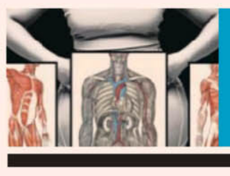
FINANCIAL TIMES

FRIDAY 2 AUGUST 2024

UK £3.50; Republic of Ireland €3.90



Medicine's gender gap puts women in peril
BIG READ, PAGE 21

Life lessons for AI from the primordial swamp
JOHN THORNHILL, PAGE 23

BoE in first rate cut for four years as confidence on inflation mounts

● 'Careful' notch down to 5% ● Knife-edge vote seals decision ● Boost to Labour's growth drive

SAM FLEMING — ECONOMICS EDITOR

The Bank of England has cut interest rates for the first time in more than four years in a knife-edge vote that marks a boost to the Labour government's promise to kick-start economic growth.

The Monetary Policy Committee voted five to four to reduce the bank's rate by a quarter of a percentage point to 5 per cent, the BoE said yesterday.

The decision comes after inflation returned to the bank's 2 per cent target in May and stayed there in June, despite stubbornly high services inflation.

Announcing the decision, BoE governor Andrew Bailey warned that the move would not herald a rapid succession of further cuts.

"Inflationary pressures have eased enough that we've been able to cut interest rates today," said Bailey, who was among the policymakers to vote for a cut. "But we need to make sure inflation stays low, and be careful not to cut interest rates too quickly or by too much."

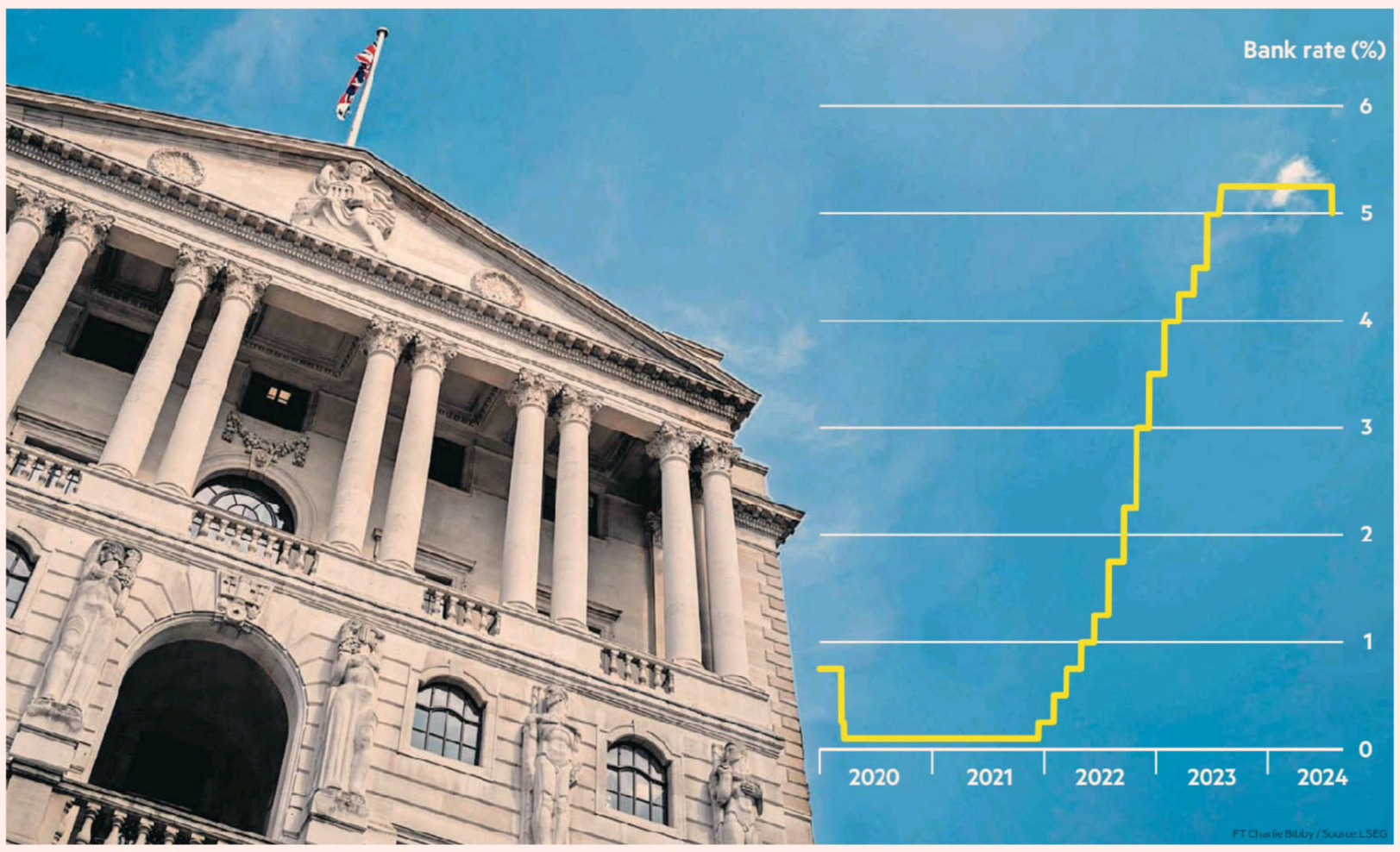
Investors expect the BoE to make one or two further reductions in borrowing costs by the end of the year.

Two-year bond yields, which closely track investors' interest rate expectations, fell 0.12 percentage points to 3.69 per cent, the lowest level in more than a year. Sterling fell to a four-week low of $1.2772, down 0.6 per cent against the dollar on the day.

The cut is a boost to chancellor Rachel Reeves as she tries to revive economic growth and tackle what Labour has said is a £22bn hole in the public finances.

Reeves, who wants to avoid any sense the rate cut will lessen the need for "tough choices", including tax rises, in her October Budget, gave a cautious response to the move.

"While today's cut in interest rates will be welcome news, millions of families are still facing higher mortgage rates after the 'mini' Budget," she said, referring to Liz Truss's shortlived premiership in 2022. "That is why this government is taking the difficult decisions now to fix the foundations of our economy after years of low growth, so we can rebuild Britain and make every part of our country better off," she added.



Ruth Gregory, of Capital Economics, said the decision was a "hawkish cut", given the close vote and Bailey's cautious message. "It seems likely the MPC wants to see more evidence of waning inflationary pressures before embarking on further rate cuts," she added.

> Business and households will welcome the turn towards lower rates. Just don't expect the way down to be any more predictable than the way up

FT View
Page 22

James Smith, an economist at ING, added that the BoE appeared "incredibly reticent to let markets run away with the idea that this could be the start of a rapid cutting cycle". But he said one or two further moves could well materialise by the end of the year.

The BoE's decision is the latest sign of growing confidence among central banks that the post-Covid-19 price jump has been vanquished. This summer, the European Central Bank was the first big central bank to lower rates. On Wednesday, the Federal Reserve signalled it could usher in a cut by September.

The BoE said yesterday it expected headline inflation to climb from 2 per cent to 2.7 per cent this year, before slowing. It also upgraded its GDP growth forecast for this year to 1.25 per cent from just 0.5 per cent, and expected expansion of 1 per cent in 2025.

Minutes to yesterday's decision suggest the MPC was deeply divided. Some of those who opted for a cut acknowledged the decision was "finely balanced". The cut was opposed by rate-setters including the bank's chief economist Huw Pill, who warned that domestic inflationary pressures remained "more entrenched".

Pill was joined in opposition by external members Megan Greene, Jonathan Haskel and Catherine Mann.

Doves prevail page 3
Chris Giles page 23

> 'We need to . . . be careful not to cut rates too quickly or by too much'
>
> Andrew Bailey

Briefing

▸ Brussels presents list of demands for warmer ties
Brussels has warned the UK it must fully implement existing Brexit agreements on Northern Ireland and the rights of EU citizens living in Britain if it wants to build an improved relationship with the bloc.— PAGE 2

▸ Glencore bribery charges
The Serious Fraud Office has charged the commodity trader's billionaire ex-head of oil Alex Beard and four former executives with conspiring to make corrupt payments in Africa.— PAGE 9

▸ Hizbollah issues warning
Leader Hassan Nasrallah has said the battle between his group and Israel has "entered a new phase" with the killing of a commander in Beirut. — REPORTS & ANALYSIS, PAGE 8; KIM GHATTAS, PAGE 23

▸ BAE Systems lifts outlook
The FTSE 100 defence group has raised its profit forecast as it continues to benefit from new orders on the back of heightened geopolitical tensions and rising military spending.— PAGE 12

▸ Valencia holiday lets curb
The region of southern Spain is joining a growing number of governments cracking down on Airbnb-style holiday rentals in response to a rising backlash against mass tourism.— PAGE 4

▸ Marshall in Spectator tilt
Hedge fund mogul Sir Paul Marshall is in advanced talks to acquire the weekly title from Abu Dhabi-backed investment group RedBird IMI, putting him in pole position to take over.— PAGE 12

▸ Infosys faces $4bn tax bill
Authorities have hit the leading IT outsourcer with a $3.9bn tax demand, making it one of the latest of India's corporate champions to fall foul of New Delhi revenue collectors.— PAGE 10

▸ Resources prices tumble
Commodities from copper to corn have been tumbling as plentiful supplies and flagging Chinese demand prompt fund managers to cut about $41bn of bullish bets on natural resources.— PAGE 13



Temu's new business plan has merchants up in arms

The online marketplace rose swiftly to prominence by copying fast-fashion retailer Shein in flying lightweight and cheap goods directly from warehouses in China to shoppers in the west. But fearing the closure of the tax loopholes that supercharged its growth, it is now revising the model, recruiting Amazon merchants with goods in US and EU warehouses. The move is not pleasing its suppliers, who will have to shoulder more risk to sell on Temu's platform.

Suppliers frustrated ▸ PAGE 11

US reporter freed in biggest prisoner swap with Russia since end of cold war

MAX SEDDON — RIGA
FELICIA SCHWARTZ — WASHINGTON
ADAM SAMSON — ANKARA

Russia released Wall Street Journal reporter Evan Gershkovich yesterday as part of a prisoner swap with the US and other countries that was the largest of its kind since the cold war.

The exchange in Ankara, which involved 26 prisoners and seven countries, was the culmination of months of painstaking diplomacy after President Vladimir Putin's invasion of Ukraine.

The process drew in Germany, Norway, Poland and Slovenia, according to officials in multiple countries, while Turkey said Belarus was also involved.

US national security adviser Jake Sullivan called the exchange "historic", adding: "Not since the cold war has there been a similar number of individuals exchanged in this way, and there has never, so far as we know, been an exchange involving so many countries."

President Joe Biden said: "I've been praying for this day for a long time. The deal that made this possible was a feat of diplomacy and friendship."

Russia released 16 prisoners, including Gershkovich, who had been convicted on spying charges, Radio Free Europe/Radio Liberty reporter Alsu Kurmasheva, and Paul Whelan, a former US marine serving a sentence for espionage (pictured). Others released included Russian dissident Ilya Yashin, according to officials.



The WSJ said it was "overwhelmed with relief and elated for Evan and his family, as well as for the others who were released", adding: "At the same time, we condemn in the strongest terms Putin's regime in Russia, which orchestrated Evan's 491-day wrongful imprisonment based on sham accusations and a fake trial as part of an all-out assault on the free press and truth."

In return, 10 people were transferred from the west to Russia. State newswire RIA Novosti cited a source saying Russia was "completely satisfied" and that all sides had kept their agreements in full.



World Markets

STOCK MARKETS

	Aug 1	Prev	%chg
S&P 500	5463.42	5522.30	-1.07
Nasdaq Composite	17318.55	17599.40	-1.60
Dow Jones Ind	40316.04	40842.79	-1.29
FTSEurofirst 300	2029.04	2054.75	-1.25
Euro Stoxx 50	4765.20	4872.94	-2.21
FTSE 100	8283.36	8367.98	-1.01
FTSE All-Share	4544.95	4588.31	-0.95
CAC 40	7370.45	7531.49	-2.14
Xetra Dax	18083.05	18508.65	-2.30
Nikkei	38126.33	39101.82	-2.49
Hang Seng	17304.96	17344.60	-0.23
MSCI World $	3571.57	3514.37	1.63
MSCI EM $	1084.77	1071.60	1.23
MSCI ACWI $	814.16	801.43	1.59
FT Wilshire 2500	7119.11	7015.74	1.47
FT Wilshire 5000	55429.90	54630.00	1.46

CURRENCIES

Pair	Aug 1	Prev	Pair	Aug 1	Prev
$/€	1.079	1.082	€/$	0.927	0.924
$/£	1.279	1.285	£/$	0.782	0.779
£/€	0.844	0.843	€/£	1.185	1.187
¥/$	150.070	150.460	¥/€	161.963	162.013
¥/£	191.977	193.259	£ index	84.037	84.149
SFr/€	0.943	0.953	SFr/£	1.118	1.131

CRYPTO

	Aug 1	Prev	%chg
Bitcoin ($)	62931.65	63911.47	-1.53
Ethereum	3099.23	3188.00	-2.78

COMMODITIES

	Aug 1	Prev	%chg
Oil WTI $	77.11	77.91	-1.03
Oil Brent $	80.25	80.84	-0.73
Gold $	2426.30	2390.25	1.51

GOVERNMENT BONDS

Yield (%)	Aug 1	Prev	Chg
US 2 yr	4.20	4.35	-0.15
US 10 yr	3.99	4.10	-0.11
US 30 yr	4.28	4.35	-0.06
UK 2 yr	3.70	3.79	-0.09
UK 10 yr	4.00	4.08	-0.09
UK 30 yr	4.46	4.53	-0.06
JPN 2 yr	0.46	0.45	0.01
JPN 10 yr	1.03	1.06	-0.03
JPN 30 yr	2.14	2.17	-0.03
GER 2 yr	2.47	2.52	-0.04
GER 10 yr	2.25	2.30	-0.06
GER 30 yr	2.46	2.51	-0.05

Prices are latest for edition
Data provided by Morningstar

Subscribe In print and online

www.ft.com/subscribenow Tel: 0800 028 1407
Mon-Fri: 7am - 6pm / Sat: 8am - 1pm

For the latest news go to www.ft.com

© THE FINANCIAL TIMES LTD 2024
No: 41,701★

Printed in London, Liverpool, Glasgow, Dublin, Frankfurt, Milan, Madrid, New York, Chicago, San Francisco, Tokyo, Hong Kong, Singapore, Seoul, Dubai

9 770307 176050 31>

NATIONAL

EU relationship

Brussels sets out terms for reset with bloc

Britain told to implement key Brexit agreements before ties can improve

PETER FOSTER — LONDON
ANDY BOUNDS — BRUSSELS

Brussels has warned the Labour government that it must fully implement existing Brexit agreements on Northern Ireland and the rights of EU citizens living in Britain if it wants to build an improved relationship with the bloc.

Prime Minister Sir Keir Starmer has said his government wants to repair relations with the EU through a new broad-based security pact while also seeking better trading terms.

However, the European Commission has issued a list of eight demands, seen by the Financial Times, that Westminster must fulfil to "demonstrate real UK government commitment" to honouring its Brexit divorce deal with Brussels.

These include requests to fully implement elements of the Brexit agreements on Northern Ireland and the rights of EU citizens living in Britain, which EU diplomats described as a "test of good faith" in the new relationship. Brussels wants implementation of a UK High Court ruling which said that EU citizens should not have to make a separate application to win "settled status" in the UK after the required five years of residence.

The bloc's concerns were raised by EU commissioner Maroš Šefčovič directly with the new EU relations minister, Nick Thomas-Symonds, on his first visit to Brussels last month after Labour's general election victory.

EU diplomats said the commission's determination to hold the UK to previous agreements so soon after the change of government showed that its approach would not change for Labour.

Thomas-Symonds said he wanted a new "structured dialogue" with Brussels as part of plans to deepen ties on security, energy and trade, but a senior EU diplomat said the commission was "lukewarm" on the idea.

In a further signal of intent, Brussels last week pressed ahead with a threat of legal action against the UK that it launched in May 2020. The government now has two months to address concerns over how EU free movement rules were implemented during the Brexit transition or face a referral to the European Court of Justice.

"Why the commission felt it was necessary to do this now, after more than four years, is a complete mystery," said one EU diplomat from a large EU state. "It's important that this reset is made to work."

"The timing was very bad," said a second diplomat, adding that many EU officials had a bunker mentality after eight years dealing with Conservative governments reluctant to keep their promises. "We need new thinking."

The EU also contends the UK is still failing to properly implement the Windsor framework struck last year. Several diplomats and officials said the EU's priorities were a deal to allow young people to work and study in the UK, getting the UK to rejoin the Erasmus student exchange scheme, and continued access to its fishing waters after 2026.

The Cabinet Office said it would not comment on leaks, but said that the government was working to reset the relationship with Europe via a new security pact and steps to lower barriers to trade.

"We've had very positive engagement in our early conversations and are committed to implementing the withdrawal agreement, including the Windsor framework in good faith protecting the UK internal market," a spokesperson added.

Consultation

Ministers seek to calm tech sector fears on AI legislation

ANNA GROSS AND GEORGE PARKER

The government has sought to reassure major technology companies that a long-awaited artificial intelligence bill will be narrowly focused on the most advanced models and will not become a sprawling "Christmas tree bill" to regulate the nascent industry.

Science and technology secretary Peter Kyle told leading tech companies at a meeting this week that the AI bill expected later this year would focus exclusively on two things: making existing voluntary agreements between companies and the government legally binding, and turning the new AI Safety Institute into an arm's length government body, according to people briefed on the discussions.

"It will not become a Christmas tree bill," Kyle told executives from Google, Microsoft and Apple, in response to concerns that other regulation would be added to the bill.

Kyle and chancellor Rachel Reeves met executives from leading tech companies and investors, including Facebook owner Meta, on Wednesday to discuss how the government can support the tech and AI sectors to boost growth.

The bill will exclusively focus on ChatGPT-style foundation models — large AI models made by a handful of companies that can parse and generate text and multimedia — say government sources.

Sir Keir Starmer's AI bill marks a departure from the strategy of former prime minister Rishi Sunak, who was reluctant to push for legal interventions in the development and rollout of AI models too soon for fear that tough regulation might stymie industry growth.

Late last year, Sunak's government launched its AI Safety Institute which evaluates AI models for risks and vulnerabilities.

During the UK's AI Safety Summit in November, groups including OpenAI, Google DeepMind, Anthropic, Amazon, Mistral, Microsoft and Meta signed a "landmark" but not legally binding agreement with governments including the UK, US and Singapore. Governments would be able to test companies' latest and forthcoming models for risks and vulnerabilities before they were released to businesses and consumers.

These companies made further voluntary commitments in Seoul this year, including committing "not to develop or deploy a model at all" if severe risks could not be mitigated.

Senior officials in Westminster say there is an urgent need to make the voluntary agreements legally binding to ensure companies cannot renege on their commitments if it becomes commercially expedient to do so.

A consultation on the bill is due in the next few weeks and should last about two months, according to senior officials. Making the AISI an arm's length body would reassure companies that it does not have the government "breathing down its neck", according to one.

Starmer's government is keen for the AISI to take a leading role setting global standards for AI development.

Further regulation to tackle and protect against potential harms associated with AI, including the use of intellectual property to train models without permission or compensation, will be looked at separately to this bill, say officials.

John Thornhill page 23
Lex page 24

Financial crime

Regulator tells laggard banks to improve fraud redress

AKILA QUINIO

Some banks are returning money lost by customers to fraud in less than 10 per cent of cases, despite overall reimbursement rates rising, the industry's regulator has found.

Last year digital bank Monzo, Danske Bank and AIB fully refunded customers in less than 10 per cent of reported cases of "authorised push payment fraud", in which victims are tricked into sending money from their bank accounts, the Payments Systems Regulator said.

Reimbursement has risen from 61 per cent of money lost in 2022, when the regulator first compiled its ranking, to 67 per cent in 2023, while some banks are returning lost funds in full in more than 90 per cent of reported cases.

Nationwide, TSB and Barclays had fully refunded customers in 96, 95 and 82 per cent of reported cases of APP fraud, respectively.

"We can see some positive changes with more victims being reimbursed," said PSR managing director David Geale. "But there is still more to do — particularly for some smaller firms which have much higher rates of receiving fraud than larger firms."

The regulator plans from October to make reimbursement mandatory for APP claims worth up to £415,000.

Trade body UK Finance welcomed the overall increase in reimbursement and highlighted the fact that the financial services sector was the only one to reimburse fraud victims at all, despite about 90 per cent of scams starting online or over the phone.

"The technology and telecommunications sectors bear no responsibility for reimbursing victims," said Ben Donaldson at UK Finance. "That needs to change."

Britons lost £460mn to APP fraud last year, according to UK Finance, 70 per cent of which involved ordered goods that never materialised.

The government faces growing calls from the industry to review the upcoming fraud reimbursement rules. It has also drafted plans to make tech companies liable to reimburse victims of online fraud alongside banks.



Street clashes

Starmer sets up new police unit after riots



Violent protests broke out in Southport on Tuesday after a fatal knife attack on children, top. Above, suspect Axel Muganwa Rudakubana in court yesterday
Getty Images; Elizabeth Cook /PA Wire

Sir Keir Starmer has announced the creation of a national policing unit to tackle violent disorder, as he vowed to "put a stop" to recent rioting led by far-right "thugs".

The prime minister called senior police chiefs to Downing Street yesterday before announcing the move, after a second night of violence sparked by a fatal knife attack on a group of young children in Southport.

Police forces nationally are braced for more far-right protests heading into the weekend, with plans online for demonstrations in Manchester and Middlesbrough among other cities.

The unit will consider treating rioters like football hooligans, Starmer said. It will look at issuing criminal behaviour orders that could restrict movement "before they can even board a train — in just the same way that we do with football hooligans", he added.

It will also foster improved intelligence sharing between police forces and a wider deployment of facial recognition technology.

Starmer hit out at the actions of a "tiny, mindless minority in our society" and thanked police officers who have "stood up to intimidation and violence" since the initial mass stabbing on Monday.

Three girls aged six, seven and nine were killed in the attack on a Taylor Swift-themed dance class, and 10 other people, mostly children, were injured.

The immediate challenge was "clearly driven by far-right hatred", the prime minister acknowledged, but added the unit would tackle "all violent disorder that flares up whatever the apparent cause or motivation".

The Southport attack suspect was named yesterday as Axel Muganwa Rudakubana, born in the UK to parents who emigrated from Rwanda.

Judge Andrew Menary lifted restrictions on reporting his name in a hearing at Liverpool Crown Court, where Rudakubana was remanded in youth custody charged with three counts of murder, 10 counts of attempted murder and one of possession of a knife.

The 17-year-old was apprehended on Monday near the scene of the incident, the worst mass casualty involving children in the country for decades.

Rudakubana's identity, which could not previously be published because of his age, had been the subject of frenzied social media speculation and misinformation. Some posts have linked him to Islam or suggested he had arrived in the UK recently by boat as an asylum seeker.

Noting that Rudakubana would turn 18 on August 7, Menary said: "Continuing to prevent the full reporting has the disadvantage of allowing others to spread misinformation, in a vacuum."

Starmer also served notice to large social media companies that violent disorder whipped up online was "also a crime" and was "happening on your premises", as he warned that the government would "take all necessary action to keep our streets safe".

Asked what penalties he was willing to impose on companies that fail to stamp out misinformation that stokes unrest, Starmer said there needed to a discussion about striking the "right balance".

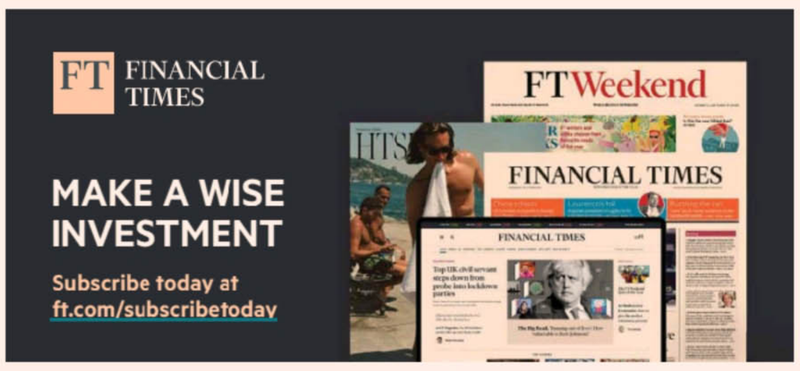
A plea and preparation hearing for Rudakubana's trial has been set for October 25 at Liverpool Crown Court.

More than 100 demonstrators were arrested during clashes outside Downing Street on Wednesday night, the Metropolitan police said.

Protesters threw fireworks and bottles at police, shouting similar anti-migrant and Islamophobic slogans to those used in Southport the previous night. More than 50 officers were injured when rioters attacked a local mosque and set police and other vehicles alight.

There were also disturbances on Wednesday night in Hartlepool, where police were confronted by protesters hurling projectiles.

Lucy Fisher and William Wallis



FINANCIAL TIMES
Bracken House, 1 Friday Street, London EC4M 9BT.

Published by
The Financial Times Limited,
Bracken House, 1 Friday Street,
London EC4M 9BT.
Tel: 020 7873 3000

Editor
Roula Khalaf

Subscriptions and Customer Service
Tel 0800 028 1407, subscriptions@ft.com, www.ft.com/subscribenow

Advertising
Tel: 020 7873 4000, advertising@ft.com

Letters to the editor
letters.editor@ft.com

Executive appointments
Tel: 020 7873 4909, www.exec-appointments.com

Printed by
Newsprinters (Broxbourne) Limited, Hertfordshire, Newsprinters (Knowsley) Limited, Merseyside, Newsprinters (Eurocentral) Glasgow, and Irish Times, Dublin, Ireland

© Copyright The Financial Times Limited 2024. All rights reserved.

Reproduction of the contents of this newspaper in any manner is not permitted without the publisher's prior consent.

'Financial Times' and 'FT' are registered trade marks of The Financial Times Limited.

The Financial Times and its journalism are subject to a self-regulation regime under the FT Editorial Code of Practice: www.ft.com/editorialcode

Reprints
Are available of any FT article with your company logo or contact details inserted if required (minimum order 100 copies).

One-off copyright licences for reproduction of FT articles are also available.

For both services phone 020 7873 4816, or alternatively, email syndication@ft.com

Shipbuilding

Harland & Wolff handed $25mn temporary lifeline

JIM PICKARD AND SYLVIA PFEIFER

Harland & Wolff has secured a $25mn loan facility, handing the struggling Belfast shipbuilder a temporary lifeline after ministers rejected its request for a £200mn finance guarantee.

The Titanic maker said yesterday it had reached a deal with its existing US lender, Riverstone, expanding its credit facility, on which it pays 14 per cent interest, from $115mn to $140mn.

H&W confirmed it had terminated the employment of former chief executive John Wood, who has left with immediate effect. On July 19 the company said Wood was "taking a leave of absence" from his role. Wood's departure had been expected as a condition of the loan, which H&W said would "improve and stabilise the liquidity position of the company and its subsidiaries".

The 163-year-old shipbuilder has engaged Rothschild & Co as financial adviser to assess its options, as expectations grow that the business could be broken up. Russell Downs, who joined last month as interim executive chair, is an experienced restructuring expert.

The company also announced it was abandoning plans to provide passenger services between Penzance and the Isles of Scilly in order to focus on its core shipbuilding business.

Shares in Aim-listed H&W have been suspended since the start of July after it failed to produce audited accounts. Its unaudited results showed an operating loss of £24.7mn for 2023.

The Financial Times revealed last month the government was poised to turn down H&W's request for a £200mn loan guarantee after deciding it would be an inappropriate use of public funds.

The shipbuilder had been in talks ministers and officials for more than a year about the loan guarantee to help it secure fresh funding from commercial banks at a lower interest rate than the credit facility with Riverstone, which matures at the end of December. H&W employs about 1,500 people across four sites at Belfast, Appledore in Devon and Methil and Arnish in Scotland.

Industrial action

GPs to curb appointments and tests in funding protest

LAURA HUGHES

GP surgeries in England will cap the number of patients they see each day as family doctors stage industrial action in a protest over government funding.

Members of the British Medical Association voted in favour of taking action yesterday. "More than 8,500 GPs in England took part in the ballot and 98.3 per cent voted in favour of taking part in one or more examples of collective action," the BMA said.

NHS England has warned that the move will cause significant disruption in the health service as patients switch to other services such as walk-in centres.

Under the "collective action", GPs could choose to limit the number of daily patients seen to 25, a potential cut of almost 40 per cent on peak times. Surgeries could also limit the tests they carry out for hospitals.

Settling public sector pay disputes is one of the major challenges facing the new Labour government.

Junior doctors, who have staged 11 strikes in the past two years, are to vote on a proposed 22.3 per cent pay rise, after union leaders agreed to the offer from health secretary Wes Streeting.

GP services in England have been awarded a 1.9 per cent funding increase for 2024-25 under the latest government contract.

The BMA has argued this is not enough to alleviate the crisis in general practice, which is struggling under the weight of overwhelming demand from a growing and ageing population.

There were 28.6mn appointments delivered by GP surgeries in England in June this year, almost 5mn more than during the same month in 2019, said Alex Baylis, co-director of policy at The King's Fund think-tank.

"Even a small reduction in the availability of GP appointments will see thousands of patients turn to other services such as 111, pharmacies and A&E departments, many of which will struggle to meet that extra demand," he said.

The health department did not respond to a request for comment.

NATIONAL

Doves prevail over hawks as rates decision divides BoE

MPC votes 5-4 for first cut since Covid struck but Bailey warns against moving too quickly

DELPHINE STRAUSS AND SAM FLEMING

Doves on the Bank of England's monetary policy committee prevailed by a hair's breadth, winning a vote to cut interest rates for the first time since the start of the Covid-19 pandemic.

But the 5-4 decision announced yesterday reflects two sharply contrasting views of the world, from opposing camps on the nine-member panel.

As the central bank's governor, Andrew Bailey, made clear, the pace and scale of any further rate cuts will depend on which of these scenarios turns out to be more accurate.

"We need to make sure that inflation stays low . . . and we need to be careful not to cut rates too much or too quickly," Bailey told a press conference after the announcement.

He shared the majority view that a sustainable drop in inflation to the BoE's 2 per cent target was "almost baked in" as global price shocks unwound.

But this might still "require a period with economic slack in the UK economy", he said.

For this group, the prospect of inflation returning to 2.75 per cent in the near term, as energy prices stabilised, was not a big worry.

Headline inflation would still be low enough to ease wage and price pressures, the labour market would weaken further, and GDP growth was unlikely to remain as strong as it was earlier in the year, they argued. Even at 5 per cent, interest rates would still be high enough to hurt and would continue squeezing inflationary pressures out of the system.

This relatively benign view underpins the BoE's latest forecasts for how it thinks the economy is most likely to evolve — with inflation falling to 1.7 per cent in two years' time, if it cuts rates once more this year, as markets expect, reducing it to 3.5 per cent by 2027.

But Bailey pointed to "an alternative account of the economy, which is less benign", where "inflationary pressures have become more ingrained . . . as a lasting legacy of the major shocks we have experienced".

The more hawkish contingent on the MPC, including BoE chief economist Huw Pill, argues that this scenario is more likely to be true and that it will "require monetary policy to remain tighter for longer".

For the four panel members who voted to leave interest rates unchanged, services inflation and wage growth were still too strong and headline inflation had fallen largely because of external factors — such as global food prices.

They saw a greater risk that the UK economy had undergone "more enduring structural shifts", which meant it could not grow as fast or sustain as many jobs as in the past without inflation running amok.

It was also possible that recent strength in GDP growth would persist, adding to upward price pressures. These risks mean that the quarter point cut in borrowing costs — from 5.25 per cent to 5 per cent — should be seen only a tentative first move, not the start of a pre-determined series of rate cuts, the MPC warned.

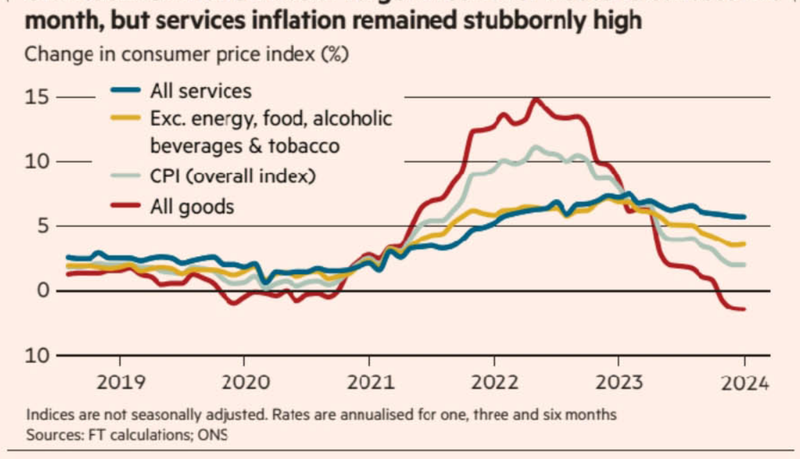
"It is now appropriate to reduce slightly the degree of policy restrictiveness," its minutes said.

The committee added that its stance "would need to continue to remain restrictive for sufficiently long until the risks to inflation returning sustainably to the 2 per cent target in the medium term had dissipated further".



Up in the air: BoE doves took the view that a sustainable drop in inflation was 'almost baked in' but the hawks had a 'less benign' perspective — FT montage/Dreamstime

UK headline inflation was at target in June for a second consecutive month, but services inflation remained stubbornly high



Indices are not seasonally adjusted. Rates are annualised for one, three and six months
Sources: FT calculations; ONS

In a key change in guidance, the MPC dropped wording on the importance of data releases on wage growth and service prices and said it was continuing to "monitor closely the risks of inflation persistence".

"I'm not giving you any view on the path of rates to come. We will go from meeting to meeting," Bailey said.

One uncertainty with which the MPC is contending is the lack of reliable official labour market data. The BoE said it was "very difficult" to gauge how the jobs market was evolving, with its own analysis pointing to lower unemployment and higher workforce participation than official estimates.

Another question is how far the impact of high interest rates has already been felt across the economy and how much is still feeding through.

The BoE published analysis suggesting the impact on GDP growth might be both smaller and swifter than in the past — and so already receding. On top of these uncertainties, the BoE will need to wait until its November meeting before it can assess any change in direction of fiscal policy from the new government.

Bailey said public sector pay deals announced earlier this week would have only a "very small" effect on the inflation outlook, and that the impact of other policy changes would depend on how they were funded.

"The next step in this process is the Budget on October 30," he said.

Analysts said these uncertainties, the hawkish tone of the MPC's commentary and the upside risks it highlighted to its central inflation forecast left the policy outlook highly ambiguous.

Ruth Gregory, at the consultancy Capital Economics, said the BoE looked "in no rush to cut again", while other analysts described the MPC's guidance as "cautious" and "non-committal".

Ellie Henderson, economist at Investec, said: "In the end, the sense of optimism prevailed just . . . That is not to say that the rate cycle that is coming will be steep, speedy or indeed return rates to where they were before Covid."

FT View page 22

Forum Auctions



BANKSY (B.1974)
GIRL WITH BALLOON
Screenprint in red and black, 2004,
numbered from the edition of 600 in pencil.
Est. £60,000-80,000 (+ fees)

Only Banksy

Welcoming Auction Entries

info@forumauctions.co.uk | +44 (0) 20 7871 2640

forumauctions.co.uk

Spain

Valencia joins holiday rental crackdown

Region takes action over Airbnb-style apartments amid tourism backlash

BARNEY JOPSON
GUARDAMAR DEL SEGURA

Valencia in southern Spain is joining a growing number of regions cracking down on Airbnb-style holiday rentals in response to a rising backlash against mass tourism.

The regional government, which oversees beach hotspots including Benidorm and Alicante, is seeking to stamp out black-market rentals by threatening rule-breaking landlords with fines of up to €600,000.

Nuria Montes, Valencia's tourism chief, told the Financial Times that holiday apartments had an important role in the regional economy but "we want to regulate and bring order to them so they don't grow in an uncontrolled way".

The starting point, included in a package of measures unveiled yesterday, is to eradicate black-market rentals. "We cannot allow any kind of underground economy in accommodation," she said.

Airbnb-style flats in southern European destinations from Venice to Lisbon have been blamed for hosting unruly visitors, accelerating the "touristification" of public spaces and driving up property prices.

Valencia is stopping short of the more radical steps taken by Barcelona, which plans to close all of its 10,000 Airbnb-style apartments — including those already licensed by the authorities — by late 2028.

Across the Valencia region, which includes the Costa Blanca coastline from Dénia to Torrevieja, the number of licensed holiday apartments had surged from 40,000 in 2015 to 106,000, according to Montes.

But she estimated that the number of unregistered black-market apartments could be 50,000 or more. "They escape any type of control. Obviously they don't pay taxes. We don't know whether the owners are fulfilling their obligations to their workers," she said.

> 'They escape any type of control. Obviously they don't pay taxes. But the main thing is safety'

"But the main thing is safety. They don't comply with the obligation to communicate the identity of clients to the authorities. We don't know if they follow the rules for fires, emergencies, evacuation plans."

Under Valencia's plans, which are due to be voted on by the regional parliament in September, a sliding scale of fines would rise to as much as €600,000 per apartment for grave infractions.

By the end of this year even licensed apartments would be deemed illegal if owners had not supplied an official 20-digit code used to identify all properties in Spain. Licenses would need to be renewed every five years — and would be denied if a homeowners association changed its rules to ban holiday apartments in a building.

In a push to harmonise a patchwork of national laws across the EU, Brussels officials adopted a regulation this April requiring short-term rental companies to share data with the authorities.

The rules, which will come into force in May 2026, call for platforms such as Airbnb to submit regular updates on landlords and their renting activity to help governments crack down on illegal listings.

Valencia was determined to stamp out any renting of single rooms on platforms such as Airbnb and Vrbo, Montes said. But she does not want a Barcelona-style ban on all holiday apartments. Instead the regional government will encourage municipal leaders to decide what is best for their area.

"Local councils can establish limits, for example, on the maximum number of dwellings for tourist use per building, or per neighbourhood, and these limits must be based on clear, objective criteria," she said. "It cannot be arbitrary."

Additional reporting by Daria Mosolova in Brussels.

Italy. Commission spat

Meloni's relationship with EU takes a sour turn

PM's 'fake news' accusation and refusal to back von der Leyen bring rising tensions to the fore

PAOLA TAMMA — BRUSSELS
AMY KAZMIN — ROME

A spat over media freedom and Giorgia Meloni's refusal to endorse Ursula von der Leyen for a second term at the helm of the European Commission have exposed cracks in the Italian premier's relationship with Brussels.

During her nearly two years in power, Meloni has forged better than expected ties with the EU leadership, toning down her Eurosceptic rhetoric and carefully managing Italy's fragile public finances with an eye to keeping investors happy.

Meanwhile, von der Leyen courted the rightwing prime minister as she sought support from EU leaders to stay in office. The German politician backed the Italian leader's tough approach to migration and agreed to change some of the spending plans for Italy's €200bn share of EU recovery funds.

But that partnership is now showing signs of strain.

Last week, Meloni accused Brussels in a letter of falling prey to "fake news" peddled by "disinformation and mystification professionals" after the commission issued a report highlighting media freedom issues in Italy.

The commission said it had received Meloni's letter but defended the methodology of the report.

The Italian leader's stark remarks came weeks after she abstained from an EU leaders' decision to nominate von der Leyen for another term. Meloni then instructed members of her Brothers of Italy party to vote against von der Leyen's confirmation in the European parliament.

Analysts said that the incidents signalled a period of increased volatility between Rome and Brussels, as Meloni seeks to bolster her nationalist credentials. Tensions are looming over fiscal policy, the pace of the EU's green transition and other issues.

Pietro Benassi, a former Italian ambassador to the EU, said Meloni's more combative stance was motivated by her rivalry with far-right leader and vice-premier Matteo Salvini, who espouses more radical Eurosceptic views. But the possibility of Donald Trump returning to the White House after US elections in November might also be encouraging Meloni to feel "an increase in her freedom of manoeuvre" with Brussels, Benassi said.



Strained ties: European Commission president Ursula von der Leyen, left, and Italian Prime Minister Giorgia Meloni
Michael Kappeler/picture-alliance/dpa/AP

Meloni has played down the dispute over media freedom, saying this week: "I don't see any negative repercussions for Italy."

She maintained that relations with the commission were not worsening.

But Senator Claudio Borghi, from Salvini's League party, warned that discord would inevitably mount this year with Italy set to be found to be flouting EU budget rules.

With the looming conflict over Rome's widening deficit, Borghi said Meloni could ill-afford to support a second term for the commission president.

"Voting for von der Leyen would have been a trap," the League senator said, given that Meloni was not able to extract anything "substantial" from Brussels in return. Abstaining from the vote "has been a very smart move", he added.

A public endorsement of von der Leyen would have been a "huge gift" to Salvini and the League, leaving Meloni vulnerable to criticism if Brussels comes down hard on Italy — especially if other big countries get a pass.

"The real problem is on the economic side," Borghi said. "We will see if there is a different treatment between us and France."

One key, and fast-approaching, test of Meloni's standing in Brussels will be her choice of EU commissioner, for which the government hopes to score a high-ranking economic portfolio. EU affairs minister Raffaele Fitto is tipped to be her nominee. A former MEP with the centre-right European People's party of von der Leyen, Fitto is likely to sail through parliamentary hearings — although the scope of his portfolio is at the discretion of the commission president.

> '[Meloni has] made herself marginal and that was a mistake'
> Giovanni Orsina, Luiss University

Lucio Malan, a senator in Meloni's party, said he expected relations between Rome and Brussels to remain on an even keel, despite inevitable policy differences.

"The Italian government, through the voice of Giorgia Meloni, will be consistent with what we have done over the past two years, which is that we will state our points in a spirit of collaboration with the EU," he said.

Giovanni Orsina, a political scientist at Rome's Luiss University, said that by not supporting von der Leyen's second term, Meloni had "made herself marginal and that was a mistake".

But he played down prospects of a breakdown in ties. "It's in no one's interest to have a more confrontational relationship."

Complaint

Brussels tells Hungary and Slovakia to depend less on Russian oil

ANDY BOUNDS — BRUSSELS

Brussels has told Hungary and Slovakia to wean themselves off Russian oil in favour of alternative sources after they complained that Ukraine was blocking supplies from Russia.

In a letter to Budapest and Bratislava seen by the Financial Times, EU trade commissioner Valdis Dombrovskis said that "diversification away from Russian fossil fuels should be actively pursued".

The Hungarian and Slovak governments had asked Brussels to intervene in their dispute with Ukraine after Kyiv placed sanctions on Russian energy company Lukoil. Since they rely on Russian crude flowing through Ukraine via the Druzhba pipeline, which is also used by Lukoil, Hungary and Slovakia said the move threatened fuel shortages.

But Brussels said yesterday that the countries had enough supplies since the overall flow had not diminished. There was no need for the "urgent consultations" the two countries demanded under the EU's trade deal with Ukraine.

Hungary and Slovakia were granted exemptions to an EU ban on Russian oil imports after Moscow's full-scale invasion of Ukraine in 2022 because of what they said were no available alternatives.

But Dombrovskis said they could use a pipeline bringing shipborne crude from Croatia. "The commission's current analysis points to an adequate capacity for Hungary and Slovakia via alternative pipelines such as the Janaf Adriatic pipeline."

He added that member states last week discussed the issue and "a significant number . . . questioned why Hungary and Slovakia had apparently not yet explored alternatives".

He said that MOL, the Hungarian energy company, had "set out in formal letters that Lukoil was indeed not the owner of the oil transported through Ukraine for the MOL group", meaning that the supplies coming via Druzhba were not affected by Kyiv's sanctions.

Dombrovskis met Denys Shmyhal, the Ukrainian prime minister, in Brussels yesterday and was told enough oil was still flowing through Druzhba.

MOL has long-term contracts with Russian suppliers. Crude from Russia accounted for only 3 per cent of demand in the bloc, the commission said.

Hungarian foreign minister Péter Szijjártó this week accused Brussels of "blackmail", saying it persecuted the two countries because of their opposition to arming Ukraine. Szijjártó said perhaps it was "Brussels, not Kyiv, that invented the whole thing . . . that wanted to blackmail two pro-peace countries that reject arms transfers".

Relations between Hungary and Brussels worsened last month after Budapest took on the EU rotating presidency. Prime Minister Viktor Orbán visited Russia President Vladimir Putin allegedly to broker peace in Ukraine, sparking outcry from fellow EU leaders who said he did not represent them.

Brussels is withholding billions in EU funds from Hungary because of concerns over the rule of law. Orbán is stopping other member states being repaid by the EU for some of the arms sent to Ukraine. Orbán ally Robert Fico, who became Slovakia's premier last year, has threatened action against Ukraine.

