FINANCIAL TIMES

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Total recall
Can California's governor survive another election? — ANALYSIS, PAGE 3

Flour power
How Russia's fields of wheat grew to feed the world — BIG READ, PAGE 15

Taking controllers
China scores low with strict online gaming rules — JOHN THORNHILL, PAGE 17

Xi unveils plan for new SME stock market in Beijing

- Part of 'common prosperity' goals
- Support for innovation and start-ups

EDWARD WHITE — SEOUL
ELEANOR OLCOTT — LONDON
HUDSON LOCKETT — HONG KONG

China will create a new stock exchange in Beijing to support the growth of small and medium-sized businesses and its capital markets.

Xi Jinping, China's president, told an international trade fair yesterday that the new exchange in the capital would be the primary platform for serving "innovation-orientated SMEs".

The announcement is China's latest effort in a long-running campaign to develop its onshore capital markets. Focus has been sharpened in recent months with rising regulatory scrutiny of domestic companies listed offshore casting doubt over the future of Chinese companies listing on Wall Street.

"This is a clear-cut example of Beijing seeking to make markets serve the real economy and . . . its long-term development objectives," said Rory Green, head of China research at TS Lombard.

The launch comes as Xi's government pursues a series of regulatory and policy reforms. A crackdown that initially targeted fintech lending and antitrust abuses has expanded to embroil companies across Chinese business sectors, from education and gaming to ride-hailing and food deliveries. Xi has also signalled a pivot towards "common prosperity", a goal that encompasses wealth redistribution and is part of a broadside against the business elite.

For investors the new exchange "underscores a positive side to China's intervention", Green added. "While areas that do not comply with 'common prosperity' goals will be penalised, sectors that help secure long-term objectives have a significant policy tailwind."

The China Securities Regulatory Commission, the country's top markets regulator, said the new exchange in Beijing would improve China's capital market systems and deepen supply-side structural reforms.

The CSRC this week said it would clamp down on private equity industry funds if they diverged from supporting innovation and start-ups.

China has had patchy success building up its new stock markets in recent years. Shanghai's Star Market was touted as the country's answer to New York's tech-focused Nasdaq when it launched in July 2019. But after an initial flurry of listings it has had an uneven performance this year, drawing complaints about a cumbersome vetting process and the quality of listings.

The bourse has been hit by a record number of suspended initial public offerings after Beijing's decision to shelve the listing of Ant Group in Shanghai and Hong Kong amid concerns over the company's lending business — raising fears of tighter regulatory scrutiny.

The Star 50 index tracking the largest companies on the tech-focused market is up just 0.5 per cent in 2021, despite the ostensible policy support of Star-listed groups from Beijing

Alibaba pledge page 6
Beijing stimulus page 10

Subwave New York stations flooded as tail-end of Hurricane Ida lashes city

@Icon13/Youtube

Water gushes through a New York subway platform on Wednesday night as remnants of Hurricane Ida unleashed torrential rain storms on the city and surrounding areas, killing at least 14 people.

In New York City, eight people died after being trapped in flooded basements with six further deaths in New Jersey.

The storm broke the record for the most rainfall observed in Central Park in one hour, with 3.15 inches falling.

The transport network was badly hit, with commuters stranded overnight. Lines on the subway system were still suspended yesterday. Newark airport briefly evacuated its air traffic control tower due to dangerous winds.

The overall cost to insurers is expected to be $15bn-$25bn.

Ida hits east coast page 2

Briefing

▸ UN warns of Afghan food emergency
The UN has warned of a food crisis in Afghanistan as its stocks are at risk of running out by the end of the month, while the country faces an economic meltdown after the Taliban takeover.— PAGE 2

▸ Poland hopes for EU funds despite spat
Poland's finance minister has said he is hopeful the European Commission will grant billions of euros of pandemic recovery funds this month, despite a spat over curbs on the country's judiciary.— PAGE 2

▸ China chides Washington on climate ties

China said the US must improve relations with Beijing to win co-operation on global warming, ahead of a meeting between climate-change envoys John Kerry and Xie Zhenhua.— PAGE 4

▸ Alibaba pledges $15.5bn to Xi causes
China's Alibaba has promised to give Rmb100bn ($15.5bn) to projects in support of President Xi Jinping's "common prosperity" campaign as Beijing continues its clampdown on the tech sector.— PAGE 6

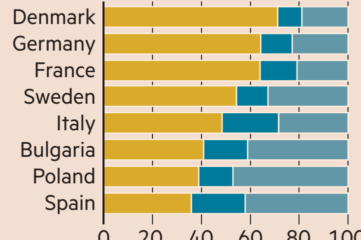
▸ YouTube gains 50m music subscribers
After a slow start, YouTube's paid music streaming services have passed the 50m subscriber milestone, as the Google-owned unit is locked in competition with Amazon, Apple and Spotify.— PAGE 8

▸ No smoking at home for Nomura staff
Japanese investment bank Nomura has told employees they should not smoke during the working day, even when they are working from home.— PAGE 6; LEX, PAGE 18

▸ US faces shortage of truckers
The US road freight industry is calling for more foreign truckers to be allowed to operate in the country because of a shortage of drivers that has been made worse by the pandemic.— PAGE 8

Datawatch

Covid impact on Europeans
Pandemic's effect on respondents (%)



Source: ECFR, YouGov, Datapraxis, Alpha (Survey from May-June 2021)

Southern/eastern Europeans have had different Covid experiences from northern/western ones. Among Danes, 72 per cent said it caused them no serious illness, bereavement or economic distress, against 36 per cent of Spaniards.

Bridgepoint's executive awards stay under wraps

This year Bridgepoint became the first private equity firm to list on the London Stock Exchange since 1994, but the group's convoluted structure means its top executives' rewards stay private. Unlike leading US peers, the company was able to shield from investor scrutiny millions of pounds in payments known as 'carried interest'. While perfectly legal, this has attracted criticism not only of the business, but of regulators and policymakers.

Investors kept in the dark ▸ PAGE 9

'Bond king' calls time on Treasuries and predicts big losses for investors

TOMMY STUBBINGTON — LONDON

Former bond investor Bill Gross has lashed out at the asset class that made his name and fortune, predicting that buying "trash" US government debt will be a losing bet.

Gross, the erstwhile "bond king" who built Pimco into a $2tn asset manager before his departure in 2014, fired the latest salvo against bonds in an investment outlook on his website.

US Treasury yields have slumped in recent months, reflecting a powerful rally in global debt prices that has blindsided many big investors. The 10-year Treasury yield — a benchmark for financial assets around the world — was just 1.29 per cent yesterday, far below its late-March peak of 1.75 per cent.

At today's level, yields have "nowhere to go but up" given the Federal Reserve is soon expected to start winding down its bond-buying programme, wrote Gross. The 77-year-old, who retired from professional fund management two years ago, said he expected the 10-year Treasury yield to rise to 2 per cent over the next 12 months, resulting in a loss of about 3 per cent for investors as bond prices fall.

"With quantitative easing about to reverse, it's more than obvious that the $120bn-a-month Federal Reserve deluge will probably end sometime in mid-2022 given inflation at greater than 2 per cent and economic growth prospects remaining optimistic," he wrote, adding that the central bank had bought 60 per cent of net issuance by the US government over the past year.

"How willing, therefore, will private markets be to absorb this future 60 per cent in mid-2022 and beyond?"

He added: "Cash has been trash for a long time but there are now new contenders for the investment garbage can. Intermediate to long-term bond funds are in that trash receptacle for sure."

After founding Pimco 50 years ago, Gross revolutionised bond investing as he built up the world's largest fixed-income asset manager. It is not the first time Gross has called time on the four-decade bull market in bonds: in March he said he was shorting Treasuries, expecting yields to climb to 3 per cent.

But Gross is not the only investor to be caught out by this year's Treasuries rally. Many heavyweight bond investors stuck with their bearish bets even as yields plunged in July, a move that led to big losses for some high-profile hedge funds that had piled into the so-called reflation trade.

