FINANCIAL TIMES

FRIDAY 5 JUNE 2020

WORLD BUSINESS NEWSPAPER

USA $2.50 Canada C$3.00

Silver Lake lining
Will bets by tech world's Buffett pay off? — BIG READ, PAGE 15

Lockdown lessons
Pandemic has shattered illusions of competence — MARTIN WOLF, PAGE 17

Mean streets
Trump's will to win endangers US stability — EDWARD LUCE, PAGE 3

In defiance
Hong Kong vigil for Tiananmen

Kin Cheung/AP

Hong Kongers hold a candlelight vigil in Victoria Park yesterday for victims of the 1989 Tiananmen Square massacre.

As tens of thousands of people defied a police ban and social distancing rules to mark the 31st anniversary of China's crackdown on pro-democracy protests in Beijing, the territory passed a bill outlawing mockery of the national anthem.

The passing of the bill, which was triggered by open defiance of the *March of the Volunteers* when China's anthem was played at public events in Hong Kong, follows Beijing's decision to impose a national security law on the city, possibly by the end of this month.

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ECB delivers €600bn stimulus boost as it slashes growth forecast

● Bigger increase than expected ● Inflation projection cut ● Berlin agrees recovery plan

MARTIN ARNOLD — FRANKFURT

The European Central Bank has bolstered its support for the eurozone's pandemic-stricken economy, saying it would buy an extra €600bn of bonds while slashing its forecasts for growth and inflation.

Christine Lagarde, the ECB president, said the region was "experiencing an unprecedented contraction", adding that "severe job and income losses, and exceptionally elevated uncertainty" had led to a "significant fall" in both consumer spending and investment.

The increase in the ECB's pandemic emergency purchase programme was bigger than most economists had expected, taking it to €1.35tn in total. The ECB also extended the scheme until at least June 2021. The additional bond-buying will lift the ECB's total asset portfolio to more than €4tn, about a third of eurozone gross domestic product.

The ECB's move came hours after Germany's coalition government agreed to tax cuts and spending increases worth nearly 4 per cent of GDP to boost its economic recovery. Peter Altmaier, economy minister, said it would be the biggest stimulus package since the federal republic was established in 1949.

Combined with the EU's plan to create a new €750bn recovery fund to support the countries hardest hit by the pandemic, Ms Lagarde argued that "fiscal and monetary policy are working hand-in-hand" to boost growth and jobs.

In its new forecasts, the ECB predicted an 8.7 per cent contraction in the eurozone this year — a record postwar recession — before a rebound to growth of 5.2 per cent next year and 3.3 per cent in 2022. If a fresh wave of infections took hold, it said, the economy might shrink by 12.6 per cent this year.

The ECB also slashed its inflation forecasts to 0.3 per cent this year, 0.8 per cent next year and 1.3 per cent in 2022 — all well below its core target for price growth of below but close to 2 per cent. Ms Lagarde said there had been a "bottoming-out" in economic activity in May but the recovery had been "tepid".

Some investors had been concerned that the ECB's initial bond-buying plan would be insufficient to soak up the €1tn-€1.5tn of extra debt that eurozone governments are expected to issue this year, leaving some of the worst-hit countries, such as Italy, facing a surge in their borrowing costs.

Christine Lagarde pointed to a 'significant fall' in consumer spending and investment across the eurozone

Italian and Greek government bonds rallied sharply after the announcement, sending their yields to three-month lows; yields fall when prices rise. The yield on 10-year Italian debt dropped 14 basis points to 1.42 per cent.

Ms Lagarde said the ECB decision had been unanimous. But a person briefed on the discussions said some governing council members, including Bundesbank boss Jens Weidmann, warned Ms Lagarde that by extending the emergency programme the ECB risked being accused of monetary financing of governments, illegal under EU law.

Additional reporting by Philip Stafford

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Briefing

▸ **HSBC and StanChart face storm over HK**
The banks have drawn the ire of politicians and investors in the UK for their support, at odds with the British government, of a security law that China plans to impose on Hong Kong. — PAGE 6; LEX, PAGE 18

▸ **American Airlines fuels stock take-off**
The carrier has prompted a surge in shares across the US airline sector after it said it would fly more than half of its domestic flight schedule in July and 20 per cent of its international timetable.— PAGE 8

▸ **US pandemic jobless claims near 43m**
Figures from the labour department have shown another 1.9m Americans filed for benefits for the first time last week, as the jobs market continues to suffer despite many states easing curbs.— PAGE 3

▸ **TCI wants Safran to hold on to chief**
The UK hedge fund has pressed the French aerospace group to keep outgoing chief executive Philippe Petitcolin in place while it navigates the pandemic upheaval.— PAGE 6

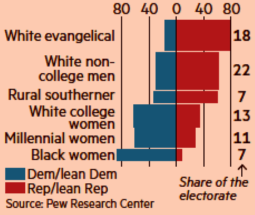
▸ **CO2 levels peak after crisis respite**
Atmospheric levels of carbon dioxide have hit a record as the build-up of the warming gas increased following a lull caused by the coronavirus outbreak and slowdown in economic activity.— PAGE 4

▸ **Data wrangle spells danger for Spain**
Researchers have warned that data revisions that resulted in premier Pedro Sánchez hailing a lack of coronavirus deaths in a 48-hour period are in danger of creating a false sense of security.— PAGE 2

▸ **Donors pledge $8.8bn to fund vaccines**
Governments and foundations at an online event hosted by UK premier Boris Johnson have joined a bid to save the lives of 8m children in low-income nations by fighting diseases such as cholera.— PAGE 4

Datawatch

Nation divided
% of registered voters within each group who identify as:



Source: Pew Research Center

Republicans hold sway among several groups of US voters, such as white men without a college degree and people in the rural south. Democrats hold the advantage among black women and white women with a college education

Kenya smallholders suffer amid Europe's lockdown

Drastically reduced exports to Europe during the pandemic came as a fresh blow to a Kenyan horticulture industry reeling from locust infestations and flooding. While sector losses have been trimmed to $1m a day, from $3.5m in April, a lack of air freight capacity as demand picks up means it struggles to capitalise. Passenger flights that carry most of the produce are still grounded and freight prices have risen from $1.80 to $4 per kg in some cases.
Analysis ▸ PAGE 4

Union leaders blamed for hindering police oversight in Minneapolis

CLAIRE BUSHEY — CHICAGO

A former mayor of Minneapolis has blamed leaders of the local police union for fostering an "us-versus-them" culture that hindered oversight of officers in the city where George Floyd was killed.

RT Rybak, who held the Midwestern city's top elected job for three terms between 2002 and 2013, told the Financial Times that failing to reform the Minneapolis Police Department continued to haunt him.

Mr Rybak said racists could be found in police departments across the country, but holding officers accountable had been made more difficult by union leaders who question whether outsiders can truly understand police work.

"It's made worse in this city and many other cities by police federation leadership that plays into that us-versus-them by constantly blaming others and giving comfort to the idea that there doesn't need to be any police change," he said.

Floyd died last week after a police officer, Derek Chauvin, knelt on his neck. Mr Chauvin, who has been fired, has been charged with second-degree murder. Three others have been accused of aiding and abetting murder.

Floyd's death has sparked mass protests across the country, prompting several states to deploy the National Guard.

Tim Walz, Minnesota governor, said earlier this week that the state would investigate the Minneapolis Police Department for civil rights violations, with the goal of reaching a consent decree — a negotiated settlement giving a court the power to enforce reform.

Bob Kroll, president of the Minneapolis Federation of Police, has faced sharp criticism in recent days, after a memo surfaced in which he called the events in the city a "terrorist movement".

Janeé Harteau, a former Minneapolis police chief, said this week that Mr Kroll should "turn in his badge", while Jacob Frey, the current mayor, said Mr Kroll was "shockingly indifferent" to his role in undermining community trust.

Mr Kroll did not respond to a request for comment.

Police unions have opposed oversight, balking at even releasing data about misconduct, let alone punishing officers for it, said Nicole Gonzalez Van Cleve, a sociology professor at Brown University. "The police union, unfortunately, has literally protected the worst among them," Ms Van Cleve said.

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World Markets

STOCK MARKETS

	Jun 4	prev	%chg
S&P 500	3114.46	3122.87	-0.27
Nasdaq Composite	9645.91	9682.91	-0.38
Dow Jones Ind	26278.70	26269.89	0.03
FTSEurofirst 300	1425.89	1435.64	-0.68
Euro Stoxx 50	3260.41	3269.59	-0.28
FTSE 100	6341.44	6382.41	-0.64
FTSE All-Share	3509.99	3531.75	-0.62
CAC 40	5011.98	5022.38	-0.21
Xetra Dax	12430.56	12487.36	-0.45
Nikkei	22695.74	22613.76	0.36
Hang Seng	24366.30	24325.62	0.17
MSCI World $	2222.54	2187.09	1.62
MSCI EM $	988.02	967.48	2.12
MSCI ACWI $	528.80	520.06	1.68

CURRENCIES

	Jun 4	prev		Jun 4	prev
$ per €	1.134	1.122	£ per $	0.793	0.794
$ per £	1.261	1.260	€ per £	1.111	1.123
£ per €	0.900	0.891	¥ per €	123.656	122.096
¥ per $	109.005	108.825	£ index	77.681	77.526
¥ per £	137.428	137.082	SFr per £	1.207	1.212
SFr per €	1.086	1.079			
€ per $	0.882	0.891			

COMMODITIES

	Jun 4	prev	%chg
Oil WTI $	36.94	37.29	-0.94
Oil Brent $	39.62	39.79	-0.43
Gold $	1705.35	1742.15	-2.11

INTEREST RATES

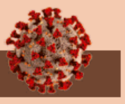
	price	yield	chg
US Gov 10 yr		0.80	0.05
UK Gov 10 yr		0.31	0.04
Ger Gov 10 yr	103.52	-0.32	0.03
Jpn Gov 10 yr		0.02	0.02
US Gov 30 yr	127.29	1.59	0.05
Ger Gov 2 yr	104.83	-0.61	0.03

	price	prev	chg
Fed Funds Eff	0.05	0.05	0.00
US 3m Bills	0.16	0.15	0.01
Euro Libor 3m	-0.36	-0.37	0.01
UK 3m	0.24	0.24	0.00

Prices are latest for edition — Data provided by Morningstar

A Nikkei Company

CORONAVIRUS ROUND-UP



Chinese airline regulator eases curbs on inward flights by foreign carriers

China's civil aviation regulator will allow more foreign airlines to resume inward flights next week, as part of a gradual easing of controls to curb the outbreak's spread.

Foreign airlines that are not currently sending planes to China will be able to choose a city to send flights to each week, Xinhua news agency reported yesterday, citing a notice from the civil aviation authority.

On Wednesday, China agreed with Singapore to resume essential business and official travel between the countries, as part of an approach involving testing.

France and Spain bear brunt of retail sales slump throughout eurozone

Eurozone retail sales crashed in April at the fastest pace on record as lockdowns depressed demand. The volume of eurozone retail sales dropped 11.7 per cent in April compared with the previous month, according to data from Eurostat. April sales declined 19.6 per cent compared with the same month last year.

In Germany, retail sales were down 6 per cent over the previous year, but in France and Spain, sales dropped by about 30 per cent.

Pakistan cases exceed those of China

A passenger travels on a bus in Karachi yesterday as Pakistan eased its lockdown. The government said the number of people infected with the virus had hit 85,000, 1,000 more than in China. At least 1,770 had died. Imran Khan, prime minister, defended his decision to ease the lockdown, citing unsustainable economic losses. He urged Pakistanis to learn to "live with the virus".

Kuwait prime minister seeks to reduce foreign population from 70% to 30%

Kuwait's prime minister has said the Gulf state should over time reduce the foreign population from 70 per cent to 30 per cent, amid growing resentment against foreigners exacerbated by the collapse in oil prices triggered by coronavirus.

Sheikh Sabah Khaled Al Sabah, in a meeting with editors, said Kuwait faced a "big challenge" in addressing this discrepancy. Many Kuwaitis have been calling for a reduction to ease the burden on public services.

Greek economy shrank 1.6% in first quarter as virus began to take toll

Greece's economy contracted by 1.6 per cent on a quarterly basis in the first three months of this year as the impact of coronavirus began to affect activity.

Gross domestic product contracted 0.9 per cent year on year, according to seasonally adjusted data, the statistical service Elstat said.

Greece's central bank predicts that the country's GDP will fall by around 4 per cent this year, well below the European Commission's forecast of 9.7 per cent.

Cases so far:

6,551,290

and 386,795 deaths by 5.45pm BST on June 4

Source: Johns Hopkins University, CSSE

Read more at ft.com/coronavirus

Economic hit

French minister warns over rising debt

Ahead of third budget revision, hopes dashed of swift exit from recession

VICTOR MALLET — PARIS

French ministers have dashed hopes of a quick recovery from the recession, with budget minister Gérald Darmanin warning of "vertiginous" debt and deficit numbers and predicting that the public sector deficit would rise to a record 11.4 per cent of gross domestic product this year.

"We are more and more indebted because we made that choice, yes, of taking on debt, which is worrying, but at the same time we chose to save the economy, nationalise salaries and guarantee to help small traders," he told France 2 television yesterday.

More than 10m employees, half the private sector workforce, have had their salaries paid through a costly government "temporary unemployment" scheme designed to prevent a cascade of bankruptcies and lay-offs.

Next Wednesday, Mr Darmanin will present the government's third revision to its 2020 budget to parliament, basing numbers on official predictions that the economy will shrink 11 per cent this year after growing 1.5 per cent in 2019.

Last year's budget deficit was 3 per cent of GDP, more than 8 percentage points better than this year's prediction. The government had planned to narrow the gap before the pandemic killed 29,000 people in France and triggered a particularly severe nationwide lockdown that cut economic activity by as much as one-third at the end of March.

President Emmanuel Macron and his cabinet were also hoping to continue reducing unemployment and controlling public sector debt, but millions now risk losing their jobs and debt is set to jump from below 100 per cent of GDP to 120.9 per cent during the year, according to finance ministry officials.

Mr Macron and his prime minister Edouard Philippe were meeting employers and trade union leaders at the Elysée Palace in Paris yesterday to discuss how to limit the economic damage and relaunch the economy as soon as possible.

The lockdown, which began in mid-March, was further eased this week, but international tourism is at a standstill and restaurants cannot operate at full capacity because of social distancing rules.

Medef, the employers' federation, yesterday urged the government to announce a French economic rescue plan "very quickly" following Germany's announcement of a €130bn stimulus package that finance minister Olaf Scholz said was aimed at bringing Germany out of crisis "with a ka-boom".

> 'The Germans aren't waiting for us: a massive and immediate recovery plan with a push on both supply and demand is requested'

Geoffroy Roux de Bézieux, Medef president, pointed out: "The Germans aren't waiting for us: a massive and immediate recovery plan with a push on both supply and demand is requested by Medef."

France is rolling out sectoral plans, including €8bn for Renault and the rest of the motor industry, and Mr Macron is expected to announce a broader package after the delayed second round of local elections on June 28.

Bruno Le Maire, French finance minister, welcomed the German national plan and hailed a recent European Commission proposal brokered by France and Germany for a €750bn fund to be distributed in grants and loans to the EU sectors and regions that are most in need.

Europe. Fiscal policy

Germany launches 'ka-boom' stimulus

Measures to hasten post-crisis recovery include tax cuts and increased public investment

GUY CHAZAN — BERLIN

Overturning years of fiscal orthodoxy, Germany has become the first big European country to announce a post-coronavirus stimulus with a package of significant extra spending, tax cuts and help for business worth €130bn.

The centrepiece is a surprise 3 percentage point reduction in value added tax designed to soften the blow of what is expected to be the worst recession in Germany's postwar history.

Olaf Scholz, finance minister, said the aim was to bring Germany out of the crisis "with a ka-boom".

Prior to the coronavirus pandemic, Berlin had continually resisted pressure from international organisations such as the IMF to abandon its strict commitment to balanced budgets and boost economic growth by ramping up public investment and cutting taxes.

It has now changed its tune in spectacular fashion. The measures announced late on Wednesday make Germany an outlier in Europe: none of its neighbours has yet moved from emergency aid programmes to fiscal policies aimed at hastening a post-pandemic recovery and stimulating consumer demand.

Peter Altmaier, economy minister, described the package of measures as the "biggest stimulus programme of all time". "We want to trigger a recovery that makes our country better, more sustainable, more climate-friendly and more humane," he said.

Clemens Fuest, head of the Ifo economic think-tank, welcomed the package, saying it "combines incentives to revive consumption in the short-term, with impulses for public and private investments as well as support for small and medium-sized enterprises".

But he warned that the effect of the VAT reduction might be shortlived. "When the tax cut expires at the end of 2020, spending will decline significantly," he said. "And we can't expect the crisis to be over by then."

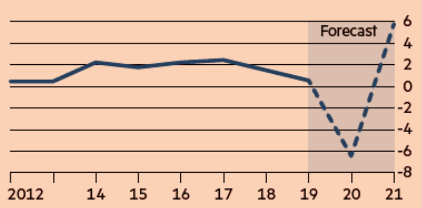
On the move: pedestrians pass the main train station in Cologne
PGregoryB/Dreamstime

The package disappointed the auto industry, which had hoped it would include cash incentives for buyers of conventional cars. In the end, the government increased subsidies for electric vehicles — premiums will be raised from €3,000 to €6,000 for a car that costs up to €40,000 — but not for those fitted with diesel and petrol engines.

Economists said the measures vindicated Germany's prudent fiscal stance of the past few years. "Following five years of fiscal surpluses and a decline in the German public debt ratio from 82.4 per cent of GDP in 2010 to 59.8 per cent in 2019, the package shows once again that Germany is ready and able to spend when it matters," said Holger Schmieding, chief economist at Berenberg Bank.

Germany real GDP growth

Year-on-year % change



Source: European Commission

The package was a result of 21 hours of often tough negotiations between the three members of Germany's grand coalition government — Angela Merkel's Christian Democratic Union, its Bavarian sister party the CSU, and the left-of-centre Social Democrats.

Each was forced to make painful concessions. Mr Scholz had gone into the talks wanting the federal government to take on the legacy debts of the most cash-strapped municipalities. Markus Söder, the CSU leader and prime minister of Bavaria — home to BMW — wanted to see cash incentives for buyers of petrol and diesel cars. In the end, both proposals fell by the wayside.

Instead, the partners agreed to the VAT reduction, an idea that had been championed by CDU leader Annegret Kramp-Karrenbauer and Helge Braun, Ms Merkel's chief of staff. From July 1 until the end of 2020, the standard rate of VAT will be reduced from 19 to 16 per cent, and the lower band cut from 7 to 5 per cent, a measure that will cost €20bn. Mr Söder called it the "biggest tax cut of the last few decades".

There was consolation for Mr Scholz. The federal government will take on more of the cost of housing benefit for welfare recipients from the municipalities. It will also compensate them for up to half of the loss of corporate taxes as a result of the coronavirus crisis.

German businesses welcomed a measure to cap social security contributions at 40 per cent of wages for the coming years, and the creation of a €25bn fund for the months of June to August to help companies hard hit by the pandemic, particularly those in the hotel and hospitality sector. Companies will be able to set more of their 2020 losses against taxable income for 2018 and 2019.

Families will receive a one-off bonus of €300 per child, a measure that will cost €4.3bn. They will also enjoy a reduction in electricity prices as a result of a cut in the Renewable Energy Act levy, which is used to subsidise solar and wind energy.

See Editorial Comment

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Published by
F.T. Publications Inc.
330 Hudson St, New York,
NY 10013, USA;
Tel: +1 917-551-5000;
Editor: Roula Khalaf

Printed by
Blue Island Newspaper Printing, Harvey, IL
Evergreen Printing Company, Bellmawr, NJ
Southwest Offset Printing, San Jose, CA
Sun Publication Inc, Lakeland, FL
Published daily except Sundays, New Year's Day, Good Friday, Independence Day, Thanksgiving, the day after Thanksgiving, Christmas Day and the day after Christmas Day.

US subscription rates, 1 year $406. Periodicals postage paid at New York, NY and at additional mailing offices; Post-Master. Send address changes to F.T. Publications Inc., PO Box 469, Newburgh, NY 12551; USPS number, 190640; ISSN# 09159460.

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Coronavirus

Data confusion casts doubts over Spain's claim to zero deaths

DANIEL DOMBEY — MADRID
JOHN BURN-MURDOCH — LONDON

This week Spain reported what should have been cause for huge celebrations: according to the official coronavirus statistics, there were no new deaths in the 48 hours to midday on Tuesday.

Yet on the same day, at least two regions — Madrid and Castile-La Mancha — reported 17 deaths from the virus between them. The health ministry insisted it had not been informed of any deaths in the previous 24 hours.

The confusion in a country hard hit by the pandemic underlines what experts say is a challenge as Spain relaxes its lockdown: a misleading impression that the coronavirus threat is past could encourage people to be reckless.

"The figures are driving us crazy," said Jeffrey Lazarus, head of the Health Systems Research Group at the Barcelona Institute for Global Health. "[The number] zero has a lot of power . . . It's causing a false sense of security."

In parliament on Wednesday, Pedro Sánchez, prime minister, hailed the zero deaths figure as an "achievement of everyone". The government says it was a vindication of the harsh lockdown and showed how it brought down the daily death toll from 950 two months ago.

But some researchers say the figures are compromised because of revisions in ways the ministry counts the data.

"In real time, changes in detection or reporting can make it harder to work out the actual shape of the current epidemic," said Adam Kucharski, an epidemiologist at the London School of Hygiene and Tropical Medicine.

Madrid has stopped listing deaths reported in the past 24 hours, switching to a measure of how many have died in the past seven days. Nor is it updating the overall tally of deaths as frequently or completely as before.

Breaking with practice, the ministry's policy now adds new deaths to the running total only if they occur in the 24 hours before each daily bulletin. All other deaths are added only once a week, when the figures are revised.

After the changes were introduced in May, the death rates recorded by the ministry plummeted. Its cumulative tally of deaths since the beginning of the outbreak also fell by almost 2,000.

"There is 100 per cent for sure a data problem," said Mr Lazarus. In the latest confusion, on Wednesday the ministry raised the tally of the past seven days from 34 to 63 but the cumulative total given for all who had died in the outbreak went up by one, to 27,128.

"To come out and say there are zero deaths when deaths are taking place can create a lot of misunderstanding," said Rafael Bengoa, a former Basque region minister for health and director at the World Health Organization. "We are improvising at a moment when the population needs clear information."

He added that Spain was bringing the pandemic under more control than other hard-hit European countries and ruled out political manipulation of the figures. Despite the problems with its data, Spain's death counts are smaller than those in Italy and UK, which have averaged 85 and 247 a day respectively over the past seven days.

Barcelona: the government says data vindicate its national lockdown

One problem is that the regions, which run autonomous health systems, have provided late or inaccurate numbers. Delays are critical because the government has pledged to focus on the latest figures, and late data fall outside the ministry's criteria for the main totals.

The government says its focus on the rapid detection of infection rather than numbers in hospital or deaths fits the current stage of the epidemic.

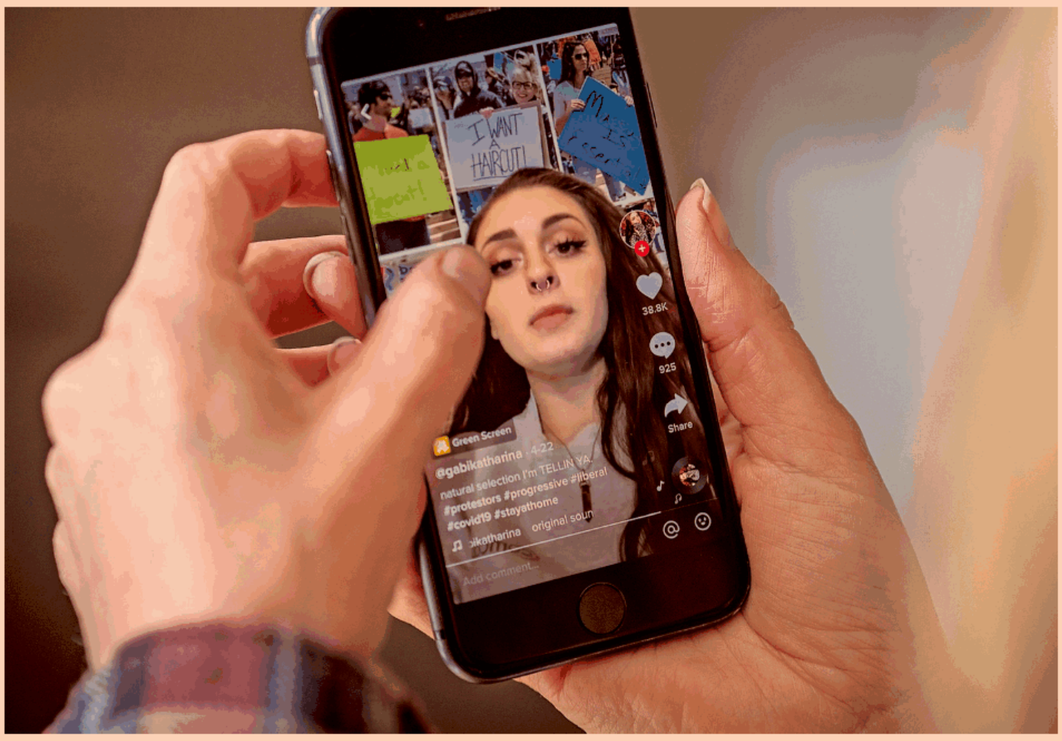
But Spanish data have been more volatile than those of any other rich country. A week ago Spain increased its tally of people dying from all causes during the pandemic to 43,000 — up by 12,000.

The overnight change — due to revisions rather than a sudden surge in deaths — gave Spain briefly the world's highest excess mortality rate, the measure most widely used to compare the pandemic's toll across countries.

TikTok comes of age as political influencer ahead of US election

Video platform for young people records huge viewings for #Trump2020 and #blacklivesmatter

SIDDHARTH VENKATARAMAKRISHNAN
LONDON



Politically liberal star Gabriella Katharina Huggler has 135,000 followers. Below, the TikTok logo
Charlie Bibby

Before the start of this year, Madisyn Bukoski used TikTok just like any other 18-year-old: to fill the time by scrolling through fun viral videos.

But at the end of January, she answered an ad calling for TikTok videos from people who were "Republican, funny and outgoing [and] love America". The creator of the account was not a Republican operative or slick PR consultant, but a Floridian teenager.

Five months later, Ms Bukoski is part of the new world of political TikTok, a space untouched by mainstream political parties, where young influencers compete to win over peers with a combination of dance videos, comedy skits, musical numbers and monologues.

Groups of would-be political stars have organised into "hype houses", mimicking the collaborative mansions in Los Angeles where influencers live and work together on videos. The nine in the Conservative Hype House, of which Ms Bukoski is part, are from California, Arkansas, North Carolina, Mississippi and New York. With ages from 18 to 27, they have almost 800,000 fans.

"We're the biggest political page on TikTok," said Ms Bukoski. "We want to spark a passion for politics into young influencers."

She added the hype house had a global following: "We have messages from people in our Instagram direct messages, saying: 'I'm from Switzerland . . . we love watching your content.'"

For TikTok, the lockdown has been a boon, with millions of young people confined to homes using their phones for entertainment. Last month, the platform hit 2bn downloads, according to researcher Sensor Tower, placing it between Instagram's 2.6bn and Snapchat's 1.5bn downloads since January 2014.

With months to go before the US election, the app's content has begun to take a more serious turn, with political videos gaining traction. A recent study into online political content in the US found that TikTok videos with the hashtags #Trump2020 had 1.1bn views as of February 2020, and 3.4bn as of last week.

The hashtag #blacklivesmatter has also gained traction after the recent death of black man George Floyd while in police custody in Minnesota. The hashtag had 2bn views at the start of this month, with top videos including protest scenes across the US, advice on how to deal with tear gas and a call to "stand up for what is right" from Charli D'Amelio, TikTok's biggest star.

Not all of the platform's political influencers are conservative. Leftists, an account that formerly was the Liberal Hype House, has close to 135,000 followers, while a liberal TikTok account run by Gabriella Katharina Huggler has more than 166,000 followers.

In the UK, political hype houses are smaller, but they are also beginning to gain attention. The Labour Hype House, which began in March and has more than 7,000 followers, had 140 responses when it opened applications for members. Its 16 influencers, aged between 15 and 18, are based across the UK and include self-described anarchists, democratic socialists and communists. Its pro-Conservative party rival, the Tory Hype House, has about 4,000 fans.

Only a handful of politicians, notably Italy's former deputy prime minister, Matteo Salvini, use TikTok; the app has not been seen as an important conduit to voters, so there is space for young influencers to shape the debate. Some claim their success has caught the eye of political institutions, but they appear to be grassroots efforts rather than the work of established parties.

"Users on TikTok don't want to just talk with politicians [like on Twitter] — they want to be political stars," said Juan Carlos Medina Serrano, a data scientist at the Technical University of Munich.

Some produce comedy skits, combining popular trends on TikTok with political debate. In a recent Labour Hype House video, a member plays the government giving lockdown instructions to the public but not to prime ministerial aide Dominic Cummings, satirising his 264-mile round trip.

Labour Hype House's most popular clip is of UK Green party politician Caroline Lucas lambasting Jacob Rees-Mogg, leader of the Commons, for lounging during a debate last year. The video has gained more than 1m views since May.

From Milo Yiannopoulos on Twitter to Michael Bloomberg's ad campaign on Instagram, the online political influencer is not a new phenomenon, but features of TikTok's design make it well suited to driving youth engagement.

Several hype house members emphasised the importance of the "For You" page, which provides a stream of personalised videos for users. "It's less based on your circle of friends and more on who you're following," said Mr Medina Serrano, comparing it more to YouTube than to Facebook or Twitter.

While the workings of the underlying algorithm remain unclear, Ms Bukoski said that securing a slot on a For You page could boost the number of views. "It only takes one video to blow up, it's a great gateway to get into our account."

Mr Medina Serrano added that TikTok's duets, in which videos are placed side by side, are vital to political communication on the platform, allowing for edited debates on topics.

Its potential as a political engine should not be underestimated, said Laurie Rice, professor at Southern Illinois University Edwardsville.

"When we start out on a new platform, the dominant response is 'surely that's not going to make a difference'. A year or two in, we discover it does matter quite a bit."

GLOBAL INSIGHT
WASHINGTON

Edward Luce

Trump fear of defeat in election is source of danger for America

It Can't Happen Here was the title of a 1930s novel about America. Fascism never came to America — nor is it likely to. But martial law, or something close to the militarisation of America's cities, is plausible. In the past few days, residents of Washington DC have become familiar with the low-flying helicopters, Humvees, curfews and uniformed men that go with military control.

Were these scenes unfolding in Hong Kong, every think-tank in America's capital would be scheduling emergency webinars. As it is, people are too dazed by the novelty to gauge the risk. The chances of Donald Trump being re-elected in November are not very high. That is the source of America's danger.

But first, the good news. The Pentagon has no interest in breaking a 233-year habit to interfere in US politics. Mark Esper, the defence secretary, frightened a lot of people this week by referring to America's streets as "the battle space" in support of Mr Trump's call to dominate the protests.

On Wednesday, Mr Esper reversed himself and disavowed military control of America's cities. This is likely to get Mr Esper fired, possibly within days. His statement was as close as you get to resigning without doing so. Shortly afterwards, the Pentagon said it would be withdrawing 1,600 US troops that had been moved to the Washington area.

Unfortunately, the bad news outweighs the good. That troop order was then itself reversed. As has been said before, Mr Trump is a weak man posing as a strong one. On Monday, William Barr, his attorney-general, ordered the police to clear the square in front of the White House so that Mr Trump could do a photo-opportunity by holding a Bible in front of the local church.

This was in response to mockery that the Secret Service had taken Mr Trump down to the White House bunker as protesters gathered around its perimeter. Mr Barr, who shares none of Mr Esper's squeamishness, is pushing that perimeter further out. National Guardsmen stand sentinel over the White House's expanded boundaries.

Trump avoided a real crisis in his first three years. Now he has three on his hands

What is the point of all this? The key is to view these images through the lens of reality television.

Mr Trump wants Americans to believe that the White House is threatened by domestic terrorists, arsonists, thugs, looters and killers — words he has used frequently in the past few days. US stability is under threat, he claims. The president's life, and those of decent law-abiding Americans, are threatened by the extremists on the streets. That is the gist of Mr Trump's message. But it requires a visual backdrop. Hence the hyped-up situation in Washington.

A more sober assessment is that Mr Trump's poll numbers are dropping. He is faced with the triple cocktail of a badly managed pandemic, the worst economic contraction since the Great Depression and an inability to quell the legitimate anger behind America's demonstrations.

Most of those protests are peaceful. There has been looting and scuffles with police. So far, one retired police captain has been killed in St Louis, while several protesters have been killed or maimed by the police. Moreover, most of the looting appears to have been carried out by criminals under cover of the chaos.

It is a very different reality to the one Mr Trump depicts. There is little prospect of him legitimately reversing his fortunes in the coming months. I have lived in enough democracies, including America, to know a doom-laden government when I see one.

Mr Trump was fortunate to have avoided a real crisis in his first three years. Now he has three on his hands.

His instincts are mostly optical. He is threatening to use powers that he does not have, such as sending the army on to the streets. But he is refusing to use powers he does have, such as marshalling a national response to coronavirus.

These are the actions and inactions of someone with little interest in governing. But Mr Trump does have a burning desire to be re-elected. In his mind defeat would lead to the dismantlement of the Trump Organization and his prosecution and possible imprisonment.

Faced with a choice between sabotaging American democracy or a future spent in and out of courtrooms, I have no doubt where Mr Trump's instincts would lie. It would be up to others to stop him.

edward.luce@ft.com

Unemployment

US jobless claims near 1.9m as economy struggles to reboot

MAMTA BADKAR — NEW YORK

Almost 1.9m Americans filed for unemployment benefits for the first time last week, highlighting the continuing damage to the US labour market even after many states began lifting restrictions on economic activity.

The figure reported by the US labour department yesterday brought the total number of jobless claims initiated since the lockdowns began in mid-March to nearly 43m, dealing a huge blow to the livelihoods of many American families.

Since hitting a peak of 6.9m first-time applications in late March, the pace of new jobless claims has been steadily declining, but at a relatively slow tempo.

Last week's weekly toll of nearly 1.9m claims for unemployment benefits disappointed economists who were forecasting a steeper decline and is still nearly three times as large as the worst figure posted at the height of the financial crisis more than a decade ago.

It sets the stage for grim news in the separate monthly jobs report for May that the labour department is due to release today, which could show the unemployment rate heading towards, or even rising above, 20 per cent.

"In the best-case scenario, the employment situation for May will be the job market trough of the Covid-19 downturn. That is, the report will show the highest unemployment rate and the largest cumulative job losses of the recession," said Erica Groshen a former Federal Reserve and labour department official now at Cornell University.

"In June, payroll jobs could begin to rebound and the unemployment rate could begin to recede. That assumes, of course, that virus infection rates, civil unrest, or lack of fiscal policy support do not derail the nascent recovery."

Continuing claims data, which count the number of people actually receiving benefits and are considered a gauge of continuing unemployment, edged up to 21.5m for the week ending May 23.

The slowdown in the pace of jobless claims since the peak was expected after the first wave of lay-offs in response to the pandemic. But even as some Americans are returning to work as states begin to emerge from shutdowns and reboot their operations, some companies are still proceeding to implement additional lay-offs, or are moving to transform temporary furloughs into permanent staff reductions.

'In the best-case scenario, the employment situation for May will be the job market trough of the Covid-19 downturn'

California and Florida were the states with the highest initial claims last week at 230,461 and 206,494 respectively.

The federal Pandemic Unemployment Assistance programme, which has extended aid to the self-employed and others, recorded 623,073 new applications in the week ending May 30. But the expanded jobless benefits that were part of the Cares Act are set to expire in July.

FT-Peterson poll

Black Americans more likely to have faced drop in income or dismissal due to Covid-19

LAUREN FEDOR — WASHINGTON
CHRISTINE ZHANG — NEW YORK

Far more African-American than white voters have suffered a drop in their family's income due to the coronavirus outbreak, according to a poll for the Financial Times that underscores the racial disparities of the pandemic.

The survey showed 74 per cent of black voters reported a financial hit compared with 58 per cent of white voters. It also found that more African-Americans had lost their job since the outbreak began, highlighting the growing economic inequalities at a time when Americans are protesting against the death of George Floyd.

The monthly survey of likely voters for the FT and the Peter G Peterson Foundation found 25 per cent of black respondents had been dismissed or furloughed since the start of the recent lockdowns, compared with 19 per cent of white respondents.

The findings of the latest FT-Peterson poll, conducted between May 20 and 26, come as more than 100,000 Americans have died from Covid-19, a virus that has disproportionately killed more black and Latino-American people.

Polling concluded a day after Floyd, an African-American man, died in Minneapolis after a white police officer knelt on his neck, setting off a wave of protests across the US and revived long-simmering tensions over race.

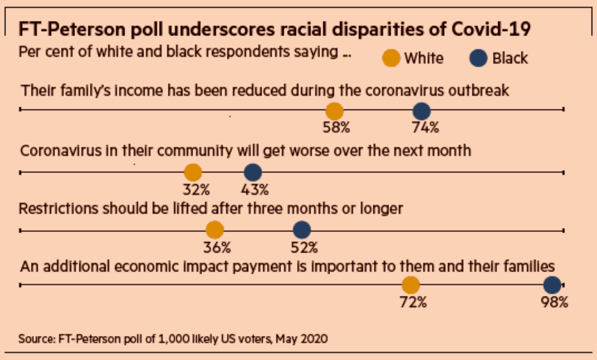
The poll highlighted how Covid-19 had disproportionately taken the lives and livelihoods of black Americans.

The survey showed black Americans were more likely to be pessimistic about both the public health crisis and the potential for an economic recovery than their white counterparts. Forty-three per cent of black voters said the coronavirus outbreak would get worse in their community in the next month, compared with 32 per cent of white voters.

African-Americans were also more likely to support a slower reopening of non-essential businesses, with 52 per cent of black voters saying authorities should wait at least three months before lifting restrictions and social distancing, against 36 per cent of white voters.

FT-Peterson poll underscores racial disparities of Covid-19

Per cent of white and black respondents saying ..



Source: FT-Peterson poll of 1,000 likely US voters, May 2020

Congress has approved almost $3tn in economic relief since the start of the coronavirus pandemic, including the $2.2tn Cares Act, which was signed into law in March and included one-off $1,200 "economic impact payments" for those earning up to $75,000 a year.

Of the likely voters surveyed, almost all black voters — 98 per cent — said an additional "economic impact payment" was important to them and their families, compared with 72 per cent of white voters. Almost two-thirds of black voters said they would use the federal money for basic living expenses, such as food, mortgage or rent payments.

The findings, which are part of the monthly FT-Peterson US Economic Monitor, underscore the challenges facing President Donald Trump ahead of November's election, when he will face former US vice-president Joe Biden, the presumptive Democratic nominee who clinched his party's nomination with the overwhelming support of African-American voters.

Mr Trump had centred his re-election efforts around his stewardship of the economy, which has had its worst collapse since the Great Depression because of nationwide lockdowns.

The latest poll found that 36 per cent of Americans said they were better off under Mr Trump, compared with 29 per cent who said they were worse off. White voters were significantly more likely to report being better off than black voters, with 41 per cent of white voters saying they were better off, compared with 12 per cent of black voters.

Uprising commemoration

Hong Kong crowds defy police ban on vigil

Tiananmen event packed hours after mockery of Chinese anthem outlawed

NICOLLE LIU — HONG KONG
TOM MITCHELL — SINGAPORE

Tens of thousands of people defied social distancing rules in Hong Kong yesterday to mark the 31st anniversary of the Tiananmen Square crackdown.

Hours before the gathering to commemorate the 1989 event, pro-Beijing legislators passed a bill to outlaw mockery of China's national anthem.

Crowds defied a police ban on the candlelit vigil held every June 4 for 30 years in Victoria Park to mark the crushing of the pro-democracy protest in the Chinese capital. They removed police barriers erected to prevent the gathering and chanted slogans, including "independence for Hong Kong is the only way out".

Hong Kong is the only piece of Chinese government-controlled territory where large-scale memorials can be held openly, but police banned this year's event as part of measures to curb the coronavirus pandemic.

Smaller crowds formed in many other parts of the city of 7.4m people. Organisers had called for "candles everywhere" after the police refused to grant a permit for the Victoria Park event.

