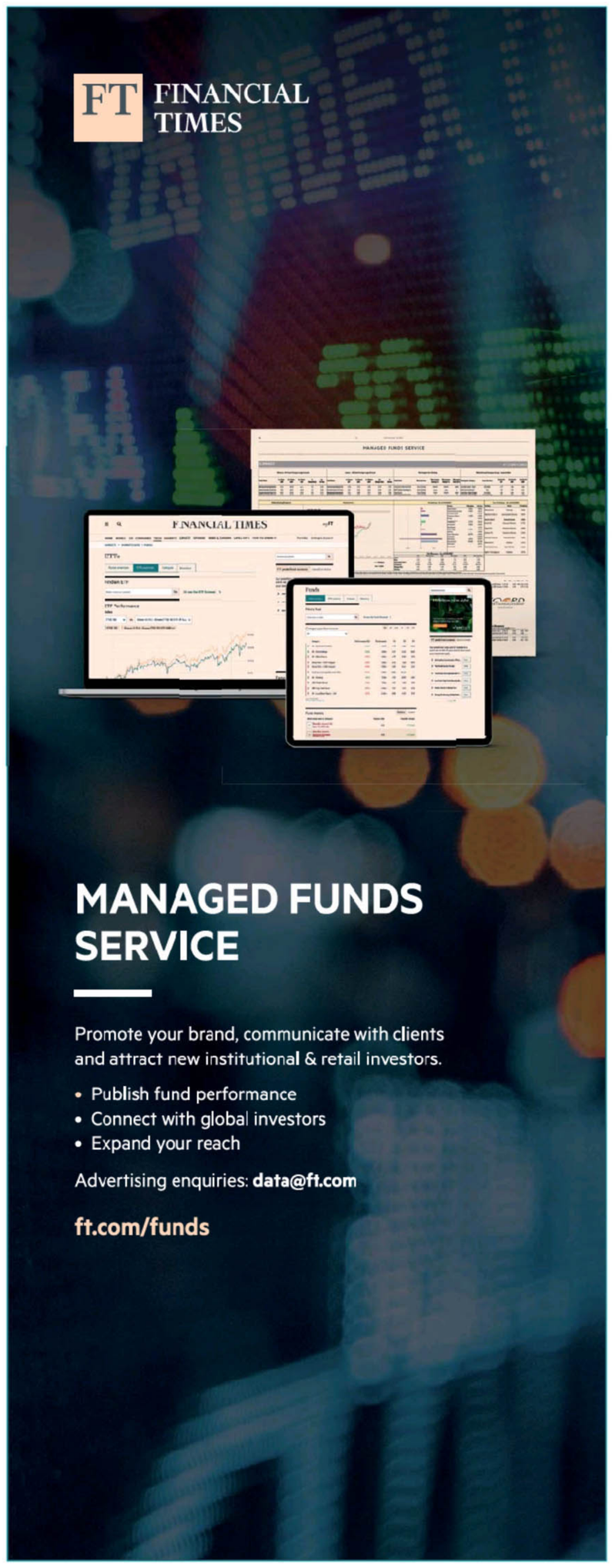

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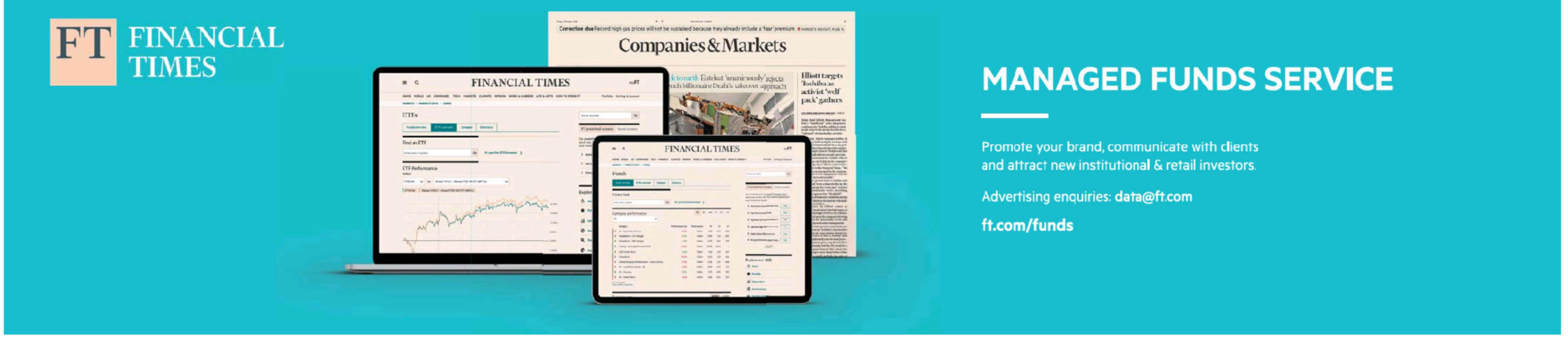

ARTS

A blazing artistic life cut short

The Neue Galerie's Paula Modersohn-Becker show displays a bold yet sensitive brilliance. By Ariella Budick

From left: 'Self-Portrait with Two Flowers in Her Raised Left Hand' (1907); 'Self-Portrait on Sixth Wedding (Anniversary) Day' (1906); 'Standing and Kneeling Nude Girls in Front of Poppies II' (1906)

It's a good time to be a long-deceased female artist in New York. Two powerful exhibitions spotlight underrated German women whose careers straddled the turn of the 20th century. Paula Modersohn-Becker's *Ich Bin Ich/I Am Me* at the Neue Galerie joins MoMA's Käthe Kollwitz retrospective in the city's line-up of unmissable shows.

Both artists placed women and girls at the heart of their practice, tracing their arcs from childhood to old age and meditating on motherhood along the way. Kollwitz had time to study the tragic coil of love and grief that bound parent and child. Modersohn-Becker — bold and certain that sooner or later she would triumph — was felled by motherhood. She died in 1907, at 31, of a postpartum embolism, having produced more than 700 paintings and nearly 1,400 drawings.

Work exhilarated her, drove her so fiercely that it is staggering to contemplate the ideas that might have flowed from her, had she lived even a few more years. "This constant rush towards the goal is the most beautiful thing in life," she wrote to her mother in characteristically headlong prose. "Nothing else comes close to it. I ask you to bear in mind that, when I occasionally appear to be lacking in love, I am racing towards my goal, always, incessantly." In retrospect, she seemed to be trying to outrun her fate.

Pictures by Modersohn-Becker generally crop up in ones and twos, as dutiful nods in roundups of German Expressionism. That is especially true in the US. So it is a joy to see the Neue Galerie surface with a spellbinding overview of a young artist whose ambitions were both blazing and reasonable. In a less unfair world, *I Am Me* would have been the introduction to a vaster retrospective chronicling the first of many phases, but it still has epic qualities.

Born in 1876 in Dresden, Paula Becker spent her formative years in Bremen. Liberal-minded parents sent her off to London and Berlin to stay with relatives and study art. She belonged to the first generation of German women artists allowed to work from live models, albeit privately. (German state art academies were closed to women until 1919.)

She later settled in Worpswede, the kind of rustic art colony that offered an escape from urban grime and overcrowding. It was hardly a paradise for the population of impoverished farmers, though, whom painters tended to treat as picturesque props. The inquisitive and empathetic Becker observed and engaged but did not romanticise, recording the toll of manual labour on curved spines, and the price of poverty in puckered faces. Swollen bellies, bony shoulders and rough, meaty hands proclaimed the truth of rural life.

In her early twenties, she was already a close observer of age. The "Woman in Profile, Turned Right" of a charcoal drawing has lined skin stretched over high cheekbones and hair pulled tautly into a bun. A steady eye and downturned mouth are made melancholy by experience. The draughtsmanship is meticulous but full of feeling, growing soft as the woman leans from shadow into the light of a limited future.

Around the same year, a drawing done in coloured charcoal, chalk and crayon, could be a Janus-like companion piece. A red-haired, chinless girl of about 14 looks left, towards her scant past, all sharp angles beneath soft surfaces. The portrait is pitiless in its unflattering realism, yet there's a protective tenderness there, too. Pale eyelashes on half-closed lids catch the light, as if the child experienced the world through sensory cilia.

Becker hummed with more zeal for success than provincial Germany could satisfy. She visited Paris in 1900 and recognised her spiritual home. When she returned to Worspwede to marry Otto Modersohn, a fellow painter 11 years her senior, it was with dramatic ambivalence. ("Just because I'm getting married is no reason for my turning into a nothing," she confided to her mother.) He may have had parallel qualms.

Modersohn had recently lost his first wife and hoped his second would raise their young child. He certainly didn't choose Modersohn-Becker for her artistic vision: she was, he grumbled in his diary, "falling prey to the error of preferring to make everything angular, ugly, bizarre . . . faces like cretins".

