FINANCIAL TIMES

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Diversity leaders
Workers rank Europe's most inclusive companies — SPECIAL REPORT

The kids aren't alright
Youth across the globe share their views of life under lockdown — PAGE 3

Inflationary fears
Why soaring inflation is a possibility
MARTIN WOLF, PAGE 15

US tensions
Turkey rails at 'irrelevant' trip

Mike Pompeo visits a mosque in Istanbul during a trip to Turkey that, with a focus on religious freedom, featured no official meetings and was dismissed as "irrelevant" by Ankara.

The US secretary of state's European trip got off to a fractious start amid reports of discord with France over the hardline US stance on Iran. Mr Pompeo told *Le Figaro* that the US would "push [Tehran] to reduce their ability to torment the Middle East", hours before it emerged that Donald Trump had asked military advisers for strike options against an Iranian nuclear site.

Tehran reacted to the reports with a warning that any attack would spark a "crushing response".

Report & analysis page 4

Patrick Semansky/Pool/AFP via Getty Images

Hedge funds face heat over role in March bond market turmoil

- US government debt ditched
- Fed forced to intervene
- Unwinding of key trades cited

ROBIN WIGGLESWORTH — OSLO
COLBY SMITH — NEW YORK

Global policymakers are examining the role that hedge funds played in the mayhem that enveloped the $20tn US Treasury market in March, warning that the Federal Reserve's intervention could fuel more aggressive trading.

A report yesterday from the Financial Stability Board prepared ahead of this weekend's G20 leaders summit underscores how central banks and regulators remain deeply uneasy over the turmoil in one of the world's most important financial markets.

The FSB, a rulemaking body composed of leading central bank and finance ministry officials, explored the role that "non-bank financial institutions" played in the crisis, and highlighted several areas that needed further study — and possible policy action.

One of the main aspects highlighted was the US Treasury market turbulence in March, which threatened to spiral into a financial crisis until the Fed intervened aggressively.

US government debt is a bedrock of the financial system, thanks to its safety, ease of trading and the dollar's reserve currency status. But in March, Treasuries were hit with a wave of selling that the banks that lubricate trading were unable to cushion, causing a series of dislocations that could have snowballed without the Fed's actions, the FSB says.

Although foreign investors — primarily central banks — were among the biggest sellers, ditching almost $300bn of Treasury bonds and bills in March, the market's "dysfunction" was "exacerbated" by the unwinding of a popular hedge fund trade that takes advantage of the difference between the prices of Treasury bonds and futures, which led to another $90bn of US government debt being dumped, according to the FSB.

"Large-scale unwinding of these trades . . . was likely one of the contributors to a short period of extreme illiquidity," the FSB said in the report.

The price differences between Treasury bonds and matching futures — derivatives that let traders speculate on or hedge exposure to US government debt — is usually tiny.

However, hedge funds borrow large sums to turn these modest discrepancies into relatively stable and profitable trades. This "basis trade" came undone in March, when swaths of the bond market seized up and many global investors became desperate to raise cash in a hurry, forcing them to ditch Treasuries.

The Managed Fund Association, a lobbying body for the hedge fund industry, argued yesterday that its members were not the primary driver of the turbulence, given that their sales were dwarfed by those of foreign investors.

Commodity Futures Trading Commission data indicate that hedge funds held $750bn of gross positions in US Treasury futures at the start of the year, which analysts say is a good proxy for the size of the basis trade.

Moreover, a chunk of the $300bn of foreign-investor selling came from institutions based in the Cayman Islands, a favoured hedge fund domicile.

The US Federal Reserve was driven to act when Treasuries were hit by a wave of selling

Briefing

▸ US cracks down on virus profiteering
Retailers and suppliers face a flood of lawsuits and enforcement actions over claims of profiteering as data show average prices of a range of household goods have risen sharply in the pandemic.— PAGE 5

▸ Poland and Hungary urged to drop veto
EU ministers urged Poland and Hungary to end their veto over the bloc's €1.8tn recovery fund as they warned of the continued economic damage being wrought by the coronavirus crisis.— PAGE 2

▸ Walmart and Home Depot profits soar
Walmart and Home Depot have pulled further away from their ailing rivals as shoppers spent billions of dollars more than usual at the two big-box chains while shunning malls.— PAGE 6

▸ Bank regulator warns against payouts
The head of the Basel committee of regulators has said it is too early to take a "victory lap" over banks' response to coronavirus, saying that dividends should stay on hold until the picture clears.— PAGE 2

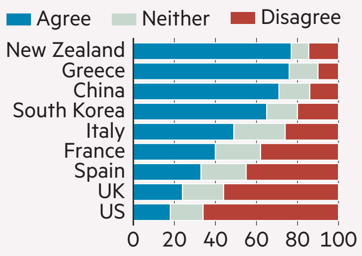
▸ Pinduoduo seeks $5.6bn in funding
China's second-largest online shopping platform is planning to raise as much as $5.6bn in debt and equity financing as it doubles down on its roots selling farm goods online.— PAGE 6

▸ China pulls wartime TV drama
A Chinese television show, *Thunderbolt Warrior*, set during the country's second world war battle against Japan has been cancelled following an outcry from critics who said it failed to respect history.— PAGE 4

▸ Swift's catalogue sold to private equity
Taylor Swift's early music catalogue has been sold to buyout firm Shamrock for more than $300m. The deal drew an immediate rebuke from Ms Swift, who said she would re-record the songs.— PAGE 6

Datawatch

Science based
% of researchers who say policymakers have taken their advice during the pandemic



Source: Frontiers in Public Health

Many scientists believe that governments are ignoring their advice on running Covid-19 policy, based on a survey of 25,000 researchers in May and June. Researchers in New Zealand are the most satisfied with policymakers.

Moderna's Covid vaccine vindicates strategy bet

Lossmaking drugmaker Moderna will hope its vaccine has vindicated its bet on its unusual platform strategy. Data this week showed its vaccine to be nearly 95 per cent effective. Its shares have risen 420 per cent since it went public in 2018 and its market capitalisation is about $39bn. However, it is yet to prove it can manufacture billions of doses, and its vaccine may end up in a crowded market.

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Amazon takes aim at pharmacy sector with 80% discounts on generic drugs

HARRY DEMPSEY — LONDON
DAVE LEE — SAN FRANCISCO
ALISTAIR GRAY — NEW YORK

Amazon has launched an online delivery service offering big discounts for prescription medicine in the US, as the pharmacy sector becomes the latest to face disruption by the ecommerce group.

Amazon Pharmacy, which will offer discounts of up to 80 per cent on generic drugs for Prime subscribers paying without insurance, either on its site or at more than 50,000 bricks-and-mortar pharmacies nationwide, will become a direct challenger to retailers such as Walgreens and CVS Health. The world's largest online retailer is also offering discounts of up to 40 per cent on branded medicines, it said yesterday.

Amazon ventured into the pharmaceutical industry in 2018 when it paid about $1bn to buy PillPack, a mail-order pharmacy that delivers tablets by post. However, the latest move is a significant step up in those efforts.

"It's extremely disruptive," said Brent Thill, a Jefferies analyst. "This market is a massive one. [Amazon] has done this before: they identify ginormous markets where the processes are absolutely awful as a consumer and they make it easy."

Morgan Stanley said breaking into the drugs industry opened up a consumer market valued at more than $300bn. "The recurring nature of pharmacy, and relatively small package size, should also integrate well into Amazon's existing logistics orders to increase gross profit dollars per shipment," it said.

Shares in rivals were shaken by the announcement. Walgreens Boots Alliance fell 9 per cent by midday yesterday, while CVS dropped 9 per cent and Rite Aid shed more than 16 per cent.

Setting up shop during the pandemic could help Amazon as online sales of other products have rapidly grown while people have been stuck at home. Although prescription medicine has lagged behind other products in selling online, consumers could be tempted by the convenience of ordering from Amazon, and the discounts available.

Charlie O'Shea, an analyst at Moody's, said Amazon would face challenges as customers with prescriptions tended to be loyal to local pharmacists, in part because of the sensitive nature of medication. They also tend to be older, making them less likely to shop online. But he added: "I would never discount Amazon. It can afford to spend an awful lot of money and absorb a big margin hit."

Additional reporting by Hannah Kuchler

World Markets

STOCK MARKETS

	Nov 17	prev	%chg
S&P 500	3612.73	3626.91	-0.39
Nasdaq Composite	11906.33	11924.13	-0.15
Dow Jones Ind	29766.73	29950.44	-0.61
FTSEurofirst 300	1501.74	1505.45	-0.25
Euro Stoxx 50	3469.18	3466.21	0.09
FTSE 100	6365.33	6421.29	-0.87
FTSE All-Share	3591.59	3619.49	-0.77
CAC 40	5483.00	5471.48	0.21
Xetra Dax	13133.47	13138.61	-0.04
Nikkei	26014.62	25906.93	0.42
Hang Seng	26415.09	26381.67	0.13
MSCI World $	2561.50	2529.29	1.27
MSCI EM $	1203.04	1188.35	1.24
MSCI ACWI $	613.61	605.92	1.27

CURRENCIES

	Nov 17	prev		Nov 17	prev
$ per €	1.188	1.184	£ per $	0.754	0.759
$ per £	1.326	1.318	€ per £	1.117	1.113
£ per €	0.896	0.898	¥ per €	123.761	123.805
¥ per $	104.215	104.595	£ index	78.022	78.044
¥ per £	138.180	137.825	SFr per £	1.207	1.202
SFr per €	1.081	1.080			
€ per $	0.842	0.845			

COMMODITIES

	Nov 17	prev	%chg
Oil WTI $	41.06	41.34	-0.68
Oil Brent $	43.46	43.82	-0.82
Gold $	1885.60	1890.90	-0.28

INTEREST RATES

	price	yield	chg
US Gov 10 yr	105.84	0.87	-0.04
UK Gov 10 yr		0.32	-0.03
Ger Gov 10 yr		-0.56	-0.02
Jpn Gov 10 yr	100.99	0.02	0.00
US Gov 30 yr	114.30	1.62	-0.03
Ger Gov 2 yr	105.70	-0.72	0.00

	price	prev	chg
Fed Funds Eff	0.09	0.09	0.00
US 3m Bills	0.09	0.09	0.00
Euro Libor 3m	-0.54	-0.54	0.00
UK 3m	0.05	0.05	0.00

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INTERNATIONAL

Funding package

EU warns Hungary and Poland over budget

Two nations urged to drop veto on deal or their citizens would suffer

SAM FLEMING AND MEHREEN KHAN
BRUSSELS
VALERIE HOPKINS — BUDAPEST
JAMES SHOTTER — WARSAW

EU ministers urged Poland and Hungary to drop their veto over the bloc's long-awaited budget deal as they warned of continued economic damage being wrought by the Covid-19 crisis.

Representatives from France, Germany, Denmark and other member states said citizens could ill-afford delays to the €1.8tn funding package first agreed in a July summit, as they grapple with continued opposition from Warsaw and Budapest over a so-called rule of law mechanism that would tie European spending to EU principles such as judicial independence.

Germany's Europe minister, Michael Roth, who chaired a videoconference of EU affairs ministers yesterday, warned Poland and Hungary should know their citizens would also pay a price if the agreement continued to be delayed.

"There are many billions of euros that go to Hungary and Poland. These citizens deserve European solidarity as much as others. We've got to break this deadlock and the [EU] presidency will try to work out solutions," said Mr Roth.

He added that any possible compromise would also need the consent of the European Parliament, which has insisted on a tough rule of law mechanism. Philippe Leglise-Costa, France's EU ambassador, urged all governments to "shoulder their responsibilities" to get the package over the line.

These entreaties were rebuffed by Judit Varga, Hungary's justice minister, who claimed at the meeting Budapest was the victim of "ideological games" and was clearly being targeted by a mechanism designed to "bring countries into line".

"How can one reasonably expect us to support such a proposal?" asked Ms Varga. "Its legal basis is unfounded, the measures are arbitrary and the procedure is without meaningful guarantees."

Negotiators from the EU's German presidency and the European Parliament struck preliminary deals on the final size of the EU's upcoming seven-year budget and the legal text of the rule of law mechanism earlier this month, but hopes that final legislation would be quickly agreed have fizzled out.

With EU leaders due to discuss the situation at a video conference tomorrow, the question is how to bring all the capitals on board. One option being considered is a declaration from the European Commission that the rule of law mechanism will not target specific countries and respect member states' sovereignty.

But Pawel Jablonski, Poland's deputy foreign minister, said a declaration with no legal force would not be a viable solution. Paolo Gentiloni, the EU's economics commissioner, insisted there were "very robust reasons" to believe the veto would be overcome and that Brussels was not considering a Plan B to force through the budget or recovery fund.

Dutch prime minister Mark Rutte, a fierce critic of Hungary, told his parliament yesterday the EU would not water down the rule of law conditions.

Museum heist
German police arrest suspects

Three suspects in one of Germany's most audacious museum heists — the theft of dozens of pieces of 18th-century jewellery from the Saxon royal collection — have been arrested in dawn raids involving hundreds of police in Berlin.

Thieves broke into the Green Vault in Dresden last November, cutting through iron bars, smashing through a window and breaking into display cabinets in the Baroque-era jewellery room, which houses hundreds of pieces set with diamonds, rubies and emeralds.

More than 1,600 police were deployed in yesterday's operation, in which 18 properties were raided.
Erika Solomon in Berlin

Berlin: police officers secure evidence found during a raid related to the theft of priceless jewels from Dresden's Green Vault museum. Above, restorers clean items in the museum in 2007 — Wolfgang Kumm/dpa; Matthias Hiekel/EPA-EFE

Foreign investment. Pandemic impact

Multinationals flatter Ireland's economic data

Covid restrictions have hit domestic sectors far harder than GDP figures suggest

ARTHUR BEESLEY — DUBLIN

The glassy offices of Grand Canal Square in Dublin sit empty as Covid-19 restrictions keep workers at home — but the buildings lie at the heart of the country's economic outperformance.

Irish gross domestic product is projected to shrink 2.3 per cent this year, well below the 7.4 per cent EU average, and European Commission forecasts suggest it will be one of just two EU economies to return to their pre-pandemic size by the end of next year.

That is in part down to the occupants of the Grand Canal Square tech hub, with Google and Facebook nearby, and exports of pharmaceuticals made by big international groups in Ireland.

About 245,000 people work for companies that have made Ireland a European hub for multinationals that spent €21.5bn locally in 2019, according to IDA Ireland, which works to attract foreign direct investment. The presence of these companies inflates GDP figures, obscuring the impact of the pandemic on an economy in which coronavirus restrictions have cost hundreds of thousands of jobs. In July, IDA Ireland said existing investment was "resilient but not immune" to the pandemic.

Seamus Coffey, economist at University College Cork and former chairman of the Irish Fiscal Advisory Council, a statutory budget oversight body, said the GDP figure is "real . . . but it's not an indication of the changes in living standards of Irish people".

Large parts of the economy have been locked down for months, putting the public finances under acute pressure.

Conall Mac Coille, economist at Davy stockbrokers, said: "Ireland saw some of the sharpest declines in consumer spending and output in hard-hit sectors like tourism and retail because our Covid-19 restrictions were more strict and longer than other European countries.

"Labour market data looked particularly poor during the first round of the pandemic, which led to extraordinarily high spending on employment and welfare support."

Such is the size of the multinational sector that Dublin has developed a bespoke measure, modified gross national income, to capture what is really going on in the domestic economy by stripping out foreign investment.

Michael McGrath, public expenditure minister, said the true extent of the downturn is more than twice the rate suggested by the GDP data. "It is undoubtedly the case that the hardest-hit sectors . . . are domestic in nature — including tourism, hospitality and retail — and this is borne out by the overall numbers," he said.

"While the economy is expected to contract by over 2 per cent in GDP terms this year, modified domestic demand, which is a much more accurate barometer of domestic activity, is expected to shrink by around 6 per cent. The challenge for us lies in the fact that the domestic sectors are jobs-rich, and therefore there has been a disproportionate negative impact on employment in our country as a result of Covid-19."

Loretta O'Sullivan, chief economist at Bank of Ireland, noted falling consumer and business sentiment just before the latest restrictions, and the lack of a post-Brexit trade deal adding to the anxiety. "Firms in all sectors . . . did pare their expectations for near-term activity, particularly over the coming three months," she said. "Households are very worried about what it all means for the economy and . . . for unemployment."

Ireland entered the pandemic at close to full employment with a 4.8 per cent jobless rate in February. Unemployment, taking into account people receiving pandemic-related benefits, peaked at 28 per cent in April and it was at 20.2 per cent in October as a new six-week lockdown was imposed.

Some 350,072 people are on special pandemic unemployment payments, the government said on Monday, at a weekly cost of €103.8m. Almost 103,000 people are jobless in the accommodation and food service sectors, 57,000 in wholesale and retail and 31,000 in hair and beauty salons.

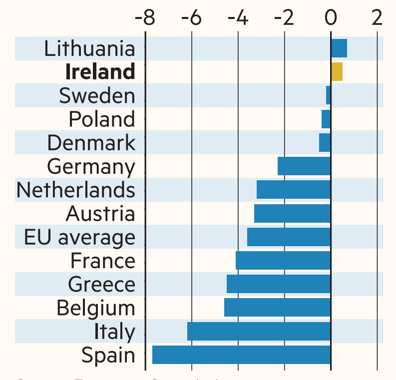
A further 203,172 people are claiming other, non-Covid jobless benefits. This month the state has separately paid €80m in subsidies to 19,200 employers, helping sustain 170,800 jobs.

The GDP question has a bearing on Ireland's budget deficit, a crucial gauge under EU fiscal rules. The deficit is projected by Brussels to come in at 6.8 per cent of GDP this year, a level "near the bottom" of the range across the eurozone, said Mr Coffey.

But the deficit as a proportion of modified GNI comes in around 12 per cent, comparable with the highest in the bloc. "It's looking like a modest deficit in an economy that's been shut down for months," he added.

Ireland expected to rebound

Forecast change in GDP by end of 2021 from pre-pandemic level (%)



Source: European Commission

Basel committee

Banking regulator argues against restarting dividends

STEPHEN MORRIS AND MATTHEW VINCENT

The secretary-general of the Basel committee of regulators has said it is far too early for banks to take a "victory lap" over their response to coronavirus, arguing that shareholder payouts should remain on hold until the long-term impact of the pandemic is clear.

In an interview with the Financial Times, Carolyn Rogers, who took up the post at the global regulatory body in August last year, indicated that investors would have to wait longer for dividends or share buybacks, despite pressure from bankers to be allowed to restart payouts.

When Covid-19 spread through Europe and the US in the spring, global regulators in effect banned dividends to ensure banks retained sufficient capital to continue lending to struggling companies.

Although Ms Rogers believes that banks' robust capital buffers — despite the severity of the economic shock — demonstrate the effectiveness of post-crisis reforms, she stressed that there was more work to do.

"In a crisis, there is a premium on flexibility. Holding back on discretionary distribution of capital I think makes sense," she said. "The capital does not disappear. If the hit isn't as big as we think, they [banks] can still pay it out later.

"We are all in this suspended reality. As government support programmes expire, some businesses and households are going to fare better than others, there will be losses and the scale is unclear at this stage," she added. "There is a long way to go."

Ms Rogers' comments come as regulators have faced a growing chorus of financial executives demanding they be allowed to restart dividends or repurchase stock, which would boost their ailing share prices flattened by the pandemic and ultra-low interest rates.

While some countries such as Switzerland and Sweden have already indicated payouts could resume next year, the US Federal Reserve, European Central Bank and Bank of England have yet to make a decision about 2021.

Ms Rogers expressed satisfaction with lenders' support for businesses and households during the global pandemic this year. However, she said this was no more than they were expected to do under post-2008 regulations that were overseen globally by her organisation.

"Banks are not pulling back credit like they did [during the financial crisis] to save themselves at the expense of the broad economy," she noted. "That's a good thing; we can give them a gold star and a pat on the back, but we should also remember this is part of their job. Banks are supposed . . . to absorb and not amplify shocks and downturns to the economy.

"Nor is this benevolence or charity. This is the business they are in and for most of them it makes them a lot of money," she added.

In the first half of the year, big western banks booked more than $139bn in reserves to cover potential loan losses, the most since the nadir of the financial crisis in 2009.

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Balkans

Kosovo acting president predicts better US ties under Biden

VALERIE HOPKINS — BUDAPEST

Kosovo expects its relations with the US to improve with the election of Joe Biden, after decades of American support was thrown into doubt under the Trump administration, the Balkan country's acting president has said.

"Everyone knows that president-elect Biden is not just any friend of Kosovo," said Vjosa Osmani, referring to Mr Biden's long support for intervention and dialogue between Serbia and its former breakaway province of Kosovo. "He knows our pain very well."

Ms Osmani became acting president early this month after her predecessor, Hashim Thaci, resigned to face war crimes charges brought by a special Hague-based court. After a war that followed the disintegration of the former Yugoslavia, the US has long played a vital role in relations between Serbia and Kosovo. While Donald Trump sought to engage, some saw his interventions as serving narrow US interests.

"Joe Biden knows the truth, and the truth is very plain and simple," Ms Osmani said. "Serbia lost Kosovo because it abused the principle of sovereignty and territorial integrity to kill the people that lived in that territory, to commit attempted genocide, war crimes and crimes against humanity. He knows the truth and he will not try to change [it]."

As a US senator, Mr Biden advocated American intervention in the 1998-99 Kosovo war, in which the Kosovo Liberation Army waged an insurgency against forces loyal to Slobodan Milosevic. But while most war crimes were committed by Serb forces, allegations have also dogged members of the KLA, many of whom moved into politics.

The expected Biden administration contrasts with the efforts of the Trump era to broker a quick deal between the leaders of Kosovo and Serbia. However, rather than putting bilateral disputes between Belgrade and Pristina at the centre, the focus of the agreements was on US foreign policy priorities, such as recognising Jerusalem as the capital of Israel and promising not to give 5G licences to "untrustworthy" companies — widely believed to be an allusion to Chinese technology company Huawei.

In the spring, Washington encouraged the ousting of an anti-corruption government in Kosovo, as its premier was not interested in the talks with Serbia being pushed by the US. But in September, after the government changed in Pristina, Mr Trump hosted Serbian president Aleksandar Vucic and Kosovo premier Avdullah Hoti in the US, where both agreed to improve economic ties.

However, that deal may never be implemented. "We can't just move on . . . without looking at what is the position of the new administration on those points," Ms Osmani said, referring to a commitment to share sovereignty over a lake on the border and a "mini-Schengen" agreement with Serbia.

Vjosa Osmani: US president-elect Joe Biden 'knows our pain very well'

Kosovo declared independence from Serbia in 2008 but has yet to be recognised by Belgrade, or by powers including Russia and China.

Referring to the resignation of Mr Thaci, Ms Osmani said that her country had shown an "institutional maturity" and "an extraordinary will to co-operate with justice". Prosecutors allege Mr Thaci, as a commander of the guerrilla KLA, and others were responsible for almost 100 murders, including of minority Serbs, Catholics and Roma as well as of political opponents, during and after the war. Last Monday, Mr Thaci pleaded not guilty to 10 charges of war crimes and crimes against humanity.

Mr Thaci is an ethnic Albanian. The Hague-based court, which is part of Kosovo's judicial system but staffed by internationals owing to fears about witness protection, is contentious in the small Balkan country of 1.8m as it focuses solely on crimes committed by ethnic Albanians, who today comprise about 90 per cent of the population. However, most of the people who died in the war were ethnic Albanians.

The indictment, announced in June, was confirmed by a judge this month.

INTERNATIONAL

Young workers and students suffer most from Covid economic fallout

Global FT survey shows growing resentment towards older generation and political leaders

FEDERICA COCCO AND ADRIENNE KLASA
LONDON

When Mary Finnegan, 27, and her sister, Meg, 22, left their Brooklyn apartment to return to their parents in March, they took enough clothes to last two weeks.

Their stay turned into months. "It was like a return to homeschooling: no boys, no play dates, nowhere to go, except home and the liquor store," Mary said.

As the pandemic worsened and universities closed, they were followed by three other siblings, turning the parental four-bedroom house in Washington, New Jersey, into a "food hall, a bakery and a gym", according to mother Lori.

The Finnegans are among the millions of young adults worldwide who have moved back to their parents since Covid-19 struck. In the US, the share of 18 to 29-year-olds living at home is the highest recorded. While they are less at risk of developing severe forms of Covid-19, students and young workers are suffering from the economic fallout more harshly than other groups, data show. The pandemic has also amplified trends such as low wages, stagnant job markets and rising student debt.

A global Financial Times survey, to which more than 800 16 to 30-year-olds responded, shows that these difficulties are translating into growing resentment towards older generations, which are better off and hold more political sway.

"I feel I have to take the brunt of the sacrifice in the situation," said Polina R, 30, from Montreal, Canada. "If you won't come out that we don't end up jobless and poorer, why should we protect you?"

'I feel I am worthless'

Since graduating in August, 25-year-old Juyeon Lee from Daegu, South Korea, has submitted dozens of job applications. She has grown rattled by the dwindling number of vacancies.

"I feel I am worthless and I would never get proper work even though I was a confident graduate when I had interviews," she said.

Those aged 25 and under are 2.5 times more likely to be without a job because of the outbreak than the 26-64 age group, the OECD found. Studies have also shown that graduating in a recession can have a scarring effect on wages.

Among those still working, almost half reported a reduction in income, with young women and those in lower-paid jobs the hardest hit, according to the OECD and the International Labour Organization. Many who wrote to the FT said they had to abandon business plans and dip into their savings.

In the developing world, unemployment often means no longer being able to support multiple generations of dependants: Komal Kadam, 28, from Maharashtra, India, was the only one in the family who earned money until she lost her job in March. "Can I get a new job? How will I pay my loans? [There are] lots of things on my mind," she said.

'I refuse to stop enjoying life'

Many respondents said they were afraid of catching or transmitting the virus, but others admitted to a more nonchalant attitude, a behaviour that has been criticised by political leaders as one reason for a resurgence of the pandemic in Europe and the US after the summer.

During the lockdown in the spring, Polina from Montreal had friends over. "I travelled out of the country twice and have gone to bars, restaurants and theatres a dozen times. I refuse to stop enjoying life when no one has a plan and people in power have no skin in the game."

In many places, notably the US but also in Europe and south Asia, many respondents said it was often older people who defied health regulations.

"Older generations believe whatever the internet tells them. They are misguided by WhatsApp forwards and YouTube videos," Ajitha, 28, from Chennai, India, noted.

'All blamed for a crisis in leadership'

Many respondents said they were losing faith in their leaders and felt the pandemic had been poorly handled, with the exception of some Europeans and respondents from parts of Asia.

"We are all being blamed for a crisis in leadership," Anthony, 23, from Annecy, France, said.

From his home in São Paulo, Brazil, Danilo Ventura, 29, has watched his country cycle through three health ministers since the pandemic began. "The world was saying A and Brazilian politics were screaming Z," he said.

The cost was that Brazil has the world's second-worst death toll after the US. Mr Ventura and his wife quarantined following regional government instructions, yet populist president Jair Bolsonaro attended crowded events.

Trust in government among young people has declined across the developed world since 2016, the OECD said. "Their confidence in public institutions and perception of having political influence and representation in decision-making have stalled," said Elsa Pilichowski, who runs the OECD's directorate of public governance.

In the US and UK, in particular, many said they felt the government had been inconsistent and slow to act.

"The airports were opened too long. The messaging on masks was disgraceful," said John, 28, from Glasgow, Scotland. "My perception is that, shy of America, we are handling this terribly."

The pandemic has deepened political disenchantment, according to Naumi Haque, senior vice-president of research at Ipsos. "Gen Z and millennials are more likely to feel like things in their country are out of control than older generations," he said.

'A lot of difficult, intense feelings'

Many confided they had thoughts of harming themselves. "Unemployment, mental health difficulties, and uncertainty about when this will all end make for a pretty despairing outlook," James, 30, from London, said. "At one point I was considering suicide," he added.

Public health specialists have warned the mental health impact of the pandemic will outlast the virus, as millions tackle depression, anxiety and isolation. Studies in the UK and US showed that those 18 to 29 had higher level of distress compared with other age groups during this period. In New Jersey, five of the 10 Finnegan children have started therapy since the outbreak.

María Rodríguez, 25, from Spain but now in Krakow, Poland, said she decided to risk getting Covid-19 rather than fall into depression because of isolation. "I am not afraid of going to cafés and [meeting] multiple people since I won't get my family sick," she said.

In May, Ola Demkowicz, a lecturer in psychology of education at Manchester university, surveyed hundreds of teenagers in the UK. Many of them described "a lot of very difficult, intense feelings" as they adapted to the uncertainty in their lives. "For those with existing mental health difficulties this appears to have been quite a challenge," she said.

'A door to many new horizons'

A number of respondents, however, said the pandemic had allowed them to reconnect with their families and nature, as well as tick things off their bucket list.

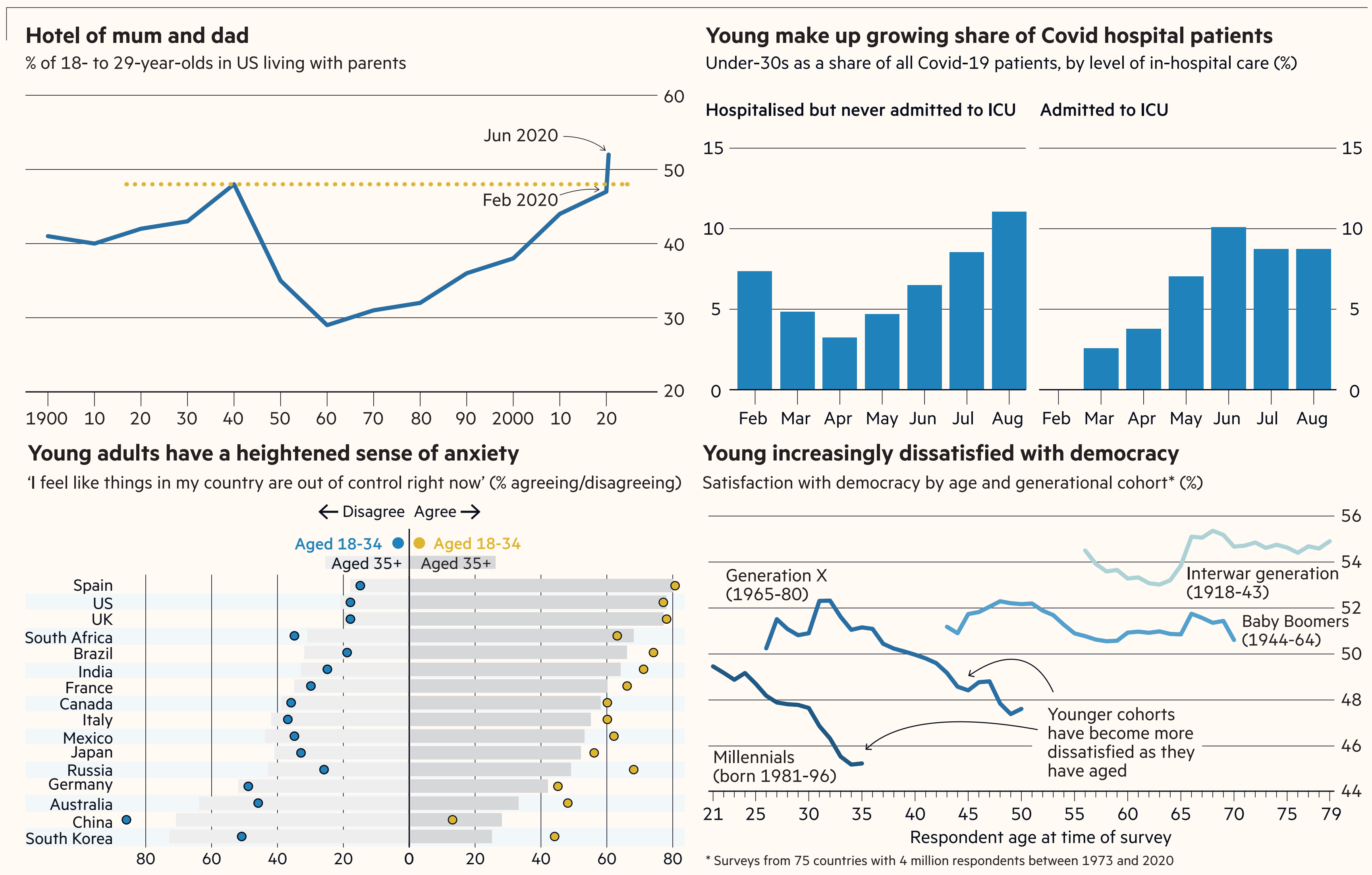
Joshua, 26, from the UK, said in August he packed his car and headed for Spain, leaving behind a small flat and a toxic office environment.

"I now spend less than a third of my salary on a three-bedroom apartment by the sea. I'm mostly living the socially distant bachelor life," he said.

In February, researchers from Thailand observed college students in Wuhan, China, where the virus originated, to find out how they were coping with the lockdown and found a number of them were reacting with resilience.

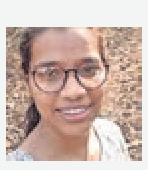
Ms Demkowicz found similar evidence in the UK: the first lockdown provided teenagers with the opportunity to decide how to structure their day freed from social obligations and schoolwork, and Anders Furze, 30, from Albury, Australia, gave his career a rethink and enrolled in a postgraduate law degree. "It feels like it is opening up a door to many new horizons," he said.

See FT Big Read/Editorial Comment

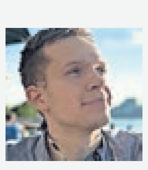


Sources: Pew Research Center; Isaric data from 44 countries; Ipsos Mori survey of 14,581 adults, Oct 8-12 2020; Roberto Foa, Centre for the Future of Democracy, Cambridge university

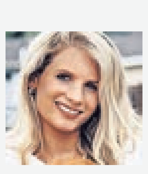
What they said



'I am scared of everything . . . Can I get a new job? How will I pay my loans? [There are] lots of things on my mind'
Komal Kadam, 28, Maharashtra, India



'Everybody's attitude reminds me of drivers' attitudes on the highway: everybody faster than me is crazy, while everybody slower than me is an imbecile'
Toader Mateoc, 28, US



'I was very strict when living at home with my parents. Now I will risk Covid for a chance to go on a date again'
Mary Finnegan, 27, US

Military footprint

Russian navy plans Africa expansion by building base in Sudan

HENRY FOY — WARSAW
ANDRES SCHIPANI — NAIROBI

Russia will build a naval base on Sudan's Red Sea coast, its first in Africa, as the Kremlin seeks to expand its global military footprint and cement its burgeoning trade and defence ties with the continent.

The Russian navy has been directed to proceed with plans to construct a base for 300 personnel and space for up to four warships, including nuclear-powered vessels, according to an order signed by President Vladimir Putin on Monday. The base would be only Russia's second naval facility outside the territory of the former Soviet Union, after Tartus in Syria.

The announcement came just over a year after Russia hosted its first geopolitical summit focused on relations with African states, to which it has ramped up sales of arms and investments in natural resource projects in recent years.

In what could be seen as a blow to Washington, Moscow's move comes only weeks after US president Donald Trump signed an executive order to remove cash-strapped Sudan from a US list of state sponsors of terrorism.

US officials dismissed the news of the Russian base in Sudan as not real. There have been no comments from the Sudanese authorities. Yet one year after the revolution that toppled former president Omar al-Bashir, an economic crisis has added to pressure on Sudan's government to reach deals with global and regional powers. These include the US and the UAE, while Sudan is normalising relations with Israel.

Russia has built stronger links with African states in recent years as it seeks bilateral relationships and trade deals to bolster its global geopolitical influence. The facility will give Russia's large navy a staging post in the fraught Red Sea and Gulf of Aden region, through which a large amount of shipping trade sails between Europe and Asia.

China already has a rival naval base in Djibouti while Turkey has a military base in Somalia. Under the terms of Russia's naval base treaty, agreed by Moscow earlier this month, Sudan will grant Russia land for the naval "logistics centre" for a period of 25 years, with the option for decade-long extensions.

Moscow is a big arms supplier to Sudan, Egypt, Algeria and Angola and has also developed strong defence ties with the Central African Republic. While its level of investment in the continent is dwarfed by that of China, it has targeted specific ventures for Russian corporates, such as bauxite mining in Guinea, oil projects in Nigeria and nickel mines in South Africa.

Russia will supply Sudan with weapons to defend the site, according to a Russian government document, and will be permitted to station troops outside the facility on Sudanese territory.

Moscow has sought to use its military exports and security apparatus to gain footholds across a continent where the former Soviet Union used to have significant clout. Gen Abdel Fattah Burhan, the military head of Sudan's hybrid military-civilian transitional government, met Mr Putin in Sochi during the Russia-Africa summit last October.

India

New Delhi toxic air exacerbates threat from coronavirus

STEPHANIE FINDLAY AND JYOTSNA SINGH — NEW DELHI

Medical experts have warned that the toxic pollution that envelops New Delhi annually will lead to more coronavirus deaths.

By 7am in mid-November, the air in New Delhi smells of acrid smoke and the sky is covered by a grimy brown haze. The air quality is comparable to Beijing on its most polluted days, and will deteriorate further as the temperature and winds drop, blanketing the national capital region in smog for months.

Farm stubble burning, vehicle emissions and the encroaching winter have pushed the city's air quality index into the severe category at the same time that more than 5,000 coronavirus cases are being confirmed daily.

Doctors said the pandemic had exposed how pollution has made populations more vulnerable to disease, warning a flood of coronavirus patients with severe symptoms, aggravated by the hazardous air, could overwhelm India's hospitals.

"There is a definitive association between Covid mortality and air pollution," said Chandrakant Lahariya, an epidemiologist in New Delhi. "More people with respiratory diseases will develop symptoms."

Long-term exposure to air pollution is linked to 15 per cent of "potentially avoidable" Covid-19 deaths, said researchers behind a new study published in the journal Cardiovascular Research.

"Air pollution is acting like a super spreader for Covid," said Thomas Münzel, a co-author and cardiologist at Johannes Gutenberg University in Mainz, Germany. He said particulate matter made lungs more susceptible to coronavirus infection.

India's pollution season poses a perennial problem for authorities who have failed to develop a successful strategy to curb emissions. Every year, smog blankets north India, home to 10 of the 15 most polluted cities in the world.

Last year, when the index hit 1,000 — it should be below 50 — Delhi state chief minister Arvind Kejriwal said the capital had "turned into a gas chamber".

Mr Kejriwal's government last month launched a "Green War Room", which is responsible for monitoring pollution levels in the national capital region and deploying enforcement agencies to crack down on environmental offences such as garbage burning and illegal industrial activity.

One of the war room's early recruits was Aashima Arora. Ms Arora left her well-paid job at Citibank to join the Air Pollution Action Group, determined to tackle the toxic air that kills more than 1m Indians every year.

New Delhi smog: last year, the city air quality index was measured at 1,000 — it should be below 50

As a child growing up in New Delhi, Ms Arora did not even know the colour of the sky until a family holiday to the Himalayas when she was five.

"I do not remember seeing blue skies in Delhi. They are as rare as rainbows," said the 24-year-old, who blames the thick smog that chokes the city for her asthma and severe allergies.

"In winter I'm [usually] scared to go out of my house. Now with coronavirus . . . it's absolutely frightening," she said. Inside the war room, a series of giant screens display air quality indicators as well as satellite maps that identify fires. There is also a dashboard to track complaints about pollution that could exacerbate the smog, with the public encouraged to alert the authorities to non-compliant construction sites, burning rubbish or illegal industrial work with a new app.

The pollution has also spurred entrepreneurship. Jai Dhar Gupta, chief executive of New Delhi-based mask manufacturer Nirvana Being, said sales this year had surged 3,000 per cent.

"We already have a respiratory virus [Covid-19] that we don't understand, now we are adding tonnes and tonnes of poison in the air," said Mr Gupta, who founded his business in 2015 after his lungs collapsed when he was training for a marathon in New Delhi. "We are going to experience an unprecedented public health catastrophe."

After battering big cities, coronavirus is sweeping through India's rural areas, where the bulk of the population lives and medical infrastructure is weak.

The nation of 1.4bn people has the world's second-highest number of coronavirus infections with more than 8.85m cases and has recorded 130,000 deaths.

Bloc enlargement

Bulgaria dashes N Macedonia hopes over EU membership

VALERIE HOPKINS — SOFIA
MICHAEL PEEL — BRUSSELS

Bulgaria has blocked North Macedonia from progressing towards EU membership, a blow to the bloc's credibility in the western Balkans and to Berlin, which had sought to open accession talks with Skopje before the end of its rotating EU presidency.

EU ministers yesterday failed to break a deadlock over North Macedonia, granted candidate status in 2005, as they tried to push the bloc's enlargement agenda, with the UK's departure looming. "Bulgaria does not think [North Macedonia] is ready," Bulgarian foreign minister Ekaterina Zakharieva said, speaking to the south-eastern European country's national broadcaster.

Critics say Bulgaria's move dents Brussels' credibility to take in new members, particularly in the western Balkans, to counter the influence of Russia, China and other powers.

"It is a message to all western Balkan countries — a bad message," said one EU diplomat.

Bulgaria was one of North Macedonia's most ardent champions when it emerged from the former Yugoslavia, the only state to do so without a violent struggle, and in 1991 became the first country to recognise its independence.

But relations between Sofia and Skopje have since soured over disputes about history, identity and language.

The geographical region of Macedonia refers to territory shared by the republic bearing its name, as well as neighbouring areas in Bulgaria and Greece. For 27 years, Athens objected to the country's previous name, Republic of Macedonia, which it said implied a territorial claim on the Greek region of the same name. The issue was resolved in 2019 when the qualifier North was added, seemingly unblocking Skopje's path to the EU.

A joint commission of historians set up under a friendship treaty signed by Sofia and Skopje in 2017 has struggled to agree on common narratives about national heroes revered by both, and many Bulgarians reject the concept of a separate Macedonian ethnic identity.

Middle East

Iran vows 'crushing' response if US strikes

Tehran hits at reports that Trump wants to attack main nuclear site

FT REPORTERS

Iran has threatened a "crushing" response to any US military strike on the country's nuclear facilities, following reports that Donald Trump had asked advisers about options for taking action against the country's main atomic site.

"We have said it before, and repeat it now, that any action against Iranian people will face a crushing response," Ali Rabiei, Iran's government spokesman, said yesterday.

The New York Times reported yesterday that President Trump asked his senior advisers on Thursday for military strike options that he could take in the coming weeks against Iran's main nuclear site. The Natanz site is the country's top uranium enrichment facility, located 250km south of Tehran.

The advisers warned the outgoing US president against any such move on the grounds that it could lead to a bigger conflict before Mr Trump left office on January 20, officials were reported as saying.

Mr Trump lost the November 3 US presidential election to Democratic challenger Joe Biden, although he has yet to concede defeat.

The move came after the International Atomic Energy Agency, the UN nuclear watchdog, reported last week that Iran's stockpile of nuclear material had increased.

The rise reflects Tehran's policy, launched last year, of phased breaches of the 2015 nuclear accord signed with world powers in retaliation for the US decision in 2018 to pull out of the deal and impose tough economic sanctions.

Mr Biden, the US president-elect, has promised to rejoin the agreement if Iran returns to compliance with its terms.

European officials are alarmed at the talk of possible US military action, which has underscored their fears about what a defeated Trump administration might do in the weeks before Mr Biden's inauguration. Some diplomats in Washington also fear Mr Trump may be seeking to goad Tehran into a form of escalation to make it impossible for Mr Biden to initiate a thaw.