The anthem law, passed as Beijing moves to assert greater authority over the territory, carries a jail sentence of up to three years for mockery of the *March of the Volunteers*.

Open defiance has become common when the anthem is played at sports and other public events in the city. Pro-democracy lawmakers boycotted the vote, which passed by a margin of 41-1.

Activists fear the decision by China's parliament to impose a national security law on Hong Kong, possibly by the end of this month, will make open remembrance of Tiananmen illegal.

"We will insist that we have the right to light a candle inside Victoria Park," Lee Cheuk-yan, chairman of the group that organises the annual memorial, said before yesterday's gathering. "Though China is totally dark and brainwashing its own people, in Hong Kong we still will light a candle for those who sacrificed in 1989."

A student who identified himself only as Jay and was attending his second vigil said the regime that put down the Tiananmen protest is the "same regime that is suppressing us now".

The National People's Congress, China's rubber-stamp parliament, inserted the anthem law into Hong Kong's Basic Law three years ago but it came into effect only once Hong Kong lawmakers passed their own version.

The security law will be imposed by promulgation, denying the city's Legislative Council the chance to modify it.

Carrie Lam, Hong Kong's chief executive, said after consultations with officials in Beijing that some Hong Kongers would be able to air their views in seminars to be held on the mainland.

Formal passage of the two laws will further strain relations with the US, which has threatened to revoke economic and trading privileges Hong Kong enjoys on the basis that its autonomy has been undermined by Beijing.

Mike Pompeo, US secretary of state, on Wednesday met four former student leaders of the 1989 Beijing protests and asked how the US could "help China move towards democracy".

See Editorial Comment

Environment

Record level of CO2 in atmosphere despite crisis and recession

LESLIE HOOK — LONDON

Carbon dioxide levels in the atmosphere hit a record in May, as the build-up of the warming gas rose despite a brief respite caused by coronavirus and the global recession.

Atmospheric CO2 reached more than 417 parts per million on average during May at the Mauna Loa Observatory in Hawaii, suggesting that even though lockdowns worldwide have caused emissions to drop temporarily, warming trends are set to continue.

The new record, based on separate measurements by the US National Oceanic and Atmospheric Administration, and the Scripps Institution of Oceanography, is the highest level of CO2 in the atmosphere for millions of years.

"People may be surprised to hear that the response to the coronavirus outbreak has not done more to influence CO2 levels," said Ralph Keeling, a geochemist and head of the CO2 programme at Scripps.

"The build-up of CO2 is a bit like trash in a landfill; as we keep emitting, it keeps piling up," he continued. "The crisis has slowed emissions, but not enough to show up perceptibly at Mauna Loa. What will matter much more is the trajectory we take coming out of this situation."

Levels of atmospheric CO2 typically peak each year in May, just before the growing season begins in the northern hemisphere. Atmospheric CO2 fluctuates on an annual cycle, as the gas gets absorbed by the ocean and by growing plants, and released by decaying organic matter.

CO2 emissions linked to human activities hit a record high last year, but fell in the spring due to the effect of the virus. Global daily emissions in April were 17 per cent lower than normal levels, according to a recent paper in Nature Climate Change.

Total emissions from fossil fuels are expected to be about 8 per cent lower this year than 2019 as a result of the pandemic, according to research from the International Energy Agency.

The use of renewable energy has also risen during lockdowns, particularly in Europe. The continent set a new record by drawing 55 per cent of its power from clean energy sources on May 24, data from Wartsila Energy Transition Lab found.

However, the continuing emissions this year, even at lower levels, still contribute to the accumulation of CO2, which can remain in the atmosphere for more than 100 years.

Pieter Tans, a scientist at the NOAA, said the latest figures for atmospheric CO2 did not show any "progress", as they were still going up.

"If humans were to suddenly stop emitting CO2, it would take thousands of years for our CO2 emissions so far to be absorbed into the deep ocean, and atmospheric CO2 to return to pre-industrial levels," he said.

"We continue to commit our planet, for centuries or longer, to more global heating, sea-level rise, and extreme weather events every year," he added.

The measurements taken at Mauna Loa are the longest continuous record of atmospheric CO2, which began in 1958.

Horticulture. Cross-border trade

Kenya farms hit as lockdown cuts exports

Collapse of foreign earnings threatens domestic revenues and loss of 350,000 jobs

ANTOANETA ROUSSI — NAIROBI

Wilting demand: workers on Bliss Flora farm in Nakuru prepare to destroy flowers that cannot be exported
Yasuyoshi Chiba/AFP/Getty Images

Hobbled by the triple impact of flooding, locust infestations and the coronavirus pandemic, Kenya's horticulture industry is in crisis after global lockdown measures curtailed exports to Europe and disrupted internal African trade.

Shipments of flowers, vegetables, herbs and fruits to the EU, which accounts for more than 80 per cent of horticulture exports from Kenya, all but ceased in March after European capitals, roiled by the spread of Covid-19, locked down and Kenya suspended most international flights.

By April, Kenya's horticulture industry was losing about $3.5m a day, according to the Fresh Produce Exporters Association of Kenya. As European countries have begun to ease restrictions, some demand has returned and losses have reduced to about $1m a day, but the outlook remains bleak.

"Kenyan farms have drastically reduced export volumes to 50 per cent, with a sizeable number suspending exports altogether," said Hosea Machuki, chief executive officer of FPEAK. "If the current situation does not improve soon, companies are facing downsizing or closure . . . which will result in increased poverty, insecurity and hunger."

Smallholders make up 80 per cent of the agricultural sector, which contributes 26 per cent of Kenya's GDP. As part of President Uhuru Kenyatta's Vision 2030 development plan, the government had supported the creation of small and medium-sized farming businesses. Many of those companies, like the herb manufacturer Jambofresh, had just begun to profit from a European clientele before coronavirus struck.

Jambofresh, which produces around 30 tonnes of basil, mint, rosemary and thyme a month, began exporting to the EU in 2017, according to Silas Mutuma, the managing director. Practically all of the company's herbs end up on European supermarket shelves.

Its largest buyer was based in Milan, Italy, which saw some of the highest casualties in the early weeks of the pandemic. Sales collapsed, Mr Mutuma said, forcing Jambofresh, which is currently shipping just 10 per cent of its usual exports, to dump 60 tonnes of produce in the past three months.

"We are at the point where we are considering to close down because we cannot maintain the farm given the costs involved," he said. "It's very sad when you see the product being destroyed. Often I get somebody else to throw it away because I can even shed tears."

The biggest obstacle for the horticulture sector remains the lack of air freight. Demand for fresh produce in the EU is picking up as restrictions lift, but commercial passenger flights, which carry the bulk of Kenya's fresh exports, have been grounded in Kenya since March 23.

"The current available cargo is 1,500 tonnes weekly, while the demand is 3,500 tonnes," said Martijn Boelen, trade adviser for the EU in Kenya. Furthermore, the price of freight has doubled from $1.80 per kg to up to $4 per kg in some cases, he said. "This means that even if capacity is available, it might be out of reach for producers."

But not only intercontinental air traffic has been affected. At Namanga, on the Kenya-Tanzania border, 100 drivers stood waiting to be called for a coronavirus test by health ministry officials.

The drivers wait up to five days to receive the test results back from Nairobi, 162km to the north, meaning only about 50 trucks are being cleared to enter Kenya a day, down from 250 a day before the pandemic. Those carrying perishable goods, such as onions and oranges, said much of their cargo rots while they wait. The result was clear on supermarket shelves in the capital Nairobi, where the price of fresh produce has soared because of shortages, in some cases by up to 90 per cent.

The unprecedented disruption is forcing some producers to reflect on the structure of the sector. Mr Mutuma said destroying tonnes of French beans — for which there is no local demand — while the country suffered from food shortages, meant Kenya needed to rethink how and what it produced.

"Some of the things we import like onions we could also produce more of, but we need to encourage local producers by subsidising inputs," he said.

Cold chain infrastructure to transport fresh produce in temperature-controlled environments is limited and expensive. A bean picked in Kenya is usually in a European supermarket in 72 hours, and the EU consumer can afford to cover the cost of chilled transportation. But the price would generally be too high for sale domestically. One solution would be to transform more domestic fresh produce into dry goods, Mr Mutuma said.

In the short term, associations like FPEAK have appealed to the government to inject life into the sector by encouraging more airlines to fly cargo out of Nairobi through tax incentives, subsidies on jet fuel and waiving landing costs. The EU is setting up a funding programme, in partnership with the European Investment Bank, to provide SME's with easier access to finance.

If it does not work, the entire horticulture export sector could collapse, Mr Machuki warned. "There is a real risk of loss of foreign earnings for the country, loss of domestic revenues paid by growers and exporters, and ultimately loss of 350,000 direct jobs."

> 'Companies are facing downsizing or closure, which will increase poverty, insecurity and hunger'

> 'It's very sad when you see the product being destroyed . . . I can even shed tears'

$3.5m
Daily loss for Kenya horticulture industry at height of lockdown

80%
Proportion of Kenya's exports of flowers, vegetables, fruits and flowers that are destined for Europe

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Supreme Court

Brazil's senior judges chart a collision course with Bolsonaro

BRYAN HARRIS AND ANDRES SCHIPANI
SAO PAULO

For one of Brazil's top judges, a wave of increasingly aggressive rallies by supporters of President Jair Bolsonaro demanding that the military shut down Congress were the last straw. The country risked becoming an "abject dictatorship" under the rightwing populist's leadership, he warned.

"We must resist the destruction of the democratic order to avoid what happened in the Weimar Republic when Hitler, after he was elected by popular vote, did not hesitate to annul the constitution and impose a totalitarian system in 1933," Justice Celso de Mello said late last week.

The stark warning from the Supreme Court judge of the perceived threat posed by Mr Bolsonaro, pictured, underscores not only the challenges facing Brazilian politics under the president but also the growing role of the top court in pushing back against government excesses.

Since his inauguration in January last year, Mr Bolsonaro has stoked fears over the future of democracy with attacks on Congress, the courts, the press and civil society. He is also facing judicial probes after the Supreme Court began parallel investigations into the president and some of his closest allies.

The most prominent, launched in April, is probing allegations that Mr Bolsonaro interfered with federal police operations to protect his family's personal interests. The other, which started in March, is examining claims that some of his allies ran a fake news operation to ensure his election in 2018. Both inquiries could result in his removal from office.

The probes have triggered a sharp backlash from Mr Bolsonaro, who denies any wrongdoing. On Sunday he appeared on horseback at a rally held by supporters calling for military intervention to shut down the 11-person court and the Congress.

Weekly marches by the president's far-right backers have become more aggressive, with some appearing to be forming militias. Late last month one group donned face masks and held flaming torches in a nocturnal protest that observers say evoked the white supremacist movement in the US. Brazil's education minister, Abraham Weintraub, was caught on video saying the Supreme Court justices should be thrown into jail.

"We are getting very close to a dilemma: either the president becomes a dictator or he is removed from office. This will have to happen sometime very soon," said Davi Tangerino, a criminal lawyer.

Brazil's top court has long held a position of prominence, partly owing to the vast scope of the constitution, which offers the justices ample opportunities for legal interpretation.

Following corruption scandals in recent years, including the sprawling *Lava Jato* probe that implicated scores of businessmen and politicians, the judges began to take a more activist approach. Today, the justices — appointed by the president and serving until age 75 — are celebrity figures, appearing regularly on their own television channel, Justice TV.

The activism of the justices evolved out of a "generalised feeling that both the executive and legislative branches are corrupt, broken and untrustworthy", said Mr Tangerino.

As tensions rise between Mr Bolsonaro and the Supreme Court, focus is shifting to the military.

Hamilton Mourão, the vice-president and an army general, said this week a military coup was "totally out of the question". However, Augusto Heleno, the national security adviser and also a general, warned late last month of the "unpredictable consequences" of attempts to investigate Mr Bolsonaro.

"The armed forces are not a monopoly of the president," said Diego Werneck, a professor of constitutional law at the Insper Business School in São Paulo. "If the president refuses to obey a decision from the Supreme Court, it would be time for the armed forces to rise up to their role of defending the constitutional order."

Additional reporting by Carolina Pulice

Poor countries focus

Donors pledge $8.8bn for global vaccination scheme

CLIVE COOKSON AND ANDREW JACK
LONDON

Global donors pledged more than $8.8bn to fund vaccination programmes for children in low income countries over five years, in a move projected to save up to 8m lives from diseases such as measles and cholera.

The funding, committed by governments and foundations at an online pledging conference yesterday hosted by UK prime minister Boris Johnson, exceeded the event's target of $7.4bn. It will be channelled through Gavi, the UN-backed vaccine alliance, which buys and distributes vaccines in more than 50 of the world's poorest countries.

The support is intended to reinforce routine immunisation programmes, which have suffered in recent months as health workers have been diverted to fight Covid-19 and families have stayed away from vaccination clinics for fear of catching the virus.

At the conference Gavi also launched a new advance market commitment for vaccines developed successfully against coronavirus. It is designed to ensure allocations for developing countries that fear being left behind should manufacturers prioritise wealthy countries.

The first AMC deal is a $750m agreement between Gavi, AstraZeneca, the UK drug company, and the Coalition for Epidemic Preparedness Innovations to manufacture 300m doses of the Covid-19 vaccine being developed by Oxford university and distribute them in low- and middle-income countries, starting before the end of this year.

AstraZeneca also announced an agreement with the Serum Institute of India to supply an additional 1bn doses for developing countries, with the first 400m doses provided before the end of 2020. Both commitments depend on the Oxford vaccine being safe and effective by then.

Mr Johnson maintained the UK's position as the biggest contributor to Gavi, pledging £1.65bn over five years.

The Bill & Melinda Gates Foundation were the second biggest with a $1.6bn five-year commitment. The US government pledged $1.16bn.

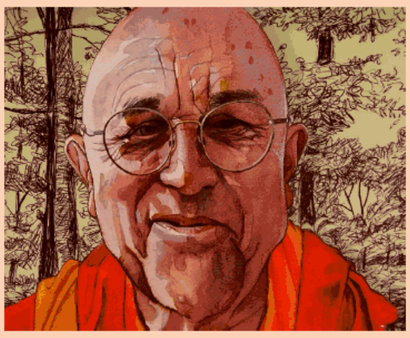
FTWeekend

Race and America - by Natasha Trethewey, former US poet laureate

#howtospendittogether: readers' pictures of **life in lockdown**

How Germany got **coronavirus right**

Is now the time to buy a **holiday home**?



Matthieu Ricard has Lunch with the FT

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Izabella Kaminska The redeemable vouchers airlines offer are turning flight tickets into high-risk futures contracts OPINION

Companies & Markets

Banks' support for Hong Kong security law sparks anger

- HSBC and StanChart under fire
- Social responsibility issues raised

STEPHEN MORRIS AND ATTRACTA MOONEY — LONDON

HSBC and Standard Chartered have drawn the ire of politicians and investors in the UK for their public support of a controversial national security law China plans to impose on Hong Kong.

On Wednesday, the two banks released carefully worded statements backing the legislation, which Beijing says intends to target "splittist, subversion of state power, terrorism or interference by foreign countries or outside influences" in Hong Kong.

"I wonder why HSBC and StanChart are choosing to back an authoritarian state's repression of liberties and undermining of the rule of law?" tweeted British Conservative party politician Tom Tugendhat, who chairs Parliament's Foreign Affairs Committee. "Where does this fit in their definition of corporate social responsibility?"

'Utterly disgraceful action by HSBC, apparently supporting Xi Jinping's suppression of Hong Kong'

Andrew Adonis, a former government minister and Labour party peer in the House of Lords, similarly tweeted: "Utterly disgraceful action by HSBC, apparently supporting Xi Jinping's suppression of Hong Kong. I intend to take this up with the chairman and chief executive of HSBC in London. And with major shareholders."

The stance of HSBC and StanChart puts them at odds with the British government, which has strongly criticised the as-yet-unseen law and has offered refuge to as many as 3m residents of its former colony in response.

The banks have long walked a tightrope amid geopolitical tensions between western nations and China. Both are headquartered and regulated in London but make the majority of their profits in Asia, specifically Hong Kong.

Their support of the proposed law imposed by Beijing also provoked a backlash from top institutional shareholders, which are increasingly pressuring companies to make decisions based on social responsibility alongside the pursuit of profit.

A UK asset manager that holds large stakes in both banks acknowledged the difficulties they face in keeping both the Chinese and US governments onside. "Clearly they have to straddle the fence, with the bulk of earnings in China and Hong Kong, but the need to deal in dollars," the investor said. "They can't afford to annoy either camp."

However, he said that HSBC and StanChart's support of the proposed rule could mean it is difficult to continue justifying investments in them. Dumping the stocks would be tough, because they are the only UK banks that offer international exposure, but "if this really blows up, we will have to think whether we want to be involved", he added.

The investor likened the banks' backing of the rule to a hostage situation: "It's a bit like one of those hostages with a gun to their head, saying they are all fine, when they aren't."

However, this investor added that he has confidence in HSBC chairman Mark Tucker — who is known for his political savvy after living and working in Hong Kong for decades — to navigate the dispute: "He knows how to play the game."

Last summer, HSBC ran into difficulties with Beijing after being caught up in a US-Chinese diplomatic row over telecoms company Huawei. HSBC was one of the banks that turned over data to US prosecutors that helped build a case against its chief financial officer, Meng Wanzhou, who was arrested in Canada.

Additional reporting by Laura Hughes

Lex page 18

Rocky engagement LVMH rules out open market move as virus dulls Tiffany's sparkle

There had been speculation that LVMH might try to revise its deal to buy the US jeweller — Daniel Jones

LEILA ABBOUD — PARIS
ARASH MASSOUDI — LONDON
JAMES FONTANELLA-KHAN — NEW YORK

LVMH has said it does not plan to buy shares in Tiffany on the open market, in effect ruling out one way it could seek to lower the $16.2bn price it agreed to pay for the US-based jeweller before the Covid-19 pandemic.

In a statement yesterday, the conglomerate led by Bernard Arnault, the world's third-richest man, did not address whether it was seeking to renegotiate the acquisition, signed in November, to reflect lower growth prospects for luxury goods amid a deep economic slowdown.

This week, Reuters said LVMH was "exploring ways to reopen negotiations" with Tiffany, while Women's Wear Daily said LVMH directors "sent a clear message that the acquisition should be reconsidered" at a recent board meeting. Tiffany shares have lost about 10 per cent since the reports, to end in New York at $114.24 on Wednesday. LVMH has agreed to pay $135 per share in Tiffany.

In response to the reports, LVMH said that its board met on Tuesday and discussed the "development of the pandemic and its potential impact on the results and perspectives of Tiffany & Co with respect to the agreement that links the two groups".

People familiar with the deal said it would be hard for LVMH to renegotiate the price or terms given the contract underpinning the acquisition.

The merger agreement includes a termination clause that requires Tiffany to pay a break-up fee of $575m if it abandoned the deal. If LVMH wanted to back out of the contract, however, it would have to go to court to do so, said one person familiar with the matter, and no break-up fee for the buyer is included in the document.

People close to Tiffany said that there had been no requests from LVMH to renegotiate the deal. They added that it was understandable that LVMH would like to pay less for the asset given the short-term impact the pandemic had on Tiffany's businesses, but they were confident the agreement is air tight.

A person close to LVMH said that it had informally looked at options to revise the deal but that nothing has come of it to date. The person added that one of the main reasons LVMH acquired Tiffany was its growth potential in China and Asia's largest economy is further ahead in the process of reopening, which should bode well for the US jeweller.

"The deal for Tiffany still makes a lot of strategic sense despite Covid-19, so for LVMH there would be much more to lose than gain by derailing it," said Luca Solca, a luxury-goods analyst at Bernstein Research.

Lex page 18

TCI presses Safran to keep outgoing chief at the helm

DAVID KEOHANE — PARIS

TCI, the UK hedge fund run by Chris Hohn, is pushing French aerospace group Safran to keep its outgoing chief executive in place while it navigates the upheaval caused by the pandemic.

Philippe Petitcolin, who has led the €39bn group since 2015, is due to be succeeded by Olivier Andriès following a transition period that runs until the end of the year.

TCI, a $20bn fund that has agitated for boardroom change at companies from the London Stock Exchange to Wirecard, sent a letter to Safran's board on Wednesday, according to multiple people familiar with the matter. The fund wants Mr Petitcolin to stay on as CEO, or at the very least, an adviser, the people said. Safran was planning to hold a board meeting yesterday evening where the letter would be discussed, the people said.

"It just doesn't make sense to change pilot during this kind of crisis," said one person familiar with the matter.

Mr Petitcolin has warned that the aerospace sector faces a "new normal" of structurally lower demand, potentially 30 per cent below levels enjoyed before the pandemic, which has devastated the airline industry.

With job losses in the aerospace industry looming, the French government is planning to unveil a support package this month. Safran's share price has lost about 28 per cent this year.

TCI and Safran declined to comment.

For the 67-year-old Mr Petitcolin to remain as chief executive, Safran would need to change its statutes which currently only allow CEOs to stay in their position until the age of 68. The aerospace group has already amended its statutes once to allow Mr Petitcolin to stay on beyond the original limit of 65.

As it stands, Safran could extend Mr Petitcolin's mandate until the group's next annual general meeting, which is scheduled for May or June next year.

TCI owns 5.7 per cent of Safran, according to Reuters data. Its push to keep Mr Petitcolin as CEO is not its first intervention at the group.

In 2017, the fund successfully forced Safran to revise a takeover for aircraft interiors maker Zodiac. TCI had waged a campaign to force Safran to drop the deal completely, saying that Safran is "massively overpaying" for the troubled Zodiac in return for "questionable synergies".

Fortress Silicon Valley fastens its gates, but trouble lies ahead

INSIDE BUSINESS
TECHNOLOGY

Richard Waters

This is a time of protest. The legitimacy of powerful institutions everywhere is being questioned, as the coronavirus crisis adds to social frustrations that were already spilling over.

So it has been ironic in recent days to see some of the most powerful corporations sail through the annual ritual of their shareholder meetings almost unchallenged. As anger and upheaval have spread on to American streets, the tame annual meeting season has added to the sense that Big Tech, insulated from the worst of the economic devastation, has retreated into a digital cocoon.

Annual meetings are usually carefully stage-managed to allow shareholders a say without giving up any real control. Opposition is often only symbolic. But they are still a chance for investors to lobby for support among peers for policies boards have rejected. They are also a chance for investors to grab the microphone, at least for a moment, and berate the directors and managers who theoretically act in their name.

As the influence of the biggest tech groups has spread into more areas of life, annual meetings have also become one of the few moments for leadership to face a public reckoning. At Alphabet, parent of Google, it is not unusual to see protesters outside, while workers use the stage to challenge their own managers over controversial decisions.

The inability to hold this year's meetings in person was always going to change the nature of these stilted exercises in corporate democracy. But Alphabet, Amazon and Facebook, which held their annual meetings in recent days, took full advantage of getting back control of the microphone.

None of the three tech companies let shareholders put questions directly. Instead, they had to enter them online, allowing the companies to cherry-pick which ones to put to management and directors. The questions were then summarised rather than read out, stripping shareholders of the chance to challenge managers directly.

The anodyne annual meetings were an apt metaphor for the state of Big Tech. As much of the economy reels, the dominant tech groups exist inside seemingly impregnable digital fortresses. Even the dent to Google's advertising revenue caused by the distress at small business customers has not stopped its market value brushing up against $1tn this week — a level it briefly reached for the first time shortly before the pandemic.

In removing the chance for investors to challenge directly, anodyne annual meetings were a metaphor for the state of Big Tech

The meetings also shine a spotlight on the huge influence exerted by founders at a critical moment for the economies and societies they supposedly serve.

Alphabet's Larry Page and Sergey Brin have antagonised investors before by failing to turn up to their annual meeting. This year, after stepping back from all management involvement, they had a better excuse for fading into the background. But given their combined 51.2 per cent voting control there was no question, throughout the proceedings, who was really in control.

Outside shareholders at Alphabet and Facebook have always been aware of the supervoting rights designed to keep the founders in control, but that has not stopped them protesting against that.

Votes equivalent to more than half the outside shares at both companies (that is, those that carry only one vote, rather than the 10 votes of founder shares) have been cast in favour of ending the dual-class structure to make all shareholders equal, and to allow for majority election of directors. There was a similar level of support for a symbolic call for Facebook to strip Mark Zuckerberg of at least some of his control by appointing an independent board chairman.

This underlines the outsize role the founders of the main digital groups are set to play in resolving the interlinked economic and political crises. Amazon's Jeff Bezos (who is not entrenched by supervoting shares) is grappling with how to embed his ecommerce and cloud computing company deeper into everyday life. Mr Zuckerberg is on the brink of what looks like being a defining moment, both for himself and American democracy: a presidential election season in which his personal decision about whether to intervene in how politicians use the social network could play a significant role in the outcome.

How Big Tech wields its power is returning to the political agenda. After a lull at the start of the crisis, renewed attention is turning to this issue in Washington and Brussels, and a 'Tech lash 2.0" is starting to build.

But as the latest round of annual meetings underlines, shareholders are unlikely to play much of a role in holding their own companies to account.

richard.waters@ft.com

Airlines

American's plans prompt shares surge

Markets welcome moves by carrier and rivals to restart flights over summer

CLAIRE BUSHEY — CHICAGO
BETHAN STATON — LONDON

American Airlines prompted a surge in shares across the US sector yesterday after it said it would fly more than half of its domestic flight schedule in July. The Fort Worth-based airline's stock rose 26 per cent to $14.86 by lunchtime in New York trade after the announcement of flights to destinations such as Florida's theme parks and the American West.

Although well below the 52-week high of $34.99, American's rise triggered moves higher in shares of other large US airlines. United Airlines climbed nearly 15 per cent to $38.57, Delta Air Lines rose 12 per cent to $31.94 and Southwest Airlines was up 6 per cent to $38.79.

American will also fly nearly 20 per cent of its international schedule next month. It said its choice of routes to Florida, Montana and Colorado would reflect an appetite for holiday travel.

"We're seeing a slow but steady rise in domestic demand. After a careful review of data, we've built a July schedule to match," said Vasu Raja, senior vice-president of network strategy.

"We'll continue to look for prudent opportunities to restore service so our customers can travel whenever and wherever they are ready."

Savanthi Syth, an analyst at Raymond James & Associates, said that after signs of greater appetite for risk from investors in recent days, early enthusiasm over American's move may have caused a further short squeeze higher.

"While it is encouraging that we are heading in the right direction, I didn't view American's comments as significantly different from what we have been hearing from others," she said.

Virgin Atlantic also confirmed plans to restart passenger flights as lockdown eases, with five international routes taking off from Heathrow in mid-July. Services to Orlando, Florida and Hong Kong will resume from July 20 this year, the airline announced yesterday, followed by routes to Shanghai, New York JFK and Los Angeles on July 21. It is set to announce more destinations for August flights in the next two weeks, beginning a gradual increase in passenger flying in the latter half of the year and in 2021.

Juha Jarvinen, chief commercial officer at Virgin Atlantic, said it was "looking forward" to welcoming passengers as "the Covid-19 crisis stabilises and demand slowly returns".

The moves are the latest steps toward a gradual return to business in an industry devastated by the pandemic. Several airlines have said they will recommence flights for the crucial summer season as governments weigh up loosening travel controls introduced during lockdown.

EasyJet announced this week it would restart 50 per cent of its European routes in July and 75 per cent in August, while Wizz Air is already flying about 10 per cent of its capacity and plans to run up to 70 per cent of flights in July and August. Ryanair is restoring 40 per cent of its scheduled flights on 90 per cent of routes from July 1.

However, flying post-lockdown will look very different from before the crisis. Carriers have introduced hygiene measures, including cleaning and social distancing at check-in, reduced food services, and face masks, surface wipes and hand gel for passengers.

Industrial goods. Workplace wellbeing

Covid-19 tests help German engineer stay healthy

Approach offers a 'blueprint', says business, but lab capacity poses hurdle to wider adoption

OLAF STORBECK — KARBEN

Located near a sewage plant on the outskirts of Frankfurt, engineering company Holzhauer-Pumpen appears an unlikely pioneer.

But the small manufacturer has managed to keep its factory floor open throughout the pandemic by adopting an unusually aggressive approach to screening for the virus: whether they have coronavirus symptoms or not, its 56 employees are asked to take a voluntary test every week.

"There are no exceptions, not even for our cleaning staff," managing director Christian Trahan explains from his office at Holzhauer's headquarters in Karben, a small town just outside of Frankfurt.

As western governments begin to ease lockdowns that have saved lives but crippled economies, more businesses will soon face the challenge of persuading employees to return to workplaces even as the risk of a second wave of infections remains real.

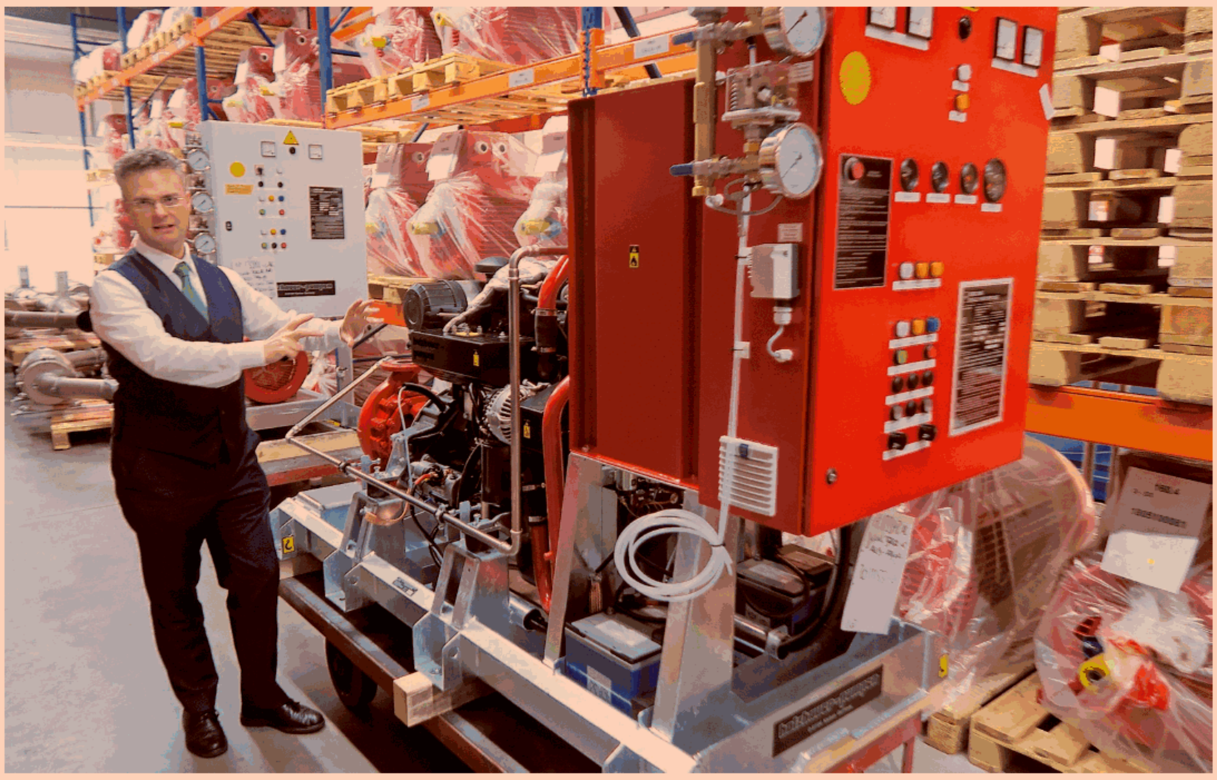
Peter Sewing, the co-head of Obermark, a Luxembourg-based investment group that bought Holzhauer in 2012, reckoned that the engineering company's model could ultimately be a "blueprint" for the wider German economy.

"This can be profoundly beneficial both from a healthcare perspective as well as economically," said Mr Sewing, a 58-year-old former Goldman Sachs banker.

However, the strategy employed by Holzhauer, which makes pump stations used in sprinkler systems, is at odds with Germany's official guidance on testing. The Robert Koch Institut, the government's public health body, recommends that testing be reserved for those who have symptoms or have been in touch with someone who is infected.

That makes Holzhauer's approach a rare one. Very few businesses in Germany have started to test their staff regardless of whether they have symptoms or not. IG Metall, the country's powerful metal workers union with 2.3m members, said it did not know of anyone else doing it.

Those companies pursuing their own testing have been criticised for taking capacity from public authorities. Holzhauer said it was not relying on the medical laboratories that serve Germany's doctors and hospitals, but instead using testing capacity provided by Rostock-based company Centogene.



Christian Trahan, managing director of Holzhauer-Pumpen, says virus testing has allowed the Frankfurt manufacturer to keep production at capacity

Every Monday morning, Mr Trahan oversees the testing, handing out kits to staff who self-swab. A courier then delivers the samples to Centogene's laboratory in Hamburg, which returns results within 24 hours.

Since March, Centogene, which is listed on the Nasdaq exchange and specialises in genetic diagnostics for rare diseases, has converted parts of its laboratory infrastructure into Covid-19 testing facilities.

Arndt Rolfs, Centogene chief executive and professor of neurology at Rostock University, said that the company was performing 25,000 tests a day and had capacity to do another 20,000.

"We are not crowding out other test capacity," he said, pointing to the fact that the company was not relying on off-the-shelf test kits that have at times been in short supply.

At an annual cost of €125,000, Mr Sewing acknowledged that the decision to test Holzhauer's workforce came with a hefty price tag. It was, he insisted, "money well spent".

Mr Trahan said that without weekly testing it would not have been possible to keep production at capacity — something the company has also been able to do because demand for its pumps has so far proved resilient. Working from home was not an option while the company was too small to physically separate different teams of staff, he added.

"The frequent tests are the only reason I can still sleep well at night," the 47-year-old said.

But the expense of the tests is not the only potential price for the German manufacturing group. Regular and blanket tests for Covid-19 are a minefield for employers, particularly in a country such as Germany where health data is subject to tight privacy laws and workers' rights are heavily protected.

Mr Trahan said that staff could opt out of the tests and only employees had access to their results. He would expect an employee to inform him of a positive result because this was a system "based on trust". No employee has reported a positive result.

But what would happen if someone chose to opt out?

> 'The frequent tests are the only reason I can still sleep well at night'

They would have "to put up with tighter hygiene measures in certain areas, like wearing a medical face mask all the time", said Mr Trahan.

IG Metall said it welcomed Covid-19 tests in the workplace as long as they were truly voluntary and on top of standard health and safety measures such as keeping 1.5 metres between workers.

"Participation does not really appear voluntary if opting out is sanctioned by tighter hygiene rules," said IG Metall.

However, Ron Wilhelm, a 31-year-old assemblyman who joined Holzhauer two years ago, said that he and his colleagues did not share such concerns.

"I am very grateful about the weekly tests," he said. "Each test result is obviously just a snapshot, but it still helps to reduce anxiety at work." When friends hear about the option to get tested, "they are always envious", he added.

Germany has one of the highest Covid-19 testing capacities of any country. But with the manufacturing sector employing more than 7m people alone, Holzhauer's approach to keep its factory open looks likely to remain a niche one.

Health

UK handed out £1.7bn of virus-fighting contracts over three months

TABBY KINDER AND GILL PLIMMER
LONDON

The UK government has handed contracts worth at least £1.7bn to private companies in the past three months, mostly without a competitive tender process, as ministers scramble for help to fight the pandemic.

Government departments have published about 400 contracts since the start of the crisis, which were signed at speed to provide services ranging from the procurement of medical and protective equipment to administering testing and advising civil servants.

The data were collected by Tussell, a research company that tracks government contracts.

The bulk of the deals were agreed without a competitive tender process under emergency procurement measures that were put in place in March. The temporary rules enabled government departments, the NHS and local councils to respond rapidly.

A Cabinet Office official said: "Working with the private sector has been a vital part of the government's response to tackling the coronavirus crisis . . . Being able to procure at speed has been critical in providing that response."

The official said the government made it clear during the pandemic that public authorities "must continue to achieve value for money for taxpayers, use good commercial judgment, and publish the details of any awards made".

> 'Working with the private sector has been a vital part of the response'
> Cabinet Office

A quarter of the contracts that have so far been published were won by companies that had not previously carried out work for the government.

At least seven contracts each worth more than £100m have been awarded by Whitehall officials, according to Tussell. So far the largest contract that has been published was for £234m by the Department for Education to Edenred, a vouchers business, to deliver supermarket vouchers while schools are closed to families who would normally get free school meals.

The Department of Health awarded four of the largest contracts for Covid-19 testing services, including £151m to Hologic, £133m to Randox Laboratories and £64m to Life Technologies. The companies were recruited to supply materials and training to medical laboratories and to test key workers. The department is responsible for more than a third of the value of all contracts awarded by government agencies as health officials have battled to bring the pandemic under control.

Some significant deals have not yet been made public despite the virus procurement rules stating that departments must publish a contract award notice within 30 days of its agreement. No contracts have yet been published relating to the creation of seven Nightingale field hospitals by NHS England or regarding the UK's new contact tracing programme.

Serco won a £46m contract from the Department for Work and Pensions to provide emergency contact centre services for vulnerable people who are self-isolating.

Financials

Norway oil fund expects lower property returns

RICHARD MILNE — OSLO

Norway's sovereign wealth fund said coronavrus would change the real estate market fundamentally as it forecast lower returns for its property portfolio over the next decade.

Yngve Slyngstad, chief executive, said big shifts in the retail and office sectors meant property investing would be altered.

"Real estate will change. It will change fundamentally," Mr Slyngstad said at an event to mark a decade of the oil fund investing in property.

The fund has amassed a $30bn real estate portfolio.It has become one of the biggest property investors, assembling a concentrated portfolio of top-quality office and retail properties in a few cities such as London, Paris, New York, San Francisco and Tokyo as well as logistic centres in Europe and the US.

Despite questions from some experts about whether it was overpaying for trophy assets on London's Regent Street or New York's Fifth Avenue, in its first decade the fund's real estate assets made an annual return of 7.7 per cent, more than 3 percentage points higher than its funding costs.

Mark Burton, an external real estate adviser to the fund, said it had unusually focused on "downside protection rather than upside potential" by examining covenants on properties and favouring the income that buildings could generate over their potential capital appreciation.

Mr Slyngstad said of the fund's property investments: "They should weather this kind of situation better than many other assets."

Asked if the fund could expect a similar rate of return in the next decade, Karsten Kallevig, the fund's chief investment officer for real estate, said: "I doubt it."

However, he said that over the next decade, it should be able to meet the fund's implied return expectation of 3 per cent in real terms, or 5 per cent nominally.

Mr Slyngstad said that he was certain of change in the sector but unsure quite how it would take place.

"What will the office sector look like? Nobody really has the answer," he said.

Working from home could lead companies to need fewer people in the office but more space for them, he said.

On the shake-up in the retail industry as the migration of shoppers online accelerates, Mr Kallevig insisted that there was still room for physical stores, but suggested that landlords would need to have a different relationship with their tenants, including potentially on how rent was charged.

He said the oil fund was "in the market" for potential distressed purchases thrown up by Covid-19, just as it snapped up a building on Oxford Street in the days after the Brexit referendum in 2016.

Automobiles

Carmakers hit at Berlin over stimulus limits

JOE MILLER — FRANKFURT

The German car industry has condemned Angela Merkel's government for excluding subsidies for new petrol and diesel vehicles from its multibillion-euro stimulus package, as record low sales and exports hit the sector.

The €130bn package, announced late on Wednesday, includes a €6,000 subsidy for electric vehicles, and a temporary 3 per cent cut to VAT.

But ignoring pleas from the once-powerful car lobby and top executives, Berlin refused to reinstate a €5bn scrappage scheme that helped boost demand after the last financial crisis.

The VDA body for carmakers such as Volkswagen, Daimler and BMW said it "regretted" that the proposals for a "broad-based and directly effective economic stimulus package were only partially included in the economic stimulus package that was passed".

"In order to remain competitive and to consider climate protection and the economy together, we will continue to need a mix of offerings that also includes modern and efficient combustion engines," said Hildegard Müller, president of the VDA.

Although sales of battery-powered vehicles have been soaring in Germany, combustion engine cars still make up more than 90 per cent of models sold.

VW, which has been leading the charge into electric vehicles, has already sold almost all of this year's emissions-free models, chief executive Herbert Diess recently told a German podcast.

Jürgen Karpinski, president of the German Federation for Motor Trades, which represents almost 40,000 companies, said the package "did a disservice to the crisis-ridden automobile industry with its 1.3m employees".