FT FINANCIAL TIMES



MAKE A WISE INVESTMENT

Choose the Financial Times subscription for you

- React to trusted global news everywhere you go, with ft.com and FT apps
- Get the iconic FT newspaper delivered to your home or office from Monday to Saturday
- Enjoy our award-winning lifestyle journalism with FTWeekend

Subscribe today at ft.com/subscribetoday

Ocean environment

Scientist vying to regulate seabed mining demands safeguards

KENZA BRYAN, HARRY DEMPSEY AND MICHAEL PEEL — LONDON

A leading marine scientist in contention to run the body that governs seabed mining has said no licences should be granted without clear safeguards, staking out the most pro-conservation stance in today's election for the post.

Leticia Carvalho, a Brazilian oceanographer and head of the UN's marine and freshwater branch, said allowing unregulated exploitation of the ocean floor risked causing "damage" without "any mechanism to stop the harm".

"I don't believe a business, any business at that scale, with that relevance, can start without the regulatory basis well settled and agreed," Carvalho told the Financial Times.

Carvalho's bid to head the International Seabed Authority comes after the publication in the journal Nature Geoscience last month of what she branded "mind-blowing" research suggesting ocean floor metals electrically produced life-giving "dark oxygen".

Environmentalists have seized on the findings as evidence of the unknown dangers of seabed mining. The Metals Company, which has the most advanced plans to exploit minerals from the seabed, has disputed the results.

The Canadian group, which part-funded the research, plans to file the first application to mine in international waters to the UN-backed regulator by the end of the year. It aims to produce metals by early 2026, even though diplomats have so far failed to agree a framework for taxation, royalties, liability and environmental protection.

Advocates of deep-sea mining say it is the only way for the west to challenge China's dominance in minerals critical to clean energy technologies, such as nickel, cobalt and copper, and that the environmental harm is lower than terrestrial mining.

At the core of the debate is an ISA rule under which it must produce exploitation regulations within two years of a request that it do so from any member state — something Nauru, TMC's sponsoring nation, triggered in 2021.

Any company that wants to exploit minerals in international waters needs a sponsoring state, which is obliged to ensure the company follows the rules.

Even if no regulations are adopted, the ISA must "consider" and "provisionally approve" applications after that two-year period — terms over which there is a political and legal debate.

Michael Lodge, who is running for a third term as ISA secretary-general, said it was on course to agree rules for deep-sea mining by 2025. Last year, member states deferred the decision but agreed they did not want exploitation to start in the absence of rules.

The British lawyer, seen by some as pro-mining, has said a moratorium on seabed mining would be "anti-science, anti-knowledge, anti-development and anti-international law". In response to his critics, he said that he had always defended the "mandate of the ISA, based on best environmental science" and taken a precautionary approach.



Leticia Carvalho: bidding to head the International Seabed Authority

A new dimension is the "dark oxygen" finding that an electrical charge associated with metallic nodules on the sea floor can split water into its constituent elements, hydrogen and oxygen.

"I think this is the biggest paradigm shift in deep-sea science I've ever seen," Murray Roberts, a professor of marine biology at the University of Edinburgh, said on social media.

TMC has issued a rebuttal, claiming that other journals had refused to publish the paper and the samples were contaminated. It said rival papers had found net oxygen consumption, rather than production, on the seabed.

The researchers strongly defended their work. Since publication, they had been contacted by other scientists who had found similar data but had not believed it, said Professor Andrew Sweetman, lead researcher. "My co-authors and I stand fully behind the findings," said Sweetman of the Scottish Association for Marine Science.

Leading lawyers make case for putting Harris in White House

Big names from US legal world launch mass fundraising for vice-president

JAMES FONTANELLA-KHAN, JOE MILLER AND SUJEET INDAP — NEW YORK

Some of the biggest names at the most prominent law firms in the US are throwing their weight behind Kamala Harris's campaign for the presidency, in the latest sign of how Joe Biden's decision not to seek re-election has energised core parts of the Democratic base and fundraising pool.

A rallying email to nearly 300 lawyers from Brad Karp, chair of law firm Paul Weiss, led to an enthusiastic response, according to recipients, with the leader of Cravath and senior figures at DLA Piper helping to mobilise colleagues.

A large event loosely scheduled for the autumn is expected to raise as much as $10mn, according to one person familiar with the efforts.

The push for Harris among some of the country's most senior lawyers comes as the vice-president's campaign continues to break fundraising records, gathering support from leading business figures. A group of more than 100 venture capitalists, including Mark Cuban and Chris Sacca, on Wednesday pledged to back her, forming a "VCs for Kamala" group.

In his email, seen by the Financial Times, Karp, a prominent Democrat who is also a significant fundraiser for the party, said he and others intended "to work as a group to raise funds for the campaign and to address legal issues certain to arise in the course of the next 100 days, including election integrity".

The email went to a who's who of influential lawyers, including Wachtell co-founder Marty Lipton, Cravath managing partner Faiza Saeed, former US attorney-general Loretta Lynch and several top attorneys at DLA Piper, the firm where Harris's husband, Doug Emhoff, used to work.

Recipients also included high-profile lawyers at Skadden Arps, Quinn Emanuel, Latham and Watkins, Cooley and dozens of other firms, many of which represent the largest corporate and tech groups in the US.

Saeed, the first woman to lead Cravath, will be directly involved in the effort to garner support for Harris, as will DLA's co-chair, restructuring specialist Richard Chesley.

A separate Lawyers for Harris group, co-led by former Alabama senator Doug Jones, who previously ran a Lawyers for Biden group, was planning a launch call for yesterday. Jon Henes, a former Kirkland and Ellis lawyer and longtime Democratic donor, had also sent letters and emails to chairs of big law firms in the past week, said a person familiar with the outreach.

Jamie Gorelick and David Ogden — former deputy attorneys-general now at WilmerHale — and 40 other former DoJ officials have also endorsed Harris. "The fabric of the nation, the rule of law and the future of the democracy are at stake in this election," they wrote in a letter.

Karp, who also co-led efforts to rally lawyers behind Harris in 2019, said he expected to put on events "over the coming weeks/months" with her and Emhoff as well as campaign strategists and other surrogates.



Momentum: Kamala Harris, right, talks to aide Opal Vadhan aboard a helicopter in Maryland on Tuesday. Below, Brad Karp of law firm Paul Weiss, who has sent a rallying email to nearly 300 lawyers
Erin Schaff/Reuters

The response to Karp's call is a marked shift from the legal community's attitude to the Biden campaign, which was seen as heading towards inevitable defeat in November, according to four New York law firm leaders who spoke to the FT.

After his disastrous debate against Donald Trump, fundraising for Biden had "completely dried up", one leader said, adding: "There were events where they had no one agreeing to attend . . . when you'd expected to be raising $250,000 or more at a time."

Kent Zimmermann of the Zeughauser Group, which advises big law firms, said the newfound enthusiasm for Harris in the legal world reflected a belief that she "is more likely to protect the rule of law and avoid uncertainty that could upset financial markets".



> 'The fabric of the nation, the rule of law and the future of the democracy are at stake in this election'

It also underlines how Harris, who had some support in the legal community when she ran against Biden to be the Democratic presidential candidate in 2019, has attempted to quell fears about how she would treat Wall Street once in office.

"She was a rather aggressive prosecutor," the law firm leader said. "I'm not overly concerned about her being a radical, left-leaning president."

Other firms with big corporate clients have been happy to be associated with the campaign, including Covington, where Barack Obama's attorney-general, Eric Holder, is helping the Harris camp vet potential vice-presidents.

However, Karp's email list suggests there might still be some resistance to Harris and the Democrats. Some prominent names missing from the roll call included Kirkland & Ellis and Jones Day, both of which provided officials to the previous Trump administration.

Additional reporting by Alex Rogers in Washington

Union endorsement

Car workers rally behind Democratic contender

AIME WILLIAMS — WASHINGTON
TAYLOR NICOLE ROGERS — CHICAGO

The United Auto Workers union has endorsed presumptive Democratic presidential candidate Kamala Harris, shoring up labour support for her campaign and giving her a near-complete lock on a crucial voting bloc for the party.

The union, which has about 370,000 members, said Harris's "historic candidacy" would build on US President Joe Biden's record of "delivering major gains for the working class", handing her the support of one of the US's most politically important unions.

"We stand at a crossroads in this country," UAW president Shawn Fain said. "We can put a billionaire back in office who stands against everything our union stands for, or we can elect Kamala Harris who will stand shoulder-to-shoulder with us in our war on corporate greed."

With working-class concerns from trade policy to inflation taking an outsized role in the November election, analysts have been keen to see whether big labour groups would embrace her candidacy. Biden positioned himself as strongly pro-union, last year becoming the first sitting president to join a picket line on a visit to car workers in Michigan.

Labour groups have made some of their strongest gains in years during his administration, in the form of generous multiyear contracts with big employers in industries including carmaking, hospitality and airline services.

Joe DiSano, a Democratic strategist based in Michigan, said: "You can't argue that the Biden administration has been anything but great for organised labour. People I talk to recognise Biden was A+ on labour, and people don't expect Kamala to be any different."

The car union's support is a boost for Harris, who is keen to win blue-collar votes in key Midwestern swing states.

FT SCHOOLS

HELP OUR NEXT GENERATION OF LEADERS BE MORE CONFIDENT

The FT, in partnership with Temasek, is proud to make FT.com free for schools teaching 16-19 year olds globally. 92% of FT reading students say that the FT makes them feel more informed and curious about the world.

80,000 students at 3,900 schools in more than 110 countries have free access to FT.com. Join them by encouraging teachers to register at ft.com/schoolsarefree.

Supported by

TEMASEK



Beirut air strike

Hizbollah pledges 'open battle on all fronts'

Leader says commander's killing crossed red line and will bring retaliation

RAYA JALABI — BEIRUT
NAJMEH BOZORGMEHR — TEHRAN

Hizbollah leader Hassan Nasrallah said the group's battle with Israel had "entered a new phase" after the killing of a senior commander in Beirut, adding that Israel had breached limits and should expect a "certain" response.

"To the Israeli enemy: laugh a little now but you will cry a lot as you don't know what red lines you have crossed," Nasrallah said in some of his most combative comments since the October 7 attack on Israel sparked war in Gaza and raised fears of a wider regional conflict.

He was speaking via video link before the funeral yesterday of his adviser, Fuad Shukr, who was killed in an air strike this week on a southern suburb of Beirut that is a Hizbollah stronghold.

"The enemy does not know where the response will come from," Nasrallah added, an indication that other militias in Iran's network of proxies, or even Tehran itself, could retaliate. "We've moved beyond just a support front. This is an open battle on all fronts . . . a new phase," Nasrallah said, although he added that escalation would "depend on the enemy's reactions".

Nasrallah repeated that the only way to stop hostilities between his militant group and Israel was a ceasefire in Gaza.

Iran has blamed Israel for the assassination of Ismail Haniyeh, the political leader of Hamas who was killed in a separate attack in Tehran. Israel has neither confirmed nor denied carrying out the attack but has accepted responsibility for the assassination of Shukr.

"Israel is in a state of very high readiness for any scenario — on both defence and offence. We will exact a very high price for any act of aggression against us from any quarter whatsoever," Israeli Prime Minister Benjamin Netanyahu said yesterday.

Nasrallah's comments came as a funeral procession for Haniyeh was held in Tehran, led by supreme leader Ayatollah Ali Khamenei. Haniyeh's body is expected to be taken to Qatar, where he lived, for burial today.

Iranian leaders also said that Israel, which has carried out previous assassinations in Iran, including those of a number of nuclear scientists, had crossed a red line with the Haniyeh killing. They said some form of retaliation by Iran and its allies, who are collectively known as the "axis of resistance", was now inevitable.

Iranian parliament speaker Mohammad Bagher Ghalibaf during the funeral accused the US of complicity in the assassination, saying: "Although they claim in statements and media that they were unaware, we know and are certain that all these events, whether overt or covert, are under their control and coordination."

Nasrallah also linked Washington to Israel's actions. Hizbollah-aligned Lebanese newspaper Al Akhbar had earlier said that US special envoy Amos Hochstein, who has been leading diplomatic efforts to de-escalate tensions between Lebanon and Israel, had "deceived" Lebanese officials by telling them Israel would not strike Beirut. US secretary of state Antony Blinken has said the Haniyeh assassination was "something we were not aware of or involved in".

Kim Ghattas page 23

Middle East. Assassinations

Israeli spies avenge humiliation of October attack

Intelligence services send out a warning by hitting militant enemies where they feel safest

NERI ZILBER — TEL AVIV
JAMES SHOTTER — JERUSALEM
RAYA JALABI — BEIRUT

Israel's intelligence services were humiliated by Hamas on October 7. This week they took their revenge. In the span of one night, two men at the top of Israel's hit list were tracked and killed where they felt most comfortable — in the strongholds of Tehran and Beirut.

Israel has publicly taken responsibility only for the assassination of Hizbollah commander Fuad Shukr in Beirut on Tuesday night, conspicuously avoiding comment on the slaying of Hamas political chief Ismail Haniyeh in Tehran a few hours later.

The two assassinations are viewed by Israeli security officials as a redemption of sorts — and a stern warning to the region that more score settling could be in the offing.

"After the shock of the [October 7] attack Israel is slowly gaining the ground it lost," said Yaakov Amidror, a former national security adviser to Israeli Prime Minister Benjamin Netanyahu.

For years, he added, Israel had given priority and allocated intelligence resources to Lebanon and Iran, and not the Gaza Strip. "This was one of the reasons for October 7. Ironically it made the [Israel Defense Forces] much more ready for war in the north [with Hizbollah] than the south [with Hamas]," he said. "We're now taking the fruits of that effort."

Assassinations have for decades been part of the Israeli repertoire. Iranian nuclear scientists have been gunned down on the streets of Tehran, Hamas militants have been poisoned in hotel rooms and killed by exploding cell phones, and there has been the ever-present threat of drone or air strikes.

This was the likely method deployed against Shukr, as a handful of missiles struck an apartment block in the crowded Dahiyeh suburb of southern Beirut, a Hizbollah stronghold. The attack killed at least three women and two children and injured 72 others.

That Shukr was within reach came as a surprise, said several people familiar with Hizbollah's operations. The group's anxiety about Israel's intelligence capabilities had already reached "full-fledged paranoia" even before Tuesday's attack.

In recent months, Hassan Nasrallah, Hizbollah's leader, has implored his fighters to jettison their smartphones. Many switched to older technologies such as pagers, landlines and couriers.



Prayers and protest: Iran supreme leader Ayatollah Ali Khamenei, centre, with President Masoud Pezeshkian on his left, lead the funeral for Ismail Haniyeh yesterday in Tehran. Below, the funeral of Fuad Shukr in Beirut
Iranian Supreme Leader's Office/Zuma Press Wire/dpa; Wael Hamzeh/EPA/Shutterstock



Two people familiar with the group's operations and several Hizbollah experts said the militant group believed Israel was deploying a mixture of voice recognition surveillance software, AI and spies on the ground to deadly effect.

Shukr, described by some as the Iran-backed group's military chief of staff, joins a list of more than 350 fighters and field commanders killed in 10 months of escalating tit-for-tat clashes with Israel.

The militant group's attacks on northern Israel, which started on October 8 in "solidarity" with Hamas, stoked tensions last weekend after a suspected Hizbollah rocket killed 12 children and teenagers in the Israeli-occupied Golan Heights.

"We have shown that the blood of our people has a price, and that there is no place out of reach for our forces," Israeli defence minister Yoav Gallant said on Tuesday night after the Beirut strike.

The scene in Hizbollah's urban home was stark. The targeted building's top floors collapsed, badly damaging an adjacent block and littering the surrounding streets with debris and broken glass. Paramedics struggled to reach the wounded. Rescuers were still sifting through the rubble on Wednesday.

Tracking Hamas's Haniyeh was probably much easier, after he attended the inauguration in Tehran of Iranian President Masoud Pezeshkian on Tuesday. Accounts differ as to the manner in which he was targeted in his residence — provided by the Iranian state — and whether it was via an air-launched missile, improvised explosive device or small drone.

Yet according to Amos Yadlin, the former head of Israeli military intelligence, the end result was almost inevitable after the bloodshed of October 7.

"Everyone knows Israel has a 1972 Munich Olympics list for Hamas," he said, referring to the murder by Palestinian militants of 11 Israeli athletes at those Games.

The ensuing Mossad retribution against those it held responsible — an operation dubbed "The Wrath of God" — lasted a decade and traversed much of Europe and the Middle East.

"Israel is choosing to do the same to those responsible for the October 7 attack. We will go from the top leaders to the last . . . terrorist," Yadlin added.

> 'They are betting they can do this without an all-out war, but it's a fine line'

He emphasised that after Haniyeh's killing only two of Hamas's six most senior leaders were still alive. The locations of their deaths range from Gaza to Beirut, and now Tehran.

For all Israel's capabilities in this area, over the decades assassinations have proved to be only a short-term fix, at best, and often a strategic liability. The assassinations this week threaten to tip the Middle East into full-blown war, with Iran and Hizbollah vowing to avenge the killings.

"Basically, the Israelis can kill you anywhere, any time, which shows you how well penetrated the systems are, how superior Israeli intelligence is and how superior their capabilities are," said Emile Hokayem, director of regional security at the Institute for International Strategic Studies.

"The question that we have to answer is about the risk," he added.

One diplomat noted that while Israel had demonstrated its reach with two assassinations so close together, and so publicly on its arch-foe Iran's own soil, it had often erred in assessing how its enemies would react.

"They are betting they can do this without an all-out war," the diplomat said. "But it's a fine line."

Additional reporting by Malaika Kanaaneh Tapper

Killings fallout

Iran pressed by western diplomats to avoid wider conflict

HENRY FOY — BRUSSELS
FELICIA SCHWARTZ — WASHINGTON

US and EU diplomats initiated urgent discussions in the Middle East intended to head off the threat of a regional war after Israel's killings of Hizbollah and Hamas leaders in Beirut and Tehran.

Enrique Mora, one of the EU's most senior diplomats, held talks with officials in Iran's capital in the hours after the killing of Hamas's political leader Ismail Haniyeh in Tehran early on Wednesday, which was blamed on Israel. Brett McGurk, the White House's top official in the Middle East, was engaged in similar talks in Saudi Arabia.

The western diplomatic effort came as fears over a broader regional conflict soared after Iran and Hizbollah separately vowed to avenge the attacks.

Officials said the talks were focused on convincing Tehran to either not respond or to carry out symbolic action, after Israeli diplomats told western interlocutors that their military did not plan further operations.

"Everyone since [Tuesday] night is putting pressure on Tehran to not respond and to contain this," said one western diplomat involved in the discussions.

Israel has vowed to hold Hamas's leadership accountable for the militant group's attacks of October 7, which sparked the wider war in Gaza and stepped up tensions in the Middle East, but it did not claim responsibility for the attack in Tehran. Israel said the Beirut strike, which killed Fuad Shukr, a senior Hizbollah commander, was in response to a rocket attack that killed 12 people in the occupied Golan Heights on Sunday.

Mora, political director and deputy secretary-general of the EU's foreign service, has extensive experience of negotiating with Iran over its nuclear programme and was in Tehran for the inauguration of President Masoud Pezeshkian when the attacks took place.

"Mora used his interactions with officials of the incoming Iranian administration in Tehran to convey the EU's position on all issues of concern related to Iran in line with our policy of critical engagement," said EU foreign policy spokesperson Peter Stano.

US President Joe Biden's administration, meanwhile, held urgent consultations with Israel as well as other allies and partners with influence over Iran to try to pull all parties back from the brink of conflict. US secretary of state Antony Blinken spoke with his Jordanian and Qatari counterparts while US defence secretary Lloyd Austin spoke with his Israeli equivalent, Yoav Gallant.

McGurk, who was in Saudi Arabia as part of a previously scheduled trip, will next head to Cairo for further talks related to the Gaza war.

Washington had tried to convince Israel to take a measured response to the rocket attack in the Golan Heights, with diplomats warning of the consequences of retaliating deep inside Lebanon. The attack in Tehran has only added to US concerns that any response could tip into a regional conflict.

Current and former officials said where the conflict went from here would depend more on Tehran's calculations than Israel's.

"Washington's ability to shape events is likely to be rather limited," said Jonathan Panikoff, a former senior intelligence officer who is now director of the Atlantic Council's Scowcroft Middle East Security Initiative.

Khan Younis raid

Hamas chief said to have died in Gaza strike

JAMES SHOTTER — JERUSALEM
ANDREW ENGLAND — LONDON

Israel said it had killed Hamas military commander Mohammed Deif, one of the masterminds of the October 7 attack, in an air strike in Gaza last month.

The Israeli military targeted Deif and other senior officials in the Palestinian militant group in a series of strikes on the outskirts of the southern Gazan city of Khan Younis three weeks ago, killing dozens of Palestinians.

Deif, the most senior Hamas leader killed in Gaza, is believed to have orchestrated the attack that killed about 1,200 people, according to Israel, with Yahya Sinwar, the group's leader in the strip. Sinwar remains at large.

Israeli defence minister Yoav Gallant said yesterday Deif's death "reflects the fact that Hamas is disintegrating and that Hamas terrorists may either surrender or they will be eliminated".

Hamas's political office said it would not confirm whether Deif had been killed. The Financial Times has not been able to verify Israel's claim.

It comes amid soaring tensions in the region after the assassination this week of Ismail Haniyeh, Hamas's political leader, in Tehran, and a senior commander of Hizbollah, the Lebanese militant movement, in Beirut.

Israel's Prime Minister Benjamin Netanyahu has vowed to hold to account all those responsible for the October 7 attack. After the assassinations, he said that Israel had struck "crushing blows" against Hamas and Hizbollah, before warning that "challenging days are before us".

Iran, which supports Hizbollah and Hamas, has vowed to avenge Haniyeh's death, with the supreme leader Ayatollah Ali Khamenei warning that Israel would face "severe punishment".

Israel has been fighting in Gaza for almost 10 months in its effort to destroy Hamas, which has controlled the strip since 2007. The Israeli offensive has devastated the besieged enclave, killed almost 40,000 people, according to Palestinian health officials, and caused a humanitarian crisis.

The strikes that targeted Deif last month also killed another senior Hamas commander, Rafa'a Salameh. At the time, Hamas denied that Deif, who had survived previous Israeli assassination attempts, was dead.

Health authorities in Gaza said more than 90 people were killed and about 300 were injured in the strikes that killed Deif, including women, children and medical personnel.

The strikes targeted buildings in an area on the western outskirts of Khan Younis, bordering what Israel has designated a humanitarian "safe zone" in al-Mawasi. It is a strip of land bordering the coast where hundreds of thousands of displaced Palestinians have been forced to seek sanctuary.

Terrorism

Alleged 9/11 mastermind reaches US plea deal

STEFF CHÁVEZ — WASHINGTON
JOE MILLER — NEW YORK

The alleged mastermind of the September 11 2001 attacks on the US will be spared the death penalty as part of a plea agreement that aims to end years of legal wrangling over his treatment by the CIA and interrogation under torture in Guantánamo Bay.

Khaled Sheikh Mohammed, accused of plotting with al-Qaeda founder Osama bin Laden to hijack planes and fly them into the World Trade Center and Pentagon, will now receive a minimum sentence of 2,976 years at a military tribunal, according to his lawyer.

The Pentagon, which announced the plea deal, said it had also reached agreements with two other defendants, Walid Muhammad Salih Mubarak bin Attash and Mustafa Ahmed Adam al-Hawsawi, who were charged alongside Mohammed 16 years ago. The exact terms of their pleas were not disclosed by the US, but the trio are expected to plead guilty and avoid a trial.

Mohammed's lawyer, Gary Sowards, said there would be a sentencing hearing at which the US would present evidence of the Kuwaiti national's responsibility for the 9/11 attacks, and ask for a long sentence. "The defence will then be allowed to present evidence in extenuation and mitigation," Sowards added. "There will also be an opportunity for the surviving victims and the survivors of victims to testify to the impact that the 9/11 events have had on their lives."

> 'There will be an opportunity for survivors to testify to the impact 9/11 had on their lives'

Mohammed was captured in 2003 in Pakistan and held at CIA prisons before being sent to Guantánamo Bay. The agency has since been found to have subjected him to waterboarding, a form of torture, at least 183 times.

Harrowing accounts of such techniques sparked a fierce debate within the US over the legality of cases against Mohammed and other prisoners and the litigation became a deeply divisive topic in Washington.

Mitch McConnell, the Senate Republican leader, immediately condemned the agreements, saying they showed "a revolting abdication of the government's responsibility".

Mohammed, Attash and al-Hawsawi were initially charged in 2008 alongside Ali Abdul Aziz Ali and Ramzi bin al-Shibh. Mohammed was accused of orchestrating the 9/11 attacks by al-Qaeda, including the plan to hit buildings with hijacked commercial planes, while the others were alleged to have played financial or organisational roles.

Additional reporting by Felicia Schwartz and Stefania Palma in Washington

Float flop Ackman withdraws listing of closed-end fund Pershing Square USA amid muted demand from investors PAGE 10

Companies & Markets

Ex-Glencore oil division boss faces UK fraud office charges

- Beard and four colleagues accused
- Move follows Africa bribery probe

SUZI RING AND TOM WILSON — LONDON

The UK Serious Fraud Office has charged Glencore's billionaire ex-head of oil Alex Beard and four other former executives with conspiring to make corrupt payments after a long-running investigation into allegations of bribery by the London-listed commodity trader in Africa.

Beard, who ran Glencore's oil division between 2007 and his retirement in 2019, became a billionaire when the company listed in London in 2011 and is the highest-profile commodity trader to be charged with corruption in the UK.

Beard was charged along with former colleagues Andrew Gibson, Paul Hopkirk, Ramon Labiaga and Martin Wakefield in relation to oil contracts awarded in Glencore's interests, the SFO said yesterday. The defendants must appear before Westminster Magistrates' Court on September 10.

> Beard, who left Glencore in 2019, became a billionaire when the company listed in London in 2011

The fraud agency first opened an investigation into Glencore in 2019 over allegations of bribery connected to its London-based West Africa desk, which sourced and traded crude oil across the continent. The SFO was initially planning to announce charges last year but was forced to delay the decision after it received more evidence.

Beard, 56, faces two counts of conspiring to make corrupt payments to government officials and officials of state-owned companies in Nigeria between 2010 and 2014 and Cameroon between 2007 and 2014, while Hopkirk, 50, and Labiaga, 55, are both facing one charge of conspiring to make corrupt payments to Nigerian officials between 2010 and 2014.

Gibson, 64, and Wakefield, 64, have been charged with four and three counts respectively in relation to conspiracies to make corrupt payments to officials in Nigeria, Cameroon and the Ivory Coast at various periods between 2007 and 2014. The pair were also charged with one count of falsifying documents between 2007 and 2011.

Glencore was founded in 1974 by Marc Rich, widely viewed as the godfather of the modern commodity trading industry, who fled to Switzerland when faced with US criminal charges in 1983 for trading with Iran.

Based in the Swiss town of Baar and listed in London, Glencore has evolved into a commodity giant with mines and trading operations around the world. It has long faced scrutiny over some of its activities.

The charges are the latest in a series of cases brought by European and US prosecutors against commodity trading companies or their executives.

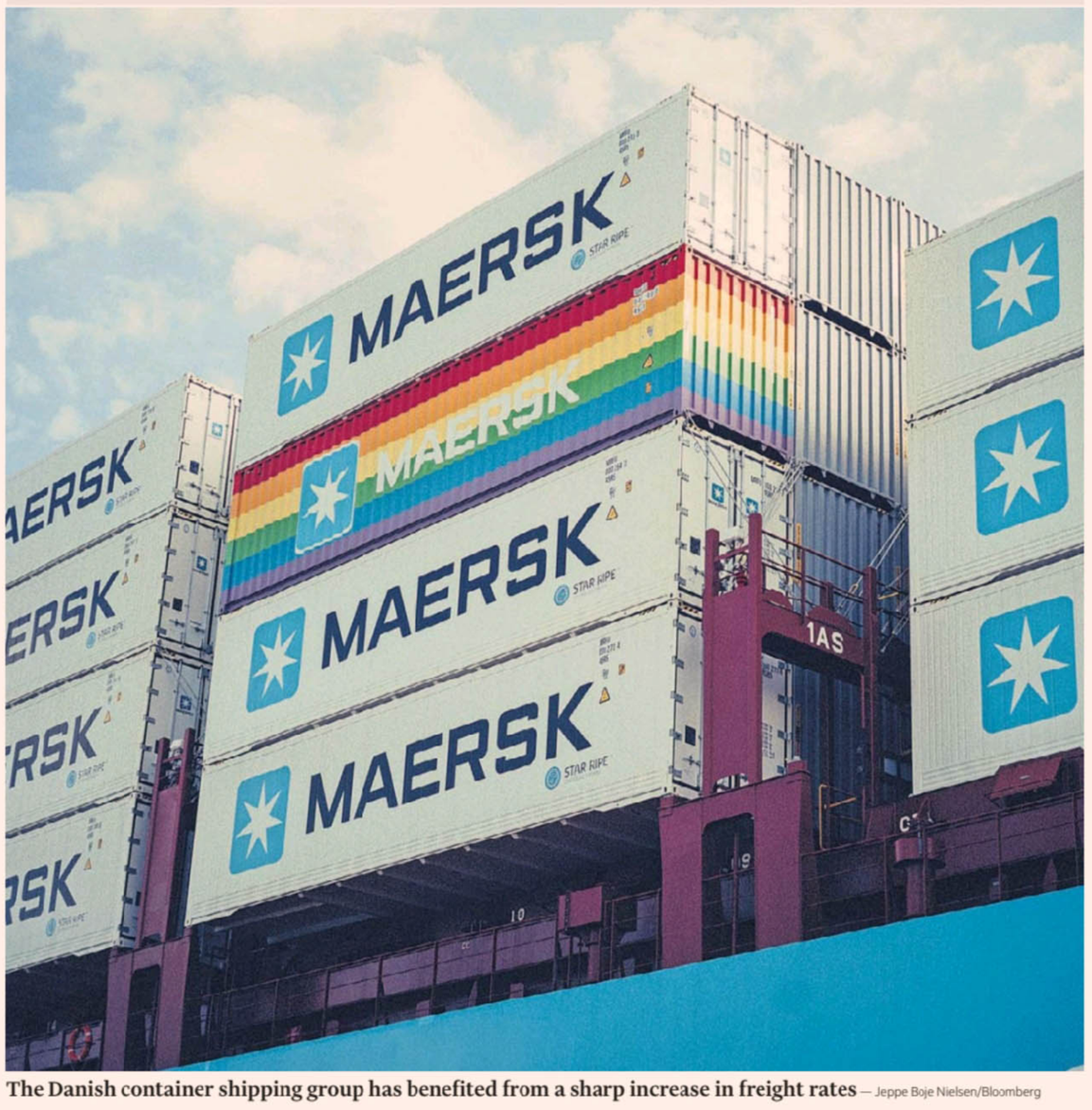
In a statement yesterday, Glencore noted the charges brought against its former employees. "Glencore co-operated with the SFO in its investigation into this past conduct and resolved its SFO investigation in 2022. This conduct has no place in Glencore."

Oxford-educated Beard joined Glencore in 1995 from BP to trade Russian oil, rising to become one of former chief executive Ivan Glasenberg's key leaders and the most senior executive in the company's London office.

After leaving Glencore in 2019, Beard founded investment group Adaptogen Capital to fund energy transition opportunities. He stepped down as a director last month, corporate filings show, which was confirmed by the company.

Lawyers for Beard, Hopkirk and Gibson declined to comment. Lawyers for Labiaga and Wakefield did not respond.

Container congestion Maersk raises guidance on the back of continued Red Sea disruption



The Danish container shipping group has benefited from a sharp increase in freight rates — Jeppe Boje Nielsen/Bloomberg

RICHARD MILNE
NORDIC AND BALTIC CORRESPONDENT

AP Møller-Maersk lifted its financial guidance for the third time since May as the world's second-largest container shipping group benefits from continued disruption in the Red Sea and stronger global trade.

The Danish group said yesterday it now expects underlying operating profits for its full year to be $3bn to $5bn, up from its previous forecast in June of $1bn to $3bn. In February it had forecast a loss of up to $5bn.

Maersk last raised its forecasts in June, as deepening delays and congestion in global supply chains led to a sharp increase in freight rates. It now expects container growth — a proxy for global trade — to increase by 4 to 6 per cent this year, up from an earlier forecast of 2.5 to 4.5 per cent.

Houthi rebels started attacks in the Red Sea at the end of last year, causing container shipping lines to take a longer and more expensive detour around the southern tip of Africa for routes between Asia and Europe.

Maersk initially thought the Red Sea disruption would last a few months but now says it will last most of this year and perhaps into 2025.

Vincent Clerc, Maersk's chief executive, told the Financial Times in June there was a danger that retailers worried about securing Christmas goods could make the disruption worse by pushing through orders earlier. The current third quarter is normally the busiest for Christmas products for container shipping lines.

The Danish group provided little new information on the possible length of the Red Sea disruption yesterday. It had first thought that a large number of new ships ordered by rivals would cause the supply-demand relationship to become skewed, hitting profitability in the second half.

Maersk said only that "trading conditions remain subject to higher than normal volatility given the unpredictability of the Red Sea situation and the lack of clarity of supply and demand in the fourth quarter".

In its trading update yesterday, the company said revenues fell by about 2 per cent to $12.8bn in its second quarter, while operating profits declined 40 per cent to $963mn.

Further disruption could come later this year with some industry figures worried about how a possible return of Donald Trump to the US presidency could distort global trade, particularly if shippers try to move extra goods ahead of expected tariffs on China. Short-term rates for container shipping have fallen from their peaks in recent weeks, suggesting some early Christmas ordering pressure has started to ease.

Shares in Maersk were down more than 2 per cent yesterday.

Meta shares soar as results ease concerns over AI costs

HANNAH MURPHY — SAN FRANCISCO

Meta shares popped yesterday, after Mark Zuckerberg said that strength in the Facebook parent's core advertising business would allow the company to continue spending heavily on artificial intelligence next year and beyond.

The chief executive and founder was eager to show that investments in AI were paying off on an earnings call with analysts after second-quarter results late on Wednesday, pointing to examples such as improvements to its recommendations engine. The Meta AI chatbot was also on track to become the most-used AI assistant in the world by the end of the year, he said.

However, he acknowledged that while products such as chatbots would raise engagement with Meta, it would take "years" for the "monetisation of any of those things by themselves".

Wall Street has been concerned by the surge in AI spending at Big Tech groups given the costs of training and maintaining models, as well as investing in the infrastructure to underpin them.

But Zuckerberg has been attempting to win over investors with his AI vision, promising to help advertisers automate their processes and better target ads to users, and that its chatbots will be able to assist users, creators and businesses.

Investors appeared to be reassured by the earnings report, sending shares more than 5 per cent higher yesterday, extending a rally that has pushed them about 45 per cent up this year.

In a sign of future infrastructure demands, Zuckerberg warned that the amount of computing power needed to train Llama 4, its next large language model, would "likely be almost 10 times more" than for Llama 3 and would continue to grow with future models.

"At this point, I'd rather risk building capacity before it is needed, rather than too late," he said.

Concerns over the costly projects were offset by bumper results. Revenue jumped 22 per cent to $39.1bn in the past three months, beating analysts' expectations of $38.3bn. For the third quarter, Meta forecast revenues of $38.5bn to $41bn, topping estimates of a rise to $39.2bn.

Net income at Meta — whose platforms include Facebook, Instagram and WhatsApp — rose 73 per cent to $13.5bn, above expectations of an increase to $12.3bn, according to S&P Capital IQ.

Lex page 24

Media groups need to know if chatbots are talking their language



When it comes to the rise of generative AI, many in the media industry seem to have learnt from their painful experience with online gatekeepers such as Google and Facebook.

This time, they are acting earlier to keep control of their content. But given the allure of chatbots such as ChatGPT, do they have any better chance of holding on to their audiences and online revenues than they did before?

A flurry of recent deals — and lawsuits — shows they are at least acting early. This week, Perplexity, a search engine start-up that uses generative AI to produce enhanced results, announced revenue-sharing deals with publishers including Automattic (owner of WordPress.com), Der Spiegel and Time.

This followed accusations that it was surreptitiously scraping media websites to feed into its search service. That practice is not illegal, though it is a breach of the online etiquette that has governed how information on public-facing websites should be used.

OpenAI has also reached a series of deals with media companies, including the Financial Times. But along with partner Microsoft, it also faces the biggest legal challenge from news publishers, in the shape of a copyright infringement claim from The New York Times.

In many ways, the economic challenges and legal issues raised by generative AI are familiar from the early days of the internet. Many publishers have long complained that services such as Google News steal their audience while at the same time relying heavily on them to generate traffic. Courts have given search engines a legal pass, and what direct financial benefit the media companies have been able to extract has come through the political system, with countries such as Australia and Canada passing laws to force the biggest internet companies to pay up.

After a free-for-all that apparently led to much news content being used to train large language models (LLMs), some order has been restored. OpenAI, for instance, has said it will abide by publishers' requests not to crawl their websites. By the end of last year, most big publishers were already blocking AI crawlers, according to the Reuters Institute for the Study of Journalism.

> Simply opting out of the next big tech revolution hardly looks like a durable strategy for media companies

However, simply opting out of the next big tech revolution hardly looks like a durable strategy for media companies. Perplexity's deal with the publishers amounted to an admission that the AI companies might struggle to defend themselves against copyright claims.

For now, much of this debate is purely theoretical. ChatGPT stunned the tech world, but it has yet to show chatbots can match other mass-market information platforms. The "productisation" of LLMs is still in its infancy. What form these new services take — and how the economic models built around them work — is up for grabs. That gives the media industry an important opening.

Perplexity, for instance, has agreed to give publishers a share of any advertising tied directly to results that depend on their content. This won't pay many journalists' salaries in the short term: Perplexity hasn't even come up with the new advertising formats yet. And like many search engine start-ups that came before it, it faces a steep uphill battle in carving out a business in a market dominated by Google. But for publishers, it at least establishes an economic model they could promote more widely.

A key question is how much bargaining power they have. Like the internet before it, AI exposes the commodity nature of much online content. It will also be hard to extract much value, if any, for the use of publishers' material in the general training of LLMs.

According to OpenAI, the entire news business only makes up a "tiny slice" of the data these models are trained on. The unspoken threat to publishers is: if you don't play by our terms, we'll be happy to cut you out.

On the other hand, once trained, LLMs are static and the information they produce can quickly look stale. Techniques that combine fresh and relevant data with the output of LLMs to produce tailored results could fill the gap. For this, access to up-to-date sources of information becomes vital.

How services like these will work is still unclear. Will they produce only snippets as Google News does? How prominently will they show the sources they draw on, and how much traffic will they drive back to publishers' websites? And, importantly, what extra revenue will they produce and how will it be shared? For publishers, trying to shape the outcome to questions like these seems well worth the effort.

richard.waters@ft.com



Technology

Infosys slapped with $4bn tax demand

IT outsourcer the latest big corporation to face backdated bill in India

CHRIS KAY — MUMBAI

Indian authorities have hit leading IT outsourcer Infosys with a $3.9bn tax demand, making it the latest of the country's corporate champions to run afoul of government revenue collectors.

Infosys confirmed the Rs324bn tax bill just as the Indian IT industry showed signs of a recovery following a worldwide tech spending slowdown.

The country's second-largest IT outsourcer said on Wednesday it had been issued notices for payment of goods and services tax by agencies in its home state of Karnataka and from the national Directorate General of GST Intelligence for the July 2017 to March 2022 period.

The tax demand related to "expenses incurred by overseas branch offices", said Infosys, which has its headquarters in the Karnataka capital of Bengaluru, India's Silicon Valley.

"The company believes that as per regulations, GST is not applicable on these expenses," it said.

Infosys is one of many large Indian and overseas corporations that have been stung by backdated tax claims from officials in the world's fastest-growing big economy. The abrupt levies and other concerns about tax enforcement have sometimes overshadowed the growing enthusiasm towards the country as an investment destination.

Foreign and local companies often find themselves mired in legal battles contesting demands and many grumble about India's opaque and onerous tax regulation. Vodafone and Cairn Energy spent years disputing high-profile, multibillion-dollar retrospective tax disputes with India's government, eventually winning. Last year, Indian authorities sent notices to the country's fantasy sports and gaming companies for millions of dollars in back taxes.

> Infosys said it was 'fully in compliance' with the rules and 'in fact eligible for credit or refunds'

Citing a recent notice from Indian agencies, Infosys said "services provided by the overseas branches to Indian entity are not subject to GST". The company added that it was "fully in compliance" with regulations and "in fact eligible for credit or refunds for its exports of IT services".

News of the tax demand came after Infosys and other industry bellwethers, including Tata Consultancy Services, posted buoyant quarterly earnings earlier in July.

The results bolstered optimism that a drought in global tech spending might be ending as demand recovers from the financial sector customers that provide most of their business.

Tech services are one of India's global success stories and a big source of white-collar employment for the world's most populous country as it struggles to create jobs for a growing young workforce.

The industry — much of it based in Bengaluru — was also spooked by an attempt this month by Karnataka's government, which is controlled by the Indian National Congress, the country's main opposition party, to force companies to give up to 70 per cent of jobs to locals in the state.

The state's chief minister put the new rules on hold after virulent opposition from companies and industry lobby groups in the tech hub, which is also the location of substantial operations for prominent foreign companies from Walmart to Goldman Sachs and for thousands of start-ups.

Aerospace & defence. Reset

Consensus-building engineer set for Boeing test

Incoming chief Ortberg faces challenge of boosting quality and rebuilding relationships

CLAIRE BUSHEY — CHICAGO
SYLVIA PFEIFER — LONDON

Robert "Kelly" Ortberg faces a long to-do list as Boeing chief: a potential strike next month, improving quality and stabilising commercial jet production, rebuilding relationships with customers and regulators, and keeping Boeing's credit rating north of junk.

The 64-year-old executive has come out of retirement to take the reins at Boeing starting on August 8, and will also join its board.

His appointment comes as the manufacturer has pleaded guilty to a criminal charge, admitting it misled US regulators about a flight control system that caused two fatal crashes of the 737 Max. It is also struggling to improve safety and quality processes in production after a door panel blew off a commercial flight in January.

Ortberg held positions at avionics manufacturer Rockwell Collins, serving as its chief for five years until its $30bn sale to United Technologies.

The board selected him over other potential candidates, including Pat Shanahan, chief executive at supplier Spirit AeroSystems, and Stephanie Pope, who started as head of Boeing's commercial planes business this year.

Ortberg will receive an annual base salary of $1.5mn as well as incentives for next year valued at $20.5mn, according to a regulatory filing. This year he will receive $1.25mn in cash and other remuneration valued at $16mn.

Boeing needed "a major reset", said Kevin Michaels, managing director of AeroDynamic Advisory, who worked with Ortberg at Rockwell Collins in the 1990s. He was optimistic about Ortberg's ability to tackle the challenge, but "obviously he's going into a cultural buzz saw".

Ortberg was born in Dubuque, Iowa, and graduated from the University of Iowa in 1982 with a degree in mechanical engineering. He moved to work as an engineer at Texas Instruments before returning to his home state in 1987 for a job as a programme manager at Rockwell Collins.

At Rockwell Collins, Ortberg had helped win work on Boeing's 787 Dreamliner after Honeywell beat out the company to become the prime avionics supplier for the 777, said Melius Research analyst Robert Spingarn.



737 Max planes being assembled at the Renton plant outside Seattle, where Kelly Ortberg, below, is moving for his new role
Jennifer Buchanan/AFP/Getty

He had reimagined avionics undergirded by software rather than hardware, so "you didn't have to replace a bunch of hardware to upgrade the avionics system". The change had made it possible to extend the same system to different jets and airlines, and improved the company's return on investment.

"He is an engineer and a consensus-builder who knows how to sell a product vision," Spingarn said.

Ron Corbett, vice-president of economic development at the Cedar Rapids Metro Economic Alliance, said the city's residents worried about job losses after Rockwell Collins's sale. Ortberg "was trying to do everything possible to keep employment numbers where they needed to be, position the company for growth, but also be sensitive to shareholders," Corbett said.



Ortberg and his wife, Valerie, moved to Florida in 2018 after the deal closed. Now he plans to move to Seattle to lead Boeing, which has been criticised for moving its headquarters far from its factories, first to Chicago and then to Arlington, Virginia.

Jon Holden, president of International Association of Machinists District 751, the union negotiating a new contract for the workers in Washington state who build Boeing's jets, called the decision to appoint a Seattle-based chief executive "a step in the right direction".

Rich Plunkett, director of strategic development for the union representing Boeing's engineers, said it looked forward to working with Ortberg "in hopes of returning Boeing to its engineering principles and problem-solving culture where employees are part of the solution rather than a cost to be minimised".