Rush to issue bonds page 10

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World Markets

STOCK MARKETS

	Sep 2	prev	%chg
S&P 500	4540.23	4524.09	0.36
Nasdaq Composite	15360.42	15309.38	0.33
Dow Jones Ind	35466.21	35312.53	0.44
FTSEurofirst 300	1827.47	1822.15	0.29
Euro Stoxx 50	4234.24	4227.27	0.16
FTSE 100	7163.90	7149.84	0.20
FTSE All-Share	4133.54	4128.63	0.12
CAC 40	6763.08	6758.69	0.06
Xetra Dax	15840.59	15824.29	0.10
Nikkei	28543.51	28451.02	0.33
Hang Seng	26090.43	26028.29	0.24
MSCI World $	3151.66	3141.35	0.33
MSCI EM $	1312.44	1308.67	0.29
MSCI ACWI $	743.67	741.27	0.32

CURRENCIES

	Sep 2	prev		Sep 2	prev
$ per €	1.187	1.185	£ per $	0.723	0.725
$ per £	1.383	1.379	€ per £	1.166	1.163
£ per €	0.858	0.860	¥ per €	130.512	130.400
¥ per $	109.975	110.005	£ index	81.490	81.550
¥ per £	152.139	151.654	SFr per £	1.265	1.261
SFr per €	1.085	1.084			
€ per $	0.843	0.844			

COMMODITIES

	Sep 2	prev	%chg
Oil WTI $	70.34	68.59	2.55
Oil Brent $	73.26	71.59	2.33
Gold $	1811.80	1814.85	-0.17

INTEREST RATES

	price	yield	chg
US Gov 10 yr	148.98	1.30	0.00
UK Gov 10 yr		0.59	-0.01
Ger Gov 10 yr		-0.39	-0.01
Jpn Gov 10 yr	115.93	0.03	0.00
US Gov 30 yr	116.25	1.91	-0.01
Ger Gov 2 yr	105.46	-0.73	-0.01

	price	prev	chg
Fed Funds Eff	0.10	0.08	0.02
US 3m Bills	0.05	0.04	0.01
Euro Libor 3m	-0.57	-0.56	-0.01
UK 3m	0.07	0.07	0.00

Prices are latest for edition · Data provided by Morningstar

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Starvation fears

UN warns of Afghanistan food emergency

Third of population goes hungry as plea made for $200m to bolster supplies

BENJAMIN PARKIN — NEW DELHI

The UN has warned that its food stocks in Afghanistan could run out by the end of the month, as the country is braced for an economic meltdown and humanitarian crisis after the Taliban takeover.

Ramiz Alakbarov, the UN deputy special representative for Afghanistan, said most under-fives faced severe malnutrition, while a third of the population was already going hungry as it warned that millions were in danger of starvation.

"More than half of Afghan children do not know whether they'll have a meal tonight or not," Alakbarov said. "That's the reality of the situation we're facing on the ground."

He said the UN World Food Programme stocks would run out in weeks without $200m in emergency funding.

The US withdrew its remaining forces this week, bringing the 20-year war to an end and handing control to the Islamists. Afghanistan's economy, which depends on foreign aid, suffered a shock after the Taliban toppled the western-backed government last month.

Most foreign support came to an abrupt end with the takeover. The US and international institutions such as the World Bank cut off aid, while the Taliban has been unable to access about $9bn in foreign currency reserves held overseas. The Taliban has yet to form a government or consolidate its control over the country, leaving vital state institutions in limbo.

More than half of the population depended on foreign aid for their daily needs, the UN said, and domestic food stocks were already seriously depleted by a drought that has affected supplies of critical crops such as wheat.

Prices for essentials such as flour have soared as the currency weakened sharply, prompting fears of runaway inflation. Many Afghans are unable to withdraw cash as banks have closed. Fitch Solutions expects gross domestic product to contract 9.7 per cent in the financial year to the end of March.

Talks to form a new Taliban-led government are continuing. The Islamists, who in the 1990s ran a repressive regime that barred women from education and work, are under pressure from global powers to form a more moderate, inclusive government.

The result could be an administration that includes non-Taliban representatives and disavows some of the movement's more extreme practices, paving the way for international co-operation and the resumption of foreign aid.

But analysts said such an outcome would be difficult to achieve.

"It is unclear whether the Taliban will reinstate its pre-2001 ultra-conservative ways on Afghan society, but considerable backsliding, especially in terms of women's rights, is likely," Fitch noted yesterday.

"If women's rights and other human rights are not respected to the satisfaction of the international community, the Taliban-ruled state will most likely be subject to international sanctions and foreign aid will remain tough to obtain," it added.

The Taliban is also facing domestic resistance to its rule.

Clashes in the Panjshir valley, an opposition stronghold north of Kabul, continued this week.

Further, Isis-K, an affiliate of the global terrorist group and rival of the Taliban, carried out a terrorist attack last week on Kabul's airport that killed more than 100 Afghans and 13 US troops.

Europe. Collective security

Kabul pullout galvanises EU military intent

Ministers set to discuss taking bigger role in international crises during talks this week

SAM FLEMING AND HENRY FOY
BRUSSELS
VICTOR MALLET — PARIS

The EU has "learnt the hard way" from the Afghanistan crisis about the need to build up its own defence capabilities and develop the "attributes of hard power", Brussels' commissioner in charge of defence industry issues has said.

Common defence was "no longer optional" and the EU must become capable of operating military missions in "full autonomy" at its border and elsewhere, Thierry Breton told the Financial Times.

The US-led exit from Afghanistan has sparked renewed concern within Europe over how far the bloc can rely on Washington. It has fed into the debate over how the EU can establish itself as a foreign policy power, matching its economic weight with diplomatic and potentially military heft.

The EU has a lengthy history of false starts when it comes to the idea of common defence and some diplomats and analysts question whether this time will be different. Ben Hodges, formerly the commanding general of the US Army in Europe, said the EU should not create parallel structures to Nato that end up draining resources and personnel without adding to Europe's security.

The latest discussions in Brussels focus on a mooted rapid-reaction force to intervene in international crises, but the EU has failed to utilise previous attempts to pool defence resources.

In 1999, the EU agreed on a common defence policy that included building the capability for member states to jointly undertake an overseas deployment of 50,000-60,000 troops within 60 days. In 2007, it established a system with two national battle groups of 1,500 troops each on standby to be sent to hotspots around the world. They have never been deployed.

Breton insisted the EU is not talking about replacing Nato but rather complementing it in areas where the alliance is less active. The US decision to pull out of Afghanistan had, he said, been "pretty difficult" for some European states that were not consulted. "We understand our allies will be much more focused on China, Asia maybe," said Breton. "We learnt the hard way, including with what happened in Afghanistan, that . . . we have to enhance our global solidarity of defence."

Those arguments appear to have gained traction in capitals including Paris, where president Emmanuel Macron has long argued for a rethink of Nato strategies and methods.

Macron on Tuesday met Mark Rutte, the Dutch prime minister, after which France and the Netherlands emphasised the need for the EU to develop "strategic autonomy" on economic and military fronts, while continuing close co-operation with Nato. The two countries "recognise that Europe must prove capable of taking more responsibility for its security and defence by allocating the resources necessary for this aim", a joint statement said.

At an EU level, member states have put forward proposals for a 5,000-strong unit that could be backed by ships and aircraft. Josep Borrell, who as high representative oversees EU foreign policy, is facing sceptical capitals, however. "Look at the number of US troops to secure Kabul airport: around 5,000. Look at the number of troops that the French have in Operation Barkhane [in the Sahel]: 5,000-6,000 people. This is a number that can make a big difference in a number of different situations," insisted a senior commission official.

EU ministers are expected to discuss the topic during informal talks in Slovenia this week, as well as at a foreign affairs council meeting in October ahead of a self-imposed deadline for the EU to agree on defence strategy by March 2022.

The commission official said the initiative was about ensuring the EU has a stake in areas of security that are not always covered by member states' Nato participation. "This is about getting access to global commons — cyber, space and maritime," the official said.

European countries are also worried that Turkey's membership of Nato could create a conflict of interest for EU states when seeking to rely on the alliance to tackle threats in the Middle East.

EU members such as Poland and the Baltic states will remain wary of any initiative that could raise doubts about the role of Washington or Nato in the European theatre. Kristi Raik, director of the Estonian Foreign Policy Institute, said: "Seen from Tallinn, there is no doubt that Nato should remain the main framework for strengthening collective defence in Europe. This is not changed by the failure of the US — and Nato collectively — in Afghanistan."

Nato itself echoes that message. Jens Stoltenberg, secretary-general, said the "transatlantic bond" remained critical for a credible defence of Europe.

The role of the UK is also a key factor even after its departure from the EU, as shown by the recently established 10,000-strong UK-France combined joint expeditionary force.

Claudia Major, a defence analyst at the German Institute for International and Security Affairs, questioned whether the Afghanistan withdrawal would mark a true turning point in the debate over whether individual EU member states were taking their defence capacities seriously enough.

The looming German and French elections meant the two biggest regional powers are going through an "inward-looking" period, which will also hold back discussions, she said. "Everyone agrees we need more European sovereignty and capacity to act," she said. "But we have to move beyond rhetoric."