He added that the stimulus "was not even a drop in the ocean", due to the more than €15bn worth of unsold combustion engine cars still in Germany.

Shares in VW, Daimler and BMW all fell yesterday, as did those of suppliers including Continental and Schaeffler.

After the announcement on Wednesday, Bavaria's prime minister Markus Söder argued that demand for petrol and diesel cars would be stimulated by lower VAT. The savings, however, amount to just €500 for a €20,000 car, and Peter Fuss, an analyst at EY, predicted there would be "few purchases that are causally related to the reduction of the VAT rate".

Representatives of Germany's commercial fleet buyers, which account for more than 60 per cent of sales in the country, also criticised the package, saying a VAT cut would not benefit businesses.

Separately, figures yesterday showed car sales in Germany halved in May on the same month last year, despite dealerships having been open since the end of April.

See Editorial Comment

Shale boom trailblazer Chesapeake on brink

As bond investors price in default, a Chapter 11 bankruptcy filing looms that risks opening floodgates for the sector

DEREK BROWER — US ENERGY EDITOR

Chesapeake Energy spearheaded the shale revolution a decade ago that ushered in US energy independence, embodying a period of corporate extravagance as it rose to become a $35bn company.

Now the company is on the brink of a bankruptcy that would make it the biggest casualty of the coronavirus turmoil that is ravaging the US oil and gas sector.

Its shares have fallen 90 per cent since January, taking its market capitalisation to $135m. Bond markets are pricing in default. A reverse stock split in April raised fears of imminent insolvency.

A Chapter 11 filing was at best "a matter of weeks, not months away", said a restructuring adviser to one of Chesapeake's creditors; it would open the floodgates for other bankruptcies across the sector.

A smaller Chesapeake, freed of liabilities and tightly focused on natural gas in the Marcellus shale of the US north-east, is likely to emerge from restructuring.

Doug Lawler, chief executive since 2013, has battled for years to clean up the company's balance sheet and lighten a $23bn debt pile amassed during a period of explosive growth under predecessor Aubrey McClendon.

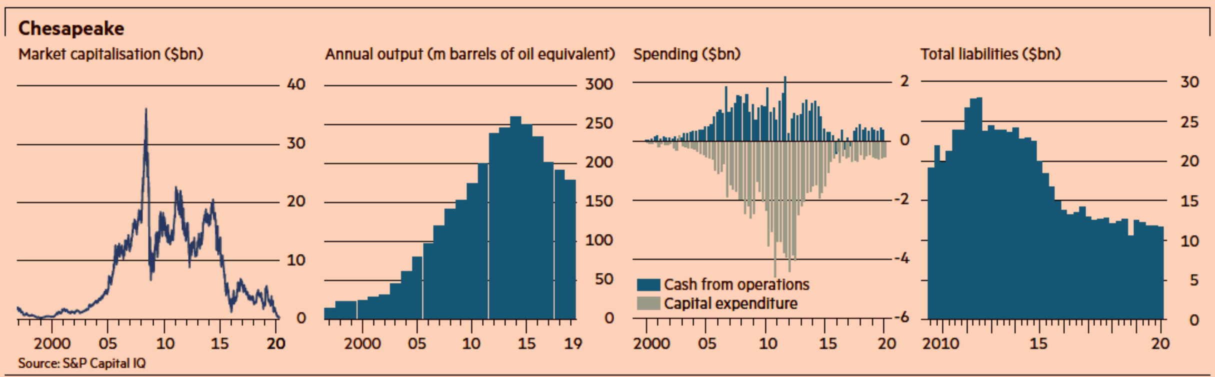
"He inherited a company that was unsustainable," said a former Chesapeake executive.

But the brutal crude crash has hastened the decline.

"There's not much even a great CEO can do to change the reality of the commodity price crash."

From obscurity in the late 1980s, Chesapeake became the best-known shale business under McClendon, at one point the best-paid US chief executive with an annual package topping $100m.

'There's not much even a great CEO can do to change the reality of the commodity price crash'

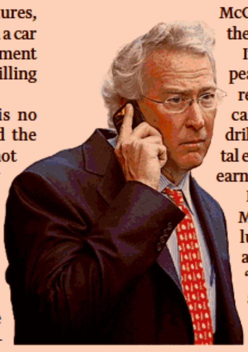


Source: S&P Capital IQ

Its name adorns the arena where the NBA's Oklahoma City Thunder have played basketball since McClendon helped buy the team, among his efforts to revitalise the state capital. The company's campus was famed for its state-of-the-art gym, teams of chaplains and gardeners, and bee colony.

The beekeepers have gone but Chesapeake's legacy as shale leader endures, outlasting McClendon, who died in a car crash in 2016 a day after his indictment on charges of rigging bids for drilling rights.

"Without Chesapeake there is no shale revolution, full stop," said the restructuring adviser. "But it's not just a liquidity crisis, it's a solvency one now. They were just so much further out on a limb than anyone else."



The company's insatiable appetite for shale rock made it one of the biggest leaseholders in the US as commodity prices soared in the years before 2008, when ever bigger bets seemed likely to pay off. Chesapeake believed it only needed to drill the territory — what it called "harvest mode" — to reap the rewards.

It signed up pipeline partners with long-term contracts, paying them handsomely to install the gathering, processing and transportation infrastructure that would open the shale patch and, McClendon insisted, make natural gas the dominant US fuel.

Its stock soared as natural gas prices peaked in 2008, at six times their current level. But the huge land position came with commitments to keep drilling or surrender the acreage. Capital expenditure rocketed far above cash earnings. The debt pile bulged.

By the time investors forced McClendon out, Chesapeake was lumbered with mounting off-balance-sheet liabilities too, including "volumetric production payments", a form of selling future production.

Asset sales helped cut debt below $11bn by 2018 but meant lower output, hindering the company's ability to generate cash and make interest payments, let alone restore a dividend for common stock that was suspended in 2015.

"They brought the debt down," said John Thieroff, analyst at Moody's. "But the company shrank along with it."

Now Chesapeake faces the wall just as a plunge in drilling threatens supply shortfalls that would revive prices.

"Just as natural gas prices are about to rip higher this winter — exactly what Chesapeake has been holding out for — they are on the precipice of bankruptcy," said Andrew Gillick of the consultancy RS Energy Group.

Some analysts believe a forthcoming restructuring would be salutary for a sector that has proved more adept at squeezing hydrocarbons from rocks than repaying investors' cash.

Mr Lawler pledged in 2013 that his company would generate enough income to cover spending. But free cash flow has only been achieved in two quarters since then, according to S&P Global Market Intelligence.

"It's hard to generate cash when you're spending $700m a year in interest payments and $1.3bn on GP&T," said a person familiar with the group.

As recently as late February, Mr Lawler said he hoped to recoup up to $500m from disposals. But the shale era's natural gas champion is also exposed to the oil-price crash, which has damped asset valuations and buyer appetite.

To hedge against natural gas market weakness, Chesapeake — which in 2012 sold its position in Texas's Permian, the most productive oilfield — pursued oil deposits in Wyoming and, in 2018, splurged $4bn to buy Texas producer Wildhorse Resource Development.

However, oil prices traded down consistently in the months after the Wildhorse deal. Cash flow from operations has also trended lower, despite the extra production.

Work proceeds on a Chesapeake natural gas rig in the North Texas Barnett Shale bedrock deposit, in Kennedale, Texas. Left, the late Aubrey McClendon, under whose aegis the group amassed a debt pile of $23bn
Matt Nager/Bloomberg; Sean Gardner/Reuters

"They sold massive amounts of the gas assets and bought very expensive oil assets," said the former Chesapeake executive. "Since then, the net debt hasn't changed a lick."

Downgrading the company's debt recently, Moody's noted the toxic combination of "eroding liquidity . . . significant production declines due to substantially reduced capital investment, a depressed commodity price environment, very limited access to capital and the high likelihood of a restructuring in the near term".

Bankruptcy would offer freedom from old obligations that have hindered the company.

"They entered into these really expensive term transportation agreements to get gas out of the basins," said John Kempf a director at Fitch Ratings. "Bankruptcy in this case can maybe help resolve some of those issues."

Mr Lawler was likely to remain at the helm, analysts said. A $25m payout to keep him and other executives was recently agreed despite the company's weakened cash position. He emailed staff last month saying Chesapeake would "operate our business as usual" through a restructuring, while benefits and bonuses had been enhanced to reward employees.

'It sold massive amounts of gas assets and bought very expensive oil assets. The net debt hasn't changed'

Investors hope the company that emerges will look more like Cabot Oil & Gas, a rival in the Appalachian basin's Marcellus shale, where Chesapeake holds a prized position.

Cabot produced about 394,000 barrels of oil equivalent a day in the first quarter, compared with Chesapeake's 479,000. But it generated free cash flow of almost $50m, against Chesapeake's negative $115m, and its stock has outperformed the S&P 500 this year.

The bankruptcy process should be relatively smooth, advisers said. Chesapeake has appointed law firm Kirkland and Ellis, and investment banks Rothschild and Intrepid Financial Partners, to help with restructuring. Creditors including Franklin Resources have recruited teams.

Chesapeake and the other parties declined to comment.

"Everyone's had a head start and everyone's armed with their spreadsheets," said the adviser involved in the negotiations. The bankruptcy would "set a precedent for the 50 [other shale companies] that are going to come in the next two years".

Who will own the reset Chesapeake? Private equity investors, though bruised by the shale patch, remain the likeliest buyers. A sale of the company's constituent parts is also possible.

The smaller Marcellus specialist likely to emerge will be a far cry from the expansive, world-beating disrupter McClendon and Wall Street created. It is hard to avoid the conclusion that an era will be drawing to a close.

Technology

Arrest warrant sought for Samsung head in fraud case

SONG JUNG-A — SEOUL
EDWARD WHITE — WELLINGTON

South Korean prosecutors have sought an arrest warrant for Lee Jae-yong, de facto head of Samsung, in a case linked to allegations of a $3.9bn accounting fraud.

The move is the latest escalation in a legal saga over whether company executives orchestrated moves to transfer power at Samsung Electronics, the computer chips and smartphones producer, to Mr Lee.

The allegations return the focus on opaque governance and succession at South Korea's largest company as it grapples with manufacturing disruptions and falling customer demand due to the pandemic.

Mr Lee and two of his senior lieutenants, Choi Gee-sung and Kim Jong-joong, could face charges of violating capital markets laws, according to the Seoul Central District Prosecutors' Office. The charges would relate to unfair trading and stock price manipulation, rules around external audits of corporations, and making a false testimony.

Lawyers for Mr Lee and Mr Kim have sought a review of the possible indictment, prosecutors said.

Samsung declined to comment yesterday. It has denied wrongdoing.

Financial regulators in Seoul have previously alleged that in 2015 executives at Samsung BioLogics, a Samsung group company, inflated the value of another affiliate, Samsung Bioepis, by as much as $3.9bn. In December, eight employees from Samsung companies were found guilty of destroying evidence linked to the investigation.

Samsung BioLogics has disputed the claims of accounting fraud.

Lee Jae-yong, the son of group chair Lee Kun-hee, has led Samsung since 2014 when his father suffered a heart attack. He made a rare public apology in Seoul last month as he sought to avoid a return to prison on charges of bribery linked to former South Korean President Park Geun-hye. He was jailed for a year in 2017 because of the case before being granted an early release.

Yesterday's announcement marked the first time prosecutors have threatened to arrest Mr Lee since his 2018 release from prison.

CW Chung, head of research at Nomura, said the latest revelation was "not good news for Samsung".

However, he added: "Even if he gets arrested, Samsung's operations would be little affected as he can still make major business decisions from jail — although this is not an ideal scenario," he pointed out.

Technology

Wirecard forecasts no damage to business from pandemic

DAN MCCRUM

Wirecard has said a strong additional surge in online transactions in Asia and Europe has compensated for the negative effects of coronavirus on its payments processing business.

The technology group is one of the few large companies to predict no impact on its pre-pandemic forecasts for 2020, even as it has blamed Covid-19 for delays to the publication of audited financial statements for 2019.

Wirecard assumed an easing of coronavirus curbs this year would "reactivate the airline and travel business", in which it has substantial exposure.

The announcement was made late on Wednesday as the Dax-listed group faces scrutiny over its accounting practices, following a special audit by KPMG that did not resolve questions over its financial statements.

KPMG said it was unable to verify whether arrangements responsible for the "lion's share" of profits from 2016 to 2018 were genuine, and did not receive bank confirmations or statements to establish the existence of €1bn of cash.

Wirecard's share price has fallen 28 per cent since publication of the KPMG report on April 28, to give it a market capitalisation of €11.7bn. Release of full-year figures approved by EY, Wirecard's longstanding auditor, has since been twice postponed and is scheduled for June 18, when the group would "provide detailed reports on growth plans and intended structural measures".

The group last month appointed a chief compliance officer, who is set to join the supervisory board on July 1. In its statement it said that with the appointment Wirecard "will in future make itself less susceptible to any suspicion directed against the company".

The special audit was launched in October after the Financial Times published documents indicating that sales at Wirecard businesses in Dubai and Dublin had been fraudulently inflated.

The tech group is one of the few large companies to predict no impact on its pre-pandemic forecasts

German regulator BaFin has said investigations were continuing and that the group also faced a criminal inquiry in Singapore into alleged accounting fraud at eight Asian subsidiaries.

Wirecard has denied any wrongdoing and on Wednesday reiterated that suspicions over its Singapore business "have been conclusively cleared up".

Retail & consumer

Adidas sales rebound in China after lifting of lockdown rules

OLAF STORBECK — FRANKFURT

Adidas's sales in China bounced back quicker than expected after lockdown restrictions were lifted, nurturing hopes that the world's second-largest sportswear maker can begin to overcome a collapse in global demand.

While the Nike rival warned investors in April that it would take several months until sales in China were back to last year's level, it disclosed yesterday that last month's sales in the region were already higher than in 2019.

"Overall revenue growth in Greater China turned positive for the month of May," the company said. "After the earlier-than-expected return to growth, Adidas now expects Greater China sales for the second quarter to be around the prior-year level," it added.

Chief executive Kasper Rorsted previously warned investors that a recovery in sales would be "gradual rather than instant".

Despite the encouragement from China, Adidas also repeated its earlier warning that group revenue in the current quarter would fall more than 40 per cent from a year earlier, twice the decline it reported for the first quarter. While two in three Adidas stores have reopened, many of them are still operating with reduced hours.

China has turned into a bellwether for Adidas and the wider consumer goods sector's ability to return back to normal after the lockdowns and an unprecedented drop in retail activity. During the peak of the lockdown in China, Adidas sales in China fell 80 per cent.

After five years of double-digit growth, China has become one of the largest markets for Adidas, generating more than a fifth of overall sales in 2019.

Shares in the group plunged nearly 50 per cent between mid-January and April, but have since recouped more than half of the declines. As a response to the crisis, Adidas scrapped its dividend, ditched share buybacks and secured a state-backed syndicated loan of €3bn to bolster liquidity.

"We know that the consumer will come back," Mr Rorsted said in March when presenting the 2019 results.

After a public outcry in Germany, it backtracked from a controversial decision to defer rent payments for shops that were closed during the lockdown.

While footfall in China last month was still lower than a year earlier, Adidas said that it boosted sales with "targeted efforts", adding that the "traffic shortfall was more than offset by an increase in conversion rates and the exceptional growth in the company's ecommerce business".

Equities. Complacency alarm

Hedge funds fear another reckoning for global stocks

The New York Stock Exchange's benchmark index completed its best 50-day run in history this week
Spencer Platt/Getty

Investment managers say asset prices are too detached from harsh economic realities

LAURENCE FLETCHER

Hedge funds are getting ready for another slide in stock markets after growing uneasy that surging prices do not reflect the economic problems ahead.

Some managers fear that equity investors — used to buying the dips during the decade-long bull market that ended in March's sharp sell-off — have become too complacent about how quickly economies can recover from the pandemic and how effective stimulus packages from central banks and governments can be.

The S&P 500 index completed its best 50-day run in history on Wednesday, said LPL Financial, closing within 8 per cent of its record high of mid-February.

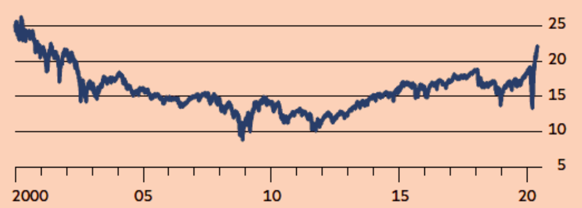
"The markets are priced to perfection," said Danny Yong, founding partner at hedge fund Dymon Asia Capital in Singapore. "The stability in equity markets does not reflect the job losses and the insolvencies ahead of us globally."

Mr Yong has been buying put options — which protect against market falls by allowing their owner to sell at a predetermined price — on stock indices and also on currencies sensitive to risk appetite such as the Australian dollar and the Korean won.

"I believe we will see new lows in global equity markets later this year," he added. "As March . . . has shown us, prices cannot diverge from fundamentals for too long."

US blue-chips reach highest valuation since the early 2000s

S&P 500 index, 12-month forward price/earnings ratio



Source: FactSet

Other hedge fund managers have expressed concerns about the sharp rebound in stocks from the March lows.

Stanley Druckenmiller, a protégé of George Soros who stepped back from managing outside money a decade ago, recently said he expected a wave of bankruptcies and that a V-shaped economic recovery was a "fantasy".

Paul Singer's Elliott Management, which has $40bn in assets, wrote in its most recent letter to investors that, since the impact of the economic downturn was greater than that of the 2008 financial crisis, "our gut tells us that a 50 per cent or deeper decline from the February top might be the ultimate path of global stock markets".

The fund made money during the first-quarter crash from hedges in stocks and credit, and said it was trying to find new ways of protecting itself against another market fall after some hedges became more expensive.

Despite bleak economic data — including more than 40m Americans filing for unemployment benefits and an expected record contraction in the eurozone economy in the second quarter — the S&P 500 has surged almost 40 per cent since its trough in March, leaving it down just 3 per cent for the year.

The index is now trading at more than 22 times expected earnings for the next 12 months, according to FactSet figures, taking the common valuation measure back to levels not seen since the early 2000s.

Mr Yong believes investors could soon discover that the so-called "Fed put" — the concept that the central bank will step in to support markets — may be reaching its limits.

"Some people believe the Fed's unconventional measures are limitless but this is not the case," he said. "It's now about the "Trump Put" — how much more stimulus can he push through? I think he [President Donald Trump] will be constrained by Democrats in the House."

Morgan Stanley said in a recent note that its hedge-fund clients held a net short position of about $40bn in Euro Stoxx 50 futures.

'The stability in equity markets does not reflect the job losses ahead of us'

Global macro hedge funds have sharply reduced their exposures to stocks this year, according to JPMorgan Cazenove.

"It is entirely possible that there will be a fourth-quarter reckoning, where a second wave of job losses and a prolonged period of business failures tests equity sentiment," said Seema Shah, chief strategist at Principal Global Investors.

Francesco Filia, head of London-based hedge fund Fasanara Capital, is holding 70 per cent of his fund in cash and also using put options and other instruments to hedge his portfolio while he waits for a "severe rupture" in markets.

He sees threats in the trend towards "deglobalisation," which could drive inflation higher, and growing political interference in the technology sector, which could hurt shareholder returns.

He expects a potential "2008-style . . . daily liquidity crisis" as investors try to pull money from exchange traded funds that may not be able to meet those redemptions.

However, many fund managers are reluctant to bet outright against stocks in the face of stimulus efforts from the US Federal Reserve and European Central Bank, both of which have argued they have firepower in reserve.

The market hitting new lows "is possible", said Tom Clarke, who has a low exposure to stocks at a macro fund at William Blair in London.

But he added that government and central bank stimulus packages have "taken on almost mythical proportions. There's no doubt in which direction policymakers want markets to go."

Additional reporting by Adam Samson

See Lex

Equities

Grantham cuts exposure to 'one-sided' Wall Street

ANDREW EDGECLIFFE-JOHNSON AND RICHARD HENDERSON

Stock markets are "lost in one-sided optimism", according to Jeremy Grantham, the veteran strategist known for calling several of the biggest market turns of recent decades.

GMO, the Boston fund manager Mr Grantham co-founded in 1977, has cut the net exposure to global equities in its biggest fund from 55 per cent to just 25 per cent — close to the low it hit during the global financial crisis.

The decision slashed its Benchmark-Free Allocation Fund's exposure to US equities from a net 3-4 per cent to a net short position worth about 5 per cent of the $7.5bn portfolio, said Ben Inker, GMO's head of asset allocation.

The Covid-19 pandemic "should have generated enhanced respect for risk and it hasn't — it has caused quite the reverse", Mr Grantham told the Financial Times.

He said trailing price/earnings multiples in the US stock market were "in the top 10 per cent of its history" while the US economy "is in its worst 10 per cent, perhaps even the worst 1 per cent".

Mr Grantham, who has built much of his career on the observation that markets ultimately tend to revert to their long-term average levels, dumped positions in Japanese stocks two years before the country's asset price bubble burst in 1989.

'If it does end badly, the history books are going to be very unkind to the bulls'

He also bet against dotcom stocks for more than a year before they turned 20 years ago.

In a quarterly letter released yesterday, GMO's long-term investment strategist wrote that he had never seen a period where the outlook was so uncertain. He warned that "the current market seems lost in one-sided optimism when prudence and patience seem much more appropriate".

Despite the uncertainty, he said in an interview that after seeing markets price in "total recovery" over recent weeks, "my confidence that this will end badly is increasing".

The US stock market has gained 40 per cent since its lows in March, bringing the S&P 500 benchmark to just 8 per cent below the record high reached in February.

"If you look back in two to three years and this market turns around and drops 50 per cent, the history books will say 'that looked like one of the great warnings of all time. It was pretty obvious it was destined to end badly'," Mr Grantham said, adding: "If it does end badly, the history books are going to be very unkind to the bulls."

GMO bulked up on stocks during the sell-off but has since cut positions in the US market, worried that the big jump in prices had created a historically large "mismatch" with the dire economic backdrop.

Commodities

Bull charge for copper prices as China demand lifts gains to more than 20%

NEIL HUME
NATURAL RESOURCES EDITOR

Copper, the world's most important industrial metal, entered a bull market yesterday, boosted by strong demand from China and hedge funds closing bearish bets.

The metal, which is used in almost all construction projects and white goods and is a big source of earnings for global miners, was up just over 20 per cent from its March low yesterday evening, above $5,530 a tonne.

At that level, it meets the normal definition of a bull market.

"Economic data is signalling a robust recovery in the Chinese construction and manufacturing sectors during the second quarter," said Robert Edwards, principal analyst at consultancy CRU.

Demand for copper in China, where half the world's output is consumed, has picked up significantly since Beijing eased its lockdown in March.

As its economy has clicked back into gear, physical premiums — the extra price buyers pay to take delivery of the metal immediately — have risen sharply while inventories have plunged as manufacturers scrambled for supply. The closely tracked utilisation rates at wire rod mills — which account for two-thirds of China's refined copper consumption — have rebounded, hitting 90 per cent in April.

"Although wire rod output eased during the latter part of May, we now anticipate that China's refined copper consumption will increase by 2 per cent year on year in the second quarter, compared to minus 3.3 per cent previously," said Mr Edwards.

At the same time, supply disruptions have continued to increase as coronavirus has swept through South America, home to many large copper mines.

Copper has been boosted since Beijing eased its lockdown in March

Mined copper production in Peru fell 33 per cent year on year in April to 1.5m tonnes, according to the country's ministry of mines and energy.

"Mine output has been hit by Covid lockdowns and, whilst many companies claim to have got by on reduced personnel, the market is very short of concentrate," said Liberum analyst Ben Davis, referring to the feedstock used by smelters to make refined copper.

In the face of those data points and the general "risk on" mood in markets, hedge funds and other speculators have been closing bearish bets on copper.

The net short position fell from a peak of almost 59,000 contracts early this year to just 5,300 at the end of May, according to Commodity Futures Trading Commission data.

Ole Hansen, head of commodity strategy at Saxo Bank, said a sustained break above $5,500 a tonne could further boost prices. "A break may attract fresh buying, not least from hedge funds who have only just managed to reduce their exposure from short to neutral," he said.

Equities

ZoomInfo shares jump 90% on debut in signs of rejuvenated IPO sentiment

MILES KRUPPA — SAN FRANCISCO

Business database provider ZoomInfo jumped more than 90 per cent yesterday after the company raised $935m from an initial public offering that provided signs of a rejuvenated market for new listings.

The offering marked the first significant US technology IPO since the pandemic rattled financial markets in late February.

It also offered further evidence of the pent-up demand investors had for the shares of newly public companies.

On Wednesday, shares in Warner Music surged 20 per cent on their debut, valuing the music label at $15.4bn.

ZoomInfo chief executive Henry Schuck said that he decided to go ahead with the IPO after the company posted strong results in April.

It gained further support after Dragoneer Investment Group and the mutual fund managers BlackRock and Fidelity each committed to purchase up to $100m in shares in the offering, which was underwritten by JPMorgan Chase and Morgan Stanley.

"The potential universe of public shareholders was saying, 'you guys have a unique blend of profitability and growth'," said Mr Schuck, who is now a billionaire based on his stockholdings.

Mr Schuck co-founded the company in 2007 as a 23-year-old law student.

Together with Warner Music and the clinical-stage biotechnology group Pliant Therapeutics, ZoomInfo has helped to make this the busiest week for new listings in the US this year, according to financial data provider Refinitiv.

'Public shareholders were saying, you guys have a unique blend of profitability and growth'

The company sold 44.5m shares at $21 each on Wednesday, exceeding its already bumped up target range of $19 to $20. The offering was about 20 times subscribed, according to one person briefed on the matter.

It reached a market capitalisation of more than $15bn yesterday after surging more than 90 per cent to above $41 per share in early trading on Nasdaq.

ZoomInfo's public debut marks a quick turnround for its private equity backers, including the Carlyle Group, which purchased a minority stake in 2018.

Formerly known as DiscoverOrg, the company was renamed after purchasing business contacts database Zoom Information last year.

More than 200,000 users pay for subscriptions to ZoomInfo, which claims to use machine learning to help sales and marketing professionals identify new customers. The company posted a net loss of $5.9m in the first quarter on revenues of $102.2m.

ZoomInfo — not to be confused with the video conferencing service Zoom — said it had eliminated "fewer than 100 positions" in April after reviewing growth targets in light of Covid-19.

Like many private equity-backed companies, ZoomInfo employs a complex "up-C" organisational structure that grants preferential tax treatment to insiders.

The company's founders and private equity backers also own close to 90 per cent of outstanding voting stock.

See Lex

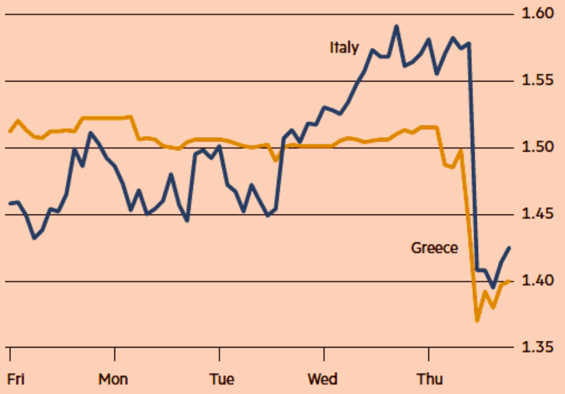
The day in the markets

What you need to know

- **Eight consecutive days of gains for global stocks come to an end**
- **European bonds rally after ECB adds fresh firepower to stimulus programme**
- **Euro strengthens against dollar, hitting highest level since early March**

European debt rallies after ECB boosts stimulus package

10-year government bond yields (%)



Source: Refinitiv

Stocks wavered between modest gains and losses yesterday, pausing a rally that had propelled global equities up almost 4 per cent this week.

The FTSE All-World index edged down 0.1 per cent, snapping an eight-session winning streak, following the release of data underlining the severity of the downturn.

More than 1.9m Americans filed for first-time unemployment benefits last week, taking the number of applications to 43m since the US lockdown began in mid-March.

Yesterday's number marked the first time that jobless claims had fallen below 2m in 11 weeks, but while "the rate of decay of claims has slowed . . . we think the first sub-1m reading won't come until the first week of July," said Ian Shepherdson, chief economist at Pantheon Macroeconomics.

"By then, the cumulative increase in claims since the virus struck will be close to 50m."

The S&P 500 was down 0.5 per cent by midday in New York yesterday, ending four days of consecutive gains.

Europe's leading bourses were also in negative territory, with the region-wide Stoxx Europe 600 slipping 0.7 per cent.

Government bonds rallied strongly after the European Central Bank added firepower to its stimulus programme with a €600bn expansion of its bond-buying programme that would also be extended it until 2021.

"The ECB will be hoping that this show of strength will put to bed any doubts about its willingness or ability to provide necessary stimulus and, if it successfully inspires the same market confidence that the [US] Fed enjoys, perhaps the full . . . additional asset purchases may not even be required ultimately," said Seema Shah, chief strategist at Principal Global Investors.

In particular, "highly indebted members like Italy and Greece, vulnerable to rising debt-service costs", would benefit, said Neil Williams, senior economic adviser to the international business of Federated Hermes.

The policymakers' announcement trigged a rally in Greek and Italian 10-year bonds, with the countries' yields falling 11 and 13 basis points respectively.

The euro also strengthened further against the US dollar, climbing almost 1 per cent to $1.1329, its highest level since early March.

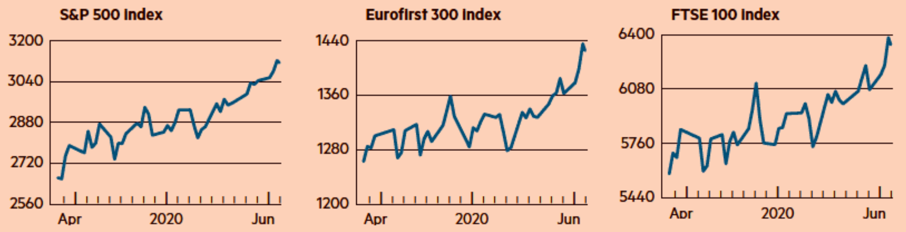
Oil prices were little changed, with global benchmark Brent down 0.2 per cent to $39.69 a barrel. **Ray Douglas**

Markets update

	US	Eurozone	Japan	UK	China	Brazil
Stocks	**S&P 500**	**Eurofirst 300**	**Nikkei 225**	**FTSE100**	**Shanghai Comp**	**Bovespa**
Level	3114.46	1425.89	22695.74	6341.44	2919.25	93241.34
% change on day	-0.27	-0.68	0.36	-0.64	-0.14	0.26
Currency	**$ index (DXY)**	**$ per €**	**Yen per $**	**$ per £**	**Rmb per $**	**Real per $**
Level	97.353	1.134	109.005	1.261	7.122	5.093
% change on day	0.079	1.070	0.165	0.079	0.174	1.301
Govt. bonds	**10-year Treasury**	**10-year Bund**	**10-year JGB**	**10-year Gilt**	**10-year bond**	**10-year bond**
Yield	0.799	-0.322	0.025	0.305	2.833	6.646
Basis point change on day	5.030	3.400	1.520	3.500	2.900	10.700
World index, Commods	**FTSE All-World**	**Oil - Brent**	**Oil - WTI**	**Gold**	**Silver**	**Metals (LMEX)**
Level	348.78	39.62	36.94	1705.35	17.86	2531.90
% change on day	-0.08	0.66	0.68	-2.11	-2.24	0.25

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



Biggest movers

%	US		Eurozone		UK	
Ups	American Airlines	24.79	Airbus	5.22	Easyjet	6.20
	United Airlines Holdings	12.86	Heidelbergcement	3.37	Int Consolidated Airlines S.a.	3.22
	Delta Air Lines	10.27	Erste Bank	3.34	Meggitt	2.88
	Norwegian Cruise Line Holdings Ltd	9.07	Edenred	3.22	Carnival	1.70
	Nordstrom	7.87	Alstom	3.22	Berkeley Holdings (the)	1.61
Downs	Dexcom	-5.56	Seadrill	-18.51	Intermediate Capital	-7.58
	Jm Smucker (the)	-4.53	Continental	-4.06	Pennon	-4.95
	Sba Communications	-3.94	Bayer	-4.01	Whitbread	-4.75
	Equinix	-3.44	Acs Const.	-2.61	Hargreaves Lansdown	-4.25
	Marketaxess Holdings	-3.43	Michelin	-2.55	Schroders	-3.29

Prices taken at 17:00 GMT

Based on the constituents of the FTSE Eurofirst 300 Eurozone

All data provided by Morningstar unless otherwise noted.

Wall Street

American Airlines led travel stocks sharply higher after pointing to improved demand in recent weeks.

July capacity guidance from American suggested a quicker than feared return to normal both for leisure and business travel, with the airline aiming to fly 55 per cent of its regular domestic schedule and nearly 20 per cent of its international schedule.

Southwest Airlines rallied after pricing a $1.8bn bond issue, in part to refinance existing debt.

Royal Caribbean Cruises gained after the operator launched the sale of senior notes and convertible bonds to raise $2bn.

Ecommerce group **eBay** hit a record high after raising the second-quarter earnings guidance that it had provided with first-quarter results in April.

It previously assumed trading would return to around pre-pandemic levels by mid-May, which was overly circumspect.

JM Smucker slid as cautious guidance on sales and earnings overshadowed positive fiscal fourth-quarter results.

The pet- and convenience-food maker forecast that net sales would fall 1 to 2 per cent in the coming year on the fading benefit of Covid-19 to grocery sales.

TD Ameritrade rose after the US Department of Justice approved its takeover by Charles Schwab. *Bryce Elder*

Eurozone

Bayer dropped after a US federal appeals court blocked the company from selling its dicamba-based herbicide, ruling that the Environmental Protection Agency had failed to acknowledge some risks when approving the product in 2018.

The action was tied to concerns that dicamba can drift and destroy crops in adjacent fields. Analysts say this ruling may weaken Bayer's herbicide-resistant seeds business to the advantage of key competitor Corteva.

Rémy Cointreau led the Stoxx Europe 600 gainers on forecast-beating earnings from the cognac maker.

New chief executive Eric Vallat said the Chinese market was recovering faster than expected and set out new margin targets for 2030.

Adidas climbed after saying sales were back to normal in Greater China, where stores have been open since mid-April.

L'Oréal slipped on a downgrade to "underperform" from Credit Suisse.

"The current valuation assumes L'Oréal's top-line growth quickly resumes its pre-Covid-19 momentum which is too optimistic," the broker said.

It expected "a protracted return to normality" as higher unemployment holds back consumer spending, with L'Oréal seen as vulnerable on its overexposure to hair salon products and travel retail.
Bryce Elder

London

IWG, the office landlord, faded after RBC Capital Markets advised taking profit.

"We continue to like the long-term potential and see IWG as becoming an even more dominant market leader," RBC said.

"However, the shares have bounced strongly, the catalysts of further franchising deals are unlikely in the short term and we see risk-reward now more balanced with the valuation circa 20 per cent above our mid-cycle valuation of the existing estate at maturity," it added.

Budget airline **Wizz Air** slipped after HSBC downgraded to "hold".

Wizz is well placed to benefit from an early demand recovery but has fewer opportunities than rivals to cut costs and its "opportunistic network development lacks a clear strategic narrative," HSBC said.

Fashion retailer **Asos** gained on the back of an upgrade to "buy" from Investec.

Recent trading "is reminiscent of times past and the recovery appears sustainable", it said.

South32 rose after UBS added the mining group to its "buy" list.

It projected a restart of share buybacks after South32 delivers full-year results in August and expected the sale of its South African coal operations to complete by the end of the year. *Bryce Elder*

Investors must not be afraid of inflation's return

Rob Burnett

Markets Insight

To propose a return of inflation is to be inflammatory. Investors are committed to a deflationary thesis. Yet if we look beyond today's demand shock from the Covid-19 crisis, the forces driving the disinflation of the past 40 years appear to be in retreat.

With the benefit of hindsight, 1981-82 was one of the great turning points in markets and economics. The peak of inflation and its relentless decline coincided with the start of globalisation and the greatest bond bull market in history.

Central banks led by the US Federal Reserve under Paul Volcker became more sophisticated, more successful and more trusted.

Central bank independence followed this success as governments gained trust in the effectiveness of monetary policy, further strengthening bankers' inflation-fighting credibility.

The growth of outsourcing reduced the cost of labour and production, adding to downward pressures on prices. The sharp rise in the pool of global savings pushed interest rates lower, driving down the cost of capital. All of these factors combined to deliver a rolling wave of disinflation that has washed over the global economy for nearly 40 years.

But today appears like a mirror image of the early 1980s. We have moved from inflation peak to deflation trough. Globalisation may not be in reverse but the character of it appears to be changing.

The corporate goal is no longer a single-minded pursuit of the lowest cost of production. Environmental, social and political factors are increasingly important. These factors add cost.

In this specific crisis, capital has also lost out to labour as Charles Goodhart and Manoj Pradhan have noted. The protection of the individual has been elevated over profit. Promoting human safety is the humane response to the circumstances we face but it goes against the absolutist belief in free markets.

This event has the potential to change priorities. Labour's pricing power could be lifted in the years ahead for economic or political reasons.

Given the choice of human safety over profit, fiscal deficits are expanding fast, yet this time there is no sense that this spending will be followed by austerity.

Austerity and its deflationary consequences need populism to die first.

Instead of tax increases, large government spending is being financed by central banks. A form of fusion is beginning between fiscal and monetary policy.

> Given the choice of human safety over profit, there is no sense that spending will be followed by austerity

Today's operations are not direct government financing in the primary market but buying bonds in the secondary market amounts to the same thing.

Despite the above, calls for inflation have been akin to crying wolf in recent years. Quantitative easing after the 2008-09 financial crisis was supposed to be a catalyst for inflation, yet the opposite occurred.

But the difference between that crisis and now is stark. The pace of money creation is far greater. The St Louis Fed's measure of money stock is increasing at the fastest annual rate in 37 years.

In recent years, the capacity of money supply to lift inflation, sometimes called the velocity of money, has been very low. But velocity will need to fall even more sharply to offset today's growth in money supply. Higher inflation appears more likely.

After 2008, the banking system required structural repair. As banks looked to rebuild, their lending was muted as they rebuilt their capital ratios. Combined with austerity, the money that reached the real economy from 2009-19 was relatively limited.

Today, banks no longer need to build reserves or capital buffers. Crisis loans extended by banks in Europe are now 80 per cent guaranteed by governments. Governments themselves are writing cheques to individuals and companies. There is an all-out effort to make sure that central bank and government liquidity spills into the real economy.

Inflation is part mechanics and part psychology, and expectations play a large role. The deflationary narrative of disruptive technology expounded by Brynjolfsson, McAfee et al runs deep.

Automation and fears of human redundancy roll together into concerns about demographics and falls in demand. The undertow from these forces is strong.

But these arguments are well understood and discounted. Investors are committed. Cheap deflation hedges no longer exist. Markets have built deeper and deeper positions that could be broadsided by its return.

Even so, there are cracks in this edifice. A return of inflation may terrorise many portfolio managers but it should not be feared. If controlled, it could be of enormous benefit for the real economy.