> The inquisitive and empathetic Modersohn-Becker observed but did not romanticise

She craved independence. The Neue Galerie's show focuses on a pivotal moment in 1906 when she left her husband and headed back to Paris, affirming her desire to become her own, unencumbered self. "I feel as if I had been presented with a new life," she crowed to her close friend, the poet Rainer Maria Rilke. "It's going to be beautiful and rich. If there is something inside me, it is going to be released . . . I don't even know how I should sign my name. I'm not Modersohn and I'm not Paula Becker any more, either. I am Me and hope to become Me more and more. That is surely the goal of all our struggles." Those words are emblazoned on the museum's walls.

And she did focus on that "Me", churning out self-portraits in a range of styles. Some recall the sloping planes of African masks, others the Egypto-Roman mummy portraits she studied at the Louvre; their enormous eyes and serene faces mirror her own. On her sixth wedding anniversary, she painted herself nude, one hand laid across her belly and the other cupping it protectively. She looks as though she were expecting, but she wasn't — not yet. The following year, she returned to Otto and started the pregnancy that wound up killing her.

The show makes it clear that Modersohn-Becker never did become the "somebody" she was hoping to discover. She toggled between German grotesque realism inspired by Cranach and French ideals of beauty and harmony. At times, she cozied up to the torpid sensuality of symbolism; at others, she hewed to ultra-realism, lingering on her subjects' idiosyncrasies. Just before her death, she immersed herself in Cézanne, painting still-lifes soaked in his influence. That turned out to be her final phase, though there was nothing late or valedictory about it. The Cézanne homages represent just one more swerve in a trajectory that twisted and climbed excitingly, one that might eventually have carried her, and German art, in directions we can hardly conceive.

To September 9, neuegalerie.org

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'With talent, you've got everything'

Collector Hassanein Hiridjee's Fondation H is supporting artists in Madagascar. He talks to Georgina Adam

Hassanein Hiridjee — Fabio Thierry

Hassanein Hiridjee, the businessman who established Fondation H, Madagascar's first private contemporary art foundation in 2017, comes bounding into the building in Antananarivo, the capital, right on time. He is casually but neatly dressed, his grey hair and beard close cropped; he looks much younger than his 49 years.

"I had the idea of the foundation in 2012 or 2013 after talking to artists," he says, now seated in the library. "They told me I had to help them because they lacked everything — they don't have the space to exhibit and they don't have proper galleries, they can't even buy proper materials. I was already buying works from them, but I realised I had to have a more organised structure, and this was how the foundation was born."

Fondation H, which runs programmes supporting artists and exhibits artworks, has been housed since 2023 in an elegant colonial-era building that still bears the inscription "Direction des Postes et Télécommunications" on the outer wall. Wooden-framed balconies look over an internal courtyard, which is where Hiridjee and the minister of communications and culture inaugurated the foundation's second show, *Memoria: récits d'une autre histoire* (*Memory: accounts of another history*). It features 22 artists from Africa and the African diaspora, and of the more than 49 works on display, 15 belong to the foundation, with the others borrowed.

The foundation owns around 1,000 works, 90 per cent of them by African artists or from the African diaspora. Some are displayed in Hiridjee's home, some in Axian offices and in the foundation itself. The collection includes works by artists such as El Anatsui and Zanele Muholi and a considerable number by Madame Zo, a textile artist who was the subject of the inaugural show last year.

Hiridjee is the heir to a family company founded by his father and renamed Axian in 2015. It is present in the telecoms, energy, real estate and financial services sectors and has 12,000 employees in 14 countries throughout Africa, Hiridjee says, with a turnover of $2.5bn in 2023. He was named chief executive of the year in 2022 by the Africa CEO forum.

He started collecting art when he was at business school in Paris. "The first work I bought, in my early twenties, was by Chan Sicpo, and I soon found that talking to artists was a source of inspiration for me. I was listening to them, talking about the problems of our country. It was challenging — the artists were right brain, I was left brain."

The challenges for artists are real; Madagascar is one of the poorest countries in the world (GDP per capita was less than $520 per capita in 2022; the US equivalent is more than $76,000). It has no art school and only a couple of galleries. Hiridjee set himself the objective of building an art ecosystem. "I'm trying to organise an art scene, practically from zero," he says. "Although not totally from zero because there were existing talents — and when you've got talent, you've got everything."

Hiridjee has major ambitions for the foundation, which may include creating an art gallery to go alongside it. But given the country's economic circumstances, should creating an art ecosystem be his priority?

He nods. "We also have an extensive humanitarian programme through my company's Axian foundation . . . we have built 200 schools with the government . . . Yes, there is so much to do and we are addressing that as well."

But he insists that art is important too. "I'm proud that the foundation is a real space and a living institution, with proper programmes anchored in the local ecosystem. You can build a nice space . . . but if people don't come, then nothing will happen," says Hiridjee. More than 110,000 people visited the first show. "People are coming and the foundation is alive; the magic is there."

To February 28, fondation-h.com

FT BIG READ. SECURITY

Defence spending is increasing in the wake of Russia's invasion of Ukraine, but military manpower is in decline in the UK, Germany, France and Italy. What might make more people serve their country?

By Sam Jones and John Paul Rathbone

Europe's shrinking troop numbers

At a festival in Berlin last month, marking 75 years of the German constitution, the stand for the Bundeswehr, the country's armed forces, was surrounded by a crowd five people deep.

But among the onlookers jostling to watch videos of recent operations and ogle its latest hardware, there were few of the people Germany's military actually needs to appeal to: the young.

Germany is two years into its *Zeitenwende*, the "turning point" on defence proclaimed by Chancellor Olaf Scholz in 2022, as Russia began its all-out attack on its neighbour, Ukraine. Since then, it has boosted defence spending by billions.

But garnering far less attention than new kit and new ammunition is the problem of manpower.

With 181,000 active troops, the German military is at least 20,000 soldiers short of what its military chiefs say it needs to fulfil its current mandate. The deficit is one of the largest in Europe, but troop numbers from the International Institute for Strategic Studies show it is not the only one.

The UK has missed its annual military recruiting targets every year for the past decade, and last year its land forces lost 4,000 soldiers. The French armed forces, the largest in Europe with 203,850 men and women, are still short of what generals say are the numbers needed, and down 8 per cent since 2014. In Italy, the military's size has dwindled from 200,000 a decade ago to 160,900 today.

On paper, European Nato allies have 1.9mn troops between them — seemingly enough to counter Russia (1.1mn soldiers and 1.5mn reservists). But in reality, European Nato powers would struggle to commit any more than 300,000 troops to a conflict — and even then, that would take months of preparation, analysts tell the FT.

"Nato defence planning in Europe for many years was about, 'Are you ready to supply 300 special forces for Afghanistan,' and nothing to do with mass. That's created gaps," says Camille Grand, distinguished fellow at the European Council on Foreign Relations and, until 2022, assistant secretary-general of Nato. With the exception of Greece and Turkey, "we have seen a shrinking in forces all over the continent year after year".

In some senses numbers are a crude measure of military strength, as the earliest days of Russia's invasion of Ukraine showed. But even in technologically advanced militaries, mass is still critical if force structures are so lean that they have limited ability to absorb losses. And deterrence is also critical.

Recruiting more European soldiers to Nato's flanks is thus even more essential at a time when US support cannot be guaranteed, Grand says.

"If there is a crisis, we need to be able to convince the Russian side that it is not just the Polish army standing in their way, but that the cavalry is coming, and it is credible."

For most of the post-cold war period, smaller militaries made sense. France and Britain, the two most capable fighting powers in Europe are still set up as "expeditionary" fighting forces whose capabilities are intended for short, targeted deployments in overseas theatres.

Both are now adapting to try to position themselves to counter the Russian threat, which has radically shaken up western nations' notion of the kind of war they need to be ready for.

But some fear they are still too hidebound by past experience and have accepted their diminished size as an unalterable reality.

While few advocate for any return to the cold war days of troops ready for quick deployment in Germany, there is an open question about whether the present focus on providing Nato with elite command and support functions alone — leaving the mass to others — is enough.

"We have accommodated ourselves to this," says one serving senior Nato officer who asked not to be named, "but what we need to be doing as militaries is [preparing for] the task we have to do, not the task we currently can do."

At a political level it has become expedient to focus on bolstered budgets and impressive procurement programmes, according to Ben Barry, a former brigadier and senior fellow at IISS. Since 2013, the UK military has shrunk by 19 per cent, to stand at around 138,000, according to the most recent Ministry of Defence figures. Yet the MoD today has a budget around 20 per cent larger in real terms, an increase regularly celebrated by politicians as a measure of commitment to national security.

European Nato powers would struggle to commit any more than 300,000 troops to a conflict. Some countries are considering selective conscription models like those in Norway, right

FT montage; Getty Images

Few national decision makers have wanted to get to grips with the thornier challenge of signing more citizens up to fight, says Barry. "At this level you get into a vicious circle. If you're undermanned, there's less flexibility in what your people can do, you have less time to spare to send them on training and so on. And your people then become more and more frustrated. So they leave."