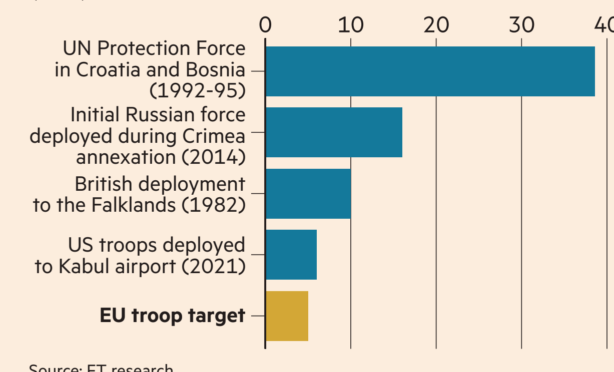
Additional reporting by Richard Milne

In command: a Taliban fighter stands guard near Kabul airport in the wake of the US exit — EPA-EFE

> The EU has a lengthy history of false starts when it comes to the idea of common defence

The EU's 5,000-troop proposal is smaller than many previous deployments

EU's proposed force compared with historical operations ('000)



Source: FT research

EU grants

Poland hopes for approval of crisis funds this month

HENRY FOY — BRUSSELS

Poland's finance minister hopes the European Commission will approve the country's request for tens of billions of euros worth of pandemic recovery funds this month, despite a stand-off with Brussels over Warsaw's reform of its judicial system.

Warsaw has requested almost €24bn in EU grants and another €12bn in loans under the bloc's Covid-19 recovery initiative, but the commission has so far failed to approve the financing given longstanding concerns that Poland's conservative nationalist ruling party has undermined the rule of law.

The judicial overhaul first enacted by Law and Justice five years ago gives politicians powers over the judiciary and created a disciplinary chamber that can punish judges over their rulings. In July, the EU's top court ordered some elements of the reform to be suspended and ruled that the disciplinary chamber was not compatible with EU law.

Tadeusz Koscinski, Poland's finance minister, said yesterday he believed the judicial stand-off should be "decoupled" from the pandemic recovery financing and that he was hopeful of approval for the money this month.

An EU failure to provide the money would be "a tremendous loss not only for Poland but the whole of Europe", he said. "In principle I think the commission has approved our plan, it's really now just looking at the nitty-gritty . . . I don't think that there is any real problem there for the commission over the content of our projects," Koscinski said.

> 'In principle I think the commission has approved our plan, it's now just looking at the nitty-gritty'

"But there is the elephant in the room. I don't think one should be affecting the other but at the moment it seems like it is. We have got to separate it.

"The plan is one thing . . . in parallel we have the discussion on the judiciary and other aspects. I firmly believe that at the end of the day both [sides] will understand an appropriate compromise must be made."

The commission is being pressured by an increasing number of countries and members of the European parliament to act against breaches of rule of law in member states and use its financial clout to put pressure on states to adhere to the EU's values.

Paolo Gentiloni, the EU's economy commissioner, on Wednesday said the commission was "not there yet" on approving Poland's funding plan, and that the primacy of EU law was a major issue.

The commission has approved 18 national recovery plans but not so far those of Poland and Hungary, even though the two-month deadline to do so has lapsed. Budapest has also attracted EU ire for changes made to its judicial system, and a recent bill to ban content depicting or promoting LGBT+ people in the country's schools and media.

Koscinski said the delay to the funding approvals was not yet affecting Poland's spending plans, as Warsaw was already "building the virtual infrastructure for the projects".

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Record-breaking rainfall

Storms leave 14 dead after Hurricane Ida hits US east coast

TAYLOR NICOLE ROGERS — NEW YORK
IAN SMITH — LONDON

At least 14 people died in New York, New Jersey, and Pennsylvania after the remnants of Hurricane Ida dropped record-breaking rainfall that caused flash floods across the region late on Wednesday.

The floods forced the New York City subway system to halt, stranding travellers on their evening commutes. Service on a majority of lines was still at least partly suspended yesterday, with the Metropolitan Transportation Authority advising against unnecessary travel.

Newark Liberty International Airport said it had experienced "severe flooding," cancelled more than 300 flights and briefly evacuated an air traffic control tower due to strong winds.

Tennis matches at the US Open tournament in New York were also interrupted, as heavy rain breached Louis Armstrong Stadium's retractable roof.

Close to 200,000 utility customers lost power due to the storm, while homes were levelled by a tornado that touched down in Mullica Hill, New Jersey. In New York, eight people died who were trapped in flooded basements, Associated Press reported. Another five were found dead at an apartment complex in the port city of Elizabeth, New Jersey, AP added, and more fatalities were reported outside Philadelphia.

Hurricane Ida made landfall in Louisiana as a Category 4 hurricane on Sunday, the strongest storm to strike the area since Hurricane Katrina in 2005. Entergy, Louisiana's largest electric utility, has restored some service but hundreds of thousands of customers are still in the dark and those in the worst-hit areas face weeks without power.

The storm's ability to cripple the nation's most densely populated area in a matter of hours showed how New York's infrastructure remains ill-prepared for the stronger, wetter storms associated with climate change.

Images of water rising to the windows of parked cars, gushing down the stairs of subway stations and spilling into the basements of homes were widely shared on social media.

The National Weather Service issued its first flash flood emergency for New York City shortly after 9pm, saying that water rescues were already taking place.

The storm also broke the record for the most rainfall observed in Central Park in a single hour, with 3.15 inches falling. The previous record was set less than two weeks ago by Tropical Storm Henri.

A travel advisory notice asking non-emergency vehicles to stay off the roads remained in effect yesterday.

The insurance hit from Ida is expected to be substantial. Fitch Ratings predicted earlier this week that the overall cost to insurers and reinsurers could be between $15bn and $25bn, probably exceeding the impact of this year's winter storm Uri, which knocked out Texas's electric grid, but still well below the $65bn hit from Katrina.

Flash flood: a motorist ploughs on in Brooklyn, New York City, yesterday

Boston-based catastrophe modelling firm Karen Clark & Company published a "flash estimate" of $18bn of claims from Ida, including $40m in the Caribbean and the rest in wind and storm-related losses in the US.

Insurance company Aon said earlier this week: "It will take many months or longer for the financial view of this event to fully develop."

The uninsured costs will also be significant, it added, including damage to infrastructure as well as properties without flood cover.

The industry is already reeling after the worst start to the year for natural catastrophes in a decade, as urban development and climate change effects combined to deal a $40bn first-half blow from events such as wildfires and winter storms. That was followed by more extreme weather in July, including floods in Europe that were estimated to be the region's costliest weather event in decades.

Additional reporting by Justin Jacobs in Houston

INTERNATIONAL

Newsom's foes dine out on mask-free restaurant gaffe

California governor's ratings tumble little more than a week before recall vote

CHRISTOPHER GRIMES — LOS ANGELES

On a blazing afternoon in the South Park neighbourhood of Los Angeles, few were braving the heat except for a handful of volunteers on a mission to save California governor Gavin Newsom's neck.

Wearing the purple and yellow colours of their union, the four canvassers were going door to door to urge residents of this majority Latino neighbourhood to vote against recalling Newsom, a Democrat who has held the office for nearly three years, on September 14.

"Did you vote No [to the recall]"? asked Zoila Toma, one of the Service Employees International Union volunteers, after greeting a woman who proudly said she had voted by mail.

"Of course. We can't have them taking over, right?" she said, referring to the California Republicans who pushed for the vote to recall Newsom.

But many of Newsom's backers worry there is not enough of this kind of enthusiasm to keep him in his job, despite the fact that Democrats far outnumber Republicans in California.

The governor's approval rating has dropped from 64 per cent last September, when he and other state leaders such as Andrew Cuomo, formerly of New York, were lauded for their performance during the coronavirus pandemic, to about 50 per cent in July.

> 'If you're a Republican voter, you're going to be enthusiastic about voting in the recall election'

"There's definitely an enthusiasm gap," said Mark Baldassare, president and chief executive of the Public Policy Institute of California. "Republicans haven't won a statewide race in California since 2006. If you're a Republican voter, you're going to be enthusiastic about voting in the recall election . . . This is a real political wild card."

The recall election marks a dramatic change in fortunes for Newsom, who won in a landslide in 2018 and styled himself as a leader of the anti-Donald Trump resistance. But almost from the moment he took office, Republicans in the state began efforts to recall him.

The risk for Newsom is that some Democrats and independents could be less motivated to vote for him after a year marked by death, disruption and job losses. Many have been frustrated by the state's Covid-19 restrictions, with parents upset by lengthy public school closures and restaurant owners angry about bans on dining outdoors.

As the governor faces the electorate, broader issues are mounting. Homelessness has skyrocketed since the beginning of the pandemic. Property prices have also soared, pushing home ownership out of reach for most first-time buyers. Much of California is battling drought and wildfires.

But Newsom also handed ammunition to his critics when he dined mask-free at the French Laundry restaurant, owned by Thomas Keller, the chef and writer, in November, just as he was publicly urging citizens to stay at home. Republicans had failed five times to get a Newsom recall effort off the ground, but the three-Michelin-star dinner set things in motion.

"The French Laundry really created a sense of detachment" around Newsom, said Fernando Guerra, a political science professor at Loyola Marymount University. "It was politically tone deaf, where you say one thing and do something else yourself."

In a typical election, Newsom would nonetheless appear to be cruising towards victory. He has a formidable war chest of $54m, thanks to support from unions such as the SEIU and his top individual donor, Reed Hastings, chief executive of Netflix. Meanwhile the state's political make-up is in his favour: Joe Biden took 63.5 per cent of the vote against Trump in 2020.