European officials do not see the recent IAEA report on Iran's activities as revealing any unexpected information or any data to justify a severe escalation by Washington.

Mike Pompeo, US secretary of state, has hinted at disagreements with France over Iran after a private meeting in Paris on Monday with French president Emmanuel Macron and Jean-Yves Le Drian, France's foreign minister.

"We've made sure that they [Iran's leaders] have as few dollars and resources as possible to build their nuclear programme," Mr Pompeo said in an interview with Le Figaro, the French daily newspaper. "We continue to push. In the coming weeks, there is more work to do to reduce their ability to torment the Middle East."

Reporting by Najmeh Bozorgmehr in Tehran, Victor Mallet in Paris, Katrina Manson in Washington and Michael Peel in Brussels

War zones

Pentagon signals troops drawdown in Afghanistan and Iraq

KATRINA MANSON — WASHINGTON

The Pentagon has told US commanders to prepare to withdraw an additional 2,500 troops from Afghanistan and Iraq, delivering on a pledge by the Trump administration to bring forces back and end America's "forever wars".

A defence official told the Financial Times a "warning order" was recently issued to reduce troop numbers in Afghanistan and Iraq by 2,000 and 500, respectively. There are currently 4,500 troops in Afghanistan and 3,000 in Iraq.

The verbal instruction to prepare to cut troop numbers by January 15, which was first reported by CNN, stopped short of a final drawdown decision from the White House, known as an "execute order".

"This is a harbinger of an execute order that will direct those changes," the defence official said, adding an official order was expected by the end of this week.

US military commanders have repeatedly resisted reducing troop numbers in Afghanistan, arguing they would be unable to do their job with so few people.

The Pentagon did not respond to a request for comment and the National Security Council at the White House declined to comment.

Donald Trump, who has refused to concede the US presidential election following his defeat to rival Joe Biden, campaigned on a promise to bring American soldiers home.

If the reduction was completed by January 15, it would make it harder for Mr Biden to reverse, as he is not due to take over the presidency from Mr Trump until inauguration day, five days later. Similar warning orders have been issued in the past but did not result in troop withdrawals.

"The direction is arbitrary and capricious and now it's up to us to figure out what [Mr Trump] means," said the US defence official. There was no clear guidance on how the location or mission of US troops on the ground would be affected, the official added.

Mr Trump last week fired Mark Esper as his defence secretary and appointed Chris Miller, a retired army officer who served in both Afghanistan and Iraq, in an acting capacity. Mr Trump also placed several officials who are seen are loyal to him in senior Pentagon roles.

Mitch McConnell, the Republican Senate majority leader, pushed back against the withdrawal plan on Monday, saying a premature US exit from Afghanistan would "embolden the Taliban" and hurt US allies.

"A disorganised retreat would jeopardise the track record of major successes this administration has worked to compile," he said, adding only a "small minority" in Congress would support a rapid drawdown.

Jens Stoltenberg, Nato's secretary-general, warned yesterday that while no member of the military alliance wanted to stay in Afghanistan longer than necessary, the "price for leaving too soon or in an uncoordinated way could be very high".

"Afghanistan risks becoming once again a platform for international terrorists to plan and organise attacks on our homelands," he said.

Additional reporting by Michael Peel in Brussels

US politics. Court battle

Trump reprises playbook for election fight

Veterans of real estate sector say hard-nosed legal strategy has been honed over decades

JOSHUA CHAFFIN — NEW YORK

Donald Trump's refusal to concede the presidential election and his attempt to challenge the results in the courts has unsettled many Americans, while dragging one of the world's leading democracies on to unfamiliar terrain.

But to veterans of the New York City real estate world, the president's actions since the November 3 election are familiar, and consistent with the playbook he honed for decades as a highly litigious property developer.

Among its core tenets: never admit defeat, even when you have lost; sue — preferably with big, bombastic claims — even if you do not have much of a case; and hope that the resulting chaos unnerves adversaries or throws up other, as yet unseen, opportunities.

"A courtroom is a place where he is comfortable, for better or worse," said a New York lawyer who had dealt with Mr Trump over the years. "He wins, he loses, sometimes he gets his ass kicked."

But, the lawyer said, Mr Trump never concedes. "He can be falling to the mat at the end of the 15th round, and when the fight is over . . . he'll be raising his hands in triumph, saying 'I won the fight!' and then, when the scorecard goes against him, 'I was robbed! I want a rematch!'"

Michael Cohen — Mr Trump's one-time fixer who subsequently went to prison for, among other deeds, arranging payments to silence women who claimed to have had liaisons with Mr Trump — described the president's blitz of election lawsuits and unfounded claims of voter fraud as "Roy Cohn on steroids".

Mr Cohen was referring to the former chief counsel to Senator Joseph McCarthy's anti-communist investigation committee. Cohn tutored Mr Trump in how to use litigation as warfare while representing the Trump family business in a 1973 racial discrimination case brought by the Department of Justice.

The government accused the Trumps of refusing to rent apartments to black tenants. Rather than settle, Cohn, who died in 1986, prodded Mr Trump to hit back with a $100m countersuit.

"He learned that the best defence is a good offence. And he learned that the way to do that is legally," said a New York real estate executive. "I don't think he ever had a particularly impressive track record of winning anything. But he was sufficiently litigious that it was a deterrent."

Even in the litigious blood sport of New York real estate, Mr Trump stood out. In 2016, USA Today reported that Mr Trump and his businesses had been involved in at least 3,500 cases over the previous 30 years. Mr Trump has sued everyone from his ex-wife to contractors who worked on his luxury towers and casinos to the Hong Kong investors who bailed him out when he was overextended in the mid-1990s. He has even sued his lawyers.

"As it was then with bad faith lawsuits, so it is now," said Barry Schreibman, a semi-retired lawyer whose firm studiously avoided Mr Trump. "Although now the goal isn't chiselling down a bill, the motive is the same: to make a profit from chaos."

Keeping the faith: supporters of Donald Trump march past the Capitol in Washington to protest about his election loss. Below, Mr Trump with Roy Cohn, Joseph McCarthy's chief counsel, in 1983
J Scott Applewhite/AP; Sonia Moskowitz/Getty

The president has acknowledged his zest for legal combat. At a campaign event in 2016, he quipped: "Does anyone know more about litigation than Trump? I'm like a PhD in litigation." Mr Trump's propensity for lawsuits has intersected with an explosion over the past 20 years in election litigation in the US. Lorraine Minnite of Rutgers University traces that to the Bush versus Gore dispute in Florida in 2000. "It's kind of the lesson the Republican party learned with the 2000 election. Which is, in a tight election, [if] you don't like the results, you can shift the election contest into the courts," Prof Minnite said.

Few legal experts expect Mr Trump's election lawsuits to successfully overturn the result, but there have been other occasions when litigation has snatched him a victory of sorts from what seemed like sure defeat.

In November 2008, the financial crisis was threatening a highly leveraged, 92-story Chicago tower that was running behind schedule. Deutsche Bank had given the Trump Organization an extension on a $640m loan that was overdue. Now it was demanding that Mr Trump personally repay $40m of the debt.

With his back against the wall, Mr Trump unleashed a legal complaint, shot through with chutzpah. The developer accused his longtime banker of "predatory lending" and responsibility for the financial crisis as he demanded $3bn in damages. He did not win, but the parties eventually settled. Deutsche granted Mr Trump a further extension and later lent him more money.

> 'He can be falling to the mat at the end of the 15th round, and when the fight is over he'll be raising his hands in triumph, saying "I won the fight!"'

His targets now are not banks or rival developers but the secretaries of state in Pennsylvania, Michigan and other swing states as he tries to have the election overturned, alleging irregularities and voter fraud. Several of his suits have been thrown out, and election lawyers see faint prospect that the president can deprive Democratic nominee Joe Biden of the White House.

Mr Cohen believed carrying on the fight was essential for the president to stir his formidable base. "Donald Trump will never admit that he lost," Mr Cohen said. "His claims of illegitimacy of the election is fundamental to his larger goals of establishing a shadow, for-profit presidency at [his Florida resort of] Mar-a-Lago."

The lawyer believed Mr Trump's supporters were encouraging his own pugilistic instincts, and that he would not disappoint them. Eventually, though, he expected Mr Trump to pivot.

"That's the way Donald Trump always is," the lawyer said. "He plays for the win, but there's always the moment he . . . sees the writing on the wall."

Television show

China war drama pulled for disrespecting past

CHRISTIAN SHEPHERD — BEIJING

A Chinese television show set during the country's second world war battle against Japan has been cancelled following an outcry from nationalist critics who said it failed to respect history.

Thunderbolt Warrior, a drama about the Eighth Route Army, the main communist forces that fought the Japanese, was besieged online after it aired two weeks ago on Hunan television, one of China's most popular channels.

Detractors of the show derided its decision to cast young stars to play the roles of army leaders. They described the casting as excessive pandering to younger viewers and said the portrayal of heroes as flirtatious, mansion-living, cigar-smoking and coffee-drinking hell-raisers was inaccurate, if not "slanderous".

The People's Daily newspaper, the official Communist party mouthpiece, said in an editorial on Sunday that it was fine to appeal to young viewers "but respecting history is a prerequisite".

The show was taken off streaming platforms on Monday and its staff released a long statement on Weibo, China's Twitter-like microblogging platform. They expressed "deep regret" but pointed out that many communist leaders during the second world war were young, hot-blooded revolutionaries.

Since assuming power in 2012, President Xi Jinping has made official party historical narratives sacrosanct and warned against "historical nihilism". In 2018, a law was passed criminalising the slander of "heroes and martyrs".

> '[It is fine to appeal to young viewers] but respecting history is a prerequisite'

The party has tightened control over official narratives as China moves to overtake the US as the largest entertainment market in the world.

In October, Artisan Gateway, a consultancy, estimated that China's 2020 box office had eclipsed the US. That gap was expected to grow for the remainder of the year, as cinemas return to full capacity in China while some US theatres remain closed because of coronavirus.

Historical dramas featuring heroic troops are often big hits among Chinese viewers. In September, *The Eight Hundred*, a war epic about a band of soldiers who held off Japanese invaders in Shanghai, overtook Sony's *Bad Boys for Life* to become the top grossing film of 2020.

The influence and size of China's market — and its sensitivity to perceived slights against the country's leadership or history — have made international production teams wary of angering Chinese audiences and censors.

But pandering to Chinese authorities has also exposed entertainment groups to criticism at home. Disney, the world's largest entertainment company, came under fire after its live-action remake of *Mulan* filmed scenes in Xinjiang, close to an extralegal "re-education" camp used to intern Uighurs and other, mostly Muslim, people.

Cold chain imports

Beijing focuses on frozen food after virus find

CHRISTIAN SHEPHERD — BEIJING

China is zeroing in on cold chain goods to prevent any outbreaks of Covid-19 after packaging of frozen Argentine beef, German pork and Indian cuttlefish tested positive for the virus.

Cities across China, the world's largest importer of beef and pork, have pledged to strengthen screening and sterilisation of imports.

The latest campaign to safeguard borders against any reintroduction of Covid-19 began after officials in the northern city of Tianjin, one of the largest ports, tied an infection of a worker in a warehouse to frozen pork imports from Germany last week.

In the following days, food packaging tested positive for coronavirus in cities from eastern Jining to southern Xiamen and central Zhengzhou.

Shanghai's municipal government said it would start testing goods in supermarkets and warehouses as part of emergency food safety measures.

The announcement mentioned beef from Argentina, shrimps from Ecuador and fish from Indonesia.

Beijing also launched a nationwide effort to disinfect and trace cold chain imports. According to regulations, a single positive Sars-Cov-2 test, the virus that causes Covid-19, can lead to a company's goods being suspended for a week, while three positive tests can result in a month-long suspension.

Chinese public health officials are adamant that cold chain transport carries serious risks of infection

Germany has rebuffed claims by Tianjin officials about the source of infection. Germany's food ministry told public broadcaster Deutsche Welle that, despite transmission being theoretically possible, there remained "no known cases of infection with Sars-Cov-2 through . . . contact with contaminated meat products or surfaces".

Siddharth Sridhar, from the University of Hong Kong's Department of Microbiology, said: "It's important to keep a sense of perspective. The vast majority of transmission is because of person-to-person infection via transportation in the air."

He said there was a theoretical "non-zero" risk of infection transmitted by cold surfaces but there had been no clear instances of it spreading that way.

Chinese public health officials remain adamant cold chain transport carries serious risks of infection. National leaders have repeatedly warned local officials to be vigilant against the re-emergence of Covid-19, despite the country having largely brought the virus under control since March.

The bid for total eradication has led to a zero-tolerance approach. Small clusters of infections are met with strict lockdowns and citywide testing drives.

While experts continue to debate the necessity of China's efforts to minimise such risks, some research has supported Beijing's claims. An August paper led by Dale Fisher at Singapore's National University Hospital found frozen food could feasibly cause outbreaks.

Michael Mauboussin Simply buying stocks with low multiples should not be confused with value investing ➔ MARKETS INSIGHT

Companies & Markets

Prosecutors crack down on pandemic profiteering

- US lawsuits fly as prices rise sharply
- Hygiene product ranges in spotlight

ALISTAIR GRAY

Retailers and suppliers in the US are facing a blizzard of lawsuits and enforcement actions over accusations of profiteering as industry data show average prices of a range of household goods have risen sharply in the pandemic.

Authorities have brought hundreds of actions over alleged breaches of price-gouging rules on products from face masks to disinfectant and toilet paper.

In New York City alone, the department of consumer and worker protection said that since March, it had put about 3,000 retail outlets on notice over gouging law violations.

Lawyers predict more legal actions as winter approaches and a resurgence of infections prompts authorities to reimpose social restrictions, fuelling demand for essential goods.

> 'We're committed to ensuring that consumers have our brand at the right value'

Industry data seen by the Financial Times show how much more shoppers are paying for a range of hygiene products. According to data from Nielsen, in the 34-week period from March, average in-store prices have risen 53 per cent year on year for hand sanitiser, 21 per cent for bleach and 19 per cent for paper towels. Prices of laundry detergent and dishwashing soap are up 10 per cent. Nielsen said the trend was in part being fuelled by fewer promotional offers.

Increases do not necessarily breach gouging rules, which vary from state to state but typically bar companies from raising prices above a certain threshold once an emergency has been declared.

In New York and California, the rules prohibit increases of more than 10 per cent for many consumer goods and services. In Alabama it is 25 per cent, while several states bar "excessive" rises without specifying a particular level.

But businesses argue in their defence that their own costs have risen.

"It may be totally justified based on the difficulty in doing business during this time," said Brian Mahanna, partner at the law firm WilmerHale.

Critics of price controls argue they are counter-productive as they encourage consumer hoarding and discourage companies from expanding production.

Some big companies have said they are not seeking to profit from the crisis through higher prices. US bleach maker Clorox, for example, said it had not and would not increase the prices of any products during the pandemic.

"We're committed to ensuring that consumers have our brand during a recessionary time at the right value," Linda Rendle, chief executive, told investors this month.

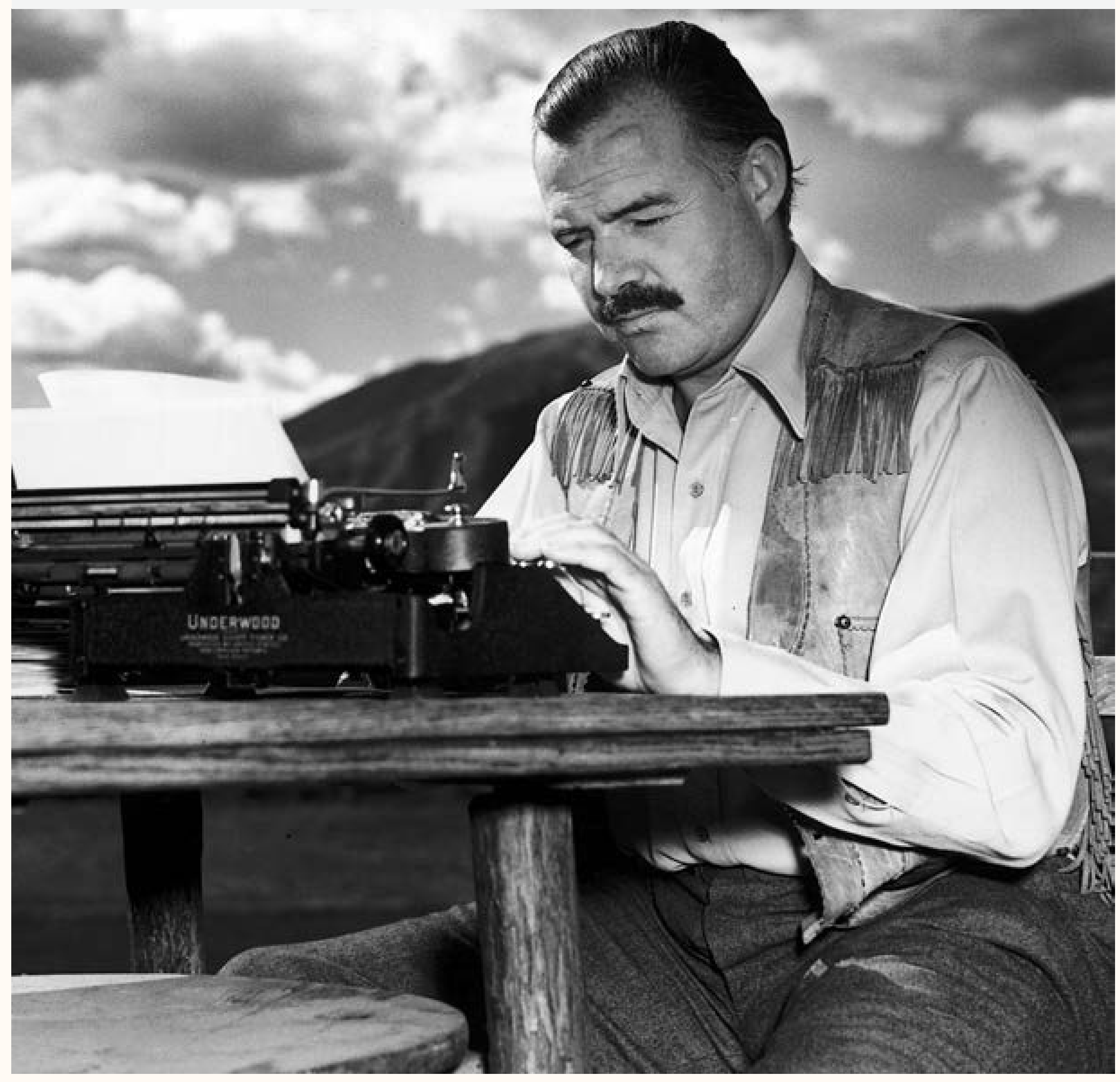
In contrast, North Carolina's attorney-general said recently that Stephen Gould Corporation had paid $150,000 after allegations it offered millions of N95 masks for sale at mark-ups of more than 100 per cent.

Michigan's attorney-general said last month that he had reached a settlement with AM Cleaning & Supplies after receiving complaints the equipment supplier was advertising hand sanitiser for as much as $60 a bottle.

Lorelei Salas, commissioner of New York City's department of consumer and worker protection, said: "We're not telling businesses not to make a profit. What we're saying is that you cannot make a quick buck on the backs of people who are already going through financial struggles and during a state of emergency."

See Editorial Comment

To have and have not News Corp to join battle of the big publishers for Simon & Schuster



Ernest Hemingway, at work in Idaho in 1939, was among Simon & Schuster's prized writers — Lloyd Arnold/Hulton Archive/Getty

ALEX BARKER — LONDON
LEILA ABBOUD — PARIS
JAMES FONTANELLA-KHAN AND ANNA NICOLAOU — NEW YORK

News Corp will vie with Bertelsmann, the German media group, to buy Simon & Schuster in an auction this week that has become a battle for scale between the big publishers.

ViacomCBS expects final bids for its Simon & Schuster publishing arm this week, say people familiar with the process, with a floor for offers set at $1.7bn, far above initial estimates.

Interest from trade bidders including News Corp, owner of HarperCollins, and Bertelsmann's Penguin Random House, the world's biggest publisher, appears to have priced out potential financial buyers and private equity, the people said.

Vivendi, the French media group, is still weighing a bid but is battling for Lagardère, owner of the Hachette imprint. Vincent Bolloré, Vivendi's owner, is keen to expand in publishing but is wary of a bidding war, said a person familiar with his thinking. Vivendi declined to comment.

Vivendi, which owns a roughly 27 per cent stake in Lagardère, has discussed taking over the international publishing assets of Hachette as part of a negotiation with Arnaud Lagardère, the embattled chief executive. If combined with Simon & Schuster, Vivendi would become a force in global publishing.

Lagardère had declared an interest in Simon & Schuster in July but declined to comment on its intentions this month. Saddled with debt and reeling from the pandemic, the company might struggle with a takeover of Simon & Schuster's size.

One person involved in the auction said a Lagardère bid was unlikely, and another said the group had pulled out. Lagardère did not immediately respond to a request for comment.

Simon & Schuster is one of the top five publishers in the US, a prized asset in a mature and ever more concentrated sector that has shown some resilience to disruption from Amazon and from the pandemic.

It was home to authors including Ernest Hemingway and F Scott Fitzgerald and publishes about 2,000 titles a year, recently releasing *Rage* by Bob Woodward and the family memoirs of Mary Trump.

Rupert Murdoch's HarperCollins, which has long sought buying opportunities, is also preparing a final bid, said a person familiar with the matter. It is the world's third-biggest publisher and holds slightly more than a 10th of the US market.

Its entry into the race for Simon & Schuster was first reported by Publishers Weekly. The New York Times reported bids could exceed $1.7bn.

Bertelsmann declined to comment on details of the sale process.

Wirecard Europe assets snapped up by Santander

OLAF STORBECK — FRANKFURT
DANIEL DOMBEY — MADRID

Spanish lender Santander is paying about €100m for Wirecard's core business in Europe, in a step towards the dismantling of the German payments provider that collapsed this summer.

Some 500 employees will join Spain's biggest bank, which is acquiring Wirecard's European technology platform that processes electronic payments for merchants as well as its remaining credit card issuing business in Europe.

The deal was announced by Wirecard administrator Michael Jaffé and Santander on Monday evening. Two people familiar with the matter said Santander would pay about €100m.

The lender trumped the only other remaining bidder for Wirecard's core assets, British mobile virtual network operator Lycamobile, according to a person with first-hand knowledge.

Santander said it would keep Wirecard sites in a Munich suburb. Wirecard staff will become part of Santander's payments tech group Getnet.

"The acquisition does not include Wirecard companies, and Santander will not assume any legal liability relating to Wirecard AG and Wirecard Bank or its past actions," the bank said.

Mr Jaffé said Wirecard Bank would be wound down after the deal with Santander was completed.

Wirecard filed for insolvency in June after disclosing that €1.9bn in corporate cash was missing. The company had raised €3.2bn of debt.

Wirecard creditors will meet the administrator in Munich tomorrow.

Mr Jaffé said on Monday evening that the sale of Wirecard's core operations in Europe had happened under "the most unfavourable conditions" as the group in June had no liquidity and sales negotiations were "overshadowed by ever new scandal reports of past events".

The transaction is contingent on regulatory approval but is expected to be closed by the end of the year.

Ana Botín, Santander executive chairman, said the move would help the bank accelerate expansion of its payment solutions in Europe while "increasing our product development capacity".

The deal follows last month's sale of Wirecard North America to Syncapay. Its UK payment card tech, clients and some staff had been taken on by Railsbank, a Visa-backed start-up. Brazil operations have been hived off.

Senate inquiry piles pressure on Murdoch's empire down under

INSIDE BUSINESS
ASIA-PACIFIC
Jamie Smyth

When Australia's senate voted last week to hold an inquiry into media diversity, it marked a rare setback for Rupert Murdoch in the country of his birth.

"The cosy relationship between the Coalition Government and News Corp should be scrutinised," said Sarah Hanson-Young, an opposition senator with the Australian Greens party who proposed the inquiry.

The inquiry, which will report by March 2021, follows the tabling in parliament of a petition signed by 501,876 people calling for a public inquiry into Murdoch's media empire.

The petition was launched by Kevin Rudd, a former Australian prime minister who alleges News Corp has used its dominant position in the media to routinely attack opponents "by blending editorial opinion with news reporting".

The petition alleged media ownership is becoming more concentrated alongside business models that encourage polarising and politically manipulated news. Mr Murdoch's News Corp controls up to two-thirds of Australian newspaper readership, according to one estimate. It also runs Sky News Australia, a 24 hour multichannel news provider, and has a 65 per cent stake in Pay TV operator Foxtel.

Malcolm Turnbull, a former conservative prime minister who blames News Corp for his ousting in a party coup, has backed the petition, noting that Australia's media culture is "more debased than ever". Last week he delivered a public rebuke to the editor-in-chief of the Australian on live television, claiming News Corp had turned climate science from an issue of physics into an issue of values and identity.

The closer scrutiny of Mr Murdoch's media interests in Australia comes at a time when News Corp faces financial challenges. The global business, which includes newspapers, pay TV in Australia, book publishing and digital real estate services, reported a $1.5bn loss in year to the end of June 2020. This was the company's third annual loss reported in the last five years.

In Australia, the newspaper business reported a 31 per cent decline in revenues in the 12 months to the end of June as print advertising continued to migrate online. News Corp announced plans in May to close 100 regional print titles across Australia to try to stem losses. News Corp also wrote down the value of pay TV platform Foxtel by US$931m in May, amid stiff competition from streaming services such as Netflix. Foxtel subscribers fell 12 per cent to 2.7m in the year to June.

> Conservative governments have won three federal elections in a row while enjoying strong backing from his media interests

Sally Young, author of *Paper Emperors: The Rise of Australia's Newspaper Empires*, said the fall in circulation in Australia and the Senate inquiry suggested Mr Murdoch's influence may be waning.

The 89-year-old mogul has enjoyed a close relationship with conservative governments, which have won three federal elections in a row while enjoying strong backing from his media interests.

On the opening day of the 2013 election campaign, the Daily Telegraph, a News Corp tabloid, ran a story headlined "Kick this mob out" — part of what Mr Rudd alleges was an aggressive anti-Labor government campaign by News Corp. "It's a cancer on democracy when the Murdoch media monopoly acts effectively as a protection racket for the conservatives," Mr Rudd told the Financial Times on Monday.

Since 2013, News Corp has benefited from a series of government decisions. Critics have questioned the fairness of handing Foxtel A$40m in government grants since 2017 to broadcast under-represented sports on its Pay TV platform, which is not accessible to viewers without a subscription.

News Corp and Nine Entertainment, the two biggest media groups, also have enjoyed major legislative wins following lobbying in Canberra. In 2017 the conservative government delivered a regulatory package allowing further consolidation of the media market. And in coming weeks Scott Morrison's government is expected to sign off on laws to force Google and Facebook to pay newspaper owners for their content.

Most analysts predict the senate inquiry will do little more than cause News Corp executives some uncomfortable moments when they are summoned to give evidence in parliament. The company has already said it will "constructively engage" with the probe, while noting it is the ninth inquiry held into media in the past decade.

But Mr Murdoch will not welcome closer scrutiny of his business interests down under at a time when they are under financial pressure and the public is energised about media diversity.

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Retail

Walmart and Home Depot sales surge

Big-box chains build on popularity of home maintenance and cooking

ALISTAIR GRAY

Walmart and Home Depot have pulled further away from their struggling rivals in US retail as shoppers spent billions of dollars more than usual at the two big-box chains while shunning shopping malls and department stores.

Results yesterday cemented the two companies' status as corporate winners from the coronavirus crisis, even as economic data pointed to signs of weakness in broader US consumer spending.

Gains were particularly strong at Home Depot, the biggest home improvement retailer, which generated $33.5bn in net sales in the third quarter, a year-on-year increase of 23 per cent.

At Walmart, higher demand online and in stores helped the world's biggest retailer produce net sales of $133.8bn, a year-on-year rise of 5.3 per cent.

"We're convinced that most of the [consumer] behaviour change will persist beyond the pandemic," said Doug McMillon, Walmart's chief executive.

The forecast-beating results stood in contrast to figures that showed US retail sales ticked up just 0.3 per cent month on month in October, the slowest pace in six months and missing economists' forecasts. The data suggest consumers have become more cautious as the pandemic persists and more generous jobless benefits have been phased out.

'We're convinced that most of the behaviour change will persist beyond the pandemic'

On a year-on-year basis, strong rises in online shopping and groceries helped overall retail sales climb 5.7 per cent. However, bricks and mortar non-food sales fell about 12 per cent at clothing and department stores.

Pressure on retailers hit by the pandemic was highlighted by earnings yesterday from Kohl's, the department store chain, where net sales dropped 13 per cent year on year to $3.8bn.

Walmart has benefited from rivals' difficulties. While its food sales have risen as consumers have cooked more often at home, shoppers have turned to Walmart for a range of other goods.

Brett Biggs, chief financial officer, said the company had taken market share in general categories, not least homewares, electronics and sporting goods.

US ecommerce revenues rose 79 per cent to an undisclosed level. During the quarter the retailer revamped its membership plan, now known as Walmart+, as part of its effort to challenge Amazon.

Walmart's figures were "very solid", said Neil Saunders, retail managing director at the GlobalData consultancy, but the company was "no longer being boosted by uniformly higher spending across all the income groups it serves".

There was little sign of a slowdown at Home Depot, with housebound consumers taking on more projects and making bigger investments. Shoppers have flocked to Home Depot's near-2,300 stores for supplies, and net income rose from $2.8bn to $3.4bn.

Home improvement was "receiving more than its historical share of consumer spending", said Richard McPhail, Home Depot's chief financial officer.

Technology. Rental platforms

Airbnb's IPO filing reveals room for concern

Investors in next month's debut will ponder the group's years of slowing sales growth

DAVE LEE AND MILES KRUPPA
SAN FRANCISCO

Airbnb has revealed for the first time the damage to its business from the coronavirus pandemic, as it prepares for a stock market debut in December. According to its IPO filing, the short-term rental platform made losses of $700m on revenues of $2.5bn in the first nine months of this year.

But beyond the headline figure, would-be investors got a deeper look at the underlying health of the business before the crisis hit, and a chance to consider potential areas of concern.

Airbnb's IPO prospectus showed that revenue growth at the group led by chief executive Brian Chesky had been slowing well before the pandemic disarray.

In 2016, Airbnb's revenues rose 80 per cent year on year to nearly $1.7bn, with positive free cash flow. Months later, investors injected $1bn in new equity that valued the company at $31bn.

But by 2019, Airbnb was experiencing its third straight year of slowing growth, with revenues increasing 32 per cent from the previous year.

Airbnb warned it expected growth to continue slowing, suggesting its most explosive years may have passed.

The pandemic forced the company to reassess years of heavy spending on staff and on marketing expenses. It had already come under fire from some investors for its spending on new business lines. In 2019, filings show it spent $5.3bn to make $4.8bn in revenues.

After two straight years of profits on an adjusted basis before interest, tax, depreciation and amortisation, the company swung to a loss of more than $250m on that basis last year. Its filings said that was due to "significant investments in growth initiatives and investments in our technical infrastructure".

Investors may be encouraged by Airbnb's recent cuts, including a 25 per cent reduction in its employee base and a pause on discretionary marketing spending, which helped it turn a net profit in the third quarter.

Launched almost four years ago, Airbnb's Experiences product pairs local guides with tourists. In the filing, however, the performance of Experiences, which claims to have a potential market of $1.4tn, has been wrapped in with its figures for nights booked in homes.

As a result, there is no meaningful data on how Experiences is performing — whether historically, or currently under its new "online-only" format.

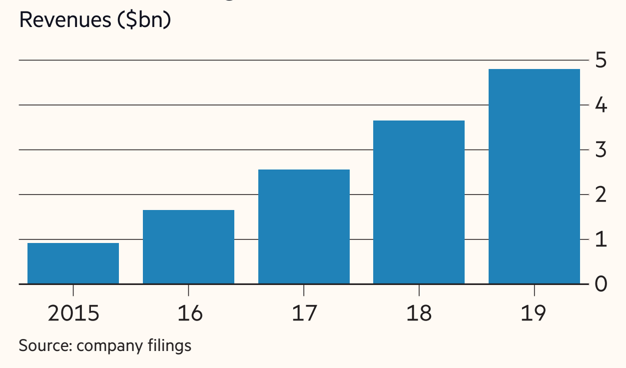
Airbnb, led by chief executive Brian Chesky, has set out risks including regulation and an inability to 'grow new offerings' — FT montage

Airbnb cites an inability to "grow new offerings and tiers, such as Airbnb Experiences" as a risk. It will be made more difficult by marketing cuts. While the company can boast that 91 per cent of its traffic arrives organically — helped by its status as the verb for booking a room — this is not the case for Experiences.

The company can continue to use search-engine optimisation to boost the visibility of Experiences, but the prospectus alleges it is becoming harder as Google steps up its competing products.

"We believe that our SEO results have been adversely affected by the launch of Google Travel and Google Vacation Rental Ads," the filing read, "which reduce the prominence of our platform in organic search results."

Airbnb revenue growth has slowed



Source: company filings

The pandemic has hurt Airbnb's hosts, and seen the company pay out just over $204m of the $250m fund it set up to reimburse them a quarter of the booking revenues lost because of coronavirus cancellations.

The company said it had not yet seen a "material" change in the number of active listings since the end of last year through to September. But the hosts who rely on Airbnb to pay their mortgages or other bills may not be able to survive if travel restrictions remain in the medium term. "It is not yet clear what financial impact the severe travel reduction occurring during the Covid-19 pandemic will have on these individuals or whether they will be able to keep their homes or operate their businesses as travel resumes," the filing read.

The total number of listings on Airbnb was 7.4m at the end of September, of which 5.6m were "active" listings — defined as rooms, homes or Experiences that were both viewable on the site and had been booked at least once.

The filing said the number of listings overall had declined — without sharing by how much — blaming factors including increased regulation and taxes on short-term rentals; opposition from private groups such as homeowners' associations; perceptions of trust related to the risk of unauthorised parties or illegal behaviour; and Airbnb's own actions to remove listings that broke its rules.

It is unclear whether hosts 'will be able to keep their homes or operate their businesses as travel resumes'

Airbnb is keen to point out that its business is not overly reliant on a handful of big cities. None of the 100,000 cities it operates in is responsible for more than 2.5 per cent of revenue.

That is just as well, since the filing states that in about 70 per cent of its top 200 largest cities on a revenue basis, some form of regulation on short-term rentals had been introduced, imposing caps on the number of nights offered.

Battles are ongoing in places such as San Diego — a top 10 city for Airbnb — which may adopt a requirement for short-term rental properties to register in a database, similar to a move by San Francisco in 2018, resulting in thousands of hosts leaving the platform.

Complying with the wide array of intricate laws has become "burdensome", the filing said, increasing costs and deterring users.

Furthermore, "there is increased governmental interest in regulating technology companies in areas including privacy, tax, data localisation and data access, algorithm-based discrimination, and competition," the company said.

See Lex

Technology

Pinduoduo seeks $5.6bn of funding to take on China's supermarkets

RYAN MCMORROW, NIAN LIU AND HUDSON LOCKETT

China's second-largest online shopping platform, Pinduoduo, is planning to raise as much as $5.6bn in new debt and equity financing as it doubles down on its roots selling farm goods online.

Pinduoduo said it had spent five years creating demand among Chinese consumers for fruit and vegetables bought directly from farmers, short-circuiting traditional markets and supermarkets.

But it said that it needed to invest in staff, warehouses, cold chain logistics and transport in order to resolve "fundamental roadblocks" to one-day delivery of farm goods across the country.

"The presumption that most consumers still prefer to go to the wet market or supermarket for their daily essentials has been challenged over the past few months," said Chen Lei, Pinduoduo's chief executive.

Yesterday, the company said it wanted to sell as many as 25.3m American Depositary Receipts, which would net it close to $3.6bn based on Monday's closing stock price, and raise as much as $2bn from selling convertible bonds.

Agricultural goods were "high frequency shopping, repeat purchases from consumers" said one China-based analyst, noting it would help bump up Pinduoduo's user numbers. But the analyst noted that the business was low margin and might be no more than "window dressing".

'What we need to build now is of a totally different scale. It is an infrastructure build-up'

Pinduoduo's share price in New York has risen 269 per cent this year as the lossmaking company's revenue and order volume have grown, giving it a market value of $170bn. It now boasts 731m annual customers, not far off Alibaba's 757m.

But it has yet to turn a profit as a public company and has repeatedly returned to the capital markets to raise money. The planned financing would bring Pinduoduo's total fundraising as a public company to roughly $10.6bn, including its $1.7bn public offering in 2018.

David Liu, vice-president of strategy, said Pinduoduo operated its own fulfilment network when it started. "So we have some experience in this," he said. "But what we need to build now is of a totally different scale. It is an infrastructure build-up."

An earlier attempt to build a logistics network by Pinduoduo's founder, Colin Zheng Huang and Mr Chen stumbled.

As well as Pinduoduo, the pair founded a company called Jiaxing Suda Ecommerce, which, along with its parent company Hangzhou Tuxian Logistics, rented warehouses, purchased bought packaging boxes and handled cargo.

Pinduoduo was a customer of Jiaxing Suda, buying Rmb14m ($2.14m) of fulfilment services in 2016.

But the venture failed and Pinduoduo, which began selling fruit and vegetables to groups of online buyers, pivoted to its current marketplace model, where it simply connects merchants to buyers.

Financial services

Deutsche Börse agrees deal for control of ISS

PHILIP STAFFORD — LONDON

Deutsche Börse has agreed to buy a majority stake in Institutional Shareholder Services in a deal that values the shareholder advisory group at €1.9bn and marks the latest in a string of deals among the world's largest exchanges.

The German group said yesterday that it would buy an 80 per cent stake in ISS, which advises big investors on how to vote at annual shareholder meetings, from US private equity firm Genstar Capital. It plans to finance the deal with around €1bn of debt and the rest in cash.

The world's largest exchanges have largely sailed through the coronavirus pandemic. Equity valuations for many of the biggest operators have rebounded because corporate profits have been supported by electronic trading and high customer demand for data and indices.

The value of exchange industry mergers and acquisitions this year is the second highest on record, behind only last year, and the 24 deals have already surpassed last year's total number of 19, according to data from FactSet.

Since its merger with the LSE was blocked in 2017, Deutsche Börse has expanded into foreign exchange, indices and analytics, and investment fund distribution.

The German group is buying the 80 per cent stake in the proxy adviser from Genstar Capital

ISS, which advises more than 4,000 asset managers, competes with Glass Lewis.

It also has an emerging subsidiary that advisers shareholders on environmentally and socially responsible investment policies. Last year it recorded revenues of $280m and a 35 per cent profit margin.

Deutsche Börse forecast that the shareholder adviser group would grow at an organic rate of 5 per cent a year until 2023.

ISS's management, led by chief executive Gary Retelny, will retain a 10 per cent stake following the deal, as will Genstar. Mr Retelny will lead ISS after it is completed. The transaction is expected to close in the first half of 2021, subject to the required regulatory approvals.

Deals in the exchange sector in recent months include Intercontinental Exchange's $11bn purchase of Ellie Mae, the mortgage software provider; and an agreement by the London Stock Exchange Group to sell Borsa Italiana to Euronext for €4.3bn, rebuffing an offer from Deutsche Börse along the way. The deal is expected to close in the first half of next year.

Media

Taylor Swift's catalogue sold to private equity

ANNA NICOLAOU AND MARK VANDEVELDE — NEW YORK

Taylor Swift's music catalogue has been sold to private equity group Shamrock Capital for more than $300m, turning a handsome profit, but not for the artist, as the valuation of music rights soars.

The transaction drew an immediate rebuke from Ms Swift, who announced on Twitter that she would re-record the songs on her new label, a move that would "diminish the value of my old masters" that Shamrock had acquired.

The deal is the latest twist in a years-long feud between Ms Swift and Scooter Braun, a music manager to artists including Justin Bieber. It also reflects the influx of private equity and financial groups into the recorded music market as streaming services help the industry rebound from a 15-year slide.

The sale by Mr Braun's Ithaca Holdings turned control of the master recordings of six of Ms Swift's eight multi-platinum albums over to Shamrock, which in July raised $400m to invest in entertainment rights.

The deal valued the catalogue at about $300m, said a person familiar with the terms, and would represent a handsome return for Mr Braun, who last year bought the entirety of the artist's former record label, Big Machine, for about the same price. Depending on the year, Ms Swift's catalogue makes up less than half of Big Machine's business,

Note of discord: Taylor Swift is not happy about the catalogue sale

which also includes acts such as Rascal Flatts and Thomas Rhett.

Shamrock said it had "hoped to formally partner" with the singer, who it called a "transcendent artist with a timeless catalogue", but had gone ahead with the investment knowing there was a possibility she would not be on board.

When Mr Braun bought Big Machine, he felt Ms Swift's catalogue was undervalued and saw an opportunity, said people familiar with the matter. He did not believe that music masters had been adequately re-priced to account for the streaming surge, these people said.

Ms Swift said she had spent a year trying to buy back her catalogue but on Monday Mr Braun had refused to negotiate unless she signed an "ironclad NDA" and would "never even quote my team a price". She said she received a letter from Shamrock a few weeks ago stating it had bought her music.

Mr Braun did not respond to a request for comment.

COMPANIES & MARKETS

Moderna glows as mice light way to Covid jab

Biotech once given 5% chance of success knew mRNA held promise when it used the strategy to create luminous rodents

HANNAH KUCHLER — NEW YORK

When Stéphane Bancel took the top job at Moderna 10 years ago, he told his wife the business had a 5 per cent chance of success.

The biotech was trying to invent a generation of medicines based on an unproved genetic engineering technique and, instead of investing in drugs one by one, was aiming to raise record sums to build a platform that would work to develop the class of products.

It looks likely that Moderna will win approval for the first product created by this approach three or four years ahead of schedule: data published this week showed its vaccine to be nearly 95 per cent effective.

On Sunday, while Mr Bancel waited for an independent review of the results, he tried to distract himself by working on Moderna's other vaccines. Now he feels the positive Covid data have given them a boost. "There is going to be a big acceleration of growth," he said. "While we have six vaccines today in development, why wouldn't you want 10 or 15?"

Moderna, founded in 2010 and loss-making, will hope its vaccine has vindicated its bet on messenger RNA, its unusual platform strategy, and its decision to partner with the US government rather than a big pharma company, allowing it to pocket more of the profits. Its shares have risen 420 per cent since it went public in 2018 with a $7.5bn valuation, the biggest biotech IPO. After the results were published, they rose a further 10 per cent, while its market capitalisation is hovering around $39bn.

Doubters remain. The vaccine market has always been a less profitable corner of the pharma industry, Moderna still needs to prove that it can manufacture

> 'It turns out that $4bn, several hundred people, and 10 years later, you get to this point'

billions of doses, and its vaccine may end up as just one in a crowded market.

Moderna's vaccines are based on messenger ribonucleic acid. Alongside the Pfizer-BioNTech vaccine, which is also based on mRNA and for which positive results were announced last week, it is set to smash records for the fastest vaccine to market.

Mr Bancel described mRNA as an "information molecule" and said that like a tech group, Moderna could move quickly. It was able to develop a first version in 42 days, without having live samples in the lab. All it needed was its genetic code, which was published online by Chinese scientists in January. "The only thing we need is a genetic sequence, which costs around five bucks," Mr Bancel said.

Noubar Afeyan, chief executive of Flagship Pioneering, the venture capital firm that incubated Moderna, said this year was helping to prove that mRNA vaccines would work in large groups of people. The Moderna and Pfizer-BioNTech trials combined have involved 70,000 people. But the speeded-up ending has come after a long journey.