> The union hopes for a 'culture where employees are part of the solution rather than a cost to be minimised'

Boeing needed a "company doctor", said Agency Partners analyst Nick Cunningham, akin to Louis Gallois, the French troubleshooter who was drafted in to lead EADS, former parent of Airbus, almost two decades ago. Cunningham said Ortberg was "reminiscent" of similar qualities at Rockwell Collins, coming across as "straightforward, charismatic and not too grand".

Chuck Hammond, owner and chief executive of Cedar Rapids manufacturer Raining Rose, knows Ortberg not as the head of a public company but as a friend of almost three decades. Hammond described Ortberg as "the kind of person who gives a damn".

Early in their careers, Hammond asked Ortberg whether he thought meeting one-on-one with employees without an agenda was important. Ortberg was "a no-nonsense guy", so he was surprised to learn he thought "one-on-ones" were critical. "He was clearly invested in the people he worked with and wanted to learn from them".

He did not fully understand why his friend wanted to tackle leading a company with such large problems but thought it might be because he wanted to make a difference. "It's a calling. It feels like the good side won, putting someone like that in charge of a company like that. I still don't totally get it, but I appreciate what he's doing."

Financials

BNP Paribas in talks to buy Axa's asset management arm for €5bn

IAN SMITH AND HARRIET AGNEW
LONDON
SARAH WHITE — PARIS

French insurer Axa has entered exclusive talks to sell its investment management arm to BNP Paribas for €5.1bn, in a deal that would create one of the largest operators in Europe.

The anticipated transaction would create a business within the French bank with €1.5tn of assets under management, which would continue to provide investment services to Axa under a long-term partnership.

If finalised, the deal would mark the latest example of consolidation in the European asset management industry as companies seek acquisitions to boost their scale and access new growth areas.

BNP chief executive Jean-Laurent Bonnafé said its asset management business would have a "critical size in public and alternative assets", allowing it to "serve its customer base of insurers, pension funds, banking networks and distributors more efficiently".

Amundi will remain Europe's largest pure-play investment management business. It has almost €2.2tn in assets under management.

Axa said the sale was intended to simplify operations and focus on its core insurance business. Thomas Buberl, Axa's CEO, said the decision had been made "in the context of a rapidly consolidating and highly competitive asset management industry".

> The proposed deal would create a 'global asset manager with a wider product offering'

He added that the proposed deal would create a "global asset manager with a wider product offering and a mutual objective to further their leading position in responsible investing".

Under the anticipated terms of the deal with BNP, the insurer would receive cash proceeds of €5.1bn for its investment management arm, plus €0.3bn for the linked sale of Select, an Axa unit providing fund services.

The planned acquisition is a major one for BNP, which has built up a war chest from the $16.3bn sale of Bank of the West in the US, announced in 2021.

BNP has partly used the proceeds for share buybacks and had previously signalled an appetite for small deals.

Axa said part of the proceeds from the sale of its investment management arm would be used on share buybacks.

The disposal is expected to result in a €2.2bn one-off net income gain for Axa, but also reduce underlying earnings by €0.4bn on an annual basis.

Axa released its half-year results for 2024, reporting that asset management revenue rose 5 per cent compared to the same period in 2023, driven by higher management and performance fees.

Revenue from property and casualty insurance increased 7 per cent. Net income rose 5 per cent to €4bn.



Axa says a sale would allow it to focus on its core insurance business

Financials

Ackman withdraws IPO of Pershing Square USA fund amid muted interest from investors

AMELIA POLLARD AND ERIC PLATT
NEW YORK
COSTAS MOURSELAS — LONDON

Bill Ackman has withdrawn the proposed listing of closed-end fund Pershing Square USA in an about-face for the billionaire investor who just months ago predicted it would be among the largest initial public offerings ever.

The proposed IPO's collapse caps a dramatic stretch for the hedge fund manager, who has embraced social media fame in recent months and established himself as one of the best-known investors in the US.

Ackman had envisaged the company along the lines of Warren Buffett's Berkshire Hathaway: a bedrock in public markets and a member of the benchmark S&P 500. He hoped it would give him a similar draw as the Oracle of Omaha, with annual events drawing thousands of investors. But demand did not materialise as he and the bankers leading the listing had expected.

The new investment vehicle was initially expected to price on the New York Stock Exchange as early as this week, but was postponed after Ackman tried to drum up interest in a letter last week to investors in his hedge fund, Pershing Square Capital.

The letter was later disclosed in a regulatory filing, and in an unusual move, the company disclaimed the note.

The announcement comes after a challenging week for the hedge fund billionaire, as the float's fundraising target dropped from $25bn to $2bn and a crucial investor backed out.

While he said the company had received "enormous investor interest" during meetings in recent weeks, Ackman, the founder and chief executive of Pershing Square Capital Management, evaluated whether investors would be "better served waiting to invest in the after-market than in the IPO".

"This question has inspired us to re-evaluate PSUS's structure to make the IPO investment decision a straightforward one," Ackman said in a statement on Wednesday.

In recent weeks, potential investors expressed concerns that Ackman's new vehicle might trade at a discount to the net assets held by the fund after the IPO, an issue that has plagued his London- and Amsterdam-listed vehicle Pershing Square Holdings. This is a unique problem for closed-end funds, since they are publicly tradable but stakes cannot be easily redeemed for cash like an ordinary fund. Pershing Square declined to provide additional comment.

"This is not normal," said one banker involved in the deal. "To Bill's credit he was trying to do something very different and obviously it didn't come together the way he wanted here. I'm sure he'll consider other things and other ways to do it."

In the letter to investors last week, Ackman said the listing had received a $150mn commitment from Boston-based hedge fund Baupost Group and $60mn from the Teacher Retirement System of Texas.



Bill Ackman had hoped a flotation would give his business a similar draw to Berkshire Hathaway

After the letter was publicly disclosed, Baupost pulled its backing for the IPO.

Banks often use anchor investors to signal strong levels of demand in an IPO, as well as indicate a receptive after-market trading environment. It is rare for an anchor investor to bow out on the cusp of a flotation, and Baupost's decision to stay on the sidelines would have undercut Pershing Square's pitch to other possible backers.

Ackman has swept into public view before. He notoriously lost a tremendous amount of money by shorting the multilevel marketing company Herbalife, betting about $1bn that the stock would plummet. He was painfully squeezed when hedge fund titans Carl Icahn and Dan Loeb took the other side of the wager by building up stakes in the company.

Pershing Square also lost more than 80 per cent of its investment on Valeant Pharmaceuticals — a bet that Ackman called "the worst investment in the history of the firm". The two soured bets led to a more than 30 per cent decline in the value of the hedge fund's portfolio, Ackman said in a video for the Pershing Square USA IPO roadshow.

"The public markets shorted the stocks we owned, and went long the one stock we were short," he said.

In recent years, Pershing Square Holdings has performed far better, returning 183.8 per cent over the past five years to June 30.

Ackman had big plans for Pershing Square USA. In addition to investing in large public companies he viewed as undervalued, he planned to use the permanent capital afforded by the closed-end fund structure to become an anchor shareholder in companies about to go public.

Suppliers vent frustration at Temu business model revamp

Chinese marketplace faces backlash over plan to store goods near western shoppers

ELEANOR OLCOTT AND TINA HU
GUANGZHOU

Temu, the online marketplace challenging Shein and Amazon, is facing a backlash from suppliers in China over its aggressive effort to reshape its business model.

The Chinese group, owned by $177bn ecommerce business PDD Holdings, had in recent weeks sought to recruit Amazon merchants who held goods in warehouses in the US and EU, according to several suppliers approached by Temu who spoke to the Financial Times.

The move appears to be designed to protect Temu's business if governments close a tax loophole that has supercharged its growth, while cutting delivery times by storing goods closer to shoppers. The shift would allow it to sell bulkier and higher-margin products such as furniture and home appliances.

Launched in September 2022, Temu rose to prominence by copying fast-fashion retailer Shein's model of selling cheap and lightweight goods flown from warehouses in China directly to shoppers in the west.

The pivot to hiring suppliers with overseas warehouses means Temu is moving from a "fully managed" to "semi-managed" model, in which a merchant in its marketplace takes on shipping, warehousing and last-mile delivery costs previously handled by the online platform.

> 'We could take on all this cost and then find that our product doesn't sell when it gets to the US'

Several suppliers in the south China hub of Guangzhou have cast doubt on the move, which requires them to shoulder more risk to sell on the platform.

"The way Temu is treating its suppliers feels unsustainable," said Hong, a leggings manufacturer in the city's Haizhu district. "I feel like it cannot last that long."

Another common complaint among suppliers is Temu's tactics to get merchants to slash prices.

Temu found success by offering what suppliers described as an "easy" way to shift unsold inventories by sending goods to its China-based warehouses.

"This is why it attracted so many sellers, including those with no cross-border experience," said Bing Gongsun, a merchant who sells electronic products on all the big ecommerce platforms.

One merchant in Guangzhou received up to 30,000 to 50,000 orders a day during the early months of Temu's operation. Today, that has fallen to 3,000, a drop they blame on its push to sign up many more suppliers in an effort to play them off against each other and drive prices down.

Several other suppliers spoke of the unreliability of predicting sales on Temu, which can decide which merchant's goods are promoted most to shoppers, depending on which is selling the cheapest products or has recently joined the platform.

Many said they had stopped working with Temu because it had started issuing more fines over issues ranging from faulty packaging to customer complaints over mismatches between the product and online description.

"They take a fine from you if there is a customer complaint, even if it's not your fault. If there is a fault with one item in the batch, then they will fine you for the whole batch," said one seller.

Some have taken the issue into their own hands, with dozens of suppliers swarming company offices in Guangzhou to protest against the practice of handing out fines. One supplier showed the Chinese press evidence of 279 fines issued by the platform, to a total of Rmb114mn ($16mn).

Temu said the protesters "were unhappy with how Temu handled after-sales issues related to quality and compliance issues with their products", adding that the company was "actively working with the merchants to find a solution".

Many merchants said they were willing to work with Temu under the fully managed model, given its rapidly growing sales volumes. Bernstein analysts forecast that this year Temu would generate $54bn in gross merchandise revenue — the total value of goods sold on its platform — up from an estimated $17bn in 2023.

But the people said the company's pricing tactics made them reluctant to shift to the semi-managed model.

"We could take on all this cost and then find that our product doesn't sell when it gets to the US," said Bing.

To overcome this resistance, Temu is promising to promote sellers by giving their products top slots on its platform if they sign up for the semi-managed model.

"Temu is prioritising giving consumer traffic on the platform to merchants with inventory in the US," said Hong.

He said Temu was providing a $3 subsidy for each order to sell certain clothing through the semi-managed system. Even with the incentives, Hong said the model was not favourable to smaller merchants.

"Most of us sold on Temu because the company handled the logistics and warehouse costs. A lot of us can't afford this," he said.

Temu said the FT's reporting was "not representative of the seller experience on Temu. The feedback we receive from the vast majority of our merchants reflects a positive experience, with many appreciating the increased exposure and sales opportunities our platform provides".

The change in its business model comes as it prepares for a US and EU crackdown on a tax loophole that exempts low-cost parcels from import duties.

The FT reported this month that the European Commission was drawing up plans to scrap the €150 threshold under which items can be bought duty free. Last year, 2.3bn items below the limit were imported into the EU, according to the commission.

The US has signalled that it plans to change the *de minimis* rule that allows shipments below $800 to arrive without paying import duties.

The adaptation would also solve Temu's problem of "fulfilment efficiency", said Hu Jianlong, founder of Shenzhen consultancy Brands Factory. It typically takes nine to 12 days for Temu to deliver packages from China to US shoppers, while Amazon can offer same-day or next-day delivery because it stores products in warehouses in the outskirts of large cities.

Some of Amazon's top Chinese suppliers have warehouses in the US and other markets. They were willing to take on this cost because Amazon was seen as a "reliable" platform to make a profit, said several merchants.

"Amazon is the key marketplace," said Hu. "Most successful sellers rely heavily on Amazon, which fosters a deeper trust in the platform. In contrast, emerging platforms haven't yet earned the same level of trust."

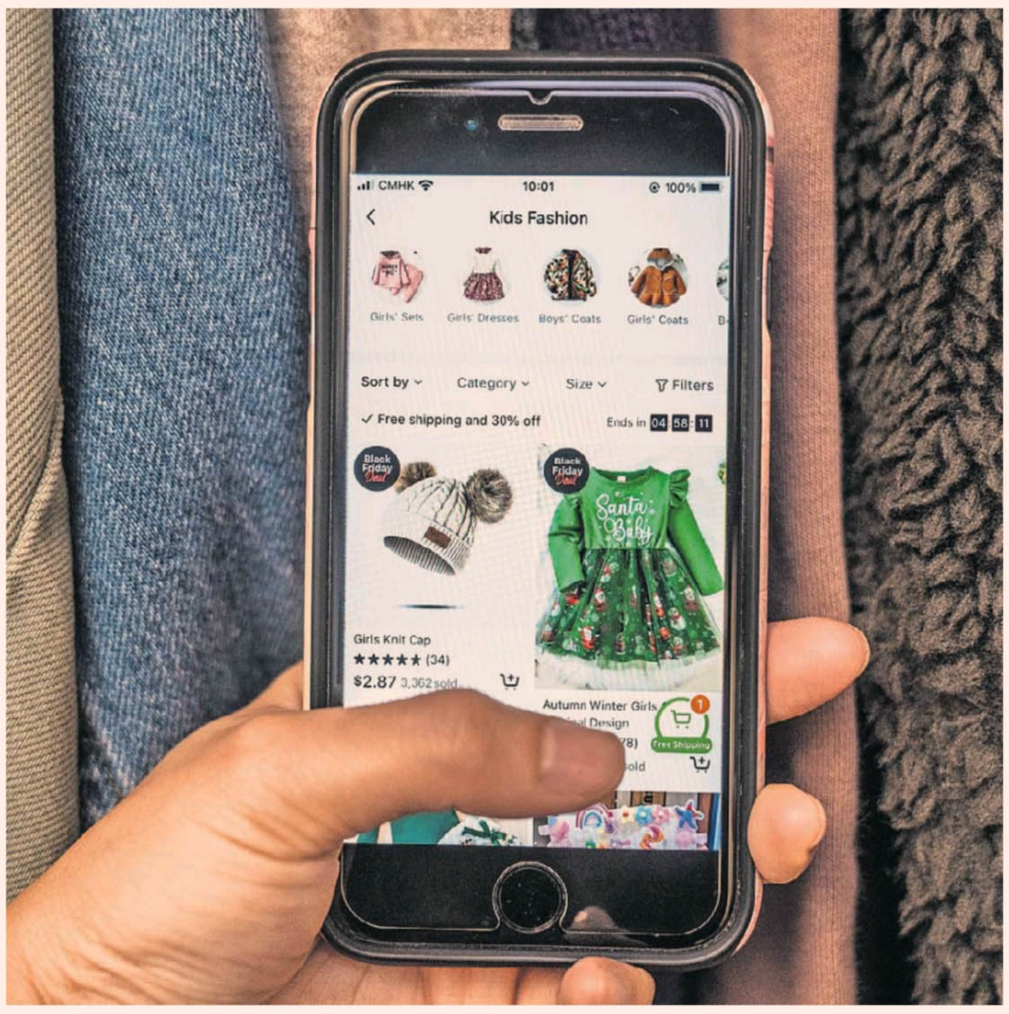
In response to the rising challenge of Temu and Shein, Amazon has gone on the defensive.

In recent months, the group has cut the commission it takes from clothing makers from 15 to 8 per cent, while reducing the delivery and marketing costs for merchants, according to the suppliers.

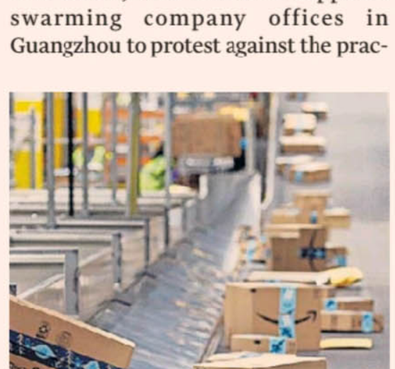
Amazon did not respond to a request for comment.

Last month, Amazon started recruiting Chinese suppliers to replicate Shein and Temu's model of shipping goods directly from China to the west, in an effort to challenge them on offering low prices.

"Amazon was slow to react. But now all the platforms are copying each other," said Bing. "There is an industry joke that they are all pirates stealing from each other."



Temu has achieved success by flying cheap goods from China to western consumers — Lam Yik/Bloomberg

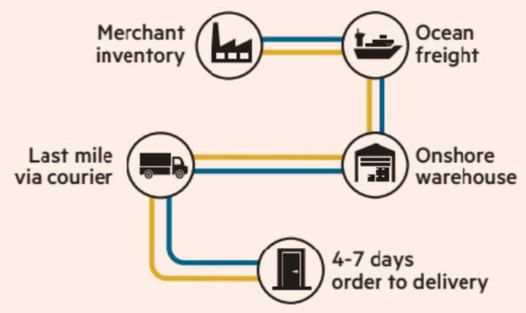


Amazon has cut the commission it takes from clothing makers to 8%

Temu's exposure to parcels sent via air cargo and volatility in long-haul freight costs

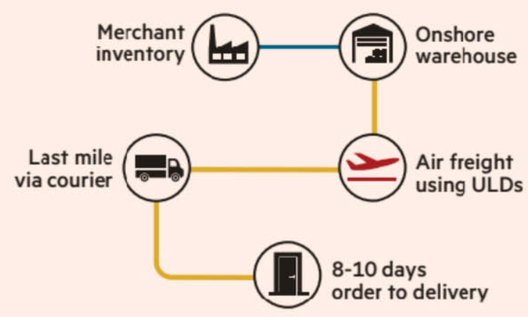
Temu: semi-managed model flow of goods

- Merchant: long-haul logistics, onshore warehousing, last-mile fulfilment via couriers
- Temu: procurement, pricing, marketing, customer service, returns, etc.



Temu: fully managed model flow of goods

- Merchant: local dispatch
- Temu: procurement, pricing, long-haul logistics, marketing, customer service, returns, etc.

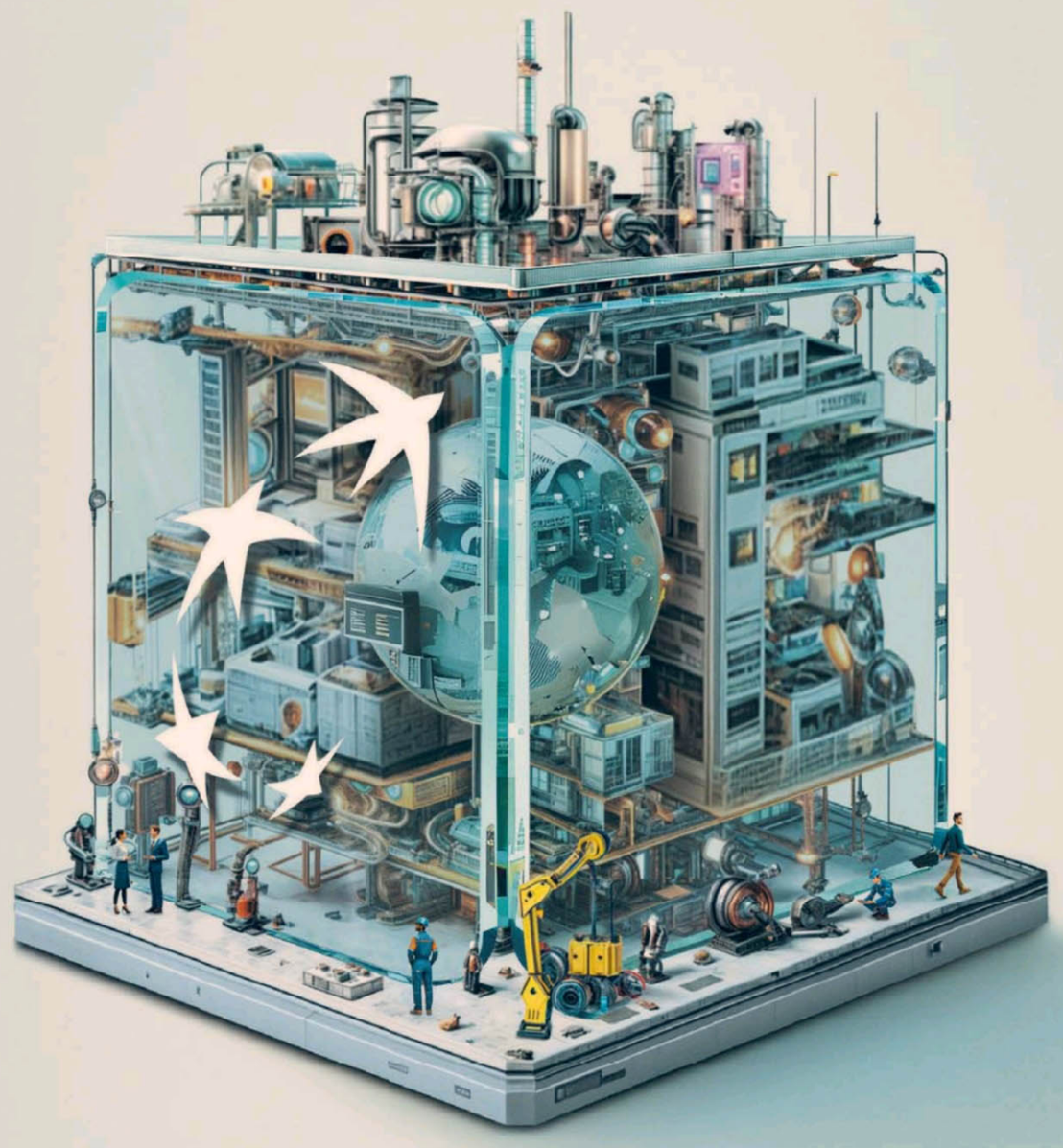


Source: Industry interviews and Bernstein analysis

2ND QUARTER 2024 RESULTS

BEYOND ITS RESULTS, A BANK'S COMMITMENTS TO SERVING ITS CUSTOMERS AND THE ECONOMY.

Follow our results on **invest.bnpparibas/en/**



€12.3 BILLION
NET BANKING INCOME
up **3.9%** compared to 2nd quarter 2023 distributable(1)

€3.4 BILLION
NET INCOME, GROUP SHARE
up **1.6%** compared to 2nd quarter 2023 distributable(1)

13.0% on 30.06.2024
"COMMON EQUITY TIER 1" RATIO
A very solid financial structure

#1
IN THE WORLD FOR ALL ESG BONDS AND LOANS ACCORDING TO DEALOGIC(2)

#1
BANK FOR CORPORATES IN EUROPE(3)

EUROMONEY AWARDS FOR EXCELLENCE GLOBAL 2024 BEST BANK FOR FINANCIAL INCLUSION
WORLD'S BEST BANK FOR FINANCIAL INCLUSION ACCORDING TO EUROMONEY

BNP PARIBAS

The bank for a changing world

Contact: relations.actionnaires@bnpparibas.com

(1) Restated quarterly series published on 29 February 2024. Results serving as a basis for calculating the 2023 distribution and reflecting the Group's intrinsic performance post-Bank of the West divestment and post contribution to the ramp-up of the Single Resolution Fund (SRF), excluding extraordinary items. (2) Dealogic 2023: total ESG bonds (sustainable, green, social, "Sustainability-linked Bonds") and ESG loans (green, social, "ESG-linked loans/SLLs"), bookrunner rankings by volume. (3) Source: rankings based on penetration rates - studies by Coalition Greenwich Share Leaders European Large Corporate, Corporate Banking 2023 and Coalition Greenwich Voice of Client - 2023 European Large Corporate Cash Management and 2023 European Large Corporate Trade Finance. BNP Paribas S.A. with a share capital of: €2,261,621,342 - Registered Office: 16 boulevard des Italiens 75009 Paris - Registered in the Paris Companies Register under number 662 042 449 - VAT number: FR76662042449 - www.group.bnpparibas - Orias No: 07 022 735.

Financials

Barclays bullish after rates windfall

Guidance for net interest income increases ahead of vital BoE policy decision

ORTENCA ALIAJ — BANKING EDITOR

Barclays boosted its outlook for the year because of higher than expected interest rates, even as investors braced for the Bank of England decision yesterday to cut its key rate by a quarter of a percentage point to 5 per cent.

The bank increased its guidance for net interest income (NII) — the difference between what it pays on deposits and earns from loans and other assets — even as the figure fell slightly to £3bn in the latest quarter, because interest rates have remained high for longer than expected and deposit flight has slowed.

It now expects NII of £11bn for the year, up from £10.7bn.

Barclays said profit attributable to shareholders had fallen 7 per cent in the second quarter to £1.2bn, as a big boost from its investment banking division was offset by continued pressure in its core UK market. Revenues edged up 1 per cent to £6.3bn.

Income from the lender's UK retail and corporate operations slipped, as mortgage margins came under pressure and customers switched deposits to higher interest accounts.

But Barclays said the trend for customers to shift savings to higher-paying accounts, which has weighed on NII this year, had eased in the latest quarter.

Chief executive C.S. Venkatakrishnan said the bank was "making good progress on our three-year plan".

> The bank says the trend for customers to shift savings to higher-paying accounts has eased

The UK-headquartered bank announced a restructuring plan at the start of the year, in which it said it would double down on its domestic business and look to increase revenues within its investment bank without allocating any more risk-weighted assets.

Income from the investment bank increased 10 per cent from a year earlier, helped by a 24 per cent jump in equities, outpacing many Wall Street rivals. Banking fees were up 45 per cent from the year before to almost £700mn.

Venkatakrishnan joined a chorus of business voices welcoming the Labour government's turnaround plan for the economy.

"The one great thing that we've seen in the last month and a bit since the government has been in is . . . this seamless transition of power, seizing of the economic momentum," he said. "The emphasis on growth and the business-friendly nature is also extremely welcomed."

Standard Chartered chief executive Bill Winters also praised the new government during the bank's earnings call, saying it had shown clear signs that it was "supportive of business".

Barclays also announced a £750mn share buyback programme, and said it had completed the £1bn plan it had announced at its year-end results.

Citigroup analyst Andrew Coombs said it was "a solid set of results, which should be well received".

Barclays shares closed down 4.7 per cent but have increased almost 50 per cent so far this year.

Aerospace & defence

BAE Systems lifts profit outlook after £15bn haul of new orders

SYLVIA PFEIFER

BAE Systems has lifted its profit forecast for the full year as Britain's defence champion continues to benefit from new orders on the back of heightened geopolitical tensions and increased military spending.

The FTSE 100 group said it secured just over £15bn worth of new orders in the first six months of the year, with notable contract wins for warships in Australia and its Swedish-made CV90 fighting vehicles from eastern Europe.

Demand has also been strong for new munitions as governments have restocked supplies sent to Ukraine in the wake of Russia's full-scale invasion.

The new order haul bolstered BAE's backlog to a record £74.1bn, which included that of the company's recent acquisition of US space business Ball Corporation.

BAE chief executive Charles Woodburn said the company could not speculate on the outcome of the defence review launched by Britain's Labour government, insisting it was good news that it was talking about military spending as a "driver for economic growth".

There has been speculation Labour might reduce its commitment to the Global Combat Air Programme to build a fighter jet with Italy and Japan.

> There are 'encouraging noises from both sides' regarding the UK's partnership with the EU

Woodburn said he was "confident in the military requirement" for such a programme — which will also involve drones and other systems — as well as in its industrial importance. The programme is already helping to support "in excess of 50,000 jobs" across the UK as part of the military aircraft sector.

BAE should, meanwhile, benefit from a closer relationship with the EU, according to Woodburn, who said there were "encouraging noises from both sides around the potential for a deepening partnership".

Prime Minister Sir Keir Starmer has said his government wants to repair the UK's relations with the EU through a new broad-based security pact. BAE has a strong footprint in Europe, including through a 37.5 per cent stake in MBDA, the pan-European missile champion, and two businesses based in Sweden.

BAE now expects underlying profits for the full year to increase between 12 and 14 per cent, up from a previous 11 to 13 per cent. It is targeting free cash flow of more than £1.5bn, up from a previous forecast of more than £1.3bn.

The defence company is also making progress in Ukraine where it has opened an office and is in talks with local partners about enabling them to produce spare parts for some of its weapons.

BAE said sales in the first six months of the year rose 13 per cent to £13.4bn. Underlying earnings before interest and tax were also up 13 per cent to £1.39bn.

Shares in the company have had a stellar run since Russia's invasion of Ukraine and are up more than 17 per cent since January. They were trading down slightly at 1,285p yesterday.

Media

Hedge fund magnate leads field in race for Spectator

DANIEL THOMAS — PARIS
IVAN LEVINGSTON AND HARRIET AGNEW
LONDON

Hedge fund mogul Sir Paul Marshall is in advanced talks to acquire the Spectator, putting him in lead position to take over the weekly title, according to people with knowledge of the situation.

Marshall has been among the contenders in the auction for the Spectator and the Telegraph newspaper, which are being sold off by Abu Dhabi-backed investment group RedBird IMI.

A Spectator deal could be agreed as soon as this month, the people said, although they noted that Marshall was not in exclusive talks.

Sky News first reported the discussions yesterday.

The offer valued the publication at about £100mn, one of the people said.

A second person said it was "unlikely" that he would emerge as the buyer. The titles might be sold separately after first-round bids were submitted last month. RedBird IMI hopes to sell the Telegraph and the Spectator for at least £600mn.

Marshall and RedBird IMI declined to comment.

Marshall is co-founder of Marshall Wace, which he set up in 1997 with Ian Wace. The firm has grown into one of Europe's largest hedge funds, with $67bn in assets under management.

Marshall has insisted that his day-to-day focus remains his eponymous firm, but over the past few years he has tried to shape the national conversation via involvement in media.

In 2017 he purchased UnHerd, the comment site, seeking to challenge the mainstream with a wider range of views. Marshall has grown frustrated with traditional media, which he believes has become tribalised with little room for diverse views. Soon after, he became a big investor in GB News alongside the Legatum Group, a Christian-driven investor based in Dubai.

The Spectator bid is being made through Marshall's Old Queen Street Ventures media group, previously called UnHerd Ventures. Its leadership team includes editor-in-chief Freddie Sayers.



Record high Rolls-Royce shares soar on dividend plan

Rolls-Royce has raised its profit forecast and plans to pay a dividend for the first time since the pandemic as chief executive Tufan Erginbilgiç's efforts to restore the UK engineering group's fortunes pay off.

Shareholders in the FTSE 100 company, whose engines power large passenger aircraft, submarines and military jets, last received a payout in 2020, shortly before the pandemic.

Announcing its first-half results yesterday, Rolls-Royce said it would resume payouts at its full-year results. Payments will start at a 30 per cent payout ratio of underlying profit after tax and then shift to a ratio of between 30 per cent and 40 per cent a year.

Shares in Rolls-Royce surged 10 per cent to a record high after the announcement, before losing some ground to close up 7 per cent. Gains this year are more than 60 per cent.

Since taking over as chief executive in early 2023, Erginbilgiç has focused on rebuilding the balance sheet and improving profitability through measures including reducing working capital and increasing efficiencies. The company expects its efficiency programme to deliver more than £250mn of cumulative savings by the end of 2024. Rolls-Royce is also benefiting from the rebound in international travel as it makes most of its money maintaining and servicing its engines when they are flying.

Alongside the resumption of the dividend, Rolls-Royce increased its forecast for underlying operating profit this year to between £2.1bn and £2.3bn. It is targeting free cash flow of between £2.1bn and £2.2bn, higher than its previous guidance of £1.7bn to £1.9bn.

> Underlying operating profit surged 74% to £1.15bn, driven by higher demand as well as cost cuts

The company is "expanding the earnings and cash potential of the business in a challenging supply chain environment, which we are proactively managing", Erginbilgiç said yesterday.

Underlying revenues in the first six months of the year rose to £8.2bn, up from just under £7bn a year ago. Underlying operating profit surged 74 per cent to £1.15bn, driven by higher demand as well as cost cuts.

The gains were most pronounced in Rolls-Royce's core civil aerospace division, where operating margins rose from 12.4 per cent to 18 per cent. The company has been renegotiating lossmaking contracts and Erginbilgiç said it was making "good progress" working through these, adding that they would come with "much better profitability".

He insisted that there was more growth to come. Rolls-Royce is investing more than £1bn over the coming years to improve the performance of its Trent family of engines which power widebody aircraft. The investment will improve the time the engines spend flying and generate greater revenues for Rolls-Royce.

Rolls-Royce's other two divisions, defence and power systems, also performed strongly, benefiting from higher orders.

Despite the strong results, Erginbilgiç warned that the industry's supply chains remained strained. The company's cash flow guidance for the year includes an impact of as much as £200mn from supply chain issues. *Sylvia Pfeifer*

See Lex

Taking off: Rolls-Royce makes most of its money maintaining and servicing its engines, so the company is benefiting from a rebound in international travel — Nathan Laine/Bloomberg

Airlines

Upbeat IAG unveils first payout since 2019

PHILIP GEORGIADIS — LONDON

IAG, owner of carriers including British Airways, plans to pay a dividend for the first time since the start of the pandemic as it reassured investors that demand for travel was still strong.

The bullish outlook, as the group reported early summer profits that came close to matching last year's record, is a boost for an industry facing growing questions over the durability of a two-year travel boom that has powered airlines to record earnings.

"We see continuing strong demand for travel in the attractive core markets in which we operate," chief executive Luis Gallego said.

His comments come as the group, which also owns Iberia and Aer Lingus, said it had given up on its effort to buy Spain's Air Europa after failing to persuade EU regulators that the deal would not harm competition and raise prices.

The group posted an operating profit before exceptional items of €1.24bn for the second quarter, the start of the peak summer season. That topped analysts' forecasts but was slightly lower than a record €1.25bn in 2023.

Many carriers have been forced to drop ticket prices to fill aircraft in recent months, after a period of high fare rises following the end of lockdowns.

This week Lufthansa and Singapore Airlines both warned that rising competition was denting their pricing power, while last month Ryanair took investors by surprise when it announced that fares would be "materially lower" in the summer months, following a 15 per cent year-on-year fall in the spring.

> Robust travel demand is set to continue, says the owner of British Airways, Iberia and Aer Lingus

IAG said the North Atlantic, Latin America and Europe were "performing well", though it noted "some softness in long-haul pricing in Dublin, as well as in the Asian markets". In the second quarter, passenger revenue per available seat kilometre rose 2 per cent to €8.33.

Gallego said the decision to pay an interim dividend of 30 cents per share, its first since 2019, "reflects our confidence in the business, our performance and our transformation".

Neil Glynn, managing director at research group Air Tower, said IAG's strong profits "represent a stark contrast to the big declines seen at Air France-KLM and Lufthansa".

The decision to withdraw from the Air Europa attempt is a blow to the group's strategy to increase its position in Latin America and turn Madrid into a new hub. The FT last week reported that the deal was close to unravelling after EU officials signalled that the group had not done enough to ease concerns.

Gallego said IAG's decision to pull out of the deal agreed in February last year was "in the best interests of our shareholders". IAG will pay a €50mn termination fee and retain 20 per cent of the airline. In an interview last month he told the FT that IAG would consider a bid for Portugal's TAP or a South American airline to bolster its South Atlantic routes if the deal fell through.

Analysts at Bernstein said the "huge beat" on profits and the restoration of the dividend offered "cold comfort" given the news on Air Europa, which "was a highly appealing deal".

Oil & gas

Shell boss signals end of Europe energy crisis

MALCOLM MOORE — LONDON

The energy crisis in Europe is finally over, the chief executive of Shell signalled, as market prices and volatility return to levels before Russia's full-scale invasion of Ukraine in February 2022.

"We have seen that across the energy complex this quarter, maybe more so than any of the previous ones in recent times, that we are moving back to a normalised price and margin level that is pre-2022," said Wael Sawan in an interview with the Financial Times.

He added that gas, crude and power prices had all dropped back and become more stable.

Nevertheless, Sawan, who promised to slim down and focus Shell on its core business when he became chief executive in January 2023, said he was preparing the company for a bumpy ride through the energy transition.

After posting higher than expected adjusted earnings in the second quarter of $6.3bn, up from $5.1bn a year earlier, announcing cost savings of $1.7bn and reducing net debt by more than $2bn, Sawan said he would maintain both the dividend and Shell's quarterly $3.5bn of share buybacks.

"We are creating the space to have more cash and decide what we want to do with it," he said.

"And we are continuing to position ourselves for what I am sure will be a non-linear, volatile, energy transition. We look to maintain consistency through not just good times but also some of the more challenging times."



Wael Sawan says he is preparing the business for a bumpy ride through the energy transition

He said Shell aimed to keep its target of returning 30 to 40 per cent of operating cash flow to shareholders not just during high oil prices but also if they fall to $50 a barrel.

At $40 a barrel, he said the multinational oil and gas company would continue to pay its dividend, adding "$40 to $50 would be a scenario that I don't think we have seen last for much longer than 12 months at any point in the last couple of decades".

The fall in prices and volatility in Europe saw Shell's renewable and energy solutions business, which includes power trading, post a $187mn loss, a 215 per cent drop from the quarter before.

The oil major also said it had reduced its pipeline of renewable power projects under construction from 4.6GW in the first half of last year to 3.8GW.

Sawan said the loss was "not a massive surprise" because a lot of the unit's earnings had come from high power prices.

He added that the business was in a "heavy investment phase" and that, while Shell has pledged to spend $10bn to $15bn between 2023 and 2025 on projects, they would not start to make money until the latter part of the decade.

Shell has recently paused work on its biofuels refinery in Rotterdam, but Sawan noted that it had taken a final investment decision on a large carbon capture project in Canada and on a new green hydrogen electrolyser in Germany.

Shell's shares closed down 0.5 per cent at 2,825p yesterday.

Commodities. Bets unwound

Dash for exit by bulls sends resources prices tumbling



Flagging China demand helps push copper down while other base metals and corn also slide

SUSANNAH SAVAGE AND HARRY DEMPSEY — LONDON
WENJIE DING — BEIJING

Commodities from copper to corn have been tumbling as plentiful supplies and flagging Chinese demand prompt fund managers to cut around $41bn of bullish bets on natural resources.

The sell-off in copper, a bellwether of the global economy because of its wide-ranging uses in building, infrastructure and manufacturing, has been particularly stark — it is down close to 20 per cent from its record high in May above $11,000 per tonne.

Other base metals such as aluminium, lead and zinc have followed suit while corn has dropped to its lowest level since October 2020.

The sell-off has been driven by traders unwinding their sizeable bets on prices rising as the outlook for growth in China — the biggest consumer of many commodities — has dimmed and authorities failed to deliver the stimulus that investors had been hoping for.

"Investor selling pressure has been immense across copper and base metals as weak Chinese demand sentiment has been re-enforced by a lack of significant policy support in July," said Tracey Allen, JPMorgan commodities strategist.

Traders' bullish positions — net of bearish bets — on commodities have dropped 31 per cent, or $41bn, from a late May peak of $132bn to July 30, according to data from JPMorgan.

The widespread sell-off marks a sharp reversal from just over two months ago when some commodities, including copper, reached record highs as investors poured in money and bearish traders were forced out of their bets. Many were also drawn to copper as a way of hedging against inflation after US measures in March rose faster than expected.

Although the threat of wider conflict in the Middle East after the killing of a Hamas political leader boosted commodities on Wednesday — with copper up 2.8 per cent to $9,225 per tonne — the overriding sentiment has soured as growth in China has disappointed, with prices falling again yesterday.

China's official manufacturing purchasing managers' index, a measure of manufacturing activity, fell for a third consecutive month in July, the country's National Bureau of Statistics said on Wednesday.

Meanwhile, much of the copper bought by China in the first half of this year ended up being stockpiled rather than used.

"The [market] sentiment towards commodities is really bad," said Sabrin Chowdhury, head of commodities analysis at BMI, a commodities data firm that is part of Fitch Group. The outlook "is definitely weak in the coming few months as the hopes pinned on China start to diminish completely".

China's Third Plenum — the Communist party's flagship policy meeting that takes place every five years — wrapped up in July without any announcements of major support for the country's moribund property sector as Beijing continues to double down on high-tech manufacturing.

"The plenum did not live up to expectations in terms of additional support for the economy," said Ole Hansen, head of commodity strategy at Saxo Bank. "The short-term outlook is not looking good."

Rio Tinto, the world's second-largest miner, highlighted the depth of China's property market slump on Wednesday when it said that steel demand from that sector was down by as much as 30 per cent from its peak in 2020.

"Prices were below the average of the last 10 years when adjusting for inflation" in the first six months of the year, said Peter Cunningham, chief financial officer at Rio Tinto, referring to its major products such as iron ore, aluminium and copper.

A firm US dollar — in which most commodities are priced — market gyrations in response to US presidential election uncertainty and weak economic growth in other parts of the world have all weighed on commodity prices, analysts said. A stock market fall in recent weeks has also led some fund managers to reduce their positions in other assets, said Hansen.

Much of the copper bought by China in the first half of this year ended up being stockpiled rather than used
Sascha Schuermann/Getty Images

For agricultural commodities, slow economic growth and bumper domestic harvests in China are sparking fears that demand for imports of crops such as wheat and corn from the world's biggest buyer will wane — just as global supplies of the grains surge.

Concerns about Chinese demand are already playing out in copper where the country's net imports of the metal were at 13-year lows in June due in part to record exports of 157,000 tonnes as the market is oversupplied.

Imports of crude oil and condensate — a liquid hydrocarbon produced alongside natural gas — into China also fell by 2.5mn barrels per day in July compared with a year ago, according to Vortexa, an oil tanker data company.

Zhang Jiefu, senior analyst at Wuhan-based Zhengxin Futures, said forecasts of Chinese copper demand growth in the first half of the year were "too optimistic" and had been "shattered".

He added: "Following this realistic logic, all commodities were dragged down by weak demand."

Marcus Garvey, head of commodities strategy at Macquarie, said the market had been expecting copper demand in China to grow 3 to 4 per cent this year.

But, if the current trend continues, it was set to fall by about 1 per cent this year, he added.

"It's more that growth has failed to improve rather than growth has cratered so we've lost all of that speculative [positioning]," he said.

Commodity prices have tumbled since May
Bloomberg Commodity index



Source: Bloomberg

'The plenum did not live up to expectations in terms of additional support for the economy'

FT
Our global team gives you market-moving news and views, 24 hours a day
ft.com/markets

Equities

Tokyo stocks fall as traders fear effects of stronger yen

LEO LEWIS — TOKYO
ARJUN NEIL ALIM — HONG KONG

Shares in Toyota, Panasonic and Japan's biggest banks were among the prominent victims of a stocks rout yesterday as investors absorbed the previous day's unexpected interest rate increase by the Bank of Japan and a renewed surge in the yen.

Following the BoJ's decision to raise its benchmark interest rate to 0.25 per cent — the highest level in 15 years — the yen continued to strengthen against the dollar, reaching ¥148.56 during yesterday's early trading.

The Japanese currency has risen 4 per cent over the past two weeks as hedge funds rapidly cut their exposure to speculative yen short positions.

Traders are guessing the majority of such bets have been cleared from the market and are now focusing on how much further the BoJ's rate-raising cycle might run.

The yen was boosted by the surprise nature of the BoJ's rate increase, and its run is now being driven by a shift in market perception about the way the BoJ is setting its monetary policy, said Bank of Singapore's chief economist Mansoor Mohi-uddin.

"You have now got uncertainty in the market about the BoJ's reaction function and about the pace of future rate hikes," he said.

'You have got uncertainty in the market about the BoJ's reaction function and the pace of rate hikes'

The yen's rally, which began in mid-July and was partly propelled by a bout of government intervention, is being driven by expectations that the central bank has begun a process that could produce at least two more rate rises over the next 12 months even as the US Fed looks primed to begin cutting.

Japanese stocks, as measured by the broad Topix index, fell as much as 3.6 per cent yesterday. Many of the hardest-hit groups were carmakers and other manufacturers with earnings that are mechanically boosted by yen weakness.

But some of the fiercest selling was directed at Japan's big property stocks, which have thrived during the country's long era of ultra-loose monetary policy but now face a different environment.

Mitsui Fudosan and Mitsubishi Estate fell 8 and 9 per cent respectively.

Beyond the turmoil created by the strengthening yen and rising rates, Japan's largest company, Toyota, disappointed the market when it released April-June results without an expected upgrade to its earnings forecast. Its shares fell more than 8 per cent.

"A lot of people were not expecting that Bank of Japan hike on Wednesday and all the crowded trades suddenly looked exposed," said one broker at a Japanese investment bank, adding that the disappointing Toyota results and the yen's sharp rise had been taken as a trigger for selling a wide range of stocks.

See Lex

Technology

Former CNN anchor Lemon sues Musk and X over cancellation of content deal

HANNAH MURPHY — SAN FRANCISCO

Former CNN anchor Don Lemon has sued Elon Musk and X after the social media platform abruptly cancelled his content deal following a spat this year.