But the recall election has an unusual formulation. The ballot asks voters to answer two questions: "Should Newsom be recalled?" and "Regardless of how you voted on the first question, who should he be replaced by?"

If more than 50 per cent of voters agree with the first question, then the candidate with the most votes in the second will serve out the rest of Newsom's term. Critics of the process note that Newsom has to win a majority of votes, but his potential replacement could become governor with far less than a majority.

Leading the field of contenders is Larry Elder, a conservative talk radio host who is using his syndicated show as a platform to attack Newsom on homelessness, crime and the address of Covid-19 policies have had on business. Also on the ballot is Caitlyn Jenner, the reality star and Olympic gold medallist, Kevin Faulconer, former San Diego mayor, and John Cox, a Republican businessman who was trounced by Newsom in the 2018 election.

Recall efforts are not unusual in California — they have been launched against every governor since 1960 — but only two have met the threshold number of signatures for an election: this year and in 2003. Back then, Gray Davis, a Democrat, was recalled and replaced by Arnold Schwarzenegger, the actor who already had money and name recognition. Baldassare from the Public Policy Institute of California notes that no one in the current field has comparable advantages.

A recent poll carried out by FiveThirty-eight showed a slight edge for Newsom, with 50.6 per cent of California voters wanting to "keep" the governor and 46.3 per cent wanting to "remove" him.

For his supporters, that might feel too close for comfort. But some longtime Democratic strategists are confident he will prevail. Garry South, a veteran consultant, said claims of an enthusiasm deficit in his party were "completely overblown", noting that early voting patterns show a strong advantage for Newsom.

"Of course the Republicans are more jacked up — they're trying to commit regicide here," he said. "But there are more than twice as many Democrats as Republicans in California. Math doesn't care about enthusiasm."

Gavin Newsom launches his 'Say No' to the recall campaign — Justin Sullivan/Getty

The main contenders

Larry Elder, 69, is considered to be Newsom's strongest challenger. He hosts *The Larry Elder Show*, a nationally syndicated conservative talk show

Caitlyn Jenner, 71, is an Olympic gold medallist and reality television personality

Kevin Faulconer, 54, is the Republican former mayor of San Diego. Before entering politics, he was in public relations

John Cox, 66, is a San Diego property developer who was Republican nominee for governor in 2018, losing to Newsom in a landslide

East Africa. Trade routes

Somaliland gears up for 'healthy' battle of ports

Self-declared state due to compete head to head with Djibouti to serve Ethiopia

ANDRES SCHIPANI — BERBERA

Anchored at the deepwater port of Berbera, an Ethiopian-flagged ship offloads its cargo of sugar and rice from India in what officials hope is a sign of a renewed era of trade in the self-declared east African state of Somaliland.

After a $442m investment from Dubai-based ports operator DP World, Berbera is poised to regain its centuries-old trade lustre, setting up a battle of ports over a maritime thoroughfare traversed by about a third of ships worldwide. The revamped port now offers an alternative to Djibouti as a gateway to lucrative trade routes through the Suez Canal.

Berbera was once the capital of the British Somaliland protectorate. For centuries, until a civil war destroyed much of its facilities three decades ago, it was a hub of maritime trade between the Horn of Africa, the Arabian peninsula and India due to its key location on the Gulf of Aden opposite Yemen.

"We are getting another chance to become an international business centre," said Abdishakur Mohamed Hassan, Berbera's mayor. Outside his office, rows of camels and herds of goats are heading to the dock, destined for the port of Jeddah in Saudi Arabia. "There will be a healthy competition between the neighbouring ports," he added.

Berbera's terminal, which opened in June, can handle the world's largest ships. Its container capacity increased from 150,000 20ft Equivalent Unit containers (TEU) to 500,000 TEU annually, and work is already under way for an expansion to operate up to 2m TEU a year. The main aim of the port is to serve Ethiopia, Africa's second-most populous country, which needs "multiple gateways", according to Supachai Wattanaveerachai, chief executive of DP World's port of Berbera.

Eritrea broke away from Ethiopia in 1993, leaving the latter landlocked and reliant on neighbouring Djibouti for port access. Djibouti had remained "almost entirely free of competition" in the region, said the World Bank which in a report said almost 95 per cent of Ethiopian cargo passed through it. The remainder goes through Port Sudan, in Sudan, and Mombasa, in Kenya.

A 2021 global container port performance index by the World Bank and IHS Markit rated Djibouti as the most efficient port in Africa, measured by minutes per container move. The former French colony has capitalised on its infrastructure and privileged location on the strait of Bab-el-Mandeb, with nearly 1m TEU passing through its ports each year.

But the competition has intensified, with DP World now in Somaliland and going head to head with Djibouti.

Sultan Ahmed bin Sulayem, DP World's chair, said Berbera would be a viable and efficient option for trade in the region, especially for Ethiopian transit cargo.

These ambitions have not been welcomed by neighbours, according to Hassan. "Djibouti is 100 per cent not happy with the investment DP World made in our port," he said.

Three years ago, Djibouti seized the container port of Doraleh from DP World. Djibouti argues the company's goal was to take control of the country's coastline and the port was not operated to its full potential. DP World counters Djibouti acted illegally and has won several international arbitration cases.

Djiboutian officials have played down any rivalry. Ilyas Moussa Dawaleh, Djibouti's finance minister, said Berbera would compete "in a way".

Another senior Djiboutian official said their country was in "pole position" as it was closer to the Suez Canal, adding that Djibouti was already a linchpin of global commerce.

Much depends on the political situation in Ethiopia, the regional giant that is the main customer for the competing ports. Over the past decade, Ethiopia went through an Asian-style economic miracle, growing at an average of 9.4 per cent a year. Then the pandemic struck and an unending civil war began.

Said Hassan Abdullahi, general manager of Somaliland Ports Authority, said Addis Ababa had already missed the deadline for acquiring a stake in the port of Berbera and worries about the war continuing. In July, fighting spread from Tigray to the region of Afar, a transit point between Ethiopia and Djibouti.

"If the war goes on, there will be no trade," he said. "We are building all this infrastructure for Ethiopia. It could be a problem for Somaliland and for Djibouti."

Raising the stakes: Djibouti seized the container port of Doraleh from DP World three years ago

Reproductive rights

Biden rails at Supreme Court ruling for Texas abortion law

KIRAN STACEY — WASHINGTON

Joe Biden has accused the US Supreme Court of unleashing "unconstitutional chaos" after a ruling that allowed Texas to pass a law banning abortion after about six weeks of pregnancy.

The US president hit out at the court after it issued an overnight judgment allowing the second most populous state to go ahead with the law championed by anti-abortion campaigners.

The Texas law is the most prohibitive in the country, barring abortions once cardiac activity is detected, usually around six weeks. Healthcare providers say the vast majority of abortions happen after this point.

The law makes no exception for cases of rape or incest, and allows citizens to sue abortion providers and anyone helping a person to have the procedure.

Biden said in a statement: "By allowing a law to go into effect that empowers private citizens in Texas to sue healthcare providers, family members supporting a woman exercising her right to choose after six weeks, or even a friend who drives her to a hospital or clinic, it unleashes unconstitutional chaos and empowers self-anointed enforcers to have devastating impacts."

The president said he was directing his officials to look at how the federal government might help women in Texas gain access to safe and legal abortions, and what legal tools it might have to protect people from the new law.

US conservatives have fought for decades to limit the impact of *Roe vs Wade*, the 1973 Supreme Court decision that established a constitutional right to abortion. Later this year, the court will hear a case from Mississippi that seeks to overturn that ruling completely.

Texas and Mississippi are just two in a long line of Republican-controlled states that have tried to impose strict controls on abortion. Those cases have often been thrown out by the Supreme Court, and many liberals had expected the same to happen to the Texas law.

However the court voted on Wednesday night by 5-4 to deny a last-minute application to put the law on hold pending a full appeal. The judgment was issued just before midnight without a full briefing or oral arguments.

Three of those who voted in favour were appointed by Donald Trump, though none put their name to the decision, contained in a single unsigned paragraph. They included Amy Coney Barrett, whom Trump appointed a week before last year's election.

The five justices held that because Texas had not put its officials in charge of enforcing the law, it was not clear that the Supreme Court had a right to intervene.

EU regulations

Ireland fines WhatsApp €225m for breach of data privacy rules

JUDE WEBBER — DUBLIN
JAVIER ESPINOZA — BRUSSELS

WhatsApp has been fined €225m for breaking the EU's data privacy law by not telling its users how it was sharing their data with its parent company Facebook.

In one of the biggest fines relating to the General Data Protection Regulation (GDPR), the Irish data regulator applied a penalty more than four times the level it had initially proposed for the messaging service after coming under pressure from other European countries.

The WhatsApp ruling came after Luxembourg fined Amazon a record €746m in July for breaching GDPR, and Ireland fined Twitter €450m in December for not informing regulators about a data leak within 72 hours.