Rob Burnett is fund manager at Lightman Investment Management

MARKET DATA

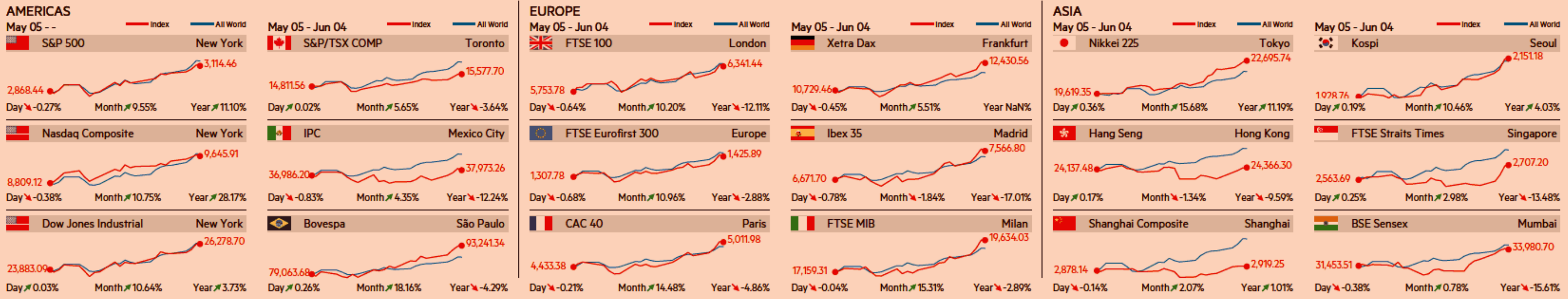
WORLD MARKETS AT A GLANCE

FT.COM/MARKETSDATA

Change during previous day's trading (%)

S&P 500	Nasdaq Composite	Dow Jones Ind	FTSE 100	FTSE Eurofirst 300	Nikkei	Hang Seng	FTSE All World $	$ per €	$ per £	¥ per $	£ per €	Oil Brent $ Sep	Gold $
-0.27%	-0.38%	0.03%	-0.64%	-0.68%	0.36%	0.17%	-0.08%	1.070%	0.079%	0.165%	1.010%	0.49%	-2.11%

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



Country	Index	Latest	Previous
Argentina	Merval	43621.73	43853.06
Australia	All Ordinaries	6112.00	6064.90
	S&P/ASX 200	5991.80	5941.60
	S&P/ASX 200 Res	4485.30	4514.10
Austria	ATX	2388.91	2366.48
Belgium	BEL 20	3449.89	3427.24
	BEL Mid	7950.42	7987.44
Brazil	IBovespa	93241.34	93002.14
Canada	S&P/TSX 60	940.32	941.72
	S&P/TSX Comp	15577.70	15575.11
	S&P/TSX Div Met & Min	426.56	408.65
Chile	S&P/CLX IGPA Gen	19211.45	18465.50
China	FTSE A200	10529.93	10536.31
	FTSE B35	9000.71	8988.96
	Shanghai A	3059.97	3064.31
	Shanghai B	205.66	205.26
	Shanghai Comp	2919.25	2923.37
	Shenzhen A	1938.55	1933.20
	Shenzhen B	864.41	848.48
Colombia	COLCAP	1158.05	1117.69
Croatia	CROBEX	2013.05	2011.29
Cyprus	CSE M&P Gen	68.46	68.68
Czech Republic	PX	932.42	927.53
Denmark	OMXC Copenahgen 20	1231.50	1235.60
Egypt	EGX 30	10424.10	10338.71
Estonia	OMX Tallinn	1184.85	1193.64
Finland	OMX Helsinki General	9545.72	9528.97
France	CAC 40	5011.98	5022.38
	SBF 120	3964.56	3968.41
Germany	M-DAX	26760.42	26677.43
	TecDAX	3246.68	3263.47
	XETRA Dax	12430.56	12487.36
Greece	Athens Gen	669.79	674.07
	FTSE/ASE 20	1611.24	1625.35
Hong Kong	Hang Seng	24366.30	24325.62
	HS China Enterprise	9967.93	9967.53
	HSCC Red Chip	3841.34	3852.48
Hungary	Bux	37260.06	37317.04
India	BSE Sensex	33980.70	34109.54
	Nifty 500	8185.90	8203.00
Indonesia	Jakarta Comp	4916.70	4941.01
Ireland	ISEQ Overall	6239.51	6224.32
Israel	Tel Aviv 125	1407.98	1404.61
Italy	FTSE Italia All-Share	21432.54	21410.27
	FTSE Italia Mid Cap	33957.32	33582.34
	FTSE MIB	19634.03	19641.81
Japan	2nd Section	6298.14	6290.93
	Nikkei 225	22695.74	22613.76
	S&P Topix 150	1329.95	1325.31
	Topix	1603.82	1599.08
Jordan	Amman SE	1641.21	1661.15
Kenya	NSE 20	1964.46	1964.46
Kuwait	KSX Market Index	6633.44	6603.51
Latvia	OMX Riga	1032.37	1036.83
Lithuania	OMX Vilnius	732.81	729.91
Luxembourg	LuxX	1079.33	1065.82
Malaysia	FTSE Bursa KLCI	1561.84	1538.53
Mexico	IPC	37973.26	38290.77
Morocco	MASI	10018.58	9938.61
Netherlands	AEX	559.13	561.30
	AEX All Share	797.57	800.20
New Zealand	NZX 50	11222.80	11118.27
Nigeria	SE All Share	25316.15	25267.82
Norway	Oslo All Share	910.76	909.21
Pakistan	KSE 100	34119.39	34401.42
Philippines	Manila Comp	6517.49	6245.65
Poland	Wig	50089.79	49728.30
Portugal	PSI 20	4621.13	4636.32
	PSI General	3299.56	3300.67
Romania	BET Index	9021.60	8981.80
Russia	Micex Index	2774.57	2831.08
	RTX	1264.00	1301.88
Saudi-Arabia	TADAWUL All Share Index	7222.41	7285.23
Singapore	FTSE Straits Times	2707.20	2700.39
Slovakia	SAX	362.38	359.15
Slovenia	SBI TOP	873.85	-
South Africa	FTSE/JSE All Share	53204.79	53645.28
	FTSE/JSE Res 20	48850.26	48982.77
	FTSE/JSE Top 40	48837.53	49300.10
South Korea	Kospi	2151.18	2147.00
	Kospi 200	286.45	285.91
Spain	IBEX 35	7566.80	7626.40
Sri Lanka	CSE All Share	4781.03	4782.43
Sweden	OMX Stockholm 30	1700.48	1709.96
	OMX Stockholm AS	660.97	662.84
Switzerland	SMI Index	10075.68	10183.77
Taiwan	Weighted Pr	11393.23	11320.16
Thailand	Bangkok SET	1411.01	1374.18
Turkey	BIST 100	109536.92	109111.34
UAE	Abu Dhabi General Index	4284.73	4277.37
UK	FT 30	2427.80	2438.90
	FTSE 100	6341.44	6382.41
	FTSE 4Good UK	5851.04	5884.66
	FTSE All Share	3509.99	3531.75
	FTSE techMARK 100	5389.74	5398.20
USA	DJ Composite	8549.99	8554.09
	DJ Industrial	26278.70	26269.89
	DJ Transport	9520.46	9440.77
	DJ Utilities	818.90	831.27
	Nasdaq 100	9669.74	9704.69
	Nasdaq Cmp	9645.91	9682.91
	NYSE Comp	12272.16	12302.19
	S&P 500	3114.46	3122.87
	Wilshire 5000	31729.77	31830.14
Venezuela	IBC	346890.28	343088.66
Vietnam	VNI	883.90	881.17
Cross-Border	DJ Global Titans ($)	361.74	362.92
	Euro Stoxx 50 (Eur)	3260.41	3269.59
	Euronext 100 ID	986.66	988.16
	FTSE 4Good Global ($)	7733.22	7748.47
	FTSE All World ($)	348.78	349.07
	FTSE E300	1425.89	1435.64
	FTSE Eurotop 100	2733.78	2752.73
	FTSE Global 100 ($)	2005.13	2010.15
	FTSE Gold Min ($)	2200.10	2299.64
	FTSE Latibex Top (Eur)	4440.00	4432.20
	FTSE Multinationals ($)	2182.97	2150.24
	FTSE World ($)	621.32	621.90
	FTSEurofirst 100 (Eur)	3732.99	3755.21
	FTSEurofirst 80 (Eur)	4468.00	4474.59
	MSCI ACWI Fr ($)	528.80	520.06
	MSCI All World ($)	2222.54	2187.09
	MSCI Europe (Eur)	1499.78	1461.33
	MSCI Pacific ($)	2576.40	2546.40
	S&P Euro (Eur)	1492.66	1495.20
	S&P Europe 350 (Eur)	1463.82	1473.05
	S&P Global 1200 ($)	2462.45	2464.32
	Stoxx 50 (Eur)	3005.79	3036.01

(c) Closed. (u) Unavaliable. † 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
Boeing	72.5	185.97	12.81
Amazon.com	39.7	2474.56	-3.84
Apple	30.7	324.12	-1.00
United Airlines Holdings	28.5	37.98	4.33
American Airlines	23.8	14.79	2.94
Delta Air Lines	23.2	31.40	2.93
Microsoft	22.3	183.81	-1.55
Nvidia	20.3	353.90	3.12
Facebook	17.8	227.46	-2.70
Jpmorgan Chase & Co	12.7	105.52	1.25

BIGGEST MOVERS	Close price	Day's change	Day's chng%
Ups			
American Airlines	14.79	2.94	24.79
United Airlines Holdings	37.98	4.33	12.86
Delta Air Lines	31.40	2.93	10.27
Norwegian Cruise Line Holdings Ltd	19.61	1.63	9.07
Nordstrom	20.96	1.53	7.87
Downs			
Dexcom	345.53	-20.33	-5.56
Jm Smucker (the)	109.40	-5.19	-4.53
Sba Communications	302.55	-12.40	-3.94
Equinix	665.26	-23.73	-3.44
Marketaxess Holdings	503.23	-17.88	-3.43

Based on the constituents of the S&P500

LONDON

ACTIVE STOCKS	stock traded m's	close price	Day's change
Astrazeneca	190.0	8530.00	-66.00
Diageo	164.9	2882.00	-12.00
Glaxosmithkline	143.4	1651.20	-13.40
Hsbc Holdings	140.6	399.40	-2.40
Int Consolidated Airlines S.a.	124.9	288.20	9.00
British American Tobacco	109.1	3200.00	-41.50
Bp	101.9	336.20	-3.10
Lloyds Banking	101.1	33.89	0.13
Barclays	100.7	123.52	-1.80
Compass	95.7	1288.00	8.50

BIGGEST MOVERS	Close price	Day's change	Day's chng%
Ups			
Hyve	133.00	28.30	27.03
Senior	91.00	13.50	17.42
Helios Towers	178.00	16.20	10.01
Ascential	297.00	25.40	9.35
Euromoney Institutional Investor	838.00	64.00	8.27
Downs			
Hammerson	118.95	-18.80	-13.65
Intermediate Capital	1281.00	-105.00	-7.58
Trainline	496.00	-26.50	-5.07
Future	1236.00	-66.00	-5.07
Pennon	1134.00	-59.00	-4.95

Based on the constituents of the FTSE 350 index

EURO MARKETS

ACTIVE STOCKS	stock traded m's	close price	Day's change
Airbus	499.9	71.98	3.57
Allianz Se Na O.n.	490.5	185.72	-0.92
Bayer Ag Na O.n.	416.8	62.70	-2.62
Intesa Sanpaolo	408.1	1.69	0.02
Sap Se O.n.	398.3	119.60	0.56
Unicredit	385.1	8.52	0.07
Asml Holding	362.3	310.30	2.25
Volkswagen Ag Vzo O.n.	356.3	141.64	-1.48
Siemens Ag Na O.n.	353.4	104.64	-0.34
Adidas Ag Na O.n.	345.4	254.80	4.60

BIGGEST MOVERS	Close price	Day's change	Day's chng%
Ups			
Airbus	71.98	3.57	5.22
Heidelbergcement Ag O.n.	50.54	1.65	3.37
Erste Bank Ag	22.92	0.74	3.34
Edenred	41.07	1.28	3.22
Alstom	43.00	1.34	3.22
Downs			
Seadrill	0.28	-0.06	-18.51
Continental Ag O.n.	91.64	-3.88	-4.06
Bayer Ag Na O.n.	62.70	-2.62	-4.01
Electrolux, Ab Ser. B	15.43	-0.60	-3.72
Acs Const.	25.38	-0.68	-2.61

Based on the constituents of the FTSEurofirst 300 Eurozone index

TOKYO

ACTIVE STOCKS	stock traded m's	close price	Day's change
Softbank .	1473.4	5175.00	54.00
Fast Retailing Co.,	795.0	63800.00	260.00
Sony	608.0	7267.00	116.00
Toyota Motor	548.2	6974.00	59.00
Mitsubishi Ufj Fin,.	379.7	450.90	6.30
Takeda Pharmaceutical	375.0	4036.00	-97.00
Tokyo Electron	281.3	23185.00	280.00
Sumitomo Mitsui Fin,.	274.2	3198.00	25.00
Recruit Hldgs Co Ltd	224.2	3874.00	32.00
Honda Motor Co.,	195.6	2916.00	18.50

BIGGEST MOVERS	Close price	Day's change	Day's chng%
Ups			
Sky Perfect Jsat Holdings .	452.00	21.00	4.87
Taiyo Yuden Co.,	3285.00	135.00	4.29
Nec	4925.00	180.00	3.79
Marui Co.,	2140.00	60.00	2.88
Tokio Marine Holdings,.	4851.00	134.00	2.84
Downs			
Nippon Sheet Glass ,	436.00	-15.00	-3.33
Dentsu .	3035.00	-95.00	-3.04
Toray Industries,.	528.50	-16.50	-3.03
Dena Co.,	1494.00	-45.00	-2.92
Alps Alpine Co.,	1347.00	-36.00	-2.60

Based on the constituents of the Nikkei 225 index

UK MARKET WINNERS AND LOSERS

FTSE 100	Jun 04 price(p)	%Chg week	%Chg ytd
Winners			
Int Consolidated Airlines S.a.	288.20	17.0	-54.7
Meggitt	339.60	15.1	-48.1
British Land	451.70	13.7	-28.1
Easyjet	833.00	12.6	-41.7
Land Securities	671.60	11.7	-32.4
Pearson	511.80	11.1	-21.3
Legal & General	229.50	10.2	-26.2
Standard Chartered	431.00	9.9	-40.1
Prudential	1171.00	8.2	-20.0
Lloyds Banking	33.89	8.0	-46.8
Crh	2850.00	7.8	-8.0
Glencore	169.16	7.6	-29.8
Losers			
Hargreaves Lansdown	1622.50	-12.3	-17.3
Polymetal Int	1497.00	-9.2	25.6
Hikma Pharmaceuticals	2392.00	-7.1	20.5
Fresnillo	756.80	-4.0	17.5
Intertek	5478.00	-3.4	-5.9
Bt	115.80	-2.5	-40.9
Diageo	2882.00	-2.4	-9.5
British American Tobacco	3200.00	-2.2	-2.0
Admiral	2325.00	-2.1	1.0
Astrazeneca	8530.00	-1.9	11.4
Glaxosmithkline	1651.20	-1.9	-7.1
Smurfit Kappa	2600.00	-1.5	-11.6

FTSE 250	Jun 04 price(p)	%Chg week	%Chg ytd
Winners			
Hammerson	118.95	53.8	-61.6
Senior	91.00	43.3	-51.1
Airtel Africa	48.50	35.9	-38.5
Chemring	272.50	23.9	10.1
Hyve	133.00	21.2	-95.4
Playtech	319.40	20.6	-21.3
Rank	161.80	18.8	-42.2
Rhi Magnesita N.v.	2836.00	17.0	-25.8
Contourglobal	202.00	16.2	-3.8
Capital & Counties Properties	184.70	15.9	-30.1
Euromoney Institutional Investor	838.00	14.8	-35.9
Vivo Energy	88.30	14.7	-29.4
Losers			
Cineworld	85.46	-8.9	-61.2
Tui Ag	478.10	-8.2	-51.8
Hilton Food	1220.00	-7.6	9.5
Centamin	156.80	-6.9	23.8
Pphe Hotel	1175.00	-5.2	-38.8
Future	1236.00	-4.9	-15.5
Gcp Infrastructure Investments	113.20	-4.9	-14.2
Wetherspoon (J.d.)	1146.00	-4.6	-31.7
Worldwide Healthcare Trust	3460.00	-3.9	9.3
Trainline	496.00	-3.7	-1.6
Greggs	1827.00	-3.6	-23.1
Pantheon Int	2060.00	-3.5	-21.4

FTSE SmallCap	Jun 04 price(p)	%Chg week	%Chg ytd
Winners			
De La Rue	126.60	194.4	-8.4
Gulf Marine Services	14.48	69.9	96.9
Petra Diamonds	2.92	49.7	-66.9
Intu Properties	8.95	43.1	-72.6
Stobart Ld	69.20	39.1	-38.1
Zotefoams	373.00	38.1	-15.2
Card Factory	49.00	35.9	-66.1
Renewi	25.20	35.6	-29.3
Int Personal Finance	57.20	33.8	-64.6
Rps	55.70	30.8	-68.0
Menzies(john)	146.40	27.5	-68.9
Newriver Reit	68.60	24.7	-65.9
Losers			
Ted Baker	116.80	-34.1	-73.0
Dwf	65.00	-19.9	-49.2
Dp Eurasia N.v.	33.00	-16.0	-36.9
Connect	16.00	-14.3	-55.0
Amigo Holdings	18.08	-13.9	-74.4
Vitec (the)	680.00	-11.9	-37.6
Schroder Uk Public Private Trust	25.65	-10.8	-30.5
Hollywood Bowl	175.00	-7.7	-36.8
Batm Advanced Communications Ld	82.60	-7.6	113.4
Majedie Investments	202.00	-7.3	-22.3
Macau Property Opportunities Fund	64.50	-7.2	-42.9
North American ome Trust (the)	230.00	-6.5	-24.8

Industry Sectors	Jun 04 price(p)	%Chg week	%Chg ytd
Winners			
Life Insurance	6272.27	8.0	-
Real Estate Investment Trusts	2713.51	7.6	-
Construction & Materials	6375.79	7.0	-9.7
Oil & Gas Producers	5181.77	6.0	-
Automobiles & Parts	3367.77	5.6	-38.8
Industrial Metals	3137.58	5.5	-
Oil Equipment & Services	4620.77	5.1	-
Nonlife Insurance	2706.82	5.0	-
Banks	2413.06	4.4	-
Real Estate & Investment Servic	2549.58	4.1	-
Mining	17341.55	3.9	-8.9
Electricity	7313.98	3.4	-
Losers			
Tobacco	32851.18	-2.0	-4.7
Pharmaceuticals & Biotech.	18409.98	-2.0	3.2
Fixed Line Telecommunication	1430.88	-1.9	-
Beverages	22520.13	-1.9	-
Index - Technology Hardware & Equipment	1940.25	-0.8	-2.2
Food & Drug Retailers	4232.06	-0.2	0.7
Electronic & Electrical Equip.	8727.48	-0.1	0.4
Software & Computer Services	1908.21	0.2	-
Household Goods	17281.70	0.3	-4.1
Health Care Equip.& Services	7112.06	0.5	-
General Financial	10922.55	0.6	-
Chemicals	11394.75	1.2	-

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

CURRENCIES

Jun 4	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	68.8947	0.0921	78.1544	0.9618	86.8588	0.1915
Australia	Australian Dollar	1.4330	-0.0093	1.6256	0.0074	1.8066	-0.0101
Bahrain	Bahrainin Dinar	0.3771	-0.0001	0.4277	0.0046	0.4754	0.0003
Bolivia	Bolivian Boliviano	6.9100	-	7.8387	0.0861	8.7118	0.0076
Brazil	Brazilian Real	5.0935	0.0654	5.7780	0.1368	6.4216	0.0880
Canada	Canadian Dollar	1.3486	-0.0003	1.5299	0.0165	1.7002	0.0012
Chile	Chilean Peso	775.1000	10.1100	879.2767	21.0007	977.2057	13.5844
China	Chinese Yuan	7.1223	0.0124	8.0796	0.1027	8.9794	0.0234
Colombia	Colombian Peso	3591.4350	12.1050	4074.1396	58.3301	4527.8945	19.1839
Costa Rica	Costa Rican Colon	578.3400	1.2350	656.0713	8.5918	729.1410	2.1894
Czech Republic	Czech Koruna	23.4053	-0.3160	26.5511	-0.0628	29.5082	-0.3723
Denmark	Danish Krone	6.5720	-0.0728	7.4554	0.0002	8.2857	-0.0845
Egypt	Egyptian Pound	16.2349	0.1769	18.4169	0.4007	20.4681	0.2406
Hong Kong	Hong Kong Dollar	7.7501	-0.0001	8.7918	0.0965	9.7710	0.0084
Hungary	Hungarian Forint	303.5923	-3.1282	344.3963	0.2731	382.7533	-3.6078
India	Indian Rupee	75.5775	0.1075	85.7354	1.0623	95.2842	0.2182
Indonesia	Indonesian Rupiah	14105.0000	-5.0000	16000.7936	170.1436	17782.8676	9.1660
Israel	Israeli Shekel	3.4505	-0.0258	3.9143	0.0140	4.3502	-0.0287
Japan	Japanese Yen	109.0050	0.1800	123.6557	1.5602	137.4278	0.3462
..One Month		109.0049	0.1799	123.6557	1.5602	137.4278	0.3461
..Three Month		109.0048	0.1797	123.6558	1.5603	137.4277	0.3459
..One Year		109.0042	0.1784	123.6559	1.5605	137.4278	0.3454
Kenya	Kenyan Shilling	106.1000	-	120.3603	1.3220	133.7654	0.1163
Kuwait	Kuwaiti Dinar	0.3079	-0.0002	0.3493	0.0036	0.3882	0.0001
Malaysia	Malaysian Ringgit	4.2775	0.0150	4.8524	0.0701	5.3928	0.0236
Mexico	Mexican Peso	21.7498	0.1548	24.6730	0.4446	27.4210	0.2188
New Zealand	New Zealand Dollar	1.5458	-0.0112	1.7536	0.0067	1.9489	-0.0124
Nigeria	Nigerian Naira	388.5000	0.3200	440.7160	5.1998	489.8006	0.8288
Norway	Norwegian Krone	9.3195	-0.1580	10.5721	-0.0611	11.7495	-0.1888
Pakistan	Pakistani Rupee	162.7500	-1.4500	184.6243	0.4011	205.1867	-1.6482
Peru	Peruvian Nuevo Sol	3.4206	0.0346	3.8803	0.0814	4.3125	0.0473
Philippines	Philippine Peso	49.9900	-0.1300	56.7089	0.4770	63.0248	-0.1090
Poland	Polish Zloty	3.8943	-0.0404	4.4177	0.0031	4.9097	-0.0467
Romania	Romanian Leu	4.2650	-0.0429	4.8382	0.0050	5.3771	-0.0494
Russia	Russian Ruble	69.1457	0.4969	78.4391	1.4191	87.1752	0.7017
Saudi Arabia	Saudi Riyal	3.7550	0.0000	4.2597	0.0468	4.7341	0.0042
Singapore	Singapore Dollar	1.3963	-0.0007	1.5839	0.0166	1.7603	0.0006
South Africa	South African Rand	16.8665	-0.0498	19.1334	0.1543	21.2644	-0.0442
South Korea	South Korean Won	1218.6500	2.0000	1382.4417	17.4282	1536.4105	3.8548
Sweden	Swedish Krona	9.1561	-0.1330	10.3868	-0.0351	11.5436	-0.1575
Switzerland	Swiss Franc	0.9570	-0.0051	1.0856	0.0063	1.2065	-0.0053
Taiwan	New Taiwan Dollar	29.8780	0.0035	33.8937	0.3762	37.6686	0.0371
Thailand	Thai Baht	31.6000	0.0475	35.8472	0.4470	39.8396	0.0945
Tunisia	Tunisian Dinar	2.8344	-0.0187	3.2153	0.0143	3.5734	-0.0205
Turkey	Turkish Lira	6.7497	0.0200	7.6569	0.1065	8.5097	0.0326
United Arab Emirates	UAE Dirham	3.6732	-	4.1668	0.0458	4.6309	0.0040
United Kingdom	Pound Sterling	0.7932	-0.0007	0.8998	0.0091	-	-
..One Month		0.7932	-0.0007	0.8997	0.0091	-	-
..Three Month		0.7932	-0.0007	0.8996	0.0091	-	-
..One Year		0.7934	-0.0007	0.8992	0.0091	-	-
United States	United States Dollar	-	-	1.1344	0.0125	1.2607	0.0011
..One Month		-	-	1.1343	-0.1252	1.2608	0.0011
..Three Month		-	-	1.1342	-0.1252	1.2608	0.0011
..One Year		-	-	1.1334	-0.1253	1.2610	0.0011
Venezuela	Venezuelan Bolivar Fuerte	-	-	-	-	-	-
Vietnam	Vietnamese Dong	23265.5000	3.5000	26392.5362	293.8466	29331.9645	29.9101
European Union	Euro	0.8815	-0.0098	-	-	1.1114	-0.0114
..One Month		0.8814	-0.0098	-	-	1.1113	-0.0114
..Three Month		0.8813	-0.0098	-	-	1.1112	-0.0114
..One Year		0.8805	-0.0098	-	-	1.1107	-0.0114

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
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Produced in conjunction with the Institute and Faculty of Actuaries

	£ Strlg Jun 04	Day's chge%	Euro Index	£ Strlg Jun 03	£ Strlg Jun 02	Year ago	Div yield%	Cover	P/E ratio	X/D adj	Total Return
FTSE 100 (100)	6341.44	-0.64	5496.88	6382.41	6220.14	7220.22	4.75	1.43	14.69	101.67	5957.33
FTSE 250 (251)	17825.96	-0.40	15451.88	17897.08	17436.31	19072.17	3.58	1.87	14.94	133.02	13983.50
FTSE 250 ex Inv Co (186)	18338.64	-0.22	15896.28	18379.82	17864.15	20072.79	3.88	1.45	17.77	110.10	14686.23
FTSE 350 (351)	3553.69	-0.60	3080.41	3575.17	3484.08	4004.15	4.55	1.49	14.73	51.83	6659.36
FTSE 350 ex Investment Trusts (285)	3487.50	-0.58	3023.03	3507.94	3417.38	3958.71	4.66	1.42	15.07	51.47	3371.88
FTSE 350 Higher Yield (107)	2827.43	-0.71	2450.87	2847.77	2767.83	3546.63	7.10	1.27	11.13	56.99	5781.33
FTSE 350 Lower Yield (244)	4056.40	-0.50	3516.16	4076.92	3982.10	4121.93	2.38	2.06	20.36	39.60	4758.56
FTSE SmallCap (262)	5004.91	-1.09	4338.35	5060.03	4962.93	5550.93	4.60	1.05	20.79	57.86	7845.51
FTSE SmallCap ex Inv Co (145)	3868.99	-0.57	3353.71	3891.13	3801.70	4570.19	5.72	0.49	35.79	33.13	6363.12
FTSE All-Share (613)	3509.99	-0.62	3042.52	3531.75	3442.46	3952.92	4.55	1.48	14.87	50.83	6644.86
FTSE All-Share ex Inv Co (430)	3416.20	-0.58	2961.23	3436.22	3347.67	3880.67	4.68	1.41	15.22	50.03	3354.96
FTSE All-Share ex Multinationals (539)	1056.08	-0.60	758.72	1062.49	1035.18	1131.47	4.04	1.31	18.84	9.08	2084.69
FTSE Fledgling (95)	8092.43	-0.05	7014.67	8096.38	8019.80	9390.73	4.39	1.36	16.75	103.41	16437.28
FTSE Fledgling ex Inv Co (41)	9468.25	-0.08	8207.25	9475.76	9440.18	11416.07	7.33	0.97	14.03	81.34	18845.46
FTSE All-Small (357)	3463.52	-1.03	3002.25	3499.55	3434.35	3850.86	4.59	1.06	20.50	40.30	6965.79
FTSE All-Small ex Inv Co (186)	2886.63	-0.55	2502.18	2902.68	2837.81	3410.88	5.78	0.51	34.03	24.71	6013.87
FTSE AIM All-Share (728)	896.78	0.18	777.35	895.18	891.36	939.41	1.48	1.38	48.81	3.15	1025.21
FTSE Sector Indices											
Oil & Gas (12)	**5357.43**	**-0.61**	**4643.92**	**5390.19**	**5182.67**	**9344.52**	**8.95**	**1.40**	**7.98**	**206.26**	**5888.34**
Oil & Gas Producers (8)	5205.11	-0.62	4511.89	5237.34	5037.50	9063.11	8.91	1.41	7.93	202.92	5930.15
Oil Equipment Services & Distribution (4)	4667.06	-0.02	4045.50	4668.04	4365.64	9216.76	11.60	0.54	15.92	6.80	4018.70
Basic Materials (23)	**5760.71**	**-0.67**	**4993.49**	**5799.69**	**5706.64**	**6311.07**	**6.01**	**2.15**	**7.73**	**140.61**	**6799.14**
Chemicals (7)	12400.31	-0.27	10748.82	12434.21	12177.75	14397.78	2.82	1.98	17.92	87.38	11797.08
Forestry & Paper (1)	19476.28	0.25	16882.41	19427.14	18929.64	20514.28	1.59	5.96	10.56	0.00	23044.69
Industrial Metals & Mining (2)	3379.67	-1.73	2929.56	3439.04	3313.24	6147.10	16.05	1.08	5.78	273.09	4329.73
Mining (13)	16597.27	-0.75	14386.83	16722.32	16476.32	17918.32	6.43	2.15	7.23	444.07	10347.87
Industrials (99)	**5253.16**	**-0.23**	**4553.53**	**5265.07**	**5117.71**	**5238.70**	**2.60**	**1.46**	**26.29**	**19.30**	**5776.48**
Construction & Materials (14)	6618.80	0.39	5737.30	6592.86	6311.01	5966.55	2.93	0.56	61.08	95.82	7603.96
Aerospace & Defense (9)	3803.13	-0.11	3296.63	3807.36	3618.74	4742.07	3.26	1.16	26.41	2.61	4314.77
General Industrials (7)	4429.02	-1.70	3839.16	4505.50	4400.96	4410.26	3.69	0.93	29.08	0.00	5455.05
Electronic & Electrical Equipment (10)	10213.30	-0.62	8853.08	10276.92	9979.32	8966.20	1.35	2.15	34.43	0.00	9722.69
Industrial Engineering (12)	12930.37	0.51	11208.29	12864.39	12556.57	13661.08	2.55	1.70	23.11	40.37	16740.29
Industrial Transportation (6)	2974.49	-0.68	2578.34	2994.71	2894.44	3430.80	8.13	0.81	15.21	0.00	3009.09
Support Services (41)	8374.99	-0.15	7259.60	8387.68	8226.69	8008.58	2.01	2.18	22.82	25.92	9228.65
Consumer Goods (42)	**18794.35**	**-0.65**	**16291.29**	**18916.67**	**18524.13**	**19508.71**	**4.37**	**1.69**	**13.50**	**259.89**	**15591.25**
Automobiles & Parts (2)	3385.02	-0.71	2934.20	3409.20	3241.11	6204.15	0.98	6.65	15.35	0.00	3463.61
Beverages (6)	22581.42	-0.52	19574.00	22698.48	22091.58	26570.85	2.51	2.14	18.62	197.15	17066.16
Food Producers (10)	6608.75	0.52	5728.59	6574.57	6504.32	7710.86	2.72	1.95	18.90	12.32	6064.64
Household Goods & Home Construction (14)	14427.19	-0.52	12505.76	14502.87	14161.04	13463.52	3.85	2.02	12.83	141.01	11481.75
Leisure Goods (2)	19632.63	-2.97	17017.93	20234.26	20016.72	12524.71	2.59	1.48	26.16	109.33	20356.33
Personal Goods (6)	31853.62	0.00	27611.32	31852.37	31125.03	35332.65	3.20	2.79	11.22	447.31	23516.02
Tobacco (2)	32851.24	-1.39	28476.07	33313.83	32859.46	31350.37	7.50	1.11	12.06	785.33	25546.34
Health Care (16)	**13028.52**	**-0.71**	**11293.37**	**13121.33**	**13015.13**	**10709.71**	**3.28**	**0.98**	**31.11**	**247.69**	**11189.28**
Health Care Equipment & Services (7)	7168.72	-0.17	6213.98	7180.97	7023.96	7609.94	1.92	1.73	30.27	77.97	6562.69
Pharmaceuticals & Biotechnology (9)	18281.77	-0.76	15846.98	18422.38	18299.71	14568.82	3.42	0.94	31.20	363.15	14097.56
Consumer Services (85)	**4572.17**	**-0.59**	**3963.24**	**4599.20**	**4483.54**	**5066.03**	**3.41**	**1.56**	**18.82**	**47.28**	**4654.80**
Food & Drug Retailers (5)	4396.28	-0.31	3810.78	4409.99	4377.02	3941.11	3.04	1.20	27.54	78.41	5525.18
General Retailers (27)	2000.29	-0.68	1733.89	2014.00	1994.67	2081.91	2.88	1.91	18.19	2.90	2492.80
Media (17)	7768.53	-0.71	6733.91	7824.26	7623.59	8656.77	3.51	1.55	18.40	80.73	5202.09
Travel & Leisure (36)	6933.06	-0.56	6009.71	6972.05	6678.53	8758.97	3.78	1.57	16.84	79.44	7111.52
Telecommunications (6)	**1900.42**	**0.02**	**1647.32**	**1900.12**	**1881.47**	**2149.27**	**6.97**	**-0.47**	**-30.23**	**0.00**	**2511.27**
Fixed Line Telecommunications (3)	1483.38	-1.69	1285.82	1508.89	1504.21	2455.73	12.03	1.25	6.64	0.00	1621.32
Mobile Telecommunications (3)	3104.81	0.55	2691.31	3087.74	3050.91	3021.85	5.41	-1.65	-11.17	0.00	3674.53
Utilities (8)	**7212.56**	**-2.15**	**6251.98**	**7370.88**	**7201.66**	**6449.98**	**5.96**	**0.41**	**41.23**	**38.41**	**9642.52**
Electricity (3)	7297.37	-2.64	6325.50	7495.42	7369.36	6532.98	7.24	-0.36	-38.78	151.05	12875.16
Gas Water & Multiutilities (5)	6800.46	-2.01	5894.77	6940.03	6768.91	6081.38	5.61	0.68	26.31	7.47	8984.72
Financials (307)	**3987.83**	**-0.59**	**3456.73**	**4011.34**	**3869.56**	**4821.48**	**4.31**	**1.77**	**13.15**	**42.94**	**4114.39**
Banks (10)	2380.16	-0.39	2063.17	2389.57	2277.73	3752.28	5.53	1.99	9.07	0.02	1960.32
Nonlife Insurance (8)	3098.48	0.13	2685.82	3094.54	2959.85	3714.21	4.61	1.57	13.81	31.79	6008.85
Life Insurance/Assurance (7)	6390.10	-0.49	5539.06	6421.79	6009.64	7708.28	5.77	1.74	9.93	154.93	7156.85
Real Estate Investment & Services (17)	2379.81	-0.22	2062.87	2384.97	2354.57	2448.55	2.53	2.16	18.26	11.14	6778.63
Real Estate Investment Trusts (41)	2419.34	0.08	2097.13	2417.44	2358.19	2585.98	4.17	-0.72	-33.51	33.50	3396.57
General Financial (41)	9220.02	-0.80	7992.09	9294.20	9060.98	9180.91	3.58	1.15	24.20	155.34	11728.04
Equity Investment Instruments (183)	10540.25	-1.13	9136.49	10660.42	10470.48	10284.45	2.68	3.39	11.02	125.53	6224.29
Non Financials (306)	**4281.03**	**-0.63**	**3710.87**	**4308.00**	**4213.45**	**4703.12**	**4.64**	**1.39**	**15.54**	**67.27**	**7113.22**
Technology (15)	**1971.93**	**-0.81**	**1709.31**	**1987.97**	**1964.29**	**2254.54**	**3.47**	**0.79**	**36.43**	**23.53**	**2738.97**
Software & Computer Services (13)	2122.35	-0.61	1839.70	2135.36	2111.16	2517.49	3.66	0.72	38.10	25.75	3118.92
Technology Hardware & Equipment (2)	4667.64	-2.92	4046.00	4807.97	4721.00	3071.25	1.47	2.76	24.65	43.15	5767.20

Hourly movements	8.00	9.00	10.00	11.00	12.00	13.00	14.00	15.00	16.00	High/day	Low/day
FTSE 100	6359.28	6381.84	6373.68	6349.52	6365.40	6386.84	6329.87	6358.15	6350.74	6402.18	6315.05
FTSE 250	17816.52	17878.65	17868.33	17790.25	17843.13	17896.00	17808.62	17848.39	17879.70	17953.93	17770.61
FTSE SmallCap	5064.18	5064.37	5060.94	5051.99	5050.96	5061.63	5055.23	5053.76	5051.80	5068.08	5004.91
FTSE All-Share	3518.93	3530.99	3526.95	3513.47	3522.23	3533.72	3505.37	3519.23	3516.89	3541.40	3498.45

Time of FTSE 100 Day's high:11:56:00 Day's Low12:44:15 FTSE 100 2010/11 High: 7674.56(17/01/2020) Low: 4993.89(23/03/2020)
Time of FTSE All-Share Day's high:11:56:00 Day's Low12:45:00 FTSE 100 2010/11 High: 4257.93(17/01/2020) Low: 2727.86(23/03/2020)

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FT 30 INDEX

	Jun 04	Jun 03	Jun 02	Jun 01	May 29	Yr Ago	High	Low
FT 30	2427.80	2438.90	2366.10	2324.60	2275.40	0.00	3314.70	1337.80
FT 30 Div Yield	-	-	-	-	-	0.00	3.93	2.74
P/E Ratio net	-	-	-	-	-	0.00	19.44	14.26

FT 30 since compilation: 4198.4 high: 19/07/1999; low49.4 18/02/1900Base Date: 1/7/35

FT 30 hourly changes

8	9	10	11	12	13	14	15	16	High	Low
2438.9	2435.4	2432.9	3120.5	2399.1	2395.8	2394.3	2414	2426.7	2439.2	2366.1

FT30 constituents and recent additions/deletions can be found at www.ft.com/ft30

FX: EFFECTIVE INDICES

	Jun 03	Jun 02	Mnth Ago		Jun 04	Jun 03	Mnth Ago
Australia	-	-	-	Sweden	-	-	-
Canada	-	-	-	Switzerland	-	-	-
Denmark	-	-	-	UK	77.68	77.53	78.44
Japan	-	-	-	USA	-	-	-
New Zealand	-	-	-	Euro	-	-	-
Norway	-	-	-				

Source: Bank of England. New Sterling ERI base Jan 2005 = 100. Other indices base average 1990 = 100. Index rebased 1/2/95. for further information about ERIs see www.bankofengland.co.uk

FTSE SECTORS: LEADERS & LAGGARDS

Year to date percentage changes

Leisure Goods	21.53	Basic Materials	-13.20	Food Producers	-21.47
Tech Hardware & Eq	8.73	Beverages	-13.98	FTSE 250 Index	-22.12
Pharmace & Biotech	4.35	Software & Comp Serv	-14.74	Nonlife Insurance	-22.14
Health Care	1.85	Forestry & Paper	-14.92	Real Est Invest & Se	-22.22
Food & Drug Retailer	0.47	Electricity	-15.16	Industrial Metals &	-22.27
Electronic & Elec Eq	-0.94	Chemicals	-15.18	Consumer Services	-23.40
Tobacco	-5.23	Industrial Eng	-16.32	Real Est Invest & Tr	-25.24
Household Goods & Ho	-5.67	Industrials	-16.34	Financials	-27.21
Personal Goods	-6.17	Construct & Material	-16.86	Industrial Transport	-28.43
Gas Water & Multi	-6.53	NON FINANCIALS Index	-17.12	Life Insurance	-30.70
Equity Invest Instr	-8.42	Financial Services	-17.64	Aerospace & Defense	-32.66
Consumer Goods	-8.46	Health Care Eq & Srv	-17.74	Travel & Leisure	-36.79
Utilities	-8.53	FTSE SmallCap Index	-18.25	Fixed Line Telecomms	-37.16
Mobile Telecomms	-10.09	Telecommunications	-18.57	Oil & Gas Producers	-41.40
Support Services	-11.27	FTSE 100 Index	-19.43	Oil & Gas	-41.59
Mining	-12.76	FTSE All{HY-}Share Index	-19.85	Banks	-41.89
Technology	-13.14	Media	-20.15	Automobiles & Parts	-43.23
		General Retailers	-20.22	Oil Equipment & Serv	-53.82