In a lawsuit filed in a San Francisco court yesterday, Lemon said in early January he was offered a one-year "exclusive partnership" from X executives whereby he would receive $1.5mn for a series of exclusive video content — as well as 60 per cent of advertising revenue gathered from that content and additional cash incentives.

Lemon alleges he was wooed by Linda Yaccarino, X's chief executive, together with Musk.

He said he was told he must announce the partnership formally and attend the CES tech conference to tout the deal, otherwise it would be withdrawn.

Lemon did this, all while being told by Musk there "would be no need for a formal written agreement or to 'fill out paperwork'," according to the lawsuit, which lists claims for fraud, breach of contract and misappropriation of Lemon's name and likeness.

However, Musk cancelled the deal shortly after Lemon recorded the first episode of the show — a contentious interview with Musk himself.

During the interview, which was later aired on YouTube and X, Lemon asked Musk personal questions including whether he ever abused the drug ketamine, which Musk denied.

Musk at the time said he was cancelling the show because it "lacked authenticity" and was "CNN but on social media". Musk and X did not respond to requests for comment. Musk and Yaccarino have touted partnerships and exclusive content deals as X's advertising revenue has dwindled following concerns over Musk's hands-off approach to content moderation on the platform and sometimes erratic management style.



Don Lemon said he was offered a one-year exclusive partnership by X

Musk has also stirred controversy by seeking to renegotiate or cancel contracts and refusing to pay bills in a massive cost-cutting drive since he bought the platform for $44bn in 2022.

X had faced a lawsuit from its San Francisco landlord for not paying rent, which was later dismissed, while some former staffers and executives have alleged the company has not paid their full severance packages during lay-offs.

"This case is straightforward," Lemon's attorney, Carney Shegerian, said in a statement. "X executives used Don to prop up their advertising sales pitch, then cancelled their partnership and dragged Don's name through the mud. You don't have to be a genius to see the fraud, negligence and reputational damage here."

Lemon was fired from CNN in April 2023.

Commodities

Gunvor steps up biofuel investing by buying half of $600mn Dutch project

TOM WILSON — LONDON

Gunvor has agreed to acquire half of Varo Energy's $600mn Dutch biofuel project in the latest sign of Europe's privately held commodity traders diversifying after two years of record profits.

The Swiss group, which owns two biofuel plants, is stepping up its bet on the renewable fuel despite lower than expected growth in demand for the product.

Shell and BP both paused the development of European biofuel plants last month while shares in Neste, a Finnish biofuels specialist, have fallen by almost half this year.

Gunvor, majority owned by Swedish billionaire Torbjörn Törnqvist, will share the costs of developing the planned facility to turn waste into sustainable aviation fuel (SAF) and biodiesel at the port of Rotterdam.

Like privately held rivals Trafigura and Vitol, it has been looking for opportunities to reinvest record profits over the past two years when the disruption in markets caused by Russia's full-scale invasion of Ukraine boosted margins for the biggest commodity traders.

It made $1.3bn in net profit last year, the second highest in its history, following a record $2.4bn in 2022. In December, it agreed to buy a Spanish gas-fired energy plant from BP.

While Gunvor makes most of its money trading oil and gas, it is diversifying into greener energy products. It owns two biofuel plants in Spain and has traded the fuel, which is produced from renewable feedstocks, since 2009.

'One thing that's becoming more and more apparent is that energy transition is not a straight line'

Varo chief executive Dev Sanyal insisted EU mandates requiring aviation fuels to contain at least 2 per cent SAF by 2025, rising to 6 per cent by 2030 and to 20 per cent by 2035 would ensure robust demand for biofuels this decade.

"Europe is a good neighbourhood to invest in this space," he told the FT, adding that Rotterdam port's connections to northern European pipelines and local jet fuel infrastructure meant the site was ideally located. Varo estimates that the plant, which has been designed to process 350,000 tonnes of waste feedstock a year, would be able to meet 7 per cent of the EU's mandated SAF demand by 2030.

Swiss-based refiner Varo, which is owned by US private equity group Carlyle and Vitol, was founded in 2012.

Sanyal joined from BP in 2021 and is implementing a strategy to transition Varo to supplying low and zero carbon fuels, partly by repurposing its existing refinery, bunkering and distribution infrastructure. The company has said it will sell no oil products by 2040.

Varo announced its plan to build the SAF manufacturing facility on the site of Gunvor's Rotterdam oil refinery and terminal in September.

The plant is also being designed with the capability to produce either SAF or a fully renewable biodiesel called HVO, which can be used in any diesel engine.

"One thing that's becoming more and more apparent is that energy transition isn't a straight line," Sanyal said. "There will be peaks and troughs, so being able to sort of create flexibility in what you produce is very important."

A US recession is not off the table yet for investors



Tej Parikh

Markets Insight

Jay Powell is keeping calm about the economic outlook — perhaps overly so. The US Federal Reserve opted to hold interest rates at its midweek meeting, though it adjusted its tone, citing moderating job gains and rising unemployment as signs of a cooling economy.

That opens the door to cuts in September. The problem is that weakening activity tends to feed off itself so a cooling economy can quickly turn into a recessionary one. Has the Fed left it too late?

Since May, US economic data has indeed started to surprise to the downside, according to Citi's Economic Surprise Index. But signs of America's slowdown had been emerging well before the Fed's recent change in emphasis.

Full-time household employment started weakening towards the end of 2023 and credit card delinquencies rose above pre-pandemic levels around then, too.

That the US avoided a forecasted recession in 2023 has helped keep faith in an economic soft landing this year — and has perhaps contributed to favourable interpretations of data.

Take the above-expectation economic growth figures for the second quarter. The 2.8 per cent annualised rate was taken as evidence that the US economy is in fine fettle. But dig deeper and you see the flaws.

Government spending — backed by a hefty deficit — has helped prop up growth. Jobs have been bolstered by a public sector hiring spree, too. What about consumer expenditure?

Break it down and the largest spending contributions come from essentials like rents, utilities, health and food rather than discretionary stuff. Consumption growth is outpacing income as well. Seemingly "strong" numbers belie a weaker underlying economy.

Leading economic indicators look troubling too. The ISM manufacturing New Orders Index is in contraction territory and has been a decent signal for a recession in the past. Jobless claims rose to an 11-month high last week, small businesses are cutting hiring plans and a slew of consumer-facing companies have recently recorded earnings misses.

The proximate cause is the Fed's interest rate policy. It debated cutting rates at its July meeting and could end up lamenting not doing so. Annual US inflation — measured by the Fed's preferred benchmark of the personal consumption expenditures index — came within 0.5 percentage points in June of the central bank's 2 per cent target.

> The economy doesn't slow in a linear manner. Loss of momentum can become a self-reinforcing spiral

Price pressures are also on a downward trend: the jobs market is cooling and wage growth is easing.

A precautionary cut midweek would not have equated to a substantial easing either. Many households and businesses will still face steep borrowing costs if they have to refinance fixed-rate loans coming up for renewal.

The question is whether they should face current peak rates or something slightly lower in line with easing demand. For measure, Goldman Sachs recently estimated the median optimal interest rate, based on various monetary policy rules, to be closer to 4 per cent. All this points to the Fed pressing too hard on the brakes for too long.

Market signals are looking ominous. Based on the slope of the curve of bond yields over time, which has been an unreliable indicator recently, the New York Fed estimates an above 50 per cent chance of a recession in the coming year.

Stock valuations appear stretched, too. Indeed, the concentration of the S&P 500 index — with the Magnificent Seven tech stocks making up over 30 per cent of its value — makes it vulnerable to a correction in the bullish AI narrative.

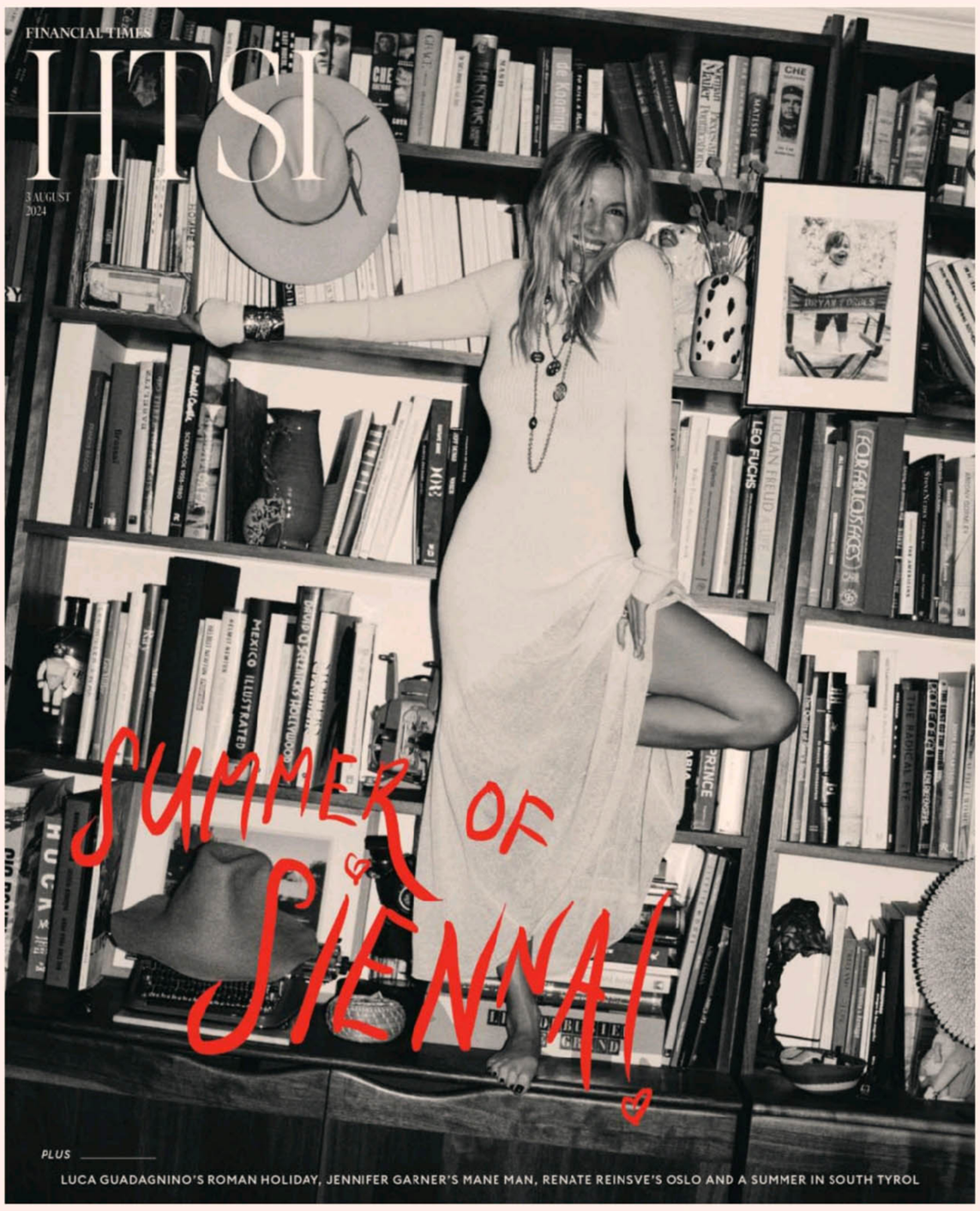
Some argue that rate cuts would only encourage an asset bubble. The prospect of cuts may in part support equities but the S&P 500's relentless upward march has recently wobbled as investors begin to question whether AI can deliver the revenues needed to cover the hefty capital investment being committed. That has happened even though rates cuts are coming into view.

The problem is that, by September, the Fed may realise that demand has been overly restrained. It may then need to front-load more cuts — punting for a 0.50 percentage point reduction instead of a 0.25 point cut. That would worry equity markets.

This may seem unlikely now but the economy does not slow in a linear manner. The loss of economic momentum, which has been happening for longer and is deeper than many appreciate, can become a self-reinforcing spiral.

Joblessness, delinquencies and bankruptcies can suddenly spike — and a market priced for a soft landing could quickly unwind. The recessionary warnings are flashing and they should not be taken lightly.

tej.parikh@ft.com





The anomaly: how to rescue an ailing spacecraft 15 billion miles away



The death of the **house party**



Inside film director **Luca Guadagnino's Roman hotel**



Lunch with the FT: Helen Toner, formerly of Open AI

Pick up your copy this weekend or subscribe online at ft.com/subscribe

FT Weekend

The day in the markets

What you need to know

- **Chipmakers and energy groups lead sell-off for Wall Street stocks**
- **Concerns over US economic growth dent crude oil prices**
- **UK gilts trade steadily after Bank of England cuts benchmark interest rate**

Chipmakers and energy stocks led a Wall Street sell-off yesterday as weak economic data and mixed corporate results stoked volatility in the world's largest equity market.

UK chip designer Arm slid after issuing underwhelming revenue forecasts while AMD and Nvidia also retreated.

AMD reversed the gains that came after the group reported strong demand for its artificial intelligence chips on Tuesday evening.

The Philadelphia Semiconductor index, which tracks big chip stocks, was down 6.2 per cent in lunchtime trading in New York.

Meta, in contrast, climbed after chief executive and founder Mark Zuckerberg said strong advertising income would allow the company to continue spending heavily on AI.

The US blue-chip S&P 500 index dropped 1.4 per cent and the tech-heavy Nasdaq Composite lost 2.2 per cent after strong rallies in the previous session.

The small-cap Russell 2000 index fell 3.2 per cent following a strong month of gains.

Concerns over US economic growth overshadowed tension in the Middle East, denting oil prices that had climbed earlier in the session after Israel said it had killed one of the Hamas commanders responsible for the October 7 attack.

Stoxx Europe 600 Banks index retreats

Per cent



Source: LSEG

Brent crude, the global oil benchmark, fell 0.7 per cent to $80.29 a barrel, having traded at a seven-week low of $78.43 on Tuesday. West Texas Intermediate, the US equivalent, lost 0.9 per cent.

US data showed that manufacturing contracted for the fourth consecutive month while unemployment claims rose to their highest level in a year, helping Treasury bonds to rally.

Across the Atlantic, the Stoxx Europe 600 index lost 1.4 per cent, dragged down by banking stocks after French lender Société Générale reported disappointing quarterly results.

The Stoxx Europe 600 Banks index, which tracks 48 of the region's largest lenders, dropped 4.5 per cent, with 47 banks in negative territory on the day.

Paris's Cac 40 index retreated 2.1 per cent and Frankfurt's Xetra Dax index was down 2.3 per cent.

UK gilts were steady after the Bank of England cut the benchmark interest rate from 5.25 per cent to 5 per cent.

London's energy-heavy FTSE 100 benchmark equities index lost 1 per cent.

In Asia, Tokyo's Topix index fell 3.2 per cent and Seoul's Kospi index added 0.3 per cent. **Emily Herbert and George Steer**

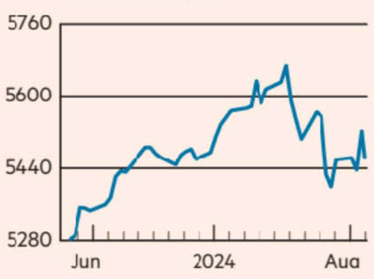
Markets update

	US	Eurozone	Japan	UK	China	Brazil
Stocks	**S&P 500**	**Eurofirst 300**	**Nikkei 225**	**FTSE100**	**Shanghai Comp**	**Bovespa**
Level	5463.42	2029.04	38126.33	8283.36	2932.39	127767.64
% change on day	-1.07	-1.25	-2.49	-1.01	-0.22	0.09
Currency	**$ index (DXY)**	**$ per €**	**Yen per $**	**$ per £**	**Rmb per $**	**Real per $**
Level	104.360	1.079	150.070	1.279	7.244	5.664
% change on day	0.254	-0.277	-0.259	-0.467	0.240	0.203
Govt. bonds	**10-year Treasury**	**10-year Bund**	**10-year JGB**	**10-year Gilt**	**10-year bond**	**10-year bond**
Yield	3.988	2.245	1.030	3.995	2.094	11.536
Basis point change on day	-11.370	-5.800	-2.630	-8.600	-2.200	-1.500
World index, Commods	**FTSE All-World**	**Oil - Brent**	**Oil - WTI**	**Gold**	**Silver**	**Metals (LMEX)**
Level	530.31	80.25	77.11	2426.30	28.56	3921.30
% change on day	-1.12	-0.73	-1.03	1.51	2.44	2.93

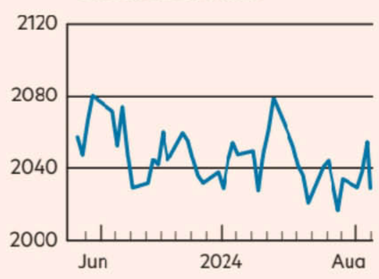
Yesterday's close apart from: Currencies = 16:00 GMT; S&P, Bovespa, All World, Oil = 17:00 GMT; Gold, Silver = London pm fix. Bond data supplied by Tullett Prebon.

Main equity markets

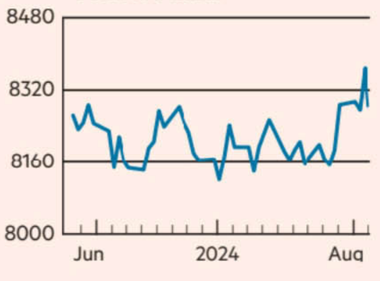
S&P 500 index



Eurofirst 300 index



FTSE 100 index



Biggest movers

%	US		Eurozone		UK	
Ups	C.h. Robinson Worldwide	14.66	Hugo Boss	4.98	Next	8.33
	Fmc	11.91	Evonik Industries	2.37	Rolls-royce Holdings	7.01
	Air Products & Chemicals	10.61	Ab Inbev	2.37	Smith & Nephew	6.77
	Aflac	7.52	Gecina	1.36	London Stock Exchange	4.03
	Iron Mountain	7.04	Schindler	1.10	Haleon	2.40
Downs	Moderna	-19.38	Tenaris	-8.71	Melrose Industries	-12.53
	Mgm Resorts Int	-14.22	Societe Generale	-8.22	Schroders	-9.73
	Western Digital	-11.48	Ses	-7.89	Natwest	-8.07
	Ingersoll Rand	-9.47	Unicredit	-5.70	Hsbc Holdings	-6.46
	Ametek	-9.41	B. Sabadell	-5.61	Standard Chartered	-5.97

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

All data provided by Morningstar unless otherwise noted.

Fixed income

Benchmark Treasury yield sinks below 4% after traders pile into interest rate cut bets

KATE DUGUID — NEW YORK
GEORGE STEER — LONDON

Treasury yields sank to their lowest level in six months yesterday as weak economic data spurred traders to double down on bets that the US Federal Reserve will deliver a series of interest rate cuts this year.

Bonds had already rallied in the wake of Wednesday's decision by the Fed to keep rates at a 23-year high as chair Jay Powell signalled that the central bank could finally start lowering borrowing costs next month.

They extended gains yesterday as the latest signs of a slowing jobs market cemented expectations for three quarter-point rate cuts by the end of the year.

Benchmark 10-year Treasury yields fell 0.13 percentage points to 3.98 per cent — below 4 per cent for the first time since early February.

Two-year yields, which closely track interest rate expectations, fell 0.15 percentage points to 4.19 per cent. Yields fall as prices rise.

"The data is moving south and that is calling into question . . . whether we may be looking at lower long-term interest rates," said Robert Tipp, chief investment strategist at PGIM Fixed Income.

Markets were now pricing in some chance of a extra-large half-point rate cut later in the year, Tipp added.

The moves came as figures published yesterday showed new applications for unemployment aid, a proxy for job cuts, at their highest level since last August.

> 'Everything we heard from Powell was calm and collected. I think markets are getting carried away'

Separate data showed the fourth consecutive month of contraction in manufacturing as well as a sharp downturn in employment in the sector.

Those figures, which come ahead of the crucial US jobs report today, "will add to concerns that the Fed has left it too late to begin loosening policy", said Thomas Ryan, North America economist at Capital Economics.

Soaring tensions in the Middle East following the assassination of Ismail Hamas's political leader in Tehran and a senior commander of Hizbollah in Beirut have further boosted Treasuries, which are a haven for investors, according to analysts.

"The move is a combination of a dovish Fed, softer data as well as some geopolitical risk," said Gennadiy Goldberg, head of US rates strategy at TD Securities. "There is a fear that the situation in the Middle East [will] expand and worsen."

Some analysts said bond investors were ignoring that cautious message from the central bank.

"Everything we heard from Powell yesterday was calm and collected," said Blake Gwinn, head of US rates strategy at RBC Capital Markets. "I think the market is getting carried away with the data this morning."

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 $
-1.07%	-1.60%	-1.29%	-1.01%	-1.25%	-2.49%	-0.23%	-1.12%	-0.277%	-0.467%	-0.259%	0.119%	0.37%	1.51%

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

AMERICAS

Jul 02 - -

S&P 500 — New York



Day -1.07% Month -0.11% Year 19.50%

Nasdaq Composite — New York



Day -1.60% Month -2.99% Year 21.43%

Dow Jones Industrial — New York



Day -1.29% Month 2.92% Year 13.15%

Jul 02 - Aug 01

S&P/TSX COMP — Toronto



Day -1.54% Month 3.90% Year 10.69%

IPC — Mexico City



Day -0.94% Month -0.60% Year -3.03%

Bovespa — São Paulo



Day 0.09% Month 2.44% Year 5.37%

Country	Index	Latest	Previous
Argentina	Merval	1500701.84	1411953.38
Australia	All Ordinaries	8343.80	8320.40
	S&P/ASX 200	8114.70	8092.30
	S&P/ASX 200 Res	5555.70	5502.20
Austria	ATX	3644.60	3701.04
Belgium	BEL 20	4104.84	4130.20
	BEL Mid	10566.76	10589.76
Brazil	Ibovespa	127767.64	127651.81
Canada	S&P/TSX 60	1359.42	1380.95
	S&P/TSX Comp	22754.01	23110.81
	S&P/TSX Div Met & Min	2104.84	2041.71
Chile	S&P/CLX IGPA Gen	32381.12	32586.95
China	FTSE A200	9065.58	9128.90
	FTSE B35	9000.71	8988.96
	Shanghai A	3073.75	3080.42
	Shanghai B	237.25	237.95
	Shanghai Comp	2932.39	2938.75
	Shenzhen A	1675.57	1684.55
	Shenzhen B	1113.58	1123.39
Colombia	COLCAP	1261.61	1260.21
Croatia	CROBEX	2013.05	2011.29
Cyprus	CSE M&P Gen	68.46	68.68
Czech Republic	PX	1592.98	1610.68
Denmark	OMXC Copenahgen 20	2750.57	2751.58
Egypt	EGX 30	29378.82	29039.42
Estonia	OMX Tallinn	1740.35	1743.93
Finland	OMX Helsinki Generz	9901.17	9962.58
France	CAC 40	7370.45	7531.49
	SBF 120	5595.35	5714.18
Germany	M-DAX	25001.78	25373.12
	TecDAX	3316.62	3358.84
	XETRA Dax	18083.05	18508.65
Greece	Athens Gen	1474.44	1478.17
	FTSE/ASE 20	3602.55	3606.78
Hong Kong	Hang Seng	17304.96	17344.60
	HS China Enterprise	6086.40	6107.16
	HSCC Red Chip	3563.46	3569.81
Hungary	Bux	73550.81	74051.15
India	BSE Sensex	81867.55	81741.34
	Nifty 500	23506.60	23530.80
Indonesia	Jakarta Comp	7325.99	7255.76
Ireland	ISEQ Overall	9497.16	9674.07
Israel	Tel Aviv 125	1994.34	2011.34

EUROPE

Jul 02 - Aug 01

FTSE 100 — London



Day -1.01% Month 1.33% Year 7.95%

FTSE Eurofirst 300 — Europe



Day -1.25% Month -0.48% Year 9.79%

CAC 40 — Paris



Day -2.14% Month -1.46% Year -1.70%

Jul 02 - Aug 01

Xetra Dax — Frankfurt



Day -2.30% Month -1.66% Year NaN%

Ibex 35 — Madrid



Day -1.90% Month -0.82% Year 12.58%

FTSE MIB — Milan



Day -2.68% Month -0.89% Year 10.84%

Country	Index	Latest	Previous
Italy	FTSE Italia All-Share	35018.30	35951.65
	FTSE Italia Mid Cap	46293.50	47277.65
	FTSE MIB	32857.43	33763.86
Japan	2nd Section	7226.27	7239.06
	Nikkei 225	38126.33	39101.82
	S&P Topix 150	2386.97	2469.28
	Topix	2703.69	2794.26
Jordan	Amman SE	2408.69	2397.75
Kenya	NSE 20	1669.73	1681.07
Kuwait	KSX Market Index	6633.44	6603.51
Latvia	OMX Riga	856.88	858.85
Lithuania	OMX Vilnius	994.28	993.74
Luxembourg	LuxX	1366.84	1383.69
Malaysia	FTSE Bursa KLCI	1624.25	1625.57
Mexico	IPC	52594.77	53093.97
Morocco	MASI	13984.33	13905.07
Netherlands	AEX	907.14	920.62
	AEX All Share	1200.30	1216.89
New Zealand	NZX 50	12487.94	12405.27
Nigeria	SE All Share	97343.42	98255.72
Norway	Oslo All Share	1676.02	1684.40
Pakistan	KSE 100	77740.31	77886.99
Philippines	Manila Comp	6693.83	6619.09
Poland	Wig	82960.95	84345.70
Portugal	PSI 20	6661.69	6708.39
	PSI General	4588.54	4604.55
Romania	BET Index	18625.39	18629.74
Russia	Micex Index	2436.57	2445.30
	RTX	1245.71	1212.57
Saudi-Arabia	TADAWUL All Share Index	12109.52	12054.65
Singapore	FTSE Straits Times	3419.84	3455.94
Slovakia	SAX	307.91	308.66
Slovenia	SBI TOP	-	-
South Africa	FTSE/JSE All Share	81868.82	82765.12
	FTSE/JSE Res 20	60942.30	62398.67
	FTSE/JSE Top 40	74712.02	75661.56
South Korea	Kospi	2777.68	2770.69
	Kospi 200	380.54	380.49
Spain	IBEX 35	10854.30	11055.00
Sri Lanka	CSE All Share	11439.70	11406.56
Sweden	OMX Stockholm 30	2547.18	2609.33
	OMX Stockholm AS	982.73	1003.41
Switzerland	SMI Index	12317.44	12282.02

ASIA

Jul 02 - Aug 01

Nikkei 225 — Tokyo



Day -2.49% Month -3.73% Year 14.87%

Hang Seng — Hong Kong



Day -0.23% Month -2.33% Year -13.81%

Shanghai Composite — Shanghai



Day -0.22% Month -1.18% Year -10.90%

Jul 02 - Aug 01

Kospi — Seoul



Day 0.25% Month -0.72% Year 5.51%

FTSE Straits Times — Singapore



Day -1.04% Month 2.75% Year 1.50%

BSE Sensex — Mumbai



Day 0.15% Month 3.60% Year 23.07%

Country	Index	Latest	Previous
Thailand	Bangkok SET	1322.75	1320.86
Turkey	BIST 100	10833.63	10638.58
UAE	Abu Dhabi General Index	9222.93	9251.11
UK	FT 30	2861.90	2839.40
	FTSE 100	8283.36	8367.98
	FTSE 4Good UK	7520.20	7605.49
	FTSE All Share	4544.95	4588.31
	FTSE techMARK 100	7017.22	7069.48
USA	DJ Composite	12946.87	13086.50
	DJ Industrial	40316.04	40842.79
	DJ Transport	15845.27	16083.86
	DJ Utilities	996.98	988.09
	Nasdaq 100	19030.50	19362.43
	Nasdaq Cmp	17318.55	17599.40
	NYSE Cmp	18481.03	18710.01
	S&P 500	5465.42	5522.30
	Wilshire 5000	42053.18	41446.59
Venezuela	IBC	90190.74	90100.48
Vietnam	VNI	1226.96	1251.51

Country	Index	Latest	Previous
Cross-Border	DJ Global Titans ($)	663.30	667.48
	Euro Stoxx 50 (Eur)	4765.20	4872.94
	Euronext 100 ID	1463.53	1489.26
	FTSE 4Good Global ($)	13998.85	14189.96
	FTSE All World ($)	530.31	536.29
	FTSE E300	2029.04	2054.75
	FTSE Eurotop 100	4032.97	4081.02
	FTSE Global 100 ($)	3773.20	3816.29
	FTSE Gold Min ($)	2286.53	2216.40
	FTSE Latibex Top (Eur)	4440.00	4432.20
	FTSE Multinationals ($)	3807.73	3728.48
	FTSE Word ($)	974.57	986.14
	FTSEurofirst 100 (Eur)	5407.82	5508.88
	FTSEurofirst 80 (Eur)	6405.00	6542.98
	IVSCI ACWI Fr ($)	814.16	801.43
	IVSCI All World ($)	3571.57	3514.37
	IVSCI Europe (Eur)	2071.29	2056.23
	IVSCI Pacific ($)	3164.08	3065.15
	S&P Euro (Eur)	2082.80	2125.81
	S&P Europe 350 (Eur)	2078.30	2104.85
	S&P Global 1200 ($)	3884.11	3532.91
	Stoxx 50 (Eur)	4435.05	4490.84

(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	242.5	112.71	-4.31
Meta Platforms	132.3	503.57	28.69
Tesla	80.5	222.65	-9.42
Advanced Micro Devices	56.8	136.84	-7.64
Microsoft	54.7	417.61	-0.74
Appie	42.3	219.80	-2.28
Amazon.com	39.7	184.63	-2.29
Super Micro Computer	17.1	677.24	-24.41
Alphabet	17.0	170.25	-1.29
Broadcom	15.8	151.73	-8.91
BIGGEST MOVERS	**Close price**	**Day's change**	**Day's chg%**
Ups			
C.h. Robinson Worldwide	102.10	13.05	14.66
Fmc	65.31	6.95	11.91
Air Products & Chemicals	291.84	27.99	10.61
Aflac	102.55	7.17	7.52
Iron Mountain	109.78	7.22	7.04
Downs			
Moderna	96.12	-23.10	-19.38
Mgm Resorts Int	36.86	-6.11	-14.22
Western Digital	59.36	-7.73	-11.48
Ingersoll Rand	90.90	-9.51	-9.47
Ametek	157.15	-16.33	-9.41

Based on the constituents of the S&P500

LONDON

ACTIVE STOCKS	stock traded m's	close price	Day's change
Folls-royce Holdings	296.5	481.10	31.50
Hsbc Holdings	217.1	658.50	-45.50
Shell	201.4	2825.00	-15.00
London Stock Exchange	173.5	9852.00	382.00
British Amrerican Tobacco	158.0	2797.00	52.00
Unilever	151.1	4782.00	6.00
Natwest	143.0	338.40	-29.70
Lloyds Banking	140.1	56.16	-3.42
Barclays	134.2	222.90	-10.90
Astrazeneca	134.1	12512.00	144.00
BIGGEST MOVERS	**Close price**	**Day's change**	**Day's chg%**
Ups			
Coats	101.00	11.50	12.85
Next	9830.00	756.00	8.33
Folls-royce Holdings	481.10	31.50	7.01
Smith & Nephew	1199.00	78.00	6.77
London Stock Exchange	9852.00	382.00	4.03
Downs			
Wizz Air Holdings	1480.00	-433.00	-22.63
Melrose Industries	515.00	-73.80	-12.53
Vesuvius	426.50	-57.00	-11.79
Schroders	354.60	-38.20	-9.73
Natwest	338.40	-29.70	-8.07

Based on the constituents of the FTSE 350 index

EURO MARKETS

ACTIVE STOCKS	stock traded m's	close price	Day's change
Intesa Sanpaolo	477.8	3.60	-0.15
Unicredit	447.6	35.79	-2.17
Nestle N	423.4	93.58	0.48
Roche Gs	374.8	300.05	0.31
Asml Holding	355.2	828.50	-22.00
Novartis N	339.8	103.49	0.10
Lvmh	200.2	641.80	-11.20
Stellantis	139.8	15.19	-0.21
Santander	132.0	4.26	-0.20
Eni	130.1	14.55	-0.25
BIGGEST MOVERS	**Close price**	**Day's change**	**Day's chg%**
Ups			
Ab Inbev	55.26	1.30	2.37
Lonza N	615.68	9.03	1.49
Abb Ltd N	51.21	0.75	1.48
Alcon N	87.54	0.48	0.55
Nestle N	93.58	0.48	0.52
Downs			
Unicredit	35.79	-2.17	-5.70
Bbva	9.21	-0.49	-5.09
Safran	193.45	-9.65	-4.75
Ing Groep N.v.	15.97	-0.78	-4.67
Santander	4.26	0.20	4.43

Based on the constituents of the FTSEurofirst 300 Eurozone index

TOKYO

ACTIVE STOCKS	stock traded m's	close price	Day's change
Advantest	2574.6	6863.00	834.00
Disco	2540.4	47710.00	-1750.00
Tokyo Electron	2183.3	30740.00	-280.00
Toyota Motor	2161.1	2699.00	-250.00
Mitsubishi Ufj Fin	1902.2	1725.50	-24.50
Lasertec	1707.3	25340.00	-1490.00
Softbank .	1358.4	8555.00	-607.00
Sumitomo Mitsui Fin	1206.1	10880.00	-35.00
Mitsubishi Heavy Industries,	1081.4	1728.50	-101.50
Hitachi,	1050.7	3463.00	175.00
BIGGEST MOVERS	**Close price**	**Day's change**	**Day's chg%**
Ups			
Advantest	6863.00	834.00	13.83
Sumitomo Dainippon Pharma Co Ltd	473.00	55.00	13.16
Toto	4525.00	396.00	9.59
Resona Holdings,	1160.50	68.50	6.27
Hitachi,	3463.00	175.00	5.32
Downs			
Yamaha	3087.00	-508.00	-14.13
Iseran Mitsuioshi Holdings	2712.00	-319.00	-10.52
Toyota Tsusho	2717.00	-316.00	-10.42
Sumitomo Realty & Development Co.,	4545.00	-458.00	-9.15
Mitsubishi Electric	2367.00	-234.00	-9.00

Based on the constituents of the Nikkei 225 index

UK MARKET WINNERS AND LOSERS

FTSE 100	Aug 01 price(p)	%Chg week	%Chg ytd
Winners			
Next	9830.00	13.1	21.1
Rolls-royce Holdings	481.10	11.6	60.0
Jd Sports Fashion	132.45	11.0	-20.6
Burberry	767.40	7.0	-45.8
Smith & Nephew	1199.00	6.6	11.2
Airtal Africa	113.50	6.2	-12.8
London Stock Excharge	9852.00	5.1	6.2
Barratt Developments	534.00	4.9	-5.8
Londonmetric Property	203.80	4.8	6.4
Wpp	1980.00	4.2	5.0
Sse	1877.00	4.1	1.8
Unite	958.00	4.1	-8.3
Losers			
Entain	555.00	-13.3	-44.4
Melrose Industries	515.00	-7.6	-9.2
Lloyds Banking	56.16	-7.4	18.3
Reckitt Benckiser	4098.00	-6.4	-24.4
Schroders	354.60	-5.9	-17.1
Easyjet	431.60	-5.7	-15.2
Convatec	231.80	-5.5	-5.1
Diageo	2400.00	-5.2	-16.0
Intercontinental Hotels	7020.00	-4.7	9.4
Glencore	415.20	-4.0	-11.9
Int Consolidated Airlines S.a.	160.00	-2.9	3.5
Barclays	222.90	-2.2	45.4

FTSE 250	Aug 01 price(p)	%Chg week	%Chg ytd
Winners			
St. James's Place	704.50	26.9	2.7
Coats	101.00	17.3	30.5
Drax	644.50	13.8	31.6
Rathbones	1984.00	13.5	13.9
Bridgepoint	291.20	12.9	4.0
Greggs	3140.00	10.6	20.2
Elementis	159.20	9.8	24.8
Cmc Markets	331.00	9.6	215.2
Quilter	134.50	8.7	30.8
Melrose	194.40	8.2	55.5
W.a.g Payment Solutions	67.80	7.6	-24.7
Chemring	410.00	7.5	17.0
Losers			
Wizz Air Holdings	1480.00	-24.8	-30.1
Energean	968.00	-10.5	-7.3
Discoverie	659.00	-9.6	-16.6
Vesuvius	426.50	-8.5	-11.4
Aston Martin Lagonda Global Holdings	152.20	-6.6	-33.1
Carnival	1159.50	-6.3	-12.6
Serco	179.40	-5.6	12.3
Ocado	401.90	-5.5	-46.5
Man	230.20	-5.0	2.4
Bodycote	673.00	-3.9	13.2
Wood (john)	200.20	-3.8	16.3
Close Brothers	497.20	-3.7	-37.4

FTSE SmallCap	Aug 01 price(p)	%Chg week	%Chg ytd
Winners			
Regional Reit	130.50	861.0	-41.4
Metro Bank Holdings	55.70	47.2	48.9
Petrofac	15.30	16.4	-59.6
Gulf Marine Services	19.00	12.8	31.0
Jpmorgan Japan Small Cap Growth & Income	327.50	11.8	4.1
Int Personal Finance	150.50	11.5	26.5
Zotefoams	506.00	9.8	51.0
Trifast	78.20	9.2	-10.6
The Gym	148.20	8.8	39.5
Ct Uk High Income Trust	96.25	8.8	12.6
Prs Reit (the)	84.00	8.7	-2.6
Smiths News	60.60	8.2	12.7
Losers			
Ferrexpo	53.10	-16.4	-40.4
Xaar	130.00	-13.3	11.6
Sig	24.00	-7.7	-28.1
Seraphim Space Investment Trust	52.00	-5.7	51.2
Treatt	452.00	-5.5	-10.1
Synthomer	257.50	-5.5	35.6
Petra Diamonds	31.30	-5.2	-55.3
Carr's	136.50	-4.5	35.7
Saga	100.00	-4.5	-27.3
Evoke	57.45	-4.2	-38.7
Tt Electronics	143.50	-4.0	-8.1
Schroder Eur Real Estate Investment Trust	62.40	-4.0	-9.6

Incustry Sectors	Aug 01 price(p)	%Chg week	%Chg ytd
Winners			
Aerospace & Defense	11150.45	5.5	29.5
Electricity	11436.52	5.1	3.7
Personal Goods	12295.10	5.1	-43.3
General Firancial	15574.47	4.5	6.2
Health Care Equip.& Services	12141.49	4.1	11.9
General Retailers	4183.92	3.4	11.1
Real Estate Investment Trusts	2386.87	3.1	-0.8
Household Goods	14744.06	2.8	12.2
Pharmaceuticals & Biotech.	23118.81	2.7	13.8
Equity Investment Instruments	12340.77	2.4	6.3
Nonlife Insurance	3688.00	2.2	9.5
Industrial Transportation	4104.83	2.1	2.8
Losers			
Beverages	20008.03	-4.4	-11.1
Travel & Leisure	7069.74	-3.9	-5.9
Automobiles & Parts	1054.28	-2.2	-34.2
Banks	4240.29	-1.5	15.3
Incustrial Metals	6335.55	-0.8	-7.2
Chemicals	8208.24	-0.4	-14.4
Life Insurance	5615.73	-0.4	-9.9
Media	12651.33	0.0	13.2
Mobile Telecommunications	2053.49	0.2	7.8
Mining	10435.12	0.7	5.2
Food & Drug Retailers	4402.20	0.8	9.8
Food Producers	8125.91	1.0	10.5

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

CURRENCIES

Aug 1	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	932.4962	0.5220	1006.3959	-2.0923	1192.8928	-4.1867
Australia	Australian Dollar	1.5319	0.0005	1.6533	-0.0039	1.9596	-0.0074
Bahrain	Bahraini Dinar	0.3770	-0.0001	0.4068	-0.0011	0.4822	-0.0021
Bolivia	Bolivian Boliviano	6.9100	-	7.4576	-0.0197	8.8396	-0.0361
Brazil	Brazilian Real	5.6642	0.0115	6.1131	-0.0038	7.2459	-0.0148
Canada	Canadian Dollar	1.3838	0.0024	1.4935	-0.0014	1.7702	-0.0042
Chile	Chilean Peso	936.6100	-8.2400	1010.8358	-11.5854	1198.1554	-15.4625
China	Chinese Yuan	7.2444	0.0174	7.8185	-0.0019	9.2674	-0.0154
Colombia	Colombian Peso	4050.2500	-8.7400	4371.2312	-20.9984	5181.2693	-32.3233
Costa Rica	Costa Rican Colon	522.6800	-1.7900	564.1020	-3.4264	668.6367	-5.0216
Czech Republic	Czech Koruna	23.5173	-0.0157	25.3810	-0.0839	30.0844	-0.1426
Denmark	Danish Krone	6.9142	0.0183	7.4621	0.0001	8.8450	-0.0125
Egypt	Egyptian Pound	48.0898	0.1539	52.5484	0.0270	62.2063	-0.0559
Hong Kong	Hong Kong Dollar	7.8152	0.0032	8.4345	-0.0188	9.9976	-0.0366
Hungary	Hungarian Forint	367.0373	2.8611	396.1247	2.0501	469.5313	1.7632
India	Indian Rupee	83.7288	-	90.3642	-0.2386	107.1097	-0.4361
Indonesia	Indonesian Rupiah	16235.0000	-25.0000	17521.6343	-73.3119	20768.6045	-116.6810
Israel	Israeli Shekel	3.7923	0.0310	4.0923	0.0228	4.8513	0.0201
Japan	Japanese Yen	150.0700	-0.3900	161.9623	-0.8497	191.9766	-1.2826
Jordan	Jordanian Dinar	0.7090	-0.0001	0.7650	-0.0011	0.9067	-0.0021
Kenya	Kenyan Shilling	129.5000	0.5000	139.7623	0.1720	165.6625	-0.0323
Kuwait	Kuwaiti Dinar	0.3057	0.0001	0.3299	-0.0000	0.3910	-0.0015
Malaysia	Malaysian Ringgit	4.5690	-0.0255	4.9311	-0.0406	5.8449	-0.0566
Mexico	Mexican Peso	18.5918	-0.0387	20.0651	-0.0949	23.7834	-0.1466
New Zealand	New Zealand Dollar	1.6777	-0.0059	1.8107	-0.0112	2.1462	-0.0164
Nigeria	Nigerian Naira	1630.0000	25.0000	1759.1765	22.4077	2085.1726	23.6213
Norway	Norwegian Krone	10.6937	-0.0408	11.7573	-0.0752	13.9357	-0.1091
Pakistan	Pakistani Rupee	278.6250	-0.1250	300.7053	-0.9292	356.4301	-1.6118
Peru	Peruvian Nuevo Sol	3.7325	0.0144	4.0283	0.0049	4.7748	-0.0009
Philippines	Philippine Peso	58.3375	-0.0390	62.9607	-0.2074	74.6281	-0.3527
Saudi Arabia	Saudi Riyal	3.7524	0.0005	4.0498	-0.0102	4.8002	-0.0189
Singapore	Singapore Dollar	1.3359	-0.0017	1.4418	-0.0056	1.7089	-0.0091
South Africa	South African Rand	18.1538	-0.0375	19.5924	-0.0923	23.2231	-0.1427
South Korea	South Korean Won	1366.1500	-10.6000	1474.4165	-15.3632	1747.6431	-20.7313
Sweden	Swedish Krona	10.6871	-0.0306	11.5340	-0.0635	13.6714	-0.0949
Switzerland	Swiss Franc	0.8741	-0.0062	0.9434	-0.0091	1.1182	-0.0125
Taiwan	New Taiwan Dollar	32.7815	-0.0885	35.3794	-0.1892	41.9356	-0.2844
Thailand	Thai Baht	35.6075	-0.0375	38.4294	-0.1420	45.5508	-0.2336
Tunisia	Tunisian Dinar	3.1066	0.0014	3.3528	-0.0073	3.9741	-0.0144
Turkey	Turkish Lira	33.0649	-0.0455	35.6853	-0.1435	42.2982	-0.2307
United Arab Emirates	UAE Dirham	3.6730	-	3.9641	-0.0105	4.6987	-0.0191
United Kingdom	Pound Sterling	0.7817	0.0032	0.8437	0.0012	-	-
..One Month		0.7818	0.0032	0.8436	0.0012	-	-
..One Month		-	-	4.0498	-0.0056	1.7089	-0.0091
..One Year		-	-	19.5924	-0.0923	23.2231	-0.1427
Vietnam	Vietnamese Dong	25225.0000	-22.5000	27224.0704	-96.2439	32269.0985	-160.2137
European Union	Euro	0.9209	0.0024	-	-	1.1853	-0.0017
..Three Month		0.9264	0.0024	-	-	1.1852	-0.0017
..Three Month		0.9261	0.0025	-	-	1.1850	-0.0017
..One Year		0.9248	0.0026	-	-	1.1840	-0.0016
..One Month		-	-	-	-	1.0791	-0.2052
..Three Month		-	-	-	-	1.0788	-0.2052
..One Year		-	-	-	-	1.0775	-0.2051
United States	United States Dollar	-	-	-	-	1.2792	-0.0028