The Irish Data Protection Commission is engaged in more than two dozen investigations into big technology companies. Amazon has said it will appeal against its fine.

In its ruling after a two-year investigation, Ireland also ordered WhatsApp Ireland to take action to bring its data sharing with Facebook in line with GDPR. WhatsApp was heavily criticised earlier this year for requiring that its users agree to share their personal data, including their phone number, with Facebook.

In July, the European Data Protection Board called for WhatsApp's data-sharing practices with its parent company to be investigated "as a matter of priority".

WhatsApp attacked the fine, saying it had complied with transparency requirements in 2018. "The penalties are entirely disproportionate. We will appeal this decision," the company said.

The Irish authority had originally asked WhatsApp for a €50m fine for breaking GDPR but it quickly came under pressure from other data protection agencies to levy a stiffer penalty.

> The Irish data regulator applied a penalty more than four times the level it had initially proposed

In March, Ulrich Kelber, Germany's chief data protection watchdog, wrote to members of the European Parliament to highlight a lack of action from the Irish authority on GDPR abuses.

In his letter, he said Germany alone had "sent more than 50 complaints about WhatsApp" to Dublin, "none of which had been closed to date".

WhatsApp said it was "committed to providing a secure and private service". It added: "We have worked to ensure the information we provide is transparent and comprehensive and will continue to do so."

Property

Dublin unveils €4bn attempt to tackle housing shortage

JUDE WEBBER — DUBLIN

Ireland's government has unveiled plans to spend €4bn annually on building more than 33,000 homes a year by the end of the decade in an effort to tackle a chronic housing crisis.

The Housing for All plan, announced yesterday, also intends to eradicate homelessness over the same period.

Micheál Martin, the taoiseach, called housing the "single most urgent and important social issue facing our country at this moment in time".

He said: "There are not enough homes being built and a generation of people are demoralised and close to despair on the issue. There is scarcely a family in the country untouched by the crisis."

Ireland's housing problems are rooted in the high cost of construction, which has driven up sale and rental prices, and is compounded by a lack of supply and a growing population.

Many people have found themselves priced out of the market. Break-even for builders on a two-bedroom apartment is €450,000, according to a recent report by Trinity College Dublin economist and housing expert Ronan Lyons. The rental market has suffered the knock-on effects, with increased demand and lack of supply driving rents to often unaffordable levels.

The housing squeeze is a big issue with voters and is expected to colour the fortunes of the three main parties in the next general election, due by 2025.

"This [plan] is a political as much as an economic and social policy event," said Dermot O'Leary, chief economist at stockbroker Goodbody.

If the housebuilding targets were hit, "a lot of the problems should certainly be eased — but we're a number of years away", he added.

It was also "not entirely clear that the state has the capacity, skills and experience" to pull off the plan, O'Leary said.

Backed by €12bn in funding directly from the government, the project goes well beyond previous efforts.

The plan also includes €3.5bn from the Land Development Agency, a commercial, state-sponsored body set up in 2018 to develop state-controlled land with a focus on providing housing, with €5bn from the state-owned Housing Finance Agency.

It expects 300,000 homes to be built — some 33,000 a year, rising to 40,000 by 2030. That includes about 90,000 so-called social homes for those on low incomes, as well as 54,000 affordable homes, including some earmarked for first-time buyers at an average price of €250,000.

Before the pandemic, Ireland was building about 20,000 homes annually.

INTERNATIONAL

Global emissions

China tells US not to derail climate talks

Beijing chides Washington on eve of Kerry visit amid strained bilateral relations

EDWARD WHITE — SEOUL

China has warned the US that a "strategic miscalculation" in its relations with Beijing has stoked bilateral tensions that risk derailing high-level talks aimed at combating the global threat of climate change.

The warning came on the eve of a meeting between John Kerry and Xie Zhenhua, climate envoys for the world's largest economies, in Tianjin, north-eastern China, with the Biden administration calling for President Xi Jinping's government to try harder to cut emissions.

Speaking to Kerry via video link on Wednesday, Wang Yi, China's foreign minister, said co-operation on climate would not be sustainable without better relations. A "major strategic miscalculation" by Washington had resulted in "the sudden deterioration of bilateral relations in recent years", Chinese state media reported Wang as saying. "The ball now is in the US court," he added.

Kerry yesterday told his counterpart there was "no way for the world to solve the climate crisis without the full engagement and commitment of the [People's Republic of China], which produces 27 per cent of global emissions", according to the state department.

Relations between the two biggest polluters have remained strained during Joe Biden's presidency, over issues ranging from Hong Kong, Taiwan, Xinjiang and the South China Sea to technology and the origins of the pandemic. At talks in late July, between Xie Feng, China's vice-foreign minister, and Wendy Sherman, US deputy secretary of state, China said relations were in a dangerous "deadlock".

But there has been hope that climate change might provide an opportunity for co-operation. The Kerry-Xie meetings follow climate talks in April in Shanghai that resulted in a joint statement highlighting commitments to "concrete actions in the 2020s" to cut emissions in line with the aims of the 2015 Paris accord, under which nations vowed to limit global warming to "well below" 2C, preferably about 1.5C, compared with pre-industrial levels.

Li Shuo, an energy policy officer at Greenpeace, the campaign group, noted the Shanghai meeting covered much of the "low hanging fruit" ahead of more substantive talks on near-term emissions cuts. "Tianjin is more difficult in a lot of ways . . . but moving any further on climate will require courage from both sides," Li said.

After the meeting, Kerry said he and Xie had agreed to meet again ahead of the COP26 UN climate conference in November to resolve disagreements and pave the way for global leaders to strike more ambitious climate goals.

Beijing is trying to position itself as a global leader on climate change, with Xi pledging last year to reach net-zero carbon dioxide emissions by 2060. But it has been under pressure to bring forward its peak emissions target from 2030 to the middle of this decade. Critics said the economy's continued reliance on coal-powered industry threatened to undermine its climate targets.

"Kerry will push China on ambition, including [emissions] peaking before 2025 and reducing coal," Li said.

Additional reporting by Eleanor Olcott

Zelensky visit

Biden pledges to resist 'Russian aggression' in Ukraine

JAMES POLITI — WASHINGTON

Joe Biden sought to reassure Ukraine of Washington's "ironclad" commitment to its sovereignty and opposition to "Russian aggression" at a White House meeting with President Volodymyr Zelensky.

The talks on Wednesday came amid rising tensions between Washington and Kyiv over the US approach to Russia, with Ukrainian officials concerned the White House had become too accommodating towards the Kremlin.

Biden's decision to hold a summit with Vladimir Putin, his Russian counterpart, in June triggered criticism that the administration was playing down Russia's military involvement in Ukraine's eastern Donbas region.

The White House move the following month to strike a deal with Angela Merkel, Germany's chancellor, ending its opposition to the Nord Stream 2 pipeline, which bypasses Ukraine to deliver Russian gas to Europe, raised similar concerns in Kyiv.

Biden and his top national security officials have attempted to use Zelensky's long-sought White House visit to ease Ukrainian worries over US resolve.

In brief remarks ahead of their discussion, Biden said he wanted "a Europe whole, free and at peace", that Washington opposed "Russian aggression" and that he hoped to visit Ukraine again.

Zelensky said the US was its "strategic partner and supporter of our sovereignty, and our territorial integrity".

US policy regarding Ukraine has been overshadowed in recent years by former president Donald Trump's attempt to pressure Kyiv to investigate Biden's son Hunter, who sat on the board of a Ukrainian energy company while his father was vice-president. Trump was impeached over allegations he improperly exerted diplomatic pressure on Zelensky in an effort to get a foreign government to assist his re-election effort.

The Obama administration resisted Kyiv's repeated requests for Javelin anti-tank weapons in its fight against Russia-backed separatists. Trump approved those sales. Despite the Obama-era reluctance and Biden's early outreach to Putin, officials insisted the US relationship with Ukraine had not been downgraded or neglected. "President Zelensky and Ukraine have gotten as much, if not more, attention from this administration than any other European country," said a US official.

The visit came at an awkward time, as several US allies wondered whether Biden's decision to pull out of Afghanistan was a signal his administration would take a less interventionist approach in support of its partners abroad.

However, the president announced a $60m security assistance package for Ukraine and the Pentagon signed a "strategic defence framework" concerning co-operation on security in the Black Sea, cyber security and intelligence sharing.

Zelensky said: "Some of our proposals were new to the United States. They are interested," he added, pointing to plans to deepen bilateral ties. The Kremlin expressed "regret" at "anti-Russian rhetoric" from Biden and Zelensky.

Additional reporting by Roman Olearchyk in Kyiv and Max Seddon in Moscow

Philip Stephens see Opinion

Pandemic. Pupil impact

Education crisis looms in Latin America

School closures caused by coronavirus have aggravated social inequality in the region

DAVID AGREN — MEXICO CITY

Screen time: two girls in San Martin, Mexico, watch classes that the federal government broadcast on television before in-person lessons resumed

Cristopher Rogel Blanquet/Getty

Throughout the pandemic, Diana Gómez Guerra has moved between tending to customers in her family's shop in Mexico City and trying to tutor her 10-year-old daughter.