"It turns out that $4bn, several hundred people, and 10 years later, you get to this point," said Mr Afeyan, who is also Moderna's chairman.

Derrick Rossi, a stem cell biologist who co-founded Moderna, realised mRNA technology had promise when he used it to create glow-in-the-dark mice. He injected their thighs with the genetic code for making a luminous protein, and they started to light up in the dark. The more code he injected, the more they glowed.

He became fascinated with the potential of mRNA, which translates DNA into proteins, hoping it could be used to treat rare genetic diseases. As well as vaccines, Moderna is working on mRNA therapeutics for rare diseases, heart problems and cancer.

But Mr Rossi knew it would be hard to deliver mRNA into the body, so he recruited Robert Langer, an MIT engineering professor. He wanted a doctor on the team, bringing in Kenneth Chien, a physician-scientist now at Sweden's Karolinska Institute. Over breakfast at Henrietta's Table in Harvard Square, they agreed to work together.

Dr Chien said it was now clear that mRNA had been a "sleeping beauty", whose importance had grown over time. But back then, there were serious concerns that it was unstable and expensive to produce in large amounts. Moderna spent its early years working on these hurdles. Mr Afeyan said the group started from the premise that it would work, then set out to prove it. The premise was that mRNA could be switched in and out of cells "almost like a cassette", delivering instructions to create different proteins.

"You could imagine tens and hundreds of products, not just one drug every five to 10 years. We ended up concluding that making a vaccine was the least difficult thing for us to do."

To make the most of this flexibility, Moderna did not want to follow the traditional model of focusing on one or two products for years until they were approved. Instead, Lorence Kim joined as chief financial officer in 2014 from Goldman Sachs, to raise money to build a large portfolio of products and a high-tech manufacturing facility.

Within his first year, he had achieved the largest private biotech funding round at $502m, attracting investors with a pitch more like a tech company: funding infrastructure that would spawn a pipeline of products. "Every time you turn the crank again, it gets cheaper, faster, less risky," said Dr Kim, who left Moderna in June to become a partner at Third Rock Ventures.

As it prepared to go public in 2018, Dr Kim took Moderna on a roadshow, meeting hundreds of potential investors in the US, Europe and Asia. One person familiar with the roadshow said the group struck a degree of scepticism, with biotech specialists questioning whether there were enough data to support the valuation. "It was a company developing the mRNA technology, with a large breadth of potential applications, but it had not drilled down on a single product yet," the person said.

Other biotech companies working on a vaccine have partnered with big pharma groups. BioNTech is developing its mRNA vaccine with Pfizer, and CureVac has taken investment from GSK. In its early days, Moderna signed a deal with AstraZeneca. But with this vaccine, it is working alone.

Instead, it raised $1.3bn in a secondary offering after it published positive early data in May, and has taken about $2.5bn from the US government. Mr Bancel said partnering with a big group might have slowed decision-making. Now it could keep more money from the Covid-19 vaccine to invest in other products. "If you look at Pfizer-BioNTech, they are splitting profits 50:50. In our case, we're going to keep the profit."

Activists have criticised Moderna for pricing its vaccine higher than rivals. While some, like J&J, have promised a vaccine will be sold on a not-for-profit basis during the pandemic, Moderna's price is $25 a dose for the US government, for a two-dose course. For smaller orders, it will charge up to $37 a dose.

Mr Bancel said the US government was getting a "good deal" and the world was benefiting from its investment.

The US defence department is probing Moderna's patents after accusations it did not disclose government funding in the applications. Moderna had taken grants from the Defense Advanced Research Projects Agency.

Stock sales by executives have raised eyebrows. Mr Bancel has sold $54m of shares, according to S&P Global, though it was on a scheduled plan and most of his net worth remains in Moderna stock.

There are unanswered questions about vaccines under development, such as how long protection lasts and if they prevent transmission or just stop people developing the disease.

Matthew Harrison, an analyst at Morgan Stanley, said a test for Moderna was manufacturing at scale.

Instead of relying on a large pharma company, Moderna has a deal with Swiss contract manufacturer Lonza and a flexible goal of producing between 500m and 1bn doses next year.

Vaccines have historically been lower-margin products providing steady revenue because of lack of competition. But Covid-19 is likely to be different: many more groups have invested in manufacturing and entrants like Moderna are in the market. "The question mark is now, given how much investment there's been, what sort of disruption is going to occur?" Mr Harrison said.

Mani Foroohar, an analyst at SVB Leerink, said the market might become "messy [and] competitive" if a number of vaccines succeeded. Moderna shares had been boosted by "euphoria and enthusiasm", and success with Covid-19 did not guarantee an easy path for others. "No vaccine immunises [against] the law of economics," he said.

Additional reporting by Donato Paolo Mancini in London and David Carnevali in New York

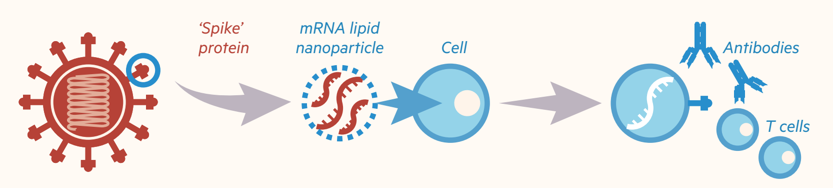
See Editorial Comment

Data published this week showed Moderna's hard-won vaccine to be nearly 95% effective. Shares in the company run by Stéphane Bancel, below, have climbed 420% since it went public
Chandan Khanna/AFP/Getty

> 'If you look at Pfizer-BioNTech, they are splitting profits 50:50. In our case, we're going to keep the profit'

How mRNA vaccines work

Genetic instructions are given to the immune system to recognise the virus



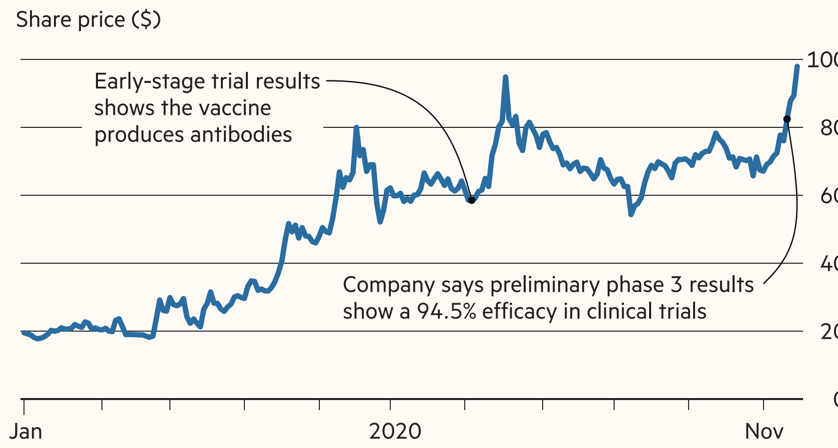
Scientists focus on the genetic sequence for the virus's 'spike' protein. This is used to synthesise an mRNA sequence — instructions that cells can use to make the 'spike' protein

The synthetic mRNA is packaged in a lipid nanoparticle that delivers the instructions to a cell

Once inside the cell, its cellular machinery follows the mRNA instructions to produce the viral protein. This is displayed on the surface of the cell and stimulates an immune system response

Moderna's stock

Share price ($)



Sources: Pfizer; Refinitiv

Financials

Buffett injects $5.7bn into Big Pharma

ERIC PLATT — NEW YORK

Warren Buffett's Berkshire Hathaway placed a $5.7bn bet on four US pharmaceutical stocks in the third quarter, as the investor dumped holdings in several of the largest US banks.

Berkshire added 21.3m shares of AbbVie, 30m of Bristol-Myers Squibb, 22.4m of Merck and 3.7m of Pfizer to its $245bn equity portfolio, according to a filing with the US securities regulator.

The investment will be closely scrutinised by Wall Street amid the pandemic, given that Mr Buffett has not waded far into the sector in recent years.

Both Pfizer and Merck are developing vaccines to combat Covid-19. Last week, positive early data from Pfizer's trial briefly sent the company's shares to their highest level in more than a year.

The purchases more than doubled the size of Berkshire's investments in the biggest stocks in the third quarter to $9.3bn. The company already held stakes in Biogen, Johnson & Johnson, Teva and DaVita, a dialysis company.

However, even after the bet, Mr Buffett remained a relatively small investor in the four companies. Berkshire's new stake accounted for 1.3 per cent of Bristol-Myers shares outstanding, 1.2 per cent of AbbVie, 0.9 per cent of Merck and less than 0.1 per cent of Pfizer.

Mr Buffett did not respond to a request for comment. Berkshire cut its stake in several banks in the three months to the end of September, including Wells Fargo, JPMorgan Chase, PNC Financial and M&T Bank. It sold 110.2m in Wells, almost half its stake, and 21.2m in JPMorgan. Berkshire, one of the largest Wells shareholders with about 10 per cent, now holds 3.1 per cent.

Shares of Berkshire have lagged behind the S&P 500 this year, although the gap has narrowed since the election and Pfizer and Germany's BioNTech reported their vaccine trial results.

Additional reporting by David Carnevali in New York

Commodities. Exchange move

Shanghai challenges London with copper futures launch

Hot metal: workers at a copper plant in Tongling, Anhui province. China consumes more than 50% of all copper mined globally — Reuters

Monthly contract in renminbi aims to increase Beijing's influence over global prices

HENRY SANDERSON — LONDON

Shanghai is launching a challenge to London's dominance in metals trading by issuing a new futures contract for copper that analysts say could become a global benchmark.

The Shanghai International Energy Exchange (INE) will start trading monthly copper futures denominated in renminbi from tomorrow, in contracts based on metal to be delivered into warehouses in China.

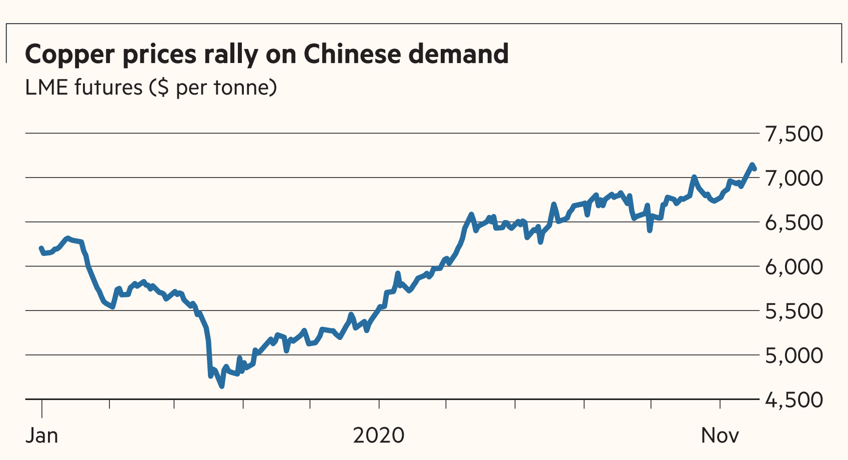
The launch provides the country's first copper-linked product available directly to overseas investors — following similar initiatives in recent years for crude, iron ore and other commodities.

Analysts said the copper contract will help Beijing increase its influence on pricing in a market that is critically important to its economy, and also assist efforts to expand the use of its currency in the global financial system.

"China does not want its economy or markets to be shaken by international markets," said June Zuo, president of Huatai Financial in the US, part of the Chinese securities group.

China's dominant status as a buyer of the industrial metal, used in everything from household wiring to wind turbines, has been the crucial driver of the market's rebound from the coronavirus sell-off. Copper hit a two-year high of $7,179 a tonne on Monday on the back of strong demand reflecting the recovery of the world's second-largest economy.

Chinese policymakers are evermore



keen to reduce the negative impact of downturns elsewhere, market participants say. The experience of crude futures has given them "the imperative to list the new copper products", said Ms Zuo, a former employee of the INE.

Shanghai launched its international crude oil contract two years ago, fulfilling a long-held ambition of regulators to "gradually strengthen China's pricing power in international markets".

The market faced a stress test in April, when coronavirus and the oil price war sent US crude prices plummeting below zero for the first time. China's contract, by contrast, stayed in the region of $30 a barrel. That premium led to a flood of shipments into China as traders took advantage of the ability to store oil through the exchange. In the space of a week, the amount of oil held in the exchange's facilities doubled.

Some have pointed to the gap between the regional markers as signalling a decoupled market. Researchers at the Oxford Institute for Energy Studies said the participation of retail investors in China was helping to drive this "anomaly", rather than the strength of local demand for oil. But they note that the crude futures contract benefited as liquidity was drawn to the exchange.

This helped repair the global market, said John Browning, founder of Shanghai-based Bands Financial. When ships headed to Shanghai to offload oil, he said, "commodities started to flow, and international prices started to rise". It was a case of "theory made real".

A copper contract could make an even bigger mark on global markets, since China is the biggest consumer by a large margin, buying more than 50 per cent of globally mined copper. Some in the industry think it could even challenge the London Metal Exchange's role as the global price setter.

While China already has a copper futures contract listed on the Shanghai Futures Exchange, foreigners need to set up a local company to use it. The INE's copper contract will allow foreign entities direct access, and its price will not bake in value added tax, making it similar to international prices.

The metal is stored in bonded warehouses outside the customs area, so is free from import duties and taxes. Because the LME, owned by Hong Kong Exchanges and Clearing, has no warehouses on the mainland, the INE's contract could provide a good alternative, Mr Browning said. "If it takes off, there is no reason why producers and consumers in the region could not use it as their benchmark."

Colin Hamilton, an analyst at BMO Capital Markets, said the contract had a "high chance of being extremely successful", given that more than 70 per cent of copper consumption takes place across Asia. China is now the "market of last resort for purchasers", assuming they can stomach the currency risk, he added. "[We] expect this may become the international copper market benchmark over time," Mr Hamilton said.

The LME said it welcomed "all initiatives that may boost trade flow and provide more arbitrage opportunities for market participants".

The new launch forms part of a relaxation of the rules governing foreign investments into China's domestic capital markets. This month China also loosened its qualified foreign institutional investor rules to ease access to futures, including for commodities.

Commodity experts say the copper futures contract will make it easier for domestic traders to hedge international price exposure in their own currency. And it should help towards Beijing's goal to promote the use of the renminbi overseas, said Richard Fu, a metals analyst.

"It will mitigate the dollar influence in the global market," he said. "That's the key thing they are trying to develop — to internationalise the currency and also have more influence in the global market pricing system."

'[We] expect this may become the international copper market benchmark over time'

Financials

M&A revives on hopes for vaccine and US handover

ORTENCA ALIAJ AND JAMES FONTANELLA-KHAN — NEW YORK
ARASH MASSOUDI — LONDON

Positive news of a Covid-19 vaccine and the conclusion of the US election have emboldened dealmakers to revisit proposed mergers and acquisitions and strike large-ticket transactions, according to bankers and legal advisers.

Companies across the globe announced nearly $40bn of deals on Monday alone in a clear sign chief executives are looking to tap cheap debt or use cash stored away during the crisis to carry out strategic M&A.

Bill Demchak, chief executive of PNC, said "news of the vaccine, together with the certainty post-US election" set the stage for his bank, based in Pittsburgh, Pennsylvania, to buy the US operations of Spanish rival BBVA for $11.6bn, the second-largest deal in the sector since the financial crisis.

The cash purchase, which creates the fifth-biggest US bank by assets, was announced on the day that Moderna revealed trial data that showed its Covid-19 vaccine was highly effective. The news came just a week after a similarly optimistic update from Pfizer and Germany's BioNTech.

"Even though we've had a recent spike in [Covid-19] cases, we have in effect put a floor on the downside case," Mr Demchak told the Financial Times.

'Even though we've had a recent spike in [Covid-19] cases, we have . . . put a floor on the downside case'

"And of course, both the Fed and the US government responded forcibly with fiscal and monetary stimulus."

Home Depot, which has been among the winners in the pandemic, reunited with former subsidiary HD Supply in a $9.1bn cash deal.

Canada's Endeavour Gold agreed to a $1.86bn all-stock deal to merge with rival Teranga Gold. In Europe, Milan-listed Nexi said it was in exclusive talks to buy Danish rival Nets in a €7.2bn all-share transaction.

Anu Aiyengar, co-head of global M&A at JPMorgan Chase, said last week that M&A was being boosted by the victory of Joe Biden in the presidential race.

While there is little correlation between M&A and US election years, she said, "there is a significant correlation to uncertainty . . . and that dramatic reduction of uncertainty that we currently have bodes very well".

Some dealmakers had feared that a Democratic sweep would have translated into a crackdown on deals or higher taxes. "An expectation that not much is going to be different in terms of either regulatory approvals or the tax regime also helps in the reduction of uncertainty and increases confidence," said Ms Aiyengar.

So far, the fourth quarter of 2020 has been the third strongest for M&A in two decades. Since the start of October, $612bn of deals have been agreed, up from $461bn during the same period in 2019 and $491bn in 2018.

Mining

Gertler seeks to head off criticism with pledge to share wealth from Congo deal

TOM WILSON, HENRY SANDERSON AND NEIL HUME

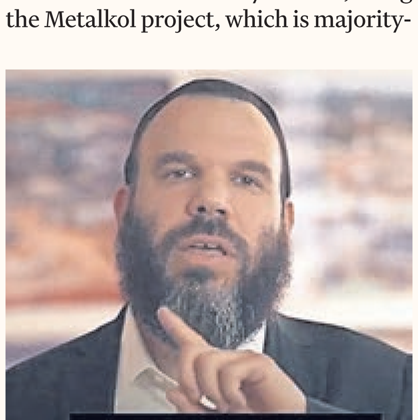
Sanctions-hit Israeli mining tycoon Dan Gertler has sought to head off criticism over his latest deal in the Democratic Republic of Congo with a public pledge to "share the wealth" with every Congolese citizen.

"We are going to offer sincere, real, transparent, professional partnership to the Congolese people", Glencore's former business partner in the country said in an address screened to reporters in a Kinshasa cinema. "This is the first time in history that the Congolese people will be the direct beneficiaries of the Congolese wealth."

Mr Gertler amassed huge power and influence in the country's mining sector after arriving as a 23-year-old diamond trader in 1997. Through his friendship with former president Joseph Kabila and a succession of deals with state-owned miner Gécamines, he secured access to some of the country's most lucrative mineral assets and partnerships with international companies including Glencore and ENRC.

But he became mired in allegations of corruption. In 2017 the US imposed sanctions against Mr Gertler over his alleged involvement in transactions involving offshore companies that cost Congo more than $1.36bn in revenues between 2010 and 2012 alone. Mr Gertler denies all allegations of wrongdoing.

Without providing details, Mr Gertler said in the video address that he would enable all Congolese "brothers and sisters" to acquire the rights to revenues from some of the country's mines, citing the Metalkol project, which is majority-



Dan Gertler addresses the Congolese people about his latest mining deal

owned by ENRC parent Eurasian Resources Group, as a "test case".

Mr Gertler said he had acquired a royalty stream from the project from Gécamines in 2017 for $83m, and that parts of that royalty — worth 2.5 per cent of revenue — would be available to Congolese citizens in a scheme to be launched before the end of the year.

Transparency campaigners said Mr Gertler's move was an effort to distract from the latest of his deals to come to light.

"What Gertler is actually revealing here is that he secretly bought yet another state asset through yet another shell company," said Elisabeth Caesens, director of advocacy group Resource Matters. "What's new, though, is that he's now trying to convince the Congolese that this is good news for them."

ERG and Gécamines did not immediately respond to requests for comment on the sale of Gécamines' royalty from the project to Mr Gertler.

ERG's Metalkol will produce 14,700 tonnes of cobalt this year, according to estimates from Darton Commodities, out of a global market of 130,000 tonnes.

Fixed income

China state enterprises pull $2.4bn of bond sales after defaults spook buyers

SUN YU — BEIJING
TOM MITCHELL — SINGAPORE

At least 20 Chinese companies have suspended planned bond sales worth Rmb15.5bn ($2.4bn) over the past week, as the high-profile defaults of three state-owned enterprises and questions about the solvency of a fourth unnerved investors in the world's second-largest bond market.

Investors dumped bond holdings last week after Yongcheng Coal & Electricity, a state-owned enterprise based in Henan province, defaulted on a Rmb1bn bond. It was the second high-profile SOE default in recent weeks after Huachen Automotive Group, an industrial group whose assets include a stake in BMW's China joint venture.

Yesterday, Caixin, a Chinese financial publication, reported that Beijing-based semiconductor company Tsinghua Unigroup had failed to meet a bond payment. Tsinghua Unigroup was not immediately available for comment.

The company, a state-backed national champion into which Beijing has poured billions in its drive for tech self-reliance, has long been thought to have rock-solid government backing. But in November last year, the group was forced to reassure investors it had ample cash, as worries about its finances snowballed.

The companies that have suspended bond sales in the past week blamed "recent market turmoil". According to data from information provider Wind, they include Henan Transportation and Shipping Development, a state-owned

'Local SOEs account for half of corporate bonds in China. A sell-off would lead to a complete halt'

group that was due to close a Rmb1.8bn bond sale yesterday.

Many investors in China have long assumed SOE debt is safe because they believe local or central governments will step in to prevent defaults.

The Henan provincial government, however, has not publicly promised to backstop Yongcheng Coal's debts. Since its default, the company has agreed to honour a Rmb32.4m interest payment.

In a meeting with bondholders on November 12, a senior executive said the group had been unable to access cash reserves tied up in restricted deposits to avoid default. But he predicted the government would not allow the company to go under.

"There is no way that we will be liquidated according to market principles," the executive added, according to a transcript of his comments viewed by the Financial Times. "We have more than 180,000 employees. If we go under, our workers will lose their jobs . . . Does the provincial government not know the consequence of this?"

By contrast, Shanxi, a coal-rich province bordering Henan, has rushed to assure investors it would back its SOEs.

"Local SOEs account for over half of outstanding corporate bonds in China," said Sean Ding at Plenum, a Beijing-based consultancy. "A continued sell-off would lead to a complete halt of bond issuance." The diverging responses have sparked questions over whether Beijing is leaving provinces to deal with the problems or opting to allow market forces to weed out weaklings.

Additional reporting by Xinning Liu and Sherry Fei Ju

The day in the markets

What you need to know

- Investors seek government debt after US retail sales undershoot expectations
- Wall Street pulls back after Monday's record peak
- China's currency hits its highest level against the dollar since mid-2018

Yields slip after weak US consumer data

10-year US Treasury (%)

Source: Refinitiv

Wall Street slipped yesterday after disappointing US consumer spending data added to worries about rising coronavirus infections.

The S&P 500 fell 0.3 per cent at lunchtime in New York, a day after optimism about the prospect of a Covid-19 vaccine drove the benchmark to a closing high.

The tech-heavy Nasdaq Composite slipped a more modest 0.1 per cent, as investors looked to a sector that has been among the few resilient pockets of the market throughout the crisis.

The moves followed the release of data showing that US retail sales grew at a slower pace than expected in October as Americans grappled with a resurgence in coronavirus cases. Retail sales rose 0.3 per cent, undershooting analysts' expectations for a 0.5 per cent gain.

"There are warning signs that November and December will be tougher periods for US businesses," said James Knightley, chief international economist at ING. "Covid-19 concerns, squeezed incomes and restricted mobility point to weaker consumer activity."

The price of government debt rose after the release of the retail data, taking the yield on the 10-year US Treasury down 3 basis points to 0.88 per cent.

In Europe, equity markets also moved into the red as investor optimism about a potential Covid-19 vaccine ran up against the latest surge in infections. The region-wide benchmark Stoxx 600 index closed down 0.2 per cent while London's FTSE 100 slipped 0.9 per cent.

Morning gains for oil faded, with global benchmark Brent crude down 1.1 per cent at $43.33 a barrel.

The price of oil has rallied this month on hopes of a rebound in global consumption, but some analysts have warned the boost will take some time to come through.

In the near term, the vaccine breakthroughs change little for oil, said Warren Patterson, head of commodities strategy at ING, adding that there was "still plenty of concern over the demand impact from the latest wave of Covid-19".

Trading in Asia was mixed. Japan's Topix index rose 0.2 per cent, China's CSI 300 slipped 0.2 per cent while Australia's S&P/ASX 200 added 0.2 per cent.

In China, where coronavirus infections have been largely contained, the onshore renminbi strengthened 0.5 per cent against the dollar to Rmb6.5515, a level it had not reached since mid-2018.

Camilla Hodgson in London and Hudson Lockett in Hong Kong

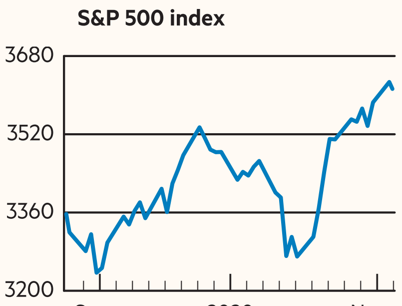
Markets update

	US	Eurozone	Japan	UK	China	Brazil
Stocks	**S&P 500**	**Eurofirst 300**	**Nikkei 225**	**FTSE100**	**Shanghai Comp**	**Bovespa**
Level	3612.73	1501.74	26014.62	6365.33	3339.90	107770.27
% change on day	-0.39	-0.25	0.42	-0.87	-0.21	1.26
Currency	**$ index (DXY)**	**$ per €**	**Yen per $**	**$ per £**	**Rmb per $**	**Real per $**
Level	92.349	1.188	104.215	1.326	6.558	5.359
% change on day	-0.316	0.338	-0.363	0.607	-0.289	-1.275
Govt. bonds	**10-year Treasury**	**10-year Bund**	**10-year JGB**	**10-year Gilt**	**10-year bond**	**10-year bond**
Yield	0.866	-0.563	0.018	0.323	3.274	7.182
Basis point change on day	-3.850	-1.800	-0.020	-2.500	1.300	-11.800
World index, Commods	**FTSE All-World**	**Oil - Brent**	**Oil - WTI**	**Gold**	**Silver**	**Metals (LMEX)**
Level	404.25	43.46	41.06	1885.60	24.27	3207.50
% change on day	0.00	-1.23	-1.06	-0.28	0.08	1.47

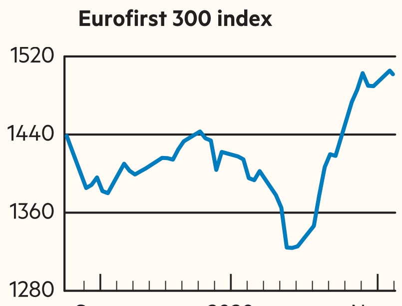
Yesterday's close apart from: Currencies = 16:00 GMT; S&P, Bovespa, All World, Oil = 17:00 GMT; Gold, Silver = London pm fix. Bond data supplied by Tullett Prebon.

Main equity markets

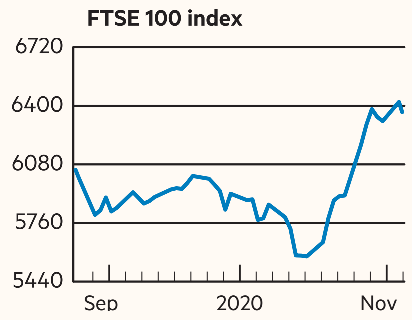
S&P 500 index



Eurofirst 300 index



FTSE 100 index



Biggest movers

%	US		Eurozone		UK	
Ups	Kohl's	9.06	B. Sabadell	6.75	Intermediate Capital	7.85
	Sl Green Realty	5.73	Alstom	3.28	Imperial Brands	7.34
	Vornado Realty Trust	4.40	Safran	2.95	Taylor Wimpey	5.79
	Edwards Lifesciences	3.43	Aegon	2.92	Barratt Developments	3.19
	Norwegian Cruise Line Holdings Ltd	3.43	Wartsila	2.66	Homeserve	2.43
Downs	Walgreens Boots Alliance	-8.95	Bbva	-4.40	Antofagasta	-4.32
	Boston Scientific	-8.64	Grifols	-2.85	Vodafone	-4.10
	Cvs Health	-8.34	Norsk Hydro	-2.79	London Stock Exchange	-3.97
	Mckesson	-7.03	Klepierre	-2.68	Hikma Pharmaceuticals	-3.67
	Cardinal Health	-6.79	Kerry Grp	-2.38	Experian	-3.41

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

Tesla gained following news that the electric vehicle maker would join the S&P 500 in December, ending a long wait for inclusion. Tesla's stock price has risen more than 400 per cent this year, in part because investors have placed bets on the California group's inclusion in the large-cap benchmark, which would force index funds to buy its stock.

Tesla would be "the largest ever new member in the [S&P] index", analysts at Saxo Bank said. "This automatically benefits the share price over the long run from an indexation perspective as long as investors continue to passively accumulate the most indexed companies."

Amazon rose after the online retailer announced the launch of a pharmacy platform for delivering prescription medications. The news knocked drug retailers and suppliers, leaving **Walgreens Boots Alliance**, **CVS Health** and **Cardinal Health** all sharply lower.

Keurig Dr Pepper fell after the beverage group behind 7up and Green Mountain coffee placed 60m shares in a secondary public offering, representing 4.3 per cent of its share capital. The sellers were its two biggest shareholders: a unit of JAB Holdings, the consumer industries conglomerate backed by Germany's billionaire Reimann family, and Mondelez International, the maker of Oreo cookies. *Naomi Rovnick*

Eurozone

Shares in Spanish banking group **Sabadell** rose after the TSB owner revealed on Monday evening that it was in talks to be taken over by larger domestic rival BBVA. The deal reflected the depressed valuations of European banks, said analysts, in a sector where some investors were now predicting further mergers and acquisitions.

The pandemic had "accelerated" the need for consolidation among European lenders, said Alphavalue analyst David Grinsztajn, which were already having to contend with technological disruption and negative interest rates.

Thyssenkrupp fell as investors took profits from some "value" stocks seen as beneficiaries of an economic recovery. The German steel group had jumped by around 5 per cent on Monday, when US drugmaker Moderna reported that its vaccine candidate was almost 95 per cent effective in late-stage trials.

Mercedes-Benz owner **Daimler** rose following a Reuters report that the German government was looking to provide an additional €1bn to support its domestic automobile sector.

Alstom climbed after the French rail transport equipment manufacturer received a €70m order to supply 13 additional Citadis Dualis tram-trains to Île-de-France Mobilités and Transilien SNCF. *Naomi Rovnick and Leke Oso Alabi*

London

Shares in **Intermediate Capital Group** gained after the asset manager lender reported a 29 per cent increase in first-half profits, driven by investment returns and higher fee income.

The group, which provides small and medium-sized businesses with debt and equity, said yesterday it had "very little exposure to industries which are most negatively affected by the Covid-19 crisis". Investors had "robust demand for ICG's products", broker Shore Capital said.

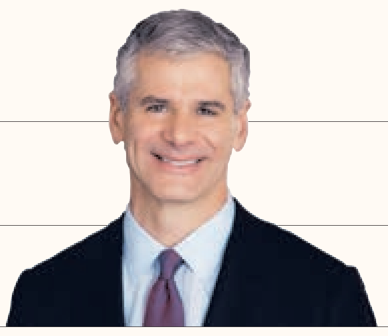
Tobacco group **Imperial Brands** was among the top performers on the FTSE 100 after the owner of Gauloises and Rizla said sales had remained resilient throughout the pandemic.

For its full year to September, Imperial eked out a 0.8 per cent increase in group net revenue, thanks to price rises in mature markets such as the US, the UK and Germany. The group also forecast earnings in 2021 would be "slightly ahead" of the previous year.

EasyJet fell after reporting its first annual loss in 25 years. The budget airline, which had already warned it would fall into the red, posted a £1.27bn pre-tax loss for the year to September.

Because of the continuation of coronavirus-related travel restrictions, the group said it would fly one-fifth of its normal schedule for the rest of this year. *Naomi Rovnick*

Why you should not fret about value investing



Michael Mauboussin

Markets Insight

Value investing, defined as buying or selling securities at prices different to their true value, is alive and well. You might not know that by reading headlines in the financial press or witnessing the poor returns of stocks with low multiples of price to earnings or book value per share. But here's why you shouldn't fret about value investing.

Benjamin Graham was a professor and investor who is widely acknowledged as the father of value investing. *The Intelligent Investor*, arguably Graham's best-known book, tells the story of Mr Market, a metaphorical way to explain why prices diverge from values. It also discusses the margin of safety, which impresses the importance of finding large gaps between price and value.

Graham's most famous student is Warren Buffett, the chairman of Berkshire Hathaway. He has said that Mr Market and the margin of safety have been bedrock principles of his investing philosophy over his lengthy career.

In recent decades, value investing has come to mean buying stocks with low valuation multiples and selling those with high multiples. However, simply buying stocks with low multiples should not be confused with value investing.

One reason comes from the capital asset pricing model, a theory in finance that underpins asset pricing. This is ironic because many avowed value investors heap scorn on the model. Developed in the 1960s, the CAPM's core idea is that there is a positive linear relationship between risk and reward — the more risk that investors take, the more they expect to be rewarded, on average, by a market that is efficient. That much is common sense, but the trick is in its measurement.

Academics define risk, denoted by the Greek letter *beta*, as how much a stock moves relative to changes in the stock market. A stock with a *beta* of one will move in line with the market on average, while below one suggests smaller changes and above one bigger changes than the market. The reward is the expected total return of a stock.

The theory is beautiful in principle but doesn't work in practice. Researchers who put it to the test found that the average returns for low-risk stocks were higher, and for high-risk stocks lower, than they were supposed to be.

In 1992, Eugene Fama and Kenneth French, professors of finance, published a paper showing that adding measures of size and value to *beta* righted the relationship between risk and reward. The size factor documented that the stocks of small capitalisation companies earned higher average returns than those with large capitalisations. The value factor, measured as a multiple of price-to-book value per share, revealed that stocks with low multiples did better than those with high ones.

> Intangible spending, such as on research and development, has been on the rise for decades

Consistent with the CAPM, Professors Fama and French saw these as risk factors and argued their tests did not confirm that markets were inefficient. Value investing suddenly became synonymous with buying stocks with low multiples and avoiding or shorting those with high multiples.

Years later, many investors and market observers still conflate value investing with the value factor. Value investing is buying something for less than it is worth. The value factor is an ersatz measure of gaps between price and value. Worse, the relevance of the value factor is fading.

Earnings and book value no longer mean what they used to. Tangible assets, such as factories, were the foundation of business value in Graham's time. Yet intangible spending, such as on research and development, has been on the rise for decades. Indeed, companies in developed countries started spending more on intangibles than they did on tangibles shortly after the Fama and French paper was published.

Investments are outlays today in the expectation of higher cash flows tomorrow. Intangible investments are treated as an expense on the income statement. Tangible investments are recorded as assets on the balance sheet. That means a company that invests in intangible assets will have lower earnings and book value than one that invests an equivalent amount in tangible assets, even if their cash flows are identical. Earnings and book value are losing their ability to represent economic value.

Fundamental value investors should focus on gaps between price and value for securities. The present value of future cash flows, not misleading multiples, are the source of value. As Charlie Munger, Warren Buffett's partner at Berkshire Hathaway, has said: "All good investing is value investing." The value factor may be floundering, but value investing is relevant and useful as ever.

The writer is a researcher at Morgan Stanley Investment Management

MARKET DATA

WORLD MARKETS AT A GLANCE
FT.COM/MARKETSDATA

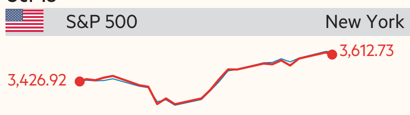
Change during previous day's trading (%)

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 $
-0.39%	-0.15%	-0.61%	-0.87%	-0.25%	0.42%	0.13%	No change	0.338%	0.607%	-0.363%	-0.223%	-1.33%	-0.28%

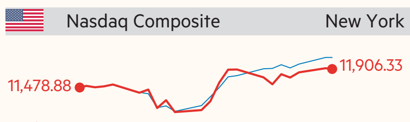
Stock Market movements over last 30 days, with the FTSE All-World in the same currency as a comparison

AMERICAS

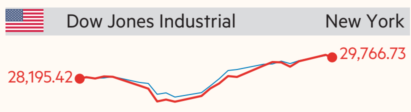
Oct 18 - - Index All World

S&P 500 New York


Day -0.39% Month 3.69% Year 15.77%

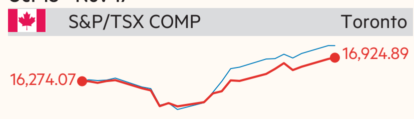
Nasdaq Composite New York


Day -0.15% Month 1.98% Year 39.36%

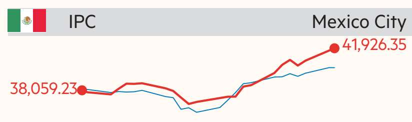
Dow Jones Industrial New York


Day -0.61% Month 4.04% Year 6.27%

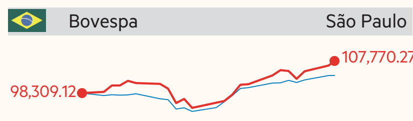
Oct 18 - Nov 17 Index All World

S&P/TSX COMP Toronto


Day 0.21% Month 2.96% Year -0.61%

IPC Mexico City


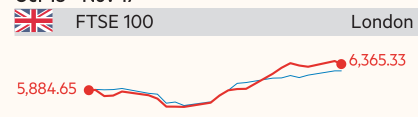
Day 2.78% Month 10.66% Year -3.40%

Bovespa São Paulo


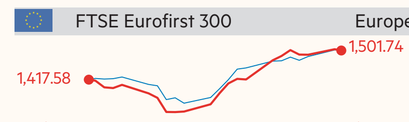
Day 1.26% Month 9.66% Year 1.17%

EUROPE

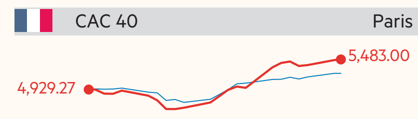
Oct 18 - Nov 17 Index All World

FTSE 100 London


Day -0.87% Month 7.49% Year -12.87%

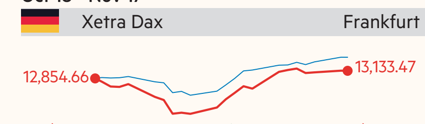
FTSE Eurofirst 300 Europe


Day -0.25% Month 5.61% Year -5.56%

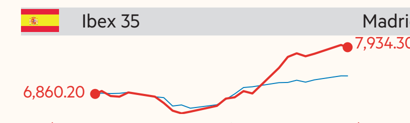
CAC 40 Paris


Day 0.21% Month 11.09% Year -7.68%

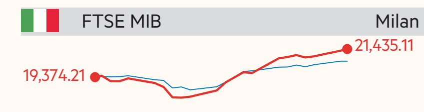
Oct 18 - Nov 17 Index All World

Xetra Dax Frankfurt


Day -0.04% Month 1.74% Year -0.82%

Ibex 35 Madrid


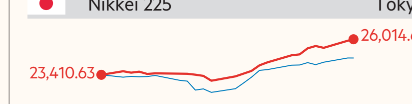
Day -0.65% Month 15.83% Year -14.33%

FTSE MIB Milan


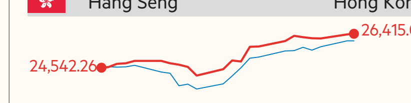
Day 0.55% Month 10.74% Year -8.98%

ASIA

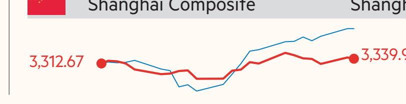
Oct 18 - Nov 17 Index All World

Nikkei 225 Tokyo


Day 0.42% Month 11.12% Year 11.63%

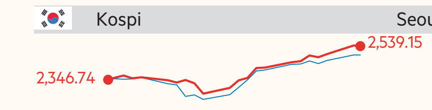
Hang Seng Hong Kong


Day 0.13% Month 8.24% Year 0.27%

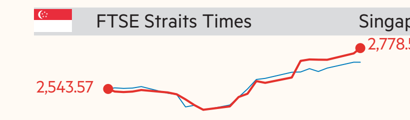
Shanghai Composite Shanghai


Day -0.21% Month 0.11% Year 15.51%

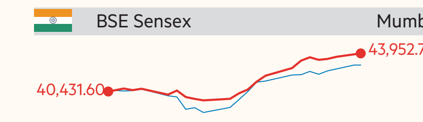
Oct 18 - Nov 17 Index All World

Kospi Seoul


Day -0.15% Month 8.44% Year 17.43%

FTSE Straits Times Singapore


Day 1.11% Month 9.60% Year -14.28%

BSE Sensex Mumbai


Day 0.72% Month 9.93% Year 8.91%

Country	Index	Latest	Previous
Argentina	Merval	51494.74	51084.91
Australia	All Ordinaries	6697.80	6687.00
	S&P/ASX 200	6498.20	6484.30
	S&P/ASX 200 Res	4646.20	4609.30
Austria	ATX	2498.30	2483.84
Belgium	BEL 20	3592.50	3582.29
	BEL Mid	7947.52	8002.00
Brazil	IBovespa	107770.27	106429.92
Canada	S&P/TSX 60	1011.10	1007.86
	S&P/TSX Comp	16924.89	16889.81
	S&P/TSX Div Met & Min	590.57	569.89
Chile	S&P/CLX IGPA Gen	20171.55	20200.04
China	FTSE A200	12924.39	12923.47
	FTSE B35	9000.71	8988.96
	Shanghai A	3500.46	3507.84
	Shanghai B	251.13	253.13
	Shanghai Comp	3339.90	3346.97
	Shenzhen A	2375.06	2396.56
	Shenzhen B	970.41	966.27
Colombia	COLCAP	1209.87	1207.21
Croatia	CROBEX	2013.05	2011.29
Cyprus	CSE M&P Gen	68.46	68.68
Czech Republic	PX	934.75	911.54
Denmark	OMXC Copenahgen 20	1383.21	1389.68
Egypt	EGX 30	11063.99	10991.61
Estonia	OMX Tallinn	1206.95	1204.84
Finland	OMX Helsinki General	10486.09	10468.75
France	CAC 40	5483.00	5471.48
	SBF 120	4339.34	4332.14
Germany	M-DAX	28650.69	28732.11
	TecDAX	3000.14	3029.98
	XETRA Dax	13133.47	13138.61
Greece	Athens Gen	690.99	691.36
	FTSE/ASE 20	1639.87	1645.05
Hong Kong	Hang Seng	26415.09	26381.67
	HS China Enterprise	10550.20	10578.94
	HSCC Red Chip	3871.00	3887.12
Hungary	Bux	37470.50	37414.60
India	BSE Sensex	43952.71	43637.98
	Nifty 500	10524.00	10440.35
Indonesia	Jakarta Comp	5529.94	5494.87
Ireland	ISEQ Overall	7105.78	7234.85
Israel	Tel Aviv 125	1478.46	1468.78
Italy	FTSE Italia All-Share	23294.73	23175.03
	FTSE Italia Mid Cap	36050.76	35971.18
	FTSE MIB	21435.11	21317.01
Japan	2nd Section	6361.68	6309.84
	Nikkei 225	26014.62	25906.93
	S&P Topix 150	1460.58	1454.07
	Topix	1734.66	1731.81
Jordan	Amman SE	1560.72	1554.89
Kenya	NSE 20	1783.18	1789.52
Kuwait	KSX Market Index	6633.44	6603.51
Latvia	OMX Riga	1110.06	1123.34
Lithuania	OMX Vilnius	768.07	761.93
Luxembourg	LuxX	1237.50	1252.29
Malaysia	FTSE Bursa KLCI	1610.15	1599.66
Mexico	IPC	41926.35	40791.81
Morocco	MASI	10708.54	10657.54
Netherlands	AEX	600.94	601.66
	AEX All Share	868.87	870.69
New Zealand	NZX 50	12765.03	12744.92
Nigeria	SE All Share	34774.08	35037.46
Norway	Oslo All Share	978.38	979.27
Pakistan	KSE 100	40652.67	40504.75
Philippines	Manila Comp	6959.14	6918.05
Poland	Wig	51781.80	51931.11
Portugal	PSI 20	4365.66	4426.53
	PSI General	3309.35	3350.17
Romania	BET Index	8854.20	8906.97
Russia	Micex Index	3052.22	3079.74
	RTX	1258.46	1268.61
Saudi-Arabia	TADAWUL All Share Index	8572.73	8526.64
Singapore	FTSE Straits Times	2778.55	2748.00
Slovakia	SAX	343.47	338.91
Slovenia	SBI TOP	873.85	-
South Africa	FTSE/JSE All Share	57053.01	57267.00
	FTSE/JSE Res 20	51667.73	52381.04
	FTSE/JSE Top 40	52288.79	52551.86
South Korea	Kospi	2539.15	2543.03
	Kospi 200	339.85	340.63
Spain	IBEX 35	7934.30	7986.20
Sri Lanka	CSE All Share	6108.93	6076.92
Sweden	OMX Stockholm 30	1922.20	1918.46
	OMX Stockholm AS	755.15	755.39
Switzerland	SMI Index	10565.12	10586.74
Taiwan	Weighted Pr	13593.01	13551.83
Thailand	Bangkok SET	1349.81	1351.06
Turkey	BIST 100	1259.72	1292.99
UAE	Abu Dhabi General Index	4960.13	4951.87
UK	FT 30	2476.00	2407.50
	FTSE 100	6365.33	6421.29
	FTSE 4Good UK	5976.44	6037.55
	FTSE All Share	3591.59	3619.49
	FTSE techMARK 100	5883.50	5901.78
USA	DJ Composite	9983.07	10044.34
	DJ Industrial	29783.73	29950.44
	DJ Transport	12350.08	12394.02
	DJ Utilities	907.91	917.38
	Nasdaq 100	12005.37	12013.39
	Nasdaq Cmp	11906.33	11924.13
	NYSE Comp	13935.63	13611.65
	S&P 500	3612.73	3626.91
	Wilshire 5000	37359.68	37456.90
Venezuela	IBC	622016.00	632147.00
Vietnam	VNI	968.90	950.79
Cross-Border	DJ Global Titans ($)	416.01	416.10
	Euro Stoxx 50 (Eur)	3468.48	3466.21
	Euronext 100 ID	1080.98	1082.13
	FTSE 4Good Global ($)	8887.86	8912.19
	FTSE All World ($)	404.25	404.27
	FTSE E300	1501.74	1505.45
	FTSE Eurotop 100	2830.95	2838.98
	FTSE Global 100 ($)	2346.82	2347.32
	FTSE Gold Min ($)	2523.11	2526.14
	FTSE Latibex Top (Eur)	4440.00	4432.20
	FTSE Multinationals ($)	2551.41	2521.34
	FTSE World ($)	717.48	717.33
	FTSEurofirst 100 (Eur)	3840.89	3852.39
	FTSEurofirst 80 (Eur)	4740.48	4737.31
	MSCI ACWI Fr ($)	613.61	605.92
	MSCI All World ($)	2561.50	2529.29
	MSCI Europe (Eur)	1581.12	1563.23
	MSCI Pacific ($)	2920.08	2867.26
	S&P Euro (Eur)	1601.76	1601.68
	S&P Europe 350 (Eur)	1548.37	1551.42
	S&P Global 1200 ($)	2836.78	2842.62
	Stoxx 50 (Eur)	3071.29	3081.88