FTSE 100 SUMMARY

FTSE 100	Closing Price	Day's Change	FTSE 100	Closing Price	Day's Change
3I Group PLC	880.60	-11.40	Land Securities Group PLC	671.60	0.20
Admiral Group PLC	2325	-6.00	Legal & General Group PLC	229.50	-0.40
Anglo American PLC	1780.4	-24.80	Lloyds Banking Group PLC	33.89	0.13
Antofagasta PLC	891.60	-12.00	London Stock Exchange Group PLC	8270	20.00
Ashtead Group PLC	2494	15.00	M&G PLC	150.75	1.65
Associated British Foods PLC	1975	17.50	Meggitt PLC	339.60	9.50
Astrazeneca PLC	8530	-66.00	Melrose Industries PLC	129.40	-3.10
Auto Trader Group PLC	566.00	-1.00	Mondi PLC	1585.5	4.00
Aveva Group PLC	4012	-94.00	Morrison (Wm) Supermarkets PLC	188.45	0.10
Aviva PLC	281.20	2.30	National Grid PLC	943.80	-17.40
Bae Systems PLC	511.20	-2.20	Next PLC	5400	-128.00
Barclays PLC	123.52	-1.80	Ocado Group PLC	2136	-49.00
Barratt Developments PLC	529.40	-8.20	Pearson PLC	511.80	-2.40
Berkeley Group Holdings (The) PLC	4363	69.00	Pennon Group PLC	1134	-59.00
Bhp Group PLC	1669	-11.00	Persimmon PLC	2457	-21.00
BP PLC	336.20	-3.10	Phoenix Group Holdings PLC	671.40	-5.20
British American Tobacco PLC	3200	-41.50	Polymetal International PLC	1497	-1.00
British Land Company PLC	451.70	0.80	Prudential PLC	1171	-14.00
Bt Group PLC	115.80	-2.10	Reckitt Benckiser Group PLC	7038	-44.00
Bunzl PLC	1990.5	4.50	Relx PLC	1934.5	-10.00
Burberry Group PLC	1640	-	Rentokil Initial PLC	490.00	-9.90
Carnival PLC	1194.5	20.00	Rightmove PLC	594.00	-18.40
Centrica PLC	39.43	-0.33	Rio Tinto PLC	4470	-49.00
Coca-Cola Hbc AG	2105	-38.00	Rolls-Royce Holdings PLC	324.00	-4.20
Compass Group PLC	1288	8.50	Royal Bank Of Scotland Group PLC	126.70	1.20
Crh PLC	2850	19.00	Royal Dutch Shell PLC	1334.4	-7.60
Croda International PLC	5202	-12.00	Royal Dutch Shell PLC	1389.2	-4.00
Dcc PLC	6870	-44.00	Rsa Insurance Group PLC	427.40	-4.50
Diageo PLC	2882	-12.00	Sage Group PLC	685.60	-1.60
Easyjet PLC	833.00	48.60	Sainsbury (J) PLC	199.85	1.05
Evraz PLC	302.00	-6.10	Schroders PLC	3030	-103.00
Experian PLC	2914	27.00	Scottish Mortgage Investment Trust PLC	742.50	-9.00
Ferguson PLC	6576	-10.00	Segro PLC	885.20	12.40
Flutter Entertainment PLC	11260	-30.00	Severn Trent PLC	2498	-46.00
Fresnillo PLC	756.80	10.00	Smith & Nephew PLC	1692.5	-7.00
Glaxosmithkline PLC	1651.2	-13.40	Smith (Ds) PLC	345.40	-9.30
Glencore PLC	169.16	0.66	Smiths Group PLC	1370	-15.00
Halma PLC	2295	-20.00	Smurfit Kappa Group PLC	2600	-72.00
Hargreaves Lansdown PLC	1622.5	-72.00	Spirax-Sarco Engineering PLC	10025	71.00
Hikma Pharmaceuticals PLC	2392	-27.00	Sse PLC	1267.5	-36.00
HSBC Holdings PLC	399.40	-2.40	St. James's Place PLC	986.00	3.40
Imperial Brands PLC	1489	-29.50	Standard Chartered PLC	431.00	3.70
Informa PLC	491.80	-14.80	Standard Life Aberdeen PLC	266.80	-5.20
Intercontinental Hotels Group PLC	4106	-94.00	Taylor Wimpey PLC	158.75	-0.45
Intermediate Capital Group PLC	1281	-105.00	Tesco PLC	231.10	1.40
International Consolidated Airlines Group S.A.	288.20	9.00	Unilever PLC	4400	1.00
Intertek Group PLC	5478	-74.00	United Utilities Group PLC	936.00	-13.20
Itv PLC	87.68	-0.66	Vodafone Group PLC	137.16	0.58
Jd Sports Fashion PLC	665.00	-4.00	Whitbread PLC	2525	-126.00
Johnson Matthey PLC	2249	-30.00	Wpp PLC	672.00	-6.80
Just Eat Takeaway.Com N.V.	8994	-42.00			

FTSE GLOBAL EQUITY INDEX SERIES

Jun 2 Regions & countries	No of stocks	US $ indices	Day %	Mth %	YTD %	Total retn	YTD %	Gr Div Yield
FTSE Global All Cap	8902	582.17	1.2	9.1	-8.5	887.66	-7.6	2.5
FTSE Global All Cap	7079	462.39	0.3	7.3	-0.3	624.68	0.2	2.5
FTSE Global Large Cap	1770	526.09	1.1	8.2	-7.3	825.90	-6.3	2.6
FTSE Global Mid Cap	2186	732.09	1.4	11.8	-11.7	1050.70	-11.0	2.4
FTSE Global Small Cap	4946	755.57	1.1	11.8	-12.6	1043.69	-12.0	2.2
FTSE All-World	3956	343.22	1.2	8.8	-8.0	553.73	-7.1	2.6
FTSE World	2593	611.29	1.1	9.1	-8.0	1324.13	-7.0	2.5
FTSE Global All Cap ex UNITED KINGDOM In	8600	613.45	1.1	9.1	-7.8	918.73	-6.9	2.4
FTSE Global All Cap ex USA	7125	451.13	1.6	8.2	-13.0	749.08	-11.9	3.3
FTSE Global All Cap ex JAPAN	7550	598.97	1.2	9.0	-8.6	921.88	-7.7	2.5
FTSE Global All Cap ex Eurozone	8252	612.86	1.0	9.0	-7.9	915.19	-7.0	2.4
FTSE Developed	2169	561.15	1.1	9.1	-7.3	863.08	-6.4	2.5
FTSE Developed All Cap	5632	583.66	1.1	9.4	-7.9	885.25	-7.0	2.4
FTSE Developed Large Cap	883	526.94	1.0	8.5	-6.5	824.72	-5.5	2.5
FTSE Developed Europe Large Cap	234	329.08	2.0	7.7	-14.3	609.12	-12.8	3.9
FTSE Developed Europe Mid Cap	354	543.51	2.1	11.0	-14.0	879.91	-13.2	3.2
FTSE Dev Europe Small Cap	694	734.30	2.0	9.6	-18.2	1146.50	-17.4	3.2
FTSE North America Large Cap	253	674.29	0.8	8.7	-3.3	974.77	-2.4	2.0
FTSE North America Mid Cap	409	854.35	1.2	12.9	-9.7	1139.38	-9.0	1.9
FTSE North America Small Cap	1303	842.57	0.9	13.1	-11.7	1086.05	-11.1	1.7
FTSE North America	662	438.61	0.9	9.4	-4.4	647.94	-3.6	2.0
FTSE Developed ex North America	1507	237.92	1.5	8.6	-12.5	426.19	-11.3	3.4
FTSE Japan Large Cap	181	370.55	0.2	9.3	-6.6	514.29	-5.4	2.5
FTSE Japan Mid Cap	327	569.13	0.4	10.0	-9.4	750.43	-8.4	2.3
FTSE Global wi JAPAN Small Cap	844	623.33	0.3	9.6	-10.4	851.68	-9.3	2.3
FTSE Japan	508	155.17	0.2	9.4	-7.2	241.16	-6.0	2.4
FTSE Asia Pacific Large Cap ex Japan	921	654.79	1.4	5.4	-9.9	1115.93	-9.2	3.1
FTSE Asia Pacific Mid Cap ex Japan	849	743.48	1.7	7.9	-14.2	1215.65	-13.5	3.3
FTSE Asia Pacific Small Cap ex Japan	1814	496.11	1.3	9.0	-8.7	792.92	-8.0	3.2
FTSE Asia Pacific Ex Japan	1770	509.88	1.5	5.6	-10.3	923.08	-9.5	3.1
FTSE Emerging All Cap	3270	682.02	1.8	5.9	-13.7	1103.93	-12.9	3.2
FTSE Emerging Large Cap	887	660.78	1.8	5.6	-12.8	1076.55	-12.0	3.1
FTSE Emerging Mid Cap	900	773.38	2.2	8.1	-20.6	1251.57	-19.6	3.9
FTSE Emerging Small Cap	1483	652.51	1.2	5.9	-13.7	1010.89	-13.0	3.5
FTSE Emerging Europe	75	344.25	2.7	15.1	-21.8	623.11	-21.2	7.4
FTSE Latin America All Cap	242	633.51	4.7	16.1	-35.7	1069.64	-34.9	3.8
FTSE Middle East and Africa All Cap	328	541.34	2.5	6.8	-21.5	929.69	-19.7	4.3
FTSE Global wi UNITED KINGDOM All Cap In	302	276.53	1.5	8.0	-22.7	519.72	-21.6	4.8
FTSE Global wi USA All Cap	1777	751.18	0.8	9.8	-4.8	1048.79	-4.1	1.9
FTSE Europe All Cap	1431	387.46	2.0	8.6	-14.8	688.95	-13.5	3.8
FTSE Eurozone All Cap	650	370.86	2.7	9.6	-14.7	657.19	-13.6	3.6
FTSE EDHEC-Risk Efficient All-World	3956	386.05	1.1	9.7	-10.8	574.92	-9.9	2.6
FTSE EDHEC-Risk Efficient Developed Europe	588	296.44	1.7	9.2	-12.3	489.82	-11.3	3.3
Oil & Gas	150	249.99	2.9	10.8	-31.3	454.46	-29.7	6.1
Oil & Gas Producers	104	239.57	3.1	10.4	-32.2	445.19	-30.5	6.3

Jun 2 Sectors	No of stocks	US $ indices	Day %	Mth %	YTD %	Total retn	YTD %	Gr Div Yield
Oil Equipment & Services	36	188.00	2.3	2.3	-29.8	307.88	-28.2	5.4
Basic Materials	350	460.92	1.6	1.6	-10.3	770.16	-9.0	3.6
Chemicals	159	672.74	1.9	1.9	-10.3	1114.25	-9.2	3.1
Forestry & Paper	20	232.87	1.2	1.2	-16.3	437.26	-14.7	3.7
Industrial Metals & Mining	93	296.96	2.6	2.6	-21.5	498.23	-20.5	4.4
Mining	78	703.66	0.7	0.7	-3.5	1202.45	-1.6	4.1
Industrials	746	400.88	1.5	1.5	-10.7	612.31	-9.9	2.2
Construction & Materials	148	483.02	1.8	1.8	-12.9	773.67	-12.0	2.5
Aerospace & Defense	37	620.22	1.3	1.3	-30.7	933.50	-30.2	2.7
General Industrials	64	192.51	2.2	2.2	-15.5	321.95	-14.3	2.9
Electronic & Electrical Equipment	140	474.76	0.9	0.9	-6.7	657.68	-6.0	1.8
Industrial Engineering	145	755.67	1.6	1.6	-8.9	1149.27	-7.8	2.5
Industrial Transportation	126	690.35	2.1	2.1	-8.9	1059.51	-8.1	2.5
Support Services	86	508.84	1.2	1.2	0.8	734.51	1.5	1.4
Consumer Goods	544	468.57	0.7	0.7	-8.2	747.01	-7.2	2.8
Automobiles & Parts	132	337.09	1.3	1.3	-11.5	525.15	-10.6	3.4
Beverages	66	618.55	0.5	0.5	-12.7	991.54	-12.1	2.7
Food Producers	130	650.20	0.1	0.1	-4.7	1061.26	-3.2	2.4
Household Goods & Home Construction	60	475.16	0.8	0.8	-6.2	753.54	-5.2	2.7
Leisure Goods	42	247.04	0.1	0.1	2.0	338.89	2.7	1.2
Personal Goods	101	832.75	1.1	1.1	-7.6	1229.51	-7.1	1.9
Tobacco	13	867.31	0.3	0.3	-13.0	2094.32	-11.2	6.9
Health Care	280	621.32	0.4	0.4	1.7	949.63	2.8	1.9
Health Care Equipment & Services	95	1165.96	0.5	0.5	-0.6	1397.77	-0.3	0.9
Pharmaceuticals & Biotechnology	185	421.61	0.3	0.3	2.7	683.87	4.3	2.4
Consumer Services	452	550.94	1.0	1.0	-1.2	768.29	-0.7	1.4
Food & Drug Retailers	66	271.11	1.2	1.2	-8.1	405.91	-6.9	2.7
General Retailers	148	1001.71	1.2	1.2	10.7	1344.22	11.0	0.9
Media	88	355.20	0.9	0.9	-7.6	498.47	-7.1	1.6
Travel & Leisure	150	409.80	0.7	0.7	-20.9	584.18	-20.2	2.3
Telecommunication	94	143.54	0.8	0.8	-10.5	305.20	-8.8	4.8
Fixed Line Telecommuniations	41	115.12	0.7	0.7	-15.0	274.24	-13.0	5.6
Mobile Telecommunications	53	159.91	1.0	1.0	-4.1	298.09	-2.9	3.7
Utilities	190	294.64	1.1	1.1	-7.3	634.37	-5.9	3.6
Electricity	133	330.88	1.1	1.1	-7.1	702.40	-5.7	3.5
Gas Water & Multiutilities	57	296.12	1.2	1.2	-7.8	657.89	-6.5	3.8
Financials	861	209.12	1.8	1.8	-21.0	373.93	-19.9	3.8
Banks	280	150.83	1.9	1.9	-29.4	294.93	-28.3	5.5
Nonlife Insurance	73	247.92	2.2	2.2	-19.7	386.06	-18.4	2.6
Life Insurance	58	180.42	2.0	2.0	-25.2	317.18	-23.9	4.3
Financial Services	211	339.59	1.4	1.4	-8.3	494.33	-7.5	1.9
Technology	289	385.77	0.9	0.9	7.3	492.16	7.8	1.2
Software & Computer Services	149	677.97	0.7	0.7	11.5	809.60	11.9	0.7
Technology Hardware & Equipment	140	284.21	1.1	1.1	2.2	385.58	3.0	1.9
Alternative Energy	10	128.03	1.5	1.5	1.2	181.04	2.1	1.3
Real Estate Investment & Services	158	312.67	2.1	2.1	-15.3	566.14	-14.1	3.5
Real Estate Investment Trusts	81	426.89	1.1	1.1	-13.9	920.22	-12.7	4.2
Real Estate Investment & Services	152	258.63	2.8	2.8	-30.0	463.40	-29.7	4.2

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UK STOCK MARKET TRADING DATA

	Jun 04	Jun 03	Jun 02	Jun 01	May 29	Yr Ago
	-	-	-	-	-	-
Order Book Turnover (m)	170.21	235.73	42.23	62.42	62.42	62.42
Order Book Bargains	1260632.00	1159154.00	892701.00	1401304.00	1401304.00	1401304.00
Order Book Shares Traded (m)	2225.00	2377.00	1623.00	4204.00	4204.00	4204.00
Total Equity Turnover (£m)	7498.12	6068.08	6083.63	4831.73	4831.73	4831.73
Total Mkt Bargains	1560516.00	1420068.00	1111829.00	1668821.00	1668821.00	1668821.00
Total Shares Traded (m)	10430.00	7438.00	7407.00	9356.00	9356.00	9356.00

† Excluding intra-market and overseas turnover. *UK only total at 6pm. ‡ UK plus intra-market turnover. (u) Unavaliable. (c) Market closed.

All data provided by Morningstar unless otherwise noted. All elements listed are indicative and believed accurate at the time of publication. No offer is made by Morningstar or the FT. The FT does not warrant nor guarantee that the information is reliable or complete. The FT does not accept responsibility and will not be liable for any loss arising from the reliance on or use of the listed information.
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UK RIGHTS OFFERS

Issue price	Amount paid up	Latest renun. date	High	Low	Stock	closing Price p	+or-

There are currently no rights offers by any companies listed on the LSE.

UK COMPANY RESULTS

Company		Turnover		Pre-tax		EPS(p)		Div(p)		Pay day	Total	
Allied Minds	Pre	**2.692**	5.561	**50.254**	45.354	**0.210**	0.160	**0.00000**	0.00000	-	**0.000**	0.000
Armadale Capital	Pre	**0.000**	0.000	**0.512L**	0.410L	**0.070L**	0.230L	**0.00000**	0.00000	-	**0.000**	0.000
Baronsmead Second Venture Trust	Int			**17.810L**	15.611L	**7.510L**	7.100L	**3.00000**	3.00000	Sep 11	**6.481**	7.500
Baronsmead Venture Trust	Int			**14.682L**	12.992L	**6.800L**	6.660L	**3.00000**	3.00000	Sep 11	**6.481**	7.500
Biotech Growth Trust (The)	Pre			**61.095**	21.286	**134.900**	38.800	**0.00000**	0.00000	-	**0.000**	0.000
Dewhurst	Int	**28.172**	27.791	**2.474**	2.554	**20.780**	0.000	**3.75000**	3.75000	Aug 18	**12.949**	12.750
Euromoney Institutional Investor	Int	**186.277**	184.934	**37.406**	49.335	**37.500**	32.900	**0.00000**	10.80000	-	**22.178**	33.100
Fidelity China Special Situations	Pre			**82.587L**	77.177L	**15.160L**	14.150L	**4.25000**	3.85000	Jul 28	**4.250**	3.850
Hawkwing	Pre	**0.000**	0.000	**0.444L**	42.774L	**0.003L**	0.298L	**0.00000**	0.00000	-	**0.000**	0.000
Helical	Pre	**34.385**	36.257	**43.030**	43.456	**32.300**	35.800	**0.00000**	7.50000	-	**2.700**	10.100
Impax Asset Management Group	Int			**8.045**	9.316	**4.800**	6.200	**0.00000**	1.50000	-	**3.978**	4.500
Intermediate Capital Group	Pre			**114.500**	182.900	**38.200**	63.400	**0.00000**	35.00000	-	**15.000**	45.000
Pennon Group	Pre	**636.700**	632.600	**193.100**	201.400	**47.700**	51.100	**0.00000**	28.22000	-	**13.660**	41.060
Worldwide Healthcare Trust	Pre			**92.897**	167.964	**170.800**	326.200	**18.50000**	20.00000	Jul 16	**25.000**	26.500

Figures in £m. Earnings shown basic. Figures in light text are for corresponding period year earlier.
For more information on dividend payments visit www.ft.com/marketsdata

UK RECENT EQUITY ISSUES

Issue date	Issue price(p)	Sector	Stock code	Stock	Close price(p)	+/-	High	Low	Mkt Cap (£m)

§Placing price. *Introduction. ‡When issued. Annual report/prospectus available at www.ft.com/ir
For a full explanation of all the other symbols please refer to London Share Service notes.

MARKET DATA

FT500: THE WORLD'S LARGEST COMPANIES

Stock	Price	Day Chg	52 Week		Yld	P/E	MCap m
			High	Low			
Australia (A$)							
ANZ	19.21	0.29	28.95	14.10	8.24	9.10	38021
BHPBilltn	36.31	-0.03	42.33	24.05	4.97	14.31	74644.87
CmwBkAu	67.66	1.55	91.05	53.44	6.11	15.51	83584.73
CSL	294.23	10.68	342.75	200.37	0.87	48.53	93229.27
NatAusBk♦	18.92	0.22	30.00	13.20	7.82	18.99	43367.18
Telstra	3.27	0.02	4.01	2.87	2.93	19.72	27140.15
Wesfarmers	42.30	0.72	47.42	29.75	4.03	25.13	33469.95
Westpc	18.18	0.23	30.05	13.47	10.22	9.70	45821.23
Woolworths	36.60	0.52	43.96	31.13	2.67	34.25	32261.01
Belgium (€)							
AnBshInBv	48.77	0.63	92.71	29.03	3.44	13.46	93668.84
KBC Grp	51.86	-0.16	73.56	33.44	6.64	10.93	24496.58
Brazil (R$)							
Ambev	13.34	0.09	20.77	10.36	4.43	14.91	41211.06
Bradesco	19.94	0.03	32.63	14.05	1.11	7.31	17362.69
Cielo	4.44	-0.10	9.07	3.23	13.95	6.33	2368.27
ItauHldFin	24.63	0.13	32.79	19.46	3.97	10.15	23976.41
Petrobras	22.15	0.09	33.65	10.50	2.64	7.74	32365.15
Vale	54.46	0.80	57.36	32.45	3.34	262.89	56502.45
Canada (C$)							
BCE	58.66	0.10	65.45	46.03	5.35	17.59	39335.51
BkMontrl	73.92	-0.01	104.75	55.76	5.44	8.66	35059.58
BkNvaS	58.73	-0.20	76.75	46.38	5.88	8.84	52775.42
Brookfield	47.04	-0.13	60.48	31.35	1.16	31.56	54862.76
CanadPcR	352.00	0.35	365.69	252.00	0.91	20.99	35402.56
CanImp	95.80	0.36	115.96	67.52	5.78	8.75	31622.55
CanNatRs	27.38	0.19	42.57	9.80	5.42	6.09	23974.33
CanNatRy	120.94	0.12	127.79	92.01	1.74	20.35	63773.29
Enbridge	44.30	-0.57	57.32	33.06	6.60	17.02	66522.28
GtWesLif	23.68	-0.14	35.60	18.88	6.90	9.60	16289.09
ImpOil	23.36	0.29	37.75	10.27	3.66	6.26	12715.44
Manulife	18.42	0.04	27.78	12.58	5.37	6.72	26490.38
Nutrien	49.97	-0.80	73.00	34.80	4.52	22.90	21114.81
RylBkC	94.59	0.23	109.68	72.00	4.27	10.78	99833.98
Suncor En	25.57	0.19	45.12	14.02	6.50	13.89	28917.47
ThmReut	95.18	-0.28	109.99	75.91	1.94	23.77	34989.51
TntoDom	62.32	-0.11	77.96	49.01	4.63	9.70	83292.6
TrnCan	62.28	0.22	76.58	47.05	4.92	13.93	43405.02
ValeantPh	30.80	-1.06	36.02	14.01	-	-4.62	8158.48
China (HK$)							
AgricBkCh	3.19	0.01	3.50	2.69	6.07	4.79	12652.1
Bk China	2.92	-	3.39	2.71	7.05	4.31	31506.36
BkofComm	4.89	-	6.56	4.20	6.82	4.54	22091.09
BOE Tech	0.60	-	1.04	0.47	-	-9.61	15.40
Ch Coms Cons	4.88	-0.07	7.47	4.56	5.40	4.18	2787.86
Ch Evrbrght	3.24	0.02	3.80	2.65	5.52	4.78	5300.47
Ch Rail Cons	7.16	-0.04	10.18	6.92	3.26	5.13	1918.19
Ch Rail Gp	4.20	-0.11	6.44	3.45	3.39	4.06	2280.07
ChConstBk	6.34	-0.02	6.85	5.55	5.39	5.38	196673.39
China Vanke	26.85	0.60	34.75	21.65	4.34	6.95	5466.72
ChinaCitic	3.48	-	4.79	3.30	7.35	3.48	6682.39
ChinaLife	15.36	-0.12	22.90	11.64	1.17	12.05	14747.66
ChinaMBank	38.20	0.20	42.75	29.80	2.74	9.24	22628.28
ChinaMob♦	54.50	-0.45	71.80	45.20	5.78	9.23	143986.05
ChinaPcIns♦	22.30	0.10	34.75	17.90	5.00	5.92	7985.54
ChMinsheng	5.48	-0.02	6.06	4.91	7.03	3.98	5883.11
ChMrchSecs	17.00	-0.08	19.75	14.91	1.59	18.10	13650.53
Chna Utd Coms	5.04	-0.01	6.96	4.96	1.08	32.05	15214.15
ChShenEgy♦	13.08	-0.18	17.48	11.96	7.71	5.79	5735.82
ChShpbldng	4.10	-0.01	6.86	4.05	0.22	211.39	10525.31
ChStConEng	5.04	-0.03	6.20	4.93	3.40	5.31	29192.7
ChUncHK♦	4.45	-	8.76	3.84	3.26	11.36	17568.83
CNNC Intl	4.09	-0.04	5.67	4.02	2.99	15.23	8938.46
CSR	3.73	-	6.83	3.60	4.48	9.33	2103.71
Daqin	6.93	-0.01	8.85	6.69	7.07	8.28	14465.39
Gree Elec Apl	0.09	-	0.37	0.01	-	-0.02	3.96
GuosenSec	10.75	-0.06	14.28	10.38	1.14	21.06	12376.59
HaitongSecs	6.02	-0.07	9.58	5.79	2.77	7.74	2648.42
Hngzh HikVDT	28.64	0.08	40.09	23.55	2.14	21.75	32532.36
Hunng Pwr	3.03	0.07	5.05	2.24	3.60	287.13	1837.66
IM Baotou Stl	1.09	-	1.85	1.04	0.66	-238.02	4847.88
In&CmBkCh	5.17	0.03	6.11	4.81	5.39	5.35	57898.57
IndstrlBk	16.25	-0.08	20.42	14.93	4.33	5.04	44753.57
Kweichow	1407.99	8.69	1427.9	840.00	1.05	40.22	248334.69
Midea	0.64	-	1.42	0.58	-	-2.27	17.76
New Ch Life Ins	25.25	-0.55	40.00	20.45	3.39	4.47	3369.12
PetroChina	2.74	-0.03	4.46	2.20	5.41	10.82	7459.31
PingAnIns♦	80.55	0.55	101.00	69.00	2.49	9.08	77405.27
PngAnBnk	13.57	0.03	17.60	11.89	1.09	8.92	36973.39
Pwr Cons Corp	3.46	-0.02	5.47	3.40	2.89	7.71	5413.95
SaicMtr	18.23	-0.71	27.48	17.46	7.06	11.29	29904.64
ShenwanHong	0.03	-	0.13	0.03	-	-0.14	38.45
ShgPdgBk	10.64	-0.06	13.33	9.82	3.36	5.46	41984.21
Sinopec Corp♦	3.53	-0.03	5.40	3.20	12.22	16.38	11620.86
Sinopec Oil	1.74	0.01	2.65	1.67	-	60.94	2942.02
Denmark (kr)							
DanskeBk	90.74	-0.12	123.60	68.04	8.80	5.48	11904.15
MollerMrsk	7514	-20.00	10555	4976	1.88	52.23	11502.42
NovoB	429.50	-0.80	453.20	312.00	1.91	25.61	118455.63
Finland (€)							
Nokia	3.81	-0.07	5.12	2.08	2.47	1624.52	24433.33
SampoA	32.57	-0.53	42.55	21.34	8.24	16.95	20474.55
France (€)							
Airbus Grpe	71.98	3.57	139.40	48.12	2.16	-43.68	64022.35
AirLiquide	125.35	-0.65	140.70	94.86	1.81	28.14	67315.77
AXA	19.16	0.11	25.62	11.84	6.59	13.40	52552.09
BNP Parib	36.02	-0.13	54.22	24.51	7.90	6.16	51068.32
ChristianDior	397.60	-2.40	498.20	252.40	1.47	25.95	81415.95
Cred Agr	8.55	0.07	13.80	5.70	7.60	6.08	27992.13
Danone	62.66	0.34	82.38	50.26	2.92	22.56	48770.68
EDF	8.50	-0.09	13.61	5.98	3.43	5.47	29926.48
Engie SA	11.36	-0.25	16.80	8.63	3.15	35.48	31383.1
EssilorLuxottica	120.75	-0.80	145.00	86.76	1.59	52.55	59939.64
Hermes Intl	774.00	0.80	785.40	516.00	0.55	56.49	92692.99
LOreal	266.50	-3.90	278.50	196.00	1.36	42.49	169083.75
LVMH	390.05	-3.40	439.05	278.70	1.53	29.87	223461.65
Orange	11.32	0.05	15.38	8.84	5.83	11.78	34143.9
PernodRic	147.05	1.65	179.50	112.25	0.91	26.98	44276.07
Renault	23.61	-0.36	58.10	12.77	14.16	-48.21	7920.41
Safran	98.60	0.60	152.30	51.10	1.74	18.60	47787.31
Sanofi	88.85	0.05	95.06	67.65	3.25	40.80	126604.41
Sant Gbn	31.30	0.10	39.57	16.41	4.00	12.88	19340
Schneider	94.34	-1.08	105.50	61.72	2.35	23.12	62292.8
SFR Group	34.50	-	34.56	21.87	-	-23.02	17905.81
SocGen	15.27	0.37	32.23	11.35	13.57	5.32	14778.53
Total	36.12	-0.31	50.93	21.12	6.75	10.32	106597.27
UnibailR	190.00	0.35	236.45	177.35	5.49	24.87	22215.04
Vinci	88.44	-1.66	107.35	54.76	2.89	16.14	60819.33
Vivendi	22.48	0.61	26.42	16.60	2.09	18.68	30232.19
Germany (€)							
Allianz	185.72	-0.92	232.60	117.10	4.56	10.47	87890.62
BASF	55.40	0.21	72.17	37.36	5.44	21.79	57722.7
Bayer	62.70	-2.62	78.34	44.86	4.21	27.07	69877.02
BMW	58.07	0.09	77.06	36.60	5.68	8.33	39656.34
Continental	91.64	-3.88	133.76	51.45	4.88	-15.87	20791.98
Daimler	37.00	-0.94	54.50	21.02	8.27	17.70	44904.24
Deut Bank	8.32	0.17	10.37	4.45	1.30	-3.02	19502.01
Deut Tlkm	15.01	-0.01	16.75	10.41	4.39	19.43	81048.31
DeutsPost	30.69	0.09	35.00	19.11	3.69	18.04	43048.82
E.ON	10.03	-0.02	11.56	7.60	4.04	44.38	30053.11
Fresenius Med	76.90	-0.36	81.10	53.50	1.43	20.62	26557.76
Fresenius SE	44.05	-0.38	51.54	24.25	1.71	13.84	22591.23
HenkelKgaA	75.65	-0.20	90.30	54.65	2.28	16.77	22295.08
Linde	187.65	-2.30	208.60	130.45	1.56	55.92	111796.7
MuenchRkv	232.30	-2.00	284.20	141.10	3.75	13.00	36919.16
SAP	119.60	0.56	129.60	82.13	1.18	45.69	166676.99
Siemens	104.64	-0.34	119.90	58.77	3.42	17.39	100898.45
Volkswgn	152.20	0.20	185.00	99.16	2.97	6.08	50949.12
Hong Kong (HK$)							
AIA♦	71.00	0.15	88.50	60.05	1.56	17.48	110760.1
BOC Hold	23.70	0.15	31.65	20.30	5.86	8.22	32331.67
Ch OSLnd&Inv	24.50	-0.40	31.00	21.80	3.67	6.09	34635.07
ChngKng	43.85	0.10	63.20	33.40	4.21	5.87	20897.12
Citic Ltd	7.87	-0.03	11.46	6.88	5.29	4.49	29540
Citic Secs	14.90	0.22	18.72	12.60	2.49	13.93	4380.18
CK Hutchison	51.30	0.75	78.85	45.05	5.85	5.25	25525.35
CNOOC♦	9.15	0.05	14.04	6.24	7.54	6.31	52711.68
HangSeng	124.30	-0.20	202.80	117.50	5.94	10.28	30662.9
HK Exc&Clr	292.00	-0.40	295.40	206.00	2.20	41.30	47767.9
MTR	39.55	-0.15	55.75	36.20	2.87	21.54	31433.3
SandsCh	32.30	1.50	45.45	25.15	5.79	17.43	33711.7
SHK Props	95.85	-0.30	137.60	87.60	4.89	7.36	35838.29
Tencent	435.00	2.40	447.00	312.20	0.21	42.60	536201.59
India (Rs)							
Bhartiartl	572.45	20.80	612.00	321.15	-	-10.52	41322.25
HDFC Bk	1001.7	-20.55	1305.5	738.75	0.75	20.90	72715.37
Hind Unilevr	2120.6	0.10	2614.3	1659.05	1.14	66.98	65876.55
HsngDevFin	1764.3	-71.35	2499.9	1473.45	1.20	13.93	40433.45
ICICI Bk	347.85	-9.00	552.20	268.30	0.29	23.89	29799.52
Infosys	707.75	6.20	847.00	509.25	2.69	17.95	39884.67
ITC	200.15	3.45	282.90	134.60	2.89	16.31	32553.15
L&T	930.70	-30.60	1591.65	661.00	1.95	13.47	17286.98
OilNatGas	84.90	-1.40	173.45	50.00	8.31	4.95	14132.06
RelianceIn	1579.8	38.15	1602.3	867.40	0.41	22.04	132512.87
SBI NewA	174.05	-0.85	373.80	149.45	-	11.59	20552.76
SunPhrmInds	494.85	18.70	504.80	312.00	0.56	29.46	15709.84
Tata Cons	2091.55	45.40	2296.2	1506.05	1.54	24.03	103844.39
Indonesia (Rp)							
Bk Cent Asia	22300	200.00	24700	16800	-	-	38879.26
Israel (ILS)							
TevaPha	45.15	-0.58	46.45	21.75	-	-15.07	14241.11
Italy (€)							
Enel	7.49	-0.02	8.61	5.15	3.94	36.24	86325.48
ENI	8.96	-0.04	14.94	6.26	9.22	-8.44	36955.3
Generali	14.01	0.06	19.63	10.20	6.05	10.78	25039.26
IntSPaolo	1.69	0.02	2.63	1.31	10.95	7.63	33644.07
Unicred	8.52	0.07	14.44	6.01	2.99	10.55	21573.19
Japan (¥)							
AstellasPh	1859	-40.00	1987	1375	2.00	16.60	31751.4
Bridgestne	3639	-9.00	4734	2861.5	4.20	9.43	23825.95
Canon	2277	-22.50	3256	2035	7.21	20.42	27860.92
CntJpRwy♦	18455	-150.00	23455	14340	0.78	8.41	34876.66
Denso	4304	2.00	5174	3021	3.11	17.60	31111.56
EastJpRwy♦	8529	-40.00	10830	7060	1.76	12.34	29570.99
Fanuc♦■	19630	-25.00	22030	12020	1.70	48.37	36362.83
FastRetail	63800	260.00	70230	39910	0.75	43.89	62084.3
Fuji Hvy Ind	2521	-50.50	3184	1671.5	5.45	14.32	17789.02
Hitachi	3662	1.00	4693	2524	2.35	18.45	32515.9
HondaMtr	2916	18.50	3259	2120	3.67	11.36	48457.65
JapanTob	2172.5	21.00	2555	1862	6.77	11.62	39860.56
KDDI	3214	49.00	3451	2629	3.27	12.21	67938.48
Keyence	46200	500.00	46740	28905	0.21	57.48	103079.63
MitsbCp	2495	-18.00	2979	2094.5	4.86	7.83	34006.51
MitsubEst	1746.5	-17.00	2283	1291	1.75	20.24	22292.14
MitsubishiEle	1445.5	-3.50	1658	1096.5	2.64	14.28	28473.74
MitsuiFud	2207.5	-11.50	3035	1538	1.99	13.44	19831.15
MitUFJFin	450.90	6.30	603.00	380.00	5.38	7.25	56182.06
Mizuho Fin	135.60	0.50	173.10	108.40	5.28	45.98	31587.76
Murata Mfg	6377	137.00	6920	4304	2.80	90.28	39535.04
NipponTT	2500	46.00	2908	2153	3.63	11.61	89463.54
Nissan Mt	431.60	-9.40	789.60	311.20	8.52	42.38	16711.71
Nomura	487.20	1.30	586.40	341.00	3.53	6.74	15614.55
Nppn Stl	1043.5	-18.00	1886	798.10	4.94	5.28	9097.39
NTTDCMo	2954	15.50	3475	2451	3.72	16.91	87494.79
Panasonic	974.10	1.90	1264	691.70	2.94	8.25	21923.64
Seven & I	3859	15.00	4485	3113	2.62	15.13	31381.86
ShnEtsuCh♦	12630	-60.00	13945	8751	1.59	17.60	48277.15
Softbank	5175	54.00	5886	2609.5	0.61	-10.04	99213.71
Sony	7267	116.00	8113	5131	0.53	14.67	84070.59
SumitomoF	3198	25.00	4145	2507.5	5.52	8.74	40286.24
Takeda Ph	4036	-97.00	4562	2894.5	4.26	-61.22	58366.54
TokioMarine	4851	134.00	6317	4167	3.64	12.81	31240.79
Toyota	6974	59.00	8026	5771	3.01	8.45	208762.4
Mexico (Mex$)							
AmerMvl	15.15	-0.11	16.82	12.33	1.34	14.64	31231.22
FEMSA UBD	153.40	-3.93	190.77	127.25	1.84	13.56	15242.68
WalMrtMex	55.06	0.05	62.71	47.76	1.92	22.20	44203.89
Netherlands (€)							
Altice	3.86	-0.06	6.86	2.26	-	21.06	4542.58
ASML Hld	310.30	2.25	311.80	165.04	1.00	50.56	149834.61
Heineken	86.00	-0.06	105.00	68.82	1.85	26.05	56194.1
ING	6.56	0.10	11.26	4.23	9.76	6.97	29039.64
Unilever	47.25	-0.27	57.77	38.42	3.23	23.45	78295.19
Norway (Kr)							
DNB	139.25	0.05	178.10	94.26	5.98	8.86	23612.53
Equinor	146.90	-2.40	187.20	95.20	6.06	30.11	52626.15
Telenor	149.85	0.30	190.80	130.75	5.06	43.13	23193.56
Qatar (QR)							
QatarNtBk	17.90	0.21	21.25	15.71	3.41	12.15	45399.08
Russia (RUB)							
Gzprm neft	185.71	-3.02	272.68	158.17	10.29	2.41	58976.64
Lukoil	4745.5	-157.00	6810	3663	6.06	4.23	44107.51
MmcNrlskNckl♦	20150	-66.00	23656	13352	12.39	7.95	42774.79
Novatek	973.20	-3.20	1382.2	682.80	3.08	2.95	39639.58
Rosneft	324.00	-11.00	489.90	229.80	9.20	4.53	46063.6
Sberbank	188.91	-2.03	270.80	172.15	9.47	4.04	54705
Surgutneftegas	35.13	-0.76	54.89	24.06	2.07	11.47	16833.73
Saudi Arabia (SR)							
AlRajhiBnk	57.80	-0.60	73.20	51.00	6.18	14.96	38482.53
Natnlcombnk	39.70	-0.55	61.50	30.50	5.67	10.21	31718.13
SaudiBasic	88.00	-1.60	120.80	61.90	4.76	49.98	70307.19
SaudiTelec	99.50	-0.20	114.20	72.30	4.08	18.08	52996.72
Singapore (S$)							
DBS	21.99	0.19	27.04	16.65	6.74	9.05	39988.63
JardnMt US$	42.49	0.42	66.69	39.66	3.85	5.91	31195.48
JardnStr US$	21.75	-0.05	40.00	17.81	1.51	5.92	24105.7
OCBC♦	9.30	-0.06	11.82	7.80	5.15	16.08	29290.58
SingTel	2.58	0.01	3.56	2.19	6.70	33.52	30172.29
UOB	21.63	0.03	27.02	17.28	4.80	8.62	25829.61
South Africa (R)							
Firstrand	43.56	-1.45	71.79	31.13	7.67	7.48	14487.23
MTN Grp	57.32	-0.49	114.43	26.25	10.41	10.17	6403.6
Naspers N	2875	-59.90	3643	1843.8	0.28	22.95	74235.57
South Korea (KRW)							
HyundMobis	217500	-6500.00	268500	126000	1.87	9.35	16965
KoreaElePwr	22000	-400.00	29500	15550	-	-7.49	11589.22
SK Hynix	87700	-1000.00	106000	62400	1.16	37.82	52390.6
SmsungEl	54600	100.00	62800	42300	2.60	17.20	267468.23
Spain (€)							
BBVA	3.21	0.05	5.34	2.46	7.62	7.26	24295.85
BcoSantdr	2.27	0.04	4.26	1.78	9.54	6.68	42783.83
CaixaBnk	1.91	-0.01	2.94	1.50	4.94	7.78	12932.89
Iberdrola	9.96	-0.16	11.35	7.76	3.32	19.84	72902.36
Inditex	26.27	-0.47	32.28	18.51	2.35	24.07	92878.72
Repsol	9.05	-0.08	15.67	5.92	9.67	-3.87	16070.46
Telefonica	4.64	-0.02	7.59	3.53	8.11	29.00	27347.17
Sweden (SKr)							
AtlasCpcoB	339.80	-2.40	350.40	223.20	1.74	26.38	14481.68
Ericsson	89.04	-1.88	94.56	59.54	0.79	152.83	29877.85
H & M	156.55	-0.65	214.35	98.13	5.81	19.11	24974.28
Investor	516.00	-3.60	568.60	370.10	2.37	16.19	25669.07
Nordea Bk	69.77	0.31	86.73	48.00	9.67	18.77	30860.67
SEB	86.00	-0.86	104.90	59.80	6.49	9.96	20382.1
SvnskaHn	93.00	-0.64	113.80	71.80	-	12.14	19753.32
Swedbank	128.18	0.18	162.70	99.14	-	12.02	15847.32
Telia Co	33.40	-0.18	44.90	30.29	9.17	21.94	14918.24
Volvo	147.70	0.50	175.10	95.00	-	10.68	26648.93
Switzerland (SFr)							
ABB	20.52	-0.08	24.69	14.11	7.67	46.86	46489.46
CredSuisse	9.70	-0.11	13.80	6.18	2.72	6.22	25907.33
Nestle	102.76	-1.10	113.20	83.37	2.24	25.41	319554.61
Novartis	81.77	-0.71	96.38	65.09	3.62	26.02	210795.8
Richemont	60.96	-0.36	87.44	44.64	3.23	23.09	33250.91
Roche	332.75	-6.35	357.85	260.90	2.46	22.65	244281.86
Swiss Re	75.98	0.36	117.05	52.68	6.58	34.91	25993.95
Swisscom	508.20	4.20	577.80	446.70	4.07	16.74	27508.62
Syngent	453.40	0.90	471.20	402.50	-	39.22	43035.76
UBS	11.01	-0.17	13.28	7.00	6.07	8.91	44377.13
Zurich Fin	342.70	-1.60	439.90	248.70	5.07	13.59	53879.52
Taiwan (NT$)							
Chunghwa Telecom	113.00	-	123.50	103.00	3.98	26.59	29339.05
Formosa PetChem	93.50	-1.00	119.00	66.10	4.87	25.54	29810.44
HonHaiPrc	78.40	-0.10	101.50	65.70	4.84	10.03	36376.49
MediaTek	490.00	5.00	493.50	273.00	1.74	35.46	26057.32
TaiwanSem	306.00	1.00	366.00	229.50	4.10	19.29	265569.89
Thailand (THB)							
PTT Explor	38.00	1.00	49.50	23.60	5.55	11.83	34347.86
United Arab Emirates (Dhs)							
Emirtestele	16.50	-0.18	17.80	11.04	4.93	16.24	39066.34
United Kingdom (p)							
AscBrFd	1975	17.50	2730	1554	2.35	22.09	19712.51
AstraZen	8530	-66.00	9537.09	5871	2.51	109.71	136196.17
Aviva	281.20	2.30	439.40	205.70	10.76	4.46	14227.82
Barclays	123.52	-1.80	192.99	73.04	5.67	11.49	26573.06
BP	336.20	-3.10	563.00	4.69	9.81	-25.47	84478.68
BrAmTob	3200	-41.50	3507	34.85	6.34	12.85	75219.26
BSkyB	1727.5	1.50	1740	893.50	0.76	36.60	38843.72
BT	115.80	-2.10	212.25	98.39	13.30	5.31	14485.48
Compass	1288	8.50	2150	20.62	2.99	18.43	26705.56
Diageo	2882	-12.00	3633.5	2050.6	2.38	22.46	91470.75
GlaxoSmh	1651.2	-13.40	1857	1328.19	4.84	18.09	102377.31
Glencore	169.16	0.66	282.80	109.76	8.87	-74.68	30763.36
HSBC	399.40	-2.40	674.80	369.35	9.63	17.64	100961.04
Imperial Brands	1489	-29.50	2256	1258.2	12.99	14.07	17904.06
LlydsBkg	33.89	0.13	73.66	25.68	9.62	9.97	30788.39
Natl Grid	943.80	-17.40	1073.8	8.90	5.02	22.10	39939.6
Prudential	1171	-14.00	1532.78	682.80	4.12	20.66	38197
RBS	126.70	1.20	265.00	100.34	4.34	4.89	19114.11
ReckittB	7038	-44.00	8191.3	5130	2.46	-17.91	62485.12
RELX	1934.5	-10.00	2109	1382.86	2.24	25.16	47104.83
RioTinto	4470	-49.00	5039	2954	5.60	12.14	75584.88
RollsRoyce	324.00	-4.20	930.20	235.50	3.61	-4.69	7597.12
RylDShlA	1389.2	-4.00	2637.5	946.10	10.16	9.44	80515.67
Shire#	4690	111.00	4780	2944	0.58	11.63	56567.13
StandCh	431.00	3.70	742.60	368.40	3.85	10.12	17914.12
Tesco♦	231.10	1.40	332.67	203.70	2.50	17.26	23855.65
Vodafone	137.16	0.58	169.46	92.76	5.80	-20.75	46125.41
WPP	672.00	-6.80	1085.5	450.00	8.93	12.06	10726.78
United States of America ($)							
21stC Fox A	30.67	-0.10	39.74	19.81	1.53	12.49	10508.84
3M	161.99	0.78	187.72	114.04	3.38	21.79	93176.06
AbbottLb	90.39	-1.01	100.00	61.61	1.35	46.11	159885.93
Abbvie	91.99	1.10	97.86	62.55	4.43	18.31	135845.52
Accenture	204.67	-2.61	216.39	137.15	1.48	27.03	135452.32
Adobe	388.05	-1.87	395.72	255.13	-	59.57	186963.3
AEP♦	85.17	-1.82	104.97	65.14	3.03	23.07	42208.82
Aetna	-	-	-	-	-	-	-
Aflac	38.41	0.20	57.18	23.07	2.68	9.11	27559.48
AirProd	247.19	-1.28	257.01	167.43	1.98	27.56	54591.96
Alexion	113.68	-0.09	134.84	72.67	-	11.16	25103.66
Allergan♦	193.02	0.03	202.22	114.27	1.44	-12.82	63659.11
Allstate	101.10	0.69	125.92	64.13	1.88	7.57	31755.57
Alphabet	1419.48	-19.77	1530.74	1008.87	-	30.34	425915.6
Altria	40.20	-0.01	52.46	30.95	7.77	-60.34	74702.68
Amazon	2474.56	-3.84	2525.45	1626.03	-	113.00	1234251.22
AmerAir	14.79	2.94	34.99	8.25	2.57	4.10	6253.76
AmerExpr	106.63	1.23	138.13	67.00	1.60	15.89	85834.11
AmerIntGrp	34.11	0.86	58.66	16.07	3.57	9.71	29378.62
AmerTower	259.70	-7.69	269.25	174.32	1.39	64.36	115126.24
Amgen♦	220.57	-0.43	244.99	170.56	2.50	17.99	129749.73
Anadarko	72.77	0.56	76.23	40.40	1.50	-63.37	36563.54
Anthem	285.13	-4.14	312.48	171.03	1.07	16.22	71885.86
Aon Cp	197.21	-1.76	238.19	143.93	0.83	32.53	45572.19
Apple	324.12	-1.00	327.85	174.52	0.89	26.82	1404844.66
ArcherDan	40.79	0.28	47.20	28.92	3.27	17.57	22658.69
AT&T	31.63	0.12	39.70	26.08	6.17	17.58	227165.72
AutomData	150.48	-1.20	182.32	103.11	2.07	27.94	64672.45
Avago Tech	308.65	-0.88	331.58	155.67	3.47	53.43	123395.6
BakerHu	22.08	0.09	31.26	20.09	3.16	99.04	11412.93
BankAm♦	26.30	0.49	35.72	17.95	2.39	10.05	228159.89
Baxter	89.08	-1.16	95.19	69.10	0.91	48.50	45181.92
BB & T	54.24	0.75	55.66	40.68	3.12	14.78	41564.3
BectonDick	244.76	1.72	286.72	197.75	1.21	93.18	69396.91
BerkshHat	287000	910.00	347400	239440	-	6.05	198858
Biogen	299.33	-3.27	374.99	215.78	-	9.10	48846.91
BkNYMeln	39.88	0.54	51.60	26.40	2.82	9.29	35311.46
BlackRock	546.30	2.22	576.81	323.98	2.30	20.19	84273.43
Boeing	185.97	12.81	391.00	89.00	4.21	-174.47	104947.25
BrisMySq	60.50	0.29	68.34	42.48	2.64	31.63	136898.84
CapOne	75.49	1.15	107.59	38.00	2.02	7.20	34371.36
CardinalHlth	56.62	-0.01	60.69	39.05	3.23	-4.15	16530.81
Carnival	18.49	1.24	53.86	7.80	10.68	6.94	9759.35
Caterpillar	126.07	-1.02	150.55	87.50	2.85	12.33	68234.04
Celgene	108.24	0.11	110.70	58.59	-	12.71	77035.98
CharlesSch	40.19	0.68	51.65	28.00	1.63	14.50	51741.13
Charter Comms	539.57	-7.73	549.00	345.67	-	76.10	111398.29
Chevron Corp	96.37	-0.82	127.00	51.60	4.70	65.75	179911.4
Chubb	132.66	6.21	167.74	87.35	2.14	14.36	59877.05
Cigna	203.57	2.21	224.64	118.50	0.02	15.92	75111.61
Cisco	46.80	-0.15	58.26	32.40	2.86	19.04	197582.35
Citigroup	54.23	0.89	83.11	32.00	3.37	7.09	112896.45
CME Grp	183.58	-2.68	225.36	131.80	1.56	32.64	65829.07
Coca-Cola	48.15	0.25	60.13	36.27	3.40	20.41	206799.02
Cognizant	55.17	-0.18	71.48	40.01	1.38	17.62	29823.8
ColgtPlm	71.57	-0.08	77.41	58.49	2.27	27.35	61301.74
Comcast	41.29	-0.01	47.74	31.71	1.94	15.33	188064.11
ConocPhil	44.90	-0.22	67.13	20.84	2.83	7.37	48152.53
Corning	25.04	-0.11	34.26	17.44	3.04	24.59	19054.14
Costco	312.19	5.55	325.26	242.50	0.82	37.12	137856.36
CrownCstl	170.57	-3.99	176.85	114.18	2.55	100.13	71085.26
CSX	74.16	-0.51	80.62	46.81	1.34	17.58	56766.95
CVS	66.36	-0.49	77.03	52.04	2.87	13.73	86738.55
Danaher	169.49	-0.16	170.64	119.60	0.38	54.63	118217.68
Deere	159.54	1.19	181.99	106.14	1.82	16.29	49913.47
Delphi	13.94	0.07	20.84	5.39	-	77.10	1203.79
Delta	31.40	2.93	63.44	17.51	5.04	5.75	20023.33
Devon Energy	12.59	0.07	29.36	4.70	2.65	-62.97	4816.28
DiscFinServ	57.92	0.78	92.98	23.25	2.90	6.40	17742.17
Disney	124.05	1.87	153.41	79.07	1.35	23.36	224058.36
DominRes	84.56	-0.98	90.89	57.79	4.13	54.85	70967.06
DowDupont	30.52	-0.65	48.38	30.06	6.73	-37.30	68559.76
DukeEner	88.75	-0.48	103.79	62.13	4.02	18.39	65218.16
Eaton	89.79	0.46	105.78	56.42	3.18	15.62	35916
eBay	49.43	2.98	51.88	26.02	1.08	24.73	34729.89
Ecolab	220.52	-0.34	221.79	124.60	0.80	43.47	63774.77
Emerson	62.46	-0.47	78.38	37.75	3.22	17.55	37315.32
EOG Res	54.69	-0.69	95.29	27.00	1.77	12.20	31829.18
EquityResTP	61.42	-0.21	89.55	49.62	3.52	24.82	22855.96
Exelon♦	39.17	-0.75	51.18	29.28	3.52	13.67	38162.68
ExpScripts	92.33	-3.47	101.73	66.93	-	11.10	52061.19
ExxonMb	48.92	-0.32	77.93	30.11	7.07	13.90	206853.4
Facebook	227.46	-2.70	240.90	137.10	-	37.17	546928.06
Fedex	137.51	-0.57	178.50	88.69	2.33	-108.84	35924.46
FordMtr	6.31	0.12	10.56	3.96	9.73	15.41	24634.76
Franklin	21.13	0.04	35.77	14.91	4.73	8.85	10465.82
GenDyn	156.75	1.52	193.76	100.55	2.42	13.75	44966.02
GenElectric	7.48	0.12	13.26	5.48	0.51	-785.30	65384.51
GenMills	59.78	-1.69	64.31	46.59	3.24	17.40	36234.98
GenMotors	28.93	-0.15	41.90	14.33	5.38	4.60	41393.89
GileadSci	75.54	1.14	85.97	60.89	3.17	18.81	94755.37
GoldmSchs♦	211.34	0.77	250.46	130.85	1.87	10.56	72675.27
Halliburton	13.20	0.12	25.47	4.25	5.19	-10.75	11575.68
HCA Hold	107.44	-0.50	151.97	58.38	1.42	11.21	36273.77
Hew-Pack	16.81	-0.05	23.93	12.54	3.74	8.70	24034.33
HiltonWwde	86.47	0.36	115.48	44.30	0.66	29.89	23974.86
HomeDep	250.62	-0.39	252.83	140.63	2.08	25.56	269542.16
Honywell♦	153.06	-0.29	184.06	101.08	2.09	19.12	107424.82
HumanaInc	390.11	-3.62	412.70	208.25	0.54	20.39	51574.91
IBM	127.55	-1.50	158.75	90.56	4.80	12.68	113250.62
IllinoisTool	177.74	-0.72	190.85	115.94	2.22	24.13	56152.18
Illumina	357.51	-0.81	380.76	196.78	-	55.74	52553.97
Intcntl Exch	95.71	-2.17	101.93	63.51	1.09	29.41	52374.6
Intel	62.96	1.03	69.29	43.63	2.06	12.02	266551.47
Intuit	284.40	-5.70	306.89	187.68	0.67	48.12	74163.37
John&John♦	145.73	-2.92	157.00	109.16	2.65	22.36	383939.46
JohnsonCn	33.95	0.38	44.65	22.78	2.92	26.42	25250.41
JPMrgnCh	105.52	1.25	141.10	76.91	3.07	10.34	321527.34
Kimb-Clark	139.60	-0.99	149.23	110.66	3.03	20.04	47540.38
KinderM	16.16	0.01	22.58	9.42	5.60	17.68	36534.32
Kraft Heinz	30.96	-0.35	33.43	19.99	4.92	20.59	37827.95
Kroger	32.91	0.23	36.84	20.70	1.74	16.86	25869.5
L Brands	18.04	-0.27	28.02	8.00	6.36	-14.18	4988.66
LasVegasSd	53.21	1.42	74.29	33.30	5.92	19.04	40638.06
LibertyGbl	22.23	0.14	28.62	15.24	-	-33.94	4050.66
Lilly (E)	151.14	-1.40	164.90	101.36	1.80	24.82	144553.14
Lockheed♦	401.55	-1.09	442.53	266.11	2.33	17.92	112607.4
Lowes	130.34	-2.50	133.39	60.00	1.56	24.82	98406.99
Lyondell	71.98	1.48	98.91	33.71	5.49	7.88	24020.18
Marathon Ptl	38.25	-0.34	69.65	15.26	5.28	10.12	24869.36
Marsh&M	108.31	-0.92	119.88	74.34	1.53	33.37	54817.73
MasterCard	302.30	-4.77	347.25	199.99	0.42	40.01	300196.22
McDonald's	192.53	-0.76	221.93	124.23	2.47	24.70	143156.87
McKesson	160.78	-0.94	172.18	112.60	1.01	-48.35	26022.76
Medtronic	97.26	0.16	122.15	72.13	2.08	25.81	130344.56
Merck	81.11	-0.95	92.64	65.25	2.77	22.15	204729.85
Metlife♦	38.66	0.78	53.28	22.85	4.28	6.70	35082.84
Microsoft♦	183.81	-1.55	190.70	120.65	0.98	33.65	1393912.15
Mnstr Bvrg	71.83	-0.68	73.43	50.06	-	37.18	37823.06
MondelezInt	52.02	-0.08	59.96	41.19	1.99	20.62	74249.54
Monsanto	127.95	0.02	127.97	114.19	1.64	23.62	56462.29
MorganStly	47.62	0.71	57.57	27.20	2.60	9.64	75032.76
MylanNV	17.50	-0.05	23.11	12.75	-	612.66	9043.94
Netflix	418.92	-3.05	458.97	252.28	-	83.40	184244.6
NextEraE	253.67	-5.91	283.35	174.80	2.06	34.60	124158.79
Nike	102.92	-1.19	105.62	60.00	0.89	38.48	127622.6
NorfolkS	191.75	-0.67	219.88	112.62	1.79	19.66	53018.86
Northrop	339.06	3.10	385.01	263.31	1.45	26.95	56522.23
NXP	109.29	0.74	139.59	58.41	1.28	127.96	30492.03
Occid Pet	15.51	0.06	54.05	9.00	19.27	-13.58	13954.78
Oracle	53.17	-0.33	60.50	39.71	1.78	17.15	167660.29
Pepsico	132.10	-0.72	147.20	101.42	2.73	26.69	183288.81
Perrigo	55.28	-0.26	63.86	40.01	1.41	54.29	7535.4
Pfizer♦	35.80	-0.37	44.56	27.88	3.83	13.11	198835.27
Phillips66	82.38	-1.35	119.92	40.04	4.04	12.79	35972.08
PhilMorris	74.30	0.09	90.17	56.01	6.36	14.88	115686.94
PNCFin	122.34	2.63	161.79	79.41	3.27	11.29	51904.02
PPG Inds♦	111.19	-0.50	134.36	69.77	1.69	22.38	26231.15
Praxair♦	164.50	-0.99	169.75	140.00	2.08	42.03	47306.22
Priceline	1905.64	-1.38	2067.99	1612.41	-	17.15	92937.2
ProctGmbl	117.83	-0.70	128.09	94.34	2.57	62.98	291704.97
Prudntl	64.85	1.14	103.56	38.62	5.87	6.74	25615.75
PublStor	201.75	-6.22	266.76	155.37	3.77	29.08	35263.56
Qualcomm♦	86.27	2.16	96.17	58.00	2.74	25.75	97047.54
Raytheon	116.96	-5.47	233.48	103.00	2.98	10.60	32566.46
Regen Pharm	599.44	-4.85	618.71	271.37	-	34.12	66341.46
S&P Global	329.87	-3.51	334.64	186.06	0.73	33.90	79479.38
Salesforce	172.96	-2.03	195.72	115.29	-	1205.62	155835.52
Schlmbrg♦	20.17	0.56	41.40	11.87	10.08	-1.53	27992.19
Sempra Energy	129.60	-2.00	161.87	88.00	2.84	22.22	37912.33
Shrwin-Will♦	585.66	-8.50	603.36	325.43	0.73	36.65	53177.93
SimonProp	75.74	2.86	168.52	42.25	10.43	11.69	23147.22
SouthCpr	38.60	0.31	44.82	23.43	3.94	21.12	29840.07
Starbucks	78.92	-0.66	99.72	50.02	1.98	27.72	92202.24
StateSt	67.50	1.60	85.89	42.10	3.06	11.41	23757.06
Stryker	200.63	-0.07	226.30	124.54	1.01	38.47	75201.78
Sychrony Fin	24.29	0.60	38.18	12.15	3.64	5.37	14178.26
T-MobileUS	100.63	-0.58	102.73	63.50	-	26.30	124354.88
Target♦	120.94	-0.79	130.24	80.03	2.06	19.94	60471.87
TE Connect	88.53	-0.57	101.00	48.62	1.96	19.88	29201.43
Tesla Mtrs	880.13	-2.83	968.99	179.61	-	-187.97	163151.32
TexasInstr	128.29	1.08	135.70	93.09	2.65	24.17	117741.05
TheTrvelers	116.02	1.55	155.09	76.99	2.87	12.32	29334.01
ThrmoFshr	347.96	0.77	352.59	250.21	0.21	39.47	137427.19
TimeWrnr	98.77	0.82	103.89	85.88	1.54	15.09	77269.69
TJX Cos	55.01	-0.23	64.95	32.72	1.54	21.54	65895.22
UnionPac	177.18	-0.87	188.96	105.08	2.17	20.26	120228.69
UPS B	102.55	-1.10	125.31	82.00	3.56	21.09	72207.18
USBancorp	39.44	0.76	61.11	28.36	3.81	9.96	59408.04
UtdHlthcre	300.64	-4.71	310.12	187.72	1.31	22.04	285120.81
UtdTech♦	86.01	-5.36	158.44	69.02	3.19	14.36	74498.84
ValeroEngy	69.79	-0.75	101.99	31.00	5.13	12.36	28453.28
Verizon	57.15	0.32	62.22	48.84	4.35	12.69	236465.75
VertexPharm	274.57	-2.44	295.55	165.23	-	32.49	71189.61
VF Cp	64.07	0.07	100.25	45.07	2.87	20.34	25289.73
ViacomCBS	23.98	1.26	53.71	10.10	3.10	4.75	13503.27
Visa Inc	194.93	-1.94	214.17	133.93	0.51	37.38	328868.83
Walgreen♦	43.55	-0.06	64.50	36.65	4.11	11.31	38202.94
WalMartSto	122.68	-0.79	133.38	101.44	1.65	24.71	347638.55
WellsFargo	29.82	0.99	54.75	22.00	6.13	7.74	122268.9
Williams Cos	20.62	-0.05	29.06	8.41	7.02	30.51	25010.06
Yum!Brnds	94.69	0.13	119.72	54.95	1.69	24.03	28500.36
Venezuela (VEF)							
Bco de Vnzla	6500	-	9000	310.00	624.01	-	120.36
Bco Provncl	530000	5000	530000	20000	-	59.59	290.18
Mrcntl Srvcs	580000	5000	580000	39000	0.01	21.15	179.30