The attrition rate was not so relevant when most operations were about stabilising faraway locations, says Christian Mölling, head of the centre for security and defence at the German Council on Foreign Relations. "Now we are talking about being ready for combat situations where problems of a different quality come back: like, after several weeks of fighting, units in your professional army might be 50 per cent dead or wounded. We have unlearnt how to be ready for that."

Beyond the headline numbers, diminished mass means critical skilled roles — such as those in medicine, communications, engineering and cyber security — are particularly vulnerable to losses. And it is these roles European militaries most urgently need to staff.

"Once you begin to unpack this problem of numbers, you find that after each door, there is another door with a problem behind it," Mölling says.

In the fight to attract more skilled recruits, questions over pay and lifestyle are fundamental. Alessandro Marrone, a military affairs expert at Rome's Institute of International Affairs, says that in the past, an Italian military career was "quite competitive" with other options in the Italian job market and the armed forces had no shortage of willing recruits.

But today, young Italians have far more opportunities — a problem most obviously highlighted among graduates with the kind of high-tech skills required by modern warfare, who can easily find more lucrative jobs that offer the prospect of better work-life balances.

"The younger generation are used to travelling, studying abroad and looking for jobs not only in Italy," Marrone says. "People with ICT or technology skills are able to find better jobs in the private sector . . . there is no easy solution."

The UK's Haythornthwaite review of 2023, which was commissioned to investigate how skilled army careers stacked up against those in the private sector, came to a similar conclusion.

"The armed forces' competitors . . . are chasing the same, rapidly developing skills — and they often have more money to throw at the problem," it warned last June, adding that the armed forces' current approach had to change radically if the UK was to retain its military capabilities.

Sarah Atherton, a British army veteran and former junior minister for the armed forces, says the MoD is trying to change things. "The money is there. The issues have been raised, and criticism has been taken on the chin," she says. "But I have no illusions. Nato countries are in the same situation as us, and perhaps even worse."

If more Europeans do not choose military careers, their governments may seek other ways to sign them up to serve.

For weeks this spring, German defence minister Boris Pistorius trailed his big idea: to address its troop deficit, Germany would need to consider some form of conscription.

When the announcement finally came this month, after weeks of unexplained delays, it was seen by many as something of a damp squib.

Berlin proposes to send out a questionnaire to all 18-year-old German males — about 400,000 annually — quizzing them on their willingness to undertake a period of military service, and their skills. A smaller number will then be required to attend an assembly for potential selection — about 40,000 a year, the defence ministry hopes.

The Netherlands too has recently floated the idea of a similar hybrid conscription model.

Both the German and Dutch approaches take their cue from what defence planners have begun to reverently refer to as the "Scandinavian model" of conscription.

In Norway and Sweden, selective universal conscription models have proven highly successful.

Both are highly targeted measures. In Norway, only 14 per cent of those eligible end up serving, and in Sweden just 4 per cent. The very selectivity of the draft has added to its prestige: serving is a competitive outcome many skilled young Norwegians and Swedes aspire towards, national surveys show.

Experts say conscription — even successful hybrid models — will never be the whole solution, however, and instead, defence and military officials need to take a broader view of how to make a military career more appealing. One reason the model succeeds so well in Norway and Sweden is because a regular military career there is viewed as valuable and prestigious, says Grand, the former Nato official.

"There is a whole mix of factors that affect the attractiveness of serving in the military for a few years. And we could probably learn a lot of lessons from each other across Nato about what those are," he adds. "The reality is that offering free driving lessons is no longer enough to attract people."

'In a crisis, we need to be able to convince the Russians that the cavalry is coming, and it's credible'

First though, many European militaries will have to get the basics right. Across the continent one problem above all stands out: accommodation.

In her annual report on the state of the German military, parliamentary commissioner Eva Högl wrote this year that barracks across the country were in a state of dilapidation.

In Britain, the circumstances are similar. In April the Kerslake report found the quality of housing on UK bases to be so bad it was a "tax on the goodwill" of recruits. Persistent and "widespread" problems included "damp and mould . . . gas and electrical faults and pest infestations".

In principle, rising military budgets across Europe bring the promise of better facilities. Historically, however, fresh money has tended to flow towards prestige equipment and platforms rather than to unglamorous refurbishments of military accommodation.

One of the hardest factors to grasp, yet a potentially decisive one in the wake of Russia's belligerence and with wider war a fearsome possibility, is the role of patriotism in building up militaries.

'There is still a lot of negative cultural baggage about the armed forces'

European societies relate to their armed forces in a broad range of ways; in Poland, where the government hopes to increase troop numbers to more than 300,000 by 2035, military officials say the long history of Russian aggression the country has experienced is a powerful motivator for recruitment.

"Compared with other countries, I think Poland is finding it easier to attract newcomers," says Major General Karol Molenda, who heads the cyber security operations of Poland's armed forces. "The majority of young Poles are aware of war, also from their discussions with their grandparents, and the fact that the war is now next to our border increases the number of young people who want to join the forces."

At a technical high school in the southern city of Katowice, about 80 of the 300 students have taken up an offer to get two hours of military instruction a week. Last year, five students joined a military academy after graduating.

"Some children feel very proud and attractive when they walk around in a uniform," says Iwona Rawinis, who helps run the school. She believes that 15, however, "is too young to be made to think about going to war".

In neighbouring Germany, however, Pistorius has come under heavy criticism for repeatedly saying society needs to become "war ready".

Despite the promises of the *Zeitenwende*, many Germans remain deeply committed to pacifism. Here, understandably, historical memory has the opposite effect.

But even in Britain, where public support for the military is consistently high, there is deep scepticism over topics such as national service. A proposal by Prime Minister Rishi Sunak to reintroduce it has been met with widespread criticism.

"There is still a lot of negative cultural baggage about the armed forces — notions that were very strongly reinforced by the wars in Afghanistan and Iraq," says IISS's Barry.

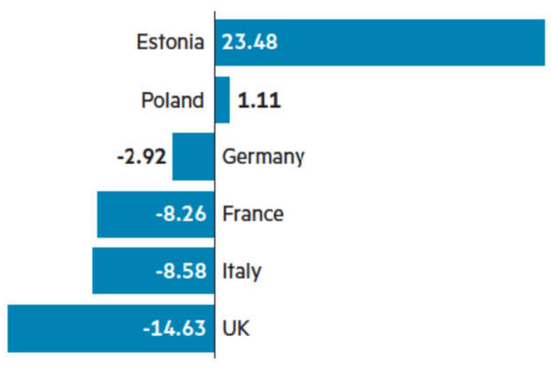
For Mölling at the German Council on Foreign Relations, the problem is solvable. "More and more people in Europe recognise the service of the armed forces," he says. "We just have to work out how to make a career in the military work for people."

"The difference between us and Putin is that for us it's not just about headcount," he says. "We are not just giving people a uniform and sending them to their death. We care about our soldiers. We have to communicate that better, but ultimately I think we have time on our side."

Additional reporting by Raphael Minder in Warsaw and Amy Kazmin in Rome

Numbers of active troops

Selected European countries (% change, 2013-23)



Source: IISS

The FT View

FINANCIAL TIMES
'Without fear and without favour'

A deepening stand-off in the South China Sea

The US is correct to support the Philippines in resisting Chinese encroachment

For years, China has asserted its claims over the South China Sea — a quest for control that is an affront to neighbours' security, to global commerce and, according to a tribunal in The Hague, to international law. Yet Beijing has been adroit: using "salami-slicing" tactics to expand its influence by incrementally building military installations, but never doing so at a pace that would force Washington to take military action.

Recent spats with the Philippines, however, suggest that opposition to Beijing is rising. President Ferdinand Marcos Jr has directed his navy to better secure the Second Thomas Shoal, a contested reef that is far closer to the Philippines than to China. It has done so by reinforcing the Sierra Madre, a grounded and dilapidated ship that doubles as a Philippine military installation — which China hoped would fall back into the sea.

Beijing has, in turn, become more aggressive. Its paramilitary vessels have rammed Philippine ships and sprayed them with water cannons. Its coast guard has threatened Manila's boats with knives and hatchets. Marcos has tried to draw international attention to the issue. He has hinted at a red line, too, saying that any Chinese action that kills a Filipino soldier would be seen as "very close . . . to an act of war".

The reef lies in the middle of the Philippines exclusive economic zone, and is the heart of a vibrant fishery. Losing control of it would threaten Philippine trade and security, and harm the many Filipino fishermen who rely upon the area. Though confronting the superpower is dangerous, the Philippines has exhausted its diplomatic options.

Manila successfully sued Beijing in an arbitration based on the UN Convention on the Law of the Sea. The 2016 tribunal found that China was violating many of its neighbours' territorial sovereignty, and affirmed the Philippines' control of the Second Thomas Shoal. But Beijing, a signatory of Unclos, has ignored the ruling.

The Philippines' pleas to the Association of Southeast Asian Nations to take a firm stance against China have been fruitless, too. Even years of overtures to Beijing by Marcos's predecessor Rodrigo Duterte did not slow China's expansion.

This leaves the US — and the rest of the world — in a tricky situation. The Philippines provides the US with access to military bases and has a mutual defence agreement with Washington. Escalation risks drawing the two superpowers into conflict.