(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
Amazon.com	59.3	3152.34	21.28
Apple	41.3	120.19	-0.11
Boeing	36.2	207.10	4.70
Nvidia	19.6	536.60	-4.01
Facebook	18.7	275.19	-3.77
Microsoft	18.0	215.76	-1.47
Advanced Micro Devices	13.3	83.23	-0.51
Cvs Health	11.9	67.34	-6.13
Home Depot	11.8	270.32	-9.25
Walmart	11.6	152.22	-0.22

BIGGEST MOVERS	Close price	Day's change	Day's chng%
Ups			
Kohl's	28.52	2.37	9.06
Sl Green Realty	59.95	3.25	5.73
Vornado Realty Trust	41.69	1.76	4.40
Edwards Lifesciences	84.99	2.82	3.43
Norwegian Cruise Line Holdings Ltd	22.04	0.73	3.43
Downs			
Walgreens Boots Alliance	40.16	-3.95	-8.95
Boston Scientific	34.75	-3.29	-8.64
Cvs Health	67.34	-6.13	-8.34
Mckesson	170.74	-12.92	-7.03
Cardinal Health	54.50	-3.97	-6.79

Based on the constituents of the S&P500

LONDON

ACTIVE STOCKS	stock traded m's	close price	Day's change
Glaxosmithkline	243.6	1402.80	-39.40
Hsbc Holdings	236.5	376.60	-12.20
Astrazeneca	236.1	8291.00	-252.00
Unilever	190.0	4565.00	-77.00
Diageo	173.6	2995.50	-42.00
Bp	149.7	251.70	0.95
Vodafone	134.4	122.54	-5.24
Relx	120.3	1712.00	-43.50
Rio Tinto	118.0	4747.00	-35.00
Prudential	116.0	1301.00	12.50

BIGGEST MOVERS	Close price	Day's change	Day's chng%
Ups			
Aston Martin Lagonda Global Holdings	75.90	5.70	8.12
Intermediate Capital	1689.00	123.00	7.85
Imperial Brands	1505.50	103.00	7.34
Clarkson	2645.00	175.00	7.09
Network Int Holdings	280.20	16.00	6.06
Downs			
Ssp	345.80	-23.00	-6.24
Shaftesbury	565.00	-36.50	-6.07
Syncona	263.00	-15.50	-5.57
Baillie Gifford Shin Nippon	250.00	-14.50	-5.48
Antofagasta	1106.50	-50.00	-4.32

Based on the constituents of the FTSE 350 index

EURO MARKETS

ACTIVE STOCKS	stock traded m's	close price	Day's change
Sap Se O.n.	368.9	98.53	-1.75
Total	289.2	34.64	0.40
Allianz Se Na O.n.	288.4	198.06	3.56
Airbus	260.5	90.09	0.09
Intesa Sanpaolo	247.1	1.85	0.01
Asml Holding	244.9	359.05	0.95
Unilever	244.4	50.64	-0.84
Royal Dutch Shella	238.2	14.13	0.14
Santander	206.8	2.37	0.02
Bnp Paribas Act.a	205.3	40.92	0.32

BIGGEST MOVERS	Close price	Day's change	Day's chng%
Ups			
B. Sabadell	0.45	0.03	6.75
Alstom	41.26	1.31	3.28
Safran	123.80	3.55	2.95
Aegon	3.06	0.09	2.92
Telecom Italia R	0.37	0.01	2.91
Downs			
Bbva	3.50	-0.16	-4.40
Grifols	25.26	-0.74	-2.85
Norsk Hydro	3.04	-0.09	-2.79
Klepierre	20.00	-0.55	-2.68
Kerry	118.70	-2.90	-2.38

Based on the constituents of the FTSEurofirst 300 Eurozone index

TOKYO

ACTIVE STOCKS	stock traded m's	close price	Day's change
Fast Retailing Co.,	1027.5	87440.00	1470.00
Softbank .	877.9	6700.00	-89.00
Mitsubishi Ufj Fin,.	656.0	479.40	18.30
Sony	525.7	9408.00	-83.00
Tokyo Electron	376.8	33000.00	430.00
Toyota Motor	349.6	7439.00	-35.00
Sumitomo Mitsui Fin,.	342.8	3226.00	68.00
M3,.	250.5	7853.00	-229.00
Kddi	235.2	3137.00	-13.00
Takeda Pharmaceutical	230.8	3605.00	40.00

BIGGEST MOVERS	Close price	Day's change	Day's chng%
Ups			
Mitsubishi Heavy Industries,	2619.00	171.00	6.99
T&d Holdings, .	1254.00	55.00	4.59
Tokio Marine Holdings,.	5511.00	235.00	4.45
Mitsubishi Electric	1477.50	62.50	4.42
Central Japan Railway	14770.00	620.00	4.38
Downs			
Trend Micro orporated	5320.00	-280.00	-5.00
M3,.	7853.00	-229.00	-2.83
Japan Exchange	2332.00	-62.50	-2.61
Olympus	2150.00	-54.00	-2.45
Chugai Pharmaceutical Co.,	4520.00	-107.00	-2.31

Based on the constituents of the Nikkei 225 index

UK MARKET WINNERS AND LOSERS

FTSE 100	Nov 17 price(p)	%Chg week	%Chg ytd
Winners			
Whitbread	3097.00	15.2	-26.4
Imperial Brands	1505.50	12.6	-19.7
Int Consolidated Airlines S.a.	153.45	11.5	-40.1
Lloyds Banking	35.60	10.8	-44.1
Intermediate Capital	1689.00	10.8	3.0
British Land	511.00	9.9	-18.7
Natwest	155.35	9.7	-36.4
Taylor Wimpey	159.00	9.2	-19.3
Melrose Industries	164.05	8.5	-32.3
Legal & General	250.60	7.9	-19.4
Barratt Developments	654.40	7.6	-13.0
Morrison (wm) Supermarkets	179.10	7.5	-11.5
Losers			
Croda Int	6084.00	-8.6	19.3
Smith & Nephew	1481.50	-6.4	-19.1
Relx	1712.00	-5.0	-10.0
Glaxosmithkline	1402.80	-4.4	-21.1
Experian	2893.00	-4.1	13.5
Rolls-royce Holdings	102.70	-4.0	-56.1
London Stock Exchange	7936.00	-3.9	3.1
Compass	1390.50	-3.7	-26.9
Rightmove	628.60	-3.6	-1.9
Reckitt Benckiser	6688.00	-3.6	7.9
Astrazeneca	8291.00	-2.8	8.2
Halma	2389.00	-2.5	11.0

FTSE 250	Nov 17 price(p)	%Chg week	%Chg ytd
Winners			
Fisher (james) & Sons	992.00	25.6	-51.6
Puretech Health	294.00	23.5	-7.3
Aston Martin Lagonda Global Holdings	75.90	20.5	-56.8
Capita	39.00	18.3	-76.8
Investec	200.80	16.9	-43.0
Clarkson	2645.00	16.8	-12.7
Tbc Bank	1238.00	16.4	-4.6
Aggreko	590.00	15.3	-30.5
Trainline	455.00	13.8	-9.7
Balfour Beatty	259.00	13.3	-3.4
Cmc Markets	368.50	13.2	149.7
Just	54.45	12.5	-34.4
Losers			
Hochschild Mining	220.00	-6.6	24.7
Ferrexpo	194.30	-6.5	20.8
4imprint	2490.00	-6.2	-27.2
Spirent Communications	260.50	-5.8	5.5
Wetherspoon (J.d.)	1060.00	-5.4	-36.8
Baillie Gifford Shin Nippon	250.00	-5.3	37.5
Bmo Commercial Property Trust	70.60	-3.9	-39.1
Centamin	109.30	-3.9	-13.7
Premier Foods	89.10	-3.9	134.2
Scottish Investment Trust	707.00	-3.8	-15.7
Games Workshop	9730.00	-3.7	60.4
Dixons Carphone	113.70	-3.4	-20.0

FTSE SmallCap	Nov 17 price(p)	%Chg week	%Chg ytd
Winners			
Premier Oil	19.18	49.7	-80.7
Hostelworld	82.80	33.1	-34.8
Galliford Try Holdings	109.20	28.1	-87.7
Gulf Marine Services	7.14	27.5	-2.9
Hyve	103.00	27.2	-64.3
Puretech Health	294.00	23.5	-7.3
Amigo Holdings	9.98	22.8	-85.9
On The Beach	383.00	22.2	-21.7
Senior	70.60	20.9	-62.0
Ted Baker	128.00	20.0	-63.7
Headlam	342.00	19.2	-36.7
Mitie	38.90	19.0	-47.9
Losers			
Xaar	143.50	-10.3	173.9
M&g Credit ome Investment Trust	83.00	-7.8	-22.1
Bmo Private Equity Trust	297.00	-7.5	-21.1
Riverstone Energy	257.50	-6.5	-40.3
Aberdeen Diversified ome And Growth Trust	89.00	-6.3	-18.7
4imprint	2490.00	-6.2	-27.2
Baillie Gifford China Growth Trust	542.00	-5.9	58.0
Reach	147.60	-5.7	11.4
Majedie Investments	204.00	-5.6	-21.5
Merian Chrysalis Investment	137.50	-5.5	11.8
Fidelity Japan Trust	210.00	-5.4	18.3
Manchester & London Investment Trust	634.00	-5.4	14.0

Industry Sectors	Nov 17 price(p)	%Chg week	%Chg ytd
Winners			
Automobiles & Parts	3709.29	12.0	-
Oil Equipment & Services	5385.03	8.1	-
Tobacco	29898.01	6.9	-
Mobile Telecommunications	2811.23	5.4	-
Oil & Gas Producers	4374.19	5.3	-
Fixed Line Telecommunication	1546.54	5.3	-
Food & Drug Retailers	4228.80	4.3	0.7
Industrial Transportation	2247.41	4.1	-8.4
Real Estate & Investment Servic	2644.66	3.9	-
Aerospace & Defense	3560.55	3.9	-
Banks	2441.29	3.7	-
Nonlife Insurance	3236.17	3.0	-0.2
Losers			
Index - Technology Hardware & Equipment	2054.62	-6.0	3.4
Health Care Equip.& Services	6492.81	-3.6	-
Pharmaceuticals & Biotech.	17159.92	-3.3	-4.0
Chemicals	13116.99	-2.8	-1.9
Media	7650.93	-2.2	-
Personal Goods	38236.26	-1.9	0.5
Food Producers	6709.48	-1.1	-
Electronic & Electrical Equip.	9613.90	-1.0	11.2
Industrial Metals	3804.51	-0.6	0.6
Gas Water & Multiutilities	5090.69	-0.4	-5.6
Equity Investment Instruments	11826.67	-0.1	7.8
Software & Computer Services	1891.21	0.4	-

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

CURRENCIES

Nov 17	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	80.0244	0.0697	95.0330	0.3941	106.1050	0.7490
Australia	Australian Dollar	1.3698	0.0039	1.6267	0.0100	1.8162	0.0164
Bahrain	Bahrainin Dinar	0.3771	-	0.4478	0.0015	0.4999	0.0031
Bolivia	Bolivian Boliviano	6.9100	-	8.2060	0.0269	9.1620	0.0567
Brazil	Brazilian Real	5.3592	-0.0692	6.3643	-0.0610	7.1058	-0.0472
Canada	Canadian Dollar	1.3096	0.0024	1.5552	0.0079	1.7363	0.0139
Chile	Chilean Peso	765.9500	-1.3250	909.6038	1.4140	1015.5795	4.5437
China	Chinese Yuan	6.5580	-0.0190	7.7880	0.0030	8.6953	0.0288
Colombia	Colombian Peso	3631.9500	-6.7200	4313.1223	6.1878	4815.6335	20.9697
Costa Rica	Costa Rican Colon	608.6150	-1.3450	722.7606	0.7777	806.9677	3.2254
Czech Republic	Czech Koruna	22.3322	0.0008	26.5205	0.0879	29.6104	0.1844
Denmark	Danish Krone	6.2709	-0.0198	7.4471	0.0010	8.3147	0.0255
Egypt	Egyptian Pound	15.6300	0.0118	18.5614	0.0748	20.7239	0.1439
Hong Kong	Hong Kong Dollar	7.7522	-0.0013	9.2061	0.0286	10.2786	0.0619
Hungary	Hungarian Forint	304.5051	0.8385	361.6149	2.1781	403.7458	3.6053
India	Indian Rupee	74.4575	-0.1600	88.4220	0.1005	98.7238	0.4006
Indonesia	Indonesian Rupiah	14055.0000	-55.0000	16691.0356	-10.3700	18635.6470	42.9298
Israel	Israeli Shekel	3.3542	-0.0038	3.9832	0.0086	4.4473	0.0226
Japan	Japanese Yen	104.2150	-0.3800	123.7605	-0.0440	138.1795	0.3550
..One Month		104.2150	-0.3801	123.7605	-0.0439	138.1795	0.3550
..Three Month		104.2149	-0.3803	123.7606	-0.0438	138.1794	0.3549
..One Year		104.2145	-0.3811	123.7609	-0.0432	138.1795	0.3546
Kenya	Kenyan Shilling	109.2500	-	129.7398	0.4254	144.8555	0.8971
Kuwait	Kuwaiti Dinar	0.3058	-0.0003	0.3632	0.0008	0.4055	0.0021
Malaysia	Malaysian Ringgit	4.1045	-0.0120	4.8743	0.0018	5.4422	0.0179
Mexico	Mexican Peso	20.3285	0.0590	24.1411	0.1490	26.9537	0.2447
New Zealand	New Zealand Dollar	1.4516	0.0017	1.7238	0.0076	1.9247	0.0141
Nigeria	Nigerian Naira	385.5000	-0.2500	457.8004	1.2051	511.1376	2.8361
Norway	Norwegian Krone	9.0665	0.0106	10.7670	0.0478	12.0214	0.0884
Pakistan	Pakistani Rupee	158.3050	0.1050	187.9951	0.7407	209.8979	1.4383
Peru	Peruvian Nuevo Sol	3.6225	-0.0375	4.3019	-0.0303	4.8031	-0.0197
Philippines	Philippine Peso	48.2450	0.0275	57.2933	0.2204	63.9684	0.4324
Poland	Polish Zloty	3.7816	0.0003	4.4908	0.0151	5.0140	0.0315
Romania	Romanian Leu	4.1030	-0.0129	4.8725	0.0006	5.4401	0.0166
Russia	Russian Ruble	76.3188	-0.0763	90.6323	0.2069	101.1917	0.5262
Saudi Arabia	Saudi Riyal	3.7505	-	4.4539	0.0146	4.9728	0.0308
Singapore	Singapore Dollar	1.3428	-0.0033	1.5946	0.0014	1.7804	0.0067
South Africa	South African Rand	15.4163	0.0999	18.3076	0.1783	20.4405	0.2583
South Korea	South Korean Won	1106.6500	-2.6000	1314.2021	1.2315	1467.3166	5.6614
Sweden	Swedish Krona	8.6281	-0.0003	10.2462	0.0332	11.4400	0.0704
Switzerland	Swiss Franc	0.9106	-0.0018	1.0814	0.0014	1.2074	0.0050
Taiwan	New Taiwan Dollar	28.5005	-	33.8458	0.1110	37.7890	0.2340
Thailand	Thai Baht	30.1600	-0.0800	35.8165	0.0227	39.9894	0.1422
Tunisia	Tunisian Dinar	2.7442	-0.0021	3.2589	0.0082	3.6386	0.0198
Turkey	Turkish Lira	7.6883	-0.0317	9.1302	-0.0076	10.1939	0.0213
United Arab Emirates	UAE Dirham	3.6732	-	4.3620	0.0143	4.8703	0.0302
United Kingdom	Pound Sterling	0.7542	-0.0047	0.8957	-0.0026	-	-
..One Month		0.7542	-0.0047	0.8956	-0.0026	-	-
..Three Month		0.7543	-0.0047	0.8955	-0.0026	-	-
..One Year		0.7545	-0.0047	0.8951	-0.0026	-	-
United States	United States Dollar	-	-	1.1875	0.0039	1.3259	0.0082
..One Month		-	-	1.1875	-0.1302	1.3259	0.0082
..Three Month		-	-	1.1873	-0.1301	1.3260	0.0082
..One Year		-	-	1.1865	-0.1301	1.3262	0.0082
Venezuela	Venezuelan Bolivar Fuerte	-	-	-	-	-	-
Vietnam	Vietnamese Dong	23164.0000	-11.5000	27508.4245	76.5926	30713.3797	175.0189
European Union	Euro	0.8421	-0.0028	-	-	1.1165	0.0033
..One Month		0.8420	-0.0028	-	-	1.1165	0.0033
..Three Month		0.8418	-0.0028	-	-	1.1164	0.0033
..One Year		0.8411	-0.0028	-	-	1.1159	0.0033

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

FTSE ACTUARIES SHARE INDICES
UK SERIES www.ft.com/equities

Produced in conjunction with the Institute and Faculty of Actuaries

	£ Strlg Nov 17	Day's chge%	Euro Index	£ Strlg Nov 16	£ Strlg Nov 13	Year ago	Div yield%	Cover	P/E ratio	X/D adj	Total Return
FTSE 100 (100)	6365.33	-0.87	5540.72	6421.29	6316.39	7307.70	3.87	1.56	16.59	190.91	6067.31
FTSE 250 (250)	19516.17	-0.47	16987.90	19608.05	19270.00	20440.50	2.83	1.15	30.63	299.99	15454.62
FTSE 250 ex Inv Co (181)	20055.99	-0.06	17457.79	20069.01	19663.46	21638.03	2.98	1.34	25.08	265.19	16201.06
FTSE 350 (350)	3621.46	-0.80	3152.31	3650.63	3590.40	4091.26	3.68	1.50	18.09	99.04	6879.66
FTSE 350 ex Investment Trusts (280)	3534.85	-0.75	3076.92	3561.62	3500.78	4041.22	3.77	1.44	18.49	98.25	3465.33
FTSE 350 Higher Yield (145)	2795.35	-0.43	2433.22	2807.34	2730.44	3541.16	5.46	1.37	13.32	108.83	5828.54
FTSE 350 Lower Yield (205)	4261.98	-1.17	3709.85	4312.26	4287.51	4314.31	1.91	1.86	28.09	72.16	5039.66
FTSE SmallCap (258)	5778.50	0.04	5029.91	5776.29	5703.69	5541.23	3.63	-1.24	-22.23	117.43	9164.35
FTSE SmallCap ex Inv Co (142)	4588.71	1.78	3994.25	4508.33	4429.13	4476.55	3.93	-0.82	-31.14	64.59	7608.27
FTSE All-Share (608)	3591.59	-0.77	3126.31	3619.49	3560.25	4035.47	3.68	1.41	19.27	97.30	6892.40
FTSE All-Share ex Inv Co (422)	3472.30	-0.70	3022.47	3496.95	3437.17	3958.16	3.77	1.39	19.06	95.56	3457.26
FTSE All-Share ex Multinationals (539)	1142.82	-0.35	824.48	1146.82	1129.62	1207.10	3.14	1.19	26.87	20.74	2281.24
FTSE Fledgling (91)	9456.38	0.35	8231.33	9423.73	9341.25	9481.18	2.93	0.21	162.34	193.52	19411.57
FTSE Fledgling ex Inv Co (43)	11152.48	0.91	9707.71	11051.41	11018.69	11132.52	3.34	4.07	7.35	162.99	22379.47
FTSE All-Small (349)	4001.26	0.05	3482.91	3999.08	3949.62	3846.50	3.60	-1.18	-23.65	81.40	8141.16
FTSE All-Small ex Inv Co (185)	3423.33	1.75	2979.85	3364.44	3307.15	3340.54	3.91	-0.66	-38.62	48.22	7190.06
FTSE AIM All-Share (714)	1012.28	0.51	881.15	1007.11	999.62	894.10	1.01	0.54	184.37	6.28	1161.11
FTSE Sector Indices											
Oil & Gas (12)	**4541.60**	**0.73**	**3953.25**	**4508.77**	**4246.55**	**8662.07**	**6.81**	**1.19**	**12.30**	**308.29**	**5108.56**
Oil & Gas Producers (9)	4393.04	0.79	3823.93	4358.65	4106.61	8406.29	6.92	1.19	12.18	303.26	5123.89
Oil Equipment Services & Distribution (3)	5300.04	-2.65	4613.44	5444.09	5026.78	8196.47	0.21	17.16	27.41	11.22	4568.96
Basic Materials (22)	**6291.98**	**-0.92**	**5476.87**	**6350.28**	**6247.78**	**6036.63**	**4.00**	**2.76**	**9.07**	**249.65**	**7556.81**
Chemicals (7)	14413.07	-0.89	12545.90	14542.70	14363.98	13741.82	1.67	3.40	17.58	190.80	13824.46
Forestry & Paper (1)	21017.92	-0.58	18295.11	21140.76	20864.37	20452.86	2.57	3.27	11.92	540.55	25603.73
Industrial Metals & Mining (2)	4098.06	-0.08	3567.17	4101.20	4031.39	3591.21	10.93	1.60	5.72	453.68	5513.15
Mining (12)	17983.98	-0.96	15654.21	18157.43	17853.68	17286.63	4.21	2.77	8.58	759.08	11407.72
Industrials (101)	**5796.62**	**-0.18**	**5045.68**	**5807.02**	**5734.00**	**5719.87**	**2.00**	**0.71**	**70.06**	**75.37**	**6440.84**
Construction & Materials (14)	7042.61	-0.84	6130.26	7102.55	6993.67	6840.84	2.20	0.11	415.34	129.98	8134.17
Aerospace & Defense (9)	3753.55	1.23	3267.29	3707.76	3533.67	5215.08	3.18	-1.87	-16.85	99.51	4380.21
General Industrials (8)	5132.65	-0.02	4467.73	5133.59	4977.28	4922.72	2.55	0.64	61.42	62.99	6409.15
Electronic & Electrical Equipment (10)	11371.55	-1.00	9898.40	11486.28	11450.27	9360.34	1.17	1.99	43.01	75.90	10901.78
Industrial Engineering (12)	15575.97	-0.03	13558.15	15580.40	15223.90	13913.88	2.05	1.60	30.61	162.54	20344.08
Industrial Transportation (6)	3452.47	2.89	3005.21	3355.36	3335.49	3794.43	4.19	0.84	28.28	9.26	3503.56
Support Services (42)	9268.54	-0.50	8067.82	9315.25	9345.88	8690.72	1.46	2.16	31.74	91.84	10289.60
Consumer Goods (42)	**18837.35**	**-0.26**	**16397.02**	**18887.09**	**18660.92**	**19124.45**	**4.34**	**1.59**	**14.45**	**583.39**	**15912.77**
Automobiles & Parts (2)	3728.30	5.67	3245.31	3528.33	3414.64	4634.67	0.60	1.78	94.00	0.00	3814.86
Beverages (6)	23561.41	-1.20	20509.09	23848.38	22834.81	24706.66	2.42	1.63	25.35	528.83	18090.11
Food Producers (10)	6806.96	-0.81	5925.14	6862.58	6704.43	7597.75	2.57	1.87	20.83	75.68	6306.88
Household Goods & Home Construction (14)	14793.44	-0.22	12876.99	14826.24	14902.12	13976.96	3.67	1.55	17.60	272.34	11878.17
Leisure Goods (2)	24652.91	0.66	21459.19	24490.93	24934.23	15649.18	2.21	0.99	45.76	303.75	25766.67
Personal Goods (6)	33095.95	-1.41	28808.46	33568.79	34188.83	34131.47	3.15	2.85	11.13	917.13	24790.12
Tobacco (2)	29898.06	1.48	26024.85	29463.00	28849.84	31028.84	8.22	1.25	9.77	1765.51	24034.40
Health Care (15)	**12165.96**	**-2.67**	**10589.89**	**12500.12**	**12545.20**	**12419.32**	**3.46**	**1.12**	**25.78**	**418.56**	**10588.04**
Health Care Equipment & Services (6)	6591.71	-1.43	5737.78	6687.52	6621.87	8094.51	2.05	0.96	50.92	120.44	6073.91
Pharmaceuticals & Biotechnology (9)	17099.19	-2.80	14884.04	17591.73	17679.27	17089.19	3.61	1.13	24.52	616.76	13370.92
Consumer Services (82)	**4867.60**	**-0.63**	**4237.01**	**4898.24**	**4836.71**	**5383.29**	**2.51**	**1.32**	**30.16**	**68.17**	**4978.99**
Food & Drug Retailers (5)	4392.89	1.28	3823.80	4337.19	4348.89	4040.26	3.00	1.33	25.01	133.29	5591.05
General Retailers (27)	2352.54	-0.07	2047.78	2354.31	2354.31	2179.85	2.30	1.14	38.33	8.19	2939.47
Media (15)	7813.83	-1.03	6801.57	7895.15	7844.35	8842.81	2.12	2.36	19.94	125.77	5266.30
Travel & Leisure (35)	7556.45	-1.45	6577.53	7667.61	7429.95	9795.60	2.73	0.76	48.26	82.90	7755.18
Telecommunications (6)	**1796.58**	**-2.95**	**1563.84**	**1851.12**	**1752.36**	**2315.76**	**7.50**	**0.58**	**22.83**	**43.94**	**2430.12**
Fixed Line Telecommunications (3)	1603.28	-0.35	1395.58	1608.87	1559.41	2339.08	11.09	1.04	8.64	3.51	1756.86
Mobile Telecommunications (3)	2806.98	-3.86	2443.34	2919.60	2740.69	3439.21	6.20	0.29	56.56	91.62	3423.62
Utilities (8)	**7289.39**	**-0.67**	**6345.07**	**7338.50**	**7368.05**	**7242.78**	**5.78**	**0.96**	**18.09**	**275.61**	**10066.49**
Electricity (3)	7941.48	-0.53	6912.68	7984.01	7991.00	7815.66	5.85	0.81	21.17	462.14	14562.89
Gas Water & Multiutilities (5)	6727.87	-0.71	5856.29	6776.00	6809.72	6703.85	5.76	1.00	17.33	212.92	9158.83
Financials (306)	**4258.21**	**-0.86**	**3706.57**	**4295.11**	**4215.11**	**4854.65**	**3.27**	**1.52**	**20.12**	**79.49**	**4434.78**
Banks (11)	2408.45	-1.58	2096.44	2447.19	2354.10	3590.83	3.93	2.22	11.44	0.99	1984.66
Nonlife Insurance (7)	3704.43	0.90	3224.53	3671.21	3682.88	3394.10	2.97	1.86	18.07	107.44	7347.15
Life Insurance/Assurance (7)	7074.01	0.64	6157.59	7029.14	6840.68	7608.22	3.40	2.15	13.72	230.43	8011.49
Real Estate Investment & Services (17)	2514.99	0.11	2189.18	2512.34	2478.34	2649.01	1.78	2.28	24.69	25.63	7209.29
Real Estate Investment Trusts (39)	2471.54	0.04	2151.36	2470.45	2434.47	2855.89	3.63	-1.54	-17.93	55.36	3503.11
General Financial (39)	9634.21	-0.65	8386.12	9696.95	9628.87	10005.38	3.40	1.12	26.31	292.69	12437.25
Equity Investment Instruments (186)	11887.98	-1.67	10347.92	12090.02	12011.92	10671.53	2.40	1.84	22.63	251.28	7099.82
Non Financials (302)	**4316.89**	**-0.74**	**3757.65**	**4349.06**	**4281.35**	**4824.72**	**3.83**	**1.38**	**18.99**	**129.78**	**7281.45**
Technology (14)	**1997.56**	**-0.67**	**1738.78**	**2010.95**	**1990.70**	**2164.11**	**2.06**	**0.12**	**389.37**	**33.01**	**2787.14**
Software & Computer Services (12)	2141.72	-0.68	1864.26	2156.36	2128.33	2381.29	2.12	-0.08	-563.83	35.78	3161.61
Technology Hardware & Equipment (2)	4944.55	-0.53	4304.00	4970.80	5072.14	3843.20	1.41	3.38	20.97	69.78	6137.86

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	6414.77	6394.85	6389.67	6380.87	6349.95	6341.91	6328.68	6314.81	6350.01	6423.77	6309.47
FTSE 250	19641.29	19561.10	19605.32	19586.72	19396.15	19456.09	19439.60	19451.04	19478.29	19653.57	19390.42
FTSE SmallCap	5799.99	5813.47	5825.25	5793.88	5769.85	5763.48	5760.64	5758.28	5764.27	5825.76	5755.99
FTSE All-Share	3618.15	3606.96	3606.31	3601.12	3580.68	3578.88	3572.39	3566.51	3583.23	3621.89	3563.70

Time of FTSE 100 Day's high:08:13:45 Day's Low15:09:45 FTSE 100 2010/11 High: 7674.56(17/01/2020) Low: 4993.89(23/03/2020)
Time of FTSE All-Share Day's high:08:14:00 Day's Low15:10:00 FTSE 100 2010/11 High: 4257.93(17/01/2020) Low: 2727.86(23/03/2020)

 † Sector P/E ratios greater than 80 are not shown. For changes to FTSE Fledgling Index constituents please refer to www.ftse.com/indexchanges. ‡ Values are negative.

FT 30 INDEX

	Nov 16	Nov 13	Nov 12	Nov 11	Nov 10	Yr Ago	High	Low
FT 30	2476.00	2407.50	2401.90	2413.70	2389.40	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
2407.5	2427.7	2442.8	2164.9	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

	Nov 16	Nov 13	Mnth Ago		Nov 17	Nov 16	Mnth Ago
Australia	-	-	-	Sweden	-	-	-
Canada	-	-	-	Switzerland	-	-	-
Denmark	-	-	-	UK	78.02	78.04	77.29
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	49.93	FTSE SmallCap Index	-4.15	Real Est Invest & Se	-15.61
Tech Hardware & Eq	16.58	Forestry & Paper	-4.17	FTSE 100 Index	-16.26
Electronic & Elec Eq	11.91	Industrials	-4.34	Tobacco	-16.34
Equity Invest Instr	6.83	Gas Water & Multi	-4.53	Life Insurance	-16.71
Industrial Eng	3.25	Utilities	-4.58	Food Producers	-16.97
Personal Goods	3.20	Electricity	-4.73	Mobile Telecomms	-17.80
Support Services	2.50	Construct & Material	-5.32	Financials	-18.08
Chemicals	1.22	Consumer Goods	-7.33	Real Est Invest & Tr	-19.26
Pharmace & Biotech	-0.10	Beverages	-10.07	Health Care Eq & Srv	-21.64
Food & Drug Retailer	-0.29	Financial Services	-11.65	Telecommunications	-22.91
Nonlife Insurance	-0.67	FTSE 250 Index	-11.94	Travel & Leisure	-26.56
Industrial Metals &	-0.95	Technology	-12.04	Aerospace & Defense	-32.23
Household Goods & Ho	-1.02	NON FINANCIALS Index	-14.08	Fixed Line Telecomms	-34.03
Basic Materials	-1.58	Software & Comp Serv	-14.11	Banks	-36.99
Mining	-1.79	Consumer Services	-14.87	Automobiles & Parts	-37.89
General Retailers	-2.24	FTSE All{HY-}Share Index	-15.16	Oil Equipment & Serv	-42.03
Health Care	-2.54	Industrial Transport	-15.21	Oil & Gas	-49.16
		Media	-15.52	Oil & Gas Producers	-49.27

FTSE GLOBAL EQUITY INDEX SERIES

Nov 17 Regions & countries	No of stocks	US $ indices	Day %	Mth %	YTD %	Total retn	YTD %	Gr Div Yield
FTSE Global All Cap	9022	688.01	1.3	5.5	8.1	1058.43	10.2	2.0
FTSE Global All Cap	9022	688.01	1.3	5.5	8.1	1058.43	10.2	2.0
FTSE Global Large Cap	1742	619.01	1.2	4.9	9.1	980.85	11.3	2.0
FTSE Global Mid Cap	2235	865.68	1.8	6.8	4.4	1252.48	6.1	2.0
FTSE Global Small Cap	5045	918.87	1.8	7.2	6.2	1278.73	7.9	1.7
FTSE All-World	3977	404.27	1.3	5.3	8.3	658.18	10.4	2.0
FTSE World	2567	717.33	1.4	5.3	8.0	1567.41	10.1	2.0
FTSE Global All Cap ex UNITED KINGDOM In	8732	727.40	1.3	5.2	9.3	1098.92	11.4	1.9
FTSE Global All Cap ex USA	7274	528.48	1.5	7.2	1.9	887.41	4.4	2.5
FTSE Global All Cap ex JAPAN	7625	710.16	1.3	5.3	8.3	1102.69	10.4	1.9
FTSE Global All Cap ex Eurozone	8381	725.02	1.3	5.3	8.9	1092.33	11.0	1.9
FTSE Developed	2138	657.59	1.3	5.1	8.6	1019.92	10.7	1.9
FTSE Developed All Cap	5626	686.85	1.4	5.4	8.4	1050.30	10.4	1.9
FTSE Developed Large Cap	834	616.44	1.2	4.8	9.3	973.10	11.5	1.9
FTSE Developed Europe Large Cap	226	372.61	1.2	7.0	-3.0	695.68	-0.4	2.7
FTSE Developed Europe Mid Cap	344	648.65	2.0	8.0	2.6	1059.23	4.5	2.3
FTSE Dev Europe Small Cap	693	877.01	2.4	8.5	-2.4	1379.48	-0.6	2.1
FTSE North America Large Cap	224	795.36	1.0	3.1	14.1	1158.85	16.0	1.6
FTSE North America Mid Cap	412	1009.32	1.8	6.3	6.7	1355.60	8.2	1.8
FTSE North America Small Cap	1293	1041.32	1.9	7.7	9.1	1350.19	10.5	1.5
FTSE North America	636	517.83	1.2	3.7	12.8	770.89	14.7	1.6
FTSE Developed ex North America	1502	274.78	1.6	8.0	1.0	497.00	3.5	2.5
FTSE Japan Large Cap	180	425.63	1.8	9.0	7.3	597.08	9.8	2.2
FTSE Japan Mid Cap	335	624.04	1.8	6.4	-0.7	829.68	1.3	2.1
FTSE Global wi JAPAN Small Cap	882	685.40	1.4	4.4	-1.5	943.98	0.6	2.1
FTSE Japan	515	176.65	1.8	8.5	5.7	277.36	8.1	2.2
FTSE Asia Pacific Large Cap ex Japan	936	819.10	1.2	7.0	12.7	1415.83	15.3	2.2
FTSE Asia Pacific Mid Cap ex Japan	900	938.69	1.5	6.8	8.4	1556.23	10.8	2.8
FTSE Asia Pacific Small Cap ex Japan	1885	595.67	1.0	4.5	9.7	965.83	12.1	2.5
FTSE Asia Pacific Ex Japan	1836	638.33	1.3	7.0	12.3	1172.03	14.9	2.3
FTSE Emerging All Cap	3396	835.88	0.9	6.0	5.8	1373.48	8.4	2.4
FTSE Emerging Large Cap	908	812.35	0.9	6.2	7.2	1343.38	9.8	2.2
FTSE Emerging Mid Cap	931	947.22	1.3	6.6	-2.7	1555.33	-0.1	3.1
FTSE Emerging Small Cap	1557	775.63	0.8	3.6	2.6	1222.42	5.2	2.7
FTSE Emerging Europe	76	330.23	3.1	14.6	-25.0	623.92	-21.1	5.8
FTSE Latin America All Cap	240	715.56	2.5	12.2	-27.4	1220.99	-25.7	2.7
FTSE Middle East and Africa All Cap	321	623.78	1.0	5.4	-9.6	1076.93	-6.9	3.3
FTSE Global wi UNITED KINGDOM All Cap In	290	302.48	1.9	11.2	-15.4	576.44	-13.0	3.7
FTSE Global wi USA All Cap	1748	893.75	1.2	4.2	13.2	1256.82	15.0	1.5
FTSE Europe All Cap	1414	442.89	1.5	7.5	-2.6	794.93	-0.2	2.7
FTSE Eurozone All Cap	641	433.38	1.4	7.6	-0.4	775.16	1.9	2.3
FTSE EDHEC-Risk Efficient All-World	3977	448.19	1.5	6.1	3.6	673.81	5.6	2.2
FTSE EDHEC-Risk Efficient Developed Europe	570	347.97	1.5	6.8	3.0	579.63	5.0	2.3
Oil & Gas	128	239.61	4.5	14.6	-34.2	446.39	-31.0	5.4
Oil & Gas Producers	93	225.66	4.9	16.6	-36.1	429.63	-33.0	5.6

Nov 17 Sectors	No of stocks	US $ indices	Day %	Mth %	YTD %	Total retn	YTD %	Gr Div Yield
Oil Equipment & Services	24	179.71	3.8	3.8	-32.9	303.02	-29.4	6.1
Basic Materials	356	552.89	1.7	1.7	7.6	937.13	10.7	2.8
Chemicals	163	808.58	1.2	1.2	7.8	1356.85	10.5	2.5
Forestry & Paper	21	285.61	2.4	2.4	2.7	542.65	5.9	2.6
Industrial Metals & Mining	93	385.81	3.3	3.3	2.0	659.69	5.2	3.5
Mining	79	805.30	1.8	1.8	10.5	1395.76	14.2	3.1
Industrials	746	499.34	1.8	1.8	11.2	768.28	13.1	1.6
Construction & Materials	147	605.34	1.5	1.5	9.2	978.08	11.3	1.8
Aerospace & Defense	36	715.80	3.8	3.8	-20.0	1084.45	-18.9	2.0
General Industrials	70	239.90	2.3	2.3	5.2	404.53	7.7	2.4
Electronic & Electrical Equipment	140	611.93	1.5	1.5	20.2	854.67	22.1	1.4
Industrial Engineering	148	979.77	1.6	1.6	18.2	1499.52	20.3	1.5
Industrial Transportation	122	902.89	1.6	1.6	19.2	1397.46	21.2	1.7
Support Services	83	602.43	1.3	1.3	19.4	874.62	20.9	1.1
Consumer Goods	532	566.92	1.2	1.2	11.1	913.36	13.4	2.2
Automobiles & Parts	128	502.24	1.8	1.8	31.9	789.17	34.4	1.8
Beverages	67	714.38	1.9	1.9	0.9	1159.33	2.8	2.3
Food Producers	132	703.64	0.7	0.7	3.2	1157.11	5.5	2.4
Household Goods & Home Construction	62	576.89	-0.1	-0.1	13.9	924.73	16.4	2.2
Leisure Goods	43	291.77	0.5	0.5	20.5	402.28	21.9	1.1
Personal Goods	87	1003.04	1.0	1.0	11.3	1493.62	12.8	1.4
Tobacco	13	888.02	2.7	2.7	-10.9	2216.73	-6.0	7.0
Health Care	306	668.71	0.0	0.0	9.5	1028.88	11.4	1.7
Health Care Equipment & Services	111	1366.21	-0.1	-0.1	16.5	1644.42	17.3	0.7
Pharmaceuticals & Biotechnology	195	431.23	0.0	0.0	5.1	705.26	7.5	2.4
Consumer Services	440	665.08	0.9	0.9	19.2	930.95	20.4	1.0
Food & Drug Retailers	68	297.55	1.6	1.6	0.9	450.86	3.4	2.5
General Retailers	145	1248.13	0.4	0.4	37.9	1679.21	38.7	0.6
Media	87	419.92	1.4	1.4	9.3	591.77	10.3	1.1
Travel & Leisure	140	475.40	2.2	2.2	-8.2	680.25	-7.1	1.7
Telecommunication	98	151.38	0.6	0.6	-5.6	328.92	-1.7	4.6
Fixed Line Telecommuniations	43	116.97	0.5	0.5	-13.6	285.53	-9.4	5.7
Mobile Telecommunications	55	176.32	0.7	0.7	5.7	334.89	9.1	3.3
Utilities	191	323.07	0.6	0.6	1.6	706.63	4.8	3.2
Electricity	131	363.37	0.7	0.7	2.1	783.52	5.2	3.3
Gas Water & Multiutilities	60	323.58	0.5	0.5	0.7	730.52	3.8	3.2
Financials	867	239.41	1.9	1.9	-9.5	433.87	-7.0	2.9
Banks	272	170.72	2.4	2.4	-20.1	339.74	-17.4	3.8
Nonlife Insurance	74	292.93	2.2	2.2	-5.1	459.55	-2.9	2.1
Life Insurance	54	219.09	2.9	2.9	-9.2	391.97	-6.0	3.4
Financial Services	209	392.90	1.5	1.5	6.1	577.33	8.0	1.8
Technology	313	487.69	1.0	1.0	35.6	624.93	36.9	0.9
Software & Computer Services	165	810.13	0.2	0.2	33.3	969.16	33.9	0.5
Technology Hardware & Equipment	148	386.38	2.1	2.1	39.0	528.29	41.1	1.4
Alternative Energy	11	208.73	-0.6	-0.6	64.9	296.67	67.4	0.8
Real Estate Investment & Services	161	349.45	0.3	0.3	-5.4	643.66	-2.4	2.8
Real Estate Investment Trusts	97	458.15	1.0	1.0	-7.6	1003.09	-4.9	3.7
FTSE Global Large Cap	1742	619.01	1.2	1.2	9.1	980.85	11.3	2.0

The FTSE Global Equity Series, launched in 2003, contains the FTSE Global Small Cap Indices and broader FTSE Global All Cap Indices (large/mid/small cap) as well as the enhanced FTSE All-World index Series (large/mid cap) - please see www.ftse.com/geis. The trade names Fundamental Index® and RAFI® are registered trademarks and the patented and patent-pending proprietary intellectual property of Research Affiliates, LLC (US Patent Nos. 7,620,577; 7,747,502; 7,778,905; 7,792,719; Patent Pending Publ. Nos. US-2006-0149645-A1, US-2007-0055598-A1, US-2008-0288416-A1, US-2010- 0063942-A1, WO 2005/076812, WO 2007/078399 A2, WO 2008/118372, EPN 1733352, and HK1099110). "EDHEC™" is a trade mark of EDHEC Business School As of January 2nd 2006, FTSE is basing its sector indices on the Industrial Classification Benchmark - please see www.ftse.com/icb. For constituent changes and other information about FTSE, please see www.ftse.com.