Closing prices and highs & lows are in traded currency (with variations for that country indicated by stock), market capitalisation is in USD. Highs & lows are based on intraday trading over a rolling 52 week period.
♦ ex-dividend
■ ex-capital redistribution
price at time of suspension

FT 500: TOP 20

	Close	Prev	Day		Week		Month
	price	price	change	change %	change	change %	change %
AmerAir	14.79	11.85	2.94	24.79	3.81	34.7	50.61
SimonProp	75.74	72.88	2.86	3.92	15.99	26.8	20.04
Boeing	185.97	173.16	12.81	7.40	36.15	24.1	40.97
Delta	31.40	28.47	2.93	10.27	5.74	22.3	39.39
Airbus Grpe	71.98	68.41	3.57	5.22	11.86	19.7	30.87
DiscFinServ	57.92	57.14	0.78	1.37	8.45	17.1	39.88
Carnival	18.49	17.25	1.24	7.19	2.56	16.1	28.58
Sychrony Fin	24.29	23.69	0.60	2.53	3.05	14.4	31.90
MollerMrsk	7514.00	7534.00	-20.00	-0.27	934.00	14.2	22.70
Occid Pet	15.51	15.45	0.06	0.36	1.87	13.7	0.01
AXA	19.16	19.05	0.11	0.59	2.22	13.1	24.26
DBS	21.99	21.80	0.19	0.87	2.55	13.1	10.17
ViacomCBS	23.98	22.72	1.26	5.55	2.78	13.1	48.49
Swiss Re	75.98	75.62	0.36	0.48	8.78	13.1	16.18
Bradesco	19.94	19.91	0.03	0.15	2.27	12.8	18.00
HyundMobis	217500.00	224000.00	-6500.00	-2.90	24500.00	12.7	26.45
AnBshInBv	48.77	48.14	0.63	1.30	5.39	12.4	26.78
HsngDevFin	1764.30	1835.65	-71.35	-3.89	193.90	12.3	-7.92
Hew-Pack	16.81	16.86	-0.05	-0.30	1.80	12.0	12.75
FastRetail	63800.00	63540.00	260.00	0.41	6800.00	11.9	25.88

Based on the FT Global 500 companies in local currency

FT 500: BOTTOM 20

	Close	Prev	Day		Week		Month
	price	price	change	change %	change	change %	change %
Pfizer	35.80	36.16	-0.37	-1.01	-2.39	-6.2	-4.97
ChShenEgy	13.08	13.26	-0.18	-1.36	-0.76	-5.5	-6.06
Salesforce	172.96	174.99	-2.03	-1.16	-8.14	-4.5	7.16
Midea	0.64	0.64	0.00	0.00	-0.03	-4.5	-14.67
Illumina	357.51	358.32	-0.81	-0.23	-15.50	-4.2	16.11
GenMills	59.78	61.47	-1.69	-2.75	-2.13	-3.4	0.10
HumanaInc	390.11	393.73	-3.62	-0.92	-13.70	-3.4	3.30
Roche	332.75	339.10	-6.35	-1.87	-8.50	-2.5	-1.44
BT	115.80	117.90	-2.10	-1.78	-2.95	-2.5	-98.97
Takeda Ph	4036.00	4133.00	-97.00	-2.35	-102.00	-2.5	5.47
Diageo	2882.00	2894.00	-12.00	-0.41	-72.00	-2.4	-98.95
BrAmTob	3200.00	3241.50	-41.50	-1.28	-73.50	-2.2	-98.90
NovoB	429.50	430.30	-0.80	-0.19	-9.55	-2.2	-0.12
Anthem	285.13	289.27	-4.14	-1.43	-6.24	-2.1	5.43
HCA Hold	107.44	107.94	-0.50	-0.46	-2.33	-2.1	3.74
CSR	3.73	3.73	0.00	0.00	-0.08	-2.1	-9.73
SampoA	32.57	33.10	-0.53	-1.60	-0.68	-2.0	11.77
ChUncHK	4.45	4.45	0.00	0.00	-0.09	-2.0	-11.78
AstraZen	8530.00	8596.00	-66.00	-0.77	-168.00	-1.9	-98.98
Novartis	81.77	82.48	-0.71	-0.86	-1.61	-1.9	1.51

Based on the FT Global 500 companies in local currency

BONDS: HIGH YIELD & EMERGING MARKET

Jun 04	Red date	Coupon	Ratings S*	Ratings M*	Ratings F*	Bid price	Bid yield	Day's chge yield	Mth's chge yield	Spread vs US
High Yield US$										
HCA Inc.	04/24	8.36	BB-	Ba2	BB	113.67	4.46	0.00	-0.98	-
High Yield Euro										
Aldesa Financial Services S.A.	04/21	7.25	-	-	B	71.10	28.23	0.00	0.64	25.98
Emerging US$										
Peru	03/19	7.13	BBB+	A3	BBB+	104.40	2.60	-	-	0.34
Colombia	01/26	4.50	BBB-	Baa2	BBB-	109.00	2.70	-0.10	-1.34	2.20
Brazil	04/26	6.00	BB-	Ba2	BB-	114.25	3.30	-0.25	-0.74	2.80
Poland	04/26	3.25	A-	A2	A-	111.00	1.29	-0.01	-0.38	0.79
Turkey	04/26	4.25	-	B1	BB-	91.50	5.99	-0.34	-1.31	5.49
Mexico	05/26	11.50	BBB+	Baa1	BBB-	145.50	3.07	-0.11	-1.53	2.57
Turkey	03/27	6.00	-	Ba2	BB+	101.26	5.82	0.00	0.17	3.07
Peru	08/27	4.13	BBB+	A3	BBB+	103.50	3.66	0.01	-0.02	0.80
Russia	06/28	12.75	BBB-	Baa3	BBB	174.75	2.46	-0.01	-0.71	-
Brazil	02/47	5.63	BB-	Ba2	BB-	107.25	5.12	-0.23	-0.48	-
Emerging Euro										
Brazil	04/21	2.88	BB-	Ba2	BB-	103.09	0.05	0.01	-0.09	-1.19
Mexico	02/22	1.88	BBB+	Baa1	BBB-	101.41	1.04	-0.02	-1.55	0.81
Mexico	04/23	2.75	BBB+	A3	BBB+	107.76	0.76	0.00	-0.07	-1.56
Bulgaria	03/28	3.00	BBB-	Baa2	BBB	117.04	1.00	0.02	-0.15	-1.42

Interactive Data Pricing and Reference Data LLC, an ICE Data Services company. US $ denominated bonds NY close; all other London close. *S - Standard & Poor's, M - Moody's, F - Fitch.

BONDS: GLOBAL INVESTMENT GRADE

Jun 04	Red date	Coupon	Ratings S*	Ratings M*	Ratings F*	Bid price	Bid yield	Day's chge yield	Mth's chge yield	Spread vs US
US$										
Morgan Stanley	01/28	4.00	BBB+	A3	A	101.93	3.71	0.08	0.18	-
The Goldman Sachs Group, Inc.	02/28	5.00	BBB+	A3	A	111.54	3.30	0.08	-0.29	-
NationsBank Corp.	03/28	6.80	BBB+	Baa1	A	124.63	3.20	0.00	-0.31	-
GTE LLC	04/28	6.94	BBB+	Baa2	A-	125.45	3.25	-0.04	-0.31	-
United Utilities PLC	08/28	6.88	BBB	Baa1	A-	122.39	3.68	0.08	-0.15	-
Barclays Bank plc	01/29	4.50	A	A1	A+	95.45	5.16	0.08	0.12	-
Euro										
Electricite de France (EDF)	04/30	4.63	A-	A3	A-	137.45	0.82	-0.01	0.10	-
The Goldman Sachs Group, Inc.	02/31	3.00	BBB+	A3	A	124.42	0.68	0.00	-0.11	-
The Goldman Sachs Group, Inc.	02/31	3.00	BBB+	A3	A	121.70	0.93	0.00	0.02	-
Finland	04/31	0.75	AA+	Aa1	AA+	108.12	0.00	0.06	0.11	-
Yen										
Mexico	06/26	1.09	BBB+	Baa1	BBB-	94.34	2.09	0.00	0.51	1.60
£ Sterling										
innogy Fin B.V.	06/30	6.25	BBB	Baa2	A-	128.68	3.20	0.00	-0.01	0.40
innogy Fin B.V.	06/30	6.25	BBB	Baa2	A-	137.45	2.19	-0.03	0.02	-

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INTEREST RATES: OFFICIAL

Jun 04	Rate	Current	Since	Last	Mnth Ago	Year Ago
US	Fed Funds	0.00-0.25	15-03-2020	1.00-1.25	1.50-1.75	1.25-1.50
US	Prime	4.75	30-10-2019	5.25	5.25	4.25
US	Discount	2.65	30-09-2019	2.75	2.75	1.75
Euro	Repo	0.00	16-03-2016	0.00	0.00	0.00
UK	Repo	0.10	19-03-2020	0.25	0.75	0.25
Japan	O'night Call	0.00-0.10	01-02-2016	0.00	0.00--0.10	0.00--0.10
Switzerland	Libor Target	-1.25-0.25	15-01-2015	-0.75--0.25	-1.25--0.25	-1.25--0.25

INTEREST RATES: MARKET

Jun 04 (Libor: Jun 03)	Over night	Change Day	Change Week	Change Month	One month	Three month	Six month	One year
US$ Libor	0.06188	-0.003	0.002	-0.005	0.17363	0.32663	0.47650	0.62250
Euro Libor	-0.56014	0.004	0.004	-0.005	-0.46800	-0.36129	-0.22629	-0.12500
£ Libor	0.05713	0.001	-0.001	-0.012	0.09625	0.23525	0.38100	0.56600
Swiss Fr Libor				-0.005	-0.77440	-0.64840	-0.60740	-0.46460
Yen Libor				-0.006	-0.09417	-0.05150	-0.00600	0.10850
Euro Euribor				-0.010	-0.48800	-0.34200	-0.17400	-0.10500
Sterling CDs				0.000	0.75000	0.83000	0.89500	
US$ CDs				-	-	-	-	
Euro CDs				-	-	-	-	

Jun 04	Short term		7 Days notice		One month		Three month		Six month		One year	
Euro	-0.74	-0.44	-0.68	-0.38	-0.67	-0.37	-0.54	-0.24	-0.47	-0.17	-0.44	-0.14
Sterling			0.45	0.55	0.70	0.80	0.78	0.88	0.82	0.97	0.89	1.04
Swiss Franc	-	-	-	-	-	-	-	-	-	-	-	-
Canadian Dollar	-	-	-	-	-	-	-	-	-	-	-	-
US Dollar	0.05	0.35	-0.04	0.26	0.01	0.31	0.12	0.42	0.21	0.51	0.33	0.63
Japanese Yen	-0.15	0.05	-0.20	0.00	-0.25	0.05	-0.15	0.15	-0.05	0.25	-0.05	0.25

Libor rates come from ICE (see www.theice.com) and are fixed at 11am UK time. Other data sources: US $, Euro & CDs: Tullett Prebon; SDR, US Discount: IMF; EONIA: ECB; Swiss Libor: SNB; EURONIA, RONIA & SONIA: WMBA.

COMMODITIES

www.ft.com/commodities

Energy		Price*	Change	Agricultural & Cattle Futures		Price*	Change
Crude Oil†	Jun	36.86	0.18	Corn♦	Jul	325.50	1.25
Brent Crude Oil‡		39.62	0.26	Wheat♦	Jul	519.00	6.75
RBOB Gasoline†	Jun	1.13	0.02	Soybeans♦	Jul	860.00	2.00
Heating Oil†		-	-	Soybeans Meal♦	Jul	286.90	1.30
Natural Gas†	Jun	1.82	0.02	Cocoa (ICE Liffe)⊕	Jul	1888.00	-30.00
Ethanol♦		-	-	Cocoa (ICE US)♥	Jul	2410.00	4.00
Uranium†	Jun	25.00	0.00	Coffee(Robusta)⊕	Jul	1202.00	0.00
Carbon Emissions‡		-	-	Coffee (Arabica)♥	Jul	97.80	-0.75
Diesel†		-	-	White Sugar⊕		386.20	10.40
Base Metals (♠ LME 3 Months)				Sugar 11♥		11.64	-0.04
Aluminium		1563.50	-2.00	Cotton♥	Jul	60.28	-0.09
Aluminium Alloy		1210.00	-5.00	Orange Juice♥	Jul	127.90	0.35
Copper		5526.00	17.50	Palm Oil♣		-	-
Lead		1736.50	20.50	Live Cattle♣	Jun	95.55	0.25
Nickel		12740.00	-50.00	Feeder Cattle♣	Aug	134.88	-0.98
Tin		16050.00	50.00	Lean Hogs♣	Jun	48.65	-3.50
Zinc		2019.50	3.00				
Precious Metals (PM London Fix)					Jun 03	% Chg Month	% Chg Year
Gold		1705.35	-36.80				
Silver (US cents)		1786.00	-41.00	S&P GSCI Spt	313.78	21.08	-22.91
Platinum		826.00	-19.00	DJ UBS Spot	64.14	5.19	-17.47
Palladium		1955.00	-13.00	TR/CC CRB TR	143.05	13.65	-22.16
Bulk Commodities				M Lynch MLCX Ex. Rtn	231.14	-9.84	-33.05
Iron Ore		99.20	-1.60	UBS Bberg CMCI TR	11.92	12.98	-15.80
GlobalCOAL RB Index		60.00	0.50	LEBA EUA Carbon	23.51	-4.62	5.43
Baltic Dry Index		632.00	40.00	LEBA CER Carbon	0.24	26.32	0.00
				LEBA UK Power	3376.00	81.02	23.98

Sources: † NYMEX, ‡ ECX/ICE, ♦ CBOT, ⊕ ICE Liffe, ♥ ICE Futures, ♣ CME, ♠ LME/London Metal Exchange.* Latest prices, $ unless otherwise stated.

BOND INDICES

	Index	Day's change	Month's change	Year change	Return 1 month	Return 1 year
Markit IBoxx						
ABF Pan-Asia unhedged	209.75	0.38	0.89	1.05	0.78	7.65
Corporates(£)	380.36	-0.11	-0.16	1.06	1.00	6.00
Corporates($)	321.18	0.16	0.18	3.08	0.18	3.08
Corporates(€)	232.33	0.16	0.26	-2.25	0.48	0.11
Eurozone Sov(€)	251.91	-0.42	-0.63	0.39	-0.37	3.20
Gilts(£)	377.89	-1.03	-1.74	8.45	-1.24	10.46
Global Inflation-Lkd	287.95	0.05	0.50	3.00	2.30	6.25
Markit iBoxx £ Non-Gilts	372.74	-0.19	-0.33	1.74	0.79	5.72
Overall ($)	278.23	-0.03	-0.11	6.19	-0.11	6.19
Overall(£)	372.49	-0.79	-1.34	6.26	-0.66	8.91
Overall(€)	243.73	-0.26	-0.39	-0.12	-0.14	2.18
Treasuries ($)	263.21	-0.15	-0.32	8.68	-0.32	8.68
FTSE						
Sterling Corporate (£)	-	-	-	-	-	-
Euro Corporate (€)	104.47	-0.05	-	-	0.54	-1.73
Euro Emerging Mkts (€)	597.59	-5.32	-	-	20.75	50.28
Eurozone Govt Bond	110.04	-0.19	-	-	-0.34	-0.64

CREDIT INDICES	Index	Day's change	Week's change	Month's change	Series high	Series low
Markit iTraxx						
Crossover 5Y	370.66	-0.53	-44.91	-137.51	743.22	365.26
Europe 5Y	64.06	-0.44	-5.76	-20.57	131.25	63.84
Japan 5Y	64.33	-1.72	-4.29	-13.10	188.33	64.33
Senior Financials 5Y	74.03	-1.93	-7.31	-30.38	150.83	74.03
Markit CDX						
Emerging Markets 5Y	242.45	-14.41	-47.25	-108.06	421.25	242.45
Nth Amer High Yld 5Y	460.80	-21.36	-	-	515.27	460.80
Nth Amer Inv Grade 5Y	72.89	-2.75	-6.34	-20.34	150.81	72.89

Websites: markit.com, ftse.com. All indices shown are unhedged. Currencies are shown in brackets after the index names.

BONDS: INDEX-LINKED

	Price Jun 03	Yield Jun 03	Yield Prev	Month return	Value stock	Market	No of stocks
Can 4.25%' 21	105.02	0.854	0.854	0.06	5.18	84905.33	8
Fr 0.10%' 21	103.37	-0.599	-0.599	-0.13	11.35	233024.71	14
Swe 0.25%' 22	109.27	-0.692	-0.692	-0.06	31.92	194640.90	7
UK 1.875%' 22	111.55	-2.631	-2.631	-0.21	15.74	789244.17	28
UK 2.5%' 24	361.84	-2.680	-2.680	-0.33	6.82	789244.17	28
UK 2%' 35	304.12	-2.634	-2.634	-1.00	9.08	789244.17	28
US 0.625%' 21	100.85	-0.142	-0.142	0.05	35.84	1517783.47	42
US 3.625%' 28	132.07	-0.388	-0.388	-0.21	16.78	1517783.47	42

Representative stocks from each major market Source: Merill Lynch Global Bond Indices † Local currencies. ‡ Total market value. In line with market convention, for UK Gilts inflation factor is applied to price, for other markets it is applied to par amount.

BONDS: TEN YEAR GOVT SPREADS

	Bid Yield	Spread vs Bund	Spread vs T-Bonds		Bid Yield	Spread vs Bund	Spread vs T-Bonds
Australia	-	-	-	Italy	1.20	1.58	-
Austria	-0.35	-	-	Japan	-	-	-
Belgium	0.76	-	-	Netherlands	-0.46	-	-
Canada	0.61	0.99	-	Norway	0.44	-	-
Denmark	-	-	-	Portugal	0.14	-	-
Finland	-0.07	0.31	-	Spain	0.51	0.88	-
France	0.73	-	-	Switzerland	-0.41	-0.03	-
Germany	-0.38	0.00	-	United Kingdom	-	-	-
Greece	1.69	-	-	United States	-	-	-

Interactive Data Pricing and Reference Data LLC, an ICE Data Services company.

VOLATILITY INDICES

	Jun 04	Day Chng	Prev	52 wk high	52 wk low
VIX	25.23	-0.43	25.66	85.42	11.42
VXD	26.68	-0.57	27.25	71.05	2.47
VXN	27.19	-0.26	27.45	84.67	13.58
VDAX	30.13	-2.00	32.13	93.30	-

† CBOE. VIX: S&P 500 index Options Volatility, VXD: DJIA Index Options Volatility, VXN: NASDAQ Index Options Volatility.
‡ Deutsche Borse. VDAX: DAX Index Options Volatility.