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

UK SERIES www.ft.com/equities

Produced in conjunction with the Institute and Faculty of Actuaries

	£ Strlg Aug 01	Day's chge%	Euro Index	£ Strlg Jul 31	£ Strlg Jul 30	Year ago	Div yield%	Cover	P/E ratio	X/D adj	Total Return
FTSE 100 (100)	8283.36	-1.01	7645.97	8367.98	8274.41	7666.27	3.68	2.29	11.88	180.67	9056.55
FTSE 250 (250)	21459.23	-0.65	19807.96	21600.71	21432.51	19065.66	3.16	1.51	20.89	387.00	18852.82
FTSE 250 ex Inv Co (167)	22490.00	-1.01	20767.59	22720.12	22571.54	19757.07	3.26	1.36	22.03	415.44	20203.45
FTSE 350 (350)	4588.30	-0.96	4235.23	4632.80	4583.23	4222.10	3.61	2.19	12.65	97.58	9942.82
FTSE 350 ex Investment Trusts (264)	4526.21	-1.01	4177.92	4572.31	4523.58	4170.40	3.67	2.17	12.60	97.85	5073.78
FTSE 350 Higher Yield (126)	3876.39	-1.56	3573.11	3937.84	3888.77	3543.94	5.17	2.15	8.97	115.00	9714.69
FTSE 350 Lower Yield (224)	4851.86	-0.34	4473.51	4868.43	4825.21	4491.26	2.01	2.29	21.77	60.73	6193.22
FTSE SmallCap (212)	6976.06	-0.18	6440.00	6989.67	6983.05	6283.05	3.90	0.58	43.51	147.31	12460.00
FTSE SmallCap ex Inv Co (110)	5976.24	-0.14	5515.37	5984.59	5939.45	5145.61	4.22	-0.01	-1929.29	122.08	11089.25
FTSE All-Share (562)	4544.95	-0.95	4195.22	4588.31	4539.49	4180.41	3.61	2.16	12.84	96.64	9945.07
FTSE All-Share ex Inv Co (374)	4447.65	-1.08	4105.40	4492.53

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$)							
ANZ Bank	29.24	0.19	30.23	23.90	6.06	12.80	57275.49
BHP Group	42.49	0.19	50.84	41.02	6.24	18.97	140671.69
CmwBkAu	136.27	-1.22	138.24	96.15	3.46	22.57	148877.06
CSL	310.59	0.87	313.55	228.65	1.18	39.70	97981.19
NatAusBk	38.05	-0.53	38.85	27.50	4.44	17.06	76763
Telstra	3.95	0.01	4.30	3.39	4.51	21.40	29793.78
Wesfarmers	73.72	0.07	74.04	48.36	2.72	31.79	54581.71
Westpac Bank	29.71	-0.09	29.94	20.41	4.84	16.39	67155.84
Woolworths	34.83	0.33	39.11	30.12	3.132	768.50	27775.34
Belgium (€)							
AnBshInBv	56.34	1.38	62.16	49.17	1.39	25.77	109278.43
KBC Grp	69.44	-2.20	72.30	48.78	5.84	9.63	31274.18
Brazil (R$)							
Ambev	11.72	0.14	15.45	10.98	7.14	11.17	32604.8
Bradesco	11.35	0.12	15.77	10.87	5.70	8.54	10680.92
Cielo	5.76	-0.01	5.77	3.24	8.66	6.34	2762.76
ItauUnHpFin	28.81	-0.31	31.02	22.46	5.02	7.33	25219.5
Petrobras	40.03	-0.57	44.77	32.25	12.96	4.06	52597.24
Vale	60.87	-0.76	78.55	59.36	10.31	5.86	48778.17
Canada (C$)							
Bausch Hlth	8.39	0.07	15.43	5.45	-	-4.83	2190.76
BCE	47.01	0.44	58.10	42.58	8.59	23.52	30991.78
BkMontré	114.90	-1.55	133.95	102.67	5.34	13.39	60564.59
BkNvaS	63.83	-0.64	70.40	55.20	6.84	10.32	56716.99
Brookfield	58.88	11.29	63.88	41.28	0.65	73.96	69948.82
CanadPcR	112.40	-3.38	123.37	94.45	0.70	25.97	75788.14
CanImp	70.51	-0.89	71.77	47.44	5.15	10.36	48052.14
CanNaRs	48.20	-0.82	56.50	38.91	4.14	13.77	74117.83
CanNaRy	157.33	-2.50	181.34	143.13	2.12	18.02	71901.51
Enbridge	51.85	0.18	52.34	42.75	7.14	18.89	81586.06
GtWesLif	41.14	-0.33	45.05	37.06	5.32	11.33	27712.26
ImpOil	96.55	-2.36	101.63	68.84	2.25	10.85	37386.21
Manulife	35.84	-0.94	37.46	23.69	4.32	14.85	46217.11
Nutrien	69.68	-1.13	92.48	64.89	4.28	29.08	24910.45
RylBkC♦	152.47	-1.81	155.22	107.92	3.69	13.57	155915.9
SHOP	81.79	-2.77	123.20	63.16	-	-364.78	71547.26
SuncorEn	53.72	-1.42	56.60	40.01	4.11	8.59	40532.74
ThmReut	219.42	-4.33	242.92	163.01	1.26	27.77	71300.99
TntoDom	80.65	-0.88	87.07	73.67	5.05	13.13	101799.61
TrnCan	59.40	0.78	59.94	44.70	8.54	21.89	44534.46
China (HK$)							
AgricBkCh	3.53	0.03	3.85	2.50	6.82	4.54	13884.11
Bk China♦	3.43	-0.05	3.99	2.60	7.44	4.29	36700.98
BkofComm	5.60	-0.08	6.33	4.23	7.37	4.41	25087.75
BOE Tech	0.50	0.03	0.87	0.40	6.02	6.30	12.73
ChComsCons♦	4.61	0.06	5.07	3.16	5.44	2.83	2606.37
Ch Evrbrght	2.36	-	2.64	2.13	8.93	3.53	3828.72
Ch Rail Cons	5.10	0.07	5.89	4.06	5.98	2.68	1354.93
Ch Rail Gp	3.85	0.04	5.29	3.06	5.65	2.76	2072.69
ChConstBk♦	5.46	-0.01	5.95	4.01	7.83	3.81	167965.16
China Vanke	4.11	-0.18	11.14	3.63	17.95	4.29	1160.41
ChinaCitic	4.70	0.02	5.23	3.39	7.76	3.67	8949.98
ChinaLife♦	10.80	-0.06	14.18	8.19	5.00	14.72	10283.11
ChinaMBank	32.20	-0.30	39.00	24.20	5.95	5.25	10915.34
ChinaMobi	73.65	1.05	79.00	60.90	6.32	10.81	193565.69
ChinaPsIns	20.65	-0.15	23.30	12.72	5.44	6.64	7333.15
ChMinsheng	2.77	-	3.20	2.43	8.63	3.61	2949.05
ChMrchSecs	14.91	0.03	15.91	12.62	1.26	15.79	15275.53
China Utd Coms	4.72	0.02	5.61	3.90	2.63	17.35	20175.36
ChShenEgy♦	32.10	-0.45	40.70	21.45	9.18	10.23	13872.6
ChShpbldng	5.74	0.08	5.82	3.81	-	-182.17	18066.96
ChStCnErg	5.62	0.04	6.24	4.54	4.56	4.23	32055.12
ChUncHK	6.72	0.11	7.76	4.45	5.22	9.96	26310.1
CNNC Intl	11.10	0.07	12.29	6.87	1.55	19.56	28933.35
CSR♦	5.07	0.23	5.25	3.10	4.39	10.77	10283.11
Daqin	7.06	0.09	7.82	6.71	6.90	10.70	17119.16
GuosenSec	8.92	0.08	10.90	7.42	3.07	18.31	11252.66
HaitongSecs♦	3.62	0.01	5.70	3.37	6.45	-87.67	1579.31
Hngzh HkVDT	28.77	-0.30	37.75	28.20	2.47	18.50	36172.68
Hunng Pwr♦	4.59	-0.05	5.95	3.22	-	8.38	2760.63
IM Baotou Stl	1.45	-0.01	1.95	1.36	-	214.33	6304.15
In&CmBkCh♦	4.35	0.01	4.88	3.35	7.67	4.10	48310.43
IndstrlBk	16.64	-0.11	18.45	13.95	7.25	5.11	47717.52
Kweichow	1300.16	-35.12	1500.52	1301.3	1.90	21.99	240363.79
Midea	0.30	0.02	0.39	0.26	-	-1.22	11.56
New Ch Life Ins	15.22	-0.02	23.45	12.46	7.84	6.46	2013.91
PetroChina	6.94	0.13	8.60	4.73	6.91	7.12	18736.03
PingAnIns	34.10	-0.05	56.35	29.55	8.08	6.71	32495.94
PngAnBnk	10.27	-	12.53	8.96	2.82	4.48	27510.27
Pwr Cons Corp	5.57	0.07	6.06	4.45	2.19	8.04	10050.3
SaicMtr	14.73	0.05	15.77	12.92	2.32	11.90	23535.94
ShenwanHong	0.06	0.00	0.14	0.05	-	-3.70	71.60
ShgPdgBk	8.57	0.17	9.07	6.36	3.79	8.12	34723.04
Sinopec Corp	4.96	-0.06	5.43	3.64	7.85	8.46	15445.98
Sinopec Oil	1.85	0.01	2.27	1.60	-	57.04	3465.21
Denmark (kr)							
DanskeBk	206.30	-4.70	216.70	152.00	7.13	8.08	25725.13
MollerMrsk	11200	-230.00	14430	8412	4.66	14.05	9836.49
NovoB	915.80	3.80	1033.2	530.00	1.04	45.37	449029.44
Finland (€)							
Nokia	3.68	0.06	3.80	2.70	3.31	24.19	22273.57
SampoA	40.06	-0.41	41.80	34.86	4.55	16.97	21686.4
France (€)							
Airbus Grpe	133.92	-6.04	172.78	120.28	1.36	26.64	114511.13
AirLiquide	165.90	-2.88	179.47	137.60	1.83	27.52	103511.77
AXA	31.81	-0.68	35.19	25.76	5.44	10.86	77983.43
BNP Paribs	61.46	-2.00	73.08	52.82	6.43	10.02	75007.42
ChristianDior	568.00	-11.00	832.50	596.50	2.15	16.67	116497.94
Cred Agr	13.97	-0.06	15.93	10.85	7.62	6.35	45621.63
Danone	59.82	-0.34	63.80	50.59	3.43	42.82	43872.47
EDF	12.00	-	12.05	7.27	2.41	-2.31	53889.44
Engie SA	14.52	-0.03	15.64	13.07	9.91	16.24	38149.47
EssilorLuxottica	211.00	-0.70	214.90	159.68	1.57	40.44	104141.25
Hermes Intl	2010	-13.00	2436	1641	0.66	47.59	229010.73
LOreal	387.85	-12.80	461.85	372.00	1.59	32.78	223829.04
LVMH	642.00	-11.00	883.40	639.50	2.00	20.61	346537.2
Orange	10.31	0.06	11.41	9.19	6.88	-	29598.61
PernodRic	122.70	-1.30	201.50	120.20	3.93	14.87	33546.73
Renault	43.62	-1.22	54.54	31.32	0.59	5.32	13921.67
Safran	193.30	-9.80	213.90	142.06	0.72	23.32	89134.62
Sanofi	95.03	-0.30	104.32	80.60	3.80	25.98	130109.63
Sant Gbn	76.38	-3.06	82.76	48.87	2.76	13.36	41546.74
Schneider	213.70	-9.15	239.00	134.38	1.51	29.43	137760.07
SocGen	21.83	-2.15	27.95	20.23	7.89	12.51	19131.57
Total	61.91	-0.57	70.11	52.82	4.86	7.45	160204.13
UnibailR	68.92	-0.38	82.16	41.66	-	-5.73	10366.15
Vinci	103.10	-2.50	120.62	97.44	4.03	12.27	65484.89
Vivendi	9.63	-0.24	11.17	7.99	2.67	22.32	10701.89
Germany (€)							
Allianz	253.90	-6.90	280.00	210.35	4.55	11.18	107339.33
BASF	42.32	-0.78	54.93	40.25	8.14	1391.96	40764.91
Bayer	27.27	-0.23	53.80	24.96	8.92	-8.49	28913.85
BMW	83.20	-2.62	115.35	81.36	10.35	4.89	54055.23
Continental	55.46	-1.24	73.40	51.58	2.74	15.20	11971.33
Deut Bank	13.99	-0.44	17.01	9.44	2.17	4.85	30125
Deut Tlkm	23.96	-0.21	24.43	13.50	-	26.87	128943.89
DeutsPost	44.73	0.54	45.03	29.68	4.18	14.57	60466.66
E.ON	12.62	-0.35	13.48	10.43	4.10	27.06	35960.84
Fresenius Med	34.49	-1.39	43.14	30.16	3.29	20.60	10921.82
Fresenius SE	31.75	-1.44	33.57	23.93	2.94	42.03	19137.72
HenkelKgaA	71.20	-0.45	75.80	53.36	2.64	22.15	19963.33
Linde	420.40	-2.20	437.60	338.60	1.16	34.79	218090.71
Mercedes-Benz	59.43	-1.73	77.45	55.08	8.87	4.64	68610.14
MuenchRkv	442.70	-12.90	473.60	335.30	2.66	10.77	63908.43
SAP	191.46	-3.56	197.46	120.04	1.09	93.53	253849.5
Siemens	164.54	-4.88	183.88	113.48	2.89	18.02	142063.74
Volkswgn	105.40	-3.70	152.50	105.10	8.36	3.46	33567.31
Hong Kong (HK$)							
AIA	52.90	0.40	75.55	45.25	2.95	20.44	75424.1
BOC Hold	22.50	-0.25	25.10	17.86	6.41	7.24	30439.14
Ch OSLnd&Inv	12.44	-0.22	13.04	10.10	6.19	4.81	17421.74
ChngKng	30.20	0.30	44.95	29.00	7.58	6.19	13525.02
Citic Ltd	7.13	-0.08	8.80	5.53	9.12	3.25	26539.63
Citic Secs	11.80	0.04	13.02	10.66	4.59	8.55	3955
CK Hutchison	41.20	0.20	43.00	35.35	6.93	6.68	20191.15
CNOOC	20.90	0.40	23.90	11.88	6.51	6.92	119210.75
HangSeng	92.35	0.95	93.50	73.05	5.76	10.25	22367.16
HK Exc&Clr	230.40	-1.40	329.40	212.20	3.57	24.51	37377.11
MTR	25.55	0.25	34.83	22.30	5.15	20.35	20350.63
SandsCh	14.94	0.28	33.15	14.36	-	22.25	15471.73
SHK Props	68.15	0.30	97.50	65.30	7.29	7.97	25269.13
Tencent	365.60	3.40	401.00	260.20	0.66	27.81	436040.99
India (Rs)							
Bhartiart	1505.5	13.95	1539.25	847.05	0.27	115.69	109404.87
HDFC Bk	1638.8	23.05	1794	1363.55	1.17	16.96	149029.13
Hind Unilevr	2715.55	9.90	2811.3	2172.05	1.50	61.07	76203.61
ICICI Bk	1210.1	-4.80	1257.8	899.00	0.67	20.15	101719.83
Infosys	1652.6	-15.65	1903	1348.45	1.94	31.06	91868.65
ITC	453.70	-1.65	513.65	399.35	2.61	29.76	73680.92
L&T	3779.3	-35.70	3919.9	2536.3	0.64	41.10	62057.1
OilNatGas	341.75	7.55	341.70	171.50	3.05	8.59	51348.05
Reliance In	3030.6	19.75	3217.6	2220.3	0.30	28.97	244891.57
SBI NewA	862.65	-9.75	912.00	543.20	1.33	11.29	91949.47
SunPharmds♦	1715.2	-4.15	1740.45	1003.35	0.74	42.20	49150.03
Tata Cons	4397.1	11.75	4431	3311	1.18	34.36	190007.52
Israel (ILS)							
TevaPha	61.88	-1.37	64.94	30.02	-	-38.70	18695.77
Italy (€)							
Enel	6.52	-0.08	8.93	5.47	6.45	14.29	71518.02
ENI	14.55	-0.25	15.83	13.38	6.48	13.42	51576.62
Generali	23.44	-0.49	24.98	17.98	5.08	9.67	39702.55
IntSPaolo	3.60	-0.15	3.84	2.31	6.58	7.89	71103.03
Unicred	35.79	-2.17	39.33	20.44	2.80	6.41	63230.39
Japan (¥)							
AstellasPh	1714	-33.50	2270	1426	4.05	605.30	20668.73
Bridgestne	5978	-207.00	7058	5474	3.36	12.64	28429.93
Canon	4400	-342.00	4778	3422	3.11	15.70	39105.43
CntJpRwy	3412	-133.00	4027	3218	0.88	8.79	23418.14
Denso	2315.5	-198.50	2993.5	2075.5	2.39	21.97	48630.29
EastJpRwy	2735	-90.00	3108.33	2505	1.37	13.65	20674.47
Fanuc	4316	-194.00	4748	3603	2.34	27.63	28628.16
FastRetail	41100	-550.00	48040	31140	0.84	36.76	87151.87
Fuji Hvy Ind	2815.5	-171.00	3614	2395.5	3.07	5.51	14144.13
Hitachi	3463	175.00	3892	1712.2	1.04	27.21	106993.01
HondaMtr	1575	-72.00	1956.5	1386	4.34	6.94	55414.13
JapanTob	4246	-188.00	4622	3072	4.88	14.63	56586.92
KDDI	4389	-131.00	5080	4059	3.20	14.51	64103.51
Keyence	64440	-1450.00	77400	52080	0.47	42.11	104433.28
MitsbCp	3052	-92.00	3775	2182.33	2.30	13.67	84989.44
MitsubEst	1161.02	-11.88	1199.24	972.54	-	-	-
MitsubishiEle	2267	-234.00	2942.5	1651.5	2.08	17.89	33330.77
MitsuiFud	788.55	-36.03	1071.91	732.82	-	-	-
MitUFJFin	1725.5	-24.50	1849.5	1067	2.39	13.82	141858.63
Mizuho Fin	3427	-21.00	3571	2223	3.00	12.74	57986.34
Murata Mfg	3191	-160.00	3816	2461	1.67	26.19	42327.22
Nippon TT	1558.0	-4.60	192.90	144.00	3.36	10.40	94007.53
Nissan Mt	475.00	-11.20	712.50	459.20	3.37	4.02	1734.22
Nomura	904.40	-35.70	1021	526.20	2.36	22.89	19065.27
Nppn Stl	3192	-88.00	3847	3040	5.52	5.02	20759.53
Panasonic	1151.5	-94.50	1808	1125	3.01	5.02	18833.15
Seven & I	1612	1.50	2244.5	1720.67	2.08	20.49	31448.37
SmtEtsuCh	6486	-262.00	6926	4190	1.55	24.93	86512.78
Softbank	8555	-607.00	12180	5639	0.55	-20.93	83799.62
Sony	13085	-445.00	15485	11535	0.65	17.72	108870.44
SumitomoF	10880	-35.00	11350	6177	2.55	16.28	95535.42
Takeda Ph	4182	-120.00	4873	3900	4.70	34.81	44334.66
TokioMarine	5618	-404.00	6679	2960.5	2.20	15.91	74048.13
Toyota	2699	-250.00	3891	2332.5	2.57	7.60	284071.9
Mexico (Mex$)							
AmerMvl	16.40	0.11	20.25	15.66	-	17.00	41116.45
FEMSA UBD	205.00	-0.53	245.00	181.66	1.76	29.31	23177.29
WalMrtMex	61.17	-0.83	73.50	59.28	2.07	17.68	57401.37
Netherlands (€)							
ASML Hld	829.90	-20.60	1021.8	534.40	0.74	45.35	357895.51
Heineken	81.42	-0.60	97.50	81.30	2.42	19.38	50614.78
ING	16.10	-0.65	17.24	11.43	4.65	7.65	57413.54
Unilever	56.62	-0.02	56.98	42.97	2.61	25.52	180653.65
Norway (Kr)							
DNB	223.60	-1.90	226.10	192.80	5.68	8.86	30635.11
Equinor	290.15	0.15	382.85	256.70	4.59	8.09	74384.78
Telenor	130.00	-	131.80	105.25	7.35	23.76	16329.2
Qatar (QR)							
QatarNtBk	15.29	-0.04	17.15	12.83	4.32	7.66	38787.46
Saudi Arabia (SR)							
AlRajhiBnk	85.60	0.60	91.60	63.10	2.73	20.99	91260.44
NatnlCombnk	38.00	0.50	44.35	30.90	3.88	11.53	60769.2
SaudiBasic	78.80	0.10	91.00	73.40	4.39	203.86	63008.07
SaudiTelec	38.50	-0.10	43.20	35.00	4.23	14.02	51307.35
Singapore (S$)							
DBS	35.98	-0.61	38.55	28.19	4.86	8.93	76600.83
JardnMt US$	35.19	-0.01	48.53	33.72	6.27	14.80	10228.29
OCBC	14.82	-0.03	15.38	12.17	5.41	9.07	49912.45
SingTel♦■	2.95	-0.13	3.11	2.25	3.44	14.94	36442.77
UOB	32.04	-0.31	33.33	26.82	5.08	9.47	40156.28
South Africa (R)							
Firstrand	80.81	-0.89	82.20	58.90	4.73	11.98	24970.19
MTN Grp	77.84	-1.27	142.89	72.92	4.22	35.04	8079.82
Naspers N	3409.77	-52.44	4004.54	2672.3	-	8.31	34075.87
South Korea (KRW)							
HyundMobis	219500	-1000.00	270000	198300	2.11	5.63	14941.57
KoreaElePwr	20200	450.00	25450	16030	-	18.41	9492.13
SK Hynix	193300	-1300.00	248500	111800	0.64	-28.05	135006.89
SmsungEl	83100	-800.00	88800	65800	1.79	27.88	363129.16
Spain (€)							
BBVA	9.21	-0.49	11.28	6.69	1.76	6.68	57286.42
BcoSantdr	4.26	-0.20	4.93	3.33	3.34	6.26	72716.95
CaixaBnk	5.18	-0.20	5.60	3.49	7.66	8.12	40663.72
Iberdrola	12.16	-0.03	12.53	9.88	4.32	13.11	84262.57
Inditex	44.00	0.02	47.60	32.32	2.10	25.09	150960.37
Repsol	13.10	-0.08	16.22	12.81	5.80	5.39	18060.04
Telefonica	4.15	-0.03	4.48	3.49	7.33	-25.59	25389.91
Sweden (SKr)							
AtlasCpcoB	160.30	-7.25	178.45	119.10	1.45	26.93	23412.3
Ericsson	73.32	0.06	74.24	48.53	3.73	-9.49	21175.34
H & M	165.40	-0.85	195.10	137.10	4.10	27.34	21917.18
Investor	298.00	-5.80	305.60	197.88	1.49	5.60	50803.28
Nordea Bk	122.40	-3.15	134.30	114.90	8.79	7.77	40149.88
SEB	159.95	-5.05	166.00	120.70	5.38	8.68	31667.03
SvnskaHn	105.25	-2.95	125.95	89.68	6.25	7.43	19152.89
Swedbank	221.80	-6.20	233.80	173.95	6.91	7.06	23493.75
Telia Co	31.10	-0.03	32.39	20.98	4.88	256.17	11442.67
Volvo	266.30	-7.90	321.10	213.40	2.85	10.49	39581.45
Switzerland (SFr)							
ABB	48.78	0.71	52.46	29.13	1.77	27.95	103107.96
CredSuisse	0.82	0.01	5.86	0.66	11.88	-0.31	3611.19
Nestle	89.14	0.46	108.08	85.70	3.49	20.00	265318.73
Novartis	98.58	0.10	100.96	81.63	3.41	25.03	245252.31
Richemont	134.00	-0.25	151.10	102.95	1.86	21.00	81835.84
Roche	285.80	0.30	287.40	212.90	3.50	18.95	228108.4
Swiss Re	108.45	-0.60	117.20	83.10	5.23	11.66	39116.82
Swisscom	538.00	-0.50	560.40	486.80	4.06	16.27	31660.83
UBS	26.66	-0.04	28.78	18.71	2.10	3.03	92299.26
Zurich Fin	483.20	-1.10	492.90	401.70	4.91	18.33	80339.79
Taiwan (NT$)							
Chunghwa Telecom♦	121.50	-	128.00	115.00	4.01	24.76	28751.89
Formosa PetChem♦	65.50	1.10	85.40	63.50	1.74	26.76	19033.63
Hon Hai Pr Co	202.50	4.50	234.50	94.00	2.71	18.19	85047.31
MediaTek	1180	-40.00	1500	666.00	8.84	19.77	57569.84
TaiwanSem	960.00	26.00	1080	516.00	1.32	27.57	759461.4
Thailand (THB)							
PTT	31.75	-0.25	36.50	31.25	6.23	8.13	25468.77
United Arab Emirates (Dhs)							
Emrtestele	24.30	0.70	38.98	11.60	2.95	22.59	57535.64
United Kingdom (p)							
Anglo American	2321	-29.00	2813	1630	4.36	128.64	39714.45
AstrBrFd	2487	5.00	2765	1907.5	1.90	16.09	23711.72
AstraZen	12512	144.00	12704	9461	1.83	39.03	248134.92
Aviva	490.20	-10.00	504.60	366.00	6.49	13.18	16787.45
Barclays	222.90	-10.90	241.80	128.12	3.59	8.61	41972.03
BP	453.90	-4.95	562.30	404.74	4.81	6.74	95782.18
BrAmTob	2797	52.00	2816.2	2233	8.25	-4.33	79356.5
BT	138.60	-2.25	151.20	101.70	5.56	16.12	17648.71
Compass	2385	-11.00	2424.4	1940.5	1.81	30.47	51870.47
Diageo	2400	-19.00	3509	2275	3.26	16.36	68254.9
GlaxoSmh	1526	14.00	1823.5	1330.19	3.80	14.03	80916.69
Glencore	415.20	-14.60	506.72	365.31	8.42	15.57	64803.23
HSBC	658.50	-45.50	725.20	572.90	7.40	7.17	155993.81
Imperial Brands	2158	14.00	2190	1968	6.80	9.37	23571.48
Jardine Mathes.	62.50	-	49.18	34.29	3.57	26.28	18166.19
LlydsBkg	56.16	-3.42	64.67	39.42	4.49	8.02	44781.77
LSE Group	9852	382.00	11080.2	7784	1.13	71.33	66957.34
Narl Grid	900.00	-6.00	1052.85	845.00	5.35	17.06	61251.66
Natwest Group	338.40	-29.70	372.70	168.00	5.02	7.28	35947.8
Prudential	667.20	-32.00	1075.5	666.20	2.29	13.74	23356.75
ReckittB	4098	-80.00	6006	4034	4.56	18.02	36579.27
RELX	3598	-83.00	3694.34	43.54	1.56	38.15	85465.82
RioTinto	5004	-22.00	5910	4509.5	6.34	10.35	80182.37
RollsRoyce	481.10	31.50	503.00	178.14	-	16.76	52343.05
Shell PLC	2825	-15.00	2961	2289	3.62	13.07	227697.65
StandCh	721.40	-45.80	796.00	571.00	2.96	8.15	23549.17
Tesco	330.10	-1.50	335.20	217.53	3.30	13.46	29216.08
Unilever	4782	6.00	4804	3680.5	3.14	21.56	152576.08
Vodafone♦	72.12	-0.32	82.56	62.71	10.67	19.00	24508.81
WPP	736.20	-14.40	859.00	7.24	5.35	72.89	10157.62
United States of America ($)							
21stC Fox A	37.91	-0.14	38.55	28.20	1.39	11.81	8761.75
3M	124.84	-2.71	128.65	71.35	4.88	-9.68	68581.36
AbbottLb♦	109.42	3.48	121.64	89.67	1.93	33.66	190342.03
AbbVie	189.74	4.42	190.91	135.85	3.20	55.76	335055.75
Accenture♦	333.77	3.15	387.51	278.69	1.50	30.42	224275.69
Activision Bli.	94.42	-0.05	94.57	70.94	-	36.23	74289.5
Adobe	544.84	-6.82	638.25	433.94	-	51.46	241579.84
Advanced Micro	136.84	-7.64	227.30	93.12	-	195.84	221176.39
AEP	99.40	1.28	99.48	69.38	3.48	18.28	52890.07
Aflac	102.55	7.17	104.91	72.09	1.74	11.14	58271.21
AirProd♦	291.84	27.99	307.71	212.24	2.44	26.06	64877.76
Allstate	174.15	3.03	180.87	104.29	2.09	37.63	45959.54
Alphabet	170.26	-1.29	191.75	120.21	-	25.79	997

FINANCIAL TIMES SHARE SERVICE

Main Market

	Price	+/-Chg	52 Week High	52 Week Low	Yld	P/E	Vol 000s
Aerospace & Defence							
Avon Protection	1290	-20.00	1408	582.00	1.82	-27.43	26.3
BAE Sys	1285	-12.00	1415.25	930.60	2.19	21.27	5818.4
Chemring	410.00	-4.00	428.00	258.00	1.68	37.61	1111.3
Automobiles & Parts							
FordMtr $♦	10.77	-0.06	14.85	9.63	5.64	10.95	22974.0
Banks							
ANZ A$♦	29.24	0.19	30.23	23.90	5.06	12.80	4848.6
BcoSant	360.50	-11.50	423.00	285.00	3.33	6.28	396.8
BnkGeorgia	4385	-175.00	5510	3037.5	5.90	4.91	75.2
Banklre Grp €	10.25	-0.14	10.80	7.74	2.10	7.12	534.2
BkNvaS C$♦	63.83	-0.64	70.40	55.20	5.84	10.32	1144.8
Barclays●	222.90	-10.90	241.80	128.12	3.59	8.61	60189.5
Canlmp C$♦	70.51	-0.89	71.77	47.44	5.15	10.35	892.2
HSBC●	658.50	-45.50	725.20	572.90	7.40	7.17	32964.5
LlydsBkg●	56.16	-3.42	64.67	39.42	4.49	8.02	249390.4
NWG●	338.40	-29.70	372.70	168.00	5.02	7.26	42261.2
PermTSB €	2.35	-0.04	2.81	1.18	-	53.03	65.9
RylBkC C$♦	152.47	-1.81	155.22	107.92	3.69	13.57	2903.1
StandCh●	721.40	-45.80	786.00	571.00	2.96	8.15	5617.4
..7.375%Pf	116.15	5.55	110.50	94.50	5.35	-	0.0
..8.25%Pf	126.25	5.50	122.00	103.04	5.53	-	12.9
TntoDom C$♦	80.65	-0.88	87.07	73.67	5.05	13.13	1161.7
Westpc A$♦	29.71	-0.09	29.94	20.41	4.84	16.39	5010.2
Chemicals							
Elementis	159.20	-0.60	167.00	106.40	-	43.18	5745.5
Johnsn Mtthey♦	1603	-36.00	1917.07	1428.5	4.80	27.50	654.1
Victrex	1088	-12.00	1581	1054	5.47	31.09	148.6
Construction & Materials							
Boot(H)	228.00	-2.00	237.00	170.00	3.04	11.81	12.9
GalfrdT	309.00	2.00	320.00	185.81	3.40	22.39	84.1
MorgSdl	2035	-25.00	2960	1760	3.67	11.32	84.4
Tyman	398.00	-0.50	414.00	231.50	3.44	20.41	22892.5
Electronic & Electrical Equip							
Dialight	176.50	2.50	238.00	135.00	-	-15.17	2.0
Discoverie PLC♦	659.00	-18.00	842.00	586.00	1.74	29.29	264.9
Halma♦	2604	-58.00	2750	1802	3.78	41.45	310.9
Morgan Ac	330.50	-11.00	347.00	215.50	3.63	20.29	375.1
Oxfordln♦	2435	-75.00	2765	1634	3.80	23.64	161.8
Renishaw	3615	-180.00	4500	2823.42	2.11	27.04	47.0
Spectris	2966	-77.00	3861	2778	2.58	21.28	238.9
TT Elect	143.50	-3.00	189.80	133.60	4.49	-36.79	138.9
XP Power	1324	24.00	2489.2	682.41	4.08	-29.16	133.8
Financial General							
3i	3092	-36.00	3180	1858.5	1.82	7.79	1131.7
abrdn	170.65	0.60	234.90	134.60	8.56	1706.50	4851.6
Bridgepoint Grp Plc	291.20	-1.80	300.60	164.80	2.88	32.36	329.3
CtyLonInv	370.00	4.00	406.00	300.00	8.50	12.80	15.1
CloseBrs	497.20	-13.80	930.50	5.03	13.58	5.26	500.6
CoinShares Int Ltd SKr	62.80	-2.40	72.90	31.55	-	-0.17	17.7
Hargr Lans	1095.5	-9.50	1169	675.40	3.51	19.53	759.0
Indvardn SKr	355.80	-7.10	377.20	273.70	2.06	4.81	266.4
ICG♦	2124	12.00	2176	1224	3.67	13.27	1022.3
Investec	605.50	-10.00	620.50	429.60	5.12	8.24	1070.9
Jupiter	86.20	-1.50	116.80	71.10	4.64	-34.48	1018.3
Liontrust	652.00	-11.00	865.00	519.00	7.21	8.15	157.2
LSE Gp●	9852	382.00	11080.2	7784	1.13	71.33	1761.4
RathbnGrp	1984	60.00	2005	1436	6.00	39.06	119.6
Record	65.60	0.60	86.00	55.20	6.86	12.89	188.1
S & U	1960	95.00	2450	1750	6.79	9.37	4.0
Schroder	354.60	-38.20	462.20	345.20	6.06	14.65	5558.4
Shiras Income	241.50	-4.50	253.00	200.00	5.88	-56.43	34.2
StJnsPl	704.50	19.50	948.36	393.60	7.53	-391.39	3910.6
TP ICAP	224.50	3.00	230.50	151.50	5.66	24.14	1848.6
Vanqus	56.10	1.30	134.80	42.61	27.27	-23.38	2393.6
Food & Beverages							
AngloEst	610.00	-18.00	778.00	600.00	5.16	6.04	0.9
AscBrFd●	2487	5.00	2765	1907.5	1.90	16.09	1484.9
Barr(AG)	640.00	-4.00	650.00	471.50	2.07	18.69	139.7
Britvic	1267	-2.00	1287	770.00	2.43	24.89	903.4
CarrsGroup	136.50	-3.50	150.00	92.00	5.90	-124.09	32.9
Coca-Cola HBC	2844	4.00	2890	2065	2.38	18.97	352.8
Crarswk♦	4750	-15.00	4795	3158	1.67	20.20	427.5
Diageo●	2400	-19.00	3509	2275	3.26	16.36	3518.0
Gmcore	180.00	-0.20	188.80	68.35	-	17.14	932.9
HiltonFd	929.00	-5.00	957.00	632.00	3.40	23.11	90.0
Kerry €	84.40	1.10	92.88	71.05	1.31	20.06	2.1
PremFds	177.00	-3.00	180.60	111.50	0.81	13.94	1045.2
TateRyl♦	647.50	-10.00	759.00	587.00	2.98	14.58	1125.0
Unilever●	4782	6.00	4804	3680.5	3.14	21.56	3159.6
..NV	-	-	-	-	-	-	-
Health Care Equip & Services							
GNStre kr	178.90	-1.75	227.90	110.10	-	46.44	398.2
Smith & Nephew	1199	76.00	1245.26	887.00	2.44	50.78	3454.2
House, Leisure & Pers Goods							
BarrttDev	534.00	7.40	582.60	384.15	6.31	23.73	4622.5
Bellway	2844	-22.00	2904	1972	4.92	15.77	281.7
Berkeley	5080	-	5360	3832	2.53	12.06	190.5
Burberry Gp♦	767.40	-7.60	2275	680.00	8.18	10.38	1429.8
Cairn Homes	161.00	2.00	164.40	89.00	3.34	14.75	1267.1
GamesWk	10300	-	11740	8860	4.32	24.33	52.6
Gleeson	594.00	10.00	630.00	350.00	2.36	20.41	52.9
Headlam	349.00	-2.00	434.55	132.00	10.20	15.52	135.5
McBride	130.50	-2.50	145.00	31.40	-	12.92	73.7
Philips €	25.94	-0.14	29.10	16.48	-	-52.77	1507.4
PZCusns	104.00	-1.80	168.20	81.50	6.15	-12.94	485.4
Redrow	754.50	8.50	765.00	434.60	3.98	11.75	1152.7
Vistry Group	1371	-13.00	1404	12.65	2.33	21.52	1131.8
Industrial Engineering							
Bodycote	673.00	-2.00	774.00	545.00	3.21	15.02	415.4
Goodwin	8400	-100.00	8860	4500	1.33	40.28	4.9
Hill&Sm	2265	-35.00	2330	1491.86	1.63	26.65	96.7
IMI	1830	-6.00	1911	1429	1.45	20.07	380.8
Melroselnd	515.00	-7.80	681.20	445.40	1.17	5150.00	11514.8
Renold	58.20	-2.60	66.80	26.50	-	7.97	516.8
RHIM	3620	-50.00	3827.49	2456	3.95	12.22	19.9
Rotork	351.60	-10.20	363.00	277.20	1.95	26.64	1330.6
Severfd	82.00	2.40	84.80	48.10	4.27	15.98	463.8
Weir	1980	-52.00	2210.25	1652.5	1.87	22.45	762.3
Industrial General							
Coats Group	101.00	11.50	101.40	64.30	1.97	25.10	5256.1
Macfrlne	127.00	2.00	147.50	90.30	2.72	13.00	130.9
Smith DS	455.60	1.80	464.80	260.50	3.94	13.63	2509.5
Smiths	1750	-36.00	1791	1517.5	2.38	26.32	432.7
SmurfKap	3656	124.00	3910	2528	3.34	14.49	24090.8
Industrial Transportation							
Braemar♦	304.50	-7.00	317.64	230.00	3.94	23.79	61.8
Fisher J	338.50	-5.50	412.00	238.73	-	-3.34	36.3
intlDistsvr	347.00	2.00	350.00	209.82	-	-3.29	17484.0
OceanWil	1260	30.00	1500	912.26	4.35	8.47	22.7
Insurance							
Admiral	2728	-26.00	2870	2043.96	2.77	24.62	384.3
Aviva●	490.20	-10.00	504.60	366.00	6.49	13.18	3158.9
Chesnar	259.00	-1.50	289.50	240.00	9.08	21.07	75.4
Direct Line	185.70	-2.80	240.10	145.65	-	11.83	2570.3
Eccles plf	133.00	1.00	137.00	117.00	6.48	-	336.9
Hansard	43.50	2.70	53.00	37.20	8.99	10.31	51.7
Hiscox	1245	-26.00	1282	926.04	2.34	7.88	653.1
Lancashire	623.00	-6.00	690.00	527.50	1.87	6.06	293.3
Leg&Gen	225.90	-5.80	257.80	203.10	8.69	31.03	15361.6
Old Mut	51.70	-0.50	57.50	41.55	6.96	7.82	576.0
PhoenixGrp	543.00	-4.00	560.50	436.40	9.58	-35.35	2178.6
Prudntl●	667.20	-32.00	1075.5	666.20	2.29	13.74	6050.6
LEISURE							
PhotoMe International Plc	107.00	5.00	109.00	55.70	5.58	8.04	655.5
Media							
4imprint	5950	-160.00	6780	4115.9	2.50	26.61	64.8
Auto Trader Group Plc	810.80	-4.80	849.00	584.80	1.04	32.03	820.8
DlyMailA	270.00	-2.50	1178	264.50	8.56	10.31	111.0
Informa	857.20	-12.00	886.00	684.00	1.47	28.67	1881.6
ITV	80.20	-0.10	89.00	55.49	6.23	15.42	13370.5
Pearson	1062	6.00	1069.57	809.60	2.06	20.15	1386.7
MEDIA							
Reach PLC	107.60	2.00	112.80	58.47	6.62	15.82	1687.1
Media							
RELX PLC●	3590	-83.00	3694.34	43.54	1.56	38.15	1968.7
Rightmove PLC	573.00	-3.20	603.00	5.31	1.54	23.48	1671.2
STV Grp	278.00	-	297.00	175.00	4.66	29.57	4.0
WPP●	736.20	-14.40	859.00	7.24	5.35	72.89	3031.4
Mining							
AngloAmer●	2321	-29.00	2813	1630	4.36	128.64	1380.7
AngGoldA R	508.24	-14.36	559.05	287.40	0.78	-49.82	901.8
Antofagasta	1925	-95.00	2425	15.82	2.55	28.97	928.4
BHP Group	2135	-10.00	2707.5	2069	6.38	18.68	1233.9
Ecora Resources	68.40	2.70	115.00	61.60	9.61	264.09	507.5
Ferrexpo	53.10	-4.80	94.25	40.75	-	-4.70	2469.1
Fresnillo	591.50	3.50	647.50	435.20	1.57	23.79	690.3
Glencore●	415.20	-14.60	506.72	365.31	8.42	15.57	26964.0
Harmony R	180.02	2.00	203.96	65.00	0.42	12.61	2721.6
Polymtlnd#	215.00	50.00	362.02	125.00	-	2.47	12.0
Rio Tinto●	5004	-22.00	5910	4509.5	6.34	10.35	1482.2
Troy Res A$	0.04	0.00	0.20	0.03	-	-0.24	3131.9
Oil & Gas							
BP●	453.90	-4.95	562.30	404.74	4.61	6.74	20673.9
Capricorn Energy	189.60	-1.20	370.03	139.14	-	-2.56	435.4
ExxunMbl $♦	117.10	-1.49	123.75	95.77	3.22	14.17	5406.7
Gazprom PJSC ADR $#	0.58	-	10.97	0.02	-	-0.61	3213.3
GeoPark $	9.40	-0.39	11.25	8.05	5.73	4.57	231.5
HELLENIC ENERGY #	7.32	-0.08	8.81	6.55	11.08	4.40	164.3
ImpOil C$♦	96.55	-2.36	101.63	68.84	2.25	10.85	316.1
TriCan C$♦	59.40	0.78	59.94	44.70	6.54	21.89	1282.2
Wood Group (John) PLC	200.20	-3.80	213.20	117.67	-	-13.16	2536.1
Pharmaceuticals & Biotech							
AstraZeneca●	12512	144.00	12704	9461	1.83	39.03	1071.5
GlaxoSmh●	1526	14.00	1823.5	1330.19	3.80	14.03	5076.6
HikmaPhm	1900	-4.00	2222	1711	2.55	28.50	384.4
Ozfd Bio	372.00	2.00	460.00	164.29	-	-2.28	458.4
RichterG $	27.00	0.20	27.60	23.40	4.22	10.83	0.0
Real Estate							
REITs							
Assura	41.58	0.88	49.18	37.54	7.89	-41.58	6504.9
BritLand	411.20	-0.40	446.80	287.30	5.51	-3.57	6369.6
Cap&Reg	67.40	2.40	68.60	48.88	8.11	35.47	85.8
Civitas SH	79.80	-	86.18	51.87	6.81	13.62	115.0
DrwntLdn	2310	12.00	2452	1766	3.42	-5.44	203.2
Great Portland	349.50	-0.50	381.00	290.96	2.99	-3.46	589.8
LandSecs	635.50	-	729.40	554.70	6.22	-14.78	1723.7
LondonMtrc	203.80	2.40	210.80	152.30	4.81	15.23	5703.7
Palace Cap♦	236.00	6.00	265.00	201.55	6.36	-5.96	6.5
PrimyHth	93.60	1.25	109.00	84.20	7.16	46.80	4360.3
SEGRO	924.00	8.20	949.00	675.00	2.91	-44.64	2317.4
Shaftesbury Cap	150.70	-1.60	156.00	101.90	2.12	3.33	4970.0
TritaxEBBOX	165.80	0.30	173.00	127.10	4.36	44.57	4580.3
Wkspace♦	624.00	12.00	649.00	449.20	4.23	-6.22	404.7
Real Estate Inv & Services							
Grainger	242.50	1.50	278.80	216.20	2.74	-2425.00	2877.9
Harworth Grp	164.50	-1.50	177.50	95.40	0.83	14.30	26.9
Helical♦	225.50	1.50	272.40	181.80	5.21	-1.58	61.1
Lon&Assc	10.50	-	18.00	7.90	-	-2.32	0.0
Mntview♦	9625	-225.00	11800	9075	5.19	14.09	0.1
Savills	1266	-10.00	1298	745.00	1.60	43.96	231.3
SiriusRE	95.60	1.40	101.70	77.90	5.38	12.96	2255.7
SmartJ()	127.50	-	172.00	108.00	2.53	425.00	0.0
U+I	148.50	-0.50	151.50	58.51	-	-2.12	98.8
Retailers							
Caffyns♦	460.00	-	628.00	400.00	4.89	5.77	0.0
Dunelm	1241	8.00	1335.53	959.00	3.38	16.82	215.5
Halfords	152.00	-1.00	244.00	125.80	6.54	10.32	329.3
Inchcape	856.50	13.50	874.00	597.50	3.61	13.22	820.6
JDSportsF	132.45	0.85	177.75	103.00	0.73	12.67	11764.8
Kingfisher	281.40	5.10	283.70	198.30	4.41	15.63	4459.6
Marks&Sp	331.20	2.90	341.16	201.30	0.30	15.92	4761.8
Ocado	401.90	-3.70	957.40	278.17	-	-10.46	3969.7
Saga	106.00	-3.60	154.80	100.20	-	-1.31	595.0
Sainsbury (J)	275.80	0.40	311.16	243.80	4.75	48.39	2727.2
Tesco●	330.10	-1.50	335.20	217.53	3.30	13.46	16552.5
Support Services							
AshtdGp	5458	-144.00	6180	4437	1.46	18.86	485.5
Bunzl	3230	-28.00	3306	2680	1.97	20.71	334.1
Capita	19.12	-0.26	28.08	12.48	-	-1.80	8618.5
DCC	5240	-120.00	6875	4171	3.63	15.89	87.6
DeLaRue	98.40	-1.40	107.00	46.50	-	-4.43	186.8
Diploma	4380	-68.00	4518	2772.88	1.29	50.75	263.9
Essentra PLC	171.00	-	191.80	130.20	1.29	85.50	375.0
Experian	3579	-53.00	3796	2366	1.23	34.72	1053.0
Ferguson	16920	-315.00	17810	12035	1.44	23.18	29.1
Hays	93.00	-1.10	111.90	87.90	3.23	17.85	3530.8
HowdenJny	930.00	-10.50	956.50	612.00	2.23	20.09	1091.7
Intertek	4954	-96.00	5145	3746	2.21	27.01	568.2
Mitie♦	120.60	-0.60	124.94	90.70	2.65	13.25	4620.1
Rentokil	463.70	-11.00	632.80	387.80	1.70	30.77	5789.0
Ricardo	520.00	-12.00	588.00	394.01	2.30	-520.00	28.2
RbrtWitts	368.00	-1.00	472.00	344.00	6.39	19.37	63.7
RS Grp	789.00	-29.00	852.60	551.20	2.79	20.39	1381.7
SIG	24.00	-0.50	39.36	20.65	-	-6.32	336.2
Vp♦	680.00	-	745.00	460.00	5.51	11.33	3.8
Tech - Hardware							
SpirentCM	172.50	-0.50	203.80	79.75	3.56	51.62	1075.7
Tech - Software & Services							
Computcnt	2666	-26.00	3016	1994.3	2.57	15.39	219.7
NCC Grp	145.00	-2.60	157.20	90.50	3.21	-32.22	895.5
Sage	1074.5	-11.50	1285	920.00	1.80	41.65	1449.4
TriadGp	280.00	-6.00	320.00	105.00	2.14	-73.30	14.5
Telecommunications							
Airtel Africa	113.50	-0.70	132.50	90.20	4.01	-32.59	2568.4
BT●	138.60	-2.25	151.20	101.70	5.56	16.12	23311.1
TelePlus♦	1822	-78.00	1932	1356	3.13	46.72	113.1
Vodafone Gp●♦	72.12	-0.32	82.56	62.71	10.67	19.00	34676.4
Tobacco							
BrAmTob●	2757	52.00	2816.2	2233	8.25	-4.33	5647.7
Imperial Br●	2158	14.00	2190	1968	6.80	9.37	961.7
Travel & Leisure							
Carnival	1159.5	-46.00	1400	793.00	-	45.03	903.6
Dalata Hotel	358.00	8.00	436.00	324.00	0.97	10.35	0.0
easyJet	431.60	-19.00	591.07	350.00	1.04	8.75	4521.3
FirstGrp♦	171.20	-4.20	189.00	135.00	7.22	-114.13	979.0
Flutter Entertainment	15255	-120.00	17980	12020	-	-26.01	165.7
Fuller A	716.00	-16.00	753.40	540.00	2.05	40.91	28.1
IntCon Htels Gp	7620	-220.00	8790	5548	1.48	22.02	413.3
Intl Cons Air	160.00	-5.80	187.65	2.14	-	3.58	15788.4
Whitbrd	2901	-9.00	3714	2797.31	2.89	18.14	965.1
Utilities							
Drax	644.50	-4.00	666.50	395.20	3.38	4.62	1803.7
Natl Grid●	980.00	-6.00	1052.85	645.00	5.35	17.86	7401.6
Pennon♦	629.50	9.50	774.50	532.83	6.96	-174.86	884.4
Severn Trent	2569	18.00	2801	2243	4.28	50.86	477.7
SSE♦	1877	-3.50	1932.5	1485	4.67	11.99	2313.8
UtdUtils	1033	-	1139.5	896.76	4.54	55.54	1700.1