FTSE 100 SUMMARY

FTSE 100	Closing Price	Day's Change	FTSE 100	Closing Price	Day's Change
3I Group PLC	1097.5	-19.50	Kingfisher PLC	289.30	-2.00
Admiral Group PLC	2897	22.00	Land Securities Group PLC	717.20	8.30
Anglo American PLC	2140.5	-7.50	Legal & General Group PLC	250.60	2.50
Antofagasta PLC	1106.5	-50.00	Lloyds Banking Group PLC	35.60	0.01
Ashtead Group PLC	3167	-18.00	London Stock Exchange Group PLC	7936	-328.00
Associated British Foods PLC	2036	-22.00	M&G PLC	193.15	1.85
Astrazeneca PLC	8291	-252.00	Melrose Industries PLC	164.05	2.85
Auto Trader Group PLC	557.60	-	Mondi PLC	1711	-10.00
Avast PLC	443.60	1.40	Morrison (Wm) Supermarkets PLC	179.10	2.60
Aveva Group PLC	4110	-57.00	National Grid PLC	936.20	-9.20
Aviva PLC	316.80	0.80	Natwest Group PLC	155.35	2.35
B&M European Value Retail S.A.	497.40	2.40	Next PLC	6780	-54.00
Bae Systems PLC	495.20	8.40	Ocado Group PLC	2236	47.00
Barclays PLC	138.40	-0.38	Pearson PLC	620.80	6.60
Barratt Developments PLC	654.40	20.20	Pennon Group PLC	1035	-7.50
Berkeley Group Holdings (The) PLC	4781	45.00	Persimmon PLC	2819	25.00
Bhp Group PLC	1641.8	-25.00	Phoenix Group Holdings PLC	765.60	2.80
BP PLC	251.70	0.95	Polymetal International PLC	1681.5	-3.50
British American Tobacco PLC	2850	8.00	Prudential PLC	1301	12.50
British Land Company PLC	511.00	6.60	Reckitt Benckiser Group PLC	6688	-144.00
Bt Group PLC	126.65	-0.85	Relx PLC	1712	-43.50
Bunzl PLC	2382	-17.00	Rentokil Initial PLC	520.80	-1.40
Burberry Group PLC	1623	-7.50	Rightmove PLC	628.60	4.80
Coca-Cola Hbc AG	2275	5.00	Rio Tinto PLC	4747	-35.00
Compass Group PLC	1390.5	-25.50	Rolls-Royce Holdings PLC	102.70	-0.30
Crh PLC	3025	-29.00	Royal Dutch Shell PLC	1198.8	13.80
Croda International PLC	6084	-82.00	Royal Dutch Shell PLC	1252.4	11.40
Dcc PLC	5878	20.00	Rsa Insurance Group PLC	647.00	-0.20
Diageo PLC	2995.5	-42.00	Sage Group PLC	674.60	-3.80
Evraz PLC	379.90	1.00	Sainsbury (J) PLC	212.90	3.50
Experian PLC	2893	-102.00	Schroders PLC	3033	-1.00
Ferguson PLC	8010	40.00	Scottish Mortgage Investment Trust PLC	1007	-16.00
Flutter Entertainment PLC	12750	-250.00	Segro PLC	897.20	0.40
Fresnillo PLC	1111.5	12.00	Severn Trent PLC	2490	11.00
Glaxosmithkline PLC	1402.8	-39.40	Smith & Nephew PLC	1481.5	-24.00
Glencore PLC	192.70	-2.38	Smith (Ds) PLC	332.80	-8.20
Gvc Holdings PLC	973.20	-21.80	Smiths Group PLC	1544	-30.50
Halma PLC	2389	-26.00	Smurfit Kappa Group PLC	3332	50.00
Hargreaves Lansdown PLC	1615.5	32.50	Spirax-Sarco Engineering PLC	11915	15.00
Hikma Pharmaceuticals PLC	2547	-97.00	Sse PLC	1348	-10.00
Homeserve PLC	1267	30.00	St. James's Place PLC	1085	-14.00
HSBC Holdings PLC	376.60	-12.20	Standard Chartered PLC	436.90	-2.60
Imperial Brands PLC	1505.5	103.00	Standard Life Aberdeen PLC	269.50	3.10
Informa PLC	580.60	7.00	Taylor Wimpey PLC	159.00	8.70
Intercontinental Hotels Group PLC	4630	-80.00	Tesco PLC	228.60	2.10
Intermediate Capital Group PLC	1689	123.00	Unilever PLC	4565	-77.00
International Consolidated Airlines Group S.A.	153.45	-5.30	United Utilities Group PLC	915.40	-0.40
Intertek Group PLC	6122	-28.00	Vodafone Group PLC	122.54	-5.24
Jd Sports Fashion PLC	787.00	-24.60	Whitbread PLC	3097	43.00
Johnson Matthey PLC	2573	-32.00	Wpp PLC	750.60	-8.80
Just Eat Takeaway.Com N.V.	8152	18.00			

UK STOCK MARKET TRADING DATA

	Nov 17	Nov 16	Nov 13	Nov 12	Nov 11	Yr Ago
	-	-	-	-	-	-
Order Book Turnover (m)	183.17	148.01	148.01	148.01	35.12	122.82
Order Book Bargains	1225393.00	952448.00	952448.00	952448.00	1167208.00	1506326.00
Order Book Shares Traded (m)	2165.00	1714.00	1714.00	1714.00	1903.00	2343.00
Total Equity Turnover (£m)	4862.83	4761.57	4761.57	4761.57	5273.71	5352.43
Total Mkt Bargains	1460867.00	1156065.00	1156065.00	1156065.00	1402988.00	1805675.00
Total Shares Traded (m)	8883.00	12027.00	12027.00	12027.00	8819.00	9749.00

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

Data provided by Morningstar | www.morningstar.co.uk

POWERED BY MORNINGSTAR

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	
Adept Technology Group	Int	**28.488**	30.818	**0.018**	1.145	**1.200L**	3.700	**0.00000**	0.00000	-	**0.000**	4.900
Assura	Int	**58.700**	54.700	**43.800**	36.400	**1.700**	1.500	**0.71000**	0.68500	Oct 14	**1.403**	1.370
Bank of Georgia Group	3rd	**790.632**	801.004	**173.584**	384.359	**3.410**	7.160	**0.00000**	0.00000	-	**0.000**	243.600
Big Yellow Group	Int	**65.813**	64.270	**59.916**	95.820	**34.400**	57.600	**0.00000**	17.10000	-	**16.609**	33.600
dotDigital Group	Pre	**47.404**	42.522	**12.186**	11.040	**3.440**	2.860	**0.00000**	0.67000	-	**0.000**	0.670
easyJet	Pre	**3009.000**	6385.000	**1273.000L**	430.000	**264.900L**	88.600	**0.00000**	43.90000	-	**0.000**	43.900
Focusrite	Pre	**130.141**	84.665	**7.025**	13.013	**7.100**	20.400	**0.00000**	2.60000	-	**1.300**	3.800
Gear4music (Holdings)	Int	**70.217**	49.397	**5.751**	0.279L	**23.600**	0.700L	**0.00000**	0.00000	-	**0.000**	0.000
Genedrive	Pre	**1.059**	2.362	**20.384L**	4.518L	**55.000L**	14.000L	**0.00000**	0.00000	-	**0.000**	0.000
Homeserve	Int	**536.700**	457.700	**10.100**	19.700	**2.000**	5.000	**6.20000**	5.80000	Jan 8	**23.903**	22.000
Imperial Brands	Pre	**32562.000**	31594.000	**2166.000**	1690.000	**158.300**	106.000	**0.00000**	72.01000	-	**20.850**	103.290
Intermediate Capital Group	Int			**197.800**	153.400	**66.900**	50.800	**17.00000**	15.00000	Jan 8	**52.604**	50.000
Ninety One	Int	**362.200**	376.300	**94.800**	91.900	**7.900**	7.800	**0.00000**	0.00000	-	**0.000**	0.000
Telecom Plus	Int	**349.370**	353.207	**21.451**	21.074	**20.800**	19.400	**27.00000**	27.00000	Dec 11	**56.836**	54.000

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)
11/03	20.00	AIM	VRCI	Verici Dx PLC	41.00	-2.50	56.00	29.97	5811.7
10/29	162.00	AIM	SBI	SourceBio International PLC	171.00	-2.00	188.50	160.00	12685.3
10/26	0.04		AMOI	Anemoi International Ltd	2.25	0.00	4.80	1.06	67.5

§Placing price. *Intoduction. ‡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 High	52 Week Low	Yld	P/E	MCap m
[illegible]							

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 price	Prev price	Day change	Day change %	Week change	Week change %	Month change %
Nissan Mt	475.20	469.00	6.20	1.32	88.70	22.9	27.59
CNOOC	8.86	8.68	0.18	2.07	1.48	20.1	21.70
EastJpRwy	6515.00	6260.00	255.00	4.07	986.00	17.8	5.76
MitsuiFud	2164.50	2129.50	35.00	1.64	318.50	17.3	15.12
CK Hutchison	58.00	55.15	2.85	5.17	7.60	15.1	25.73
Nppn Stl	1262.50	1215.00	47.50	3.91	164.00	14.9	18.34
CntJpRwy	14770.00	14150.00	620.00	4.38	1905.00	14.8	3.15
JardnStr US$	25.19	24.40	0.79	3.24	3.18	14.4	27.42
JardnMt US$	52.96	51.70	1.26	2.44	6.61	14.3	30.06
SK Hynix	98100.00	98000.00	100.00	0.10	12100.00	14.1	15.01
BBVA	3.50	3.66	-0.16	-4.40	0.41	13.1	49.83
ANZ	21.72	21.13	0.59	2.79	2.50	13.0	12.48
Formosa PetChem	92.50	92.20	0.30	0.33	10.60	12.9	15.05
ChngKng	42.95	41.65	1.30	3.12	4.85	12.7	14.30
Imperial Brands	1505.50	1402.50	103.00	7.34	169.00	12.6	-98.87
TokioMarine	5511.00	5276.00	235.00	4.45	615.00	12.6	14.48
MitUFJFin	479.40	461.10	18.30	3.97	51.40	12.0	14.16
SandsCh	34.10	34.00	0.10	0.29	3.60	11.8	24.54
Sinopec Corp	3.61	3.58	0.03	0.84	0.38	11.8	20.27
FastRetail	87440.00	85970.00	1470.00	1.71	9130.00	11.7	18.82

Based on the FT Global 500 companies in local currency

FT 500: BOTTOM 20

	Close price	Prev price	Day change	Day change %	Week change	Week change %	Month change %
AirProd	263.50	266.44	-2.94	-1.10	-46.47	-15.0	-11.51
SaicMtr	26.06	25.90	0.16	0.62	-2.34	-8.2	26.57
McKesson	170.74	183.66	-12.92	-7.03	-12.70	-6.9	8.88
GuosenSec	13.46	13.45	0.01	0.07	-1.00	-6.9	-5.08
Tencent	581.50	597.00	-15.50	-2.60	-41.00	-6.6	3.41
HenkelKgaA	79.30	80.25	-0.95	-1.18	-5.55	-6.5	-6.54
ChinaMob	47.40	48.15	-0.75	-1.56	-3.20	-6.3	-5.10
Pfizer	36.27	35.39	0.88	2.48	-2.42	-6.2	-4.36
ChUncHK	4.86	4.89	-0.03	-0.61	-0.32	-6.2	-9.19
Citic Secs	17.10	17.18	-0.08	-0.47	-1.08	-5.9	-5.01
Siemens	111.60	112.30	-0.70	-0.62	-6.80	-5.7	-5.74
ShenwanHong	0.05	0.05	0.00	2.00	0.00	-5.6	18.18
Softbank	6700.00	6789.00	-89.00	-1.31	-383.00	-5.4	-4.60
Walgreen	40.16	44.10	-3.95	-8.95	-2.20	-5.2	7.47
RELX	1712.00	1755.50	-43.50	-2.48	-91.00	-5.0	-99.00
CardinalHlth	54.50	58.47	-3.97	-6.79	-2.87	-5.0	11.52
Nordea Bk	73.63	72.54	1.09	1.50	-3.70	-4.8	5.93
Ch OSLnd&Inv	19.32	19.70	-0.38	-1.93	-0.93	-4.6	-1.33
GlaxoSmh	1402.80	1442.20	-39.40	-2.73	-64.80	-4.4	-98.98
RelianceIn	1993.25	2002.30	-9.05	-0.45	-91.30	-4.4	-8.39

Based on the FT Global 500 companies in local currency

BONDS: HIGH YIELD & EMERGING MARKET

Nov 17	Red date	Coupon	S*	M*	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	113.75	4.24	0.00	0.12	-
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	-	Baa2	BBB-	111.95	1.95	0.06	-0.05	1.60
Brazil	04/26	6.00	-	Ba2	BB-	118.30	2.36	-0.02	-0.12	2.01
Poland	04/26	3.25	-	A2	A-	112.78	0.82	0.00	-0.03	0.47
Mexico	05/26	11.50	-	Baa1	BBB-	148.00	2.18	-0.16	-0.10	1.83
Turkey	10/26	4.88	-	B2	BB-	97.43	5.39	-0.04	-1.14	5.04
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	-	Baa3	BBB	171.02	2.45	0.00	0.02	-
Brazil	02/47	5.63	-	Ba2	BB-	116.25	4.56	-0.01	-0.15	-
Emerging Euro										
Brazil	04/21	2.88	BB-	Ba2	BB-	103.09	0.05	0.01	-0.09	-1.19
Mexico	04/23	2.75	BBB+	A3	BBB+	107.76	0.76	0.00	-0.07	-1.56
Mexico	04/23	2.75	-	Baa1	BBB-	106.02	0.26	-0.03	-0.17	0.10
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

Nov 17	Red date	Coupon	S*	M*	F*	Bid price	Bid yield	Day's chge yield	Mth's chge yield	Spread vs US
US$										
FleetBoston Financial Corp.	01/28	6.88	BBB+	Baa1	A-	129.00	2.54	-0.01	-0.05	-
The Goldman Sachs Group, Inc.	02/28	5.00	BBB+	A3	A	117.21	2.47	0.00	0.32	-
NationsBank Corp.	03/28	6.80	BBB+	Baa1	A-	127.69	2.72	-0.01	0.06	-
GTE LLC	04/28	6.94	BBB+	Baa2	A-	128.27	2.80	0.00	-0.11	-
United Utilities PLC	08/28	6.88	BBB	Baa1	A-	130.43	2.62	-0.07	-0.22	-
Barclays Bank plc	01/29	4.50	A	A1	A+	96.46	5.02	0.00	0.02	-
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+	111.08	-0.27	0.00	-0.05	-0.87
Yen										
Mexico	06/26	1.09	-	Baa1	BBB-	96.45	1.76	0.00	-0.07	1.41
£ Sterling										
innogy Fin B.V.	06/30	6.25	BBB	Baa2	A-	137.45	2.19	-0.03	0.02	-
innogy Fin B.V.	06/30	6.25	BBB	Baa2	A-	128.68	3.20	0.00	-0.01	0.40

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.

INTEREST RATES: OFFICIAL

Nov 17	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

Nov 17 (Libor: Nov 16)	Over night	Change Day	Change Week	Change Month	One month	Three month	Six month	One year
US$ Libor	0.08363	0.000	0.001	0.007	0.14350	0.22038	0.24900	0.33963
Euro Libor	-0.59214	-0.006	-0.002	-0.001	-0.57386	-0.53971	-0.51571	-0.45714
£ Libor	0.04563	-0.002	-0.001	-0.002	0.04188	0.04775	0.06763	0.13263
Swiss Fr Libor				0.000	-0.80420	-0.76760	-0.72600	-0.61140
Yen Libor				0.001	-0.10050	-0.10267	-0.06250	0.05000
Euro Euribor				-0.004	-0.53700	-0.52200	-0.50500	-0.47600
Sterling CDs				-	-	-	-	
US$ CDs				-	-	-	-	
Euro CDs				-	-	-	-	

Nov 17	Short term		7 Days notice		One month		Three month		Six month		One year	
Euro	-0.74	-0.44	-0.72	-0.42	-0.69	-0.39	-0.68	-0.38	-0.66	-0.36	-0.66	-0.36
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	0.07	0.37	-0.02	0.28	0.01	0.31	0.08	0.38	0.13	0.43	0.19	0.49
Japanese Yen	-0.25	-0.10	-0.25	-0.10	-0.20	0.10	-0.30	0.00	-0.25	0.05	-0.20	0.10

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

[illegible]

BOND INDICES

	Index	Day's change	Month's change	Year change	Return 1 month	Return 1 year
Markit IBoxx						
ABF Pan-Asia unhedged	222.83	0.39	1.70	7.35	2.18	9.28
Corporates(£)	396.76	0.12	0.69	5.42	0.16	5.93
Corporates($)	335.51	0.02	1.21	7.68	1.21	7.68
Corporates(€)	243.07	0.09	0.72	2.27	0.62	2.18
Eurozone Sov(€)	262.71	0.09	-0.06	4.69	-0.20	3.79
Gilts(£)	369.80	-0.20	-1.41	6.13	-2.57	5.19
Global Inflation-Lkd	300.91	0.22	0.08	7.64	-0.31	9.18
Markit iBoxx £ Non-Gilts	384.64	0.07	0.31	4.99	-0.20	5.25
Overall ($)	282.55	0.02	0.48	7.84	0.48	7.84
Overall(£)	370.00	-0.13	-0.94	5.55	-1.92	4.99
Overall(€)	253.12	0.08	0.06	3.73	-0.05	3.03
Treasuries ($)	262.04	0.01	-0.03	8.20	-0.03	8.20
FTSE						
Sterling Corporate (£)	-	-	-	-	-	-
Euro Corporate (€)	104.47	-0.05	-	-	0.54	-1.73
Euro Emerging Mkts (€)	628.66	2.28	-	-	2.11	30.88
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	285.94	0.92	-3.99	-40.78	377.90	280.97
Europe 5Y	50.01	0.22	-0.41	-3.58	66.97	49.12
Japan 5Y	58.54	-0.11	-0.37	-7.35	70.43	57.83
Senior Financials 5Y	63.67	0.59	0.04	-7.96	86.20	62.33
Markit CDX						
Emerging Markets 5Y	169.23	-5.97	-2.50	-38.95	245.71	169.23
Nth Amer High Yld 5Y	327.30	-14.40	-8.71	-55.01	421.26	327.30
Nth Amer Inv Grade 5Y	52.16	-2.15	-0.04	-6.34	65.62	52.16

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

BONDS: INDEX-LINKED

[illegible]

BONDS: TEN YEAR GOVT SPREADS

[illegible]

VOLATILITY INDICES

[illegible]

BONDS: BENCHMARK GOVERNMENT

[illegible]

GILTS: UK CASH MARKET

[illegible]

GILTS: UK FTSE ACTUARIES INDICES

[illegible]

[illegible]

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ARTS

Voyage through space – to stardom

The glamorous early days of the space race are revisited in a gripping new documentary, writes Neville Hawcock

Nasa's Mercury Seven astronauts in April 1959: front row, from left, Walter Schirra, Donald K. 'Deke' Slayton, John Glenn and Scott Carpenter; back row, from left, Alan Shepard, Virgil 'Gus' Grissom and Gordon Cooper — Nasa

Kate Rubins, Sergey Ryzhikov, Sergey Kud-Sverchkov — ring any bells? If you know it without googling, you're surely in a minority. The three International Space Station astronauts, who have been orbiting our planet since last month and yesterday welcomed four new crewmates ferried up by SpaceX, are hardly household names.

But that's the price of progress. Sixty years ago, the men who first visited humanity's final frontier were bona-fide celebrities, as *The Real Right Stuff*, a new documentary on Disney Plus, makes clear. Yuri Gagarin, who in April 1961 became the first human in space, drew admiring crowds in his native Russia and abroad. His rivals on the other side of the cold war's space race — the seven astronauts in Nasa's Mercury programme, on which Tom Jennings's gripping film focuses — were no less famous.

In some ways they were even more so. Gagarin's launch took place amid deepest Soviet secrecy while Alan Shepard's, three weeks later, was a glaringly public affair. *The Real Right Stuff* cuts straight to the chase: we begin with crowds gathering at Cape Canaveral and TV announcers gravely informing viewers that regular TV shows are being suspended for live coverage. Even *The Shirley Temple Show* could not compete with the spectacle of the first American being shot into space atop a modified Redstone missile.

Shepard and the rest of the Mercury Seven were hot media property well before blast-off, depicted as clean-cut, all-American heroes, like a boy-band managed by the military-industrial complex. In 1959 Life magazine paid $500,000 for exclusive access. An early spread shown here features the wives posing demurely next to a nose-cone; on the facing page, Anna Glenn's account of her home life begins "Religion plays an extremely important role in our lives."

If that was true for her husband, John Glenn, it wasn't for some of his hard-partying comrades, which led to tensions. The Seven were neither as cohesive nor as wholesome as their image suggested, but such nuances didn't trouble the cold war's mythmakers.

They did, however, fascinate the journalist Tom Wolfe, who later constructed a whole new myth in his classic account of the Mercury programme, *The Right Stuff* — a retelling so brilliant that it can't not be referenced, and not just in the title of this film. We see Wolfe telling a TV interviewer that "right now it's hard to remember how seriously the cold war was taken back in the late '50s." This was in 1979, just before Ronald Reagan became president and the east-west stand-off acquired a deeper chill.

Wolfe's book gave rise to a fine film in 1983, and now one of Disney Plus's flagship series, a same-name eight-part dramatisation, whose final episode will air on the same day as this documentary. Since we all know how slippery history is, that "real" claim is a bold one, but Jennings sticks to the archive and weaves it together with great skill.

What fascinates is as much the vanished world of the late 1950s and early 1960s as the thrilling tale of human exploration. Like Todd Douglas Miller's *Apollo 11* last year, the crowds of spectators, captured in crisp colour footage as they fiddle with binoculars next to their mightily finned automobiles, turn out to be every bit as interesting as the vintage rockets. The can-do camaraderie of the press conferences all feels innocently of-its-time too, though rather less so when you consider that this was also the era of *Hidden Figures*, when women and people of colour were at best confined to supporting roles.

The film ends with a breakneck run-through of where all this was leading: the Apollo programme and the first Moon landing. The final two Mercury missions are mentioned only in captions, though the last, by Gordon Cooper, lasted 34 hours — a far cry from Shepard's 16-minute inaugural trajectory. But, as the ISS crew would no doubt confirm, it's the pioneers that get the press.

On Disney Plus from November 20

CLASSICAL MUSIC

San Francisco Symphony
Streamed online
★★★★☆

Richard Fairman

This has been California's week in the musical spotlight. After months of closure due to the pandemic, the Los Angeles Opera came back to life at the weekend with an online opera and, almost simultaneously, the San Francisco Symphony has launched its autumn season online, each seeking to turn social distancing regulations to its artistic benefit.

In "Throughline", its first programme, the San Francisco Symphony is aiming to tick every conceivable box. A running thread of interviews amounts to nothing less than the orchestra's mission statement as "the orchestra of *now*". New music director Esa-Pekka Salonen is introduced, and so are the San Francisco Symphony's eight newly appointed collaborative partners.

It was an ambitious idea to feature them all in one newly composed work. Heaven knows what composer Nico Muhly thought when he was invited to write a piece that would give solo spots to such diverse artists — from violinist Pekka Kuusisto to guitarist Bryce Dessner, classical singer Julia Bullock to jazz bassist and vocalist Esperanza Spalding — especially when they would be performing in different countries, and even the musicians of the orchestra could not get together in one place.

Muhly's answer to these multiple challenges — the 20-minute *Throughline* — succeeds beyond any reasonable expectations. A fantastical thread runs through the music, taking the listener on a journey through the work's 13 very short sections, the only serious jolt coming when Spalding bursts in with her upfront, jazz-based vocals. A mournful air on bass flute from Claire Chase and Bullock's rapt solo, beautifully sung, provide resting-places of calm along the way.

As Muhly comments, it is hard to get away from the idea of an orchestra as "one gigantic room of people", but social distancing here meant writing for small groups at a time. The result is a true concerto for orchestra, in which the players were filmed separately, each ensemble opening the window on a new soundscape. The performance ends with a transfiguring postlude, during which Salonen is filmed wandering through a forest — a green hope for the future in fire-ravaged California?

The rest of the programme travels widely in barely less time. There is a fine opening number from Ellen Reid, whose glittering *Fear/Release* for four percussion players was partly filmed overlooking the city. An extract from John Adams's minimalist *Shaker Loops* makes a natural next step. *Movements* by bandleader and sideman Kev Choice jolts us into the popular arena and the trenchant opening movement from Beethoven's String Quartet Op.95 back out again.

There have been some heterogeneous online concerts over the past half year and this counts among the more extreme, but also the more rewarding. Muhly's *Throughline* deserves further performances, though it is not clear how, when its motley line-up of performers is never likely to be on hand in the same place, or at the same time. The concert is available to view free of charge on the SF Symphony website.

sfsymphony.org

Esperanza Spalding performs in Nico Muhly's 'Throughline'

Where players write their own stories

GAMING

Tom Faber

In the flurry of announcements surrounding the release of the PlayStation 5 and Xbox Series X, one fact surprised nobody: Rockstar Games' *Grand Theft Auto V* will get a next-gen re-release, making it perhaps the only game to be released for three successive console generations, having first come out in 2013.

GTA V is, by most estimates, the most profitable media product of all time. It has sold at least 135m copies to date, making well over $6bn, more than double the takings of the most profitable film, 2019's *Avengers: Endgame*. The fact that people continue to buy this game is intriguing: in gaming years, 2013 is practically the Cretaceous period. With so many shiny, innovative games coming out each month, why do millions continue to flock to *GTA V*?

The answer reveals much about how the tectonic plates of the gaming industry have shifted over the past decade. *GTA V* offers, first and foremost, a stellar single-player experience, casting you as a trio of colourful criminals who fall into a series of daring heists.

Rockstar's signature tone is biting satire, and this edition takes aim at social media, reality TV and wellness culture, with myriad pop culture references — if a player heads to Raton Canyon at 7pm, they'll see two women careening off a cliff in a convertible, in a nod to *Thelma & Louise*. This is one of many hidden details that reward dedicated explorers of the virtual state of San Andreas, a pastiche of California and an environment of unparalleled character and detail.

But the real reason for *GTA V*'s enduring success is its multiplayer component, *GTA Online*. Though it was considered a flop on first release, Rockstar has steadily upgraded the online mode into a highly polished product, and it's not just for diehard fans: in 2020 *GTA Online* hit a new record number of players.

Regular updates to the city of Los Santos offer players new missions, vehicles, and the chance to run nightclubs where they can launder their ill-gotten gains. The introduction of fluorescent alien body suits this year led to an all-out war in which players formed armies of green and purple extraterrestrials and hunted each other across the city — Rockstar has provided the tools for players to create their own virtual culture and history.

The smartest updates were those that encouraged players to build communities, to form biker gangs or hire each other in complex mob hierarchies. *GTA Online* evolved from an absurdist crime simulator into a virtual life where people simply went to hang out with friends and drive cars they could never afford in the real world.

GTA Online evolved from an absurdist crime simulator into a virtual life

Simultaneously, players latched on to the rising popularity of video platforms YouTube and Twitch to post videos of themselves playing to massive audiences — at the time of writing, 11m hours of *GTA V* were watched on Twitch in the past week.

One vibrant community performs elaborate stunts in the game world, spending countless hours practising driving off ramps or skydiving through the outstretched arms of pylons on the slopes of soaring Mount Chiliad. Another group thrives on role-play servers, where players are assigned everyday jobs and perform their roles in character. Some work real-time eight-hour shifts as virtual cops, arresting drug dealers and handing out fines for traffic violations. Role players make their own theatre in-game, improvising soap-opera storylines which viewers lap up in their thousands.

Rockstar made the clever move early on to allow players to tinker with the game's software. It introduced an editor mode which lets players direct the world's time, weather and denizens to create films with video game casts (known as "machinima"), which range from nature documentaries to three-hour Bond rip-offs. Those who want to dive deeper can join a community of "modders" who edit the software to update graphics or add features such as superheroes or an LGBT pride parade.

The success of *GTA V* points to how game development is evolving. Players no longer buy titles for a single experience, to be completed and left behind. Now games are built as platforms that are updated over time, from which developers continue to profit from microtransactions. This business model divides the opinions of gamers, but it allows a single game to stay relevant over generations of consoles because there's always something new to do.

The fictional state of San Andreas has become a playground and home for gamers like no other. While they await news of *GTA VI*, it is easier to return to these familiar haunts than try something new. They have grown up with this game, and it has grown with them, too.

'Grand Theft Auto V' is generally estimated to be the most profitable media product of all time

FT BIG READ. EUROZONE ECONOMY

Europe enters damage limitation mode

While hopes are rising for the rollout of vaccination programmes, the bloc's countries and companies must first navigate a turbulent period of restrictions caused by the second wave of the virus.

By Martin Arnold, Miles Johnson and Daniel Dombey

The family owners of Due Ladroni, one of the favourite restaurants of Roman high society and known for its glamorous late night crowd, are feeling the pinch of the Italian capital's 6pm coronavirus curfew that has wiped out 70 per cent of its turnover.

"Our customers are used to coming here for late dinners after the theatre, but there is no theatre," says Michela Di Maria, who now runs the eatery built up by her late father with her mother and brother.

Normally a dinnertime venue for politicians and business leaders to mingle with actors and models and where the paparazzi once lurked in the piazza outside, it has been reduced to serving only lunches.

"People just don't drink as much, or eat as much at lunch as they do at dinner. They are not eating oysters, they come in for a plate of pasta," says Ms Di Maria. She believes a new closure of all restaurants in Rome is likely, as has already happened in the northern provinces of Lombardy and Piedmont.

With Covid-19 infection rates in Italy and many other countries soaring well above those reported during the first wave in the spring, the big worry for European policymakers is that the restrictions on struggling businesses like Due Ladroni may stretch them to breaking point and put strain on the region's banking system.

Across Europe, varying degrees of national lockdowns have been reintroduced to try to contain the resurgence of the pandemic, which is once again threatening to overwhelm public healthcare systems. Restaurants, bars, gyms, cinemas and theatres have been forced to close and curfews are in force across the region, while France, Ireland and Belgium have closed non-essential shops — prompting uproar from independent shopkeepers.

> 'We have contingency plans of two to three years, because that is how long it may take activity to return to normal'

Even though the new restrictions are milder than in the spring and most schools and factories remain open, the measures are still expected to cause another downturn in the economy, which remains well below pre-pandemic levels despite a strong third-quarter rebound.

The 19-member eurozone was already on the brink of recession before the pandemic struck, weighed down by trade tensions, Brexit worries and disruption caused by a clampdown on emissions at carmakers. Having been hit harder than other advanced economies by the first wave of the virus, which plunged Europe into a record contraction in the first half of the year, the bloc partly recovered in the third quarter. But it is now expected to endure a double-dip recession, dragging it further behind the US and Asia.

The resulting economic pain could have big consequences, especially for services companies such as restaurants, hotels and airlines that have borne the brunt of the crisis.

With several vaccines now close to going into production, there is light at the end of the tunnel. But EU officials are worried about the economic damage that will be caused before life returns to anything approaching normal.

Christine Lagarde, European Central Bank president, said last week that the second wave poses considerable danger to the economy. "Firms that have survived up to now by increasing borrowing and drawing on their savings could decide that remaining open no longer makes business sense," she added.

The ECB is warning that fallout from the pandemic could produce €1.4tn of non-performing loans in a severe scenario — more than the 2008 crash. While this prognosis is seen as alarmist in some quarters, it stirs memories of a decade ago when an economic crisis morphed into a financial one that threatened the eurozone's existence.

Lorenzo Bini Smaghi, chairman of French bank Société Générale, says many retailers and restaurants are hoping the lockdowns will be lifted in December, as they are "counting on Christmas" to save them. But he warns: "If that is gone then the impact will be very strong."

Prescription for recovery

There is one big difference from the financial crisis. This time, Europe's response has been much swifter and more forceful. Olaf Scholz, Germany's finance minister, hailed the EU's creation of a €750bn recovery fund to support the hardest hit countries as a "Hamiltonian moment", invoking the first US Treasury secretary who helped to create US fiscal union by taking on the debts of the states in 1790.

A plethora of government furlough schemes, loan guarantees and tax deferrals, combined with the ECB's ultra-loose monetary policy, have managed to avert a big wave of business failures or job losses. Instead, insolvencies have fallen in many countries this year. In Germany, the requirement to declare insolvency has been suspended temporarily. While the banks' share prices have fallen and they have increased their provisions for an expected wave of bad loans, these are yet to materialise.

The global economic outlook has brightened with the news that vaccines developed by Germany's BioNTech with Pfizer and by Moderna of the US have been more than 90 per cent effective in trials and could start production within weeks, raising hopes that an end to the pandemic is in sight.

Olivier Blanchard, former IMF chief economist, says the vaccines' unexpectedly high efficacy rates are "indeed a game changer" that implied "it is now likely we shall be out of the woods by the end of next year". He adds: "Thus, other things being equal and if we control the current explosion of the virus, it should help confidence and give a boost to demand now."

Some policymakers even see the potential for a bounceback in the economy similar to the prosperity that followed the Spanish flu a century ago.

"Post world war one and two waves of the Spanish flu at the start of the 1920s, economies and societies were quite devastated," says Olli Rehn, governor of the Finnish central bank. "We've had a financial crisis and now a pandemic, with savings rates going very high, so if there is no big increase in insolvencies we cannot rule out that there will be quite a big rebound — even if it is not quite the Roaring Twenties."

Mr Rehn says a substantial monetary and fiscal stimulus was still needed "to build a bridge over these troubled times". However, he adds that Joe Biden's election as US president would also provide a boost for Europe by reducing trade tensions, which have hampered the region's export-focused economy since Donald Trump entered the White House. Output and orders at Europe's manufacturers have already been rising swiftly, driven by exports to Asia, particularly to China — in contrast to the more sluggish services sector.

The eurozone demonstrated its resilience by bouncing back much faster than expected in the third quarter with record growth of 12.7 per cent.

"The strength of the third quarter suggests that the initial policy response was effective and the capacity of the economy to recover is still in place," said Ms Lagarde. "But it will require very careful policy management to ensure that this remains the case."

Regional scarring

Even if an effective vaccine is approved quickly, it will take many months for it to be produced, distributed and administered to enough people to return life to something resembling normality. Economists worry that many more businesses could collapse before then, pushing up unemployment, and even after the pandemic ends there are still likely to be parts of the economy suffering longer lasting damage, such as airlines and retailers.

"The vaccine will change things, but it is not for tomorrow," says Lucrezia Reichlin, an economics professor at the London Business School. "The crisis will cause some scarring, particularly in certain sectors and regions." To avert a plethora of bankruptcies among small family-owned businesses, European governments "need to be more innovative" by providing grants or equity injections, says Ms Reichlin, a former head of research at the ECB.

Germany, France, Italy and Austria have already pledged tens of billions more euros in aid to offset revenue losses for companies hit by the latest lockdowns. Vítor Constâncio, former vice-president of the ECB, says other countries should follow suit and even extend support more widely. "The vaccine seems certain to be coming by next spring, so people and firms have to be kept afloat until then," he says.

Monika Schnitzer, an economics professor at Ludwig-Maximilians-University of Munich and adviser to the German government, says businesses such as shops, hotels and cafés that rely on customers being in city centres were "in a structural transformation even before the crisis, and this has been exacerbated by the crisis . . . these sectors will have to change".

Some European businesses in the hardest hit sectors are on the brink of collapse. Norwegian Air, the heavily indebted airline, said for the first time last week that bankruptcy was a possibility. In Spain, the 210 staff of Majórica were recently told that the 130-year-old company was filing for insolvency due to a sharp drop in sales of its artificial pearls during the pandemic.

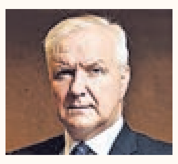
Raymond Torres, chief economist at Funcas, Spain's savings banks foundation, says: "If the pandemic goes on significantly longer there is the risk of zombification, particularly in the most affected service sectors — transport, hospitality, tourism — which means not so much a problem of lack of liquidity as possible insolvency."

Balearic chill

Nowhere is the pain of lockdown restrictions being felt more acutely than in Spain's Balearic Islands, where the economy depends on attracting tourists to locations such as Mallorca and Ibiza, and where output collapsed by 21 per cent in the 12 months to the end of September. For the year as a whole, the Balearic regional government expects a fall of almost 30 per cent — worse than during the financial crisis.

"When the crisis hit in March, our hotels had contingency plans of two, three, or six months," says María Frontera, head of the Mallorcan hotel business federation. "But now we have to have contingency plans of two to three years, because that is how long it may take activity to return to normal . . . There are a lot of hotels that will not be able to reopen next year, since although there will be a reactivation, we know that demand will be very low."

Finnish central bank governor Olli Rehn foresees 'quite a big rebound' if a wave of insolvencies can be avoided



Ms Frontera adds that government loans have so far kept the sector afloat. Her own Hotel Marina on the northern coast of Mallorca, which her grandparents opened 85 years ago, needed to borrow €1m. But while such loans have prevented still greater damage to the Spanish economy, it may be difficult to grant more of them as the crisis continues, and the strain on the country's businesses and banking sector increases.

Pablo Hernández de Cos, governor of Spain's central bank, has been warning about the risks of simply extending more loans to get through the crisis, which could render companies insolvent. "The mutation of this crisis into a banking one would be devastating," he warned in a recent speech.

"The crisis has already generated an increase in the level of indebtedness of many firms," he said. Adding that "more focused measures" were needed that would not increase companies' financial obligations — such as direct grants, temporary capital injections, and more streamlined debt restructuring and insolvency procedures.

European governments are counting on the €750bn recovery plan that EU leaders signed up to in July to support the extra spending they are doing to absorb the impact of the pandemic and kickstart a recovery.

The full EU budget and recovery package — more than half of which is to be paid in grants — has yet to come into force, however, and member states still need to navigate opposition from Hungary and Poland to a so-called rule of law mechanism that would tie payments to compliance with EU values.

Even assuming the recovery fund sees the light of day, it will take some time for the bulk of the cash to start hitting member states' coffers after an initial downpayment early next year. In the meantime, the commission is urging capitals to keep their own fiscal taps open.

"The consequences of this crisis will be deep and long, and this means that our fiscal policies should be kept in this very supportive stance maybe for a longer time than one would have thought," says Paolo Gentiloni, the EU's economics commissioner.

At Due Ladroni next to the Tiber River in Rome, the government has contributed about €11,000 in aid so far — a tiny sum for a business that normally turns over more than €1.5m a year. On top of lost revenues, Ms Di Maria says it has also had the extra cost of complying with virus prevention rules by buying bigger tables, masks, plastic menus and barriers for the outside terrace.

"Every time we spend money they close us," she adds. "If they are going to close the restaurants they need to give us more help. We have worked hard for years and we live on this. We are now having to spend our own private money to invest in the business and pay the staff."

Additional reporting by Sam Fleming and Guy Chazan

Below: a quiet piazza in Rome. Due Ladroni owner Michela Di Maria says that people 'are not eating oysters, they come in for a plate of pasta'. Bottom: ECB president Christine Lagarde, who says 'the capacity of the economy to recover is still in place' — FT montage

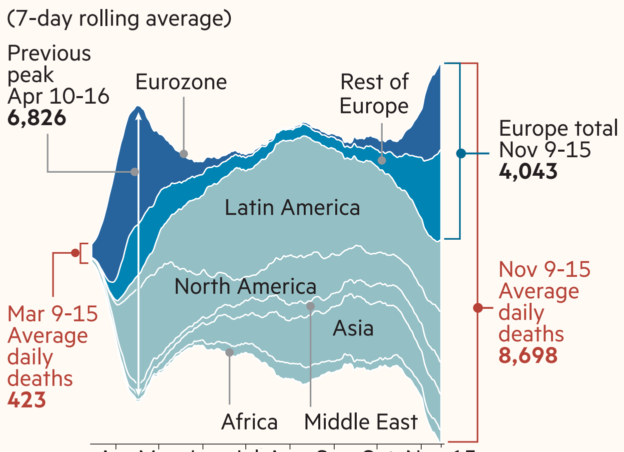
-8.3% IMF forecast of annual change in real GDP for the eurozone in 2020, compared with growth of 1.9% for China and a contraction of 4.3% for the US

€1.4tn Value of non-performing loans as a result of the pandemic, in the ECB's severe scenario

-30% Change in output projected by the Balearic government for its region this year, worse than that recorded during the eurozone financial crisis

Europe's Covid-19 resurgence pushes daily death toll higher than April peak

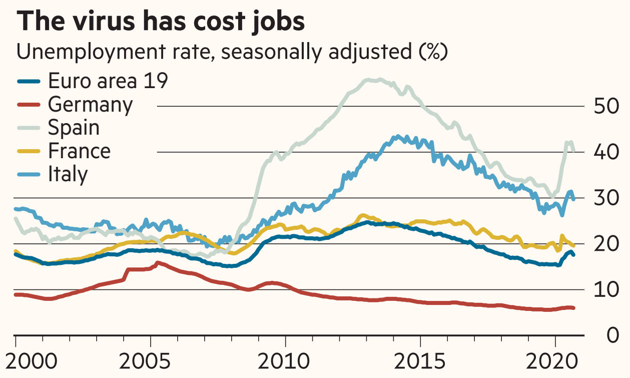
Daily deaths of patients diagnosed with coronavirus (7-day rolling average)



FT graphic: Steven Bernard / @sdbernard
Sources: FT analysis of data from the ECDC, the Covid Tracking Project, UK government Covid-19 dashboard and the Spanish health ministry

The virus has cost jobs

Unemployment rate, seasonally adjusted (%)



Source: Eurostat

FINANCIAL TIMES
'Without fear and without favour'
WEDNESDAY 18 NOVEMBER 2020

America's deepening Covid-19 emergency

Washington cannot wait for Biden's inauguration before acting

Rarely has a US presidential transition seemed quite so long. There are more than 60 days until Joe Biden swears his oath of office and Donald Trump departs the scene. In ordinary circumstances that is long enough. In the grip of a pandemic, however, the gap can be measured in human lives. Indeed, as Mr Biden has warned, more people are likely to die if the president does not co-ordinate with the president-elect.