From a storeroom stacked with Coca-Cola, her daughter Helen Michelle struggled with work, especially maths.

"I tried to explain things one way and she didn't understand," Gómez Guerra recalled. "So she had to wait until Thursday to ask the teacher," the one day the child had weekly video lessons.

The pandemic has punished Latin America, sending death tolls soaring and its economies tanking. The region accounts for 8 per cent of the world population but roughly a third of global Covid-19 deaths.

Now it is provoking an education crisis in a region already rife with inequality and long trailing behind in academic performance. Schools in the region have remained closed for much of the pandemic, forcing students to distance learn, often over patchy mobile and internet connections. The closures had lasted longer than elsewhere in the world, said Unicef, which in June estimated 100m students in Latin America were hit by total or partial closures.

The impact of schools closing for so long is difficult to gauge, but the World Bank estimated it could cost the region $1.7tn in lost future income. About 1.8m Mexicans have dropped out of school due to pandemic hardships, according to state statistics service Inegi. And non-government groups in Colombia report a rise in criminal organisations recruiting youths abandoning school.

The reticence to reopen schools raises questions about Latin America's priorities. "We made an expensive choice from the point of view of the future," said Carolina Campos, founder of consultancy Vozes da Educação in Brazil. "We chose to open shops and commerce but keep schools closed."

Brazil has resumed classes, but the restarts have varied by state and municipality. Argentina reopened schools after middle-class professionals without childcare options protested loudly.

Mexico kept schools closed throughout the pandemic, apart from brief openings in some states, which were cut short as health conditions deteriorated. President Andrés Manuel López Obrador pursued a laissez-faire approach to the pandemic, but in-person classes resumed on August 30.

"It's not only an educational issue but also a social issue," López Obrador said. "We cannot have children being locked up or depending on Nintendo."

The reopening comes as the Delta variant surges and concerns mount about its effect on unjabbed children. Even so, López Obrador told reporters: "We have to run certain risks throughout life."

A government tweet insisted: "In the world there is no evidence of a Covid-19 epidemic in minors."

Teachers have been vaccinated, but Mexico still has not approved jabs for children and adolescents. A poll by paper El Financiero found that 56 per cent of parents in Mexico City were against resuming in-person classes, yet about 70 per cent of children want to return to school, the Mexico City Human Rights Commission has found.

"If we're in bad shape in terms of health, we're in worse shape in terms of education," said Marco Fernández, a professor at Tecnológico de Monterrey.

López Obrador promoted austerity throughout the pandemic, spending less than 1 per cent of gross domestic product on Mexico's response. That included education and no subsidies for internet access or equipping students. Teachers gave lessons over weak internet links, often paid for out of their pocket. Television lessons augmented the offerings.

"The rule here has been: everyone do what they can with what they have," said Alma Maldonado, an education researcher with Cinvestav in Mexico.

Teachers say they have been overworked, have faced a barrage of questions at all hours and have had to deal with disinterested parents. Mexico's teachers' union has backed the return to classes, but dissident unionists in several states objected to the president's plans. Teachers protesting against labour conditions blocked a López Obrador press conference last week in southern Chiapas state. "I won't give in to blackmail," he insisted.

Concerns about overcrowding also surfaced; one teacher said she had 30 in a class designed for 20 students.

Infrastructure is often dilapidated or lacking; 23 per cent of Mexican schools are short of running water, according to the public education secretariat.

> 'We made an expensive choice from the point of view of the future. We chose to open shops and commerce but keep schools closed'

"There is no guarantee that even private schools are in the proper condition for a full return," said Rodolfo Soriano-Núñez, a Mexican sociologist.

The state of infrastructure speaks to broader education issues. The region's students perform poorly on the Pisa examination, which assesses 15-year-olds in maths, science and reading and is overseen by the OECD. Parents, meanwhile, have applied little pressure to reopen schools, aside from in Argentina.

Economist Rafael de Hoyos attributes this apathy to education not always seen as a path to social mobility: "Low women's labour force participation in Latin America, reduced further by the pandemic, contributed to a lack of urgency in resuming in-person classes."

De Hoyos, who teaches at the Autonomous Technological Institute of Mexico, added: "Pre-pandemic polls show people value education. But the pandemic showed our true preference."

Additional reporting by Michael Pooler and Carolina Pulice in São Paulo and Ignacio Portes in Buenos Aires

Bleak outlook

Rising prices and rates threaten Brazil's pandemic recovery

BRYAN HARRIS — SAO PAULO

Brazil's pandemic economic recovery threatens to slow sharply next year as economists sound the alarm over surging inflation and interest rates as well as the effect of a drought.

Buoyed by policies that largely kept businesses open during the Covid-19 crisis, Latin America's largest economy bounced back to pre-pandemic levels in the first quarter of 2021 and looks set to end the year with more than 5 per cent annual growth.

Second-quarter data on Wednesday showed that the economy had shrunk by 0.1 per cent on the previous quarter, having grown 12.4 per cent in the same period last year.

The outlook for next year, however, is growing increasingly bleak, with analysts beginning to revise down annual growth estimates to as low as 1 to 2 per cent. In addition to concerns over rising prices and interest rates, many fear political volatility in the run-up to next year's presidential election. There is also concern that the government may imperil its fiscal position by handing out cash via social welfare programmes.

"The economy will be jammed by a triple whammy. The first one is inflation. It will definitely undermine consumer purchasing power. The second is the consequence of inflation, the central bank is rushing to deal with [interest rate increases]. In order to fight inflation, we will have to hurt the economy," said Marcelo Fonseca, chief economist at asset manager Opportunity Total.

"The third is the uncertainty. The fiscal regime is in danger and I don't think that outlook will change during the electoral period. There will be a lot of turbulence, so some slowdown in investments, which have been driving the recovery, is inevitable."

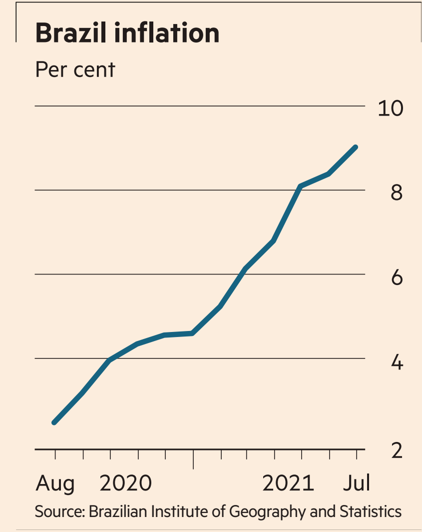
Inflation has haunted many Latin American nations and its sudden return this year in Brazil has alarmed policymakers, now rushing to control prices.

In the 12 months to July, inflation stood at 8.99 per cent, well above the 2021 target of 3.75 per cent. The central bank has lifted its benchmark Selic interest rate from a low of 2 per cent to 5.25 per cent. Expectations are that it will reach 7.5 per cent by the end of the year. This would further weigh on economic activity.

Furthermore, unemployment is high at more than 14 per cent, meaning consumption remains stunted.

"Inflation is already lost for this year, the effort now is to control it for next year," said André Braz, an economist at the Brazilian Institute of Economics.

"Brazil is a very unequal country and inflation for poorer people is higher than for rich people as the poor spend more of their income to buy food, and the price of food has increased more than other categories," he added.



Source: Brazilian Institute of Geography and Statistics

The price of electricity has also soared as the effect of the worst drought in almost 100 years takes its toll. Brazil relies on hydroelectricity for 65 per cent of its energy generation, but with reservoirs in the centre and centre-west almost dry, the government has become concerned about power cuts.

"We've never seen a drought like this. I appeal to you at home: turn off a light. This way you will help save energy and water from the hydroelectric dams," president Jair Bolsonaro said last week.

Fonseca added: "Be it preventative power rationing or simply frequent blackouts, this is a major tail risk to growth over the next quarters."

Economists are also on edge ahead of a presidential election campaign next year, which threatens to bring a pronounced bout of political volatility. Trailing in the polls, Bolsonaro has recently lashed out at democratic institutions, raising the spectre of a coup.

Economic revival

Spain and Portugal increase spending as EU funds arrive

PETER WISE — LISBON

Socialist governments in Spain and Portugal are raising wages and stepping up social spending to ensure a "fair recovery" from recessions triggered by Covid-19 as EU funds begin to pour in and their economies revive.

Pedro Sánchez, Spain's prime minister, announced an increase in the minimum wage, saying there would be "no economic recovery if it does not reach the pockets of all Spaniards in the form of more jobs, better wages and more dignified pensions".

Earlier this week, António Costa, his Portuguese counterpart, pledged a package of reforms ranging from measures to tackle youth unemployment to increased child tax benefits as well as investments in health and social security. "The best response to crises is solidarity, not austerity," he said.