BONDS: BENCHMARK GOVERNMENT

	Red Date	Coupon	Bid Price	Bid Yield	Day chg yield	Wk chg yield	Month chg yld	Year chg yld
Australia		-	-	-	-	-	-	-
	11/22	2.25	104.84	0.27	0.02	0.02	0.04	-0.87
Austria	10/25	1.20	108.42	-0.35	0.04	0.01	0.08	-0.09
	02/47	1.50	127.34	0.42	0.07	0.08	0.17	-0.45
Belgium	09/22	1.00	103.26	-0.44	0.01	0.04	0.09	0.05
	06/47	1.60	120.47	0.76	0.06	0.05	0.18	-0.45
Canada	11/22	2.00	103.68	0.48	0.08	0.06	-0.01	-1.41
	06/30	1.25	106.22	0.61	0.07	0.08	0.08	-
Denmark		-	-	-	-	-	-	-
	11/21	3.00	105.07	-0.48	0.03	0.01	0.01	0.15
Finland	09/22	1.63	104.95	-0.53	0.03	0.00	0.06	-0.02
	09/29	0.50	105.27	-0.07	0.07	0.03	0.11	-
France	10/22	2.25	106.64	-0.51	0.03	0.02	0.12	0.02
	05/26	0.50	104.69	-0.28	0.05	0.02	0.08	-0.13
	05/48	2.00	132.05	0.73	0.05	0.04	0.17	-0.44
Germany	09/22	1.50	104.83	-0.62	0.03	0.01	0.14	0.04
	02/26	0.50	106.13	-0.56	0.05	0.05	0.20	-0.09
	08/29	0.00	103.52	-0.38	0.07	0.08	0.23	-
	08/50	0.00	96.15	0.13	0.07	0.11	0.31	-
Greece	02/26	3.65	113.63	1.69	0.02	-0.09	-0.72	-1.39
	02/26	3.65	113.63	1.69	0.02	-0.09	-0.72	-1.39
Ireland	10/22	0.00	100.87	-0.37	0.03	0.00	0.02	0.00
	05/30	2.40	121.37	0.22	0.05	0.02	0.08	-0.30
Italy	08/22	0.90	101.14	0.37	0.01	-0.03	-0.29	-0.90
	02/25	0.35	97.43	0.92	0.04	0.00	-0.24	-
	05/30	0.40	92.50	1.20	0.02	-0.08	-0.31	-
	03/48	3.45	119.82	2.46	0.04	0.07	-0.12	-0.85
Japan		-	-	-	-	-	-	-
	11/22	0.05	100.00	0.05	0.01	0.00	-	-
	06/26	0.10	101.25	-0.11	0.01	0.02	0.05	0.08
	09/47	0.80	107.96	0.49	0.00	0.03	0.07	0.05
Netherlands	07/22	2.25	106.01	-0.57	0.03	0.00	0.10	0.04
	07/25	0.25	103.66	-0.46	0.05	0.03	0.13	-0.08
New Zealand		-	-	-	-	-	-	-
		-	-	-	-	-	-	-
Norway		-	-	-	-	-	-	-
	02/26	1.50	105.96	0.44	0.06	0.04	0.00	-0.85
Portugal	10/22	2.20	106.04	-0.34	0.06	0.05	-0.26	-0.10
	02/26	3.30	118.00	0.14	0.06	-0.02	-0.31	-0.13
Spain	10/22	0.45	101.78	-0.29	0.04	0.00	-0.14	-0.02
	10/29	0.60	100.85	0.51	0.06	-0.02	-0.19	-
Sweden		-	-	-	-	-	-	-
	06/22	3.50	107.50	-0.26	0.02	0.03	0.11	0.24
Switzerland	05/22	2.00	105.31	-0.66	0.00	0.03	0.02	0.16
	06/29	0.00	103.79	-0.41	0.04	0.07	0.17	0.07
United Kingdom		-	-	-	-	-	-	-
	07/22	0.50	101.05	0.01	0.04	0.05	-0.04	-0.53
	09/25	2.00	110.46	0.01	0.05	0.07	-0.04	-0.63
	07/47	1.50	119.13	0.72	0.08	0.12	0.11	-0.73
United States		-	-	-	-	-	-	-
	10/22	2.00	104.25	0.23	0.03	0.03	-0.02	-1.59
	05/26	1.63	106.57	0.50	0.07	0.05	0.01	-1.47
	11/47	2.75	127.29	1.53	0.07	0.12	0.25	-1.02

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GILTS: UK CASH MARKET

Jun 04	Price £	Red Yield	Change in Yield Day	Change in Yield Week	Change in Yield Month	Change in Yield Year	52 Week High	52 Week Low	Amnt £m
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
Tr 2pc '20	100.26	0.07	75.00	40.00	0.00	-89.06	103.08	100.00	32.53
Tr 1.5pc '21	100.91	0.06	100.00	100.00	-33.33	-89.47	101.58	100.78	32.84
Tr 4pc '22	107.01	0.01	-150.00	-133.33	-75.00	-98.08	109.62	107.01	38.77
Tr 5pc '25	123.45	0.06	200.00	-700.00	-50.00	-90.48	126.04	121.74	35.84
Tr 1.25pc '27	108.06	0.12	100.00	500.00	-7.69	-84.42	108.81	103.53	30.03
Tr 4.25pc '32	145.18	0.39	18.18	34.48	0.00	-63.55	148.26	137.84	38.71
Tr 4.25pc '36	155.64	0.56	16.67	24.44	12.00	-55.56	160.46	144.44	30.41
Tr 4.5pc '42	179.14	0.70	12.90	20.69	14.75	-50.00	186.37	160.85	27.21
Tr 3.75pc '52	188.29	0.68	13.33	19.30	21.43	-51.43	198.36	160.72	24.10
Tr 4pc '60	218.34	0.62	14.81	21.57	29.17	-54.41	231.12	180.22	24.12

Gilts benchmarks & non-rump undated stocks. Closing mid-price in pounds per £100 nominal of stock.

GILTS: UK FTSE ACTUARIES INDICES

Price Indices **Fixed Coupon**	Jun 04	Day's chg %	Total Return	Return 1 month	Return 1 year	Yield
1 Up to 5 Years	90.32	-0.01	2483.95	0.06	1.48	0.04
2 5 - 10 Years	187.23	-0.12	3797.59	-0.22	4.69	0.15
3 10 - 15 Years	226.60	-0.23	4877.89	-0.80	7.84	0.41
4 5 - 15 Years	196.03	-0.17	4060.96	-0.44	5.54	0.27
5 Over 15 Years	405.03	-0.46	6594.62	-3.78	17.49	0.68
7 All stocks	195.43	-0.26	4145.41	-1.91	9.90	0.58

Index Linked	Jun 04	Day's chg %	Month chg %	Year's chg %	Total Return	Return 1 month	Return 1 year
1 Up to 5 Years	304.90	-0.23	0.36	-1.57	2501.72	0.66	-0.21
2 Over 5 years	834.07	-1.03	2.48	7.79	6295.29	2.57	8.23
3 5-15 years	514.87	-0.55	1.13	2.41	4086.07	1.26	3.23
4 Over 15 years	1101.86	-1.20	2.99	9.76	8103.42	3.05	10.06
5 All stocks	741.42	-0.96	2.29	6.74	5696.56	2.39	7.30

Yield Indices	Jun 04	Jun 03	Yr ago		Jun 04	Jun 03	Yr ago
5 Yrs	0.00	-0.02	0.56	20 Yrs	0.75	0.73	1.45
10 Yrs	0.33	0.31	0.95	45 Yrs	0.62	0.59	1.40
15 Yrs	0.62	0.60	1.29				

	inflation 0%				inflation 5%			
Real yield	Jun 04	Dur yrs	Previous	Yr ago	Jun 04	Dur yrs	Previous	Yr ago
Up to 5 yrs	-2.42	3.35	-2.48	-2.29	-2.75	3.35	-2.82	-2.66
Over 5 yrs	-2.25	24.66	-2.29	-1.91	-2.27	24.71	-2.31	-1.93
5-15 yrs	-2.63	10.00	-2.68	-2.25	-2.72	10.00	-2.78	-2.35
Over 15 yrs	-2.20	29.75	-2.24	-1.87	-2.21	29.76	-2.25	-1.88
All stocks	-2.25	22.76	-2.29	-1.91	-2.27	22.83	-2.32	-1.94

See FTSE website for more details www.ftse.com/products/indices/gilts
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Pictish play that speaks to today

Playwright David Greig and director Elizabeth Newman talk to Sarah Hemming about a new drama set in first-century Scotland

I'm watching a love scene set in AD85; things are hotting up. "Kiss me," murmurs one of the two characters. Tenderly, in their separate little squares on the Zoom screen, they both kiss their own arms.

Watching, muted, on screen, the rest of the creative team — and myself — break into a smile. This is rehearsing, 2020-style: everyone involved is scattered around the country: the two "lovers" are separated by several hundred miles, the director is in Scotland and the sound engineer is in Manchester. The rehearsal room is a Zoom conference call; one actor's makeshift studio involves a duvet hung over the doorframe; the other is fretting about his laptop battery. And yet, here they are, conjuring up a moment of intimacy between a Roman soldier and a Pictish woman through the wizardry of technology and the sort of iron discipline that enables you to embrace your own arm without breaking into giggles.

The two actors, Kirsty Stuart and Olivier Huband, should really have been cooking up chemistry in a normal rehearsal room as the play, David Greig's *Adventures with the Painted People*, headed for its stage premiere at Pitlochry, a small town in the heart of Scotland. But then the pandemic struck and Greig found himself retooling it for radio (it goes out on Radio 3 as part of the BBC's Culture in Quarantine season this Sunday, June 7).

"I love radio," says Greig when I talk to him post-rehearsal. "But if I had intended it to be a radio play it would be different. When I write radio plays, I normally try to include enormous amounts of impossible things that you can't write about in any other form. Having said that, one great thing is that we haven't had to address yet what a Pictish woman wears . . . "

In fact, Greig tends to embrace pretty tricky things on stage too: his two most recent plays in London were the thrilling *Touching the Void*, set in the Peruvian Andes, and *Solaris*, set in outer space. *Adventures with the Painted People* dips into unrecorded history, imagining an encounter between the Roman forces occupying Britain and the Pictish people inhabiting Scotland, who fought off the advancing Romans.

Greig says he has had "a growing obsession" with the Picts for some time. "It started with the Pictish hill forts," he says. "These sort of ghost remnants on the top of hills throughout Scotland and across the whole of Britain, which is where, for millennia, our ancestors lived or worshipped."

The Picts' culture was oral and light of foot, so they left little trace; the only written accounts of them are by the Romans (who took a dim view). The expression "painted people" comes from the Roman description of their ornate tattoos. Greig was already considering all this when Elizabeth Newman, artistic director of Pitlochry Festival Theatre, asked him to contribute to a season celebrating the River Tay.

"I suddenly remembered this Roman fort on the Tay, which was very briefly a legionary base," he says. "That is quite surprising — there weren't that many legionary bases built and they tended to be pretty permanent. Most of them are now cities. I suddenly realised — oh God, that is the alternative history of Scotland. If, in AD86, the emperor hadn't been worried about his northern frontier against Germany, hadn't called that legion back and abandoned that base, you can imagine it as the capital of a provincial province called Caledonia or North Britain and there'd be a city there now.

Above: David Greig, playwright and artistic director of the Royal Lyceum Theatre, Edinburgh. Left: Elizabeth Newman in Zoom rehearsals for 'Adventures with the Painted People' — Aly Wight

"I started to wonder about this encounter between Rome and Scotland," he adds, "which becomes an encounter between a world that is urban and urbane, and remarkably familiar to us in some ways, and this other world in which there was no writing and of which we have nothing much left. Who's to say that an oral culture could not have been every bit as filigreed and nuanced as a written one?"

The resulting drama is a playful piece, laced with wit, and has echoes of Brian Friel's great work *Translations* in the way it tackles far-reaching questions about heritage, imperialism and culture through the prism of a few people on the ground. And although Greig conceived of it many months before the current crisis, his exploration of contrasting values, of the fragility of apparently permanent civilisations and of our relationship with the natural world all now feel sharply resonant.

"It's discussing things that are incredibly relevant now, without being a play about Covid-19," says Newman, who is directing the play. "No one wants to see the pandemic play. But we do want to explore the questions the crisis is throwing up for us. Although it's set in 85AD, these voices feel contemporary."

The play's stage premiere is now planned for 2021, but between now and then lie very choppy waters for Newman and Greig. Both run major theatres in Scotland. Newman leads Pitlochry, the largest employer in Highland Perthshire. Greig is artistic director of the influential Royal Lyceum in Edinburgh. In March, both theatres lost all their earned income overnight (85 per cent and 75 per cent respectively) and for the foreseeable future. "I think it's hard to overestimate how frightening that is," says Greig.

As we move forward, the government's tapered furlough scheme (which sees employers begin to take on a percentage of the cost) doesn't fit an industry that can't yet begin to trade. Both Greig and Newman are facing grim decisions to try and survive. In Edinburgh, Greig has put the Lyceum into "hibernation"; both directors have now had to put a large proportion of their workforce at risk of redundancy; both say that without this action, they would go bust before Christmas.

They are resilient, industrious, optimistic people, but talking to them, you can hear the strain. They are working at retaining links with their local communities and delivering on artistic policy. Greig is considering online work and "interventions in the city". Newman talks about open-air performances and a possible virtual literature festival; her team have also launched a "telephone club" for isolated local people.

"The theatre is often a place people can come on their own," she says. "Have a cup of tea and look at the river; see a play and get chatting to someone. We know how important that is for their mental and physical health."

It's that sort of subtle relationship with a local community that many in the theatre industry think could play a key role in rebuilding morale and social cohesion after the pandemic. Greig and Newman say that what is needed from government is a clear support plan and financial investment to help them survive and then reopen.

> 'No one wants to see the pandemic play. But we do want to explore the questions the crisis is throwing up for us'

"Protect us so we can support you to bring the UK back to life," says Newman. "I was really ill as a child: I know that when you are really poorly, you have to have things to hope for. If everyone sees all the things they loved doing disappear, that isn't going to be a productive future."

"We are massively brilliant economic engines," says Greig, "we're engines of morale, we're engines of social solidarity and community. Why throw away one of Britain's terrific success stories?

"If you were to design an art form that would be ideally placed to bring people back after a pandemic," he adds, "and give them what they most crave and need — the gathering together; the sense of belonging; delight; solace — I think you would design theatre."

'Adventures with the Painted People', BBC Radio 3, Sunday June 7 at 7.30pm, followed by a live discussion, bbc.co.uk; pitlochryfestivaltheatre.com

Pitlochry Festival Theatre in Perthshire, where Elizabeth Newman is artistic director
Julius Cardew

Teasing glimpses of a cancelled Cannes

This year's festival will not be taking place — but its line-up of films has been released, writes Raphael Abraham

So this is what it came down to. The Cannes Film Festival, a name associated with glitz, glam and dazzling star wattage, reduced to three men sitting in a cinema as empty as your local multiplex on a summer school-day. No fanfares, no film clips, no PowerPoint presentation even, just artistic director Thierry Frémaux clutching a sheaf of papers and reeling off a list of the 56 films that comprise the line-up for an event that will now never happen. (He was flanked by president Pierre Lescure and a soft-pedalling interviewer.)

Some titles gave a teasing glimpse of what might have been: Wes Anderson's *The French Dispatch*, whose ridiculously starry cast may well have overcrowded the red carpet on opening night; two feature-length films about London's West Indian community made by Steve McQueen for an upcoming BBC series; a directorial debut from actor Viggo Mortensen; new works by Cannes regulars such as François Ozon, Naomi Kawase, Thomas Vinterberg and others, whom Frémaux dubbed "The Faithful".

In lieu of a glittering berth on the Côte d'Azur, these films will now go on general release (many online only) or show at other festivals when restrictions ease, wearing the official Cannes seal of approval like a rosette on a prize pony.

"What's the point?" you may well wonder. For the festival itself, the message was vehemently clear: "We're still here and we still matter." The timing of the pandemic has been cruel to Cannes. After several years of being outdone by its main rival, Venice, and hampered by a battle with Netflix (whose straight-to-streaming films it refuses to play in competition), last year was seen as a triumphant comeback. An edition featuring starry hits such as Quentin Tarantino's *Once Upon a Time . . . in Hollywood* was topped off with a Palme d'Or for *Parasite*, which repaid the festival by going on to become this year's surprise Best Picture Oscar winner. Cannes's reputation as a key influencer was restored.

Better days: actress Araya Hargate at Cannes' Palais des Festivals, 2018

Lescure played down how big a blow this year's no-show was, referring to the festival's "year-round" influence and spinning harder than one of the carousels that line the Croisette. "Cinema is not dead, it's not even sick," insisted Frémaux, bringing to mind Monty Python's dead parrot. "It's just resting," he might have added — but not resting on its laurels. While sifting through the record 2,067 features submitted this year, Cannes has also been looking inward. After facing repeated criticism for the paucity of film directed by women it programmes, the three men were at pains to tell us that Cannes is inching towards parity: 16 female directors made the cut this year, up from 14 in 2019.

Listed: Bill Murray in Wes Anderson's 'The French Dispatch'

But for all its failings and occasional pomposity, the truth is that Cannes still matters enormously to many filmmakers. Not so much the Tarantinos and Andersons who hardly need the publicity, but to the smaller independents and bit-part players in the world cinema scene who benefit from the publicity it provides. These films excite not on paper but on screen and will now find it harder to stand out, but they can at least flaunt the famous Cannes frond.

Could the festival not also have streamed the competition films for the jury (due to be chaired by Spike Lee), thereby enabling the awarding of prizes? But that would have compromised its anti-streaming stance (even if Frémaux has admitted that Lee's Netflix-backed *Da 5 Bloods* had been due to show out of competition). "We want to preserve the mythology of cinema," was how Frémaux put it in a speech released prior to the official launch. Cannes, as ever, was not willing to compromise.

Pointedly, he ended that speech with a quote from Federico Fellini, who would have been 100 this year: "Viva il cinema!" It's a sentiment all of us film lovers can get behind as we look forward to Cannes 2021, but he could also have invoked another centenary, that of *The Cabinet of Dr Caligari*. At the end of Robert Wiene's Weimar Expressionist masterpiece, it is revealed that the protagonists have been sleepwalking through a nightmare and the titular doctor announces he now has a cure for what ails them. Here's hoping.

festival-cannes.com

Silver Lake has made bold predictions on technology, leisure and travel groups surviving the economic fallout from coronavirus. But its co-CEO's strategy could come under scrutiny if the pandemic lingers.

By Miles Kruppa, James Fontanella-Khan and Arash Massoudi

Durban's make-or-break moment

Egon Durban strengthened his ties to Mukesh Ambani with an investment in Reliance Jio. The move came after CFG, the holding company of Manchester City in which Silver Lake has a 10% stake, acquired Mumbai City from the family of India's richest man — FT montage

In late March, as the coronavirus pandemic was grinding global travel to a halt, Airbnb chief executive Brian Chesky was forced to shelve preparations for a stock market listing and urgently seek a financial lifeline for the turbulent months ahead.

Rather than call on the venture capital firms that helped the travel lodging business grow into a darling of the digital economy once valued at $31bn, he turned to a dealmaker who is becoming the first phone call for Silicon Valley companies in need of cash: Egon Durban.

Mr Durban, co-head of the private equity firm Silver Lake, had previously paid little attention to Airbnb. Yet within days, the 46-year-old investor had committed half of a $1bn distressed loan deal to prop up the ailing business.

The transaction is just one example of how Mr Durban and Silver Lake, a $40bn firm known for its bold bets on out-of-favour tech companies, such as Dell, have become the go-to investor for big name internet companies in need of capital during the pandemic.

In addition to Airbnb, Silver Lake has in recent months injected billions of dollars into the social networking company Twitter, travel booking site Expedia, Alphabet's self-driving auto unit Waymo and Reliance Jio, a fast-growing Indian telecoms group.

Mr Durban has played the lead role in all but one of those investments, earning himself comparisons to Berkshire Hathaway's Warren Buffett, who stepped in during the 2008 financial crisis to backstop companies at the heart of the American economy, ranging from Goldman Sachs to General Electric.

This time, however, Mr Buffett has been sitting on the sidelines. If Mr Durban's aggressive investments are successful, observers say they will solidify his rise as one of the leading private equity investors of his generation.

> 'Egon is incredibly good at looking at industries and deciding whether to bet on the incumbent or the disrupter'

"Basically, they're combining tech investing with value investing," says Claudia Zeisberger, a professor at France's Insead business school. In a reference to one of Mr Buffett's famous sayings, she describes Silver Lake's recent approach as: "You wait until the tide goes out, see who's been swimming naked, and then you decide which one you want to rescue."

But the crisis has created huge problems for parts of Silver Lake's existing portfolio. Several of Mr Durban's marquee investments in sports and live events are suffering from reduced activity under lockdown — perhaps none more than Endeavor, the entertainment group led by Hollywood super agent Ari Emanuel, who has been instrumental in opening doors for Mr Durban.

Moreover, some of Silver Lake's new investments, such as Airbnb and Expedia, involve stakes in a travel industry whose prospects could be further damaged if there are more waves of the virus without a vaccine to stop its spread.

Mr Durban is effectively betting that the economy will return to normal relatively soon. However, if that does not happen, rival investors warn that his high-conviction style may dent the record of the firm he now leads.

"What he's been doing is taking a point of view about how the world might shake out, not in the next year but maybe the next three, four, five years," says George Roberts, the 76-year-old co-founder of private equity firm KKR and a mentor to Mr Durban.

Mr Durban and Silver Lake, which is raising a new $16bn fund, declined to comment for this article.

The rise of Egon

Friends and colleagues describe Mr Durban, an American citizen who was born in Germany and grew up in Texas, as an archetypal dealmaker with a ferocious competitive streak. He lives with his wife, daughters and dog in the pricey Silicon Valley suburb of Atherton. Outside of work, Mr Durban donates to Tipping Point Community, a poverty alleviation charity favoured by tech executives; vacations in Hawaii, near his mentor Mr Roberts; and belongs to the exclusive San Francisco Golf Club, holding a single-digit handicap.

Mr Durban was appointed co-chief executive of Silver Lake in December, alongside his longtime colleague Greg Mondre. But his imprint on the firm dates back to its early days.

~$5bn
Windfall for investors when a Silver Lake led group sold Skype to Microsoft in 2011. The group had purchased a majority stake from eBay for $1.9bn in 2009

<$15bn
Debt load of satellite group Intelsat, one of Silver Lake's high-profile investments, which recently filed for bankruptcy

Alongside Sixth Street Partners, Silver Lake propped up Airbnb with a $1bn distressed debt deal and later purchased a chunk of a separate $1bn five-year loan issued by the ailing travel lodging group
Charles Platiau/Reuters

Founded in 1999 by a group of tech and finance executives nicknamed the "four amigos", Silver Lake aimed to introduce private equity-style buyouts to the tech industry at the height of the dotcom boom. The firm experienced early success with companies such as Seagate, a disc drive business it took private in a $20bn deal before flipping back on to the public market two years later.

Roger McNamee, one of Silver Lake's co-founders, says Mr Durban played an important early role as a junior Morgan Stanley banker who was assigned to advise on the group's formation and later joined as one of its first employees.

"There was an enormous amount of legwork, and he did a fantastic job of it," says Mr McNamee. "The fact that we settled on a private equity model — Egon had an enormous influence on that."

However, one of Mr Durban's first significant deals, the $9.4bn carve-out of NXP from Dutch conglomerate Phillips, quickly ran into trouble, struggling under its debt burden during the 2008 financial crisis. During the company's IPO in 2010, two of its backers, Bain Capital and KKR, wound up selling some shares at a loss.

Johannes Huth, head of KKR in Europe, says his firm wound up making a "decent return" on its investment after the business was worth little in 2008.

The deal that put Mr Durban on Wall Street's radar came one year later, with the takeover of online telephone company Skype. Silver Lake led an investor group that purchased a majority stake from eBay for $1.9bn, unwinding a tangle of lawsuits in the process.

After resolving the suits and overhauling nearly the entire management team, Mr Durban engineered a sale to Microsoft less than two years later, resulting in an estimated $5bn windfall for investors. "Egon is incredibly good at looking at different industries and deciding whether to bet on the incumbent or the disrupter," says Greg Brown, chief executive of Motorola Solutions, a communications equipment company backed by Silver Lake.

A decade of expansion

The Skype deal accelerated Mr Durban's rise at Silver Lake. In 2011, Mr Durban and his close colleagues grew frustrated with co-founder Glenn Hutchins, who they felt was not contributing enough to the firm while reaping outsized rewards. The group, which included Mr Mondre, Mike Bingle and Kenneth Hao, threatened to quit if they were not promoted to managing partners, according to people with knowledge of the matter. Eventually, Mr Hutchins and another co-founder, David Roux, made way for the younger group.

As his profile grew within Silver Lake, Mr Durban cultivated a wide-ranging network of contacts from Hollywood to the Middle East who would serve as a source of deals outside of the firm's traditional comfort zone. None has been more influential than Endeavor's Mr Emanuel and his vast Rolodex in the sports and entertainment world.

Following an initial $200m investment in 2012, Silver Lake built a majority stake in Endeavor one year later by helping to finance its $2.3bn purchase of sports marketing group IMG, going on to steer the company through a series of acquisitions, including Donald Trump's Miss Universe pageant series and the Ultimate Fighting Championship.

Mr Durban has been a cheerleader for Endeavor, telling the FT in 2014 it would be one of Silver Lake's best investments.

So far, though, Mr Durban's quest to turn Endeavor into a dominant entertainment conglomerate has run into trouble. Last year, the company pulled an IPO it initially hoped would raise more than $700m and provide Silver Lake a route to exiting its stake.

Silver Lake built a majority stake in Endeavor, the talent group owned by Ari Emanuel, centre, next to Larry David. But Endeavor had to pull its IPO last year, and its debt has been further downgraded into junk during the pandemic
Kevork S Djansezian/Getty

But the Endeavor investment has been crucial for Mr Durban in other ways. After Silver Lake bought a 10 per cent stake in the Madison Square Garden Company last year, the owner of the New York Knicks and New York Rangers basketball and ice hockey teams, Mr Emanuel helped introduce Mr Durban to James Dolan, the company's executive chairman. Mr Durban subsequently made an offer to buy the teams but was rebuffed, says a person with direct knowledge of the matter.

Soon after that, Mr Emanuel was involved in brokering a deal for Mr Durban's firm to take a 10 per cent stake in the parent company of English Premier League champions Manchester City, valuing the holding company at $4.8bn — a record price paid for a football group.

Mr Durban's investment deepened ties with Sheikh Mansour bin Zayed al-Nahyan, the Abu Dhabi royal who acquired the club in 2008, and Khaldoon al-Mubarak, head of Abu Dhabi's Mubadala sovereign wealth fund.

Those connections proved useful in May as Silver Lake became the first of four US private equity firms to invest in Jio, the mobile telecoms business of Mukesh Ambani's Reliance Industries. Mr Durban strengthened his ties to Mr Ambani after CFG acquired Mumbai City FC from the family of India's richest man, say people briefed on the matter.

Like Endeavor, Silver Lake's $24.9bn takeover of Dell alongside its founder Michael Dell was meant to be a transformational investment. Mr Durban's supporters say the leveraged buyout, and subsequent public listing, have generated enormous value for Silver Lake, which initially invested about $1.8bn in the company in 2013.

But the acquisition also faced bitter legal opposition from shareholders, who claimed the deal undervalued Dell's shares. "What they did was a heist on the public markets with the help of the board," says Marshall Sonenshine, an investment banker and professor who has taught Dell's buyout as a case study.

Dell's shares have underperformed the S&P 500 since returning to public markets through a merger with publicly traded VMware in December 2018. After beginning to trade at $46, Dell is now hovering at just below $50.

Taking charge

Last year, advisers to Mr Durban suggested he take greater control of the firm. Days after the Manchester City deal, he was named co-CEO, taking greater management responsibilities, while Mr Hao was appointed chairman, retaining his investment mandate. Mr Bingle took on a smaller role, investing on a case-by-case basis as he plans to manage his own family office.

The succession set the stage for the recent deal spree. In February, Mr Durban sprung into action as activist hedge fund investor Elliott Management was trying to oust Twitter founder Jack Dorsey as chief executive.

Mr Dorsey had been struggling to fend off Elliott's Jesse Cohn before Mr Durban brokered a compromise that saw Silver Lake invest $1bn in Twitter. Mr Cohn backed off in exchange for board seats and regular performance reviews of Mr Dorsey, say people involved in the deal.

Similar to Mr Buffett's approach, Mr Durban and Silver Lake have structured their investments in Twitter, Airbnb and Expedia with additional protections in case the companies underperform.

Airbnb committed to paying interest rates in excess of 10 per cent on the debt extended by Silver Lake, which also received equity warrants implying an $18bn valuation — a significant discount to the company's prior $31bn valuation.

Several rival firms still passed on backing Airbnb in the latest funding round. The company has said it expects 2020 revenues to be cut in half from $4.8bn last year.

With more than 140 countries adopting some form of quarantine measures to limit the spread of the virus, international travel has been brought to a standstill. The medium-term outlook will start to look extremely bleak if customers do not begin to feel confident about the idea of getting on a plane.

"Egon and his team intuitively and immediately understood that our global community put us in a strong position to succeed when people are travelling again," says Airbnb's Mr Chesky.

Coronavirus has also brought new challenges for Endeavor and Silver Lake's other entertainment holdings, which include the AMC movie chain and venue manager Oak View Group. Moody's and S&P have downgraded bonds issued by AMC and Endeavor, plunging both deeper into the junk-rated debt category. Endeavor added to its debt pile in May with $260m in loans carrying near 11 per cent interest rates.

In May, another of Mr Durban's landmark investments, the satellite company Intelsat, filed for bankruptcy after years of being weighed down by almost $15bn of debt. Silver Lake's planned $2.6bn sale of Global Blue, the shopping refund business, is in doubt as its buyer is attempting to back out of the deal citing the impact of the pandemic.

People close to Mr Durban and Silver Lake point to the firm's record as evidence they can navigate the crisis. Silver Lake's fourth flagship fund returned 25.9 per cent annually between 2013 and the third quarter of 2019, according to pension data, placing it within the top quartile of similar funds.

Privately, Mr Durban has said that he thinks other investors are discounting the promise that pharmaceutical companies can successfully develop and distribute a vaccine for Covid-19.

Still, others are eager to cast doubt on his recent run of investments.

"It's either going to end wonderfully and look like he is Warren Buffett or he's going to be the guy who basically splashed billions of dollars into hotel companies and advertising companies in the middle of a crisis," says one person who has worked closely with Mr Durban. "A lot of smart people haven't been willing to make those bets."

FINANCIAL TIMES
'Without fear and without favour'

FRIDAY 5 JUNE 2020

The case for realistic engagement with China

Tougher stance on Hong Kong and trade needs careful handling

The relationship between the US and China is close to breakdown. Washington and Beijing are locked into increasingly bitter disputes on a range of issues — including trade, investment, security, education, Hong Kong and the origins of the coronavirus.

The dangers of such a situation are obvious. At worst, they could lead to a war — with both Taiwan and the South China Sea as potential flashpoints. Even if outright conflict is avoided, a collapse in co-operation between Beijing and Washington would have grave implications for the management of problems that threaten humanity, including global health and climate change. The implications for international prosperity are also profound.

For the past 40 years, the bedrock of the US-China relationship has been globalisation — rooted in beliefs about the mutual benefits of trade. That, clearly, is no longer a sufficient basis for understanding. Donald Trump, the US president, has long rejected the idea that the trade relationship is mutually beneficial, and similar doubts are growing in Europe. The increasingly militant tone of Chinese foreign policy, under President Xi Jinping, also means that security issues and questions of values are rising up the agenda.

When it comes to trade and economics, the coronavirus pandemic has accentuated the trend for western nations to rethink their dependence on Chinese production. It is inevitable that supply-chain resilience, not just cost and efficiency, will weigh more heavily in future. At a time of rising geopolitical tensions, democratic nations also need to make themselves less vulnerable to potential Chinese economic pressure. An increased focus on security means that it is right to look at China's role in providing key technologies that have implications for privacy or critical infrastructure — such as 5G networks.

However, while it is legitimate to make security more of a consideration in trade with China, trying to force through a massive repatriation of manufacturing from China to the west is a bad idea, on grounds of fairness, cost and international influence. Western nations have every right to demand fully reciprocal access to Chinese markets. But Chinese companies and Chinese people cannot be targeted simply on grounds of nationality. They have a legitimate right to compete in the international market. Indeed China's efficient, low-cost production brings real benefits to western countries.

A Trump administration effort to cut China out of world markets would not just be a mistake on grounds of cost and fairness. It would also be a geopolitical blunder, since America cannot assume that the world will follow its lead. Preserving strong economic, educational and business ties is also important in the struggle to prevent US-Chinese rivalry ever spilling over into war. That matters because China's current behaviour over both Hong Kong and Taiwan merits a stronger western response that will inevitably lead to an increase in tensions.

China's move to impose new national security legislation in Hong Kong threatens to snuff out freedom of expression in a great global city — a move that is likely to have implications for the rule of law. Sadly, it is therefore legitimate to consider withdrawing the special treatment of Hong Kong under US law and the trade privileges that go with it — although the final decision should depend on how heavy-handedly the new legislation is applied. Britain's decision to make it easier for millions of Hong Kongers to apply for UK citizenship is also an important response.

China is making increasingly threatening noises towards Taiwan. As a vibrant democracy, it deserves more support — through upgraded contacts with western nations and participation in international organisations, where Taiwan has a lot to offer on issues from health to cyber security. Beijing's reaction, even to such modest moves, is likely to be ferocious — so democracies should act together, rather than leaving Taiwan reliant on an increasingly erratic Trump administration.

A reset in the west's relationship with China — involving tougher stances on Hong Kong, Taiwan and trade — should be based on a new policy of realistic engagement. Actions must be based on clear and defensible principles, which stress an underlying goodwill towards China and its people, and a firm desire to work together on global issues. As the current pandemic reminds us, national rivalries ultimately matter less than our common humanity.

Merkel leads a bolder eurozone crisis response

ECB shows its resolve after Berlin's well-designed stimulus plan

The coronavirus pandemic has the power to break or burnish political reputations. Angela Merkel is firmly in the latter category. Much of her 15-year tenure as German chancellor has been marked — some would say marred — by cautious incrementalism. But her response to a catastrophic economic slump, despite the constraints of coalition government, has been admirably bold and decisive.

Berlin had already planned €353bn of emergency aid to support the economy together with €820bn in loan guarantees. Then Ms Merkel reached a groundbreaking agreement with France's Emmanuel Macron for an EU recovery fund to help its hardest hit members. Now Germany is leading the way with a stimulus for the recovery.

On Wednesday night, the Christian Democrat chancellor brokered a deal with her Social Democrat deputy Olaf Scholz for a €130bn package of tax cuts and spending increases to bolster demand and address some of Germany's underlying weaknesses, such as its creaking infrastructure.

The stimulus is big — worth nearly 4 per cent of gross domestic product — and well-designed. Its main components are a temporary cut in value added tax to encourage Germans to spend, an expanded grant scheme for small businesses, more favourable tax treatment of investment, a cap on social security payments, aid for municipalities and family payments worth €300 per child. A third of the pot is for investment in transport and digital infrastructure. Some €25bn will help sectors such as hospitality and entertainment. Germany's once mighty car lobby is furious that subsidies for new car purchases will be limited to electric vehicles but the government is right to try to accelerate the shift away from petrol and diesel cars.

Berlin is doing more to cushion its economy than most other large European economies, even though its contraction is likely to be less severe than elsewhere. After years of parsimony, it has plenty of scope to spend. Its neighbours should now feel encouraged to come up with their own well-calibrated stimulus plans. An EU recovery fund, once approved, will give them some support. Even more will come from the European Central Bank. Yesterday it expanded its emergency bond-buying scheme by €600bn, extended it until mid-2021, and said it would reinvest the proceeds of maturing debt until the end of 2022, giving it more flexibility about which bonds to buy.

The ECB is also acting with resolve in spite of last month's German constitutional court ruling casting doubt on the legality of bond purchases. It may be pure coincidence that the central bank mobilised more firepower only hours after Berlin unveiled its big stimulus, but the two are now acting in concert. This crisis has a long way to run but the eurozone has got its act together.

Letters

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Time to reverse the trend in income tax policies

Gavyn Davies quite rightly questions the effectiveness of three different types of macroeconomic policy that could be used to correct secular stagnation — a situation of excessive national savings at full employment ("The effects of Covid-19 risk deepening secular stagnation", Opinion, June 1).

What might just work is to reverse the 40-year trend in income tax policies that have moved greater and greater shares of gross domestic product to high-income/wealth groups — the very people that, try as earnestly as they might, just cannot spend enough to keep everybody in work.

If these people cannot spend enough, then tax their income more heavily (say, 1970s style) and pass the revenue on to people who will spend it. National debt might not then have to rise to the Japanese levels that Mr Davies talks about. What is more, increased spending on consumption could even lead to more investment despite the higher taxes.

In medieval times at least the aristocracy accepted the obligation to provide the serfs with jobs tilling their soil. The problem today is that the new high-income aristocrats don't have that obligation and something else must be done to get the out-of-work into work.

Paul Hallwood
University of Connecticut, CT, US

A more diverse American generation is rising up

As your editorial (FT View, June 3) states, we do have an America divided by race and inequality; but, the more important distinction is the America which stands for and promotes around the world the democratic values of individual freedom, and social justice and the America which fails to live up to the values it professes to promote.

Our American system has been one historically able to self-correct. We now have a new, more diverse generation coming into their own and ready to assert themselves into the political arena and tackle issues that have lingered from our very founding. The question is will they reaffirm America's leadership role in promoting those democratic values?

This is important. In New York harbour is Lady Liberty, a gift of the French to this nation to be a beacon of liberty for others. For our democratic values to flourish our society must be inclusive.

I might remind folks that the Statue of Liberty is not just on display in the harbour, but has also been used in a makeshift replica by non-Americans as a symbol of their desires to spread the democratic virtues, most notably in the Tiananmen Square protest in China in 1989.

That cause is still alight and was found in the Arab spring and presently in Hong Kong.

Vic Volpe
Camarillo, CA, US

A plea for leadership from Hong Kong politicians

With all due respect CY Leung ("Do not overstate Hongkongers' love of UK", Letters, June 3), how do your "reasonable" tactical suggestions to Thomas Hoyle (Letters, June 1) and presumably the British and PRC governments help resolve the critical issue at stake? Namely, that many peaceful and law-abiding Hong Kong citizens wish to preserve the civil liberties which they have been able to enjoy and come to treasure under our "One Country, Two Systems", which — rightly or wrongly — many thoughtful Hongkongers feel is being curtailed by the imposition of this recent drafting of a new national security law.

Do you really believe the majority of the 2m plus protesters are gullibly being influenced, if not led, by "agent provocateurs"?

This is not merely a show of power between the UK and China. Hong Kong and its people are not simply pawns in a tug of war between other nations. Rather this is a moment of truth that compels many of the 7m-plus Hongkongers to make choices based on their beliefs and values. One would have thought that as Hong Kong's former chief executive, your top priority would be focused on advising the Hong Kong government on how best to implement this national security law effectively and smoothly, to both prevent further civil unrest and also to demonstrate sound governance in order to earn back the support of a good many Hong Kong people.

The idea of a "benevolent governance" (*renzheng* in Chinese) is deep-rooted from ancient China by Mencius' political philosophy. In a Confucian society, people's needs are regarded higher than those of a ruler. Ultimately, only a nation which earns the hearts of her people will be long-lasting.

What is needed now is real leadership by the Hong Kong government, which is entrusted to govern with the consent of the governed. "Take it or leave it" tactical "advice" only exacerbates the current tensions.

Han Han
Mid-levels, Hong Kong

Resetting ties with Beijing requires stark choices

Your editorial appeals for a reset of the west's relationship with China (The FT View, June 5). It proposes co-operating with China in business, and in matters of global public policy like climate change, at the same time as setting limits for China's behaviour in selected areas like Taiwan and Hong Kong.

This have-your-cake-and-eat-it, cost-free approach is unrealistic and cannot work. The choice is stark: do business and co-operate with China, and accept the Chinese system; or focus on limiting the spread of Chinese influence and power.

You can't do both, and if you try, China will just continue to drive through any restrictions and limitations that the west tries to impose on its behaviour.

If you want a China that fits in better to the world the West wants, there is a cost to be paid. If you don't want to pay the cost, just accept China as it is.

Professor Giles Chance
Tuck School of Business at Dartmouth, Hanover, NH, US

Flare capture projects will help lower emissions

It is positive news for the environment that flaring in the Permian is down (Report, May 31). We should, however, recognise that this reduction is only due to the shut-in production resulting from lower oil prices. Most flaring is outside the US, in countries with economies dependent on oil revenues. Despite Opec cuts, these countries will continue to produce, even at low oil prices, and continue to flare.