President Joe Biden has rightly taken a firm stance. He has clarified that the countries' mutual defence pact would extend to an attack at the Sierra Madre. The position, of course, would be stronger if the US were a signatory to Unclos itself.

> Beijing's 'non-lethal' methods are meant to lower the risk of a confrontation. But the situation could easily escalate

Biden has sought to strengthen the Indo-Pacific buffer against China by reinforcing its commitments to the Philippines and Japan. He could also do more to exploit China's over-reach. Vietnam, Malaysia and Indonesia, countries that traditionally co-operate with China, have raised their own concerns about Beijing's actions. The US should step up efforts to engage them diplomatically, and could consider training and supplying their navies.

How the situation unfolds from here is unpredictable. Beijing's "non-lethal" methods are meant to lower the risk of a confrontation. But the situation could easily escalate — a water cannon, after all, can cause death. All sides must exercise caution, and it is positive that Beijing and Washington have reportedly increased communications over the past week. Beijing should cease its brinkmanship, and the US should continue to deter Chinese aggression without crossing the line into provocation.

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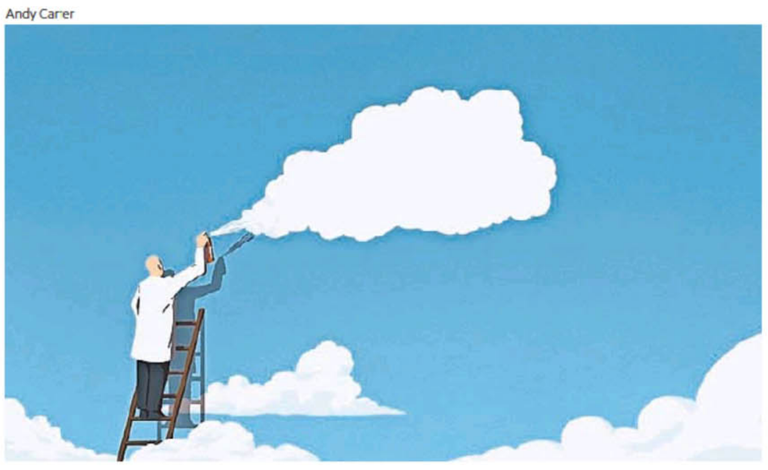
Opinion Science

Is geoengineering a gamble worth taking?

Andy Carer



Anjana Ahuja

Amid rising global temperatures and widespread heatwaves, metaphorical storm clouds are gathering. Last month, a city council in California voted unanimously to halt an experiment into a potential climate-fixing technology.

The trial, which university researchers had already begun, involved spraying sea salt particles into the clouds above San Francisco Bay. The experiment was meant to test whether making clouds brighter could reflect more sunlight back into space, and thereby cool the local climate. The clampdown by Alameda City Council follows the scrapping earlier this year of a Harvard University project to release sulphur particles into the stratosphere above Sweden.

There are good reasons why geoengineering experiments like these raise

> There are good reasons why experiments raise hackles: there could be unintended consequences

hackles: the climate is complex and there could be unintended consequences; the prospect of quick and dirty fixes distracts from cutting emissions; public opinion is rarely courted; governance and accountability appears opaque.

But the failure to conduct experiments is not cost-free either, given the clear trajectory of climate change and real prospect of overshooting the 1.5C-2C threshold in the Paris Agreement. Current temperatures are already linked to more intense heatwaves globally, according to the World Weather Attribution research project, with corresponding losses in life, health, crops, productivity and education. If the world is prepared to neither slash emissions nor to collect evidence on climate interventions, then the only rational conclusion is that we are in denial about a sweltering future.

The Marine Cloud Brightening Project was co-ordinated by the University of Washington and the rationale was simple: clouds containing fewer, large particles tend to be less reflective than clouds with higher concentrations of fine particles. Accordingly, the plan involved spraying fine sea salt particles into clouds from the USS Hornet, a decommissioned aircraft carrier, and trying to measure the cooling effect.

The city council voiced justified concerns: the research team had not obtained prior permission; transparency and accountability were found wanting. Civil society groups warned that salt could rain down unpredictably, threatening ecosystems, and that removing large volumes of seawater could damage marine life, with cascading effects on food chains, fisheries and communities.

And, of course, nobody knew whether it would work. Last week, the Scripps Institution of Oceanography in San Diego published modelling research suggesting that cloud brightening might work short-term but backfire long-term, ultimately increasing heat stress.

This is one example of "solar radiation management", an approach that includes such schemes as painting roofs white and larger-scale plans to shoot sulphates into the stratosphere to mimic the global cooling caused by volcanic eruptions. The finances behind such projects also invite suspicion: some backers of geoengineering have fortunes that can be traced back in part to fossil fuel investments.

One thing is clear: climate fixes cannot substitute for cutting emissions. But we remain in a quandary: emissions are not falling and the atmosphere is still warming. That is why Pascal Lamy, chair of the Climate Overshoot Commission, says governments should "'open the box" of solar radiation management.

That does not mean championing climate engineering or using it globally. Packing the stratosphere with sulphates could be catastrophic — testing is tantamount to deployment, carrying the risk of sudden warming when the particles dissipate.

But we do have a duty to at least *think* about geoengineering, including on a regional scale, and to put together a governance framework — as well as prepare for the possibility that a nation, or a zealous individual, might covertly deploy the tech for their own interests.

Such a scenario, carrying the risk of unquantified fallout in neighbouring territories, is the stuff of geopolitical nightmares. Last year, the US National Oceanic and Atmospheric Administration began the Sabre project to characterise particles in the stratosphere. It will inform any future geoengineering efforts — and should pick up signs of rogue deployment.

In contrast, there is some merit in the idea of a small-scale, well-monitored, controlled experiment with results shared openly, globally and equitably. We especially need to know if geoengineering is a dud, a last resort that should be taken off the table. That would feel like a useful gambit given the current stalemate.

The writer is a science commentator

Letters

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Not all housing solutions have to come with a hefty price tag

The Conservative party manifesto commitment to encourage the building of housing for older people is good to see but detail is needed on how they'd do it ("Party manifestos and the British economic reality", FT View, June 14).

Labour's promise to reform planning rules to build 1.5mn more homes is also positive but there is a risk that focusing directly on young people does nothing to support older people who want to move — which could free up family-sized homes and benefit all generations.

In the past 40 years, the number of people in England aged 65-plus has increased by more than 3.5mn.

Increasing supply is important but not the only way to bring about improvements to the housing and living conditions of older people.

Older people should have access to independent information, advice and advocacy around housing and care options in later life as well as the right to access practical, affordable housing repair and adaptation services.

With politicians being rightly grilled over how to fund expensive election promises, not all housing solutions have to come with a hefty price tag.

For example, government should implement without delay the existing commitment to increase the accessibility standards of new homes.

A lack of money is one thing. A lack of political will is quite another and it's frankly shocking that the implications of our ageing society do not get debated more by politicians.

It's crucial that the next government, whichever party wins next month's election, delivers for the older people of today and tomorrow.

Mario Ambrosi
Chair of the Housing and Ageing Alliance
Director of Communications and Marketing, Anchor, London WC1, UK

Let's avoid conflagration over specks in the ocean

Demetri Sevastopulo's report ("Philippines repairs ship at centre of South China Sea dispute", Report, June 21) on the South China Sea escalation between the Philippines and China is a distressing reminder of the fast-deteriorating security situation in south-east Asia.

China's obsession with preventing the reinforcement of a rickety Philippine warship with just a handful of Philippine troops is irrational, dangerous and self-defeating.

The US in turn has seized the opportunity to pursue other agendas, most prominently pulling in its other allies into cornering China and creating sites for the use of Philippine territory in a future Taiwan conflict.

Meanwhile, the Philippines, notwithstanding its strong legal maritime claim, plays Russian roulette by launching sailing assets to Chinese-controlled zones such as Scarborough Shoal, which have little chance of success.

The ratcheting up of greater deterrence by Washington has only added to the escalation.

More direct involvement as one expert quoted in the article advises — ie more of the same — is unlikely to yield a different result. Moreover, any direct insertion of US troops would transform the dispute into a dangerous great powers clash.

All three parties are playing with fire in the South China Sea by taking outsized risks. The specks in the ocean being fought over simply do not merit a conflagration.

Sarang Shidore
Director, Global South Programme
Quincy Institute for Responsible Statecraft
Washington, DC, US

Delaying deforestation rules is in no one's interest

Not long ago Katherine Tai, the US Trade Representative, wrote a guest column in which she argued, "We are drawing on people's real experiences to best formulate trade rules that support such collective resilience, including on supply chains" ("Trade must transform its role in the social contract", Opinion, May 29).

Last Friday, the FT reported that one day after that opinion piece was published, Tai co-authored a letter to the European Commission arguing that new regulations aimed at slowing the disastrous loss of biodiversity we are currently experiencing should be delayed further ("US asks EU to delay import ban aimed at preventing deforestation", Report, June 21).