Beyond claiming credit for recent vaccine breakthroughs, Mr Trump still shows no interest in leading America's response to the disease. The last White House task force meeting he attended was five months ago. Mr Trump is also undercutting state-led attempts to reduce the infection rate. This week Scott Atlas, one of Mr Trump's senior scientific advisers, called on people to "rise up" after the governor of Michigan, Gretchen Whitmer, announced new social distancing restrictions. This came weeks after the FBI uncovered a militia plot to kidnap Ms Whitmer.

Whatever the US is doing to combat the latest surge is happening in spite of the White House. But it is nowhere near enough. The country is in the midst of a series of "mini epidemics" — in the words of Anthony Fauci, Washington's top infectious disease expert — that spans almost every state. The past week has brought more than 1m new infections. Some states, such as New York and Illinois, are reimposing varying levels of lockdown. Others, such as Florida and South Dakota, are in effect pursuing the Swedish model of herd immunity, which even Sweden is now abandoning. The upshot is a patchwork of confusing responses that range from moderately strict to laissez-faire.

At the current accelerating mortality rate, epidemiologists say the US could be losing more than 2,000 lives a day again by early next month. That means at least 100,000 more deaths before inauguration day on 21 January. Many of these could be prevented by imposing temporary restrictions nationwide.

The good news is that Pfizer/BioNTech and Moderna may release vaccines before the end of the year. Their clinical trials have reported 90 per cent and 94.5 per cent effectiveness rates respectively. Here, though, is where the real work begins. In the absence of presidential leadership, Congress must pass a relief bill that would enable America to cross the bridge between today's soaring second wave and wide distribution of the vaccines in 2021. But congressional talks remain at a stalemate.

Mr Biden is calling on the Republican Senate to pass the $3tn package that went through the Democratic House earlier this year. Mitch McConnell, the Senate Republican leader, wants a much slimmer $650bn bill. The difference could be as much as a percentage point of US growth in 2021, according to independent estimates. It is also the difference between enabling workers to stay safely at home, or forcing them to continue commuting on mass transit amid a raging epidemic. Something close to the larger bill should be passed on economic and health grounds as soon as possible. It includes funding to ensure efficient vaccine distribution.

The other challenge is cultural. Up to half of Americans say they would be reluctant to take the inoculation. Crucially, this anti-vaxxer sentiment is present on all parts of the political spectrum. Whatever America's deep ideological divide, both parties have an interest in being part of the solution to a disease that has upended the economy and daily lives. The US does not have 60 days to squander in the fight against a disease that pays no heed to political timetables. Washington cannot wait until Mr Biden is inaugurated before it takes this challenge seriously.

Asia deal is a wake-up call for free trade

A new pact underlines the diminution of US influence in the region

At a time when the benefits of free trade are being questioned and concerns about globalisation have risen around the world, the sealing of a pan-Asia trade agreement is a symbolic moment. The signature of the Regional Comprehensive Economic Partnership, or RCEP, marks a key milestone for economic integration in the region; it spans 15 nations that together account for almost a third of the world's gross domestic product. It is the first trade agreement to bring together China, Japan and South Korea and brings Asia a step closer to the prospect of a cohesive trading bloc.

Equally important, however, is what it signals about the diminution of American influence in the region. Donald Trump began his presidency by pulling the US out of the Trans-Pacific Partnership, a trade deal that would have strengthened American ties with 11 other regional economies. Mr Trump is now ending his presidency by witnessing China sign a deal with fourteen other Asia-Pacific nations. President-elect Biden has made it clear he intends to rally American allies to push back against the growing global influence of Beijing. The signature of RCEP underlines the scale of the task.

It is important to note that despite its symbolic significance RCEP is a relatively shallow, 20th-century style trade arrangement — which concentrates on the reduction of tariffs, while largely avoiding more complex issues such as cross-border data flow, ecommerce and agriculture. It is also unclear whether RCEP's dispute resolution mechanisms will have much effect. This matters a great deal, given China's propensity for bullying its trade partners over political conflicts. Australia is currently suffering in this respect.

Nonetheless, there are key ways in which RCEP could strengthen China's regional position. The most important step is the way it liberalises and unifies rules of origin for goods traded within the bloc. This will make it easier to build flexible supply chains — which could be helpful for China for several reasons, including if the US once again target Chinese goods with sanctions. Convergence on rules of origin could also lead to broader progress on standards-setting by regulators, which might have spillover effects beyond RCEP as the bloc's trading partners respond to its demands. This will only be possible if China works together with its fellow RCEP members, rather than trying to dictate terms.

These developments represent a challenge to the Biden administration's professed aims to reassert US leadership on trade and to push back against China. In diplomatic terms, the obvious move would be to get the US to join the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), the old TPP, repackaged without American participation. Such a move would make sense in diplomatic and economic terms but it is probably politically impossible in the current US climate.

India must also consider what to do. The Modi government has aspirations to emulate China's rapid industrial growth and to see India emerge as this century's second Asian superpower. Yet it has stood aside from RCEP, for fear that nascent Indian industries will be crushed by cheap Chinese exports. But India must take care it does not relapse into the defensive, inward-looking attitude that has served the country so badly in the past.

Whatever its limitations in practical terms, RCEP serves as an important reminder that — at a time when the Western world has grown suspicious of moves towards liberalising economic relations — free trade is the best route to greater prosperity.

Letters

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Tackling mental health needs managers to be bold and candid

I wish to commend your leader regarding the challenge of tackling mental illness (The FT View, November 14). Globally it is estimated more than 264m people suffer from depression, and a World Health Organization study estimates depression and anxiety cost the global economy up to $1tn each year in lost productivity. The pandemic has certainly brought this issue to the fore.

As an occupational health practitioner with clinical experience both in the US and the UK, I have worked in businesses and health systems, where mental health issues such as anxiety, depression and work-related stress have plagued workers resulting in sickness, absence and disability.

Mental health conditions and work-related stress go hand in hand. One of the first steps in recognising and managing work-related stress is performing a risk assessment. The Health and Safety Executive provides a guideline for employers to consider; the demands of work, work relationship issues, our control over how we work and understanding our role within an organisation. These issues are viewed as possible causes of stress in the workplace.

The stigma attached to mental health conditions is not just confined to affected individuals but to large blue-chip organisations within London's financial district.

It was once almost taboo to say the stress word. But I highlight the case of Helen Green who sued Deutsche Bank in 2006 for bullying that led to mental breakdown and depression.

A High Court judge found that line managers at the bank's London offices either knew or should have known what was going on, and that there was "culpable want of care" by the human resources department.

Ms Green, whose salary when she stopped working at Deutsche was £45,000, was awarded more than £800,000 ($1.5m) — mainly to compensate her for the loss of a City of London career.

In order to preserve and promote mental wellbeing now and in the future, companies must consider the evidence in managing stress and anxiety in the workplace, being bold with progressive policies and encouraging flexibility in their managers and management style, and candour in particular on the part of human resources managers.

Christine Hosein
Occupational Health Nurse Practitioner
London SE15, UK

In US healthcare, change is driven by public sector

Regarding Patrick Mulholland's article "Tele-health offers a remedy for anxious workers" (November 16) it is important to remember that in the US healthcare system it is the government, not private commercial insurers, that drives innovative change in care delivery. Also, in mental health, it is the government's Medicare (federal) and Medicaid (federal and state) public insurance programmes that play an outsized role, paying for two-thirds of all behavioural health services provided. In addition, pioneering efforts by federal health agencies have prioritised the assistance provided to general medical practices and health systems so as to be able to offer BH services at their sites and improve care co-ordination when patients are referred to outside specialists.

This integrated care approach strengthens the essential doctor-patient relationship.

Further, receiving BH care in medical settings diminishes the social stigma surrounding mental health as no one knows you're getting MH care when you're visiting the medical clinic.

Finally, from a medical and health viewpoint, it is optimal to treat both physical and behavioural health conditions in a co-ordinated fashion as both domains are inextricably linked. So when discussing mental health in the workforce it is important to understand where innovative change is coming from and the crucial role federal and state health agencies play, as well as the roles of Congress and state legislatures, in supporting and maintaining those public mental health programmes. Employer companies know this better than anyone.

Florence Fee
Executive Director, NMHM — No Health Without Mental Health
Arlington, VA, US

"I KEEP HAVING THAT DREAM WHERE I CAN FLY."

Beijing's intervention is a crisis Hong Kong created

In language echoing that of US secretary of state Mike Pompeo, your correspondent Jamil Anderlini stated that the Chinese Communist party is intent on the "recolonisation" of Hong Kong despite commitments to a high degree of autonomy for the Special Administrative Region promised in a 1984 treaty (Opinion, November 12). His assumptions are at odds with the facts.

For many years the Chinese government gave the Hong Kong SAR a relatively free hand. On July 1, 2003, 500,000 Hong Kong people marched in protest against the introduction of Article 23 legislation, a requirement of the Basic Law, that would prohibit acts of treason, secession, sedition and subversion. The government shelved it.

In 2012, the government shelved a national education proposal after protests. In July 2014, Occupy Central paralysed the Central District of Hong Kong in pursuit of "genuine universal suffrage", a mere slogan never developed as policy.

Nonetheless, in 2015 the government introduced an electoral reform proposal that would have provided qualified universal suffrage for the Hong Kong SAR chief executive election in 2017. It was voted down by the pan-democrats, a catastrophic strategic blunder.

This year's imposition of the National Security Law occurred after months of riots accompanied by calls for independence and revolution in Hong Kong. The Hong Kong government had lacked both the political and security competence to end the riots and the rioters lacked the judgment to avoid demands that were politically toxic in Beijing.

Students of the Basic Law will be familiar with Article 18. It states that in the event Hong Kong becomes ungovernable Beijing can impose laws.

Through a lack of governmental competence and riotous misjudgments Hong Kong invited the phenomenon rioters had fought to avoid, intervention by Beijing. The security law may be unwelcome but the circumstances that occasioned its imposition were largely created in Hong Kong.

David Hall
Mid-Levels, Hong Kong

Japan's brands have long been wary of competition

I read your article "Walmart retreats after battle to crack Japan", (November 17) with interest, for back in 2009, long before this week's decision by the US chain to quit Japan, I was promoting "price cuts" as a consultant for Seiyu Walmart, its local subsidiary.

With the aim of private-branding Seiyu's popular products such as packaged foods and detergents, we searched for potential suppliers and had them compete against one another on price. At one point, Seiyu decided to make private brand instant food. So we invited Seiyu's main domestic instant food supplier to participate alongside suppliers from other countries to compete for the private brand deal.

Soon after my invitation email was received by the instant food supplier, its managing director stormed into our office without appointment, which was highly unusual according to Japanese business norms, and furiously criticised our price-cutting attempt as ridiculous, and that we displayed a complete lack of understanding of its unwavering relationship with Seiyu.

I believe suppliers, especially major national brands, certainly have what the article refers to as a "lock" in Japanese consumer markets.

Mitsuko Mori Matsuda
Tokyo, Japan

Is it too much to hope PM heeds Wilson's example?

In his article (Opinion, November 16) Martin Wolf notes the UK prime minister's efforts to undo the protocol on Ireland and Northern Ireland agreed last year, adding "it puts a bright sign over Downing Street saying 'do not trust me or my country'".

In April 1974, the then-prime minister Harold Wilson contemplated complete withdrawal from Northern Ireland severing all constitutional links between it and the rest of the UK. An interdepartmental group was set up to consider the implications. Its report, now in the National Archives in Kew, concluded that "disengagement from Northern Ireland would have consequences for Britain's standing as an ally, borrower and political and trading partner". Even Wilson realised the importance of trust and did not pursue withdrawal.

Is it too much to hope that, even at this late stage, Boris Johnson might realise the importance of trust in the conduct of affairs?

Sean Donlon
Killaloe, County Clare, Ireland

Business titans did not defend Trump poll claims

I believe a report in The Financial Times this weekend about a gathering that I convened on November 6 mischaracterised certain remarks by Stephen Schwarzman, chief executive of the Blackstone Group. Its opening paragraph and headline said Mr Schwarzman "defended" US president Donald Trump's response to this year's poll results in statements at the private meeting of 30 prominent CEOs. They had gathered in hasty response to Mr Trump's November 5 alarming, unsupported claims of a "stolen election", and no one at the event defended that denial of the fairness of the election process.

The article's emphasis missed the true distinctive contribution of this event, which was widely reported elsewhere as "business leaders for national unity". These non-political business titans met shortly before president-elect Joe Biden and vice president-elect Kamala Harris crossed the 270 electoral college vote threshold to endorse the fair, smooth election process. They were proud of their roles in encouraging their workers to take time off from work to vote and to volunteer at the polls to ensure record voter turnout. Finally, members of the group encouraged a smooth, peaceful, punctual transfer of power with a willingness to talk to GOP leaders to ensure this timely transition. This spirit was modelled in the following day's punctual clear messages from the Business Roundtable, other major trade groups, global heads of state as well as past and current elected leaders across parties.

These facts are backed up by solid evidence — such as recollections from bipartisan participants including three former US cabinet officials as well as a verbatim transcript. I was the sole convener and moderator of this unique historic impromptu gathering.

Jeffrey A Sonnenfeld
Senior Associate Dean for Leadership Studies, Yale School of Management
New Haven, CT, US

Adjusting for inflation, Keynes died a millionaire

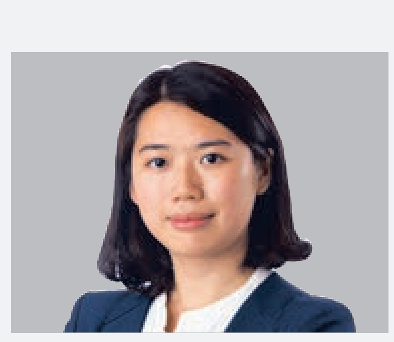
Roger Clark ("The great economist did not die a millionaire", Letters, November 13) points out that John Maynard Keynes left some £480,000 on his death in 1946. In inflation-adjusted terms this is £20m today. So he certainly did well for himself!

Peter Verstage
Onchan, Isle of Man

Fear is the new normal for the territory's democrats

Hong Kong Notebook

by Nicolle Liu



The last time I saw many of my social media friends online was June 30, the day Beijing passed a national security law for Hong Kong. My friend list was shortened and some reappeared with names that I did not recognise. Many removed their accounts out of fear that they might be pursued for even the smallest slight against the government.

The law gives the authorities sweeping powers to suppress dissent. It was introduced after Hong Kong was rocked by anti-government protests, starting last year, which Beijing said were inspired by foreign forces. Four months on, the territory seems to be returning to normal despite the Covid-19 pandemic that has forced everyone to wear masks. However, under the surface, there is a sense of terror among people in the pro-democracy camp.

At a recent dinner, friends and relatives hushed their voices and looked at other tables before they started criticising the government and expressing sympathy for arrested protesters. Fear has been intensified by a national security reporting hotline, set up by police, that received more than 10,000 messages in the first week, according to local media.

The new law represents Beijing's tightening grip over Hong Kong, whose autonomy was embedded in the 1997 handover from British rule. Crimes such as terrorism and subversion, which experts say are vaguely defined, carry penalties of up to life imprisonment.

My commute to work in Hong Kong's business district is once again crowded with bankers, lawyers and accountants. Investors pour billions of dollars into the stock market, though the $37bn listing of Ant Financial, which would have been the world's largest, was halted last month after regulatory intervention from China.

Walls with protest slogans, such as "Liberate Hong Kong, Revolution of our Times", have been painted over. A mainland Chinese bank that had boarded up its entrance against anti-government demonstrators has dismantled its defences. Red and yellow banners showing support for Beijing are a common sight.

Close inspection reveals lingering evidence of the protests. Some metal fences that demonstrators removed from footpaths have yet to be replaced. Brick pavements plundered for projectiles are cemented over. Sometimes you will see a tiny Pepe the Frog image — a symbol of resistance — hiding on an alleyway corner.

Dozens of protesters I had met have been arrested. Others have fled abroad to seek asylum. Twelve were detained in mainland China in a speedboat en route to Taiwan. Joshua Wong, one of "Beijing's top enemies", expects to be arrested by the national security police. Almost 30 people, including his ally Agnes Chow and pro-democracy media mogul Jimmy Lai, were detained on national security charges. The Chinese authorities have said their law will "target an extremely small number of people". However, the government has signalled its net is wider by cracking down on Hong Kong's legislature, education system, media and judiciary.

"To leave or not to leave" is a constant topic of conversation. I have bade farewell to cousins and friends who have decided to leave despite the pandemic. Some told me that they did not want their children to be "brainwashed" by patriotic education in school. "I do not want to, one day, hear him telling me that democracy will only crease a mess," one said.

But many find it too difficult to leave their beloved home. The question I often ask them and myself is: "What is your bottom line? What would prompt your exit?" I have been pushing back my plan. The red line was supposed to be if any journalist was arrested or raided. But the offices of Apple Daily have been searched, and a journalist who reported on allegations that the police failed to protect civilians has been arrested. I am still here.

Others have asked me, "Are you worried about your coverage?" or "Do you think you're in a dangerous situation?" As the national security law takes hold across Hong Kong, the only answer is to try to think and behave as "normally" as possible. Prepare for the worst but pretend everything is fine — that is, until the day comes when you cannot ignore the danger any more.

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Opinion

Without Trump to loathe, US Democrats face troublesome splits

AMERICA
Janan Ganesh

My first thought was "only in Washington". My second was "where can I get one?" As fans of Joe Biden cheered his election win near the White House two weekends ago, a journalist photographed one who was cloaked in a Nato flag. That minatory compass on a blue background would have stood out against the walls of leftist graffiti thereabouts.

Those who treasure the armed alliance were as one with peace-sign daubers against President Donald Trump. So were the cosmopolitan rich and the socialists who would tax them. So were strict liberals and critics of liberalism as a cover for unconscious racism. For four years now, Mr Trump has brought some improbable people together.

Even before his formal departure, his adhesive effect on the US left is weakening. Moderate Democrats blame the party's mixed Congressional results on its off-putting radicals. The accused, congresswoman Alexandria Ocasio-Cortez among them, reply that candidates who stood on "Medicare for All" and other statist policies got elected. Whoever is right, these recriminations have started even before the realities of presidential power set in: the dashed hopes, the galling trade-offs. Each one has the potential to turn Democrat against Democrat.

A lot has been said about the future of the Republican party after Mr Trump. But his exit is a no less disruptive event for the Democrats. The urgency of beating him has kept their unstable compound of factions together in recent years. Without him, they are at liberty to squabble. A truly cynical Republican would not dispute Mr Trump's election loss at all, but shoo him out, the better to hasten the coming Democratic feuds.

Mr Biden has to fashion a cabinet, then policies, to please a party that spans Wall Street alumni and avowed socialists. With the Democratic caucus due to shrink in the House of Representatives, the second group, while few in absolute number there, will gain in relative weight. And in assertiveness, too.

> Biden is left to choose which side of his fractious party to let down

The left went along with the centrist heresies of the New Democrats in the 1990s because the party had been out of power for so long. Now, just four years since the last Democratic president, there is none of that docility.

Mr Biden can at least console himself that economic policy, his immediate priority, is given to the splitting of differences. Much less negotiable (and fathomable to a man who turns 78 this week) is the clash of underlying values.

If this year has thrown up a lesson beyond the coronavirus pandemic, it is that a — perhaps the — culture war burns within the left, not between left and right. On one side are liberals who define justice as equality before the law. On the other are those who see this republican ideal as a sham, preferring group rights along ethnic and gender lines instead. Whether or not to "defund the police" is but a detail in this argument over what it means to be progressive. It is roiling the internal politics of newspapers, universities and publishing houses. It threatened to afflict the Democratic party during the summer of protest. In the end, the mission to defeat Mr Trump helped to preserve discipline. The party cannot count on him beyond January.

Even Mr Biden's vision of the US in the world is liable to be contested from within. If, by "America is back", he means a recommitment to the Paris climate accord and the like, he will have his way. But if he envisages a steelier kind of world leadership (Barack Obama, whom he served as vice-president, bombed seven countries in his last years), he can expect to be bucked by a generation of Democrats who have few happy memories of US force abroad.

All successful parties in all democracies are coalitions of a sort. But with its vast population and two-party system, the US takes the concept to an extreme. Some 330m people have to choose between the Democrats or the Republicans, forcing each to encompass an epic range of views and interests. The Democrats must speak for Oregon, which voted to decriminalise the possession of hard drugs, and for law and order union members in the heartland.

It is too much to suggest they will come to miss president Trump. But there is no dodging the fact that he has done their party management for them for four years, serving as the most effective Democratic whip imaginable. Without him, Mr Biden is left to choose which side of his fractious party to let down. It has never been clear whether his election spells the restoration of pre-2016 liberalism or an opening for the real left. To see both camps frolic in the capital of late is to sense that one faces grievous disappointment.

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Why inflation could be on the way back

Martin Wolf Economics

The world may be shifting regimes as globalisation recedes and countries struggle to replicate China's rise

Are we about to move into a new era of unexpectedly high inflation, rather than the below-target inflation we are used to? Many dismiss this view. But the boy who cried wolf was right the last time. A book just out is crying wolf insistently. Notably, it states that, as a result of today's fiscal and monetary largesse, "as in the aftermath of many wars, there will be a surge in inflation, quite likely more than 5 per cent, or even on the order of 10 per cent in 2021". That would change everything.

The prediction comes from *The Great Demographic Reversal* by Charles Goodhart, a respected academic, and Manoj Pradhan, formerly at Morgan Stanley. Its prophecy of imminent inflationary doom is in fact less significant than its analytical framework. These authors argue that the world economy is about to shift regimes. The last time this happened was the 1980s. The big shifts four decades ago were not so much the desire to bring inflation under control, but globalisation and the entry of China into the world economy. That era, they argue, which was one of low inflation and high, rising indebtedness, is now ending. Its inverse will soon follow.

In the 1980s and 1990s, the economies of China, the former Soviet empire and other developing countries opened up. The Uruguay Round was agreed, which led to the birth of the World Trade Organization, to which China acceded in 2001. International economic integration advanced apace, notably through trade, but also via direct investment from high-income countries. The global labour supply for production of tradeable goods rose enormously. The big trading economies had falling birth rates and still youthful populations, reinforced by the entry of women into their labour forces. So the workforce grew faster than population and output per head rose ahead of that per worker. (See charts.)

All this together, argue Messrs Goodhart and Pradhan, caused a fall in the market power of labour in high-income countries, higher profit shares in gross domestic product, rising domestic inequality, falling global inequality, a "savings glut", weak inflationary pressures and declining real interest rates. There was a surge in indebtedness.

Now, they argue, all this is going into reverse. Globalisation is under attack and no other economies can replicate what China did. Ageing hits the growth of the labour force and exacerbates fiscal pressures. Not least, they assert, as the number of consumers rises relative to that of producers, inflationary pressure will increase. Moreover, as the labour force shrinks and globalisation weakens, the market power of labour will re-emerge, exacerbating these inflationary pressures.

These shifts will, they add, create huge policy dilemmas, especially given the extended balance sheets of governments and non-financial corporates. If the relationship between unemployment and inflation were to shift as adversely as the authors suggest, would central banks tighten as much as they might need to, in order to contain inflation? How would the authorities handle the waves of defaults? How would governments bring their deficits back under control in a world of structurally low growth (partly due to ageing), higher interest rates and pressures to raise spending? If they failed to do so, would the central banks keep printing money or permit national insolvency? In brief, are we confronting a rerun of the 1970s, in worse circumstances?

> It is vital to remember how little we know about how such changes might play out in the real world

The authors are correct in arguing that the world economy is undergoing big structural shifts. Ageing and a weakening of globalisation in the production of goods are well under way. Moreover, this process includes China. That combination will transform our economies.

Yet it is also vital to remember how little we know about how such shifts might play out in the real world. What if we had known in 1980 that China was going to open up its economy to the world and launch the biggest investment boom in world history, culminating in an investment rate of 50 per cent of GDP? How many would have predicted that the macroeconomic situation a few decades later would be one of excess savings, low real interest rates, ultra-loose monetary policies and debt overhangs? Most would surely have assumed that booming China was about to *import* savings massively and so *raise* real interest rates and *export* net demand, instead.

Similarly, Messrs Goodhart and Pradhan may be right that, in their brave new world, the desire to save will tend to fall faster than that to invest, the savings glut will turn into a shortage, and real interest rates will soar. But the difference between desired savings and investment is a narrow one. It is quite possible, instead, that, with slow economic growth and continuing declines in the relative price of capital goods, corporate retained profits will continue to exceed investment in high-income economies. The Chinese corporate sector might also follow suit. If so, demand might stay weak and real interest rates low for a long time, reinforced by the huge private-sector debt overhangs in all these economies.

It is not even clear that globalisation was the main historic driver of changes in labour markets. It was just one element in a set of transformations — new technologies, the shareholder-value-maximisation model of corporate governance, the rising role of finance and growing monopoly power.

Doubts about these theses are warranted. But it is also dangerous to extrapolate the present into the future. In 1965, few imagined that postwar Keynesianism would shortly die. The world of "lower for longer" may similarly vanish. Big changes are in process. We need to think rigorously about how our future may differ from out past.

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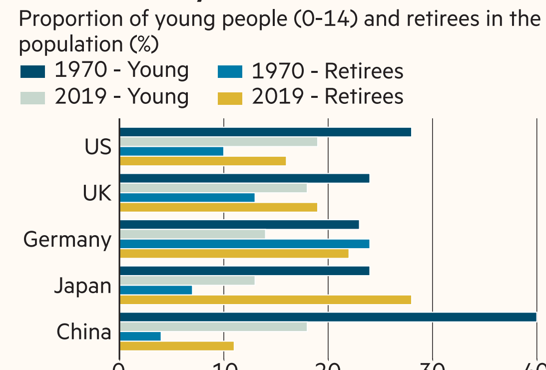
The transition to old societies is already well under way

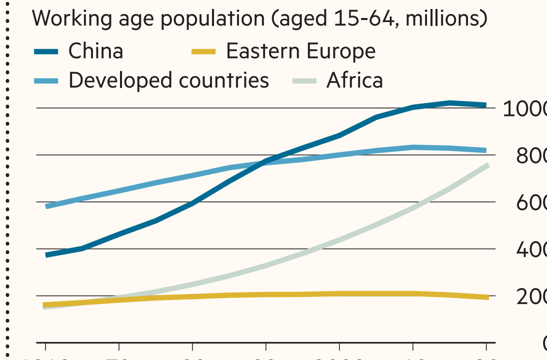
Proportion of young people (0-14) and retirees in the population (%)



Source: C Goodhart & M Pradhan 'The Great Demographic Reversal' (Palgrave Macmillan, 2020)

Growth of the working-age population is slowing in the core of the world economy

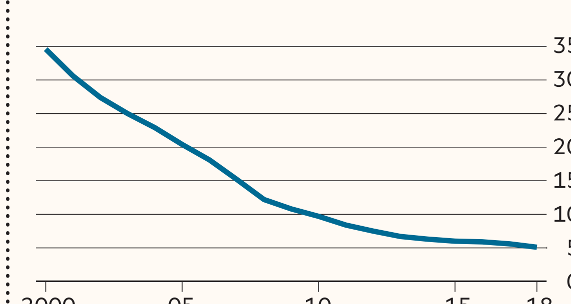
Working age population (aged 15-64, millions)



Source: UN

The jump in wages in China relative to the US in the age of globalisation

US wages as a multiple of Chinese wages



Source: C Goodhart & M Pradhan 'The Great Demographic Reversal' (Palgrave Macmillan, 2020)

Now is the time to plan Britain's green recovery

Boris Johnson

Slowly but surely humanity is taking the upper hand in the fight against the virus. We have not won yet. There are still hard weeks and months to come. But with better drugs, testing and a range of vaccines, we know in our hearts that next year we will succeed.

We will use science to rout the virus, and we must use the same extraordinary powers of invention to repair the economic damage from Covid-19, and to build back better.

Now is the time to plan for a green recovery with high-skilled jobs that give our people the satisfaction of knowing they are helping to make the country cleaner, greener and more beautiful.

Imagine Britain when a Green Industrial Revolution has helped to level up the country. You cook breakfast using hydrogen power before getting in your electric car, having charged it overnight from batteries made in the Midlands. Around you the air is cleaner; trucks, trains, ships and planes run on hydrogen or synthetic fuel.

British towns and regions — Teesside, Port Talbot, Merseyside and Mansfield — are now synonymous with green technology and jobs. This is where Britain's ability to make hydrogen and capture carbon pioneered the decarbonisation of transport, industry and power.

My 10-point plan to get there will mobilise £12bn of government investment, and potentially three times as much from the private sector, to create and support up to 250,000 green jobs.

There will be electric vehicle technicians in the Midlands, construction and installation workers in the North East and Wales, specialists in advanced fuels in the North West, agroforestry practitioners in Scotland, and grid system installers everywhere. And we will help people train for these new green jobs through our Lifetime Skills Guarantee.

> This 10-point strategy will turn the UK into the world's number one centre for sustainable technology

This 10-point plan will turn the UK into the world's number one centre for green technology and finance, creating the foundations for decades of economic growth.

One — we will make the UK the Saudi Arabia of wind with enough offshore capacity to power every home by 2030.

Two — we will turn water into energy with up to £500m of investment in hydrogen.

Three — we will take forward our plans for new nuclear power, from large scale to small and advanced modular reactors.

Four — we'll invest more than £2.8bn in electric vehicles, lacing the land with charging points and creating long-lasting batteries in UK gigafactories. This will allow us to end the sale of new petrol and diesel cars and vans in 2030. However, we will allow the sale of hybrid cars and vans that can drive a significant distance with no carbon coming out of the tailpipe until 2035.

Five — we will have cleaner public transport, including thousands of green buses and hundreds of miles of new cycle lanes.

Six — we will strive to repeat the feat of Jack Alcock and Teddie Brown, who achieved the first nonstop transatlantic flight a century ago, with a zero emission plane. And we will do the same with ships.

Seven — we will invest £1bn next year to make homes, schools and hospitals greener, and energy bills lower.

Eight — we will establish a new world-leading industry in carbon capture and storage, backed by £1bn of government investment for clusters across the North, Wales and Scotland.

Nine — we will harness nature's ability to absorb carbon by planting 30,000 hectares of trees a year by 2025 and rewilding 30,000 football pitches' worth of countryside.

And ten — our £1bn energy innovation fund will help commercialise new low-carbon technologies, like the world's first liquid air battery being developed in Trafford, and we will make the City of London the global centre for green finance through our sovereign bond, carbon offset markets and disclosure requirements.

This plan can be a global template for delivering net zero emissions in ways that create jobs and preserve our lifestyles. On Wednesday I will meet UK businesses to discuss their contribution. We plan to provide clear timetables for the clean energy we will procure, details of the regulations we will change, and the carbon prices that we will put on emissions.

I will establish a "task force net zero" committed to reaching net zero by 2050, and through next year's COP26 summit we will urge countries and companies around the world to join us in delivering net zero globally.

Green and growth can go hand-in-hand. So let us meet the most enduring threat to our planet with one of the most innovative and ambitious programmes of job-creation we have known.

The writer is UK prime minister

Lex.

Twitter: @FTLex

Airbnb: room with a view

Maybe it was not planned this way. But Airbnb is undoubtedly thrilled that two coronavirus vaccines have proved highly effective just before it released its initial public offering prospectus.

The touchy-feely online holiday rentals group was slammed by the collapse in travel prompted by the global pandemic. Sales were down nearly a third in the first three quarters of this year. Revenues had grown on average by 37 per cent annually between 2017 and 2019.

The US business, which revolutionised the travel industry to the horror of some incumbents, has adapted to survive. It fired a quarter of its workforce, nearly 2,000 workers, earlier in 2020. Airbnb then raised $2bn of expensive rescue capital from private equity companies.

The benefits of this newfound discipline may be that IPO investors are ready to back a recovery driven by the end of a public health emergency. Guests should be willing to explore once again. Hosts who let out spare rooms via Airbnb will be keen to accommodate them.

In 2019, Airbnb generated $4.8bn in revenue. At the same time it decided to spend freely on marketing, technology and new services linked to its core room bookings business. Free cash flow that had hit $500m in 2018 fell to just $100m last year.

Airbnb makes money by skimming fees from room hosts and guests. Its gross booking value — the sum spent on its platform that went to room hosts, taxes and fees to the company — was $38bn last year.

If revenue growth in 2020 had been the same as the year before, Airbnb would have had total turnover of $6.3bn. Instead, the figure will be about $4bn.

The question for potential investors is whether the company's previous growth trajectory will resume by 2022. The company is seeking a valuation approaching $30bn. That is optimistic at a time when the pandemic is still burning out of control in the US and Europe.

Still, shares of the online travel agency Expedia have almost tripled from March lows and are even slightly ahead of the S&P 500 for the year. The hope is that 2020 and even the first part of 2021 are aberrations that will not recur.

It is no surprise that Airbnb is seeking to have its IPO while such upbeat thinking still resonates.

Baidu/live streaming: late mover disadvantage

Google took over the search market after pioneers such as Lycos failed to keep up with changing trends. Baidu is seen as China's answer to Google. But its slowness to adapt means it risks becoming a tech bygone like Lycos. A $3.6bn purchase of a live streaming platform is a counter-productive attempt to avert that comparison.

Growth is elusive in China's saturated market. A 1 per cent increase in Baidu's third-quarter sales was enough to please markets yesterday. Longer term, Baidu faces falling advertising sales — its main source of revenue.

The business is losing out to local rivals ByteDance and Tencent, whose video platforms are attracting plenty of viewers. You cannot say the same for Baidu's Netflix-style video streaming platform iQiyi. Its sales slipped in the third quarter, with ad revenues dropping more than a tenth.

It is no surprise Baidu is taking over a live streaming business. Baidu will buy the domestic business of platform YY Live from social media company JOYY. The platform typically features fresh-faced performers singing or dancing for small payments from young viewers.

The $3.6bn cash price implies a 34 per cent premium for the local unit compared with the trailing multiple of sales implicit in the parent's total enterprise value.

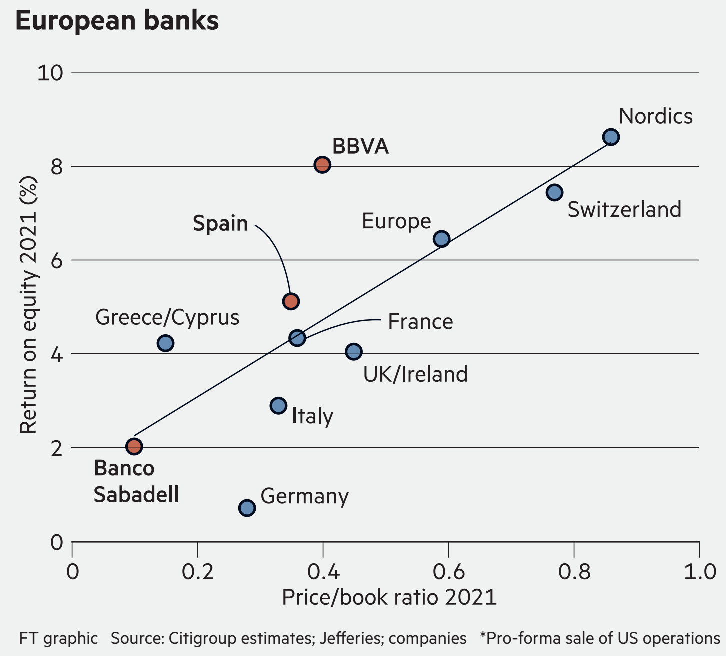
There is little to justify that price. YY Live's growth has slowed. Its users are a fraction of the 600m daily active users of market leader Douyin, the Chinese version of TikTok run by ByteDance. Markets outside China, like Singapore, is where JOYY is finding growth.

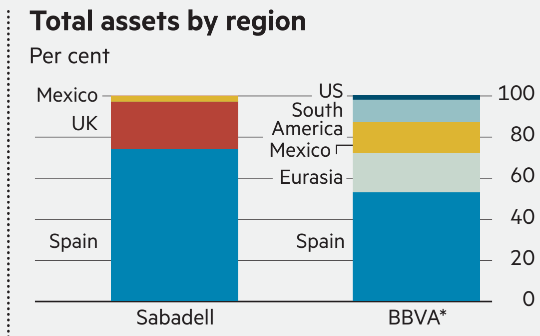
Baidu shares are up three-quarters from a March low but still trade at just 15 times forward earnings, less than half that of JOYY or Tencent. Investors should price in extra downside. Tighter local antitrust regulations loom.

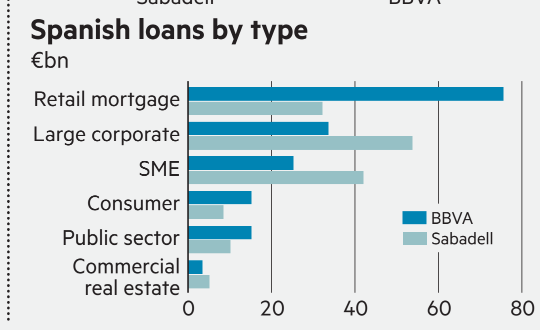
Baidu is late to live streaming, as it was in short video apps. The winners staked their claim more than two years ago. Baidu is becoming a contrary indicator: its live streaming expansion signals the craze may soon be over.

BBVA/Sabadell: mergers with urgers

Spanish bank BBVA may take control of struggling local rival Sabadell. The smaller lender's depressed valuation reflects inadequate capital, low returns and a tricky restructuring. A deal would bolster BBVA's presence in Spain, particularly in small business lending. But investors are wary.







FT graphic Source: Citigroup estimates; Jefferies; companies *Pro-forma sale of US operations

Sell high, buy low. Spanish bank BBVA achieved the first on Monday with the disposal of its US business to PNC for €9.7bn, twice the expected price. Jubilation was cut short by fears it might fail in the second aim.

BBVA has confirmed takeover talks with local laggard Banco Sabadell. A deal would aid politicians and regulators. BBVA shares fell 6 per cent as Sabadell rose by the same.

Spain is ahead of Mediterranean peers in consolidating a fragmented, uncompetitive banking sector laden with baggage from the last financial crisis. Santander tucked Popular under its wing in 2017. CaixaBank has agreed to buy former "bad bank" Bankia. Unicaja is tipped to take over Liberbank. A looming wave of non-performing loans from the pandemic creates scope for more mergers.

BBVA would occupy the country's number two slot if it absorbed Sabadell. The deal would lift exposure to small business lending and unlock cost savings. But a recent rally in Sabadell shares leaves little room for a premium. Investors fear BBVA will be lumbered with an expensive burden.

Sabadell is no great prize — its shares trade at a lowly 0.2 times book value. BBVA should seek a nil-premium, all-share merger leaving Sabadell shareholders with just under a tenth of the combined group. Even then, a deal might cost BBVA 130 basis points of capital because Sabadell's balance sheet is far weaker. That is less capital which could go to shareholders, perhaps next year, even if it would leave the combined group with a common equity tier one ratio of 13.2 per cent.

A 19 per cent boost to earnings per share after cost cuts is only marginally better than what buybacks might achieve, think analysts at Jefferies. Overlap between the two in big cities is the highest between larger Spanish banks. Unwelcome legacies would include overexposure to Catalonia and Sabadell's lossmaking TSB in the UK.

Dealing with all that would entitle BBVA to follow the template set by Santander in its state-orchestrated takeover of Popular. Help out banking regulators by all means. But do so affordably.

EasyJet/Europe airlines: Balkanised bailouts

European flag carriers have sometimes been derided as pension schemes with airlines attached. Many now look like bailout funds with wings. They will exit the pandemic as they entered it: with too much capacity. That will make life even harder for easyJet, an independent UK low-cost carrier that has revealed an annual loss of £1.3bn.

EasyJet can hardly complain when it depends just as needily on taxpayers' funds. The business has received £600m under the Bank of England's Covid Corporate Financing Facility — as well as furlough funds for 4,000 employees. It says it needs more.

Airlines are high-profile aid candidates, despite conferring little competitive advantage. Globally, they have received $140bn of state support in the pandemic, says data firm Ishka Global. Another $27bn is in the works.

EasyJet has raised about £3.1bn so far. At the end of September it had net debt of £1.1bn and liquidity of £2.3bn. Another £700m or so has come in from sale and leasebacks. There may be scope to top that up: easyJet owns just over half its fleet, and reckons to have £2bn in unencumbered planes.

But cash carbonises fast when people are not travelling. EasyJet burnt £651m in the fourth quarter when capacity was just shy of 40 per cent. It expects to fly 20 per cent of planned capacity this quarter. Losses will mount.

Boss Johan Lundgren is confident travellers will return in droves as vaccinologists tame coronavirus. When the Canary Islands were removed from quarantine measures, he notes, bookings surged 900 per cent. But even Dr Pangloss would struggle to imagine full flights. That means discounting seats to entice the reluctant. EasyJet knows how that goes. Revenues per seat were down a tenth year on year, or 27.5 per cent in the second half.

Globally, capacity is half pre-Covid 19 levels, says aviation consultancy OAG. Western Europe is particularly badly hit. Bailouts from governments for national airlines will ensure a return to uncompetitive business as usual.

Tesla/S&P 500: Musk-have purchase

Shaking up the status quo is Tesla's stock in trade. Even so, the US electric car company's admission to the S&P 500 benchmark on December 21 is going to cause a ruckus that low-profile index compilers might prefer to avoid.

Index membership means tracker funds have to buy the stock. The S&P 500 is weighted by market capitalisation and shares available for trading. Those parameters mean Tesla would be about the 14th largest company in the index by weighting (based on a market cap of $387bn).

Funds tracking the S&P 500 or using it as a benchmark totalled more than $11.2tn at the last survey by compiler S&P Dow Jones. To find space for Tesla, funds will need to eject billions of dollars worth of other stocks.

Given Tesla is the largest US automaker by market capitalisation (although not by sales) inclusion in the S&P 500 has been likely for some time. Plenty of passive investors will not mind being chained to a stock that has gained 374 per cent this year while the S&P 500 index is up 11 per cent.

Yet the criteria used by S&P are notably narrow and financial. Tesla met eligibility criteria — including a profitable year — thanks to carbon credit sales. In the last quarter, however, pre-tax income exceeded credits — suggesting profits can survive the end of credits.

Independently minded investors know valuation and leadership matter, too. Tesla is worth more than 100 times expected earnings. Carbon credit sales are expected to fall. The group still has a long way to go to show it is the category killer in electric cars implied by its stock price. Outspoken boss Elon Musk is both an asset and a risk.

S&P did not need to ponder that. Even so, the row over Tesla's inclusion — seen as belated by fans — and its outsize impact highlight a modern reality. In directing growing trillions held in passive funds, index compilers are the unacknowledged arbiters of global capital flows. Sooner or later, they will be held to greater account.