The announcements reflect increasing pressure from across the political spectrum over how to spend the tide of EU pandemic recovery funds beginning to reach the Iberian peninsula.

Both premiers head minority socialist governments and are in late-stage talks on next year's budgets with radical leftwing parties, whose support they rely on to pass legislation.

Spain expects to receive €70bn in EU grants and a similar amount in loans over the 2021-2026 life of the pandemic recovery plan. Portugal anticipates accessing €14bn in grants but plans to accept only about €2.6bn in loans to help contain a public debt in excess of 130 per cent of national output.

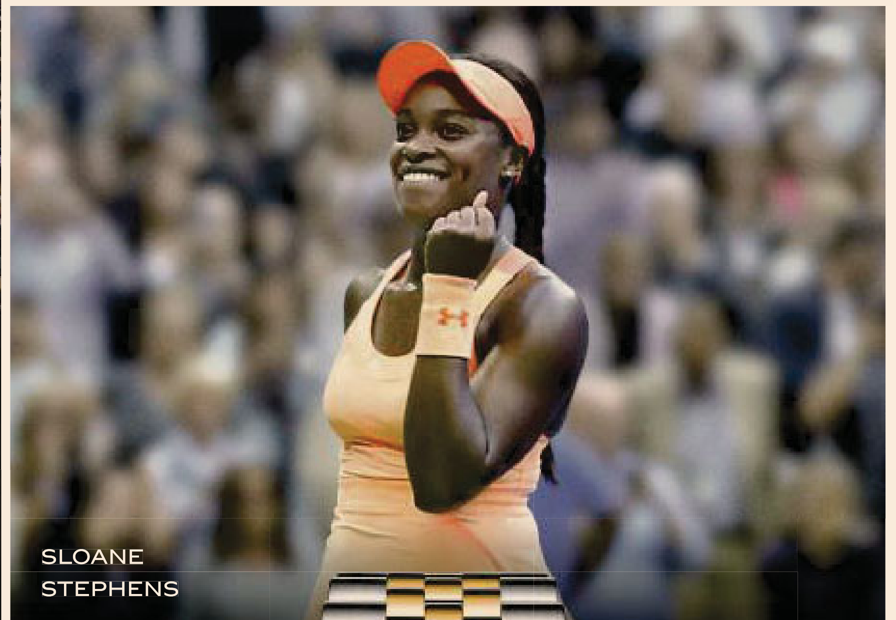
Sánchez pledged an "immediate increase" in the €950 monthly minimum wage, which affects about 1.5m workers, but talks between the government and trade unions continue. Talks have focused on a rise of €12 to €19.

Podemos, the government's radical leftwing coalition partner, has pressed for the increase after a sharp rise in energy prices pushed up inflation. Consumer prices rose 3.3 per cent in August.

ARTHUR ASHE STADIUM

ROGER FEDERER

DOMINIC THIEM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Alibaba vows $15.5bn for Xi's prosperity programme

- Rush to deflect Beijing tech scrutiny
- Group follows rival Tencent's lead

EDWARD WHITE — SEOUL

Alibaba has promised to give away Rmb100bn ($15.5bn), the equivalent of roughly two-thirds of its net income last year, to projects that support president Xi Jinping's call for more "common prosperity" as it seeks to defuse Beijing's scrutiny of the tech sector.

The online shopping giant confirmed it had matched the pledge made by its biggest rival Tencent, which said last month it would double the sum it was donating to social responsibility programmes.

Pinduoduo, another fast-rising online shopping company, has vowed to give Rmb10bn to farmers from its second-quarter and future profits.

> Pressure rose yesterday with ride-hailing groups given a deadline to 'rectify' their treatment of workers

Alibaba will spread the money over five years to projects that align with Beijing's policy goals, including initiatives to bolster digital and medical services in rural areas, the state-backed Zhejiang Daily newspaper reported.

Beijing has in recent weeks signalled a broad shift towards "common prosperity", interpreted by experts as encompassing not only wealth redistribution but also improved rights of workers and consumers.

The pressure on the tech sector increased yesterday as regulators set the country's biggest ride-hailing companies, including Didi and Meituan, a four-month deadline to "rectify" their treatment of their workers and customers.

The transport ministry said in a statement that it had summoned representatives from 11 ride-hailing platforms, which also included Cao Cao, a unit of carmaker Geely, and warned the companies over issues including unfair competition, data security and illegal labour.

Officials told the companies at the meeting to investigate their business practices, immediately improve compliance and come up with detailed plans for "rectification" by the end of the year.

According to the transport ministry, the companies said they would comply straight away with the rectification orders. The companies did not immediately respond to requests for comment.

Didi, China's biggest ride-hailing group, is separately bracing itself for the results of an unprecedented investigation into its data security. The inquiry was launched days after its $4.4bn initial public offering in New York in June, wiping billions of dollars off its value.

Meituan, the country's largest food delivery service, is also waiting for the verdict of China's second-ever antitrust investigation. Alibaba, the target of the first such inquiry, was handed a record $2.8bn fine in April for abusing its market dominance.

China's top court and the Ministry of Human Resources and Social Security last week took aim at workers' rights, outlawing the controversial "996" overtime policy, under which many tech sector employees work from 9am to 9pm, six days a week.

In response to the escalating regulatory scrutiny, companies including Didi and Meituan have in recent weeks begun allowing the establishment of worker unions, according to people familiar with the matter.

While the labour groups will have ties to the government-linked All-China Federation of Trade Unions, experts said their formation could herald advances in labour rights in China.

Additional reporting by Nian Liu in Beijing and Primrose Riordan in Hong Kong

Breathe easy Japan Tobacco says Nomura smoking ban will not stub out business ties

Penned in: Tokyo and other cities ban smoking on pavements and in many public spaces — Joshikazu Tsunno/AFP

LEO LEWIS AND KANA INAGAKI
TOKYO

Japan Tobacco said it would make no change to its long business ties with Nomura after the country's biggest brokerage asked its staff to give up smoking during the working day.

The initiative, which some Nomura employees have privately described as "intrusive" even though it has been imposed without a formal monitoring system or punishments for rule-breakers, applies to both those going to the office and the more than 50 per cent of staff in Japan currently working from home.

Nomura has linked the move with improving employee health and workplace comfort. However, several employees said that they felt the rules were an attempt to permanently change a work culture that normalises regular cigarette breaks — a small but steady accumulation of paid time off that non-smokers do not receive and often resent.

Nomura's policy includes a request that any smoker who does feel the need to indulge during office hours not return to their desk for 45 minutes. The timeframe is ostensibly designed to reduce unpleasant smells and the risks of residual smoke. But in effect it makes an official taboo of the 10-minute cigarette break, forcing smokers to use their lunch breaks instead of working hours.

Although Nomura's anti-smoking efforts have been under way for some time, the new memo warned that it would close all smoking rooms on its Japanese premises from October. That could have a significant impact on staff who smoke, as Tokyo and other cities ban smoking on pavements and in many public spaces.

As Japan's biggest investment bank, Nomura has a historically lucrative advisory relationship with Japan Tobacco — a global behemoth that has grown through large international acquisitions and continues to question some of the serious health risks that medical experts have associated with second-hand smoke.

Some within Nomura have debated whether its anti-smoking policy could sour that relationship. But Japan Tobacco had no comment on the policy and said yesterday: "Changes in our business partners' policy related to smoking will not affect our relationship or transactions."

Nomura's policy is aimed at reducing the proportion of its staff who are regular smokers from 20 per cent in March last year to 12 per cent by 2025. Smoking rates in Japan have been falling steadily for decades.

Nomura's move came as companies including retailer Aeon and drinks maker Dydo Drinco have taken similar steps since Japan introduced regulations last April that effectively banned indoor smoking. In the case of technology conglomerate SoftBank, its smoking ban applies regardless of where employees are located including homes and satellite offices.

See Lex

Baxter to buy medical tech rival Hillrom for $12.4bn

JAMES FONTANELLA-KHAN
NEW YORK

Baxter International, the medical technology group, has agreed to buy rival equipment company Hillrom for $12.4bn, including debt, the latest in a series of megadeals in the medical devices and healthcare industry.

Hillrom shareholders will receive $156 a share in cash, a 26 per cent premium to the company's closing stock price on July 27, when Bloomberg News first reported that an initial takeover approach by Baxter had been rebuffed.

The Chicago-based company had originally rejected a $144-a-share offer from earlier this year, said a person briefed about the matter.

Healthcare and pharmaceutical mergers and acquisitions have more than doubled in 2021 compared with a year ago, when the sector was badly hit by the effects of the pandemic. Since the start of the year, about $570bn worth of deals have been agreed, according to data compiled by Refinitiv.

M&A in the medical devices sector has been particularly active this year, with a consortium of private equity groups led by Blackstone, Carlyle and Hellman & Friedman buying a majority stake in Medline for about $34bn, including debt.