Given the role forests play in the resilience of our biosphere, I'm 100 per cent certain that delaying these overdue rules will not benefit workers, owners, or anything else that breathes on this place we call home.

William Bigelow
Boylston, MA, US

Why immigration is the rich freeriding off the poor

Immigration is a flawed solution to falling birth rates in rich countries ("Rich countries' birth rates fall to record low", Report, June 21).

Importing people without having paid the costs of maternity care, doctors, food or schooling is getting a service or good without paying its true cost.

To the extent that women were in some way compelled to have children because they lacked contraception or their cultural circumstances left them little choice, those who import these children as adults are "freeriding" on such constraints or subjugation.

If the culture a woman lives in makes having children desirable, respectable, even admired — despite the effort and sacrifices involved — then those in the non-fecund country are freeriding on this culture.

The moral hazard of this freeriding is that it allows a country's people to choose, for rational or other reasons, not to bear and raise children without heeding the consequences of that choice — labour shortages, increased prices and difficulties in paying "the rising costs of an ageing population". Immigration is only a short-term solution. If growing affluence means more women gain control over reproduction, the decline in birth rates may become global.

Deborah Lewis
Washington, DC, US

Gross domestic product — per capita or per robot

In discussing the positives of having a lower birth rate (Letters, June 25), Edward Plumbly raises the possibility of using more robots and maybe even achieving a higher gross domestic product per capita.

This will presumably depend to a significant extent on whether or not the robots are included in the denominator of the GDP calculation.

Anthony Carey
London HA5, UK

Posting on LinkedIn — but where's the fun in that?

Emma Jacobs' Business Life column ("LinkedIn's makeover is lacking one thing: humour", June 24) concludes with a powerful message: "In a war against the machines the best defence may be #humour."

That's spot on and addresses a real issue in a world where genuine humour is a rare commodity. This is indeed a measurable observation as only a small percentage of a large number of LinkedIn posts manage to attract a funny reaction or a comment that has the potential to prompt a smile.

Humour has a natural attribute that most of the time it is spontaneous in delivery and that's precisely where a key disconnect with LinkedIn lies.

I'm not sure why it is so, but LinkedIn users generally prepare and over-prepare, thereby leaving little or no scope for spontaneity and hence humour suffers.

Humour is God's greatest gift to human beings and it differentiates us from both the machines and even from the animals to some extent. It is for this reason that when we miss or lose a human being with whom we have shared moments of humour, we remember those moments and feel emotional. Machines do not have this potential yet and may never come even close to it even if advancements grow to the highest levels.

It's like this — architects with the help of computers can design houses but people make it home; Google Maps can advise on the best route but not the best paths; Amazon's Alexa can advise on chartbusters but not the most loved song; likewise artificial intelligence can be a reason why we may find something funny but not humorous.

There is a difference between the two and always will be. AI can never bridge this gap from being funny to being humorous!

Tushar Garg
Scientist, India's National Innovation Foundation (NIF) Gandhinagar, Gujarat, India; Former Associate, Goldman Sachs

Tory MPs are the problem, not ordinary members

Nicholas Westcott (Letters, June 21) is wrong about the Tory party's members' ability to choose winners. We did elect David Cameron and Boris Johnson, both of whom won general elections. We also elected Liz Truss who, brought down by hostile Tory MPs, was never given the opportunity to face the electorate.

We did not elect Theresa May, who almost lost, or Rishi Sunak for whom the odds are not favourable, and certainly worse than they would have been under Truss. So the members' record is excellent. It is the party's MPs who are the problem.

David Soskin
Former Special Adviser to the Prime Minister, No 10 Policy Unit, Petworth, West Sussex, UK

Taxing foreigners on their global assets has no logic

Both major UK political parties plan to subject foreigners who are not permanently settled in the UK to inheritance tax on their worldwide assets ("The manifestos are in: will the election leave you better off?", Report, FT Money, FT Weekend, June 15).

While the commercial and cultural attractions of London may persuade many to stay and pay income tax, the prospect of losing 40 per cent of their global fortune, never mind the complications that the same assets may be subject to inheritance or gift tax in other jurisdictions, will definitely persuade the vast majority to move.

The Treasury has regularly pointed out that this will be a money-losing exercise. The logic of doing this is inexplicable and will in the long term be another of the many nails that are being hammered into London as a global financial centre. That should concern the whole of the UK as the South East is the only net contributor to the exchequer.

William Salomon
London W11, UK

America's C-suite bosses are deluding themselves

In urging business leaders not to ignore the "uncertainty, economic radicalism and degradation" that would accompany Donald Trump's return to the White House ("Business leaders' myopic reversal on Trump", FT View, June 20), your editorial states that American tycoons question President Joe Biden's "mental acuity" as one reason for backing the felony-convicted former president.

That's rich (pun intended). While Biden's verbal gaffs are blown out of proportion, Trump's deranged conversations with fictional characters such as *The Silence of the Lambs*' "wonderful" Hannibal Lector, his meandering rant about preferring electrocution to being eaten by sharks, and forgetting the name of the doctor who administered the cognitive tests he brags to have "aced" are normalised as Trump just being Trump.

To consider Trump fit to perform the duties of president, including responsibility for the nuclear codes, is delusional. One hopes that C-suite occupants would have more common sense.

Alan Sutton
Laguna Niguel, CA, US

Correction

● Jeremy Hosking, a City financier who has donated £125,000 to Reform UK, offered £5,000 to Tory candidates if they would sign up to a "four-point commitment to culture", including leaving the European Court of Human Rights. Reclaim, a party founded by Hosking, made several other pledges cited in an article on June 25.

Opinion

Britain's big election will be the one after this

POLITICS

Janan Ganesh

Running for US president in 1976, Ronald Reagan opposed the Keynesian consensus and detente with the Soviet Union. That platform was too strident for Republican sensibilities, never mind those of the wider public. In 1980, the same agenda was the plainest common sense. What changed? Not Reagan. It was the nation's appetite for a rupture. America needed to marinate in the status quo for four more years before voters said, "Enough."

Britain, I suggest, isn't there yet. The nation is tired of malaise, but not *that* tired. The result will be the election of a continuity government, further disappointment and only then an acceptance of uncomfortable change.

Here follows a plausible account of the rest of this decade:

Labour does some things to make Britain more dynamic, such as loosen planning restrictions. These are cancelled out by policies that gum Britain up in other ways, such as new labour laws and, in time, tax rises. The government spends more cash on public services, which improves them, but ducks reform of those services, which negates that improvement. In the end, the material experience of the average citizen nets out at not much better than it is right now. Freed from the pandemic and the energy shock, economic growth goes up a bit, but not to the pre-2008 trend.

At that point, in the historic election of 2029, an exasperated nation draws a line. It entertains once verboten ideas. Things become sayable that now aren't.

Such as? A nation as trade-dependent as Britain cannot be outside a giant single market on its own doorstep. This is doubly true when there aren't trade deals to be had elsewhere, thanks to the protectionist turn in Washington. In

> By 2029, voters are likely to entertain once verboten ideas. Things will become sayable that now aren't

2020, even Remainers hadn't the stomach for this conversation. In 2024, it is common among pundits and some voters. In 2029, it will be visitable terrain for politicians.

Consider the trend, not the present state, of events. The share of the public who think Brexit was a good idea is down to one third now. Given demographic churn alone — children reaching voting age, old people leaving us — is that likelier to expand or to shrink?

The Tories aren't making much mention of Brexit in this election, either as a retrospective boast ("Look what we achieved") or a prospective vision ("Here is what we can do with it"). Labour, too, close down the subject at every turn. This cross-partisan omertà is wise. The moment isn't right, quite, to reopen the subject. But you have to be trying very hard to not see that it is coming. In 2029, joining at least the customs union will be on the table.

And so might much else. The British state needs deep reform. The "triple lock" on public pensions is an expensive folly. The out-of-work benefits bill is too large. Britain doesn't need all of its current universities. A Whitehall that can't build a high-speed rail line within schedule or budget isn't going to revive the deindustrialised regions or nurture the artificial intelligence sector. Lots of politicians know some or all of this, but shrewdly judge the occasion wrong to say so. Things have to be a bit drabber for a bit longer.

If the election after next is the big one, who will be leading the change? Who will be saying the newly sayable? A mended and future-facing Conservative party is improbable by 2029. Perhaps a third force, then. But don't discount Sir Keir Starmer himself.