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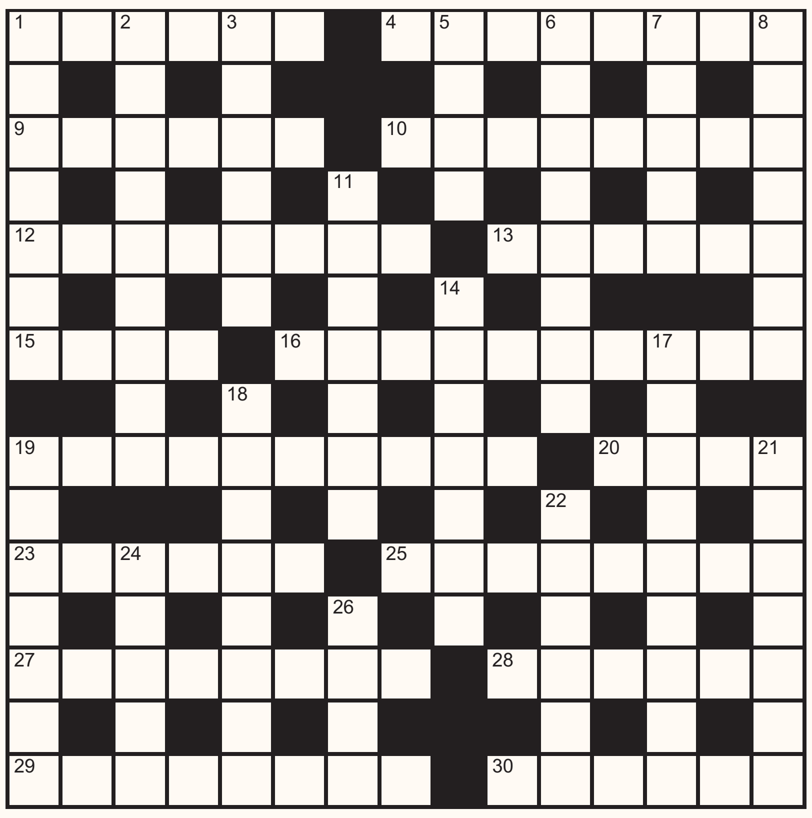
CROSSWORD

No 16,637 Set by GOZO

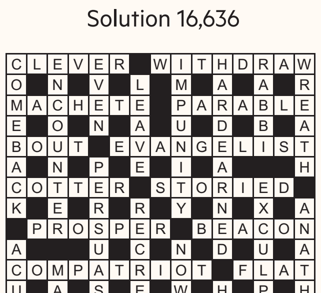


ACROSS
1 Operatic MOT mechanics (6)
4 Unending radiance and a melody about a Britten opera (8)
9 Strangely familiar if taken by Handel opera (6)
10 Heard knight got award for a Haydn symphony (8)
12 Dvorak overture showing family vehicle in perpetual snow (8)
13 Senior citizen with tattered notices removed for Wagner opera (6)
15 Nothing about unknown Mozart symphony (4)
16 Opera showing artist in Baltic land army (2,8)
19 Father's article about quiet Beethoven piano sonata (10)
20 An Indian, oddly, appearing in opera (4)
23 Heart-rending overture by Brahms at end of concert – smoke around! (6)
25 Poor tutor embracing joiner in Puccini opera (8)
27 Adult hotline may reveal Savoy operetta (8)
28 Transaction involves award for Richard Strauss opera (6)
29 Ant and Dec start rehearsing one new Rossini opera (8)
30 Admiral at Mass by Haydn in NZ city (6)

DOWN
1 Area in church where Monopoly card gets left (7)
2 Note to Frenchman, former German chancellor and artist (9)
3 Crawler with hearing aid and false hair (6)
5 Yobbo making fifty, getting dismissed (4)
6 Delay execution of agent, always up about one (8)
7 Neil Armstrong, first to return from another world? (5)
8 Drivers pinching German car to tour island nation (7)
11 Monkey chewed end off fruit (7)
14 Tough couple in Arkanas, America (7)
17 Relief reduces, when eating cold sweets (4,5)
18 Is gender affecting his plans? (8)
19 Country-lover is a soft touch about 3 (7)
21 Hunter who became a stag will perform for a long time (7)
22 A bounder in iron in *Entertainment* by Walton (6)
24 Everyone's entered for the wrestling match (3,2)
26 Starts to study hard, exercising daily in the man's cave? (4)

JOTTER PAD

Solution 16,636



Wednesday November 18 2020

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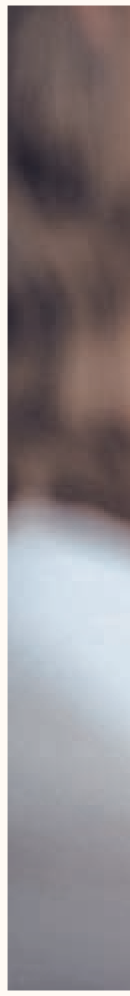
Diversity Leaders

Johannes Eisele/AFP via Getty Images

Businesses find strength in embracing inclusion

Inside

Managers must 'walk the talk' to improve inclusion



No change: the share of women in leading positions remains at around 25 per cent
Getty Images

Protests have brought race to the fore, while women still only fill one in four top roles, writes *Brooke Masters*

Biocoop has come top in the second annual ranking of European employers for diversity and inclusion efforts run by the Financial Times and research partner Statista.

The French co-operative of organic grocers beat Infineon, the German semiconductor group, at number two. They were followed in third place by last year's number one, Booking.com, the Dutch-headquartered travel site. The Diversity Leaders ranking is based on surveys of employees and recruitment professionals conducted between April and August this year.

Unlike most listings, the FT-Statista partnership examines inclusion holistically, rather than focusing on a particular category, such as gender, ethnicity or age.

Highest-ranked companies generally do well all round, but also receive outstanding marks for particular aspects, as Biocoop did for gender and disability, and Infineon for disability and LGBTQ+. Booking.com received particularly high marks for LGBTQ+, disability and gender.

Companies that have scored especially well tend to have a history of focusing on diversity and expect their managers to work on inclusion. "We started early, in 2007, with a dedicated function. It is not an HR topic. It matters for our business," says Markus Fink, Infineon's global head of human resources.

That is not surprising, says Gill Whitty-Collins, a consultant and the author of *Why Men Win at Work*. "The first thing you have to do with everyone is to get them to understand the business benefits of diversity, how if we had a more diverse group we would be delivering better results," she says. "People are very commercial. Once they understand that we are not doing this to be nice but to better our business, they buy in."

To broaden participation for this year's survey, responses were sought from more than 100,000 workers at close to 15,000 companies across 16 countries, up from 70,000 workers in 10 countries last year. Everyone was asked generally about their employer's commitment to diversity, and subsequent questions explored age, gender, ethnicity, disability, sexual orientation (LGBTQ+) and fairness. Survey participants were also given the opportunity to rate other sizeable companies in their sector.

Answers from minority groups and others targeted specifically by diversity policies were weighted more heavily — predictably, the scores they gave tended to be lower. Men, for example, were much more likely than women to be satisfied with their company's handling of gender diversity.

Chuck Stephens, global head of inclusion, diversity and belonging at Booking.com, says inclusion requires managers to work actively with all of their employees. His message to them is: "I need you to be more of a concert-master, getting the most out of each employee, rather than treating everyone the same," he says.

To be eligible for inclusion in this year's list of 850, companies had to have more than 250 employees. On average, the highest-ranked tended to do best on LGBTQ+, disability and diversity in general, while they performed worst on ethnicity.

So while the Black Lives Matter protests in the US and elsewhere helped train more attention on race and ethnicity, it was in this category that companies across the list received the lowest scores.

Only eight companies scored at least 3.8 out of a possible 5 on ethnicity: Biocoop, Chiesi, Givaudan, Hermès, Infineon, LeasePlan, Pladis and Volvo Car Group. There were clear sectoral and national differences,

Privilege blinds us to plight of others who lack it

OPINION

John Amaechi

I am incredibly privileged. It does not wound me or undermine my credibility to say so, but I must first declare it here, otherwise some reader might intimate that I am hiding my privileges to lecture you on yours.

There are numerous elements we have to get right to create a more equitable and inclusive society. Whether in or outside the workplace, the potential solutions are multi-faceted — and one of those essential facets is an understanding of privilege.

We know this because when we begin to speak about race equality and white privilege, for instance, the resistance to the idea of the existence of this entirely unexceptional kind of privilege is a war zone.

Almost everybody accepts the idea of privilege in one dimension or another, often without understanding the nature of its operation. But we often consider its benefits through a cartoonish lens, imagining that any one advantage means someone's life is hallowed and that person is immune from all other hardships.

White privilege is too often either dismissed as a radical delusion or, conversely, used to suggest white people live lives free of suffering — both are wrong. In a recent BBC Bitesize educational video, I described privilege as "the absence of an impediment".

There is nothing unique or pejorative about white or indeed any privilege. It is merely that when we don't acknowledge them, our privileges can make us blind and unempathetic to the plight of others who do not have them. It does not mean that having one type of advantage means you have it easy.

It is incredible how often people's acknowledgment of privilege ends at the white variety.

It does not really matter what kind of privilege we focus on, whether a private-school education or being upper class, where one might imagine a group whose accents or command of Latin help ease their way through the world of work, or that of gender.

My eyes were opened wide to male privilege by a 2018 tweet by activist Danielle Muscato. She asked women what they would "do if all men had a 9pm curfew".

The challenges of gender equity were never lost on me, but what struck me was the sheer mundanity of the answers from women across the world: "I'd run at night", "I'd walk with both earbuds in", "I'd take public transport", "I'd leave my drink at the bar" — and on and on, relentless in their banality and all the more poignant for it.

One man in the thread spoke for me and others when he said: "Wow, I feel horrible right now. None of this has ever occurred to me as an issue. I run; I go do whatever I want whenever I want. Why aren't women filled with uncontrollable rage all the time?"

To solve the challenges that women face, as a tentative first step we must realise these challenges exist, which for men means looking beyond their privilege of never having had to worry about such issues.

'I not only think every time I leave my house I might be stopped and searched, it happens three times a year'

I am a 50-year-old, law-abiding, incredibly privileged, psychologist — and yet I am terrified of the police. In pre-Covid times, when the area around my house in London teemed with tourists, I sometimes looked in awe as Brits and visitors alike would tap uniformed officers on the shoulder to ask for directions.

I know not all police officers hate black people, but I know that my blackness, along with my size (I am 6'9"), is the first thing people see and — through no fault of my own — this combination is terrifying for some. Unlike the vast majority of white people reading this, I not only think about the possibility of being stopped and searched every time I leave my house, it is a reality some three times a year. (Conversations with black friends and black social media tell me I am lucky it is only three times.)

It is hard to convey the humiliation of being held by the arm by a man in uniform who is "politely" asking me where I have been or "what I am doing around here". The impotence of my other privileges becomes stark, as the crowds stream past me shooting furtive glances, secure in the knowledge that another violent, knife-wielding drug-dealer is being taken off the streets.

Privilege is not a pissing contest, it is about understanding the hidden ways that different people's lives are made more difficult for reasons we often refuse to consider. No one privilege necessarily immunises a person from the challenges of the absence of another.

Asking you to acknowledge your privilege does not minimise your personal hardship and suffering. It does not make your pain any less legitimate if you acknowledge someone else's pain, which, by chance or birth, you find yourself free of.

When it comes to white privilege, having it does not make your life easy, but understanding it can make you realise why some people's lives are harder than they should be.

John Amaechi is an organisational psychologist, the chief executive of APS and a former NBA basketball player

says Camille Simon, who led the project at Statista. Employees in the Netherlands, the UK and Ireland were most likely to approve of their employers' efforts to promote diversity and inclusion, while those in France and Italy were most likely to feel their companies were falling behind.

Healthcare, travel and restaurant companies — though not retail — led the field on gender diversity policies, while construction companies and oil and gas groups did especially badly.

Meanwhile, banks, IT companies and oil and gas groups led on disability, while alcohol and tobacco companies, wholesalers and business services groups lagged behind in this area.

There appears to be strong correlation between overall employee satisfaction and their approval of the way their companies handle diversity and inclusion. "That is very good because it means that if employers work on diversity, it will increase employee satisfaction," Ms Simon says.

Despite the greater attention paid to diversity and inclusion this year, the share of women in leading positions remains stable at around 25 per cent. However, Statista's research both this year and in 2019 shows that companies that do well in the rankings tend to have a higher share of women at the top.

Kjerstin Braathen, chief executive of Norway's biggest bank DNB, which places fourth in the survey, says the most important aspect is "tone from the top" (See interview on page 4). "Diversity needs to be defined as a strategic objective," she stresses.

Ms Whitty-Collins warns that for many companies, inclusion requires more than just hiring and promoting diverse people. "Companies have to wipe out any dominance in the culture," she says. "In order for people to perform well they have to feel comfortable and relaxed."

For companies that want to improve their standing in the rankings, the leaders have this advice: "The most important thing is that it takes time. It is about reception and it needs management and leaders to walk the talk. Finally, it is about culture," says Infineon's Mr Fink.

"Keep it simple, build on your strengths and focus on a few things. There is low-hanging fruit, so you can provide people with some easy wins while you are working on the systemic issues," adds Booking.com's Mr Stephens.

Additional reporting by Richard Milne

Fashion tries to weave inclusivity into its fabric

Luxury

High-end brands strive for progress by hiring diversity officers, writes *Lauren Indvik*

Prada appointed its first chief diversity officer last month, as big-name luxury businesses continue to respond to tight scrutiny of their progress on diversity.

The move followed an investigation by the New York Commission on Human Rights into Prada's diversity and inclusion practices that in February led to its Milan-based executives — including head designer Miuccia Prada and her husband and chief executive Patrizio Bertelli — agreeing to undergo "racial equity training".

The Italian luxury fashion house had come under fire in December 2018 after Chinyere Ezie, a civil rights attorney, spotted a pair of black, Sambo-esque monkey figurines in Prada's SoHo store in New York. Prada swiftly issued an apology and removed the offending merchandise.

The brouhaha could perhaps have been avoided if Prada's workforce had been more racially diverse. At the time of the incident, there were no black employees at Prada's Milan headquarters, Ms Ezie wrote in an email to the FT, citing a conversation she had with Prada chairman Carlo Mazzi in March 2019. Prada declined to comment.

In 2019 Prada established a Diversity and Inclusion Advisory Council, co-chaired by the artist Theaster Gates and film-maker Ava DuVernay. And last month Malika Savell became the company's first chief diversity, equity and inclusion officer for North America. Dozens of luxury companies posted messages of support on social media for the Black Lives Matter movement following the police killing of African-American George Floyd in May.

Yet many of these brands lack diversity in their own ranks and, therefore, are open to risk of severe reputational damage — as Prada, Gucci and Dolce & Gabbana have each learned from their own recent high-profile missteps.

Less diverse businesses are also likely to be less innovative, which can drag on the top line.

A Boston Consulting Group studyin 2018 found that companies with above-average diversity within their management reported innovation revenue that was significantly higher than that of companies with below-average diversity — at 45 per cent of total revenue versus 26 per cent. Gucci hired its own diversity chief last year following a backlash for retailing an $890 jumper also said to resemble blackface. Burberry and Chanel have also hired diversity leads in the past two years.

These are all positive signals that the $318bn industry is making progress — not only on racial diversity, but also in the greater representation of women, as well as employees who are disabled or above the median age.

The Financial Times' second annual Diversity Leaders list, compiled with research partner Statista, shows the extent to which companies in 16 European countries have achieved a diverse and inclusive workforce, based on the perceptions of their employees and recruitment experts.

Respondents were asked to rate the efforts of employers in their respective sectors in promoting diversity. They were also asked to share their opinions on a range of statements around age, gender, equability, ethnicity, disability and sexual orientation. The evaluations of more than 100,000 employees informed the final ranking.

Luxury is well represented in the top 850 companies featured this year. Ranking fifth overall, Hermès is the second-best improver on last year's list, where the French fashion house ranked 535 out of 700 companies. It performed strongly on ethnicity and diversity in general last year — and this year it was one of only eight companies to score above 3.8 out of 5 on ethnicity. Yet its biggest improvement is on gender and disability.

Giorgio Armani comes in at number six, while Prada (57) and Hugo Boss (97) make it into the top 100. Prada scored well on LGBT+ and diversity in general, and lowest on ethnicity and age. LVMH does not show in the top 850 — though several

Link progress to value creation to deliver results

Interview

Kjerstin Braathen

The head of DNB tells *Richard Milne* why businesses must 'own' diversity agendas

If ever there were a company you would expect to have no problems with gender diversity, it is DNB.

Norway's biggest bank has a female chief executive and chair of the board, and is based in a country with long-established gender equality in politics and the boardroom, where since 2008 at least 40 per cent of directors of public companies have to be women.

But Norway has struggled with gender equality in one area — corporate management — and although DNB is now ahead of many local companies its progress has not been easy.

Kjerstin Braathen, DNB's chief executive for the past year, says that when she joined the bank's top management team in 2013 she expected the route to having at least 40 per cent female executives to be straightforward.

Indeed, DNB's share of female managers had slipped between 2009 and 2011, when it languished at 26.6 per cent. By the middle of this year, however, 39.3 per cent of managers were women.

"It has been a lot stickier than I thought. I was so confident [in 2013] of the idea that this has just to do with time. But the statistics were going in the opposite direction," she says in an interview at DNB's headquarters overlooking the Oslo fjord. "We realised we had to do more."

Ms Braathen is a rare example of a female chief executive at a listed company in Norway — an area where the country scores surprisingly badly in international comparisons and trails the EU average. She says that part of her job is to act as a role model to other women lower down in the hierarchy. Progress on gender has contributed to DNB placing fourth in this year's FT-Statista diversity ranking of European employers.

Ms Braathen argues there is "no silver bullet" to improving diversity, but some crucial things need to be in place.

'We can only do it with a common understanding. We need managers at all levels to buy into it'

Kjerstin Braathen, DNB

First is support from the very top of the company, both from the management and the board. "The tone of voice from management and the board: it needs to be defined as a strategic objective," she says.

Second is that the strategy needs to be backed by concrete goals and measures in areas such as recruitment and talent development, but also in building a culture.

Financial services has long been male-dominated and Ms Braathen says DNB has had to be patient in implementing change.

To make it credible, she says, it is important not to compromise on the quality of people who are promoted or recruited. "We can't force this. We can only do it with a common understanding. It is why it has taken time. We need managers at all levels to buy into it. If you get too caught up in the fact that you are not picking the right people and you are using diversity to put in the wrong people, it brings you nowhere," she adds.

Ms Braathen stresses that DNB focuses more than ever on competence and value creation, but emphasises that excluding half the population from jobs can reduce opportunities.

Kari Bech-Moen, DNB's executive vice-president of people, focuses on several areas such as recruitment and succession planning, equal pay, gender-neutral parental leave. In the final round of job interviews there are always two candidates: the best man and the best woman.

Fashion forward: Prada hired its first diversity lead, Malika Savell, last month (top); Hermès (below) places fifth on the ranking
Getty Images

of the group's brands do, including cosmetics company Sephora (49) and Louis Vuitton (161) — the luxury fashion industry's largest brand by revenues, which analyst Bernstein estimates at $12.9bn last year.

Cartier-owner Richemont narrowly missed out on the final list. However, the Swiss group hired a director of diversity, equity and inclusion in early 2019, and is creating similar positions across its brands and geographies, says an individual familiar with the group's plans.

Gucci's French parent Kering, which in recent years has been commended for the high representation of women on its board — eight of its 13 board seats are held by women — ranked 715th. It performed less well on age and ethnicity than the likes of Hermès or Giorgio Armani.

Observers say the luxury sector still has a long way to go in terms of ethnic diversity, and that it lags behind its counterparts in the broader fashion space.

The luxury industry has made "meaningful attempts at progress", says Hannah Stoudemire, chief executive of the Fashion for All Foundation, a New York-based non-profit that promotes equality and diversity in the fashion industry. "[But] a lot of companies are not doing the bare minimum," she adds. "Specifically in luxury, there are [very few racially diverse] employees that hold senior creative positions. I could say the same about senior decision-making roles."

Ms Stoudemire advises companies to address diversity issues at all levels of the organisation and create "space and a budget" for a chief cultural officer. "This role should be mandatory and had at every company in fashion, beauty and media," she says.

> Many brands lack diversity in their own ranks and are open to risk of severe reputation harm

Ms Braathen points to subtler changes, too. DNB was hiring graduate portfolio managers for its asset management business, which has long tilted heavily towards men. It looked through its job advert and took out several phrases that may have made women less likely to apply, such as "risk-taking" and "competition", and instead focused on the job environment and relevant tasks. Of the five portfolio managers eventually hired, four were female.

She argues similar change is coming to the wider finance industry. Citigroup announced in September that Jane Fraser would become chief executive in February, making it the first large Wall Street bank to be headed by a woman. A few weeks later, Goldman Sachs appointed its first female head of a large division for several years.

"It's a result of those institutions working systematically. The more people realise this is linked to value creation and the success of your business, that is the driving force. That needs to be the driver," says Ms Braathen.

She adds that other forms of diversity are also important to the bank. It used to almost exclusively hire people with economics backgrounds; now, half its new intake comes from those with technology backgrounds. Yet Ms Bech-Moen concedes that the bank has much more to do on ethnic diversity — whereas about one in five people in Norway are immigrants or born to immigrant parents, only about 3 per cent of DNB workers are.

Reflecting on the changes since 2013, Ms Braathen says that, back then, she did not "own" the diversity agenda. "We talk about ownership from the top. But my feeling now is that our organisation owns it, our managers own it. It needs to be part of the cultural journey," she adds.

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Purpose-driven organic food chain tops the ranking

Retail

France's Biocoop builds on its co-operative roots, writes *Leila Abboud*

Biocoop, a French retailer specialising in organic foods, has been all about activism since it was founded as a co-operative in 1986 by consumers eager to promote more environmentally friendly agriculture.

So it may not come as a surprise that it also has embraced a progressive agenda towards its roughly 8,000 employees — which has taken it to the top of the FT's second annual Diversity Leaders ranking.

Each year the co-operative, which brings in about €1.5bn in annual sales, sets specifications for its 650 member stores in terms of how staff are paid and treated. These include paying salaries at least 10 per cent more than minimum wage, offering profit-sharing schemes, and setting schedules relatively far in advance to help staff manage work-life balance.

Biocoop chairman Pierrick De Ronne, who has led the co-operative since March and owns three member stores, says he wants to do more to promote diversity by adding more specific criteria on hiring, equal opportunities and mentoring to the co-operative's ever-evolving charter.

"We must remain a pioneering company so as to tackle more complex issues, not just our original mission of promoting organic foods," says Mr De Ronne. "Companies have a big responsibility and can drive change in society."

Biocoop — which moves into the ranking's top spot from sixth place last year — does not disclose data regarding the ethnic make-up of its workforce as the collection of such data is tightly proscribed in France. But its annual report provides glimpses of its work on diversity. Biocoop has a mentoring programme, for instance, that prioritises the hiring of people from poor, urban neighbourhoods that are often home to generations of immigrants of Arab and African descent.

It also has a three-year plan, from late 2019, to ensure men and women are not only paid the same but are also offered the same opportunities to advance. The company says about two-fifths of the more than 1,000 staff at its central office are women.

Biocoop has also committed itself to hiring more people with disabilities and has set a goal of 6 per cent of the workforce by 2023, up from 3 per cent in 2019.

In the survey conducted by Statista, the food retailer scored particularly well on gender issues, and within the retail sector it garnered the highest scores on almost all measures. Only the UK-based natural cosmetic maker Lush scored higher on policies to support LGBT+ workers.

Mr De Ronne says Biocoop has come a long way since it was founded in a "garage" by campaigners who wanted to encourage France's farmers to adopt organic practices. "Back then, each square metre of a Biocoop store would help convert a hectare of farm land to organic production," he says.

Today, Biocoop is the biggest specialist chain in France's fast-growing organic food sector; in 2019 held about a 13 per cent share of €11.9bn market, according to trade group Agence Bio. But it now faces intensifying competition from grocery giants like Carrefour and Casino, which have expanded aggressively in organic as they seek to cater to changing consumer tastes. The pandemic has turbocharged the sector's growth as consumers seek out food seen as higher quality and safer, according to analysts.

To keep up with the growth and fend off competition, Biocoop has opened about 60 new stores this year, and hopes to open 80 next year. It also recently tried to buy a smaller rival chain, Bio c'Bon out of bankruptcy by seeking to convince the court that it would be a better owner than the other bidders because of how it would protect jobs and treat the employees. But it lost out to Carrefour on the sale.

The challenge for Biocoop will be to preserve its internal culture even as it grows. "That is the central question," says Mr De Ronne. He thinks it will be able to do so by relying on what makes the group distinctive, namely the co-operative model. Biocoop is operated and guided by its members, which include store owners, roughly 3,200 participating farmers, and about 500 of its workers.

High ideals: 'Companies have a big responsibility and can drive change in society' — Pierrick De Ronne — Biocoop

> It recently tried to buy a smaller rival arguing it would be a better owner but lost out to Carrefour

"Having such diverse points of view in our group allows us to get past short-term thinking," he says. "It's not that we don't look at the numbers or seek to profit, but our mission is also to further certain goals on the environment and society."

Biocoop will sometimes "give up revenue to defend an ideal such as consuming less but better", adds Mr De Ronne. The chain has committed to selling only in-season produce — no tomatoes in winter, for example — and banning produce flown in by aeroplane.

Such ideals are part of what makes people want to join the company. But sometimes employees can then be disappointed by the daily grind of working a cash register or restocking shelves. "Their dreams clash with the at-times boring reality," Mr De Ronne admits. "So it's up to managers and co-op owners to find ways to make the daily work more meaningful."

In any case, both as a brand wooing consumers and as an employer seeking to attract staff, Biocoop has clearly staked out its position. "We must remain radical. There will be no room in the future for lukewarm, dull companies."

Poland Warsaw's hostility to LGBT+ people gives added importance to companies' inclusion efforts, writes *James Shotter*

Workplaces can act as safe spaces for staff

Collision course: some companies' LGBT+ policies have irked Polish politicians. Left: an 'LGBT-free zone' sticker
Getty Images

It has been a tough 18 months for Poland's LGBT+ community. Since last year, the ruling Law and Justice party (PiS) has made attacks on the LGBT+ rights movement a staple of its rhetoric in a bid to mobilise conservative voters in a string of crucial elections.

The attacks peaked around the presidential election campaign this summer. President Andrzej Duda, an ally of PiS, branded the LGBT+ rights movement an ideology "more destructive" than communism. One PiS member of parliament shared a cartoon comparing gay marriage to a union between a man and a goat. Another PiS MP claimed LGBT people were "not equal to normal people" — four months later, he was appointed education minister.

The hostility has also been reflected at a local level, with dozens of Polish municipalities declaring themselves free from "LGBT ideology". ILGA-Europe, a Brussels-based NGO, recently ranked Poland the worst EU country for LGBT+ rights.

Against this backdrop, LGBT+ rights activists and employees say the role played by companies in providing inclusive work environments takes on added importance.

"Companies can be good corporate citizens, and very often their good practices can precede legal regulations in a country. Business is more agile, and we can act quickly," says Olga Ziegler, a senior associate at Dentons, the law firm, which has 500 staff in Poland. The Warsaw-based leader of the firm's LGBT+ GLOW Europe network, adds: "As an LGBT person, I do not always feel safe on the street, so it is really important for me that we can feel safe at work."

However, there is a big difference between how different companies and sectors approach the topic. Slava Melnyk, managing director of the Campaign Against Homophobia (KPH), says the private sector, and in particular international groups in sectors such as banking and consulting, have played a more proactive role in creating LGBT-friendly working environments. The public sector, he adds, has not.

One of the most tangible ways companies can show their support for LGBT+ staff is through the benefits they provide. Poland does not allow either civil partnerships or gay marriage. However, some companies, particularly global ones, offer the same benefits, such as parental leave or health insurance, to partners in same-sex couples as they do to heterosexual ones.

"What we see now, at least in the case of the larger companies, especially international corporations, is that when the situation is getting worse in Poland, then the companies tend to provide measures for people that maybe suffer from discrimination to feel maybe safer in the workplace," said Mr Melnyk. "We have also seen various other examples, such as of banks offering and explicitly communicating services for same-sex relationships, for example."

In recent years, increasing numbers of companies have set up internal Pride networks to support LGBT+ staff, as well as co-ordinating among themselves. Ms Ziegler says that at Dentons, many lawyers have volunteered to work pro bono to support LGBT+ groups, providing help on everything from court cases to drafting contracts.

Before the pandemic, increasing numbers of companies were also participating in the Pride marches that have been spreading through Poland. Although this year's marches were largely cancelled due to Covid-19, LGBT+ representatives say companies have used internal events and inclusion workshops as other ways of raising awareness. "Internally, things remained pretty much the same," says Kuba Piwowar, a local sales consultant from Google. "We talk, we meet, we both self-organise and have constant support from the management and co-workers."

But there have also been cases of companies' LGBT+ policies setting them on a collision course with politicians. Earlier this year, prosecutors in Warsaw said they had charged an HR manager at Swedish furniture giant Ikea with limiting employee rights with regard to religion for firing a worker who had posted quotes from the Bible describing homosexual acts as an "abomination" on the company intranet, in response to a call to support LGBT+ people.

Ikea said the quotes were about "death, blood in the context of what fate should befall homosexuals", and that the employee's departure — which caught the attention of conservative justice minister Zbigniew Ziobro, and is also the subject of a lawsuit by the ex-employee — had occurred by mutual agreement. It added that it was providing "full support" to the charged HR manager, and declined to comment further.

> 'We see companies trying to compensate for the fact that Poland may not be the best place for LGBT+ people'

While both cases are still pending, Poland's political tensions show few signs of easing. But activists hope that in the medium term, Poland's economic success, and the continuing internationalisation of its economy, may contribute to a better working climate.

"We need to keep in mind that Poland is becoming more and more of a hub for international corporations outsourcing work," said Mr Melnyk. "And we see companies trying to compensate for the fact that Poland may not be the best place for LGBT people, by offering various incentives to persuade them to work here."

Employers tap networks for growth

Inclusion What began as employee support groups are being used by companies to hasten change, writes *Janina Conboye*

The prevalence of employee resource groups such as women's networks and LGBT+ groups has risen in recent years as workers convene in an effort to change company culture.

Yet beyond initial goals to address workplace inequality and provide a safe space for sharing ideas, the focus is shifting towards how these ERGs can be used to help businesses evolve.

Indeed, research published this month by Accenture, the consultancy, suggests that if all UK companies improved inclusivity by 10 per cent, the resulting innovation could increase GDP by up to 1.5 per cent each year.

Katja Ploner, corporate diversity and inclusion adviser at German manufacturer Siemens and co-founder of Grow2Glow, its employee group for women, notes a shift.

Grow2Glow was founded in 2016 by eight women — all experienced coaches — to offer every woman at Siemens three free coaching sessions. The network soon expanded globally, and men also joined as coaches. "It's simply unbelievable to see how much can happen if people get the opportunity to act in a self-organised and purpose-driven manner," Ms Ploner says.

Between September 2019 and August this year, Siemens — which places 350th on the FT-Statista Diversity Leaders ranking of 850 companies in Europe — ran a leadership programme with the aim of boosting gender diversity in senior management.

Two cohorts of 12 people were selected from various business functions across its European operations. The result was that a quarter of them were added to the succession pipeline in various parts of the business, according to a case study published in September by the European Round Table for Industry, a forum for leaders of multinational companies in Europe.

Now, Ms Ploner says, rather than the company simply asking what it can do to help minority groups, "the leading question is 'what can minority networks do for Siemens?'."

Standard Chartered, a global bank with 85,000 employees, and which ranks 190th on the FT-Statista list, says a more diverse workforce helps to attract talent, and stimulate fresh ideas and innovation.

Levi's Unlabeled campaign

The bank has a variety of employee networks and has made other commitments to diversity. It tracks inclusion through an index, which includes criteria such as access to tools to do work and feeling safe to express views. The score has increased from 77 per cent to 82 per cent since the index started in 2018, the company says.

Samantha Neath, sales account manager and ERG lead at BAE Systems, the defence company, agrees there has been significant change in the past 18 months. She observes that, previously, the networks at BAE "were quite disparate". But the company has developed a framework that provides each employee group with a senior-level sponsor who can help drive their agenda.

BAE aims to develop ERGs further into business resource groups, "so the focus is more about supporting the business and helping the business to become more inclusive", Ms Neath says.

Peter Lewin, senior director of strategy and marketplace insights for Europe at Levi Strauss, the clothing company with European headquarters in Belgium, says it is important that ERGs in different regions have the autonomy to address the issues that affect them.

Unlabeled, Levi's European LGBTQ+ and ally employee network, started "very organically" as an email from Mr Lewin looking for people who wanted to help him build it. The group has since evolved into a "confident" collective with about 160 members, he says. Thirty per cent of members are LGBTQ+, while 70 per cent are allies.

Not everyone agrees diversity committees are effective, however. In a recent column written anonymously for Sifted, an FT sister publication that reports on European tech start-ups, a black queer woman wrote that such networks have become a barrier to creating inclusive workplaces.

Diversity committees are at best "a convening of marginalised people expected to undo the very biased and oppressive practices that they're subjected to at work", she wrote, adding that those who run the groups are not provided with the budgets nor emotional support needed to implement initiatives that lead to lasting change.

Yet companies are beginning to respond to calls for more support. BAE has recognised the time commitment involved and allows ERG co-chairs to dedicate up to 20 per cent of their work time to their roles, while steering group members can commit about 10 per cent. Arthur Schmid, research scientist in Siemens' corporate technology division and an active member of its Pride ERG, says "activities for our network are naturally treated as work hours".

Levi's Mr Lewin empathises with the frustration. Getting an initiative off the ground "takes time and patience . . . it is hard to change hearts and minds overnight", he says. He is also an advocate for "untouchable funding" for ERGs so that diversity is less likely to slip off companies' agendas. "Then no matter what happens with the business you can continue to make progress."

Time has come to match ambition with action

Benelux

Companies acknowledge the long road ahead despite progress made so far, writes *Javier Espinoza*

Despite a decades-long career in a male-dominated industry, Christine Van Rijsseghem has never felt that being a woman has worked against her. "I have been very lucky," says Ms Van Rijsseghem, chief risk officer at Brussels-based KBC bank.

Yet the executive is acutely aware of the need to have more women in senior roles in finance.

As part of a wider corporate diversity drive, Ms Van Rijsseghem created initiatives to boost the number of female employees at KBC, including the 2014 launch of its internal women's network, now called Diversity Rocks.

Recruitment policies are instrumental in tackling gender diversity, Ms Van Rijsseghem explains. "We have a rule that we must promote top talent that comes from 50 per cent men and 50 per cent women," she says. "We don't do positive discrimination."

The board of directors at the bank — which ranks 229th on the latest annual FT-Statista Diversity Leaders list — is currently 31 per cent female, while company wide, women account for 57 per cent of staff.

KBC is not the only company in the Benelux region striving for a more diverse workplace.

About 100 employees at Amsterdam-based brewer Heineken — which has about 85,000 employees in more than 70 countries — have been trained as so-called local inclusion and diversity ambassadors since the start of last year.

By its own admission Heineken has come later to the diversity and inclusion party than many other companies and is now two years into a five-year strategy. But last year the beer-maker made its first appearance at Amsterdam's Pride parade (as well as that of New York and São Paulo).

Though coronavirus meant the festival had to be cancelled this year, it did not stop its LGBT+ employee resource group — Hop (Heineken Open and Proud), which globally has more than 1,000 members — marking the occasion remotely, says Pascale Thorre, leader of global I&D at Heineken. Hop also supports local ambassadors to raise awareness of the importance of LGBT+ inclusion, and campaigns to "inform employees and fight prejudice through information sharing", she adds.

'We are very conscious that the talent pool around us is 50 per cent women'

Like many of her peers across the region, Ms Thorre says inclusion is crucial to a modern workplace. However, she recognises there is still room for improvement when it comes to gender diversity at her company.

While Heineken's executive board is 50 per cent female, the company says it wants to improve the number of women among its senior managers, which rose from 17 per cent in 2016 to 23 per cent in 2019. Just over a quarter of its executive team is female.

"We are working on an increase by the end of 2020 and beyond," says Ms Thorre. "We are very conscious that the talent pool around us is 50 per cent women. It is an important pillar of our global aspirations."

Some companies have made big strides on tackling gender inequality by rethinking their pay structures.

When Dan Schulman took over as chief executive at Luxembourg-based PayPal in 2015, the payments company took a closer look at fairness in workers' remuneration. As a result, PayPal says that in 2019, it had maintained 100 per cent gender pay equality in salaries and bonuses globally for the fourth year in a row.

Globally, women account for 43 per cent of the workforce at PayPal, which ranks 134th in Diversity Leaders list. It is also one of the biggest improvers since its appearance on last year's ranking, where it placed 680th out of 700 companies. More than a third of roles at vice-president level and above are now held by women — a 10 per cent increase since 2015.

Franz Paasche, senior vice-president of corporate affairs at PayPal, says: "[We] focused on how we would address discrimination and help the company really live our values. It mattered a lot to our employees and our leadership team that we would walk the walk and talk the talk internally and externally."

Christine Van Rijsseghem, chief risk officer at KBC

PayPal has also committed an annual $15m to its diversity programmes, which include supporting the recruitment and career advancement of black and minority employees.

Mr Paasche says building diversity at work is a continuous endeavour.

"You are never done and we have a long way to go to ensure that we have the most inclusive and diverse population that we can have working within PayPal and to close the gaps that systemic racism has created in many parts of our economy."

Has your company made progress?

Best practice

Employee views help to whittle down 15,000 companies to just 850 in the latest instalment of the survey, writes *Maxine Kelly*

European companies evaluated on diversity of gender, ethnicity, age, disability and LGBT+

The second annual Diversity Leaders ranking comes at a time in which a global pandemic has forced remote working *en masse* and social justice movements have gained heightened attention within workplaces and elsewhere.

The survey, conducted by our research partner Statista, assesses employees' perception of companies' inclusiveness or efforts to promote various aspects of diversity. These include gender balance, openness to all forms of sexual orientation, race and ethnicity, disability and age.

Last year's ranking received intense interest and several companies contacted the FT and our research partner Statista to better understand their place on the list. This served to highlight that employees' perceptions are not always the same as those of their managers.

The interest shown in the inaugural list prompted us to extend the scope of the survey this time round to six more countries. This year's Diversity Leaders were identified between April and August 2020 through an independent survey of more than 100,000 employees across 16 countries: Austria; Belgium; Denmark; Finland; France; Germany; Ireland; Italy; Luxembourg; the Netherlands; Norway; Poland; Spain; Sweden; Switzerland and the UK. Statista also sought the opinions of human resources and recruitment experts.

A call to evaluate employers was published on FT.com, inviting FT readers to share their views. All respondents were also given the chance to evaluate other prominent employers in their respective industries. To avoid any perceived conflict of interest, the Financial Times and Statista were excluded from the companies eligible to be ranked.

The survey covered 16 countries

The survey was conducted using online access panels, consisting of representative samples of the workforce in each of the 16 countries (even if companies' headquarters are shown in the list to be elsewhere). Without being told the purpose of the exercise, participants were asked which company or institution they worked for. Respondents were first asked to what extent they thought their employer promoted diversity on a scale from zero to 10. In further questions, employees were prompted to give their opinion on a series of statements about age, gender, ethnicity, disability and sexual orientation. The rate of agreement or disagreement regarding the statements was captured by the use of a five-point Likert scale.