AIM

	Price	+/-Chg	52 Week High	52 Week Low	Yld	P/E	Vol 000s
Aerospace & Defence							
Cohort	844.00	4.00	874.38	456.00	1.59	25.91	20.0
Velocity Composites PLC	44.00	0.50	48.00	28.00	-	-5.50	143.9
Banks							
Caribbean Inv	26.50	-	45.40	24.03	-	3.05	138.6
Basic Resource (Ex Mining)							
CropperJ	265.00	-5.00	851.00	212.00	2.26	7.79	22.6
Chemicals							
Directa Plus PLC	18.50	-	59.00	16.00	-	-3.08	43.7
Versarien PLC	0.07	0.00	1.86	0.06	-	-0.02	47307.5
Construction & Materials							
AccsysTch	55.20	0.30	108.00	49.90	-	-2.43	4.1
Electronic & Electrical Equip							
Checkit	26.00	-	31.00	18.10	-	-6.19	11.3
LPA	64.00	-	92.00	56.60	-	-737.04	2.5
ThorpeFW	350.00	10.50	460.00	320.00	1.85	18.56	8.8
Zytronic	58.00	-	100.00	53.00	-	-4.57	0.0
Financial General							
Arbuthnot	975.00	2.50	1139.3	840.00	4.51	4.38	0.1
BP Marsh	550.00	7.50	560.00	347.20	0.44	15.15	21.8
Burford Capital Ltd	1078	-19.00	1388	975.50	0.92	9.52	86.0
Gresham House Plc	1100	-20.00	1120	652.00	1.45	30.51	177.7
MattioliWds	793.00	1.00	800.00	481.00	3.38	41.30	23.6
Premier Miton Group♦	73.50	4.00	83.00	48.10	8.16	54.85	495.1
Food & Beverages							
Camellia	4570	-	5710	4048.6	3.19	-34.10	0.1
Fevertree Drinks	921.00	-1.50	1400	898.57	1.78	60.88	461.8
Nichols	1110	-115.00	1520	882.00	2.51	22.06	27.4
Health Care Equip & Services							
AVO#	1.93	-	25.75	1.75	-	-0.23	200.0
Tristel	500.00	10.00	510.00	315.00	2.10	36.97	71.2
House, Leisure & Pers Goods							
Churchill	1190	-	1405	947.00	2.69	16.95	2.3
Frontier Developments PLC	271.00	8.00	595.00	95.00	-	-1.73	109.5
Pur Lrtrnmt♦	215.00	-	310.00	200.17	6.05	-3.50	2.3
Sanderson Design Grp♦	84.50	-	130.00	70.10	4.14	7.45	43.3
Industrial Engineering							
600 Grp#	2.65	-	13.50	2.00	-	15.50	40.4
MS Intl	1115	-	1180	600.00	1.35	26.74	7.5
IT							
Keywords Studios	2384	-4.00	2498	1101	0.10	110.31	139.4
Learning Technologies Grp	203.00	-2.00	240.13	58.62	2.29	17.57	4019.7
Media							
Mission Group	26.00	0.50	44.00	10.00	6.42	-2.06	175.0
Mining							
AMC#	0.09	-	48.00	11.20	-	0.00	5981.6
CentAsiaM	195.20	-2.60	235.00	150.20	0.46	12.67	159.4
Gemfields	11.38	-	16.50	11.00	19.69	-18.11	240.7
Oil & Gas							
BorSthnFet	2.44	-0.13	3.30	1.70	-	-22.18	495.5
Phoenix Global	6.50	0.25	7.95	3.07	-	-1.63	53.0
UsJackOil	17.50	-0.50	28.00	14.00	1.71	22.15	89.4
Pharmaceuticals & Biotech							
Reneuron#	3.38	-0.08	11.50	3.28	-	-0.38	177.6
Sareum	30.00	-1.00	109.90	10.00	-	-4.84	74.7
Real Estate							
Lok'nStor	1105	-5.00	1180	621.90	1.72	88.12	50.1
Retailers							
Boohoo Group PLC	31.56	-0.74	42.63	27.77	-	-2.75	3719.5
CVS Group PLC	1110	-30.00	2225	902.41	0.68	22.42	152.3
Support Services							
Begbies	105.00	1.50	135.00	95.28	3.62	350.00	399.4
Christie	102.50	2.50	148.75	66.00	2.93	-6.93	29.0
Impellam	875.00	35.00	950.00	580.00	-	25.00	4.6
JhnsnSrv	158.40	-4.40	172.00	107.09	1.58	24.75	473.9
LonSec	3900	-	4000	2880	3.18	20.55	0.0
NWF	172.50	-	270.00	160.00	4.52	6.56	45.0
Petards	7.25	-	8.46	2.13	-	34.52	70.3
Renew	1070	-16.00	1144	672.00	1.68	17.35	72.0
Tech - Software & Services							
IoBlue Prism Group PLC	1274	-	1392	747.50	-	-23.65	1869.0
Eckoh	43.00	-	47.00	32.05	1.72	28.67	79.6
Oxford Metrics	89.50	-2.50	118.00	78.00	3.07	23.19	368.1
Travel & Leisure							
gamingrealms	40.00	0.20	43.00	29.45	-	20.41	290.5
Jet2	1350	-30.00	1568	960.00	0.79	7.58	604.1

Investment Companies

Conventional (Ex Private Equity)	Price	+/-Chg	52 Week High	52 Week Low	Yld	NAV	Dis(-) or Pm
abrdnuksm	534.00	2.00	536.31	366.00	2.06	594.9	-10.2
3i Infra	350.00	0.50	360.00

MANAGED FUNDS SERVICE

SUMMARY

FT.COM/FUNDS

Winners - EAA Fund Asia ex-Japan Equity

Fund Name	1yr Return GBP	3yr Return GBP	5yr Return GBP	3yr Sharpe Ratio	3yr Std Dev
Man International ICC Man GLG Asia ex Japan Equity Fund	8.01	3.18	-	-	17.41
Federated Hermes Asia ex-Japan Equity Fund	5.24	2.68	5.19	-	18.35
ABFCPI - Asia Ex-Japan Equity Portfolio	11.15	1.91	4.67	-	18.97
Eastspring Investments - Asian Dynamic Fund	1.51	0.52	3.95	-	17.83
C WorldWide Asia	11.75	0.42	6.25	-	20.75

Losers - EAA Fund Asia ex-Japan Equity

Fund Name	1yr Return GBP	3yr Return GBP	5yr Return GBP	3yr Sharpe Ratio	3yr Std Dev
PineBridge Asian Fund	-3.21	-10.33	1.00	-	24.60
PineBridge Global Funds - Asia ex Japan Equity Fund	0.63	-9.48	1.09	-	22.28
NESTOR Fernost Fonds	-11.49	-9.31	-7.00	-	16.02
Mirae Asset Global Discovery Fund - ESG Asia Great Consumer Equity Fund	1.75	-9.25	-1.10	-	20.29
Mirae Asset Global Discovery Fund - ESG Asia Growth Equity Fund	1.02	-8.63	3.93	-	18.96

Morningstar Star Ratings

Fund Name	Base Currency	Morningstar Rating 3 Yr	Morningstar Rating 5 Yr	Morningstar Rating 10 Yr
Janus Henderson Cautious Managed Fund A Acc	Pound Sterling	★★★	★★	★★
Janus Henderson UK & Irish Smaller Companies Fund A Acc	Pound Sterling	★★	★★	★
Janus Henderson China Opportunities Fund A Acc	Pound Sterling	★★	★★	★★★
Global Focus Fund W-ACC-GBP	Pound Sterling	★★	★★★	★★★
MFM Hathaway Inc	Pound Sterling	★	★	★★★

Global Broad Category Group - Commodities

Morningstar Category	Base Currency	Total Ret 1Yr GBP	Total Ret 3Yr GBP	Total Ret 5Yr GBP
Commodities Energy	Eaht	-25.94	27.66	-3.13
Commodities - Grains	US Dollar	10.60	24.41	8.04
Commodities - Energy	US Dollar	19.60	7.73	1.43
Commodities Precious Metals	Eaht	21.54	7.73	9.91
Commodities - Energy	US Dollar	-12.11	6.95	-1.89

Advertising Feature

edentree investment management

Please remember that past performance is not necessarily a guide to future performance

Firm Name
EdenTree Investment Management Limited
Fund Name
EdenTree Global Equity Cls A Inc
Morningstar Category
Global Large-Cap Blend Equity
Max Annual Charge
-
3Yr Rating
★★
Morningstar Sustainability Rating

Bid Price	-	KID Ongoing Charge	1.31
Offer Price	-	Day-End One Year Return	7.82
+/-	3.00	Total Ret 3Yr	1.69

Performance

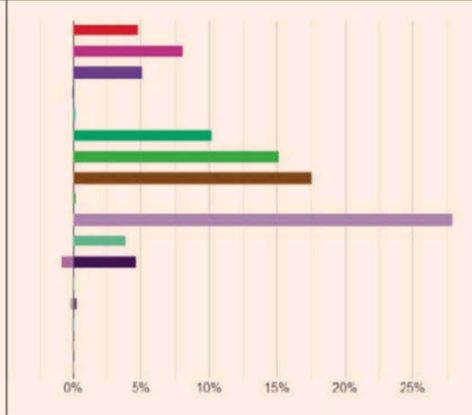
Aug 2021 - Aug 2024
EdenTree Global Equity Cls A Inc



Fund — Category

Day ✗0.81% Month ✗0.11% Year ✗8.38%

Weightings - As of 30/06/2024



Sector	Weighting	Cat Avg.
Basic Materials	4.99%	4.75%
Communication Services	8.36%	6.10%
Consumer Cyclical	5.28%	10.46%
Consumer Defensive	-	7.42%
Energy	0.12%	4.65%
Financial Services	10.54%	14.89%
Healthcare	15.68%	11.37%
Industrials	18.18%	11.32%
Real Estate	0.13%	1.63%
Technology	28.89%	18.13%
Utilities	3.98%	2.36%
Cash & Equivalents	3.84%	6.34%
Corporate	-	0.95%
Derivative	0.00%	-1.38%
Government	-	0.92%
Municipal	-	0.00%
Securitized	-	0.09%

Risk Measures - As of 31/07/2024

	1Yr	1Yr Cat Ave	3Yr	3Yr Cat Ave	5Yr	5Yr Cat Ave
Alpha	-	-3.21	-	-2.99	-	-2.73
Beta	-	0.99	-	1.01	-	1.01
Information Ratio	-1.51	-0.65	-1.10	-0.49	-0.77	-0.41
R Squared	-	85.73%	-	88.23%	-	88.70%
Sharpe Ratio	-	0.48	-	0.36	-	0.34
Std Dev	16.43	15.51	17.62	16.77	19.21	17.17

Top 10 Holdings - As of 30/06/2024

Holding	Sector	Weighting
Microsoft Corp	Technology	6.30%
Alphabet Inc Class A	Communication Services	4.85%
Taiwan Semiconductor Manufacturing Co Ltd	Technology	3.39%
Prysmian SpA	Industrials	2.42%
Veolia Environnement SA	Industrials	2.34%
Cleanaway Waste Management Ltd	Industrials	2.33%
Prudential PLC	Financial Services	2.25%
Medtronic PLC	Healthcare	2.22%
AstraZeneca PLC	Healthcare	2.21%
SSE PLC	Utilities	2.21%

Information reproduced courtesy of Morningstar. While the Financial Times takes every care to ensure that the information is faithfully reproduced, the information is not verified by the Financial Times and therefore it accepts no liability for any loss which may arise relating to the Morningstar information.
© 2024 Morningstar. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results.

Algebris Investments

Algebris Investments (IRL)
Regulated

Fund	Bid		Offer	+/-	Yield	1Yr	3Yr
Algebris Core Italy I EUR	€ 157.79	-		-0.02	0.00	3.10	0.68
Algebris Core Italy R EUR	€ 147.95	-		-0.02	0.00	2.34	0.13
Algebris Financial Credit I EUR	€ 204.32	-		0.41	0.00	13.78	1.82
Algebris Financial Credit R EUR	€ 174.14	-		0.35	0.00	13.22	1.22
Algebris Financial Credit Rd EUR	€ 95.70	-		0.19	6.08	13.40	1.28
Algebris Financial Equity B EUR	€ 238.21	-		-0.11	0.00	30.50	20.79
Algebris Financial Equity R EUR	€ 197.05	-		-0.10	0.00	29.20	19.57
Algebris Financial Income I EUR	€ 228.64	-		0.07	0.00	19.73	9.49
Algebris Financial Income R EUR	€ 204.99	-		0.06	0.00	18.66	8.51
Algebris Financial Income Rd EUR	€ 114.84	-		0.03	4.74	18.66	8.51
Algebris Global Credit Opportunities I EUR	€ 145.47	-		0.01	0.00	10.31	3.75
Algebris Global Credit Opportunities R EUR	€ 141.10	-		0.01	0.00	9.87	3.29
Algebris Global Credit Opportunities Rd EUR	€ 114.83	-		0.01	4.74	10.05	3.35
Algebris IG Financial Credit I EUR	€ 110.82	-		0.26	0.00	11.70	-0.44
Algebris IG Financial Credit R EUR	€ 108.21	-		0.26	0.00	11.13	-0.93
Algebris Sust. World B	€ 128.61	-		2.13	0.00	14.37	-
Algebris Sust. World R	€ 125.68	-		2.08	0.00	12.90	-

The Antares European Fund Limited
Other International

Fund	Bid		Offer	+/-	Yield	1Yr	3Yr
AEF Ltd Usd	$ 541.01	-		-13.82	0.00	-2.21	-1.36
AEF Ltd Eur	€ 498.45	-		0.25	0.00	-1.56	-1.84

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	2841.76	-		-10.84	3.20	18.36	10.75
Artemis European Select I Acc	109.30	-		0.44	5.07	11.54	-1.86
Artemis Global Income I Inc	571.78	-		-4.03	2.62	18.72	12.30
Artemis Global Select I Acc	151.54	-		-1.31	1.66	13.02	3.58
Artemis High Income I Q Inc	202.99	-		1.44	-	16.29	7.67
Artemis Income I Inc	458.77	-		2.67	2.44	17.83	8.01
Artemis Monthly Dist I Inc	136.27	-		-2.80	3.05	30.37	12.69
Artemis Positive Future Fund	193.52	-		2.68	0.55	15.34	4.44
Artemis Short-Dn Strat Bond	119.30	-		0.22	4.63	10.84	2.89
Artemis SmartGARP Eur Eq I Acc	73.64	-		-0.07	5.78	12.77	2.29
Artemis SmartGARP Global Emr Eq I Acc	288.32	-		0.18	3.46	20.52	9.34
Artemis SmartGARP Glo Eq I Acc	78.12	-		-0.12	4.36	18.82	6.07
Artemis SmartGARP UK Eq I Acc	65.92	-		0.65	0.00	-2.67	-13.84
Artemis Strategic Assets I Acc	102.39	-		-0.12	1.58	2.26	5.84
Artemis Strategic Bond I Q Acc	113.14	-		0.47	4.52	11.08	0.08
Artemis UK Select Fund Class I Acc	1024.07	-		-0.61	2.13	24.74	9.24
Artemis UK Smaller Cos I Acc	2513.31	-		-17.88	2.05	26.37	4.98
Artemis UK Special Sits I Acc	949.47	-		0.28	2.03	18.30	5.48
Artemis US Extended Alpha I Acc	446.44	-		7.66	0.00	26.15	12.53
Artemis US Select I Acc	409.92	-		7.42	0.00	29.48	10.27
Artemis US Smlr Cos I Acc	378.36	-		2.08	0.00	24.68	2.23

Artemis Investment Management LLP (UK)
Cayzer House, 30 Buckingham Palace Road, London SW1W 0RE 020 7073 8900
Authorised Inv Funds

Fund	Bid		Offer	+/-	Yield	1Yr	3Yr
Artemis Corporate Bond I Acc	2841.76	-		-10.84	3.20	18.36	10.75
Artemis European Select I Acc	109.30	-		0.44	5.07	11.54	-1.86
Artemis Global Income I Inc	571.78	-		-4.03	2.62	18.72	12.30
Artemis Global Select I Acc	151.54	-		-1.31	1.66	13.02	3.58
Artemis High Income I Q Inc	202.99	-		1.44	-	16.29	7.67
Artemis Income I Inc	458.77	-		2.67	2.44	17.83	8.01
Artemis Monthly Dist I Inc	136.27	-		-2.80	3.05	30.37	12.69
Artemis Positive Future Fund	193.52	-		2.68	0.55	15.34	4.44
Artemis Short-Dn Strat Bond	119.30	-		0.22	4.63	10.84	2.89
Artemis SmartGARP Eur Eq I Acc	73.64	-		-0.07	5.78	12.77	2.29
Artemis SmartGARP Global Emr Eq I Acc	288.32	-		0.18	3.46	20.52	9.34
Artemis SmartGARP Glo Eq I Acc	78.12	-		-0.12	4.36	18.82	6.07
Artemis SmartGARP UK Eq I Acc	65.92	-		0.65	0.00	-2.67	-13.84
Artemis Strategic Assets I Acc	102.39	-		-0.12	1.58	2.26	5.84
Artemis Strategic Bond I Q Acc	113.14	-		0.47	4.52	11.08	0.08
Artemis UK Select Fund Class I Acc	1024.07	-		-0.61	2.13	24.74	9.24
Artemis UK Smaller Cos I Acc	2513.31	-		-17.88	2.05	26.37	4.98
Artemis UK Special Sits I Acc	949.47	-		0.28	2.03	18.30	5.48
Artemis US Extended Alpha I Acc	446.44	-		7.66	0.00	26.15	12.53
Artemis US Select I Acc	409.92	-		7.42	0.00	29.48	10.27
Artemis US Smlr Cos I Acc	378.36	-		2.08	0.00	24.68	2.23

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
Emerging Markets Active Equity Fund	$ 127.74	-		2.37	0.00	-1.59	-7.54
Emerging Markets Blended Debt Fund	$ 56.77	-		0.18	4.50	11.41	-5.74
Emerging Markets Corporate Debt Fund	$ 61.15	-		0.07	4.25	10.13	-6.55
Emerging Markets Debt Fund	$ 63.51	-		0.09	4.81	13.91	-5.80
Emerging Markets Equity ESG Fund	$ 149.92	-		2.75	0.00	-0.16	-7.62
Emerging Markets Equity Fund	$ 136.81	-		2.38	0.00	3.91	-5.61
Emerging Markets Frontier Equity Fund	$ 222.89	-		1.06	1.50	17.58	5.82
Emerging Markets Local Currency Bond Fund	$ 62.33	-		0.42	4.89	-1.11	-1.53
Emerging Markets Sovereign Debt Fund	$ 87.21	-		-0.99	0.00	5.48	-6.27

Ashmore Group
61 Aldwych, London WC2B 4AE. Dealing team: +352 27 62 22 233
Authorised Inv Funds

Fund	Bid		Offer	+/-	Yield	1Yr	3Yr
Emerging Markets Active Equity Fund	$ 127.74	-		2.37	0.00	-1.59	-7.54
Emerging Markets Blended Debt Fund	$ 56.77	-		0.18	4.50	11.41	-5.74
Emerging Markets Corporate Debt Fund	$ 61.15	-		0.07	4.25	10.13	-6.55
Emerging Markets Debt Fund	$ 63.51	-		0.09	4.81	13.91	-5.80
Emerging Markets Equity ESG Fund	$ 149.92	-		2.75	0.00	-0.16	-7.62
Emerging Markets Equity Fund	$ 136.81	-		2.38	0.00	3.91	-5.61
Emerging Markets Frontier Equity Fund	$ 222.89	-		1.06	1.50	17.58	5.82
Emerging Markets Local Currency Bond Fund	$ 62.33	-		0.42	4.89	-1.11	-1.53
Emerging Markets Sovereign Debt Fund	$ 87.21	-		-0.99	0.00	5.48	-6.27

Atlantas Sicav

Atlantas Sicav (LUX)
Regulated

Fund	Bid		Offer	+/-	Yield	1Yr	3Yr
American Dynamic	$ 8220.33	-		62.74	0.00	13.40	2.34
American One	$ 8723.54	-		-134.70	0.00	12.59	5.07
Bond Global	€ 1620.74	-		12.92	0.00	6.62	1.73
Eurocroissance	€ 1430.09	-		-11.23	0.00	3.18	-1.41
Far East	$ 950.80	-		-25.23	0.00	-9.06	-9.65

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 USD T	$ 13.44	-		0.35	0.00	22.85	1.65

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)
Brooks Macdonald International Investment Funds Limited

Fund	Bid		Offer	+/-	Yield	1Yr	3Yr
Euro High Income	€ 1.2478	-		0.0017	2.50	5.95	-3.81
High Income	£ 0.6667	-		-0.0003	3.77	10.57	-3.41
Sterling Bond	£ 1.0000	-		0.0052	2.06	10.21	-3.33

Brooks Macdonald International Multi Strategy Fund Limited

Fund	Bid		Offer	+/-	Yield	1Yr	3Yr
Cautious Balanced Strategy	£ 1.3284	-		0.0049	0.00	7.66	-0.65
Cautious Balanced Strategy A	£ 0.9483	-		0.0035	1.89	8.20	-0.18
Balanced Strategy	£ 1.0165	-		0.0055	0.86	9.86	-
Balanced Strategy A	£ 1.0160	-		0.0055	1.34	10.41	-
Growth Strategy	£ 2.2091	-		0.0139	0.00	11.36	2.19
Growth Strategy A	£ 1.0543	-		0.0066	0.90	11.92	2.64
High Growth Strategy	£ 3.1273	-		0.0201	0.00	11.62	2.20
High Growth Strategy A	£ 1.0650	-		0.0069	0.65	12.19	2.64
US$ Growth Strategy	$ 2.0888	-		0.0161	0.00	12.69	-1.00

Dealing Daily. Initial Charge Nil for A classes and up to 2% for other classes

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	$ 27.44	-		0.24	0.00	16.72	5.24
Global Leaders Sustainable Fund USD C	$ 16.41			0.16	0.00	15.64	4.33
Global Sustainable Total Return Bond GBP B	£ 9.59	-		0.04	2.60	4.83	-
Global Sustainable Total Return Bond USD B	$ 10.19	-		0.04	0.00	5.27	-
US Equity Growth Fund USD B	$ 62.55	-		1.00	0.00	15.95	-0.82
US Flexible Equity Fund USD B	$ 33.69	-		0.37	0.00	23.68	8.10
US Mid-Cap Growth Fund USD C	$ 20.78	-		0.11	0.00	12.14	-3.37
US Small Cap Blend Fund USD B	$ 26.39	-		0.19	0.00	13.55	3.02
US Smaller Companies Fund USD B	$ 36.67	-		-0.03	0.00	5.37	-2.73
US Sustainable Growth Fund USD C	$ 33.49	-		0.72	0.00	20.47	4.95
US Sustainable Value Fund USD C Acc	$ 13.64	-		0.16	0.00	21.03	-

CG Asset Management Limited (IRL)
25 Moorgate, London, EC2R 6AY
Dealing: Tel. +353 1434 5098 Fax. +353 1542 2859
FCA Recognised
CG Portfolio Fund Plc

Fund	Bid		Offer	+/-	Yield	1Yr	3Yr
Absolute Return Cls M Inc	£ 137.95	138.56		0.90	2.09	6.34	1.32
Capital Gearing Portfolio GBP P	£ 37021.80	38030.35		262.87	1.70	5.72	0.59
Capital Gearing Portfolio GBP V	£ 183.93	184.94		1.28	1.71	5.72	0.59
Dollar Fund Cls D Inc	£ 160.35	160.83		0.69	1.84	3.16	-0.58
Dollar Hedged GBP Inc	£ 94.26	94.55		0.53	1.75	2.23	-3.92
Real Return Cls A Inc	£ 189.34	189.91		1.06	2.35	1.83	-1.15
UK Index-Linked Bond G Inc	£ 104.81	104.98		0.32	-	-	-

Candriam

Candriam Investors Group (LUX)
FCA Recognised

Fund	Bid		Offer	+/-	Yield	1Yr	3Yr
Candriam Abs Ret Eqt Mkt Neutral-C-Cap	€ 221.33	-		-0.19	0.00	7.61	2.99
Candriam Bds Euro High Yield Cap	€ 1334.89	-		2.13	0.00	9.33	1.45
Candriam Bonds Glb Hi Yield -C-Cap	€ 268.35	-		0.40	0.00	8.98	2.67
Candriam Bonds Glbl Infl Sh Dtion-I-Cap	€ 157.92	-		0.55	0.00	3.79	0.67
Candriam Bonds Total Return - C - Cap	€ 138.15	-		0.56	0.00	4.11	0.59
Candriam Diversified Futures-I-Cap *	€ 13721.88	-		68.10	0.00	-5.17	5.06
Candriam Eqts L Australia Cap	A$ 2163.83	-		11.01	0.00	8.93	6.48
Candriam Eqts L Emerging Mkts Cap	€ 960.02	-		9.60	0.00	7.71	-5.99
Candriam Equities L Biotech-C-Cap	$ 929.50	-		2.87	0.00	21.19	4.98
Candriam Equities L Europe Innov-R-Cap	€ 279.11	-		3.29	0.00	3.90	-3.43
Candriam Index Arbitrage-C - Cap	€ 1492.78	-		1.31	0.00	4.76	1.76
Candriam Long Short Credit-R - Cap	€ 113.34	-		0.05	0.00	5.51	2.30
Candriam Risk Arbitrage - C - Cap	€ 2590.42	-		-0.94	0.00	5.72	0.90
Candriam Sust Bond Emerg Mkts-I-DIST	$ 800.50	-		2.83	8.29	5.74	-3.38
Candriam Sust Bond Euro Corp-R-Cap	€ 105.50	-		0.18	0.00	7.73	-1.77
Candriam Sust Bond Global-HighYield-I-Cap	€ 1180.07	-		1.57	0.00	7.06	0.53
Candriam Sust Eq Clrl Econ-R-Cap	$ 144.78	-		1.84	0.00	2.69	-3.51
Candriam Sust Eq Clmt Action- I - Cap	$ 1681.41	-		28.51	0.00	0.85	-4.27
Candriam Sust Eq Emerging Mkts-C-Cap	€ 120.76	-		1.02	0.00	1.61	-9.20
Candriam Sust Eq EMU-C-Cap	€ 187.46	-		1.12	0.00	6.70	3.35
Candriam Sust Eq Eurp S&M Caps-I-Cap	€ 2466.56	-		15.36	0.00	1.61	-4.54
Candriam Sust Eq World -C-Cap	€ 37.05	-		0.44	0.00	17.14	6.90
NYLIM GF US HighYieldCop Bond-R-Cap	$ 155.31	-		0.27	0.00	9.40	2.47

Candriam Investors Group
Other International Funds

Fund	Bid		Offer	+/-	Yield	1Yr	3Yr
Candriam Bds Euro Sh Term Cap	€ 2092.14	-		1.35	0.00	4.35	0.23
Candriam Bonds Credit Opportunities	€ 209.75	-		0.15	0.00	4.73	1.10
Candriam Bonds Emerg Mkt -C-Cap	$ 2695.60	-		5.81	0.00	13.50	-0.66
Candriam Equities L Eurp Opt Qlit-I-Cap	€ 220.36	-		1.34	0.00	1.67	-1.36
Candriam Equities L Globa Demg-R-Cap	€ 318.50	-		4.26	0.00	18.38	7.50
Candriam Equities L Onco impt-I-Cap	$ 3011.69	-		1.97	0.00	13.95	1.96
Candriam Equities L Robt& InvTech-I-Cap	$ 4516.50	-		148.56	0.00	16.96	3.64

Cantab Asset Management Ltd (UK)
01223 522000
www.cantabam.com
FCA Recognised

Fund	Bid		Offer	+/-	Yield	1Yr	3Yr
VT Cantab Balanced A GBP Acc	£ 1.13	-			0.00	0.73	6.41	-2.80
VT Cantab Moderate A GBP Acc	£ 1.15	-			0.00	0.82	7.51	-2.21
VT Cantab Sustainable Glbl Eq A GBP Acc	£ 1.42	-			0.00	0.46	12.01	8.28

Chartered Asset Management Pte Ltd
Other International Funds

Fund	Bid		Offer	+/-	Yield	1Yr	3Yr
CAM-GTF VCC	$ 329429.78	329429.78	904180	-		-6.36	3.78
CAM GTi VCC	$ 780.49	-		-32.39	-	12.31	4.69
RAIC VCC	$ 1.64	1.64		0.03	2.06	5.74	-1.66

Dodge & Cox Worldwide Funds (IRL)
48-49 Pall Mall, London SW1Y 5JG.
www.dodgeandcox.com +44 (0)203 642 3370
FCA Recognised
Dodge & Cox Worldwide Funds - Global Bond Fund

Fund	Bid		Offer	+/-	Yield	1Yr	3Yr
EUR Accumulating Class	€ 17.58	-		0.09	0.00	8.99	4.22
EUR Accumulating Class (H)	€ 11.43	-		0.07	0.00	5.35	-0.52
EUR Distributing Class	€ 11.88	-		0.07	4.53	9.02	3.24
EUR Distributing Class (H)	€ 7.68	-		0.05	4.32	5.45	-1.89
GBP Distributing Class	£ 12.28	-		0.05	4.71	7.06	3.74
GBP Distributing Class (H)	£ 8.35	-		0.05	4.91	6.78	0.55
USD Accumulating Class	$ 13.72	-		0.08	0.00	7.27	1.07

Dodge & Cox Worldwide Funds - Global Stock Fund

Fund	Bid		Offer	+/-	Yield	1Yr	3Yr
USD Accumulating Share Class	$ 36.76	-		0.08	0.00	11.33	7.67
GBP Accumulating Share Class	£ 47.03	-		0.02	0.00	11.10	10.50
GBP Distributing Share class	£ 30.91			0.01	1.38	11.11	10.13
EUR Accumulating Share Class	€ 51.01	-		0.06	0.00	13.08	11.01
GBP Distributing Class (H)	£ 16.34	-		0.04	1.93	10.48	6.05

Dodge & Cox Worldwide Funds-U.S. Stock Fund

Fund	Bid		Offer	+/-	Yield	1Yr	3Yr
USD Accumulating Share Class	$ 48.75	-		-0.01	0.00	17.16	8.00
GBP Accumulating Share Class	£ 58.99	-		-0.12	0.00	16.95	10.85

Dragon Capital

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	$ 31.18	-		-0.69	0.00	5.59	-3.88

edentree investment management

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	359.80	-		-3.10	2.42	11.27	7.41
EdenTree European Equity Cls B Inc	363.30	-		-3.20	2.91	11.84	8.01
EderTree Global Equity Cls A Inc	373.00	-		3.00	1.19	8.38	1.96
EderTree Global Equity Cls B Inc	376.00	-		3.00	1.61	8.97	2.51
Edentree Global Impact Bond B	83.64	-		0.35	2.97	7.57	-
Edertree Green Future B Net Inc	114.80	-		1.40	1.10	12.32	-
EdenTree Green Infrastructure Cls B Inc	£ 0.85	-		0.00	6.49	-1.14	-
EdenTree Managed Income Cls A Inc	124.50	-		-0.40	4.46	10.61	2.90
EdenTree Managed Income Cls B Inc	133.60	-		-0.40	4.57	10.92	3.36
EdenTree Multi-Asset Balanced Cls B Acc	£ 1.01	-		0.01	2.11	9.32	-0.36
EdenTree Multi-Asset Cautious Cls B Acc	£ 1.00	-		0.00	2.10	8.39	-0.48
EdenTree Multi-Asset Growth Cls B Acc	£ 1.03	-		0.00	1.85	10.50	0.42
EdenTree Responsible and Sust S Dtd Bd B	96.00	-		0.16	3.10	7.55	0.54
EderTree Sterling Bond Cls A Inc	87.83	-		0.45	4.37	11.05	-2.18
EderTree Sterling Bond Cls B Inc	100.20	-		0.60	4.37	11.83	-1.54
EdenTree UK Equity Cls A Inc	226.10	-		0.70	1.95	5.08	-3.42
EdenTree UK Equity Cls B Inc	227.10	-		0.70	2.53	5.68	-2.88
EdenTree UK Equity Opps Cls A Inc	308.70	-		0.00	1.53	14.56	-3.41
EdenTree UK Equity Opps Cls B Inc	314.90	-		0.10	1.99	15.20	-2.87

Euronova Asset Management UK LLP (CYM)
Regulated

Fund	Bid		Offer	+/-	Yield	1Yr	3Yr
Smaller Ccs Cls One Shares	€ 56.35	-		-0.30	0.00	3.87	-3.29
Smaller Ccs Cls Two Shares	€ 35.68	-		-0.19	0.00	3.36	-3.79
Smaller Ccs Cls Three Shares	€ 17.80	-		-0.10	0.00	3.31	-4.07
Smaller Ccs Cls Four Shares	€ 23.47	-		-0.12	0.00	3.35	-3.32

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	£ 3.20	-		0.02	1.10	15.25	7.21
American Fund W-ACC-GBP	£ 69.69	-		0.55	0.00	18.70	5.04
American Special Sits W-ACC-GBP	£ 26.68	-		0.54	0.54	16.40	12.50
Asia Fund W-ACC-GBP	£ 16.00	-		0.26	0.93	3.90	-3.24
Asia Pacific Ops W-Acc	£ 2.85	-		0.04	1.20	-1.42	-1.08
Asian Dividend Fund W-ACC-GBP	£ 2.43	-		0.03	2.69	6.30	3.75
Cash Fund W-ACC-GBP	£ 1.11	-		0.00	4.58	5.36	2.99
China Fund W-Accumulation (UK)	£ 2.00	-		0.02	0.79	-22.36	-16.25
Emerging Mkts NAV	£ 7.21	-		-0.16

MANAGED FUNDS SERVICE

Fund	Bid	Offer	+/-	Yield	1Yr	3Yr
Charifund Acc	33528.74	-	-125.51	4.94	15.40	6.19
M&G Charibond Charities Fixed Interest Fund (Charibond) Inc	£ 1.10	-	-0.01	3.88	8.77	-0.63
M&G Charibond Charities Fixed Interest Fund (Charibond) Acc	£ 41.99	-	0.19	3.51	8.78	-0.63
M&G Charity Multi Asset Fund Inc	£ 0.95	-	0.00	4.21	11.92	6.33
M&G Charity Multi Asset Fund Acc	£ 121.35	-	0.30	3.66	11.92	6.33

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	6.13

Marwyn Asset Management Limited (CYM)
Regulated

Marwyn Value Investors	£ 329.72	-	-5.14	0.00	-	-7.17

McInroy & Wood Portfolios

McInroy & Wood Portfolios Limited (UK)
Easter Alderston, Haddington, EH41 3SF 01620 825867
Authorised Inv Funds

Balanced Fund Personal Class Units	6192.40	-	7.20	1.40	5.51	2.46
Income Fund Personal Class Units	3043.00	-	10.00	2.40	10.69	5.22
Emerging Markets Fund Personal Class Units	2056.00	-	16.80	1.48	-7.43	-2.14
Smaller Companies Fund Personal Class Units	6462.30	-	-4.00	1.30	4.48	-4.11

MILLTRUST INTERNATIONAL

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	$ 86.62	-	-0.58	0.00	-12.93	-11.60

Milltrust International Managed Investments SPC
em@milltrust.com, +44(0)20 8123 8315, www.milltrust.com
Regulated

Milltrust Alaska Brazil Fund SP A	$ 79.55	-	0.13	0.00	-25.97	-0.62
Milltrust Laurium Africa Fund SP A	$ 106.79	-	2.31	0.00	1.92	0.33
Milltrust Marcellus India Fund SP	$ 165.76	-	0.09	0.00	24.00	7.07
Milltrust Singular ASEAN Fund SP Founders	$ 153.26	-	0.87	0.00	15.15	-1.00
Milltrust SPARX Korea Equity Fund SP A	$ 133.28	-	2.32	0.00	-3.52	-8.35
Milltrust Xingtai China Fund SP A	$ 75.27	-	2.23	0.00	-25.58	-21.33
The Climate Impact Asia Fund SP A	$ 67.39	-	-0.36	0.00	-20.33	-12.67

Ministry of Justice Common Investment Funds (UK)
Property & Other UK Unit Trusts

The Equity Idx Tracker Fd Inc Distribution Units	2146.00	-	4.00	2.29	12.91	5.87

Fund	Bid	Offer	+/-	Yield	1Yr	3Yr
Trojan Income O Inc	173.11	-	-1.99	2.95	6.63	0.92

MIRABAUD ASSET MANAGEMENT

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	$ 127.80	-	0.38	0.00	8.57	0.85
Mir. - Discéur D Cap GBP	£ 192.14	-	0.45	0.00	19.50	-3.39

OASIS

Oasis Crescent Global Investment Funds (UK) ICVC (UK)
Regulated

Oasis Crescent Global Equity Fund USD A (Dist)	$ 39.19	-	0.28	0.77	8.06	0.60
Oasis Crescent Global Income Fund USD A (Dist)	$ 10.20	-	0.02	3.75	5.57	0.25
Oasis Crescent Global Low Equity Fund USD U (Dist)	$ 13.15	-	0.04	1.50	6.49	0.16
Oasis Crescent Global Medium Equity Fund USD A (Dist)	$ 14.81	-	0.06	1.05	6.90	0.38
Oasis Crescent Global Property Equity Fund USD A (Dist)	$ 9.21		0.01	1.87	15.25	0.51
Oasis Crescent Globa Short Term Income Fund USD A (Dist)	$ 0.94	-	0.00	3.63	4.13	1.04
Oasis Crescent Variable Func GBP A (Dist)	£ 10.33	-	0.06	0.70	7.35	0.50

Omnia Fund Ltd
Other International Funds

Estimated NAV	$ 1159.00	-	0.00	0.00	26.05	21.11

PLATINUM CAPITAL MANAGEMENT

Platinum Capital Management Ltd
Other International Funds

Flatinum All Star Fund - A	$ 164.99	-	-	-	9.63	2.08
Platinum Global Growth UCITS Fund	$ 9.82	-	-0.09	0.00	10.84	-12.28
Platinum Essential Resources UCITS Fund 3ICAV USD Class E	$ 9.42	-	-0.70	0.00	-19.83	13.34
Platinum Global Dividend UCITS Fund	$ 47.56	-	-0.05	0.00	0.85	-7.23

Private Fund Mgrs (Guernsey) Ltd (GSY)
Regulated

Monument Growth 30/07/2024	£ 576.84	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	$ 166.15	-	0.07	5.79	-3.23	2.40

Purisima Investment Fds (UK) (1200)F (UK)
3rd Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL
Order Desk and Enquiries: 0345 922 0044
Authorised Inv Funds
Authorised Corporate Director - Waystone Management (UK) Limited

Global Total Fd PCG A	527.93	-	3.92	0.26	23.33	9.99
Global Total Fd PCG B	520.36	-	3.86	0.07	23.03	9.71
Global Total Fd PCG INT	509.06	-	3.78	0.00	22.72	9.44

Purisima Investment Fds (CI) Ltd (JER)
Regulated

PCG B ✠	409.42	-	2.37	0.00	22.38	5.93
PCG C ✠	396.89	-	2.29	0.00	22.11	5.70

Ram Active Investments SA
www.ram-ai.com
Other International Funds

RAM Systematic Emerg Markets Eq	$ 253.90	253.90	3.91	-	3.07	1.59
RAM Systematic European Eq	€ 618.28	618.28	3.75	-	15.38	1.96
RAM Systematic Funds Global Sustainable Income Eq	$ 183.29	183.29	1.33	0.00	15.55	5.43
RAM Systematic Long/Short European Eq	€ 169.73	169.73	-0.36	-	18.24	4.20