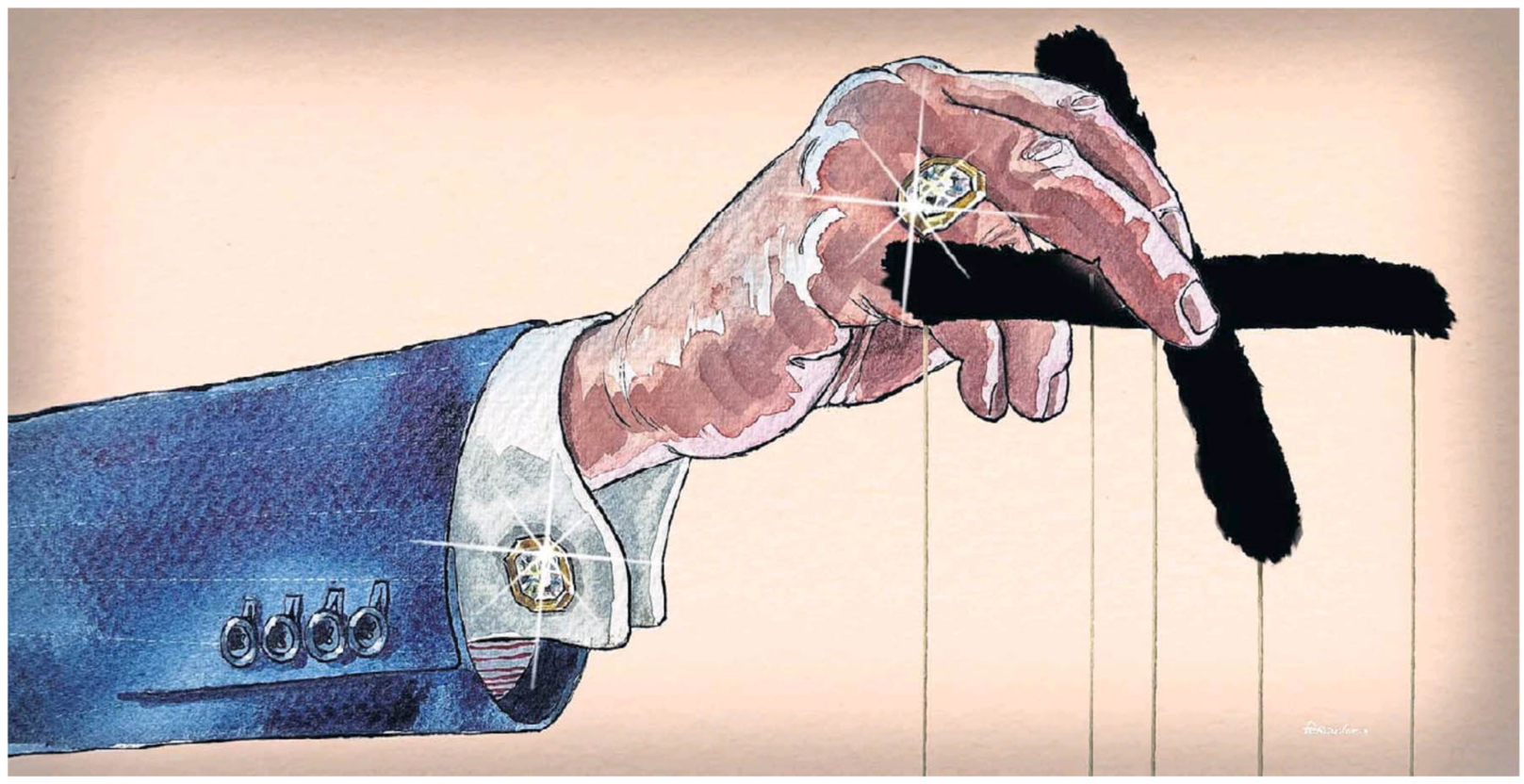
Second terms — Thatcher's, Blair's — are often a prime minister's most dramatic. It is then history starts to whisper to them, "What will you be remembered for?" Starmer is the most underrated politician in the democratic world, give or take Mark Rutte. Although he made it to his sixties before deciding what a woman is (a lapse he will never shake off in full) his political judgment has been acute. If it tells him that 2024 isn't the time for a national rupture, he is doubtless right. But when that changes, he is unlikely to miss the shift in the air.

I cited Reagan but there is a similar tale, from a similar time, that is nearer to home. In 1974, then UK premier Edward Heath, a Conservative, sought a mandate to tame the trade unions ("Who governs?"). The public instead gave the status quo one more heave under Labour. Only after that failed did the space open up for Thatcherism.

The lesson? It is not, or not just, that she was a world-historical talent and Heath wasn't. It is that people take time to reach breaking point. An untenable situation — a marriage, a mode of government — can stagger on and on, until it doesn't. The UK is approaching a general election of vast importance for its future. It just has to get next week's one out of the way first.

janan.ganesh@ft.com

The folly of pro-Trump plutocrats



Martin Wolf Economics

Many corporate leaders dismiss fears of the former president's return — they are wrong to do so

Many billionaires and business people support Donald Trump. That is no surprise. He would be good for profits, they believe. He offers lower taxes and less regulation. Some have argued that certain policies of his — the tax cuts and toughness on China and freeriding allies, for example — were not foolish. Moreover, unlike most Democrats, Trump and the Republican party like business and business people. Why should they not embrace him in return?

Even looked at rather narrowly, this does not make much sense. In office Democrats have frequently been rather good for business. The financial crisis of 2007-09 occurred under the watch of a Republican administration. The stock market has boomed (and bust) under both Democrats and Republicans. So has the share of profits in US GDP. Trust in government collapsed in the 1960s and has, since then, gone up and down under both parties. (See charts.)

Moreover, Trump's economic policy preferences are surely dangerous in current circumstances. He cannot understand the value of an independent central bank and despises tight monetary policies. He promises to cut taxes, although deficits and debt are on a perilous path. He plans to launch a trade war against the world, not just China. He has even suggested that tariffs could replace income tax. Might this work? As a blog for the Peterson Institute for International Economics states: "Simply put, no. Tariffs are levied on imported goods, which totalled $3.1tn in 2023. The income tax is levied on incomes, which exceed $20tn; the US government raises about $2tn in individual and corporate income taxes at present. It is literally impossible for tariffs to fully replace income taxes."

Biden may be old. But Trump is crazy and, alas, he is not amusingly crazy: he is dangerously crazy. Trump's instincts are also those of a dictator. That has been quite clear since he entered politics. But this time, unlike in 2016, he has people around him with a programme for dismantling the state and the constitution. Moreover, argues Robert Kagan, in his brilliant book *Rebellion*, the peril is not new. As he explains in a podcast with me, liberal ideas have been embattled throughout the history of the republic, notably in the civil war. But Trump's charisma as a leader makes this time especially dangerous.

The crossing of the Rubicon occurred in 2020 and 2021 when Trump not only denied that he had lost the election, but acted to overturn the result. While he failed, his party is now fully behind his election denial. As I have previously noted, his ability to define truth for his followers is an example of *Führerprinzip* — the idea that the leader defines the truth. Republicans who denied the lie of the stolen election have been discarded. The guardrails have all failed: he is the presumptive Republican candidate and is quite likely to be re-elected.

What then? Trump has already announced that the president is above the law, a proposition that some members of the Supreme Court seem to find credible. Some party leaders too hold that he is not subject to the law. He has also embraced the goal of revenge.

An executive operating above the law can do *anything*. Once he has loyalists running the armed forces, FBI, intelligence services, tax service and justice department, he can do whatever he wants to anybody. He can harass, humiliate, bankrupt and imprison his enemies, as he wills. Who will stop him? Only brave people would even try.

> It is natural to believe the games of business are safe, but they depend on the institutions of the state

If Trump loses, he will surely claim, with Republican support, to have won. That could cause chaos. If he wins, his supporters will start the cleansing of the "deep state", by which is meant those loyal to the republic, not to him personally. Thereupon other things could happen, including the rounding up and expulsion of perhaps as many as 11mn illegal immigrants. That could split the country violently and dangerously.

The reaction of most business people to such fears is likely to be that this is mere alarmism. Trump is old, they will say. He will feel vindicated, not vengeful, and will quietly bask in his reinstatement. Nothing much will change in Washington. The majesty of the law will remain largely unscathed. The guardrails of the republic will hold.

We must fervently hope that this view is right. But two questions still arise. The first is whether it makes sense to run the risk? What if the downside is at least partially correct? What is the upside to set against it? Yes, Biden is too old and, yes, the administration has made mistakes, notably over immigration. But it has been far from a catastrophe. The second question is what does the precedent imply? Assume that Trump ultimately turns out to be "full of sound and fury, signifying nothing". Is that the end? Will the opening to authoritarianism he is busily creating be closed? Or will someone else try to go through it?

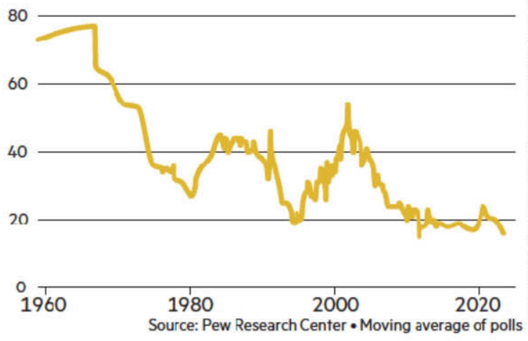
Law-governed, liberal republics are always fragile. They are not so much protected by institutions, as by the values and courage of the people who run those institutions and of those who wield influence in society. This includes those in business. It is natural to believe that the games of business or politics are safe. But both depend on the institutions of the state. It is naive to expect that they will survive all attacks.