The views of typically under-represented groups including women, the elderly, and the ethnically diverse were given more weight. The 850 companies receiving the highest total scores out of 15,000 companies assessed made the final list of Diversity Leaders. We look forward to further constructive dialogue with you.
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FT DIVERSITY LEADERS 2021

Diversity Leaders: top 50 by final score

Rank	Employer brand	Final score	(European) Headquarters*	Main industry sector
1	Biocoop	8.55	France	Retail
2	Infineon	8.41	Germany	Semiconductors, Electronics, Electrical Engineering, Hardware
3	Booking.com	8.36	Netherlands	Travel and Leisure
4	DNB	8.27	Norway	Banking and Financial Services
5	Hermès	8.22	France	Clothing and Accessories, Sports Equipment**
6	Giorgio Armani	8.19	Italy	Clothing and Accessories, Sports Equipment**
7	IKEA	8.13	Netherlands	Retail
8	Dow	8.12	Switzerland	Oil and Gas Operations, Mining and Chemicals
9	Agilent Technologies	8.11	Germany	Health Care Equipment and Services
10	Chiesi	8.11	Italy	Drugs and Biotechnology
11	Pinsent Masons	8.07	UK	Consulting and Accounting
12	La Cassa di Ravenna	8.07	Italy	Banking and Financial Services
13	Volvo Car Group	8.05	Sweden	Automotive (Producers and Suppliers)
14	Swietelsky	8.02	Austria	Construction
15	Timpson	7.99	UK	Retail
16	Fiducia & GAD IT	7.98	Germany	IT, Internet, Software and Services
17	Microchip	7.98	UK / France	IT, Internet, Software and Services
18	Fnac Darty	7.97	France	Retail
19	Moody's Corporation	7.95	UK	Banking and Financial Services
20	American Express Company	7.95	UK	Banking and Financial Services
21	LeasePlan	7.95	Netherlands	Banking and Financial Services
22	Diageo	7.94	UK	Food, Soft Beverages, Alcohol and Tobacco
23	Visma	7.93	Norway	IT, Internet, Software and Services
24	Schweizerische Mobiliar	7.91	Switzerland	Insurance
25	Logista	7.91	Spain	Wholesale
26	BP	7.90	UK	Oil and Gas Operations, Mining and Chemicals
27	Schneider Electric	7.90	France	Semiconductors, Electronics, Electrical Engineering, Hardware
28	Unipol Gruppo Finanziario	7.89	Italy	Insurance
29	Aluprof	7.88	Poland	Manufacture and Processing of Materials, Metals and Paper
30	Texas Instruments	7.88	Germany	Semiconductors, Electronics, Electrical Engineering, Hardware
31	AO World	7.88	UK	Retail
32	ams	7.87	Austria	Semiconductors, Electronics, Electrical Engineering, Hardware
33	Eaton	7.87	Ireland	Semiconductors, Electronics, Electrical Engineering, Hardware
34	Digia	7.87	Finland	IT, Internet, Software and Services
35	SAP	7.86	Germany	IT, Internet, Software and Services
36	Deichmann	7.85	Germany	Clothing and Accessories, Sports Equipment**
37	Aspen Healthcare	7.85	UK	Healthcare (Social)
38	MTU Aero Engines	7.84	Germany	Aerospace, Defence, Manufacture of Transport Equipment
39	Lindt & Sprüngli	7.83	Switzerland	Food, Soft Beverages, Alcohol and Tobacco
40	Disneyland Paris	7.83	France	Travel and Leisure
41	Helsana	7.83	Switzerland	Insurance
42	Care UK	7.82	UK	Healthcare (Social)
43	Willmott Dixon	7.82	UK	Construction
44	Colt Technology Services	7.82	UK	Telecommunications Services, Cable Supplier
45	Google	7.82	Ireland	IT, Internet, Software and Services
46	RAG	7.81	Germany	Oil and Gas Operations, Mining and Chemicals
47	Grupo Avintia	7.81	Spain	Construction
48	Atlas Copco	7.80	Sweden	Manufacture and Processing of Materials, Metals and Paper
49	Sephora	7.80	France	Retail
50	Rolls-Royce Motor Cars	7.79	UK	Automotive (Producers and Suppliers)

Diversity Leaders

Aerospace, Defence, Manufacture of Transport Equipment

Rank sector	Employer brand	Final score	(European) Headquarters*	Rank overall
1	MTU Aero Engines	7.84	Germany	38
2	Amazone	7.62	Germany	129
3	John Deere	7.49	Germany	224
4	Safran Group	7.48	France	233
5	Raytheon Technologies	7.46	Germany	242
6	Airbus	7.44	Netherlands	258
7	ArianeGroup	7.37	France	337
8	Saab Group	7.34	Sweden	363
9	Rolls-Royce	7.31	UK	392
10	Liebherr	7.24	Switzerland	478
11	AGCO	7.13	Switzerland	603
12	Thales Group	7.12	France	611
13	Navantia	7.10	Spain	636
14	Caterpillar	7.10	UK	639
15	Bombardier	6.97	UK	806

Automotive (Producers and Suppliers)

Rank sector	Employer brand	Final score	(European) Headquarters*	Rank overall
1	Volvo Car Group	8.05	Sweden	13
2	Rolls-Royce Motor Cars	7.79	UK	50
3	Knorr-Bremse	7.75	Germany	63
4	SEAT	7.74	Spain	65
5	Tesla	7.74	Netherlands	67
6	Scania	7.72	Sweden	74
7	Hyundai Motor Company	7.70	Germany	88
8	AVL	7.66	Austria	109
9	Brose	7.56	Germany	165
10	Bosch	7.56	Germany	168
11	Gestamp	7.55	Spain	173
12	ZF Friedrichshafen	7.55	Germany	178
13	Volvo Group	7.49	Sweden	225
14	Porsche	7.49	Germany	227
15	Automobili Lamborghini	7.46	Italy	244
16	BMW	7.42	Germany	279
17	Daimler	7.38	Germany	316
18	Ferrari	7.35	Italy	351
19	Jaguar Landrover	7.32	UK	381
20	Magna	7.30	Germany	409
21	Aptiv	7.29	Ireland	417
22	MAHLE	7.29	Germany	422
23	Brembo	7.28	Italy	433
24	Ford Motor Company	7.28	Germany	434
25	Audi	7.21	Germany	511
26	Michelin	7.20	France	521
27	Volkswagen	7.20	Germany	522
28	Goodyear Dunlop	7.19	UK	531
29	Aston Martin Lagonda	7.18	UK	536
30	Michael Moore Car Sales	7.17	Ireland	554
31	CNH Industrial	7.13	UK	604
32	KTM	7.12	Austria	612
33	MAN	7.11	Germany	626
34	Škoda Auto	7.10	Czech Republic	640
35	Continental	7.07	Germany	680
36	Adient	7.07	Germany	686
37	Schaeffler-Gruppe	7.07	Germany	689
38	McLaren Automotive	7.05	UK	705
39	Plastic Omnium	7.04	France	720
40	Hella	7.04	Germany	724
41	Pilkington	7.02	UK	742
42	Nissan Motor Corporation	7.01	Switzerland	752
43	Renault	6.99	France	784
44	BorgWarner	6.98	Germany	797
45	AL-KO Kober	6.98	Germany	799
46	Valeo	6.97	France	807
47	Toyota Motor Corporation	6.93	Belgium	847
48	Marelli	6.92	Italy	850

Banking and Financial Services

Rank sector	Employer brand	Final score	(European) Headquarters*	Rank overall
1	DNB	8.27	Norway	4
2	La Cassa di Ravenna	8.07	Italy	12
3	Moody's Corporation	7.95	UK	19
4	American Express Company	7.95	UK	20
5	LeasePlan	7.95	Netherlands	21
6	NatWest	7.74	UK	68
7	Banca Mediolanum	7.71	Italy	85
8	Alior Bank	7.68	Poland	102
9	mBank	7.63	Poland	126
10	PayPal	7.61	Luxembourg	134

Banking and Financial Services Cont'd

Rank sector	Employer brand	Final score	(European) Headquarters*	Rank overall
11	Lloyds Banking Group	7.61	UK	136
12	Zürcher Kantonalbank	7.59	Switzerland	145
13	Berliner Sparkasse	7.58	Germany	147
14	Nationwide Building Society	7.58	UK	153
15	Leeds Building Society	7.56	UK	166
16	Danske Bank	7.55	Denmark	176
17	Bank of Scotland	7.54	UK	189
18	Standard Chartered	7.54	UK	190
19	Raiffeisen Schweiz	7.53	Switzerland	200
20	KBC	7.48	Belgium	229
21	Deutsche Bundesbank	7.41	Germany	297
22	Erste Bank	7.39	Austria	309
23	Banco BPM	7.39	Italy	314
24	Intesa Sanpaolo	7.38	Italy	318
25	ABANCA	7.38	Spain	320
26	ING	7.38	Netherlands	326
27	Achmea	7.37	Netherlands	327
28	Halifax	7.37	UK	328
29	Santander	7.36	Spain	340
30	HSBC Bank	7.36	UK	341
31	Nordea Bank	7.35	Finland	352
32	Citigroup	7.29	UK	419
33	Swedbank	7.29	Sweden	420
34	Aareal Bank	7.29	Germany	424
35	Caisse des Dépôts	7.28	France	430
36	Crédit Agricole	7.26	France	460
37	J.P. Morgan	7.25	UK	470
38	BBVA	7.24	Spain	473
39	Barclays Bank	7.24	UK	474
40	Metro Bank	7.24	UK	477
41	Deutsche Bank	7.24	Germany	481
42	BNY Mellon	7.23	Belgium	501
43	UBI Banca	7.21	Italy	509
44	PKO Bank Polski	7.19	Poland	530
45	BlackRock	7.18	UK	544
46	AIB (Allied Irish Banks)	7.17	Ireland	557
47	Oberbank	7.16	Austria	568
48	Commerzbank	7.13	Germany	594
49	Bankia	7.13	Spain	597
50	Neuberger Berman	7.13	UK	601
51	Morgan Stanley	7.12	UK	614
52	Bank of Ireland	7.11	Ireland	628
53	Royal Bank of Scotland	7.10	UK	633
54	DK Company	7.09	Denmark	659
55	KRUK	7.08	Poland	664
56	Sparkasse KölnBonn	7.05	Germany	699
57	Banque Populaire	7.05	France	709
58	Western Union	7.05	Lithuania	713
59	Natixis	7.03	France	732
60	Crédit Mutuel	7.03	France	735
61	Crédit Suisse	7.02	Switzerland	746
62	Banco Sabadell	7.01	Spain	754
63	TSB Bank	7.00	UK	776
64	BNP Paribas	6.99	France	786
65	Bpifrance	6.98	France	792
66	Caisse d'Epargne	6.93	France	843

Business Services and Supplies

Rank sector	Employer brand	Final score	(European) Headquarters*	Rank overall
1	PageGroup	7.71	UK	80
2	Terveystalo	7.68	Finland	100
3	REED	7.51	UK	208
4	JLL	7.48	UK	231
5	Belron	7.48	UK	232
6	S Group	7.45	Finland	253
7	Trenkwalder	7.43	Austria	278
8	Sitel	7.41	UK	291
9	DCC	7.40	Ireland	303
10	Aena	7.38	Spain	323
11	Adecco Group	7.33	Switzerland	367
12	Aker Solutions	7.32	Norway	383
13	Start People	7.32	Netherlands	384
14	J.W. Construction	7.25	Poland	471
15	Teleperformance	7.17	France	552
16	Osiedle Mlodych Spoldzielnia Mieszkaniowa	7.17	Poland	558
17	CBRE	7.16	UK	570
18	Accent	7.15	Belgium	572
19	Sodexo	7.14	France	591
20	Hays	7.07	UK	681

Diversity Leaders

Business Services and Supplies Cont'd

Rank sector	Employer brand	Final score	(European) Headquarters*	Rank overall
21	Collins Mc Nicholas	7.06	Ireland	697
22	GSF (Groupe Services France)	7.05	France	716
23	Blue Arrow	7.03	UK	731
24	ADP	7.03	France	733
25	3B Dienstleistungen	7.01	Germany	757
26	Gi Group	6.99	Italy	783
27	Groupe ONET	6.97	France	801
28	Aramark	6.97	Ireland	808
29	Clece	6.96	Spain	811
30	A.T.U	6.94	Germany	840

Clothing and Accessories, Sports Equipment (Manufacturing and Retail)

Rank sector	Employer brand	Final score	(European) Headquarters*	Rank overall
1	Hermès	8.22	France	5
2	Giorgio Armani	8.19	Italy	6
3	Deichmann	7.85	Germany	36
4	Prada Group	7.76	Italy	57
5	Hugo Boss	7.69	Germany	97
6	PUMA	7.67	Germany	104
7	Benetton Group	7.66	Italy	111
8	Rolex	7.65	Switzerland	112
9	Ralph Lauren	7.63	Switzerland	123
10	Decathlon	7.58	France	148
11	Louis Vuitton	7.57	France	161
12	Jack Wolfskin	7.57	Germany	163
13	TK Maxx	7.47	UK	234
14	Primark	7.47	UK	235
15	Desigual	7.38	Spain	321
16	Next	7.37	UK	339
17	adidas	7.35	Germany	349
18	Asics	7.35	Netherlands	354
19	Zalando	7.34	Germany	366
20	About You	7.33	Germany	368
21	LPP	7.33	Poland	374
22	Nike	7.31	Netherlands	396
23	OVS	7.30	Italy	414
24	New Look	7.28	UK	426
25	Intersport	7.26	Switzerland	454
26	BIG STAR	7.25	Poland	467
27	Clarks	7.25	UK	472
28	ASOS	7.24	UK	476
29	GAP	7.14	UK	579
30	Adler Modemärkte	7.13	Germany	596
31	H&M Hennes & Mauritz	7.11	Sweden	631
32	New Yorker	7.09	Germany	647
33	Lacoste	7.09	France	648
34	Claire's	7.05	UK	702
35	Calzedonia	7.05	Italy	711
36	Kering	7.05	France	714
37	Ernsting's Family	7.00	Germany	771
38	Levi Strauss & Co	6.97	Belgium	805
39	JD Sports Fashion	6.94	UK	838

Construction

Rank sector	Employer brand	Final score	(European) Headquarters*	Rank overall
1	Swietelsky	8.02	Austria	14
2	Willmott Dixon	7.82	UK	43
3	Grupo Avintia	7.81	Spain	47
4	ECISA	7.71	Spain	84
5	KAEFER	7.69	Germany	91
6	Af Gruppen	7.69	Norway	94
7	Cementos Portland Valderrivas	7.49	Spain	223
8	Taylor Wimpey	7.47	UK	238
9	Interserve	7.41	UK	296
10	Mace	7.39	UK	313
11	Doka	7.38	Austria	319
12	Astaldi	7.32	Italy	386
13	Bouygues Construction	7.30	France	415
14	Grupo SANJOSE	7.28	Spain	429
15	Royal BAM Group	7.27	Netherlands	443
16	Eurocontrol	7.26	Spain	459
17	PORR	7.25	Austria	468
18	Caverion	7.24	Finland	479
19	Hochtief	7.22	Germany	506
20	BERGER	7.17	Germany	546
21	Barratt Developments	7.15	UK	574
22	Elektrobudowa	7.12	Poland	610
23	Vinci Group	7.11	France	624
24	Aldesa	7.09	Spain	646

Construction Cont'd

Rank sector	Employer brand	Final score	(European) Headquarters*	Rank overall
25	Dragados	7.09	Spain	649
26	PEAB	7.08	Sweden	663
27	Wsparcie Grupa TAURON	7.05	Poland	706
28	Lindner Group	7.04	Germany	718
29	Skanska	7.04	Sweden	729
30	Clonmel Enterprises	6.98	Ireland	794
31	Bruk-Bet	6.94	Poland	828
32	BMI	6.93	UK	846

Consulting and Accounting

Rank sector	Employer brand	Final score	(European) Headquarters*	Rank overall
1	Pinsent Masons	8.07	UK	11
2	Clifford Chance	7.58	UK	152
3	Kearney	7.55	Germany	181
4	Accenture	7.54	Ireland	191
5	Bureau Veritas	7.50	France	221
6	Allen & Overy	7.48	UK	230
7	Willis Towers Watson	7.43	UK	267
8	EY	7.42	UK	285
9	Fraunhofer	7.31	Germany	405
10	COWI	7.31	Denmark	406
11	CGI	7.28	France	431
12	Linklaters	7.20	UK	523
13	McKinsey & Company	7.18	Germany	538
14	PwC (PricewaterhouseCoopers)	7.12	UK	616
15	KPMG	7.09	Netherlands	657
16	Deloitte	7.07	UK	676
17	WSP	7.01	UK	763
18	The Boston Consulting Group (BCG)	6.96	Germany	817
19	Bain & Company	6.95	UK	822

Drugs and Biotechnology

Rank sector	Employer brand	Final score	(European) Headquarters*	Rank overall
1	Chiesi	8.11	Italy	10
2	Novartis	7.69	Switzerland	90
3	Merck	7.69	Germany	96
4	Roche	7.67	Switzerland	107
5	Johnson & Johnson	7.65	UK	115
6	AstraZeneca	7.58	UK	151
7	Boehringer Ingelheim	7.57	Germany	158
8	Novozymes	7.55	Denmark	172
9	AbbVie	7.53	Germany	193
10	Pfizer	7.51	UK	212
11	Bristol Myers Squibb	7.40	France	301
12	Sanofi	7.39	France	312
13	Lilly	7.37	UK	336
14	Takeda	7.35	Switzerland	353
15	Novo Nordisk	7.25	Denmark	465
16	Lonza	7.22	Switzerland	504
17	Thermo Fisher Scientific	7.21	UK	508
18	GSK (GlaxoSmithKline)	7.21	UK	510
19	Bayer	7.20	Germany	517
20	Trinity Biotech	7.19	Ireland	532
21	Icon Plc	7.13	Ireland	599
22	Orion	7.07	Finland	684

Engineering, Manufacturing

Rank sector	Employer brand	Final score	(European) Headquarters*	Rank overall
1	Schindler	7.69	Switzerland	93
2	KUKA	7.65	Germany	114
3	Alfa Laval	7.50	Sweden	218
4	Alltech	7.41	Ireland	295
5	Parker Hannifin	7.41	Switzerland	299
6	Kemppi	7.37	Finland	333
7	Jacobs Engineering	7.37	UK	334
8	DPS	7.34	Ireland	364
9	ANDRITZ	7.33	Austria	373
10	Aerzener Maschinenfabrik	7.32	Germany	375
11	ABUS	7.32	Germany	377
12	KNAPP	7.30	Austria	410
13	BAM Contractors	7.29	Belgium	423
14	Expleo	7.23	France	496
15	Amec Foster Wheeler	7.18	UK	545
16	Sandvik	7.17	Sweden	551
17	Babcock International	7.16	UK	571
18	Danfoss	7.15	Denmark	576
19	General Electric	7.13	France	598
20	Insta	7.12	Finland	607
21	Viessmann	7.09	Germany	654

Diversity Leaders

Engineering, Manufacturing Cont'd

Rank sector	Employer brand	Final score	(European) Headquarters*	Rank overall
22	Voith	7.08	Germany	670
23	AKKA Technologies	7.05	Belgium	710
24	ERIKS	7.02	Netherlands	744
25	KONE	6.99	Finland	780
26	Etteplan	6.96	Finland	821
27	Orona	6.95	Spain	824
28	Daikin	6.94	Belgium	830

Food, Soft Beverages, Alcohol and Tobacco

Rank sector	Employer brand	Final score	(European) Headquarters*	Rank overall
1	Diageo	7.94	UK	22
2	Lindt & Sprüngli	7.83	Switzerland	39
3	Savencia Fromage & Dairy	7.74	France	66
4	Warburtons	7.72	UK	76
5	Barilla	7.65	Italy	116
6	Pladis	7.61	UK	137
7	Atria	7.58	Finland	154
8	Carlsberg	7.50	Denmark	217
9	Nestlé	7.47	Switzerland	241
10	Ferrero	7.46	Italy	245
11	Heineken	7.45	Netherlands	250
12	Unilever	7.40	UK/Netherlands	305
13	Groupe Bigard	7.39	France	307
14	Orkla	7.39	Norway	310
15	Philip Morris International	7.38	Switzerland	315
16	Amadori	7.33	Italy	370
17	Biedronka	7.31	Poland	389
18	Imperial Brands	7.30	UK	411
19	Coca-Cola European Partners	7.27	UK	442
20	Mars	7.27	UK	446
21	British American Tobacco	7.23	UK	495
22	Danone	7.22	France	507
23	British Sugar	7.18	UK	540
24	Hartwall	7.17	Finland	548
25	The Coca-Cola Company	7.17	UK	550
26	Stokrotka	7.11	Poland	623
27	Haribo	7.10	Germany	644
28	Pernod Ricard	7.04	France	723
29	Mondelēz International	7.02	Switzerland	748
30	Koff	7.02	Denmark	749
31	Fazer	6.99	Finland	782
32	Bernard Matthews	6.98	UK	788
33	Arla Foods	6.98	Denmark	796
34	Dr. Oetker	6.96	Germany	814

Health Care Equipment and Services

Rank sector	Employer brand	Final score	(European) Headquarters*	Rank overall
1	Agilent Technologies	8.11	Germany	9
2	Boston Scientific	7.64	France	121
3	EssilorLuxottica	7.61	France / Italy	135
4	Medtronic	7.44	Switzerland	263
5	B. Braun Melsungen	7.43	Germany	269
6	BD (Becton, Dickinson and Co.)	7.21	Switzerland	513
7	Biotronik	7.13	Germany	595
8	Synoptik	7.04	Denmark	719
9	Abbott	7.03	Ireland	738
10	AptarGroup	6.99	France	779

Healthcare (Social)

Rank sector	Employer brand	Final score	(European) Headquarters*	Rank overall
1	Aspen Healthcare	7.85	UK	37
2	Care UK	7.82	UK	42
3	Bright Horizons	7.75	UK	61
4	Prima Omsorg	7.71	Norway	81
5	Home Instead	7.67	UK	106
6	Voyage Care	7.63	UK	124
7	ÖGK - Österreichische Gesundheitskasse	7.57	Austria	159
8	Humana	7.55	Sweden	170
9	PlusTerveys	7.55	Finland	179
10	ACURA Kliniken	7.52	Germany	206
11	Median Kliniken	7.43	Germany	274
12	Hospital Quirónsalud del Vallès	7.37	Spain	330
13	Beacon Hospital	7.34	Ireland	355
14	Bupa	7.34	Spain	359
15	Spire Healthcare Group	7.26	UK	455
16	Pflegen & Wohnen	7.23	Germany	499
17	Ramsay Health Care	7.16	France	559
18	Rhön-Klinikum	7.16	Germany	569
19	Four Seasons Health Care	7.12	UK	605

Healthcare (Social) Cont'd

Rank sector	Employer brand	Final score	(European) Headquarters*	Rank overall
20	BG Kliniken	7.08	Germany	661
21	Vivantes	7.07	Germany	688
22	Privatklinikgruppe Hirslanden	7.06	Switzerland	696
23	Arbo Unie	7.05	Netherlands	700
24	Med	7.03	Finland	739
25	MediClin	7.01	Germany	760
26	Human Care	7.00	Sweden	772
27	Louis Pasteur Santé	6.96	France	813
28	Adeslas	6.95	Spain	823
29	Landeskliniken NÖ	6.94	Austria	833
30	O2 Care services	6.93	France	842
31	Schön Klinik	6.93	Germany	848

Insurance

Rank sector	Employer brand	Final score	(European) Headquarters*	Rank overall
1	Schweizerische Mobiliar	7.91	Switzerland	24
2	Unipol Gruppo Finanziario	7.89	Italy	28
3	Helsana	7.83	Switzerland	41
4	Helvetia	7.76	Switzerland	55
5	MAIF	7.71	France	82
6	Prudential	7.69	UK	95
7	Admiral Group	7.67	UK	105
8	Allianz	7.67	Germany	108
9	HUK-Coburg	7.61	Germany	138
10	R+V Versicherung	7.60	Germany	140
11	Barmenia Versicherungen	7.60	Germany	141
12	Techniker Krankenkasse	7.60	Germany	142
13	Vienna Insurance Group (VIG)	7.53	Austria	196
14	LVM Versicherung	7.50	Germany	219
15	Visana	7.47	Switzerland	237
16	Zurich	7.44	Switzerland	261
17	Ageas	7.43	Belgium	273
18	CSS Versicherung	7.42	Switzerland	281
19	Aviva	7.41	UK	287
20	Generali	7.41	Italy	292
21	Debeka	7.36	Germany	347
22	GRAWE (Grazer Wechselseitige)	7.34	Austria	362
23	Signal Iduna	7.30	Germany	408
24	AXA	7.29	France	418
25	Aon	7.28	UK	428
26	LähiTapiola	7.25	Finland	469
27	Merkur Versicherung	7.24	Austria	482
28	Direct Line	7.24	UK	488
29	Swiss Life	7.24	Switzerland	489
30	Covéa Group	7.23	France	492
31	RSA Insurance	7.18	UK	541
32	MACIF	7.18	France	542
33	AOK	7.17	Germany	553
34	Grupo DKV Seguros	7.16	Spain	565
35	LV= (Liverpool Victoria)	7.15	UK	577
36	Grupa PZU	7.11	Poland	622
37	Groupama	7.07	France	683
38	UNIQA	7.04	Austria	727
39	DEVK	6.99	Germany	785
40	Churchill Insurance	6.96	UK	815

IT, Internet, Software and Services

Rank sector	Employer brand	Final score	(European) Headquarters*	Rank overall
1	Fiducia & GAD IT	7.98	Germany	16
2	Microchip	7.98	UK / France	17
3	Visma	7.93	Norway	23
4	Digia	7.87	Finland	34
5	SAP	7.86	Germany	35
6	Google	7.82	Ireland	45
7	DATEV	7.76	Germany	56
8	Adobe	7.76	UK	58
9	Cisco	7.76	Netherlands	60
10	Civica	7.72	UK	73
11	Tecnotree	7.72	Finland	78
12	Twitter	7.69	Ireland	89
13	IBM	7.69	UK	99
14	Merit Medical	7.65	Ireland	117
15	Citrix Systems	7.62	UK	133
16	Dell Technologies	7.60	Ireland	143
17	Ubisoft	7.57	France	157
18	Broadcom	7.56	UK	167
19	Solita	7.55	Finland	171
20	ACP	7.53	Austria	195
21	Microsoft	7.51	France	209

Diversity Leaders

IT, Internet, Software and Services Cont'd

Rank sector	Employer brand	Final score	(European) Headquarters*	Rank overall
22	Facebook	7.47	Ireland	236
23	Yahoo!	7.41	Switzerland	298
24	Asseco	7.36	Poland	345
25	Scout24	7.35	Germany	348
26	Fujitsu	7.34	UK	360
27	Equiniti	7.34	UK	361
28	Riot Games	7.34	Ireland	365
29	Comarch	7.32	Poland	376
30	HCL Technologies	7.32	Germany	385
31	Hewlett Packard Enterprise	7.31	Switzerland	390
32	Cd Projekt	7.31	Poland	393
33	Salesforce	7.31	Switzerland	402
34	NTT Data	7.30	UK	413
35	Avanade	7.30	UK / Italy	416
36	Amadeus	7.29	Spain	421
37	Fastweb	7.28	Italy	425
38	TietoEVRY	7.28	Finland	437
39	Aareon	7.27	Germany	440
40	Aubay	7.26	France	452
41	Sage	7.25	UK	462
42	Palo Alto Networks	7.24	Netherlands	486
43	Reaktor	7.23	Finland	493
44	Oracle	7.23	UK	502
45	SAS	7.21	Spain	514
46	Aruba	7.20	Italy	518
47	LinkedIn	7.20	Ireland	524
48	Advanced	7.19	UK	534
49	Elisa	7.18	Finland	537
50	United Internet	7.17	Germany	549
51	Allegro	7.12	Poland	606
52	Zalaris	7.12	Norway	615
53	IECISA	7.11	Spain	625
54	Adform	7.11	Denmark	629
55	Engineering Ingegneria Informatica	7.10	Italy	635
56	Altia Consultores	7.10	Spain	645
57	Seagate Technology	7.09	Ireland	653
58	Akamai Technologies	7.08	Poland	672
59	T-Systems	7.06	Germany	695
60	Centric	7.05	Netherlands	704
61	KMD	7.05	Denmark	707
62	Wind Tre	7.04	Italy	728
63	DXC Technology	7.02	Sweden	751
64	Computacenter	7.01	UK	755
65	Telenet	7.00	Belgium	770
66	Micro Focus	7.00	UK	773
67	Tim Telecom	7.00	Italy	775
68	Ibermatica	6.99	Spain	777
69	adesso	6.98	Germany	789
70	Bankernes Edb Central	6.97	Denmark	803
71	Infosys	6.96	UK	819
72	Bechtle	6.94	Germany	834
73	TeamSystem	6.93	Italy	845

Manufacture and Processing of Materials, Metals and Paper

Rank sector	Employer brand	Final score	(European) Headquarters*	Rank overall
1	Aluprof	7.88	Poland	29
2	Atlas Copco	7.80	Sweden	48
3	SCA (Svenska Cellulosa Aktiebolaget)	7.78	Sweden	52
4	SKF Group	7.65	Sweden	119
5	Oerlikon	7.57	Switzerland	162
6	CTDI	7.55	Germany	177
7	Lenzing	7.55	Austria	182
8	Avery Dennison	7.51	Netherlands	211
9	tesa	7.45	Germany	254
10	Tetra Pak International	7.42	Sweden / Switzerland	286
11	Alcoa	7.37	Spain	335
12	Greiner	7.37	Austria	338
13	Mondi	7.25	Austria	466
14	Byggma	7.23	Norway	498
15	Wavin	7.18	Netherlands	539
16	Trumpf	7.16	Germany	560
17	SMS group	7.14	Germany	582
18	Roca	7.13	Spain	602
19	Jungheinrich	7.12	Germany	618
20	BillerudKorsnäs	7.09	Sweden	660
21	UPM	7.07	Finland	677
22	SSAB	7.06	Sweden	693
23	SIG	7.04	Switzerland	725
24	Alumetal	7.02	Poland	750

Manufacture and Processing of Materials, Metals and Paper Cont'd

Rank sector	Employer brand	Final score	(European) Headquarters*	Rank overall
25	Kghm Metraco	7.01	Poland	758
26	CRH	6.98	Ireland	790
27	KSB	6.98	Germany	791
28	AMG Advanced Metallurgical Group	6.96	Netherlands	820
29	Wihuri	6.94	Finland	839
30	Rehau	6.94	Germany	841

Media and Advertising

Rank sector	Employer brand	Final score	(European) Headquarters*	Rank overall
1	Wolters Kluwer	7.52	Netherlands	202
2	Sky	7.52	UK	203
3	Guardian Media Group	7.51	UK	215
4	TF1 Group	7.49	France	226
5	RELX Group	7.44	UK	259
6	Schibsted	7.41	Norway	294
7	Bloomberg	7.34	UK	357
8	Bertelsmann	7.31	Germany	398
9	Agora (Grupa Medialna)	7.24	Poland	475
10	ORF (Österreichischer Rundfunk)	7.08	Austria	662
11	BBC (British Broadcasting Corporation)	7.08	UK	667
12	France Télévisions	7.08	France	671
13	WPP	7.07	UK	687

Oil and Gas Operations, Mining, and Chemicals

Rank sector	Employer brand	Final score	(European) Headquarters*	Rank overall
1	Dow	8.12	Switzerland	8
2	BP	7.90	UK	26
3	RAG	7.81	Germany	46
4	OMV	7.72	Austria	72
5	Cepsa	7.62	Spain	131
6	Solvay	7.57	Belgium	160
7	Wacker Chemie	7.53	Germany	201
8	Air Products	7.46	UK	243
9	DuPont	7.42	Netherlands	284
10	Neste	7.37	Finland	329
11	Perstorp	7.36	Sweden	344
12	Evonik Industries	7.32	Germany	380
13	Total	7.31	France	399
14	Repsol	7.27	Spain	447
15	Sika	7.25	Switzerland	463
16	Air Liquide	7.21	France	512
17	Wood Group	7.12	UK	608
18	PKN Orlen	7.11	Poland	632
19	Eni	7.09	Italy	651
20	BASF	7.09	Germany	655
21	Arkema	7.08	France	673
22	Borealis	7.04	Austria	726
23	PPG	7.03	Switzerland	730
24	Chevron	7.02	UK	740
25	ExxonMobil	7.01	Belgium	759
26	SABIC	7.00	Netherlands	774
27	TechnipFMC	6.96	UK	818

Packaged Goods

Rank sector	Employer brand	Final score	(European) Headquarters*	Rank overall
1	Procter & Gamble	7.72	Switzerland	77
2	Colgate-Palmolive	7.71	Switzerland	83
3	Henkel	7.68	Germany	101
4	L'Oréal	7.63	France	127
5	Christian Dior	7.57	France	156
6	Beiersdorf	7.54	Germany	185
7	Estée Lauder	7.53	France	194
8	Givaudan	7.44	Switzerland	262
9	Chanel	7.41	UK / France	289
10	Avon	7.34	UK	358
11	Groupe Rocher (Yves Rocher, Petit Bateau)	7.24	France	490

Restaurants

Rank sector	Employer brand	Final score	(European) Headquarters*	Rank overall
1	wagamama	7.73	UK	69
2	Pret A Manger	7.72	UK	75
3	PizzaExpress	7.46	UK	247
4	Greggs	7.41	UK	293
5	Grupo Vips	7.31	Spain	394
6	Frankie & Benny's	7.27	UK	439
7	KFC	7.19	UK	533
8	Flunch	7.18	France	543
9	McDonald's	7.14	UK	589
10	Buffalo Grill	7.03	France	737

Diversity Leaders

Restaurants Cont'd

Rank sector	Employer brand	Final score	(European) Headquarters*	Rank overall
11	Do & Co	6.97	Austria	802

Retail

Rank sector	Employer brand	Final score	(European) Headquarters*	Rank overall
1	Biocoop	8.55	France	1
2	IKEA	8.13	Netherlands	7
3	Timpson	7.99	UK	15
4	Fnac Darty	7.97	France	18
5	AO World	7.88	UK	31
6	Sephora	7.80	France	49
7	Pets at Home Group	7.79	UK	51
8	Lush	7.78	UK	53
9	Kiko Milano	7.73	Italy	71
10	Superdrug	7.71	UK	86
11	John Lewis Partnership	7.65	UK	113
12	Marks & Spencer	7.64	UK	120
13	Sainsbury's	7.63	UK	128
14	Wickes	7.59	UK	146
15	Arnold Clark Automobiles	7.58	UK	149
16	Colruyt Group	7.57	Belgium	155
17	Iceland Foods	7.56	UK	164
18	Auto Trader	7.54	UK	187
19	Cdiscount	7.53	France	199
20	Tokmanni	7.51	Finland	213
21	Hofer	7.51	Austria	214
22	dm-drogerie markt	7.50	Germany	220
23	x-kom	7.47	Poland	239
24	Poundland	7.47	UK	240
25	Inditex	7.45	Spain	252
26	Tesco	7.43	UK	268
27	Otto Group	7.43	Germany	272
28	Amazon	7.41	UK	288
29	Dunelm	7.41	UK	300
30	Rossmann	7.39	Germany	311
31	Esselunga	7.38	Italy	317
32	Build-A-Bear Workshop	7.36	UK	342
33	Ocado Group	7.36	UK	346
34	Boulanger	7.33	France	372
35	Ahorramas	7.32	Spain	378
36	Leroy Merlin	7.32	France	379
37	Interspar	7.31	Austria	395
38	Specsavers	7.31	UK	404
39	Mercadona	7.30	Spain	407
40	Home Bargains	7.30	UK	412
41	Auchan	7.28	France	436
42	Argos	7.27	UK	444
43	REMA 1000	7.27	Norway	448
44	KappAhl	7.25	Sweden	464
45	Asda	7.24	UK	485
46	Migros	7.24	Switzerland	487
47	Kingfisher	7.21	UK	515
48	Eroski	7.20	Spain	516
49	Apotek	7.19	Sweden	527
50	Costco	7.18	UK	535
51	Poco	7.17	Germany	555
52	Kaufland	7.15	Germany	573
53	Card Factory	7.15	UK	575
54	Debenhams	7.14	UK	580
55	Dänisches Bettenlager	7.14	Germany	586
56	Salling	7.12	Denmark	609
57	Monoprix	7.12	France	617
58	GrandVision	7.11	Netherlands	621
59	Action	7.09	Netherlands	650
60	Stadium	7.08	Sweden	666
61	Bauhaus	7.07	Germany	679
62	Douglas	7.07	Germany	682
63	Spar	7.06	Netherlands	690
64	Morrison Supermarkets	7.06	UK	694
65	Fielmann	7.05	Germany	698
66	Lidl	7.05	Germany	708
67	Rewe Group	7.05	Germany	712
68	Globus	7.05	Germany	715
69	JYSK	7.04	Denmark	721
70	Elgiganten	7.03	Denmark	734
71	amplifon	7.02	Italy	743
72	Ahold Delhaize	7.02	Netherlands	747
73	MediaMarkt	7.01	Germany	761
74	Groupe Carrefour	7.01	France	764
75	Kesko	7.00	Finland	768

Retail Cont'd

Rank sector	Employer brand	Final score	(European) Headquarters*	Rank overall
76	Homebase	6.99	UK	778
77	Eurospin	6.98	Italy	787
78	Tchibo	6.97	Germany	800
79	Axfood	6.96	Sweden	809
80	HEMA	6.96	Netherlands	810
81	Aldi Süd	6.96	Germany	812
82	Galenica	6.95	Switzerland	825
83	Galeries Lafayette	6.95	France	826
84	Waterstones	6.94	UK	829
85	Dixons Carphone	6.94	UK	831

Semiconductors, Electronics, Electrical Engineering, Hardware

Rank sector	Employer brand	Final score	(European) Headquarters*	Rank overall
1	Infineon	8.41	Germany	2
2	Schneider Electric	7.90	France	27
3	Texas Instruments	7.88	Germany	30
4	ams	7.87	Austria	32
5	Eaton	7.87	Ireland	33
6	Miele	7.67	Germany	103
7	LG Electronics	7.62	Germany	132
8	3M	7.61	UK	139
9	Apple	7.60	Ireland	144
10	Beko	7.55	Turkey	175
11	HP (Hewlett-Packard)	7.54	Switzerland	188
12	Lexmark	7.44	UK	260
13	STMicroelectronics	7.44	Switzerland	264
14	Ericsson	7.43	Sweden	266
15	Siemens	7.35	Germany	350
16	Jabil	7.31	Spain	400
17	ABB	7.31	Switzerland	401
18	Lenovo	7.28	UK	427
19	AT&S	7.26	Austria	450
20	Bang & Olufsen	7.26	Denmark	456
21	Electrolux	7.24	Sweden	483
22	Legrand	7.24	France	491
23	Brother	7.19	UK	525
24	Stihl	7.16	Germany	567
25	Motorola Solutions	7.15	Poland	578
26	Hitachi	7.14	UK	587
27	Samsung	7.14	Germany	588
28	Philips	7.13	Netherlands	600
29	Asus	7.12	Netherlands	619
30	Canon	7.08	UK	668
31	Panasonic	7.07	Netherlands	685
32	Toshiba	7.06	Germany	692
33	Konica Minolta	7.05	Germany	703
34	Amica	7.02	Poland	745
35	Huawei	6.94	Belgium	836

Telecommunications Services, Cable Supplier

Rank sector	Employer brand	Final score	(European) Headquarters*	Rank overall
1	Colt Technology Services	7.82	UK	44
2	Orange	7.75	France	62
3	Deutsche Telekom	7.65	Germany	118
4	Polkomtel (Plus)	7.62	Poland	130
5	Vodafone	7.54	UK	186
6	Proximus Group	7.50	Belgium	216
7	EE	7.49	UK	222
8	TalkTalk	7.45	UK	251
9	Hutchison Drei	7.39	Austria	306
10	Telefónica O2	7.37	Spain	331
11	BT Group	7.31	UK	388
12	Grupo MASMOVIL	7.28	Spain	435
13	Swisscom	7.26	Switzerland	453
14	Free	7.12	France	613
15	Three Ireland (Hutchison)	7.11	Ireland	627
16	Sunrise Communications	7.10	Switzerland	643
17	Tdc	7.04	Denmark	722
18	Telenor	7.03	Norway	736
19	Virgin Group	7.00	UK	769
20	Telia	6.98	Sweden	795
21	TDC Group	6.94	Denmark	835

Transportation and Logistics

Rank sector	Employer brand	Final score	(European) Headquarters*	Rank overall
1	Renfe	7.76	Spain	59
2	Iberia	7.63	Spain	122
3	Air Europa	7.56	Spain	169
4	GVB	7.55	Netherlands	180

Diversity Leaders

Transportation and Logistics Cont'd

Rank sector	Employer brand	Final score	(European) Headquarters*	Rank overall
5	Lufthansa	7.54	Germany	183
6	Stagecoach Group	7.53	UK	197
7	SWISS	7.52	Switzerland	204
8	Swedavia Airports	7.52	Sweden	205
9	Fraport	7.46	Germany	246
10	Avanza	7.46	Spain	249
11	MRW	7.44	Spain	256
12	Brussels Airlines	7.44	Belgium	257
13	Die Schweizerische Post	7.43	Switzerland	275
14	Austrian Airlines	7.42	Austria	282
15	easyJet	7.42	UK	283
16	Abellio	7.40	Netherlands	302
17	SJ	7.40	Sweden	304
18	BLG Logistics	7.38	Germany	324
19	BLS	7.38	Switzerland	325
20	RATP	7.33	France	369
21	FirstGroup	7.33	UK	371
22	National Express Group	7.32	UK	382
23	Albrecht Dürer Airport Nürnberg	7.27	Germany	441
24	Birmingham Airport	7.26	UK	451
25	FedEx	7.26	France	457
26	Finnair	7.26	Finland	458
27	LNER (London North Eastern Railway)	7.24	UK	484
28	ProRail	7.20	Netherlands	520
29	John Menzies	7.19	UK	526
30	Kapsch Group	7.19	Austria	529
31	Air France-KLM Group	7.17	France	547
32	South Western Railway	7.17	UK	556
33	Hermes Europe	7.16	Germany	563
34	Nobina	7.14	Sweden	581
35	Billund Lufthavn	7.14	Denmark	583
36	Maersk	7.14	Denmark	585
37	Keolis	7.14	France	590
38	SNCF	7.11	France	620
39	Deutsche Bahn	7.10	Germany	634
40	Fresh Logistics	7.10	Poland	637
41	DPD	7.10	France	641
42	Trans-o-flex	7.08	Germany	665
43	ID Logistics	7.08	France	674
44	Correos	7.07	Spain	678
45	Heathrow Airport Holdings	7.04	UK	717
46	La Poste	7.02	France	741
47	Vueling	7.01	Spain	762
48	BRT Corriere Espresso	7.01	Italy	765
49	Rhenus	6.99	Germany	781
50	Raben Group	6.98	Poland	798
51	MAG (Manchester Airport Group)	6.94	UK	827
52	UPS (United Parcel Service)	6.94	Belgium	837
53	NTG Nordic Transport Group	6.93	Denmark	844

Travel and Leisure

Rank sector	Employer brand	Final score	(European) Headquarters*	Rank overall
1	Booking.com	8.36	Netherlands	3
2	Disneyland Paris	7.83	France	40
3	Rent-A-Car	7.78	UK	54
4	ILUNION Hotels	7.73	Spain	70
5	Cineworld Group	7.69	UK	92
6	Hilton Hotels & Resorts	7.69	UK	98
7	William Hill	7.58	UK	150
8	Whitbread	7.54	UK	184
9	Carnival	7.53	UK	192
10	Hyatt Hotels Corporation	7.52	UK	207
11	Odeon Cinemas Group	7.51	UK	210
12	Bourne Leisure	7.48	UK	228
13	Dalata Hotel Group	7.46	Ireland	248
14	Maritim Hotels	7.43	Germany	270
15	DER Touristik	7.43	Germany	276
16	Marriott International	7.43	Switzerland	277
17	LEGO	7.41	Denmark	290
18	Basic-Fit	7.38	Netherlands	322
19	AccorHotels	7.37	France	332
20	Merlin Entertainments	7.36	UK	343
21	Travelodge	7.34	UK	356
22	NH Hotel Group	7.31	Spain	403
23	Macdonald Hotels	7.28	UK	432
24	Camelot Group	7.23	UK	503
25	Benefit Systems	7.19	Poland	528
26	Viajes El Corte Ingles	7.14	Spain	592
27	Liseberg	7.10	Sweden	638

Travel and Leisure Cont'd

Rank sector	Employer brand	Final score	(European) Headquarters*	Rank overall
28	Avis Budget Group	7.10	UK	642
29	David Lloyd Clubs	7.09	UK	656
30	Europcar	7.09	France	658
31	Cinema City	7.07	Poland	675
32	Scandic Hotels	7.05	Sweden	701
33	TUI	7.01	Germany	756
34	Ladbrokes Coral	6.98	UK	793
35	Iberostar Group	6.97	Spain	804
36	Aer Lingus	6.94	Ireland	832
37	SV Group	6.92	Switzerland	849

Utilities

Rank sector	Employer brand	Final score	(European) Headquarters*	Rank overall
1	EnBW	7.75	Germany	64
2	Centrica	7.72	UK	79
3	RWE	7.70	Germany	87
4	United Utilities	7.66	UK	110
5	EWE	7.63	Germany	125
6	Severn Trent	7.53	UK	198
7	Enel Group	7.43	Italy	271
8	Enedis	7.42	France	280
9	E.ON	7.39	Germany	308
10	EDF	7.32	France	387
11	EVN	7.28	Austria	438
12	National Grid	7.24	UK	480
13	Yorkshire Water	7.23	UK	494
14	BayWa	7.23	Germany	497
15	ENGIE	7.23	France	500
16	Iberdrola	7.22	Spain	505
17	Vattenfall	7.20	Sweden	519
18	SSE (Scottish and Southern Energy)	7.16	UK	561
19	Helen	7.16	Finland	566
20	PGE	7.14	Poland	593
21	Eneco	7.09	Netherlands	652
22	AGRAVIS Raiffeisen	7.01	Germany	753
23	Ørsted	7.01	Denmark	766
24	GRDF	6.96	France	816

Wholesale

Rank sector	Employer brand	Final score	(European) Headquarters*	Rank overall
1	Logista	7.91	Spain	25
2	Rexel	7.55	France	174
3	Inter Cars	7.45	Poland	255
4	Ingram Micro	7.43	Belgium	265
5	Office Depot	7.31	Netherlands	391
6	GC-Gruppe	7.31	Germany	397
7	Lyreco	7.27	France	445
8	Brenntag	7.27	Germany	449
9	Brakes	7.26	UK	461
10	Coop	7.16	Switzerland	562
11	Stahlgruber	7.16	Germany	564
12	Hankkija	7.14	Finland	584
13	Würth Group	7.11	Germany	630
14	Hilti	7.08	Liechtenstein	669
15	Metro	7.06	Germany	691
16	Fiskars	7.01	Finland	767

* (European) Headquarters: managerial centre of the company, either for its global operations or for Europe. In most cases, headquarters corresponds with the registered main legal address of the company, yet this is not necessarily the case. Ikea, for example, has its legal head office in the Netherlands but many of the administrative functions remain in Sweden where the company was founded.
** manufacturing and retail

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