At low prices, the constraints on investment in the oil and gas sector will become even more significant. Fewer companies will invest in flare reduction. Instead, they will prioritise production, and national oil companies will focus on supporting government budgets. There is a real risk not only that critical maintenance will be deferred (eg leading to increased flaring from failing equipment), but also that investments in pipeline or power generation capacity to utilise associated gas will stall. It is also quite possible that companies may shift from flaring to venting natural gas, with much more damaging climate impact.

Most flaring is not visible from the roads of Texas. Much of it is out of sight — in remote deserts, Arctic tundras or offshore — and does not receive attention.

Flare capture projects are some of the most financially attractive emissions reduction levers that oil and gas companies have. We must not let the oil price crash drive up flaring and must avoid the long-term environmental consequences.

Mark Davis
Chief Executive, Capterio
London EC4, UK

Politicians should keep to their promises on Brexit

While I disagree with much of Philip Stephens' opinion piece ("Britain's Brexiters still do not understand Europe", May 29), I agree that Boris Johnson has a dilemma. The prime minister was elected with a large majority much of which came from Brexit supporters such as myself.

At the last election, he promised that he would rid us of the tentacles of the European Court of Justice. Should he renege on that promise or follow Mr Stephens' advice? I prefer my politicians to keep their promises.

Robert Dowsett
London NW3, UK

Weighing lockdown against the economic cost

The UK is facing the crucial question as to when and how is it appropriate to ease lockdown (Robert Shrimsley, Opinion, June 2). How do you compare the brutal daily announcement of hundreds of individual deaths with the need to restart the economy?

Unfortunately we will not know the correct answer for some years because it will take time to know about the hidden health costs.

While it might be right to spend the money immediately to ameliorate the situation and worry about the cost in the future there must come a point where that cost becomes unbearable. I am in the highest risk group, have lost family and friends to this terrible virus but surely, if test and trace is implemented and effective, it is necessary to bring as many people as possible to work, sooner rather than later, because in time it might show the hidden costs of delay (in terms of both health and the economy) are far greater.

Richard Ross
Chairman, Rosetrees Trust,
London HA8, UK

One minister's chance to lead by example

I have a suggestion to restore basic faith in our political system, having heard that UK business secretary Alok Sharma felt ill after attending a parliamentary conga session and testing positive for coronavirus (Report, June 4).

Mr Sharma now has a golden opportunity to lead by example, by providing information about all the contacts he made among other MPs and staff. This would provide much needed confidence in our government in the fight against coronavirus.

Peter Cook
Gillingham, Kent, UK

All MPs must be able to vote on legislation

You quote Jacob Rees-Mogg as saying that MPs "are voting on things that have a major effect on people's lives" ("Anger among MPs over end of virtual parliament", June 3).

All the more reason, therefore, to ensure that all MPs have the opportunity to vote on legislation rather than some being unable to do so because of government decisions on where and how votes take place.

Martin Staniforth
Leeds, UK

Remember the role of Luther's hidden God

David J Critchley justly pillories Christian leaders for not drawing the lesson that God was either the author of the pandemic or using it to call societies to self-examination and repentance (Letters, FT Weekend, May 30). Fecklessly bowing to a godless zeitgeist, all too many western clerics have resorted to a diluted form of deism by not even entertaining the thought that God is active in the world. In the current caesura in world history it might help to remember Martin Luther's nifty portrayal of Creation as the *larva Dei*, the mask through which the hidden God (*Deus absconditus*) acts in the secular realm.

Dr Uwe Siemon-Netto
Laguna Woods, CA, US

Lift every voice and sing for peaceful protest and change

Washington Notebook

by Katrina Manson

Once upon a time, I was knocked to the ground by overzealous bodyguards at a Freetown stadium. It was for an official event and, partly because Ernest Bai Koroma, then Sierra Leone's president, saw it happen, I was immediately helped up and given space to carry on reporting.

No such luck for the Australian news crew who were battered by riot police in Washington DC on Donald Trump's watch this week. The US president claims he is an ally of all peaceful protesters, but critics say his threats and actions have incited violence, militarised the nation, targeted media and put the hallowed First Amendment — the right to free speech, peaceable assembly and to petition the government to redress grievances — under strain.

As Amelia Brace, a 33-year-old reporter, covered the protests this week, a sudden police surge cleared out peaceful protesters (some of whom were kneeling with their arms up) from outside the White House before a 7pm DC-wide curfew. Tucked away to one side, and clearly identifiable as media, she thought she was safe. Instead, a line of police came "straight, straight at such a pace that you couldn't get out of the way . . . I was screaming 'media media media'," she told me. Footage shows a police officer punch her colleague with his shield and slam his camera into his face. As the pair turned to run, another thumped her with a baton in the back. Rubber bullets gave her red welts. "All my injuries are on my back; it just shows that we were trying to get away," she says. "We were desperately trying to get away from the police, which is a terrifying experience."

Vandalism and looting in some areas has destroyed businesses and buildings in recent days, sometimes with fatal consequences, and some protesters targeted media. But the fact that protests against police brutality have been met by further police brutality has not been lost on Victor, the 27-year-old African-American grandson of a preacher who worked on desegregation during the 1960s civil rights movements and for whom the protests have terrible parallels.

"I grew up 45 minutes from where David Duke lives," says Victor (not his real name) of the founder of the Louisiana chapter of the Ku Klux Klan. He joined peaceful protesters at the Capitol on Saturday afternoon in a chorus of the black anthem *Lift Every Voice and Sing*. Solidarity matters, despite the risk from coronavirus, he said: "The killing of black lives is a pandemic in this country."

He was spurred in part by the language of Mr Trump, whose words the night before had echoed those of a racist 1960s Miami police chief when he tweeted "when the looting starts, the shooting starts". "Those kinds of phrases to me evoke something that I've only heard about," says Victor. "The police are the aggressors. I cannot go another day allowing my people to be killed, murdered in the streets and nothing is done."

Diego Molina got hit. A former US army specialist who trained as a combat medic, Mr Molina took a rubber bullet at close range on Sunday night. His lower left leg is now bandaged and, reliant on crutches, he can no longer do his pet-sitting job.

The 40-year-old, who was born in El Salvador, decided to continue protesting in DC after an 11pm weekend curfew because he wanted people to pay attention. "It's been decades that black people in the US have been trying to peacefully request to be treated as humans; they tried kneeling — that was a big, huge offence to conservative white people. That was a very quiet, peaceful way to protest but it didn't work," he said, referring to how American football player Colin Kaepernick took a knee at NFL games, prompting Mr Trump to say players who knelt should be fired.

For many, the echoes of the 1960s are overwhelming. National Guard troops at the Lincoln Memorial on Tuesday prevented protesters from standing where Martin Luther King Jr delivered his famous 1963 speech before a peaceful audience of 250,000 people. Instead, they sat. "Dr King would say [carry on] until justice rolls down like water and righteousness like a mighty stream," Victor says. "My grandfather always used to say: 'keep your eyes on the prize'. Black people are fighting for liberation." He intends to keep up peaceful protesting "from now until — until".

katrina.manson@ft.com

Opinion

What to tell young people about hatred in our society

Gabrielle Starr

This isn't over, not by a long shot. America's cities are still in turmoil, as are hearts and minds across the world, after we watched the horrifying death by suffocation of George Floyd, an African-American man whose life was snuffed out under the knee of a police officer over 526 seconds. He pleaded for his life, asked for his mother. Onlookers begged the officers holding Floyd's neck and body to the ground to stop — to have mercy.

It's not over. It's not even just begun. This is yet one more in a long line of deaths: pointless, painful, final. One man died by jogging. A woman by opening her door. A boy by playing in a park. And the crisis that has in America brought forth bloody flowers, and strange fruit (the blistering language used to describe lynchings sprung from trees across my country), has spread.

Protests rock the world: in London, Mexico City, Amsterdam, Nairobi, Haifa, Lagos, Buenos Aires, Tokyo and beyond. Meanwhile, nations that are nearly paralysed by the Covid-19 pandemic, and particularly the minority communities within them who are hard-hit by medical and financial inequalities, are facing choices. What do we do? How do we express outrage? Most importantly, how do we make change?

Many people ask me these questions, and as an academic, and now president at a small liberal arts college in California, I seek answers. I'm the mother of two children, both black like me. The terror I feel for them sometimes leaves me gasping for breath. Yet I know there is a road I must walk if any of this is to change for them, and for children across the US and around the world.

The hatred delivered to black people wasn't born on America's streets. It runs so deep in our history and can rear its head anywhere. This is revealed in the protests around the world. The name for this systemic hatred is simple: ugly. It is the ideology of white supremacy, an ideology born of the need to control populations across the world as Europe expanded its empires. It was born, equally, of the need for those who perpetuated it to feel morally just.

I recall coming across a 400-year-old poem attributed to John Cleveland while carrying out dissertation research in the British Library two decades ago: a dialogue between "a fair Nymph" and "a black boy". The boy pursues the nymph, the irremediable darkness of his skin threatens the proclaimed purity of hers. A solution is suggested through the metaphor of a printer's press. The nymph says, "Thy ink, my paper, make me guess/ Our nuptial bed will make a press." The boy's ink will ultimately be written on her body, leaving a message for others to find.

Whatever you do to address the inequality and the brutality, you cannot fight without knowledge

The author must have thought himself a wit, while keeping a safe distance from the blood, brutality, murder, abuse, rape and fundamental degradation of the realities of slavery. But I can't — won't — keep my distance from the reality of racial hate and the necessity of making change happen today.

Each morning I must stand up, and acknowledge my black heritage for what I know it to be — a sign of strength, and a commitment to life even in the face of dark days. Then, I must straighten my back and return to a life of finely honed, severely tested optimism, in which education is held to be our last, best hope.

Thus, I work to make it possible for students to learn, research to advance, professors to teach. I work to enable the transmission, and even expansion, of the shared inheritance of humanity, the long, hard-fought knowledge we on this planet have gained, husbanded and promised to preserve. This has never been more crucial: by one estimate earlier this spring, more than 1.5bn children had lost access to all education. Such students could fall as much as two years behind their peers.

Perhaps there is a slight opening in this moment, where the slowdown and solitude of the pandemic meets the crowds and cameras on the streets. A chance to be truly heard? We know we need far more than a fleeting "teaching moment".

I tell my children, college students, anyone who will hear: whatever you do to address the inequality, the brutality, the hatred and pain of racism, you must realise you cannot fight without knowledge. So, spend the coming months and years as you prepare for adulthood doing just that. Study policies that help reduce the use of force, mitigate poverty, cure those who need healing. Learn the tools of justice and the history of their uses and failures. Indeed, the 14th Amendment of the US constitution was passed, in part, to stop deadly harassment by "lawful" authorities of African Americans in the antebellum period.

Help your generation and mine, and those between us and beyond, to see past the misdirection, to rebut the lies and half-truths and to find a path together. It isn't over.

The writer is president of Pomona College

Three compass points for an EU-China policy

POLITICS

Philip Stephens

The EU sits between the devil and the deep blue sea. It can be dragged by Donald Trump's belligerent unilateralism into needless conflict with China. Or it can cock a snook at the evermore unstable US president and bow instead before President Xi Jinping's authoritarian regime in Beijing.

The choice is a false one. The often heard suggestion that Europe's democracies are obliged to take sides in the escalating confrontation between the US and China is as dangerous as it is silly. Even with Mr Trump in the White House, there can be no contest for the EU between its alliance with the world's most powerful democracy and a communist state that parades its contempt for European values.

For all that, the EU cannot simply let things drift. Whatever the political season in Washington, the bloc's relationship with China is of profound strategic and economic consequence. Mr Trump's ravings do not excuse the present vacuum. European governments need a China policy — a coherent framework to establish a relationship that at once protects the continent's interests and is robust enough in its own terms to withstand occasional turbulence in transatlantic relations.

For most of the past decade, the EU has looked at China through the prism of economic opportunity — a lucrative market for German carmakers and French and Italian luxury goods companies, and a source of finance for hard-pressed nations in east and central Europe. Beijing's transgressions, whether snuffing out human rights at home, pushing neighbours out of the South China Sea or stealing intellectual property from the west, have been shrugged off. Politicians have allowed themselves to be bullied out of meeting Tibet's spiritual leader the Dalai Lama.

None courted Mr Xi so assiduously as Britain, where David Cameron's administration declared itself China's "best friend in the west". No one stooped so low as George Osborne, Mr Cameron's chancellor, in bidding for Chinese business. Highly sensitive strategic industries such as nuclear energy and digital communications were thrown open to Chinese companies. The Foreign Office was told to pipe down about human rights in Tibet and Xinjiang and look the other way as Beijing tightened its grip on Hong Kong.

The mood has changed. China's decision to abandon all pretence of respect for the Joint Declaration commitment to one-country, two systems in Hong Kong has at last brought a response. Under pressure from Conservative MPs, Boris Johnson's government has said it will respond to Beijing's plans for new security legislation in Hong Kong by offering entry visas to citizens of the former British colony. The prime minister also plans to dilute Huawei's role in building a new 5G communications network.

Continental Europe has been moving in this direction for some time. Germany has imposed restrictions on predatory investment in high-tech industries. France has said it will do likewise. Mr Xi's assertive stance in the South China Sea and Beijing's coercive diplomacy elsewhere have prompted the EU to label China "a systemic rival". More recently, the shift has been crystallised by Beijing's secretive handling of the coronavirus outbreak, its aggressive disinformation campaigns and the clampdown in Hong Kong.

The missing ingredient, however, has been a strategic framework within the EU in which governments can routinely weigh political and security interests against economic relations. This would disarm Beijing's attempts to divide and rule by picking off "unfriendly" nations. A set of clear principles would also guide the response to demands, capricious or otherwise, from Washington for tougher sanctions against the Chinese regime.

Europe is nothing without its commitments to human dignity, democracy and the rule of law

The first point on this compass is the recognition that Europe's values and interests are indivisible. The EU is nothing without its commitments to human dignity, democracy and the rule of law. To be anything but loud and unapologetic in defence of these values is to concede the ground to Beijing.

The second guiding principle should be framed around the idea of reciprocity. *Pace* Mr Trump, globalisation is a good thing. Europe and China are both winners from free trade. But safeguarding open markets requires the rules be applied evenly. EU nations should welcome Chinese business and investment to the extent that Beijing respects the rules and offers the same access to western businesses. Mr Xi cannot complain about discrimination against Huawei while outsiders are locked out of any sector that might touch even remotely China's national security.

The third compass point says the EU and China should look for every opportunity to work together to promote global public goods — whether tackling pandemics or the vast programme of decarbonisation needed to slow global warming. The invitation to Beijing to become a responsible stakeholder in the international system must remain on the table. Competition and co-operation need not be mutually exclusive.

No one should be naive. Mr Xi's China has shown itself ruthless in the pursuit of its great-power status and, in the sanctions it has now applied against Australia, that it is unabashed about using its economic power in pursuit of geopolitical interests. Europe should not expect a comfortable relationship with Beijing, nor always to agree with Washington. It can, if it wishes, make its own choices.

philip.stephens@ft.com

Lifting lockdowns prematurely is very risky

ECONOMICS

Martin Wolf

A pandemic is like a war, not only because people die or because it dominates everything. Pandemics can shatter illusions of competence. Failure in managing a pandemic reveals gaps between bombast and reality. So it has been with Covid-19. The UK has had a notably bad pandemic. I fear that the decision to open up is going to prove to be more of the same.

The UK has the world's second highest official death rate per million, behind Belgium, surpassing Italy and Spain, despite being hit later. While its testing capacity has improved, the number of tests per confirmed case lags far behind those in New Zealand, Australia, Taiwan, South Korea, Germany and Italy.

One explanation for the high death rate is the delayed response: the higher the infection rate when lockdowns were imposed, the higher the mortality rate. Yet there is more to the story than that delay.

An article by Martin McKee of the London School of Hygiene and Tropical Medicine and others notes more failures: a lack of co-ordination with devolved governments and local authorities; failed procurement of essential goods and services; failures of co-ordination between government, NHS, Public Health England and local public health departments; and the chaotic co-ordination with our European neighbours.

The government needs to recognise and learn from these failures. Yet, in the introduction to last month's road map for recovery, Boris Johnson, the prime minister, dared refer to what he said in his previous plan, published in March: "I said we'd take the right decisions at the right time, based on the science. And I said that the overwhelming priority of that plan was to keep our country safe."

The government has not in fact kept the country safe, by any reasonable standard. So will exit from lockdown be better managed than entry?

Governments have responded to the pandemic with three distinct strategies: suppression, containment and herd immunity or, more simply, "let it rip".

Under suppression, as in east Asia and Australasia, the aim is to eliminate the virus from society. This should allow everybody to lead a normal life, which is economically and socially desirable. But it has required early, effective action.

Britain has had a notably bad pandemic. I fear the decision to open up is going to be more of the same

The aim of containment is merely to limit the virus to manageable levels. If the pandemic has already taken strong hold, lockdowns will be briefer than under the goal of suppression. Social and economic activity will then restart sooner. The disadvantage is that economic and social activity will be more limited than under suppression, as the virus will remain widespread. For the same reason, second or third waves of infection are also likely to be economically damaging, even absent lockdowns. Containment looks to be the strategy of much of Europe. Finally, "letting it rip" is the policy of presidents Jair Bolsonaro of Brazil and Donald Trump in the US: nobody seems as indifferent to the fate of the people as populists.

Mr Johnson seems to have chosen containment. This was consistent with the tests the government laid down for reopening: the NHS could cope; the country had a sustained fall in death rates; the rate of infection was at manageable levels; the testing capacity was adequate and effective; and there was no risk of a second peak of infections.

Whether these tests have been met is a matter of judgment. What we know, however, is that "R" — the reproduction rate — is still not far below one, and the official number of new confirmed cases has been running at 1,920 per day against about 390 in Italy, 440 in Germany and 570 in Spain. Given the still high number of UK cases, the effectiveness of the testing and tracing regime is very much in question. Infections are quite likely to take off once again. If so, a return to economic and social normality will not occur, whether or not there are further lockdowns because many people will remain very cautious.

What would the government do then? It will, I expect, go to "let it rip", hoping that the NHS would cope and that it could protect the most vulnerable. If does let the disease rip, while European countries make their tougher strategies work, then the economy would probably do worse and the death rate would continue to be higher. British exceptionalism could look very ugly.

Keir Starmer, leader of the opposition Labour party, has told the prime minister to "get a grip". He is right. The escape of Dominic Cummings from lockdown has seized the headlines. But the real story is that the UK has made blunder after blunder, with fatal results. With its rushed exit from lockdown, it is taking another gamble. If that, too, goes wrong, has it any idea what it would do?

martin.wolf@ft.com

Holidaymakers become speculators as travel risks rise

BUSINESS

Izabella Kaminska

Necessity is the mother of invention, they say, and the pandemic has indeed seen carmakers repurpose themselves as ventilator manufacturers and fashion houses make hand sanitiser gel. Now Covid-19 is converting would-be tourists into financial speculators. You may not have thought of yourself as one if you recently considered booking a European holiday. In fact, you are.

Airlines have been busy lavishing cut-price deals to try to get customers to think beyond a damp staycation. EasyJet is touting 1m seats from the UK to Europe for less than £30. Yet, as you know intuitively, this is not really a holiday bargain that will whisk you to a beach in southern Europe this summer.

For the airlines, it is a no-interest unsecured loan — and, as of mid-May, they had received about $35bn of them. For customers, meanwhile, it is an option on the possibility that they might visit the Algarve. Or maybe not. There are so many risks involved. Will people be allowed or want to travel if there is a second wave of infections? Will they have to self-quarantine on return, as per the UK's latest bizarre rule, which could kill off its £22bn-a-year aviation industry? Does that cheap ticket have any real value, anyway? In short, using market jargon, is there a real chance that your holiday option will be in the money come August?

A positive answer would not only help ensure the viability of air travel. It could aid the post-Covid-19 economies of countries such as Spain, where tourism is worth almost $200bn a year, some 13 per cent of economic output.

The redeemable vouchers airlines currently offer only turn flight tickets into high-risk futures contracts

Airlines have tacitly recognised the risks involved. Many have bent over backwards to make their terms and conditions more flexible to keep ticket purchases coming. That is also why they are pushing vouchers in lieu of refunds if flights are cancelled. They need the cash. American Airlines, for example, has been burning through $70m a day.

Yet many would-be buyers remain distrustful. In part, that is because they still think of themselves as holidaymakers, and view vouchers as dodgy cash substitutes sprayed about by desperate companies on the edge. They also know the hassle it can take to claim back spent cash that they are legally entitled to.

Better, instead, for us all to view these vouchers as a small-scale financial investment in our holidaying future. If that shift happened, it could make a real difference to the entire leisure business and its customers. But airlines also need to go further in changing their own mindset. To keep customer cash coming, they should unwind further the risks that passengers take on when they buy a ticket now. Those that have received state aid, such as Lufthansa, which has benefited from a €9bn state bailout, owe it to taxpayers. (And those that have not, such as Ryanair, which prides itself on its innovative spirit, owe it to themselves.)

Waiving administrative rebooking costs if the ticket is rescheduled 14 days before departure, or offering vouchers at par value for flights or refunds if they're cancelled, is not enough. All this does is turn a flight ticket into a high-risk futures contract, as passengers may have to pay more for future flights and make up the difference.

What passengers want are guarantees prices offered for flights today will be maintained if they need to rebook or flights are cancelled. Such guarantees could attract significant cash flow to airlines in their most desperate hour.

Clever airlines would look seriously at adapting their terms and conditions in that direction. They could even introduce new offers, such as discount certificates. These are being offered by other leisure businesses, especially restaurants, to allow loyal customers to buy a cut price meal today that they can redeem tomorrow. A similar scheme by airlines is the least that passengers are entitled to as they become de facto investors in these businesses.

izabella.kaminska@ft.com

Lex.

Twitter: @FTLex

LVMH/Tiffany: repricing family jewels

Diamonds, it turns out, are not for ever. Bernard Arnault, dealmaking boss of French luxury empire LVMH, appears to be getting the jitters over his swoop on Tiffany, purveyor of engagement rings to the unimaginative. Lowering the terms or backing out would be tough. LVMH says it will not for now buy the US jeweller's shares on the open market. That was one way it could have lowered the $16.2bn equity price tag — the stock has been trading below the offer price.

Tiffany's sparkle has dulled. Covid-19 and protests in the US and Hong Kong have pummelled demand for pricey gewgaws. Global luxury sales will fall as much as 35 per cent this year, says consultancy Bain. Analysts reckon Tiffany's earnings will roughly match that slide, according to S&P Global.

That leaves LVMH's offer, generous at the outset, looking incredibly steep. The offer was based on an enterprise value-to-trailing ebitda ratio of 17, more than 50 per cent higher than Tiffany's 10-year average at the time.

On the same parameters — although admittedly without an M&A premium — Hong Kong-listed peer Chow Tai Fook trades on 13.5 times.

The $135 per share bid supported Tiffany stock at about that level, even as China — a key market — was locking down to stem the virus. Investor nerves did not falter until the pandemic hit Europe's shores in early March. Tiffany now trades at about $114, reflecting fears that the deal will founder.

Not for nothing is Mr Arnault known as "the wolf in cashmere". He has 35 years in the luxury industry under his Louis Vuitton belt, chalking up 40 deals in the process. If anyone can tweak irksome terms, he can.

Still, lawyers to LVMH and Tiffany appear to have drawn up a pretty tight pre-nup. Extenuating circumstances are circumscribed and mostly relate to breaches. The costs for backing out are high: should Tiffany pull the trigger it could face a $575m penalty.

Other bidders have sought to redraw deals signed in less fraught times, but doing so carries big risks in this case. Tiffany, like some of its gems, has rarity value — there is no plan B acquisition that would match it.

Besides, Mr Arnault can afford some perspective. His own — paper — wealth had been dented to the tune of $30bn by early last month, calculates Bloomberg.

That is almost enough to buy Tiffany twice over.

HSBC/StanChart: gagging for China profits

Citigroup and Goldman Sachs have expressed solidarity with African Americans' struggle against police opression. HSBC and Standard Chartered back Chinese laws aimed at crushing civil rights protests in Hong Kong. The contrast reflects poorly on the two UK-listed banks. Buckling to Chinese pressure may help them less commercially than they hope.

To be fair, the banks are following the lead of trading houses Jardine Matheson and Swire. The difference is that the banks have headquarters and listings in the UK, whose government opposes the new legislation and where public opinion favours Hong Kong's protesters. That leaves HSBC and StanChart in a bind. Making a stand that is popular in the UK would hurt them in Hong Kong and China, which produce a bigger chunk of revenues.

More than half of HSBC's pre-tax profits and over a third of its customer accounts are in Hong Kong. The lender's central strategy for years has been to expand in China. Hong Kong is StanChart's biggest market. More than 60 per cent of its underlying pre-tax profits in Greater China and North Asia come from Hong Kong. Retail banking in the city has been a key driver.

Swire and Jardine have weaker ties with the UK, leaving them less exposed to criticism there. Jardine makes more than 40 per cent of total revenues from south-east Asia where it gets most of its profit growth. Swire is heavily reliant on Hong Kong, but has diversified its businesses to span office properties, marine services and soft drinks.

Fast diversification of product or geographic footprint is a lot harder for banks than trading houses. This leaves HSBC and StanChart wedded to Hong Kong. They have little defence against deposit outflows. Competition will remain fierce and inflected with political patronage in mainland China.

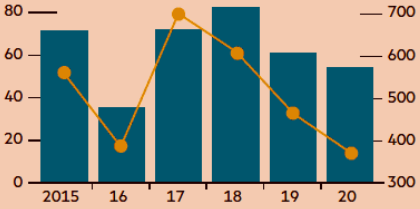
Shares in HSBC and StanChart have dropped a third or more this year as they face rock-bottom interest rates and deteriorating credit outlooks. They are a bad bet.

ZoomInfo: listings listed

ZoomInfo is the largest US tech listing so far this year, as the pandemic delays IPO plans. Newly public, subscription-based software companies have excelled in markets, suggesting that ZoomInfo will be popular. But public shareholders are set to receive only a tiny share of its voting rights.

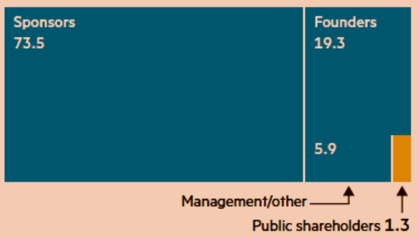
Global IPOs

Deal value, year-to-date ($bn) ● Number



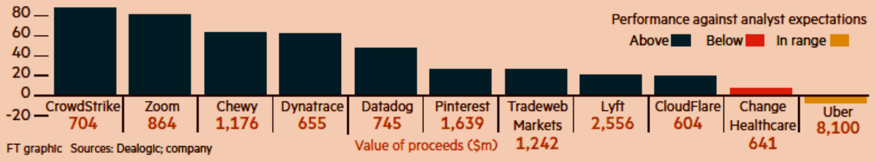
New shareholders, little influence

Voting power of ZoomInfo stakeholders, post IPO (%)



Software companies surpass expectations

Opening trade, 2019 (% above offer)



FT graphic Sources: Dealogic; company

An online marketing data directory for sales teams does not sound like the next big thing in tech investment.

But ZoomInfo's subscription-based sales have proved electrifying to investors disappointed by the performance of gig companies such as Uber. The US group's $8bn initial public offering could kick-start a revival in tech listings for 2020.

The dearth of IPOs has helped to drive interest in the company. At this point last year there were 464 IPOs, according to data from Dealogic. So far this year there have been 371.

First some clarity. ZoomInfo trades on Nasdaq under the ticker symbol ZI. Not to be confused with video conferencing company Zoom Video, which uses the ticker ZM, or Zoom Technologies, which had to change its ticker from ZOOM to ZTNO.

ZoomInfo could have avoided any woes if it had stuck to its original name: DiscoverOrg. Created in 2007 and backed by buyout firms such as Carlyle and TA Associates, DiscoverOrg renamed itself after buying rival Zoom Information in February last year.

The merger means comparable data is scarce. ZoomInfo makes its money from subscriptions for a database used by recruiters, sales and marketing personnel. The company posted a net loss of just under $6m in the first quarter — down from $40m the previous year — on revenues that doubled to $102m. It is growing fast.

Even amid current turmoil the annualised value of contracts with new customers rose almost 90 per cent in April compared with last time.

Research by Statista suggested B2B lead generation was a sub-$3bn market in the US last year. ZoomInfo sees a global opportunity of $24bn. Competition from groups such as Salesforce will surely increase. New investors will have little say on the way ZoomInfo responds. Its umbrella partnership corporation structure means new investors buy shares in a holding company while previous investors have partnership units in the underlying limited liability company. Existing investors and management also own shares with more voting rights.

Steady sales are appealing. The structure of the company is not.

Hedge funds: bear with us

Investors pay up to find the "smart money". That is the justification for the steep charges of hedge funds. The crash and rally in equities this year has given them the chance to prove their worth.

Pessimists among them, including Elliott and Fasanara, expect to do so by doubting recent price rises. Their scepticism is well founded.

US stock markets, which set the tone for the world's bourses, are detached from economic realities. The S&P 500 index is less than a tenth from its all-time peak. Yet the consensus forecast is for GDP to drop by more than half year on year in the second quarter. The economy cannot rebound quickly after that, thinks Elliott's Paul Singer.

The investor expects a depression that exceeds the last financial crisis. His fund has performed well enough in the first quarter — up 2 per cent versus an average drop of over 9 per cent — for his words to carry weight.

What will happen when government stimulus stops? Fearing this reality shock, funds such as Fasanara hold 70 per cent of their assets in cash. Others, such as Crispin Odey, worry that high inflation will follow the stimulus.

Earnings-based valuations are pricing in a full recovery. Germany's Dax index trades at a forward price to earnings multiple of about 18 times — 40 per cent more than the average this millennium.

Every week of rising prices brings humiliation for pessimists — including Lex. We think the hefty new debts of governments and corporations will slow down recovery. Animal spirits and cheap money are outweighing that view for the moment.

That helps a majority of hedgies, which, despite their name, are positively correlated to markets.

Meanwhile, Sandbar's Global Equity Market Neutral fund has delivered positive, and uncorrelated, returns this year. As of this week, it has risen 11 per cent. This is the sort of smarts that investors long to own, rather than the chance to lose money for logical reasons.

PE/401(k): buyout power to the people

Private-equity kingpins have a habit of hiding behind teachers, firefighters and cops. For years, when called to account for excessive pay or dubious practices, they have cited their duty to the savers and pensioners whose workplace pension funds they invest.

Defined-benefit retirement schemes are on the wane. That leaves most American pension savers on the other side of the gate from the barbarians. The portal swung slightly ajar on Wednesday, however. The Department of Labor announced that 401(k) plans — the predominant form of defined contribution scheme — were free to access private-equity funds.

This will reignite a debate about the risks of private equity for private investors. The bigger conclusion is that private equity, once the preserve of high rollers, is now fully mainstream.

Between 2004 and 2007, the US averaged more than 250 initial public offerings, according to Dealogic. In the dotcom era of the late-1990s, that figure was nearly 600. Yet in the 2001-2019 bull market, the number was less than 200. Companies are staying private longer and there is plenty of capital to support their growth without retail and mutual-fund investors.

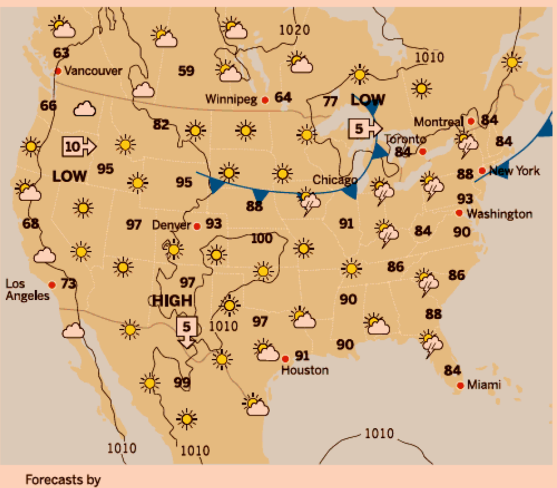
Pension funds and endowments that invested in venture capital and private equity have done well. The defined-contribution pension market is worth roughly $7tn. Calpers, California's massive public-sector pension scheme, aims to allocate 8 per cent of its portfolio to private equity. That suggests that the market opportunity in 401(k) plans could eventually reach hundreds of billions of dollars. Private equity adoption will probably be first through target-date funds that create diversified portfolios.

The high returns that have defined private markets may now be compressed as capital floods in and public listings dwindle further. The fees flowing to financiers are likely to remain very tolerable. And the defence "we're doing it all for John and Jane Doe" will get a new lease of life.

Lex on the web
For notes on today's breaking stories go to **www.ft.com/lex**

WEATHER

Asia. Insight Out.



Forecasts by MeteoGroup Warm front Cold front Occluded front Wind speed in MPH

Today's temperatures Maximum for day °C & °F

City		°C	°F	City		°C	°F
Amsterdam	Rain	13	55	Madrid	Sun	28	82
Athens	Sun	25	77	Manila	Sun	35	95
Atlanta	Cloudy	30	86	Melbourne	Cloudy	13	55
Beijing	Sun	29	84	Mexico City	Sun	28	82
Belgrade	Shower	26	79	Miami	Thunder	29	84
Berlin	Fair	19	66	Montreal	Sun	29	84
Bermuda	Fair	25	77	Moscow	Thunder	17	63
Bogota	Rain	20	68	Mumbai	Cloudy	32	90
Brussels	Shower	14	57	Nassau	Cloudy	32	90
Buenos Aires	Cloudy	18	64	New York	Thunder	31	88
Caracas	Shower	31	88	Nice	Sun	24	75
Chicago	Thunder	29	84	Oslo	Shower	16	61
Copenhagen	Sun	16	61	Paris	Rain	17	63
Dallas	Fair	36	97	Prague	Shower	18	64
Delhi	Sun	36	97	Reykjavik	Sun	9	48
Doha	Sun	42	108	Rio	Cloudy	25	77
Dubai	Sun	40	104	Rome	Shower	23	73
Dublin	Shower	14	57	San Francisco	Fair	20	68
Edinburgh	Rain	13	55	Seoul	Fair	28	82
Frankfurt	Shower	15	59	Shanghai	Rain	25	77
Geneva	Shower	17	63	Singapore	Thunder	30	86
Hamburg	Shower	16	61	Stockholm	Fair	20	68
Helsinki	Rain	15	59	Sydney	Sun	18	64
Hong Kong	Shower	31	88	Taipei	Thunder	35	95
Honolulu	Drizzle	30	86	Tel Aviv	Sun	29	84
Jakarta	Thunder	33	91	Tokyo	Fair	29	84
Karachi	Fair	35	95	Toronto	Fair	29	84
Lima	Cloudy	20	68	Vancouver	Fair	17	63
Lisbon	Sun	23	73	Vienna	Shower	18	64
London	Fair	17	63	Warsaw	Shower	22	72
Los Angeles	Cloudy	23	73	Washington	Thunder	34	93
Luxembourg	Shower	12	54	Zurich	Shower	16	61

Public Notice

CLAIM NUMBER. DWT-001-2020

IN THE SPECIAL TRIBUNAL TO DECIDE THE DISPUTES RELATED TO THE SETTLEMENT OF THE FINANCIAL POSITION OF DUBAI WORLD AND ITS SUBSIDIARIES

IN THE MATTER OF DP WORLD PLC

-and-

IN THE MATTER OF THE DIFC LAW NO. 5 OF 2018

NOTICE OF SANCTION HEARING

On 23 March 2020, DP World PLC (the "**Company**") published a scheme circular (the "**Scheme Circular**") in connection with the recommended cash offer by Port & Free Zone World FZE for the entire issued and to be issued ordinary share capital of the Company, other than the DP World Shares already owned by or on behalf of the PFZW Group to be implemented by means of a scheme of arrangement (the "**Scheme**").

Notice is hereby given that the Tribunal has directed that the hearing by the Tribunal of the application to sanction the Scheme pursuant to Article 117(3) of the DIFC Law No. 5 of 2018 shall occur at 2:30pm (UAE time) on Tuesday 16 June 2020 (the "**Sanction Hearing**"). Due to the current COVID-19 pandemic, the Sanction Hearing will be held via videoconference.

Any DP World Shareholder or any DP World Beneficial Shareholder who has a NIN Account is permitted to submit a written submission to the Tribunal, and they may do so by sending the submission to registry@dubaiworldtribunal.ae (with a copy to dpworldsanctionhearing@freshfields.com) by no later than 2:30pm (UAE time) on Tuesday 9 June 2020. If such DP World Holder also requests in its written submission that it wishes to attend the Sanction Hearing, relevant access details will be provided.

Should any DP World Holder (as described above) submit a written submission to the Tribunal, the email should state the DP World Holder's name and address, NIN Account (if applicable) and the number of DP World Shares held by or on behalf of such DP World Holder.

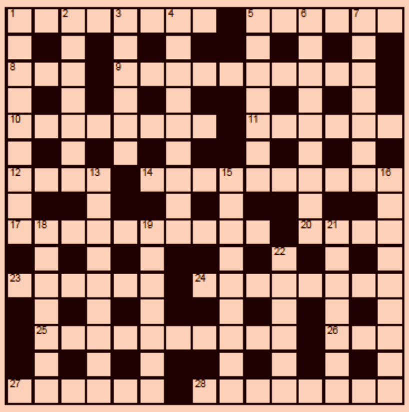
Capitalised terms used but not defined in this announcement have the meaning given to them in the Scheme Circular.

Dated this 5th day of June 2020.

FRESHFIELDS BRUCKHAUS DERINGER LLP
Al Fattan Currency House
Tower 2, 20th Floor
PO Box 506 569
Dubai, UAE
(Tel: +971 4 509 9100)
SOLICITORS FOR THE COMPANY

CROSSWORD

No. 16,495 Set by WANDERER



JOTTER PAD

ACROSS
1 Comparatively small mug for one seeming young and innocent? (8)
5 Huff leading to end of first game (6)
8 Counter-revolutionary Scotsman? (3)
9 Showing belligerence, rages and gives out (10)
10 Wanderer's one that's fibbed about being kept in trim primarily by snack food (5,3)
11 Women's organisation accepts sick European as male member (6)
12 Account for programme of entertainment (4)
14 Let down daughter? Result: gin drunk (10)
17 Stagings of *Cats* ten men produced (10)
20 In Bangladesh, a Hindu ruler once (4)
23 See 21
24 Feminist magazine featuring extra Knitting section? (5,3)
25 Spotted dick's 50% off with ale? Yes and no, in turn (4,4,2)
26 One that tweets back and forth (3)
27 With this airways problem, ask the man with all the details? (6)
28 Space traveller's bloomer, I do suspect (8)

DOWN
1 Good book about art deco, writer having left out garden feature (4,5)
2 Rabbit taking short cut, story said (7)
3 Apartment largely unoccupied? Absolutely (6)
4 Sort of dissonance one encountered during Viet Cong manoeuvres (9)
5 Abandoned straw poll lecturers vetoed after conflict (4-3)
6 In France, who supports traitors? (9)
7 Book showing what's kept in freezer (like cooking, then?) (7)
13 Jams with German hotel's key worker? (9)
15 Letters hidden by 12, famously – ones sharing secrets, perhaps (9)
16 Shown by former lover how I'd primarily have sex when retired? (9)
18 New winger getting sent off at start of Leeds game is annoying (7)
19 Famous African person with key blood type (7)
21, 23 Nation's hero, lost way out at sea? (7,6)
22 Musician is one like will.i.am, if only half as dotty! (6)

Solution 16,494

L	O	G	O	F	F	■	C	H	U	R	C	H	E	S
A	■	R	■	I	■	■	■	A	■	E	■	I	■	E
N	O	I	S	E	S	■	D	I	A	B	O	L	I	C
D	■	E	■	L	■	D	■	R	■	O	■	L	■	U
I	N	V	A	D	E	R	S	■	M	O	R	S	E	L
N	■	A	■	S	■	E	■	B	■	T	■	■	■	A
G	U	N	S	■	G	A	M	E	K	E	E	P	E	R
■	■	C	■	U	■	M	■	A	■	D	■	N	■	■
G	R	E	E	N	P	E	A	C	E	■	S	E	A	S
R	■	■	■	T	■	R	■	H	■	M	■	U	■	T
O	X	F	O	R	D	■	R	E	D	E	E	M	E	R
U	■	I	■	U	■	R	■	S	■	T	■	O	■	E
N	I	G	H	T	C	A	P	■	F	R	A	N	C	E
D	■	H	■	H	■	I	■	■	■	I	■	I	■	T
S	E	T	A	S	I	D	E	■	O	C	E	A	N	S