As I argued back in 2016, when Trump first emerged, the US is much the most significant republic since the Roman empire. The fact the US, with its vast scale and secure geography, was created as a republic is the main reason why democracy emerged as a dominant political system out of the great upheavals of the 20th century. Trump, however, is an American Caesar. His return is a risk nobody should wish to take.

martin.wolf@ft.com

Public trust in US government is near historic lows

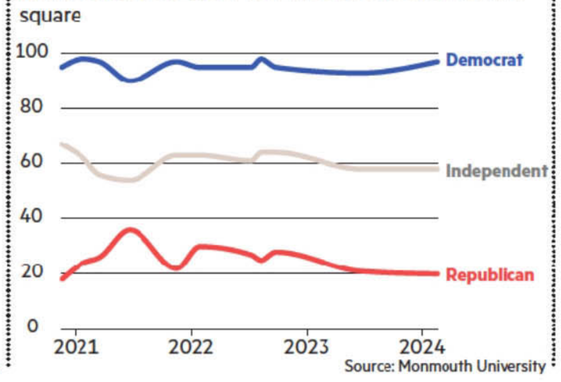
% who say they trust government to do what is right just about always/most of the time



Source: Pew Research Center • Moving average of polls

Republicans have bought into the Big Lie of the stolen election

% who believe Joe Biden won the 2020 election fair and square



Source: Monmouth University

The election outcome is on a knife edge

% voting intention, lines represent polling averages

Source: FiveThirtyEight

Europe boldly redefines security for a new age of threats

WORLD AFFAIRS

Anne-Marie Slaughter

For all the uproar about a far-right surge in the European parliament elections, the outcome favours the reappointment of European Commission president Ursula von der Leyen, who is a centrist. That prospect would continue her push towards a "geopolitical" Europe, which should cheer Ukraine, Nato and all advocates of a more active, influential Europe in global affairs. But the EU's concept of Europe as a geopolitical actor includes a vision of threats to the Earth itself as well as to the nations on it, and an expanded understanding of the power needed to meet them.

Power is the new EU watchword. Speaking last month at a European University Institute conference, Josep Borrell, the EU's foreign policy chief, announced that the EU must "learn to use the language of power" and be more assertive in the world. A report issued by the European Conclave in March concurs: "The European Union must dare to assert itself as a global, sustainable and responsible power and not only as a participant torn between other powers."

But what kind of power? For all the emphasis on building defence capacity — the issuance of a European defence industrial strategy and an explosion of venture capital investment in European defence start-ups — the EU is unlikely to replicate the US military-industrial complex. American military technology and research spilled into the civilian sector, with the internet's creation the prime example. In Europe the arrows are likely to point the other way, with an environmental-industrial complex, including energy, health and materials sectors, spilling over into a new generation of arms.

> A digital transition will bring the prosperity and dynamism that provides butter and guns for all

Consider a recent joint statement by French President Emmanuel Macron and German Chancellor Olaf Scholz on "strengthening European sovereignty". They focus on competitiveness, building a foundation for global industrial and technological leadership. Instead of a continent bristling with arms, they reaffirm the ambition of making the EU the "first climate-neutral continent".

Russia poses the greatest threat to Europe's freedom, as it has shown that it is once again willing to take up arms to conquer territory. Yet climate change is a greater existential threat to lives and lifestyles than Russia, China, Iran, North Korea or all four of those nations put together. Another pandemic could similarly wipe out millions and again upend the global economy. Europe also faces transnational threats such as food and energy security and terrorism.

The German response to this much more complex set of threats is the concept of "integrated security", defined in the German National Security Strategy in three dimensions: "protection from war and violence"; "the freedom to be able to shape our lives, our democracy the way we want"; and "focusing on people's individual security needs", using the rights of women and vulnerable groups as a social barometer.

Against the backdrop of this bold, prescient redefinition of what national security means and requires, Macron and Scholz's prescriptions for how the EU can become an environmental and technological power, by "making the Green Deal and the digital transition a success", position the EU militarily as well as economically. A full Green Deal will end the EU's dependence on Russian energy, while building new trade and diplomatic relationships with countries across Africa and the Middle East. A digital transition that builds a tech sector around "AI, quantum technologies, space, 5G/6G, biotechnologies, net zero technologies, mobility and chemicals" will be a Europe with the prosperity and dynamism necessary to provide butter *and* guns for all its people.

American tech titans are likely to scoff. Note, however, that the obstacles to increased competitiveness and technology development are less the absence of funds than the continued presence of national trade and financial barriers. The EU is simply not a single market when it comes to military procurement or technological development, nor has it yet achieved a unified capital market and fiscal union. Removing these barriers will be hard, but easier than mobilising billions in new funding. Even now, Europe is leading or globally competitive in quantum applications, 5G/6G technologies and net zero technologies.

The US and China are economic and military great powers. The EU is charting a path towards being the world's first integrated security power, equally capable of protecting itself against military and non-military existential threats.

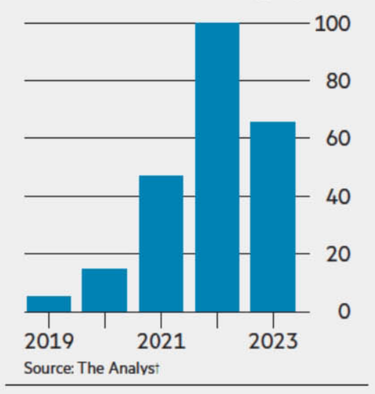
The writer is chief executive of the New America think-tank and an FT contributing editor

Lex.

Mercedes Ruehl
Singapore is well placed to benefit from the rise of AI data centres
INSIDE BUSINESS

What Shein must prove to avoid a London flotation bust

Shein reached a private valuation of $66bn
Private market valuation ($bn)



Source: The Analyst

Videos of shoppers unveiling a "huge haul" of Shein goods can get thousands of views on TikTok. But so too can clips comparing what shoppers were promised with the disappointing products delivered.

UK fund managers are wary of the second scenario when it comes to the ecommerce group's potential IPO in London. Shein's executive chair Donald Tang has work to do if he wants UK institutions to buy what he is selling.

Shein filed papers with the UK's Financial Conduct Authority confidentially this month for a potential flotation. Beijing has yet to greenlight formally an IPO outside of China, with a Hong Kong listing still also an option. In London, the paperwork might prove the easy part.

For a start, Shein needs to be much clearer about why it wants to float at all. Tang has played down standard reasons such as raising cash or giving early investors an exit. Instead, he has talked about "enhanced transparency" — a phrase that raises as many questions as it answers.

Second, some fund managers have raised concerns over Shein's supply chain. Shein denies allegations about forced labour in its cotton supply chain. It argues that in 2023 it ditched a small number of suppliers in China that did not reach its standards. More frequent, independent audits will be needed to neutralise this issue in the City.

Third, there are inevitably governance concerns — about an expected small free float and Shein's corporate structure, with its ultimate parent registered in the Cayman Islands. One useful signal from Tang could be reassurance that all shares will carry equal voting rights, rather than a dual-class structure to retain the rights of pre-IPO investors.

The fact remains, however, that it is easy for fund managers to carp about governance when the pricing is wrong.

Shein bigs itself up as an AI-powered tech play. But a tech-style multiple is unrealistic. Its reported £50bn target valuation suggests it might benchmark itself closer to Zara-owner Inditex, which trades on 23 times forward earnings. Even then, a decent discount would be required.

There are regulatory risks, given some countries are trying to close tax loopholes used by Shein and others that ship lots of small packages direct to customers. Shein insists its growth doesn't rely on those loopholes.

But for a successful London debut, Tang must bridge the gap between how Shein sells itself and what some investors believe it will deliver.

Turbulence at Airbus shows the limits of duopoly power

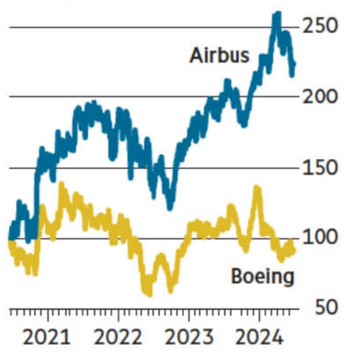
Picture the following: you are one of a duopoly in a sector that is seeing skyrocketing demand, and your competitor is grounded by operational and financial difficulties. In most industries, that would be a recipe for profit lift-off.

Not so, it would appear, for aircraft maker Airbus, whose stock plummeted more than 10 per cent yesterday as it warned about the pace of deliveries and troubles in its Space division. The combination will lop €1.2bn — or about 18 per cent — off expectations for earnings before interest and tax for this year, thinks Philip Buller at Berenberg.

The problem is not that Airbus lacks a growth runway. Far from it. It has steadily pulled ahead of struggling rival Boeing in new orders. Before the shock warning, analysts had been expecting profits to roughly double to €7.5bn between 2023 and 2026, according to S&P Capital IQ estimates.