Royal London (UK)
80 Fenchurch Street, London EC3M 4BY
Authorised Inv Funds

Royal London Sustainable Diversified A Inc	£ 2.64	-	0.01	1.31	12.25	1.43
Royal London Sustainable World A Inc	409.20	-	3.40	0.69	14.02	3.09
Royal London Corporate Bond Mth Income	77.78	-	0.00	4.91	11.15	-2.16
Royal London European Growth Trust	229.70	-	-1.70	1.71	9.09	4.94
Royal London Sustainable Leaders A Inc	879.60	-	0.80	1.48	12.93	4.98
Royal London UK Growth Trust	697.70	-	-6.30	2.03	14.80	4.16
Royal London UK Income With Growth Trust	222.70	-	-0.50	4.55	15.11	6.39
Royal London US Growth Trust	514.20	-	7.10	0.02	23.96	13.69

Additional Funds Available
Please see www.royallondon.com for details

Ruffer LLP (1000)F (UK)
3rd Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL
Order Desk and Enquiries: 0345 601 9610
Authorised Inv Funds
Authorised Corporate Director - Waystone Management (UK) Limited

WS Ruffer Diversified Rtrn C Acc	102.47	-	0.19	1.14	2.29	-
WS Ruffer Diversified Rtrn C Inc	99.41	-	0.18	1.15	2.27	-
WS Ruffer Equity & General C Acc	635.73	-	12.49	1.21	9.72	3.52
WS Ruffer Equity & General C Inc	566.63	-	11.13	1.23	9.72	3.52
WS Ruffer Gold C Acc	317.99	-	-5.39	0.32	35.05	6.83
WS Ruffer Gold C Inc	191.64	-	-3.26	0.33	35.05	6.83
WS Ruffer Total Return C Acc	546.25	-	8.67	1.95	1.80	0.30
WS Ruffer Total Return C Inc	329.51	-	5.23	1.98	1.80	0.30

Rubrics Global UCITS Funds Plc (IRL)
www.rubricsam.com
Regulated

Rubrics Emerging Markets Fixed Income UCITS Fund	$ 142.42	-	0.32	0.00	0.90	0.31
Rubrics Global Credit UCITS Fund	$ 17.90	-	0.03	0.00	5.72	-0.54
Rubrics Global Fixed Income UCITS Fund	$ 177.30	-	0.34	0.00	3.67	-0.63

STONEHAGE FLEMING
GLOBAL BEST IDEAS EQUITY FUND

Stonehage Fleming Investment Management Ltd (IRL)
www.stonehagefleming.com/gbi
enquiries@stonehagefleming.com
Regulated

SF Global Best Ideas Eq B USD ACC	$ 272.98	-	1.53	0.00	6.58	-1.21
SF Global Best Ideas Eq D GBP INC	£ 222.43	-	1.41	0.00	6.76	1.43

SUPERFUND INVEST BETTER

Superfund Asset Management GmbH
www.superfund.com, +43 (1) 247 00
Other International Funds
Other International Funds

Superfund Green Gold	$ 1068.16	-	18.13	0.00	7.28	-11.64
Superfund Green Silver	$ 696.17	-	20.45	0.00	-0.26	-16.47
Regulated						
Superfund Green US$	$ 684.91	-	5.85	0.00	-6.86	-16.45
Superfund Black Blockchain EUR	€ 19.53	-	-0.49	0.00	58.01	-
Superfund Gold Silver & Mining EUR	€ 11.18	-	0.02	-	-	-

Thesis Unit Trust Management Limited (UK)
Exchange Building, St Johns Street, Chichester, West Sussex, PO19 1UP
Authorised Funds

TM New Court Fund A 2011 Inc	£ 20.94	-	0.11	0.56	8.28	1.79
TM New Court Fund - A 2014 Acc	£ 21.25	-	0.11	0.57	8.31	1.80
TM New Court Equity Growth Fund - Inc	£ 23.34	-	0.10	0.17	9.41	1.87

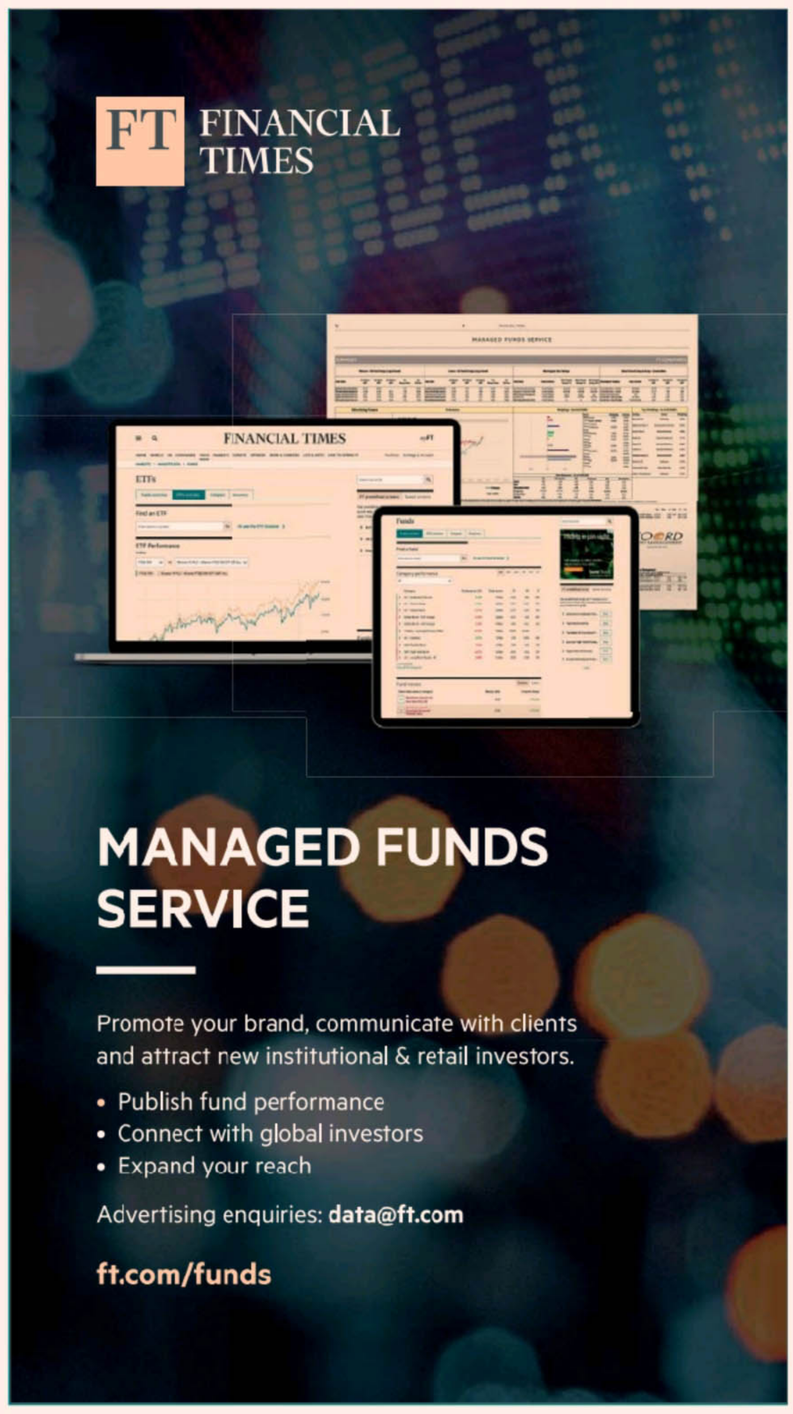
Toscafund Asset Management LLP
www.toscafund.com

Tosca Mid Cap GBP	£ 117.80	-	-0.64	0.00	-29.93	-21.59
Tosca Opportunity B USD	$ 252.81	-	-15.03	0.00	-29.95	-19.96
Pegasus Fund Ltd A-1 GBP	£ 27.03	-	-0.23	0.00	-32.66	-22.42

TROY ASSET MANAGEMENT

Troy Asset Mgt (1200) (UK)
3rd Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL
Order Desk and Enquiries: 0345 608 0950
Authorised Inv Funds
Authorised Corporate Director - Waystone Management (UK) Limited
Trojan Investment Funds

Trojan Ethical Global Inc O Acc	109.43	-	-0.58	2.41	5.46	-
Trojan Ethical Global Inc O Inc	101.94	-	-1.20	2.44	4.79	-
Trojan Ethical O Acc	138.19	-	0.62	1.22	8.10	2.66
Trojan Ethical O Inc	136.06	-	0.61	1.43	8.11	2.73
Trojan Ethical Income O Acc	153.91	-	0.03	2.58	10.14	2.11
Trojan Ethical Income O Inc	122.19	-	-1.32	2.64	8.95	1.74
Trojan Fund O Acc	407.42	-	1.37	1.01	5.91	2.06
Trojan Fund O Inc	325.48	-	1.09	1.02	5.91	2.06
Trojan Global Equity O Acc	599.50	-	0.13	0.21	14.35	5.68
Trojan Global Equity O Inc	493.52	-	0.11	0.21	14.35	5.68
Trojan Global Income O Acc	163.10	-	-0.97	2.91	4.63	4.16
Trojan Global Income O Inc	129.00	-	-1.76	2.96	3.83	3.89
Trojan Income O Acc	571.18	-	-0.16	2.85	7.80	1.29

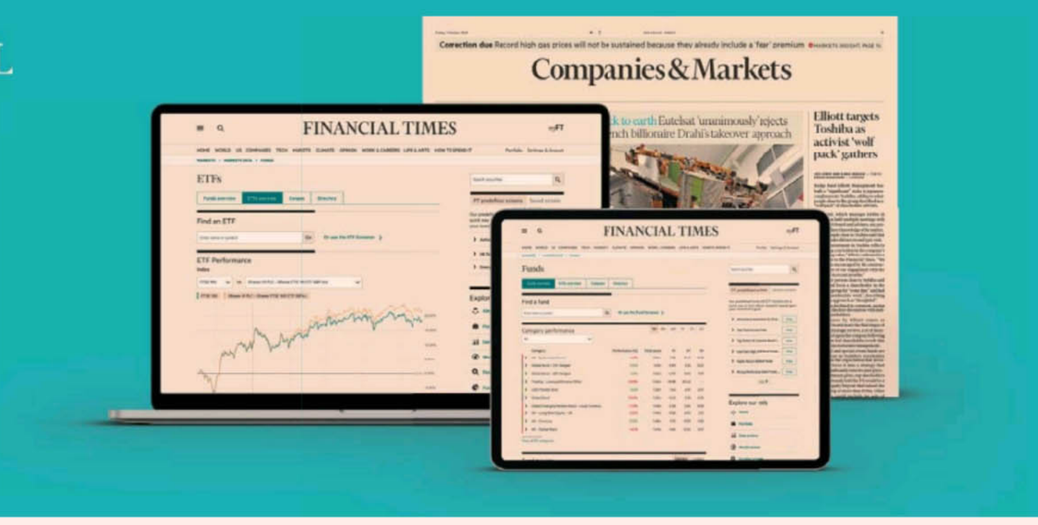




Guide to Data

The fund prices quoted on these pages are supplied by the operator of the relevant fund. Details of funds published on these pages, including prices, are for the purpose of information only and should only be used as a guide. The Financial Times Limited makes no representation as to their accuracy or completeness and they should not be relied upon when making an investment decision.
The sale of interests in the funds listed on these pages may, in certain jurisdictions, be restricted by law and the funds will not necessarily be available to persons in all jurisdictions in which the publication circulates. Persons in any doubt should take appropriate professional advice. Data collated by **Morningstar**. For other queries contact **reader.enquiries@ft.com+44 (0)207 873 4211**.
The fund prices published in this edition along with additional information are also available on the Financial Times website, **www.ft.com/funds**. The funds published on these pages are grouped together by fund management company.
Prices are in pence unless otherwise indicated. The change, if shown, is the change on the previously quoted figure (not all funds update prices daily). Those designated $ with no prefix refer to US dollars. Yield percentage figures (in Tuesday to Saturday papers) allow for buying expenses. Prices of certain older insurance linked plans might be subject to capital gains tax on sales.
Guide to pricing of Authorised Investment Funds: (compiled with the assistance of the IMA. The Investment Association, Camomile Court 23 Camomile Street, London EC3A 7LL. Tel: +44 (0)20 7831 0898.)
OEIC: Open-Ended Investment Company. Similar to a unit trust but using a company rather than a trust structure.
Different share classes are issued to reflect a different currency, charging structure or type of holder.
Selling price: Also called bid price. The price at which units in a unit trust are sold by investors.
Buying price: Also called offer price. The price at which units in a unit trust are bought by investors. Includes manager's initial charge.
Single price: Based on a mid-market valuation of the underlying investments. The buying and selling price for shares of an OEIC and units of a single priced unit trust are the same.
Treatment of manager's periodic capital charge: The letter C denotes that the trust deducts all or part of the manager's/operator's periodic charge from capital, contact the manager/operator for full details of the effect of this course of action.
Exit Charges: The letter E denotes that an exit charge may be made when you sell units, contact the manager/operator for full details.
Time: Some funds give information about the timing of price quotes. The time shown alongside the fund manager's/operator's name is the valuation point for their unit trusts/OEICs, unless another time is indicated by the symbol alongside the individual unit trust/OEIC name.
The symbols are as follows: ✠ 0001 to 1100 hours; ♦ 1101 to 1400 hours; ▲ 1401 to 1700 hours; # 1701 to midnight. Daily dealing prices are set on the basis of the valuation point, a short period of time may elapse before prices become available. Historic pricing: The letter H denotes that the managers/operators will normally deal on the price set at the most recent valuation. The prices shown are the latest available before publication and may not be the current dealing levels because of an intervening portfolio revaluation or a switch to a forward pricing basis. The managers/operators must deal at a forward price on request, and may move to forward pricing at any time. Forward pricing: The letter F denotes that that managers/operators deal at the price to be set at the next valuation.
Investors can be given no definite price in advance of the purchase or sale being carried out. The prices appearing in the newspaper are the most recent provided by the managers/operators. Scheme particulars, prospectus, key features and reports: The most recent particulars and documents may be obtained free of charge from fund managers/operators. * Indicates funds which do not price on Fridays.
Charges for this advertising service are based on the number of lines published and the classification of the fund. Please contact **data@ft.com or call +44 (0)20 7873 3132** for further information.

Data Provided by
MORNINGSTAR®
www.morningstar.co.uk
Data as shown is for information purposes only. No offer is made by Morningstar or this publication.



MANAGED FUNDS SERVICE

Promote your brand, communicate with clients and attract new institutional & retail investors.

Advertising enquiries: data@ft.com

ft.com/funds

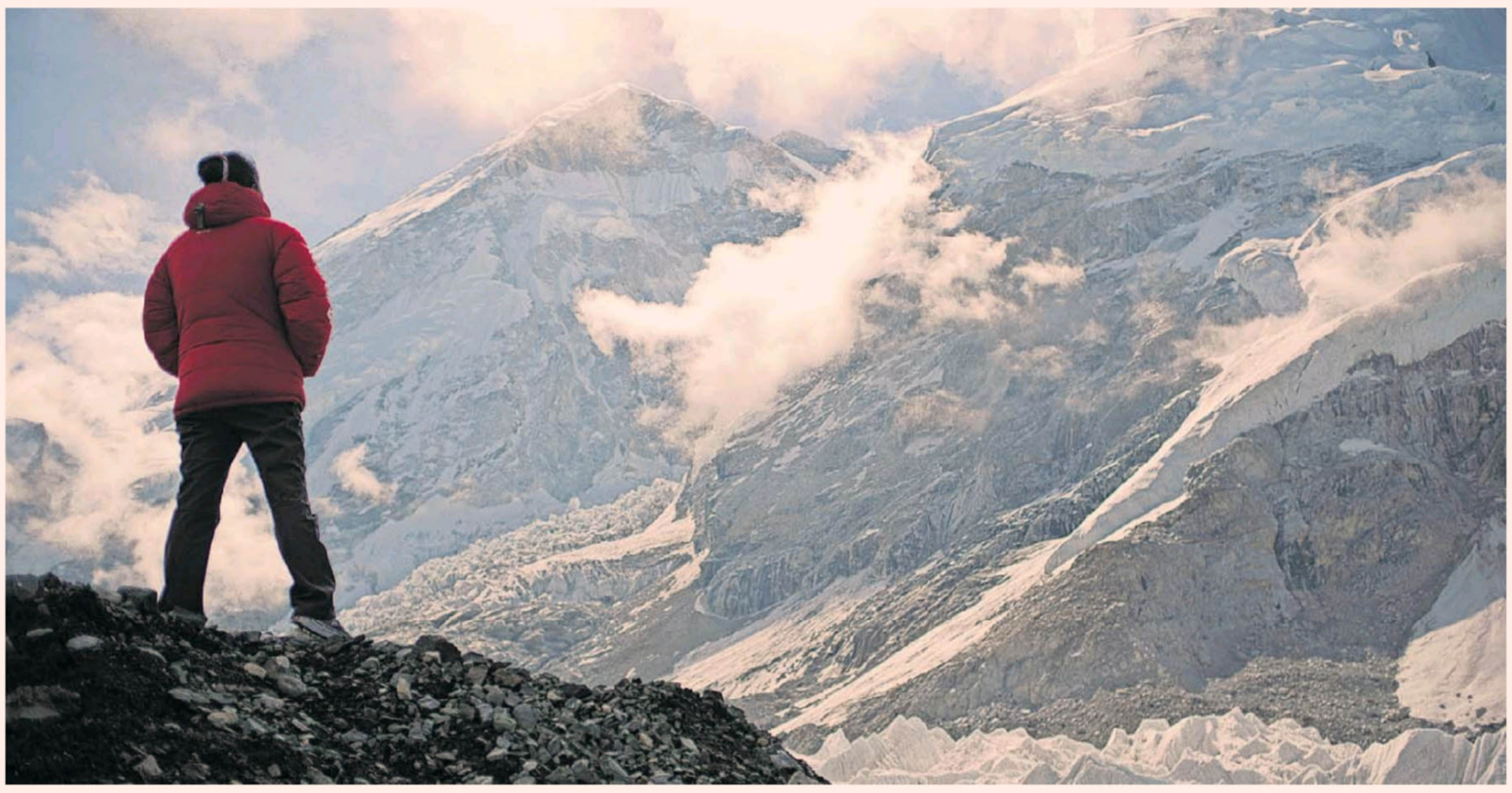
ARTS

Unexpected tale of the woman who rules Everest

FILM



Danny Leigh



Mountain Queen
Lucy Walker
★★★★☆

Didi
Sean Wang
★★★☆☆

A Story of Bones
Joseph Curran & Dominic Aubrey de Vere
★★★★☆

Kensuke's Kingdom
Neil Boyle & Kirk Hendry
★★★☆☆

The extraordinary abides in unlikely places. In recent years, a middle-aged Nepalese woman called Lhakpa Sherpa has worked at Whole Foods in West Hartford, Connecticut. Customers may not have realised the figure cleaning salad trays was — and is — an icon of climbing.

Likewise, **Mountain Queen**, the admirable new documentary about her, sits on Netflix, next to episodes of *Cobra Kai* and *Bridgerton*. If the film isn't quite as trailblazing as its subject, it still has plenty to recommend it. This is a movie of unusual depth and earned feelgood.

The mountain in question is Everest, which Sherpa has now conquered 10 times — more than any other woman. The film is rightfully a celebration, but it has a worldly edge. She spent her childhood in a rural village, from where locals could see the peak of what they call Chomolungma ("God and mother"). It was the 1980s, and an explosion in elite climbing was transforming the Himalayas.

In the west, the traditional surname Sherpa has become a synonym for the role of guide and porter to foreign adventurers; the job gave routine employment to Nepalese boys and men. And Lhakpa Sherpa? A disappointment to her mother, who saw her as too robust for a daughter. ("Nature girl," Sherpa proudly calls herself now.)

The British director Lucy Walker has form for telling enlightening stories at extreme heights. In 2006, she made the moving documentary *Blindsight*, about blind Tibetan teenagers scaling a Himalayan mountain. Here again, compelling raw material is nimbly shaped. Walker's lens is wide enough for nuance.

And the candour is panoramic. For all the supposed purity of climbing, money is a recurring theme; Sherpa's first ascents were while working as a porter. (In a novelistic detail, she got the gig after cutting her hair short and passing as a boy.)



From top: Lhakpa Sherpa surveys her domain in 'Mountain Queen'; Izaac Wang, second left, as Chris in 'Didi' — Courtesy Netflix, Focus Features/Talking Fish Pictures

Walker gives much of the film over to Sherpa's own on-camera narration. That makes sense tonally. If Sherpas have too often been seen in the west as silent helpmeets, it feels past time to hear this tale first-hand. It also proves a masterstroke given the charisma of the subject, whose use of English packs an evocative punch. "I'm a dirty old raccoon," she says, exhausted, during the 2022 "comeback" climb that the film is built around.

On screen, Everest is a constant wonder; even now, Sherpa is often still awestruck. The film is frank about a mountain that rarely loves its admirers back. Even relatively low altitudes bring nausea. Nightmare crevasses lead to the Death Zone.

Walker must also confront the shadow cast by the late George Dijmarescu, the Romanian-American climber whom Sherpa wed in 2002. His descent into spousal abuse is sensitively dealt with, but it still horrifies. If Sherpa sometimes only seems fully alive on Everest, Dijmarescu threatens to obliterate her. But kudos again to the film: it doesn't let this remarkable woman be defined by someone else's violence.

Not everything is flawless. Emotional conversations with teenage daughters Sunny and Shiny Dijmarescu have the staged feel of reality TV. But maybe you only notice because everything else is so smart and authentic. In another world, the life story of Lhakpa Sherpa would have become a big-screen sensation: a Himalayan *Rocky*. In this one, you will find it shrunk to fit your Netflix menu. But something giant still endures.
On Netflix now

For many people, 2008 still means the year of the global financial crisis. Or like Chris Wang (Izaac Wang) in the bittersweet coming-of-age **Didi**, you may have been 13 at the time. In that case, your memories will likely run more to agonising social blunders than the collapse of Lehman Brothers. Such is the privilege of youth. You don't need to know the banking system has gone haywire to be consumed by anxiety.

There are a lot of social blunders in *Didi*, in which melancholy comes wrapped in a larky package. Like his protagonist, writer-director Sean Wang was 13 the year his story is set. And — *snap!* — he was also a Taiwanese kid growing up in Fremont, California. No shock, then, to sense autobiography at work amid the more generic details of early adolescence. (Braces are fitted inside five minutes.)

Out of school over summer, one day can seem much like the last. In fact, of course, everything is changing. The need to find a girlfriend is urgent, but even that is only part of a bigger issue: the frantic setting-aside of childish things in search of a teenage identity.

For Chris, that process is made more complex by his Asian heritage. (In diverse Fremont, his ethnicity is barely noted until, jarringly, it is.) Much weight comes to rest on the question of what he will even call himself. Is Chris really Chris? Or still Wang Wang, his middle-school nickname? Or even Bigwang510, the alias under which he posts rascally YouTube videos? (Has any lesson in the digital age been harder learned than the deathless nature of a hastily conceived social media username?)

Even language is limited help in pinning down his place in the world. At home, Chris speaks English to his mother, Chungsing (Joan Chen, terrific). But she replies in Mandarin and, like the rest of the family, calls Chris "Dìdi", Chinese for "little brother".

But Wang is intrigued by other languages too. In social media terms, 2008 is prehistory. In *Didi*, we even see people under 50 posting on Facebook. Mostly, through, the teen friendships here live and die on the clunky interface of AOL Instant Messenger. The highest drama unfolds in the evolving shorthand of online conversation, for which the film has a very sharp eye.

You leave wondering what emoji might best capture *Didi*. For all the comic pizzazz, the movie has a sadness at the centre. The prankiest scenes end in mournfully realistic social disaster. And if the 2008 crash does not intrude, signs of the times are still visible. In his awkward, tortured IM exchanges, we could actually call Chris a pioneer: one of the first among the zillion modern teenagers whose inner pain would soon become the stuff of Snapchat, Instagram and TikTok.
In US and UK cinemas now

Ridley Scott's outlandish biopic *Napoleon* closed on Saint Helena, a 10-mile volcanic outcrop in the mid-Atlantic. Two centuries after the emperor's death, his final exile is still what the island is best known for. But the powerful documentary **A Story of Bones** by Joseph Curran and Dominic Aubrey de Vere tells a different tale of what is still a British Overseas Territory — though one no less bound up with history.

The starting point is 2012, the initial focus the long-awaited airport that will at last end the island's reliance on the Royal Mail Ship (a six-day voyage from Cape Town). But the future is seldom free of the past. Construction work uncovers the skeletal remains of 325 enslaved African men, women and children who were buried on the island in the 19th century before being disinterred to make way for an access road.

The fate of those remains becomes an absorbing story in itself, as well as being a microcosm of the painful wider debate about the unresolved legacy of the Atlantic slave trade. At the heart of the story is Annina van Neel, who relocates from Namibia to help oversee the airport project and finds that local authorities have left the bones in boxes in an old prison. The film follows her efforts to ensure they receive a proper reburial.

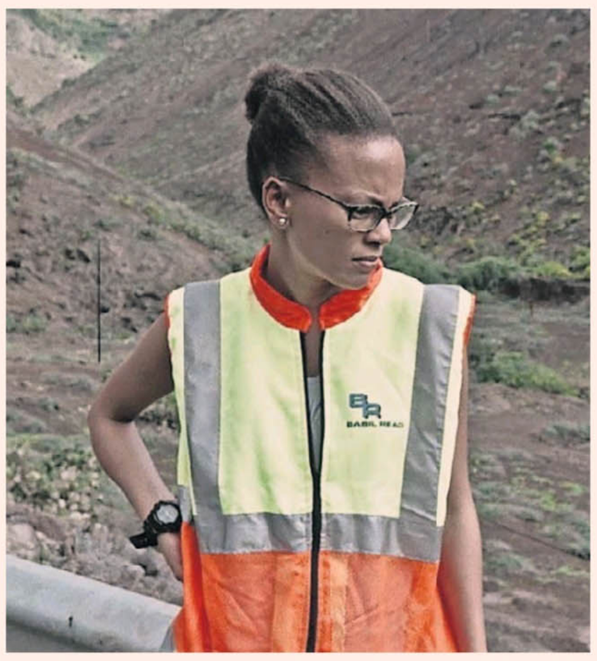
The result is filled with sad ironies. The airport was funded by the UK to kick-start tourism — expected to be driven by Napoleon's tomb, which has lain empty since 1840 but is kept pristine as a landmark. Elsewhere on the island, meanwhile, are human remains with no resting place — and not even names for history to remember them.
In UK cinemas now

The next move after an Oscar is an interesting point in an actor's life. For Cillian Murphy, his first role following his triumph with *Oppenheimer* sees him leave the screen entirely, instead joining the voice cast of gentle animation **Kensuke's Kingdom**. In fact, he's really a supporting player: Murphy's lines must have taken all of a morning to record in a London sound booth. Still, his aural presence alongside Sally Hawkins gives a starry frisson to an otherwise pointedly modest movie.

> On screen, Everest is a constant wonder; even now, Sherpa is often still awestruck

The source is the children's novel by Michael Morpurgo, presented here by Neil Boyle and Kirk Hendry as an old-fashioned adventure yarn. Murphy and Hawkins give voice to two kind-hearted parents, who find themselves unemployed and embark with their teenage daughter and scampish son Michael (Aaron McGregor) on a sailing jaunt around the world. But storms at sea follow those in life, and Michael is soon lost overboard.

Very young children may find this turning point upsetting, which is tricky given they feel like the target audience. Or perhaps that's their parents, cherishing the thought of their children enjoying the soft, slow eco-parable *Kensuke's Kingdom* becomes, in preference to *Despicable Me 4* yet again. The script simplifies Morpurgo's novel too much to give anyone over eight much to chew on. Still, an essential sweetness shines through — and there's even a faint late echo of *Oppenheimer*, for any adult who lasts the journey.
In UK cinemas now



Left: Annina van Neel in 'A Story of Bones'. Below: sweet eco-parable 'Kensuke's Kingdom'



BLACK BRITISH BUSINESS AWARDS

FT FINANCIAL TIMES

ARTS AND MEDIA
FINALISTS

Honouring Black talent in arts and media, we proudly showcase the 2024 finalists excelling in media, design, fashion, performing arts, publishing, and advertising. These game changers and innovators are shaping the future, and we're excited to celebrate their achievements.



Jimi Adesanya
Co-Founder and
Executive Producer
JM Films & Unbound Studios



Monique Reynolds-Blanche
Digital PR Specialist
UK & EMEA Publicity
Netflix



Daniel Carter
Enterprise Customer Experience
Marketing Lead, EMEA
Amazon Web Services



Dr Charisse Oyediwura
CEO
Black Lives In Music



Laura Henry-Allain MBE
Storyteller, Producer,
Educationalist and Consultant
Allain Creatives



Charlene Prempeh
Founder
A Vibe Called Tech
Contributing Editor
Financial Times HTSI

The winners will be revealed on Friday, 11 October 2024 at the InterContinental London Park Lane. This will mark the 11th year of The Black British Business Awards.

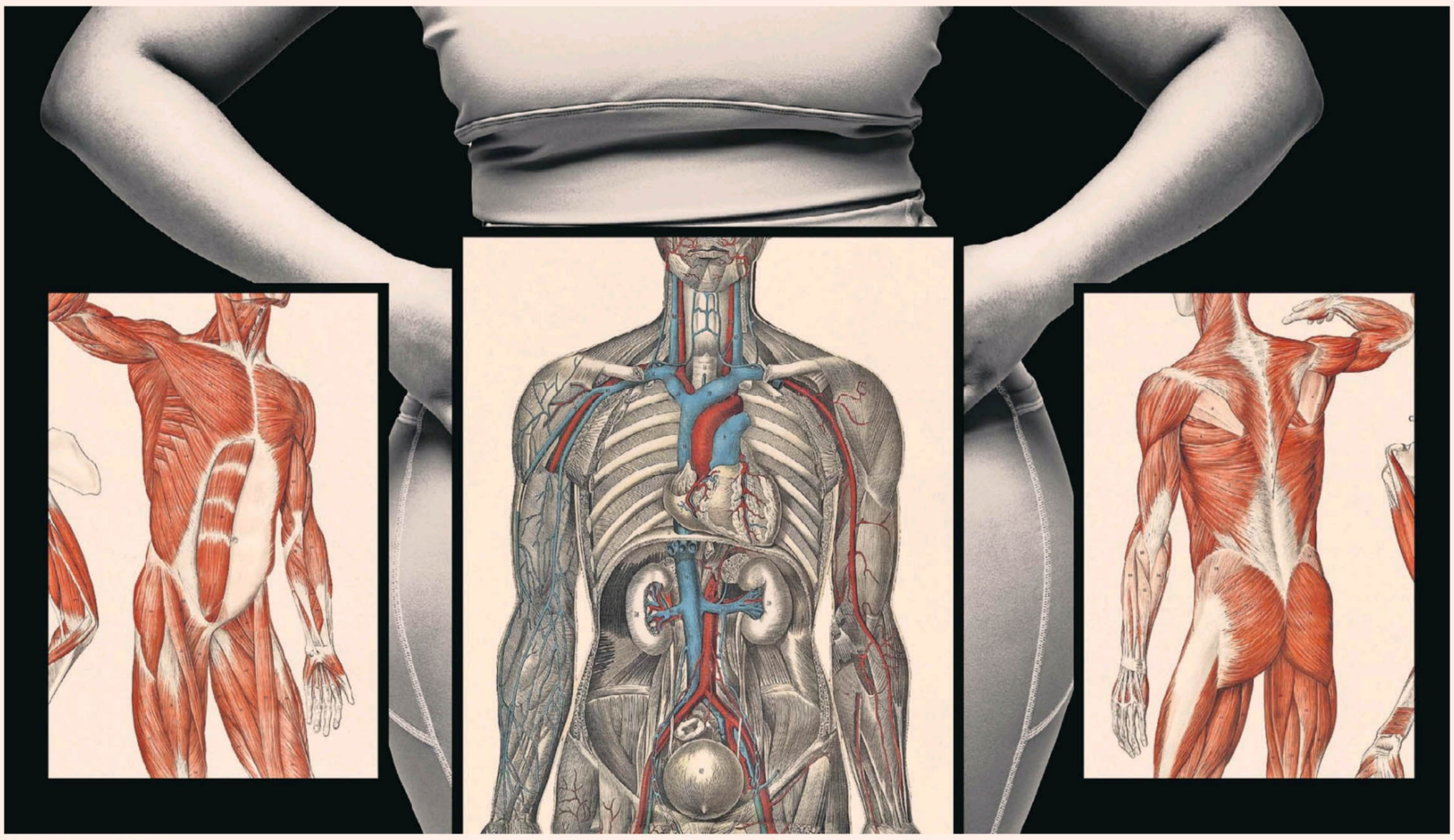
#BBBAWARDS #NEXT #BBBA11

FT BIG READ. HEALTH

For years, the process for developing and testing new drugs has focused disproportionately on male bodies — to the detriment of female patients. Momentum is gathering to fix glaring underrepresentation.

By Sarah Neville

How medical research is failing women



FT montage; Getty Images/Public Domain

Kate Womersley was a medical student at Cambridge university, nervously dissecting her first cadaver, when she noticed an odd lacuna in her anatomy course handbook: there was no mention of breasts.

Puzzlement swiftly turned to anger. Not until 2016, a year after she and a female classmate first raised concerns, were their entreaties heeded and the curriculum adjusted.

Womersley, now a doctor in psychiatry, remains shocked that a hugely significant organ for women's health — after the lung, the second most common site of fatal cancer in females — had been disregarded until so recently at one of the world's most prestigious medical schools. "Having breasts seemed not to be an experience that was reflected in this teaching at all," she says.

The episode changed the trajectory of her career. In 2022, she co-founded the Medical Science Sex and Gender Equity (Message) project at the George Institute for Global Health, which has major centres around the world. The initiative campaigns for policies to ensure sex and gender are accounted for across every stage of the research cycle, from study design and recruitment of participants to data analysis and the reporting of findings.

Womersley is among a band of scientists and clinicians who believe the biological and societal factors that shape women's health have long failed to receive adequate attention from researchers, educators and clinicians.

Bias starts to creep in at the development stage, years before drugs reach patients. Scientists say that pre-clinical testing has sometimes focused disproportionately on male animals and male cells. Then, when the medicines reach human trials, women are persistently under-represented.

This partly reflects concern about testing a drug on those of child-bearing age. The scandal of the anti-morning sickness drug thalidomide, which caused devastating birth defects in babies more than 60 years ago, casts a long shadow. More prosaically, caring responsibilities may make it harder for women to carve out the time commitment a study often demands.

The result is that women are being prescribed drugs that are not simply less effective, but sometimes less safe than they would be for men, researchers argue.

Jill Fisher, professor of social medicine at the University of North Carolina's centre for bioethics, who has extensively researched how clinical trials are conducted, says: "When you're using male bodies to do safety and tolerability studies, essentially you're creating doses of these drugs that are based on the male body . . . generally speaking, larger, heavier bodies, but also bodies that have different fat content."

Data backs up the notion that women suffer disproportionately from a male-centric approach to drug development. Since 2000, women in the US taking approved medicines have reported "total adverse events" — defined as "any untoward medical occurrence" — 52 per cent more frequently than men, and serious or fatal events 36 per cent more frequently, according to Food and Drug Administration information gathered by the McKinsey Health Institute.

Meanwhile, an examination of medicines withdrawn for safety reasons — a process that the institute says requires objective scientific review — found that since 1980 products were three and a half times more likely to be removed because of safety risks in women than in men.

"Historically the white male body has been seen as the scientific norm, so there's a sense that 'whatever we find in men will apply to women'," says Fisher. This assumption — equally evident in the lack of racial diversity in drug trials — is "something that's been very difficult to change in the culture of science".

That has not stopped professionals from trying. Pioneering female researchers first began raising concerns about gender balance in the late 1980s — with some success.

In 1993, the game-changing NIH Revitalisation Act was passed in the US, requiring women to be included in clinical studies funded by the federally backed National Institutes of Health. Around half of participants in the trials it funds are now female, the organisation says.

Teresa Woodruff, president emerita and MSU Foundation professor at Michigan State University, led the push for an equivalent policy in 2016, mandating that female cells must be considered in pre-clinical research before a drug moves into human trials.

Similar steps have been taken in other important drug development markets. Since 2021, one of the core aims of Horizon Europe, a major funder of research across the EU, is "integration of the gender dimension in research and innovation content". Both the FDA and the European Medicines Agency have underscored the importance of diversity in clinical trials so differences in how genders respond can be detected.

But overall, progress has been insufficient to counter decades in which the primacy of male bodies went largely unchallenged, campaigners argue.

This underrepresentation is particularly glaring when judged against the proportion of women with the condition the medicine is designed to address. Global data, analysed for the Financial Times by the IQVIA Institute for Human Data Science, reveals that in Crohn's disease, for example, women made up about 45 per cent of participants in phase 1 studies that test for safety, but comprise 84 per cent of all cases of the condition in the US.

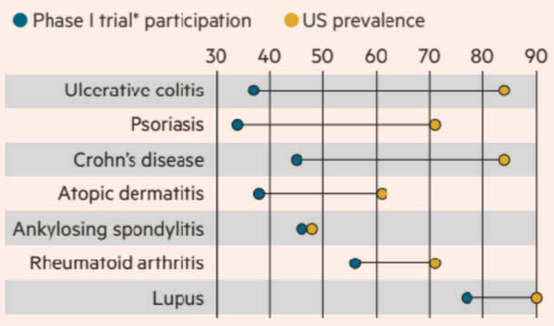
"We're including, by and large, [both] men and women in clinical trials, but we're not doing it in a manner which is balanced or reflective of the prevalence of the disease," says Melina Kibbe, a surgeon who is dean of the University of Virginia's School of Medicine and a long-time advocate of gender inclusive research.

This disparity is especially noticeable in trials of immunotherapy drugs, often considered the gold standard for treatment of advanced cancer.

In the 10 years from 2014, the percentage of women in clinical trials ranged between 37 and 42 per cent, the IQVIA data shows. This is partly because the trials commonly exclude those with a previous history of immune diseases, "substantially penalising women" who make up about 80 per cent of that cohort, says Fabio Conforti, chief of the breast oncology unit at Humanitas Gavazzeni Hospital in Bergamo, Italy. In 2019, he analysed the combined findings of all randomised clinical trials testing immunotherapy in the past 10 years, spanning 11,000 patients. In 19 out of 20 trials, men's survival rate was double that seen in women.

The gap between women suffering from conditions and their representation in trials

% share



Sources: Aggregate analysis of ClinicalTrials.gov database; US Census Bureau; IQVIA Institute analysis • * 2014-23

Conforti emphasises that women continue to derive substantial benefit from the treatment, compared with chemotherapy alone. But his team is now conducting parallel trials in men and women to identify a drug, or a combination of drugs, that would work better in female cancer patients.

He is aiming to control for any differences in lifestyle and behaviour between the two groups, which other researchers have suggested could have been a factor in women's poorer results.

The importance of considering sociological as well as biological factors when thinking about why illness and drug treatment may manifest differently in men than women is underlined by Charles Swanton, deputy clinical director at the Francis Crick Institute, and one of the world's most respected cancer researchers.

He is studying a subset of lung cancer patients who develop the disease despite having never smoked, after making the "fascinating and worrying observation" that globally the condition is more common in women. A European Research Council grant will help him explore the reasons why, including his hypothesis that women tend to spend more time at the stove than men.

"The answer to this question could be just as simple, and concerning, as cooking oil exposure," Swanton says, adding that oils might behave like air pollutants which his work has previously demonstrated contribute to the development of lung cancer.

But ensuring gender parity in trials is just the first battle. The next challenge is to ensure that findings are regularly broken down by gender, campaigners say.

Regulators are paying more attention to subgroup differences but the UNC's Fisher suggests there is little evidence that this is yet "translating into any differences in clinical recommendations and certainly not preventing drugs from getting to the market".

Antipsychotics prescribed to treat some mental health conditions are one example, says Womersley. While treatment is effective in both sexes, women suffer far more side effects.

As with other areas of medicine, paying greater attention to sex or gender-specific research would spare patients from complications "some of which are just annoying and affect quality of life but some of which are dangerous", she says.

What is being taught in medical schools is a decade behind what is being discovered in the laboratory and in research "but we can't really afford to wait that long for sex and gender disaggregated findings to change the way we practise. In almost every field of medicine, there are harms that are playing out because of this," she adds.

The position of pregnant women is especially sensitive. Since the 1990s, says the UNC's Fisher, the FDA has allowed human clinical trials to start before all animal studies have been completed, particularly those designed to measure so-called reproductive toxicity. The result is that initially researchers "may have no idea how an investigational drug might affect a developing foetus".

In recent years, the FDA has said it is safe for women of "child-bearing potential" to join studies before animal-testing is completed, provided they are monitored, including for pregnancy. But Fisher says that researchers would often "rather just restrict the participation of women [of child-bearing age] than inform them: 'Please don't get pregnant during this clinical trial' and trust that they won't do so".

Yet by excluding small numbers of women from clinical trials in an environment that is monitored and where trouble is quite quickly dealt with "you're just moving that experiment to the real world, with many more women exposed and very little surveillance", Womersley adds. "We're missing an opportunity to capture data, and we're probably introducing a huge amount of risk in the process."

That the idea that treatments should be tailored to reflect genetic differences has become something of an article of faith among clinicians and health policymakers.

Yet some scientists believe this approach, known as "personalised medicine" or its near-cousin "precision medicine", is still failing to take gender into account.

Alberto Mantovani, a globally renowned immunologist who is scientific director at the hospital where Conforti is researching gender and cancer, says that one area that is far too rarely viewed through a gender lens is obesity. It seems to affect the male and female immune systems differently and could be among the factors affecting the response to immunotherapy, he suggested.

Woodruff argues that gender, along with ethnicity, must be elements of any bespoke treatment approach. "People will say, 'Well, it's too costly to do that.' My answer is, 'It's too costly not to.' Personalised medicine represents the revolution that we're all hoping for — so let's get it right, starting with sex as a biological variable," she adds.

'The white male body historically has been seen as the scientific norm, so there's a sense that "whatever we find in men will apply to women"'

'It opens our vista so much wider . . . because you have two cell types that you can ask questions about'

The amount that remains unknown about female biology should be a massive lure for scientists, she argues: "All of a sudden you have the opportunity to study things that nobody has seen before: in the immune system, in kidney health, in inflammation.

"It opens our vista so much wider to opportunities for understanding and exploring fundamental mechanisms, because you have two cell types that you can ask questions about."

Other obstacles remain. Womersley acknowledges that the politically charged debate around issues of sex and gender may be making it harder to argue the case for female-specific research.

But disaggregating data to test for different outcomes in subgroups can lead to better and more effective treatments across the board, she argues. "At this point, there is an emphasis on improving women's health, but it's equally important for the health of men, for non-binary, for trans and intersex patients to have this granularity too," the doctor adds.

Womersley remains hopeful that the climate is changing in favour of more gender-inclusive research.

In 2021, she says, none of the UK organisations that provided money to researchers "had any stipulations that researchers should recruit women and men to their research".

Since then, the Medical Research Council, Cancer Research UK and the British Heart Foundation — all backers of the Message project — have introduced diversity guidelines, and a policy framework around sex and gender inclusion in research is being rolled out to funders across the UK.

Yet the appetite for change may only shift substantially as female scientists increase in number and more reach senior positions, argues Woodruff, citing research that women are generally more aware than men of the need for gender balance.

She adds: "You might say, 'This is a workforce issue' [but] . . . it's about the culture of science that we have to continue to work in and through."

In the meantime, Woodruff has some simple advice for women being prescribed a new medication — which may ultimately cascade down through the drug development pipeline to ensure their voices resound more loudly.

"People need to ask their physician: 'Was this drug tested for me?' The physician needs to ask the drug rep, and then the drug rep needs to ask the pharma company that produced the medicine, and they need to ask the researchers who carried out the fundamental science."

She adds: "Drug companies — and all of us — need to see that the group most at risk for adverse outcomes is going to be the sex that's often left out. And that, right now, is women."

The FT View



FINANCIAL TIMES
'Without fear and without favour'

A momentous week for central banks

The rate-cutting cycle is unlikely to be a smooth ride down

Rate decisions made over the past 48 hours sum up the varied trade-offs facing central banks around the world. The Bank of Japan, US Federal Reserve and Bank of England all met this week — and they each shifted policy in a different direction.

Yesterday the BoE cut interest rates, for the first time since 2020, by 25 basis points. The cost of credit had stood at 5.25 per cent, a 16-year high, since last August. The day before, the Fed held rates but signalled that it may join the BoE and the European Central Bank (which cut rates in June) by making its first cut in September. Earlier on Wednesday, the BoJ raised rates — for only the second time since 2007 — to around 0.25 per cent.