Rather, Airbus's problem is one of execution. It finds itself hamstrung by an inelastic supply chain, citing bottlenecks in aerostructures, cabin equipment and — most recently — engines to explain why it will deliver 30 aircraft fewer than planned this year. Its target of ramping up to 75 A320 jets a month has been pushed out by a year to 2027. That should have been on investors' radar: the 12-month moving average for monthly deliveries is still below 50 according to Sash Tusa at Agency Partners.

Airbus has left Boeing on the runway
Share prices rebased in $ terms



Source: LSEG

The message from Airbus's woes for passengers is to expect unprecedented fare increases to continue. For everyone else, it is that making planes is a complicated business. Ramping up production means training skilled staff and certifying parts and processes. Cutting corners is inadvisable, as Boeing has found to its cost.

Duopoly power has its limits: supply capacity is not an area where Airbus is able to profit from Boeing's distress. While the two share some suppliers, manufacturing is usually linked to specific programmes and is not easily fungible. Expectations for how much Airbus can truly benefit from Boeing's woes have returned to earth. Even now, its production ramp-up looks challenging. And at this new valuation, the shares still trade on 28 times this year's earnings, according to Deutsche Bank estimates. None of this points to a smooth journey for the stock.

Chapel Down's sale would reflect British wine going global

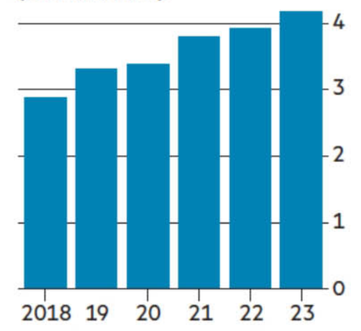
Just as Britain's sparkling wine producers pop corks to celebrate a healthy year, the sector's leading producer has set down its glass.

Aim-listed Chapel Down has announced a strategic review with bankers Rothschild to look at "the full range of long-term funding options". The Kent-based group says it may go to its shareholders for more equity, or consider outside interest. This follows full-year results that trumpeted a good year of sparkling wine sales and healthy profits.

That might seem odd. Chapel Down has achieved a fair bit over the years. Group sales have climbed by a third in the five years through 2013 to £17.2mn. The winemaker has gone from making losses at the operating line to a £3.7mn profit, adjusted for its costs for listing on Aim last year. English wine is no longer the punchline to a joke: Chapel Down's sparkling wines win awards, most recently a Decanter magazine Best in Show prize.

And through it all, it is comfortably the largest domestic producer of English bubbly at 887,000 bottles last year. That's up 12 per cent, even with an average selling price up a tenth. Big, well-known backers such as City entrepreneur Michael Spencer, who holds more than 26 per cent, have been supportive. So why sell now?

More vines are getting planted
Total planted UK vineyards ('000 hectacres)



Source: Stephen Skelton MW, WineGB

Maybe because foreign winemakers have noted Britain's potential. French champagne houses, such as Taittinger, bought land in England for vineyards in 2015. More recently Spain's Henkell-Freixenet acquired Bolney, one of the oldest producers in Britain. Last year Jackson Family Wines was the first US producer to buy, snapping up acreage in Essex, an increasingly popular wine region in the east of England.

Chapel Down has big plans to increase its 1,023 acres, eventually by half, and build a new winery in time for the 2026 harvest. But the competition means that vineyard land isn't going cheap. Between 2018 and 2022 almost half a billion pounds was invested, according to Strutt & Parker, with the best vineyard acres commanding three times the average price of arable land.

The number of British vineyards, now around 900, will increase as climate change creates better growing conditions. Grapes such as chardonnay and pinot noir — both important to "traditional method" sparkling wines, which represent two-thirds of Chapel Down's output — now ripen better than ever in parts of Britain. That is a big change even from a couple of decades ago.

That suggests Chapel Down needs some bigger backers. Weather and harvests can fluctuate. Its plans will require investors with deeper pockets to step up to the bar.

China offers an open goal for Novo Nordisk's obesity drug Wegovy

In China, as in many other countries, slimness is an oft-promoted beauty standard. But the actual statistics in the country, with more than half the population classified as overweight, tell a different story. This is good news for Wegovy, Novo Nordisk's obesity drug.

Wegovy, which contains the active ingredient semaglutide, has been approved in China for long-term weight management for overweight and obese people. The Danish drugmaker has little competition and massive demand.

The supply of semaglutide has been highly controlled in mainland China as, until now, it was approved only for the treatment of type 2 diabetes.

Even so, the market was still valued at about $1.7bn last year, according to analytics group Clarivate.

There are just two local drugs that have already been approved for weight loss — Huadong Medicine's liraglutide and Benemae Pharma's beinaglutide. There is a strong pipeline of local rivals that are in their final stages of clinical trials. But they will have a difficult time commercialising the drugs, owing to Novo's patent on semaglutide that runs through 2026. Shares in Huadong, down 30 per cent in the past year, reflect investors' pessimism despite promising developments.

That may be too harsh — at least considering the long-term prospects. Demand for weight-loss drugs is set to grow as, in China, the number of overweight adults is expected to triple, and those classified as obese projected to increase more than sevenfold by 2030 from 2000 levels, according to Chinese public health research.

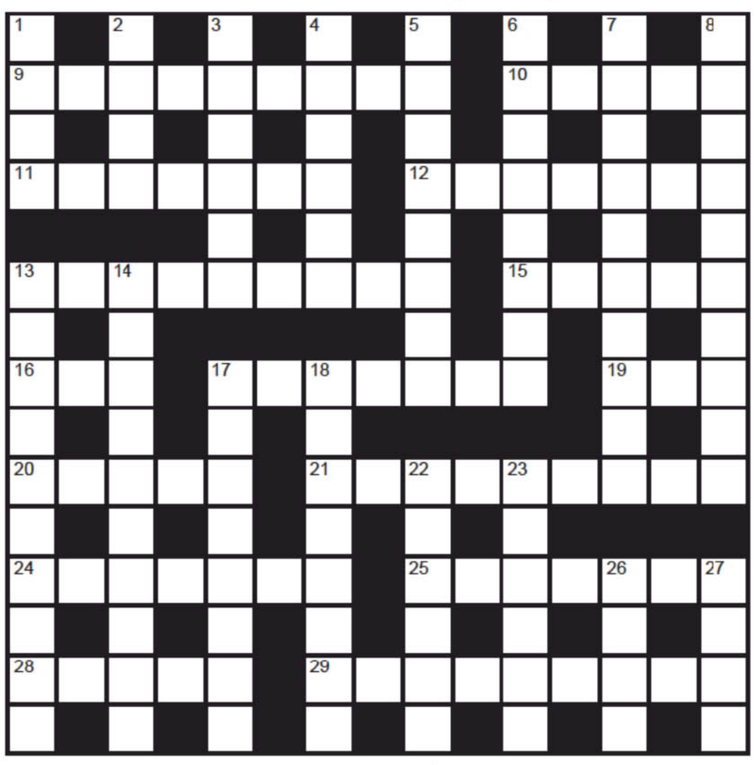
There is even bigger potential for export. India has the third-largest number of people living with obesity, behind China and the US.

Novo's Wegovy and Ozempic, plus Eli Lilly's rival product, are not available there, and there are no plans to supply the country. More than a tenth of India's population is estimated to be living with diabetes.

That should give Chinese weight-loss drugmakers room for growth in the longer term. In the meantime, Novo stands to gain an exceptional windfall in one of the world's biggest markets.

NIKKEI Asia The voice of the Asian century

CROSSWORD No 17,772 by IO



ACROSS

9 Edvard is probably wearing no pants (9)
10 Carry on the wrong way with hot date (5)
11 CID man ill-prepared for showers, it seems unsettled (7)
12 The suffering with each cat (7)
13 Cape is comparable with cycling regalia (9)
15 Institutions that educated 23s, reportedly (5)
16 Sister university stops news letter to the Hebrews (3)
17 Fratricide engages suitable officer (7)
19 Peace activist that's bad news in auditorium (3)
20 Fine threads, light with it? (5)
21 See 8 Down
24 See 4 Down
25 Was writing somehow discernible with line obscured? (7)
28 A little contretemps over measuring device (5)
29 Meetings pass with Louise and I conducting Q&A (9)

DOWN

1 Seed-spiller nailed by stop-motion animation (4)
2 Of inwardly malleable shape (4)
3 Retainer lifted bloody thing in birdcage (6)
4/24 Octets ready for old Don? (6,2,5)
5 A prisoner parts with a snake (8)
6 Kid always safe given cake! (5,3)
7 Troubles again for the ear with scented applications (6,4)
8/21 Novel eulogy for 27 23? (3,7,2,2,5)
13 Was it opened by declaring Martin Luther a heretic? (3,2,5)
14 Quaker takes moments for Revelation (10)
17 Lexicographer locks up dividing key group (8)
18 Bones appear well established in X-rays? (8)
22 Overall that would initially be only a tenth as valuable (6)
23 Repeat the usual nonsense (6)
26 Low blow (4)
27 Utterly obsolete (4)*

Solution 17,771

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