With the exception of Japan, the global rate-cutting cycle is under way. Most major central banks have already made their first cuts, or are on the cusp of doing so. The BoJ is responding to a weak yen, and signs that the country may finally be winning its long battle with deflationary dynamics. But elsewhere, the global inflationary genie — triggered by the pandemic and war in Ukraine — looks to have been largely contained. Composite annual price growth in advanced economies has fallen from 7.9 per cent in October 2022, to around 3 per cent recently.

Higher rates have squeezed demand, and central bankers deserve credit for helping to contain and bring down inflationary pressures. Attention is now turning to what the climb down might look like. Rather than a gentle series of quarter-point drops, it is likely to be characterised by skips and jumps.

Take the Fed. Chair Jay Powell said the central bank needed more evidence that inflation was falling persistently before cutting. The risk is that US economic activity becomes overly constricted. The Fed's preferred measure of inflation fell to 2.5 per cent in June, and price pressures are easing. The jobs market is cooling and wage growth is falling.

But US unemployment, credit card delinquencies and jobless claims are rising under the pressure of higher rates. And economic slowdowns have a tendency to spiral. That makes calibrating the easing cycle with economic activity difficult, particularly as rate changes act with a lag. Mis-steps are possible, and gentle cuts may not always be suitable.

In Europe, the calculations are slightly different. The decision to start cutting rates in the UK, with inflation bang on target, made sense. It was also reasonable for BoE governor Andrew Bailey to caution against consecutive cuts, with services inflation at 5.7 per cent. He echoed ECB president Christine Lagarde, who said the Eurozone central bank's next meeting in September was still "wide open", even after holding rates in July. Indeed, wage growth is faster on the European side of the Atlantic. Other factors complicate the journey down too. First, central bankers are still debating how the pandemic, geopolitics and ageing demographics may have influenced the neutral level of interest rates — or the point where policy is neither stimulating nor restrictive — which will determine the pace and length of the cutting cycle. The BoE and Fed are also grappling with sketchy jobs data, due to low survey response rates. Second, rate-setters will need to factor in how differences in central bank policies may feed back to domestic economies via exchange rates. And finally, there are political risks. A second Donald Trump presidency could have implications for the Fed's independence.

> Attention is turning to what the descent might look like. Rather than a gentle series of quarter-point drops, it is likely to be skips and jumps

Nevertheless, business and households — which are still facing high prices levels — will welcome the turn towards lower rates after four years of rate rises and holds. Just don't expect the way down to be any more predictable than the way up.

ft.com/opinion

Opinion Environment

Here come the new climate leaders

Ann Kierran





Pilita Clark

One day during the chaotic 2022 climate COP in the Egyptian resort of Sharm el-Sheikh, I spoke to an Icelandic entrepreneur who managed to put the event's burst sewage pipes, lack of drinking water and eye-watering food prices into perspective.

"I called it the crazy COP for the first three days," said Halla Tómasdóttir, who was then chief executive of the B Team group of progressive business leaders. "But then I decided to rename it the adaptation COP," she told me, explaining that the event showed how the world would have to adapt to shortages of water, food and decent infrastructure if global warming went unchecked.

I remembered Tómasdóttir yesterday, when she was sworn in as the new president of Iceland. Her June election

> Voters are propelling a new breed of savvy politicians into power around the world

victory made her one of a new breed of climate-savvy politicians winning office in this mega election year, where about half the adults on the planet have the chance to vote.

From Taiwan to Mexico to the UK, voters are propelling lawmakers with a deep understanding of the climate challenge into power. It is too early to say with precision what this will mean in practice. It obviously won't lead to an instant plunge in carbon emissions. But it does make it likely that more governments will include people who grasp the need for swift action to cut those emissions — and know how this can best be done.

I have hopes for the most powerful of the bunch so far, Mexico's president-elect, Claudia Sheinbaum. A scientist with a PhD in energy engineering, she has studied transport and energy use in buildings and contributed to reports by the UN's Intergovernmental Panel on Climate Change. She pledged to invest billions in clean power and has picked an energy minister who has vowed to advance the energy transition.

But I also share critics' fear Sheinbaum will continue the legacy of her backer, outgoing president Andrés Manuel López Obrador, a fossil fuel project enthusiast in the oil-producing nation.

Even so, it is cheering to think of presidents like Sheinbaum and Iceland's Tómasdóttir at this year's climate COP in Azerbaijan. Both would have a head start over the many baffled leaders who arrive at these complex UN gatherings with little understanding of — or interest in — advancing global climate action.

The same goes for Taiwan's new environment minister, Peng Chiming, a scientist who founded a weather risk management company and is a serial attendee of UN climate COP meetings. He says he wants to speed up Taiwan's net zero transition and help further a climate strategy set out by President Lai Ching-te.

Lai has already moved to set up a bipartisan National Climate Change Response Committee that he will personally convene to develop national and global policies — he has called the climate problem "the largest challenge that humanity faces".

Even if he is motivated more by a desire to strengthen ties abroad amid rising tensions with China, and placate political opponents at home after his party lost its parliamentary majority, his focus on climate is still instructive.

It reminds us that climate lawmakers cannot do much, no matter what their skills and motivation, unless their leader is on side and politically adept.

Joe Biden offers an object lesson here. The US president is not a formal climate expert, let alone a scientist. But his many decades in politics have made him a formidable legislator: he has signed into law some of the world's most comprehensive climate measures.

The UK's new prime minister, Sir Keir Starmer, lacks Biden's political experience and I would not want to bet that he is well versed in the intricacies of carbon sinks. But he has made the energy transition a priority and appointed a seasoned climate politician to oversee it: Ed Miliband, the former opposition leader who is now secretary of state for energy security and net zero.

Miliband had a similar job when Labour was last in power 14 years ago. This time around, he will be in a parliament with a record four Green party members and a new batch of Labour MPs that includes climate policy advocates Katie White and Polly Billington, and Melanie Onn, a former deputy chief executive of the RenewableUK trade body.

This election year is not over and more climate politicians may emerge. These individuals won't guarantee victory in the race to slash emissions. But they are a sign of a shift in climate politics that it is hard to imagine will ever go into reverse.

pilita.clark@ft.com

Letters

Email: letters.editor@ft.com
Include daytime telephone number and full address
Corrections: corrections@ft.com
If you are not satisfied with the FT's response to your complaint, you can appeal to the FT Editorial Complaints Commissioner: complaints.commissioner@ft.com

China's cleantech knowhow has allowed others to follow

Measured by sheer size, there is no disputing that China leads the world in cleantech manufacturing and deployment. Yet Brett Christophers is mistaken in two respects ("Do not mistake China's success on green energy for a global one", Opinion, July 22).

First, the exponential growth in cleantech is not confined to China. In Europe, the share of solar and wind in electricity generation has risen exponentially from less than 1 per cent in 2000 to 24 per cent in 2023 — 8 percentage points higher than in China. Similarly, countries as diverse as Namibia, Chile, Vietnam, Barbados and Yemen have increased solar's share faster than China has. While the timing differs, the "S-curve" shape of solar and wind adoption is widespread.

Second, China's domestic leadership has a major global impact. In the past decade, China has done more than any other country to drive down the cost of cleantech. Now, solar or wind are cheaper than fossil fuels in 82 per cent of the world and countries around the globe are racing to deploy them.

To say China's success is only about China is like saying that in the 1990s, the US's success in information technologies was only about the US.

The normal pattern in technology history is for leading countries to scale technologies first, thereby driving down costs and building up the knowhow to enable others to follow.

Sam Butler-Sloss
Senior Associate, RMI, Basalt, CO, US

Why EU-UK co-operation now has a compelling logic

In his article "Brave thinking can restore some broken links between the EU and UK" (Opinion, July 29) Martin Sandbu asks what "burning economic logic, with long-term support in Brussels, exists to create a new berth for Britain".

Surely the answer is the grave external military and economic security situation that now threatens all of Europe. The scale of the threat posed by Russian military adventurism, compounded by Chinese support for Russia and our economic dependency on China, creates powerful incentives on both sides of the English Channel for deep EU-UK co-operation. Here are just three examples.

In theory the EU could develop its own defence procurement market without the UK. However, this overlooks the time factor. Europe needs to move fast to rearm and needs every scrap of defence industrial production capacity across the continent to ramp up production. A UK government committed in short order to increasing defence expenditure and expanding its own defence industrial base could play a valuable role in the rearming of Europe.

There is an equal case for speed in respect of de-risking critical supply chains. Take the base chemicals used in the production of medicines. Ninety per cent are produced in China. Even without hostile intent one can imagine a range of scenarios from earthquakes, another pandemic, to civil unrest which could disrupt production facilities. The NHS, potentially Europe's single largest medical purchaser, could support the development of new European supply chains by becoming their principal anchor contractor.

Then there is energy. Despite Brexit, this sector remains both hugely integrated and vulnerable to sabotage. Within the last 12 months we have had sabotage both of the Baltic gas interconnector and the Hamburg LNG terminal, as well as numerous cyber attacks. Given the end of large-scale Russian gas imports to Europe, the 9,000 kilometres of North Sea pipelines are now an ever more critical pillar of European gas supply, which remain vulnerable to attack. Here again there is a compelling case for EU-UK deep co-operation, this time on common security, alternative supply routes and resilience measures.

Such a level of UK participation in EU programmes would require some sectoral integration into the EU single market. However, the logic is not just "burning", it's compelling. It involves dealing with direct threats to both parties, with both parties being able to bring much to the table. The case for deeper EU-UK co-operation goes beyond the "structured dialogue" meetings on defence Sir Keir Starmer's government is calling for.

Alan Riley
Senior Non-Resident Fellow, Atlantic Council, Washington, DC, US



Can electric vehicles provide HS2's salvation?

The logic of public accounting and self-imposed fiscal rules means that no large infrastructure project can be carried out in the UK until the economy gets better. And the trajectory of the economy won't change unless we invest (Podcast, July 26).

But there is one way to escape this vicious circle and finance public capital spending without increasing public debt: by selling existing assets.

Take HS2, the much-needed increase in the capacity of the rail network between London and the north of England. The previous and current governments both agreed that completing the project — including the connection to Manchester and Leeds — is unaffordable. Cancellation will cost taxpayers billions, reduce capacity, and can only be a postponement. At some point in the future this infrastructure will be built if we want the country to "level up" — even more so as the government shifts its housebuilding focus to the north.

There is a golden opportunity to finance that capital cost, however. As we transition to electric cars, the country will need to switch from taxing fuel to a pay-per-mile system.

The government could temporarily transfer ownership of British highways to the private sector in exchange for the right to collect the tolls for a fixed number of years — as many years as necessary to raise the capital needed to complete HS2. France operates a similar system, in which toll prices are set by the government and collected by the private sector.

Financing the modernisation of the rail network with pay-per-mile would achieve multiple objectives simultaneously: raise the necessary capital immediately, ensure that the newly improved rail network is competitive with the road, help the UK achieve its net zero objective by reducing road traffic and by switching freight to rail, and help reduce regional inequalities.

Renaud Foucart
Senior Lecturer in Economics, Lancaster University, Lancashire, UK

Revolut's big win banking licence — the downside

Last month the European Central Bank urged Revolut to tighten its financial crime controls, highlighting ongoing compliance concerns. This happened just before the London-based fintech company finally secured a UK banking licence from the Prudential Regulation Authority after a three-year wait ("Revolut wins UK banking licence after long tussle", Report, July 26). The timing raises questions about Brexit's impact on financial regulation and the fintech sector.

On the one hand, getting a UK banking licence is a big win for Revolut, giving it a stable regulatory base and the ability to offer more robust banking services to UK customers. It also showcases the UK's commitment to fostering fintech innovation and competition, free from EU regulations.

But the ECB's call for tougher financial crime controls highlights a downside. Post-Brexit, conflicting UK and EU regulations could create headaches for companies like Revolut operating in both regions.

The ECB's scrutiny hints at the fact EU regulators are becoming more cautious with UK-based firms, complicating their European operations.

While Revolut's UK banking licence is a triumph of regulatory independence and local support for fintech, the ECB's increased scrutiny highlights the ongoing challenges of navigating two regulatory environments.

Rory Doyle
Head of Financial Crime Policy, Fenergo London EC4, UK

Small may be cool but Americans aren't listening

In his almost plaintiff plea to return to a "small is beautiful" aesthetic ("'Small is cool': a clarion call for our materialistic age", Opinion, July 25) Mark Cliffe, a visiting fellow at the University of Exeter's Global Systems Institute, overlooked what is quite literally the biggest factor in the gross sizes of cars, houses and clothes in the US — the growing size of the people.

According to the most recent US federal health statistics, more than 42 per cent of American adults are obese — up substantially from 30.5 per cent in 2000.

Returning to this country from two weeks in Europe, the effect is striking. Any airport resembles a livestock show in Texas.

Yet criticising this physical extravagance exposes you to the PC charge of "fat shaming". A restaurant I routinely visit each morning discreetly parks a chair without armrests to accommodate its largest patrons who otherwise couldn't be seated.

The Mediterranean diet, like religion, is much discussed but little practised.

Luke Popovich
Washington, DC, US

As with Blair, long-term care is in 'too difficult' box

As Robert Shrimsley relates in his column "Reeves and the limits of clever politics" (Opinion, August 1), Tony Blair convened a royal commission on long-term care in 1997 when he became prime minister. I was its secretary, working under the much-missed Professor Lord (Stewart) Sutherland.

The task, even then, was urgent and the risks of inaction huge. We gathered evidence from and questioned providers, care workers, economists, insurers and politicians. We looked carefully at the good, the bad and the ugly experiences from other countries. The plan we published was costed and practical: pool the risk that was otherwise uninsurable, act ahead of the demographic curve and then costs would be affordable and care quality high. Nothing was done. It was clear that the government hoped for an easy, cost-free plan, and this did not fit the bill.

This pattern has been repeated for 25 years and the time bomb has once more been placed in the "too difficult" box. We are long past the stage where this issue can be safely ignored.

Without a resolution the current care sector, local government and the NHS itself will simply fall over. And vulnerable people will suffer.

Alan Davey
Former Secretary, Royal Commission on Long Term Care 1997, London SE24, UK

Puzzling omission in FAO letter on fighting hunger

It puzzles me to read the letter from Maximo Torero Cullen, chief economist of the UN Food and Agriculture Organization (FAO) on "Latin America's progress on hunger" (July 31), where he compares that region favourably with sub-Saharan Africa — with no mention of birth control or family planning.

According to the World Bank, the rate of population growth in the world is 0.9 per cent, down from a high of 2.1 per cent in the 1960s. Latin America's is lower at 0.7 per cent. Sub-Saharan Africa has a persistent growth rate of its population of about 2.5 per cent. At this rate, its population will double in less than 30 years.

Climate change and war reduce harvests. Birth control is also part of "what we know works".

Marianne Pitts
Leamington Spa, Warwickshire, UK

Correction

- The Ethiopian birr has devalued by 24 per cent against the dollar, not 30 per cent as incorrectly stated in an article on July 30.

- Mike Carr is executive director of the Solar Energy Manufacturers for America coalition, not its president as incorrectly stated in an article on July 30.

Opinion

Iran and Israel's choreography of death must stop



MIDDLE EAST

Kim Ghattas

An uneasy calm descended on the Middle East yesterday. As clashes subsided on the Lebanon-Israel border, diplomatic efforts to stave off the worst went into overdrive. Hizbollah laid to rest its slain commander Fuad Shukr and Tehran held a funeral procession for Hamas leader Ismail Haniyeh.

But a humiliated Iran and a divided Israel look set to take the Middle East further into a dangerous spiral of violence. Red lines have been moving and the rules of engagement changing. There is an additional dangerous layer. Not only were the assassinations, which followed a rocket attack that killed 12 children in the occupied Golan Heights, seen as a general setback for ceasefire talks, they are also a severe breach in trust among those negotiating.

Qatar's prime minister and foreign minister, Sheikh Mohammed Bin Abdulrahman al-Thani, wrote on X: "How can mediation succeed when one party assassinates the negotiator on the other side," in reference to Haniyeh.

More ominously, in Lebanon, a newspaper close to Hizbollah accused the US envoy Amos Hochstein of misleading his Lebanese counterparts and held him responsible for the killing of Shukr. Hochstein had been trying for months to reach an agreement that would bring calm to Lebanon's border with Israel, potentially including a deal independent of a ceasefire in Gaza. The paper warned those who speak to Hochstein in Lebanon to stop doing so.

The Israeli prime minister, Benjamin Netanyahu, could now choose to put the assassinations of Shukr and Haniyeh on his so far empty victory scorecard, placate his rightwing coalition allies, take comfort from the fact the Knesset is on recess until October and show some flexibility in the ceasefire negotiations. On Thursday, Israel also confirmed it had killed Hamas military commander Mohammed Deif in a strike three weeks ago in Gaza, though Hamas refused to confirm it.

"If Netanyahu wants a path to end the fight, he surely has it," a senior Gulf official told me. "But the question that has been with us since October 8 is: does he want one?"

If he does, he showed no sign of it when he made a televised statement on Wednesday after the two assassinations. Arab officials are worried Netanyahu sees regional escalation as his best chance to stay in power. Tehran has been intent on avoiding such a scenario and, on this alone, has been on the same page as the White House since October.

> Retaliation is likely to come on multiple fronts and it will be harder to intercept and contain

However, Iran and Hizbollah will now attempt to restore their prestige after a stunning breach of security in both Tehran, and the southern suburbs of Beirut, a Hizbollah bastion. They will want to reassure their allies, proxies and base that the so-called axis of resistance can still provide protection. They'll also want to inflict pain on Israel, more than they have so far, but not so much that it provokes an Israeli overreaction. Speaking during Shukr's funeral, Hizbollah's leader, Hassan Nasrallah, warned it would be Israel's response that would determine if full-blown war breaks out.

We've seen this sordid movie play out before. In April, Israel crossed an Iranian red line by killing senior members of its Revolutionary Guards inside the Iranian consulate in Damascus. Iran retaliated two weeks later by launching hundreds of missiles and drones at Israel. The Iranian military action was highly choreographed and telegraphed in advance. Israel was ready to take the hit — its Iron Dome, Centcom and regional co-ordination ensured almost all the missiles were intercepted.

This time retaliation is likely to come on multiple fronts, not just from Iran, and it will be harder to intercept and contain. In April, the Biden administration counselled Israel to restrain its own reaction and take the win. The Israel-Iran enmity, long fought in proxy wars, came out into the open for a brief dramatic moment and retreated back into the shadows.

Just over three months later, here we are again. This choreography of missiles and death is dangerous. These are not war games, but real life. And while Iran and Israel fight it out, settling old scores, instead of working on a way forward, Gaza lies in waste, local health officials have declared a polio epidemic and more Israeli hostages have perished.

It's time for Joe Biden to get tough with Netanyahu about a hostage deal and the day after the war. That day is now. When this latest instalment of the nightmare series no one subscribed to is over, Biden's message to Israel should be clear: Take the hit, take the win, take the deal.

The writer is author of 'Black Wave', distinguished fellow at Columbia University's Institute of Global Politics and an FT contributing editor

Reeves and the Treasury have more legacy junk to ditch



ECONOMICS

Chris Giles

On a vacant plot next to Leeds General Infirmary, hoardings promise a local healthcare renewal. But many in Yorkshire are clearly not convinced it will ever arrive. Tied to the gate is a large rainbow banner, saying: "Leeds needs its planned new children's and adult day hospitals: government must honour its promises."

The site had been chosen for one of Boris Johnson's 40 new hospitals but, as local MP and now chancellor Rachel Reeves said this week, the last Conservative government did not provide "anywhere close to the funding required to deliver them". She has put the whole programme under review.

Her statement on Monday was, as expected, an exercise in first blaming the previous government and then borrowing and taxing more. Its core purpose was reasonable and desirable. Reeves aimed to produce a sensible baseline for public spending in 2024-25 so the new government can plan properly for the rest of this parliament. That required ditching some unfunded capital projects, cancelling some government programmes and recognising that day-to-day public services will need more money than previously allocated.

Some of this money represented choices Labour has made — sensible ones, that ensure public sector pay does not fall further behind the private sector and the government acknowledges the costs of the rise in asylum seekers.

Despite the cuts to capital projects and the withdrawal of some welfare payments such as the winter fuel allowance for most pensioners, this is no austerity budget. Public spending will be roughly £16bn higher than planned in the March Budget once the additional costs of Tory overspends have been taken into account. The difficult reality is a recognition that we will have to spend more and get less than previously promised from public services.

> The difficult reality is a recognition we will have to spend more and get less from public services

If nothing else changes, however, borrowing will still come down in 2024-25, showing the government has struck a balance between spending more and keeping the public finances on an improving path.

But Reeves has not completed the job of ditching all the legacy junk in the public finances. Extra horrors include demographic pressures that will mount during this parliament as baby boomers retire and the number of very elderly rises sharply. This will fuel demands for further spending increases to the end of the decade and spur the need for public sector productivity improvements.

There will also be further losses from the Bank of England's quantitative easing programmes, implying that the true level of public debt is already higher than stated but not rising as quickly. A full kitchen-sinking exercise would recognise these losses up front. It would also trim the BoE's interest payments to commercial banks to bring the QE costs closer to those of other countries.

Labour's manifesto does not rule out either of these measures and both would limit the scale of the "difficult decisions" Reeves needs to take on welfare entitlements, public spending provision and tax in the October 30 Budget.

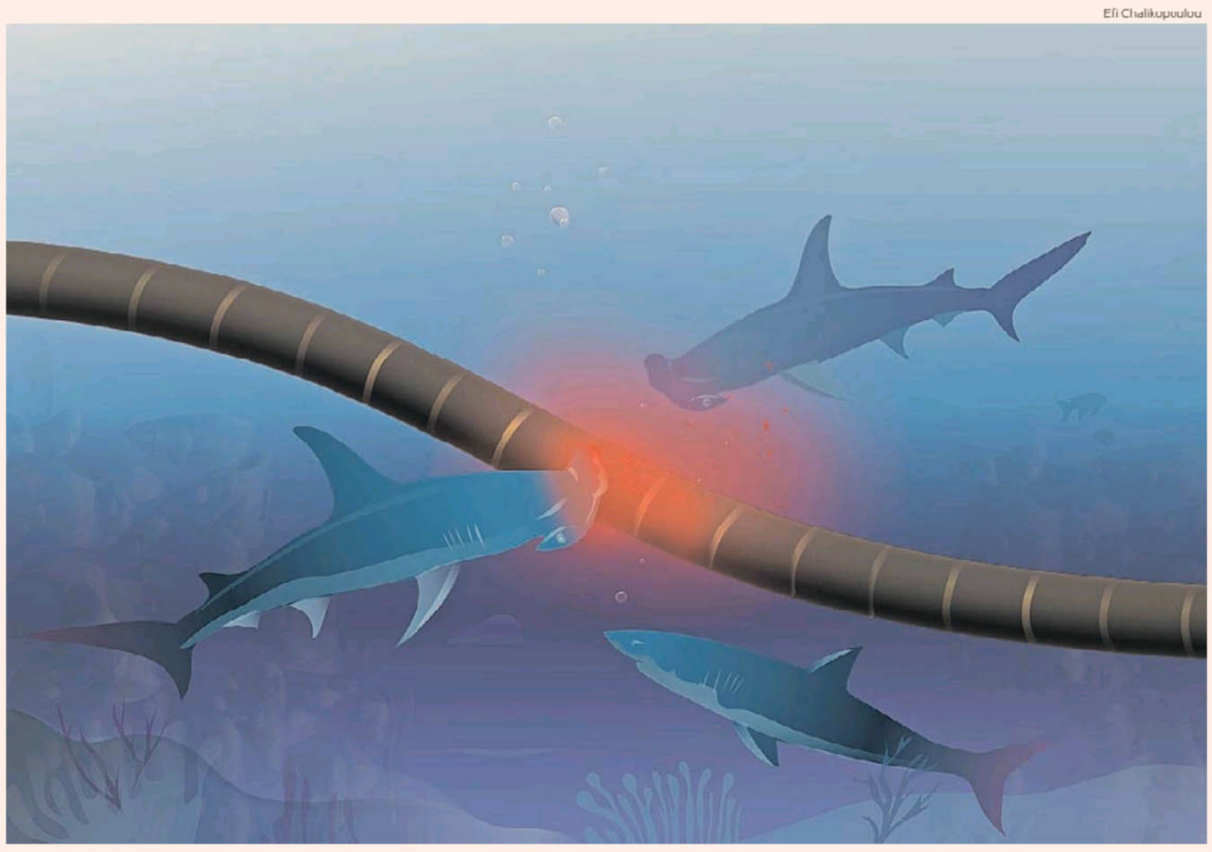
Here, she should prioritise tax increases and spending restraint that least damages growth prospects, suggesting further broad-based tax increases such as applying Conservative plans to increase fuel duties and freezing income tax allowances for longer, and limiting large rises in distortionary taxes that raise relatively little money such as capital gains.

It would have been better if Labour had not committed to avoid raising the main tax rates — income tax, national insurance and VAT — but this cannot now be changed.

The purpose of Monday's statement was to bring reality and normality back to government planning and promises. Stripping aside the politics, Reeves made significant progress, but there is a painful distance still to travel.

chris.giles@ft.com

Finance should beware risks to subsea cables



Efi Chalikopoulou



INVESTMENT

Gillian Tett

What is the greatest tail risk stalking global finance today? There is a depressingly long list of options: surging debt, volatile rates, geopolitical conflict and/or cyber failures like the one accidentally unleashed by CrowdStrike and Microsoft. But there is another deserving far more debate: underwater sea cables.

Normally, this is a topic submerged from sight, both literally and metaphorically. That is because western cultures typically depict the internet as a disembodied thing (think "cloud"), while the media focus on flashy satellites, like those run by Elon Musk.

But, as anthropologists such as Alexandre Laumonier have long noted, this cultural frame is a dangerous illusion: the internet is rooted in physical infrastructure, with over 99 per cent of global traffic via subsea cables. This includes the $10tn in daily financial transactions on platforms such as Swift which drive global markets.

Moreover, these cables can be damaged by natural disasters (like tsunamis), accidents (a ship's anchor) or deliberate attack. The problem is akin to the issue that erupted with French railways during the Olympics: if someone sabotages a link, traffic stops.

The good(ish) news is that internet engineers are keenly aware of this, and are already repairing around 200 faults on the 500-odd existing cables each year, mostly due to accidents. Better still, awareness is rising in some financial quarters. Most notably, when two mysterious huge faults occurred in the Mediterranean and Middle East in 2008, senior officials at the Federal Reserve became so alarmed that they joined forces with top internet engineers to create a so-called "Rogucci" initiative for the Reliability of Global Undersea Communication Cables Infrastructure.

This produced a 2010 report and triggered brainstorming meetings in places such as Goldman Sachs Subsequently, the UK think-tank Policy Exchange delivered a hard-hitting analysis, authored by Rishi Sunak, then a mere MP. "Short of nuclear or biological warfare, it is difficult to think of a threat that could be more justifiably described as existential" than a "catastrophic failure of undersea cable networks," it warned.

But the bad news is that the risks are now swelling: a hitherto unpublished updated Rogucci report notes that while the main threat used to be "local sabotage and terrorism" it is now "physically destructive hostile acts" committed by powerful states "possessing great skills". Indeed, Russian leaders have already threatened this.

Meanwhile, mysterious incidents are proliferating. In 2022, the Baltic Nord Stream gas pipeline was sabotaged. More recently Sweden reported sabotage to a data cable and Estonia is in a diplomatic tussle with China around an alleged "accident".

"The era of seabed warfare has arrived in the Euro-Atlantic, and other contested regions may soon follow suit," James Stavridis, former Nato Supreme Allied Commander Europe, warned this year in a new Policy Exchange report. Or as the Rogucci group notes: "The systemic disadvantage to American and Allied national security [around cables], puts the world's entire financial architecture at clear and present risk."

Is there any solution? The US government is chasing military options: this week reports emerged that advanced submarines such as the USS Jimmy Carter were being prepared for seabed warfare. However, the Rogucci team considers it unrealistic to expect navies to defend all the estimated 1.4mn kms of subsea cables. It thinks that Washington's priority, along with its allies, should be to create engineering solutions for network resilience on the assumption that a disaster will eventually happen.

> The military generally prefers to lobby for expensive new submarines, not cheap repair ships

More specifically, they want $5bn of investment to triple the existing fleet of repair ships, and a new, centralised "National Gucci Command" to proactively cut diplomatic deals to guarantee that internet traffic could be rerouted if, say, key transatlantic cables were cut. They also want this command to run the cables overseen by private companies in the event of any attack so that important data (such as Swift messages) could be prioritised over other digital traffic.

"An effective defensive response cannot be prepared and executed successfully at the level of the disparate private enterprise interests," it insists, adding that if Nato wants to create true "insurance" against attack, it should spend $10bn installing back-up cables.

This plan is very sensible. But implementing it is hard. One problem is that the military industrial complex generally prefers to lobby for expensive new submarines, not cheap repair ships. Another is that any move by Washington to take control of cables is likely to face resistance from companies such as Google (which is investing in cables).

A third issue, Rogucci notes, is that 14 of the transoceanic cables spanning the Pacific and Indian oceans currently have joint US and China ownership. Last but not least, the submerged nature of this threat means that the financial world has not seriously lobbied for action — yet.

This will undoubtedly change if (or when) disaster hits. But until then, cables remain a pernicious risk — and a sign of our cultural blind spots. The CrowdStrike debacle and Paris rail shock may be a mere foretaste of what lies ahead.

gillian.tett@ft.com

AI can learn a great deal from its biological predecessors



TECHNOLOGY

John Thornhill

First, we learn that generative AI models can "hallucinate", an elegant way of saying that large language models make stuff up. As ChatGPT itself informed me (in this case reliably), LLMs can generate fake historical events, non-existent people, false scientific theories and imaginary books and articles. Now, researchers tell us that some LLMs might collapse under the weight of their own imperfections. Is this really the wonder technology of our age on which hundreds of billions of dollars have been spent?

In a paper published in Nature last week, a team of researchers explored the dangers of "data pollution" in training AI systems and the risks of model collapse. Having already ingested most of the trillions of human-generated words on the internet, the latest generative AI models are now increasingly reliant on synthetic data created by AI models themselves. However, this bot-generated data can compromise the integrity of the training sets because of the loss of variance and the replication of errors. "We find that indiscriminate use of model-generated content in training causes irreversible defects in the resulting models," the authors concluded.

Like the mythical ancient serpent Ouroboros, it seems, these models are eating their own tails.

Ilia Shumailov, who was the paper's lead author while a researcher at Oxford university, tells me that the main takeaway from the research is that the rate of development in generative AI is likely to slow as high-quality data becomes more scarce. "The main premise of the paper is that the systems we are currently building will degrade," he says.

The research company Epoch AI estimates that there are currently 300tn tokens (small units of data) of human-generated public text good enough to be used for training purposes. According to its forecasts, that stock of data might be exhausted by 2028. Then, there will not be enough fresh high-quality, human-generated data to feed into the hopper and an over-reliance on synthetic data may become problematic, as the Nature paper suggests.

That does not mean that existing models mostly trained on human-generated data will become useless.

> Soon there may not be enough fresh high-quality, human-generated data to feed into the hopper

Despite their hallucinatory habits, they can still be applied to myriad uses. Indeed, researchers say there may be a first-mover advantage for early LLMs trained on unpolluted data that is now unavailable to next-generation models. Logic suggests that this will also increase the value of fresh, private, human-generated data — publishers take note.

The theoretical dangers of model collapse have been discussed for years and researchers still argue that the discriminate use of synthetic data can be invaluable. Even so, it is clear that AI researchers will have to spend much more time and money on scrubbing their data. One company exploring the best ways of doing so is Hugging Face, the collaborative machine learning platform used by the research community.

Hugging Face has been creating highly curated training sets including synthetic data. It has also been focusing on small language models in specific domains, such as medicine and science, that are easier to control. "Most researchers despise cleaning the data. But you have to eat your vegetables. At some point, everyone has to dedicate their time to it," says Anton Lozhkov, a machine learning engineer at Hugging Face.

Although the limitations of generative AI models are becoming more apparent, they are unlikely to derail the AI revolution. Indeed, there may now be renewed focus on adjacent AI research fields, which have been comparatively neglected of late but may lead to new advances. Some generative AI researchers are particularly intrigued by the progress made in embodied AI, as in robots and autonomous vehicles.

When I interviewed the cognitive scientist Alison Gopnik earlier this year, she suggested that it was the roboticists who were really building foundational AI: their systems were not captive on the internet but were venturing into the real world, extracting information from their interactions and adapting their responses as a result.

"That's the route you'd need to take if you were really trying to design something that was genuinely intelligent," she suggested.

After all, as Gopnik pointed out, that was exactly how biological intelligence originally emerged from the primordial swamp. Our latest generative AI models may captivate us with their capabilities.

But they still have much to learn from the evolution of the most primitive worms and sponges more than half a billion years ago.

john.thornhill@ft.com

Lex.



Richard Waters
Media organisations need to know if chatbots are talking their language
INSIDE BUSINESS

Meta's use of AI to sell more targeted ads is paying off



Meta's revenues are growing again
Year-on-year change (%)



Source: company

What goes well with an increase in artificial intelligence spending? If you are trying to avoid a share price meltdown, then it's a big dollop of sales and earnings growth.

Any misgivings shareholders may have had about Meta's spending on AI should be assuaged by the social media group's latest results. The Facebook and Instagram parent company reported sales of $39.1bn. That is a 22 per cent jump from the year-ago period and exceeded analysts' expectations. Net income was up 73 per cent at $13.5bn.

Meta makes nearly all its revenue from advertising. The solid numbers suggest Meta (unlike everyone else) has found a use for AI: its efforts to sell more targeted ads are paying off.

Meta's Advantage+, which lets businesses automate parts of their advertising campaigns, is gaining popularity. AI is also helping Meta get better at deciding which ads to show users across its platforms and when. Improving so-called monetisation efficiency means Meta can increase revenue and conversions without showing more ads, which would risk annoying users.

The benefit of this is then reflected in the higher prices Meta has been able to charge for ads during the quarter. A healthy jump in operating margins to 38 per cent more than offset the rise in costs and expenses.

This makes Meta's plans to "significantly" boost capital expenditure next year more palatable to investors. The company said it could spend as much as $40bn on capex this year as it builds up AI computing capacities. But the battle for ad dollars will only get more intense as companies ranging from JPMorgan to Walmart and Uber all join the digital ad gold rush. Meta, which controls more than a fifth of the $300bn a year US digital advertising market, needs to defend its turf.

Shares in Meta, up 47 per cent over the past 12 months, rose 7 per cent in after-market trade. But shares in Alphabet and Microsoft fell on plans to lift AI spending. Despite the gains, Meta shares are not particularly expensive on 22 times forward earnings, in line with Alphabet but below Microsoft's 32 times.

Mounting losses in its Reality Labs unit, which makes Quest mixed-reality headsets, do not help; nor do regulatory concerns or questions about how enduring the advertising spend from Temu and Shein will prove. But more signs Meta is finding ways to monetise its AI investments should help narrow that gap.

Ofwat's hope for Thames Water to manage its debts is far-fetched

How long will Thames Water continue to sit in a fetid pool of stagnant water? Britain's largest privatised water utility has been in breach of its licence for a week now, after Moody's slashed its credit rating to "junk". Thames needs two investment-grade ratings to comply with its licence conditions: S&P yesterday added to the stink by following suit.

This is a moment, even if Thames will not collapse into public ownership immediately. Until recently, the possibility of a company such as Thames — which receives a regulated, predictable income — being junked was unthinkable, says Tim Short, a former banker who specialised in the "whole business securitisation" financing that underpins infrastructure investments in the UK.

This is another step towards Thames's eventual, necessary restructuring. Hypothetically it may still be able to avoid "temporary nationalisation" but the odds are narrowing by the day.

For a start, Ofwat must act quickly if it is to retain any shred of credibility. The regulator is expected to bring forward special measures that form part of a new, intensive "turnaround oversight regime" for failing water companies.

This is weak sauce. Initially, it will involve appointing a trustee at Thames to assess whether management is doing the right things to turn around the company, and make sure vital works are not cut to save cash.

The reality is that a single trustee with limited powers is unlikely to effect much change, especially in a short space of time. Thames sits on a burning platform: it has gross debts of £16.5bn and only has sufficient liquidity to last until May.

The fate of the UK's biggest water company still relies on attracting new equity. It needs £750mn by April and £2.5bn by the end of 2030.

A draft regulatory settlement published last month proposes a return on equity of 4.8 per cent. Thames thinks it needs a return on equity closer to 5.7 per cent to attract new investment.

The regulator's great hope appears to be that Thames will manage to restructure its mountain of debts. This would mean a much cleaner proposition for new equity investors.

Good luck with that. It is a process that would be likely to involve a protracted tussle with lenders and is something that ultimately might be more easily handled by a government-appointed special administrator.

Thames Water's senior bonds have sunk
Price of €1bn, 4.375% 2031 bond (cents)



Source: Bloomberg

Rolls-Royce's remarkable recovery has not yet reached cruising altitude

Rolls-Royce boss Tufan Erginbilgiç has no shortage of turbofans on the stock market. The UK engine maker's turnaround is continuing to accelerate. Following an 11 per cent jump on blowout first-half results and the resumption of a dividend payment, its shares are have now quintupled since the start of 2023. Yet there is still a way to go before Rolls-Royce reaches cruising altitude.

Its progress has been spectacular. It reported £1.1bn of operating profit in the first half of the year, up 74 per cent compared with last year. Most of that was driven by its largest and mission-critical civil aerospace division: margins rose from 2.5 per cent in 2022 to 18 per cent, closing much of the gap with rival Safran.

Rolls-Royce now expects to make up to £2.3bn of operating profit this year. That already brings it within sight of its midterm guidance, sparking speculation that it will upgrade its targets.

Rolls-Royce on a roll
Share price (pence)



Source: LSEG

Part of this is commercial discipline. Rolls-Royce is writing better contracts for its engines — helped, no doubt, by the achievement of a 50 per cent or so market share in the wide-body segment, according to Nick Cunningham from Agency Partners. The company had a bigger share of revenues in the first half from service contracts, which are typically higher margin than equipment deliveries. While profitability may dip in the second half, the group is clearly in a much stronger competitive position than it has been.

It should also be relatively sheltered from some of the headwinds that are buffeting rivals. Supply chain constraints, blamed by Airbus for slower aircraft deliveries, cost Rolls-Royce £200mn in the first half of the year. That was more than offset by cost cuts, expected to exceed £250mn by year end. And while airlines such as Ryanair have warned of reduced pricing power, there is no indication as yet that demand for flights has taken a nosedive. Civil aviation remains a cyclical business, of course, but the steps that Rolls-Royce has taken to beef up its smaller divisions, cut central costs and bolster its balance sheet should make it more resilient.

The air is becoming thinner for Rolls-Royce, given its rapid stock market ascent. But the group is still trading at a 9 per cent free cash flow yield on 2027 estimates, according to Charlotte Keyworth at Barclays, compared with Safran on 4-5 per cent. The UK company has further to go before it runs out steam.

Toyota's yen downdraft shows challenges for Japan's exporters

Record profit numbers in line with market expectations would not usually be met with an 8 per cent fall in a company's share price. But there were good reasons for the reaction to Toyota Motor's first-quarter results.

The Japanese automaker continued its streak of record earnings for the June quarter with a 17 per cent increase in profit to ¥1.3tn ($8.7bn), in results announced yesterday.

It has several things going in its favour. It is the biggest beneficiary of a global hybrid renaissance amid slowing demand for electric vehicles, especially in the US. Hybrid electric vehicle sales there grew 50 per cent last year.

Moreover, prolonged yen weakness has not only made Toyota's exports more competitive abroad but has boosted the value of its profits made outside of Japan when those are repatriated. Currency moves added ¥370bn ($2.5bn) in operating profit for the latest period.

Toyota estimates that it gains ¥45bn in operating profit for every ¥1 of additional weakness against the dollar. The yen weakened by about 15 per cent against the dollar between the start of this year to its nadir in July peak, from ¥141 to ¥161 during this time.

But there were other numbers to alarm investors. Earnings growth in the carmaker's latest quarter was the weakest in seven quarters; group-wide sales slid 4.2 per cent to 2.6mn units. Steep sales falls in key markets such as Japan and China spurred worry.

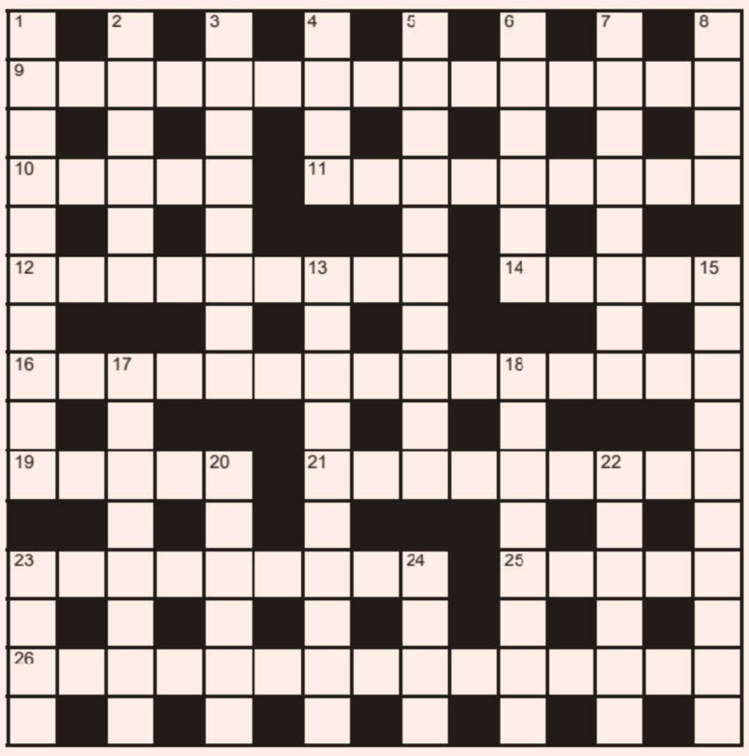
In addition, a string of vehicle certification cheating scandals and recalls at home have dented its image.

But the bigger risk is that the earnings uplift from a weak yen won't last long. The central bank chief this week signalled the possibility of further interest rate rises, sparking a yen rally and a sharp sell-off in the shares of Japanese exporters yesterday.

Toyota shares are down 30 per cent from a March high. But even now the stock trades at nine times forward earnings, more than twice the valuation of Volkswagen. The task of keeping that premium, and its record earnings streak, has become tougher as monetary policy shifts at home.

NIKKEI Asia The voice of the Asian century

CROSSWORD No 17,804 by MUDD



ACROSS

9 Old songwriter working choral magic, yeah! (5,10)
10 Midsection is within temple (5)
11 40% off perch, hard stick with it (9)
12 Dictator's completely upset, seeing symbol of faith (4,5)
14 Builder like that locked in piece (5)
16 Picture, drawing by Big Albert (5,10)
19 Tom recalled that thing unsaid (5)
21 One unfortunately left in dark — might this help? (4,5)
23 Cook locates US stew (9)
25 Old coin's head? (5)
26 Possible meal served at Harrow? (10,5)

DOWN

1 We fetch hat that's designed for talk (4,3,3)
2 Metal covers in uplifting book (6)
3 Magic city with small unfinished building (8)
4 A seductive jazz passage? (4)
5 One wild primrose has impressed a theatre producer (10)
6 Hoot on your bike, cabbie ultimately cutting in (6)
7 Doctor wears kit to participate in sport (5-3)
8 Low sky (4)
13 Exposed, hopping round town? (3,2,1,4)
15 Almost all sent in, then out (4,6)
17 Stores seen on short trip — one of those selling sweets? (4,4)
18 Attempt to sell antique, two hundred bags the lot (4,4)
20 Brief consideration, nevertheless (6)
22 Football stadium in tiny pieces (6)
23 Top and bottom of fine cloak (4)
24 Container was pongy when lid removed (4)

Solution 17,803

C	L	E	A	N	S	H	A	V	E	N		C	O	R
O		M		E		O		A		O		R		H
T	A	P	E	R		S	A	N	C	T	U	A	R	Y
T		A		V		T		I		A		Z		M
O	N	T	H	E	B	A	L	L		T	H	E	M	E
N		H				G		L		H		D		S
O	X	I	D	I	S	E		A	M	O	K			
N		C		N						M		A		D
			S	T	E	P		F	E	E	B	L	E	R
Q		A		H		A		E				L		I
U	N	D	U	E		P	O	L	I	S	H	O	F	F
E		J		O		R		T		U		C		T
B	L	U	E	P	R	I	N	T		P	R	A	W	N
E		S		E		K		I		E		T		E
C	U	T		N	E	A	R	P	E	R	F	E	C	T

JOTTER PAD

Scan the QR code to access FT crosswords over the last 30 days — cryptic, Polymath, Weekend and Sunday puzzles — or go to ft.com/crosswordapp*

Get the business insights you need to succeed in Asia
Visit asia.nikkei.com