Dealmaking in the sector has sped up over the past few years, including Abbott's $25bn takeover of St Jude and Medtronic's $42.9bn acquisition of Covidien, as companies seek to build scale as industry margins become thinner.

Overall M&A activity, across sectors, has also been booming since the start of the year, with nearly $4tn worth of transactions agreed so far, an all-time record. Companies that were forced to drop deal plans last year due to coronavirus have rushed back to the M&A table in recent months, partly because many chief executives are concerned about a possible future rise in interest rates. Borrowing costs are at historic lows, which makes financing transactions cheaper than usual.

Baxter said yesterday that it would finance the transaction through a combination of cash and debt financing from JPMorgan Chase and Citibank. The Deerfield, Illinois-based company will have net leverage of approximately 4.2 times earnings before interest, taxes, depreciation and amortisation of the combined companies.

See Lex

Legal Notices

SUMMONS (CITACION JUDICIAL) CASE #: 21CV376344 NOTICE TO DEFENDANT: (AVISO AL DEMANDADO): **NATHAN GETTINGS YOU ARE BEING SUED BY PLAINTIFF**: (LO ESTA DEMANDANDO EL DEMANDANTE): KT4 PARTNERS LLC, and SANDRA MARTIN CLARK, as trustee for MARC ABRAMOWITZ IRREVOCABLE TRUST NUMBER 7. NOTICE! You have been sued. The court may decide against you without your being heard unless you respond within 30 days. Read the information below. You have 30 CALENDAR DAYS after this summons and legal papers are served on you to file a written response at this court and have a copy served on the plaintiff. A letter or phone call will not protect you. Your written response must be in proper legal form if you want the court to hear your case. There may be a court form that you can use for your response. You can find these court forms and more information at the California Courts Online Self-Help Center (www.courtinfo.ca.gov/selfhelp), your county law library, or the courthouse nearest you. If you cannot pay the filing fee, ask the court clerk for a fee waiver form. If you do not file your response on time, you may lose the case by default, and your wages, money, and property may be taken without further warning from the court. There are other legal requirements. You may want to call an attorney right away. If you do not know an attorney, you may want to call an attorney referral service. If you cannot afford an attorney, you may be eligible for free legal services from a nonprofit legal services program. You can locate these nonprofit groups at the California Legal Services Web site (www.lawhelpcalifornia.org), the California Courts Online Self-Help Center (www.courtinfo.ca.gov/selfhelp), or by contacting your local court or county bar association. **NOTE**: The court has a statutory lien for waived fees and costs on any settlement or arbitration award of $10,000 or more in a civil case. The court's lien must be paid before the court will dismiss the case.

¡AVISO! Lo han demandado. Si no responde dentro de 30 días, la corte puede decidir en su contra sin escuchar su versión. Lea la información a continuación. Tiene 30 DÍAS DE CALENDARIO después de que le entreguen esta citación y papeles legales para presentar una respuesta por escrito en esta corte y hacer que se entregue una copia al demandante. Una carta o una llamada telefónica no lo protegen. Su respuesta por escrito tiene que estar en formato legal correcto si desea que procesen su caso en la corte. Es posible que haya un formulario que usted pueda usar para su respuesta. Puede encontrar estos formularios de la corte y más información en el Centro de Ayuda de las Cortes de California (www.sucorte.ca.gov), en la biblioteca de leyes de su condado o en la corte que le quede más cerca. Si no puede pagar la cuota de presentación, pida al secretario de la corte que le dé un formulario de exención de pago de cuotas. Si no presenta su respuesta a tiempo, puede perder el caso por incumplimiento y la corte le podrá quitar su sueldo, dinero y bienes sin más advertencia. Hay otros requisitos legales. Es recomendable que llame a un abogado inmediatamente. Si no conoce a un abogado, puede llamar a un servicio de remisión a abogados. Si no puede pagar a un abogado, es posible que cumpla con los requisitos para obtener servicios legales gratuitos de un programa de servicios legales sin fines de lucro. Puede encontrar estos grupos sin fines de lucro en el sitio web de California Legal Services, (www.lawhelpcalifornia.org), en el Centro de Ayuda de las Cortes de California, (www.sucorte.ca.gov) o poniéndose en contacto con la corte o el colegio de abogados locales. AVISO: Por ley, la corte tiene derecho a reclamar las cuotas y los costos exentos por imponer un gravamen sobre cualquier recuperación de $10,000 ó más de valor recibida mediante un acuerdo o una concesión de arbitraje en un caso de derecho civil. Tiene que pagar el gravamen de la corte antes de que la corte pueda desechar el caso.The name and address of the court is: (El nombre y direccion de la corte es): SUPERIOR COURT OF CALIFORNIA, COUNTY OF SANTA CLARA 191 N. First Street, San Jose, CA 95113. The name, address, and telephone number of plaintiff's attorney, or plaintiff without an attorney, is: (El nombre, la direccion y el numero de telefono del abogado del demandante, o del demandante que no tiene abogado, es): Allan Steyer (SBN 100318)/Alexander D. Kullar (SBN 258815)/Jill K. Cohoe (SBN 296844), Steyer Lowenthal, et al., 235 Pine St., 15th Fl., San Francisco, CA 94104 Phone No.: (415) 421-3400 Date: (Fecha), 2/22/2021 Clerk, by (Secretario) Rowena Walker, Deputy (Adjunto) NOTICE TO THE PERSON SERVED: You are served as an individual defendant.

Contracts & Tenders

एअर इंडिया AIR INDIA
A STAR ALLIANCE MEMBER

NOTICE INVITING TENDER

Tender No.	Name of Work	Last Date for Submission
DEL/MM/DISP/2021/003 Dated: 27/08/2021	**TENDER FOR SALE OF SERVICEABLE / UNSERVICEABLE INVENTORY OF A-320/ B737 AIRCRAFT, V2500 ENGINES**	22nd September, 2021 upto 1400 hours (IST) **Date & Time of Opening of Bid:** 22nd September, 2021 at 1430 hours (IST)

For further details regarding tender documents, please visit our website **http://www.airindia.in**. Amendments (if any) shall be hosted on Air India's website 07 days prior to opening of the tender and no separate intimation for amendment/extension shall be published in the newspapers.

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Executive Director – MM
Air India Limited

OnlyFans shows how the creator economy is shaping media

INSIDE BUSINESS
MEDIA

Alex Barker

The intrepid stars of *The Uranus Experiment 2* made film history in 1999 by recording what is purported to have been the first sex scene in zero-gravity conditions. But the film also marked something else: the twilight of a lucrative era for pornography.

The production was big-budget for the genre, ambitious to the point of absurdity (zero gravity was simulated in an aircraft on a parabolic flight), and bankrolled by Private Media Group, an adult entertainment business listed on the stock market.

That model for porn films was not to last. Within a decade, porn — and much of the media sector — had succumbed to the weightlessness of the internet. Money from distributing music, films or news in physical form began to evaporate.

As some scholars have noted, adult entertainment offers a telling view of that digital disruption.

Today the business is convulsed by another shift in moneymaking power, a sequel with wider relevance for industries reliant on creative talent. In exaggerated form, porn is a paradigm for how the creator economy is shaping media.

The change is typified by OnlyFans, the most prominent of platforms connecting performers with a paying fan base. Musicians, fitness instructors and influencers use it as well as porn stars. But its business potential is being tested to its fullest by adult entertainment.

Those early days of digital disruption help explain. The internet brought porn a mass audience of astonishing scale — the two biggest operators of free "tube" sites claim to host 330m visitors a day — just as producers realised they had no real means to protect their copyright.

In 2014, MIT's Kate Darling described the industry as having to make "IP without IP" — internet pornography without any intellectual property.

Porn survived through side-hustles. In the era of physical media — VHS or DVD — a porn film was the product. But once millions of videos were available free on sites such as Pornhub or Xvideos, that changed. The videos became more like an advertisement.

> The content subscription service has allowed adult performers to squeeze out the middleman, who took the lion's share of revenue

What was for sale was other services, which were easier to protect or harder to copy. Paywalled sites provided access to more niche material, or higher-resolution videos. Cam sites, where models perform live, offered an interactive experience that proved lucrative.

OnlyFans is another stage in that journey. The difference is that the platform has allowed performers to squeeze out the middleman, who took the lion's share of revenue.

Adult performers might earn as little as $500 for a sex scene today, perhaps a few thousand for more established names. By contrast, over on OnlyFans, some porn stars are making $50,000 and even $100,000 a month.

Most OnlyFans performers obviously make nowhere near that; some estimates put the average at closer to a few hundred dollars a month. And even the potential for increased rewards comes at a price: a transfer of risk.

This reality became clear when OnlyFans (temporarily) announced a porn ban, claiming that it was being frozen out by its risk-averse banks. The hiatus highlighted that independence can have downsides; Substack newsletter writers worrying about libel claims will know the feeling.

The move to a more efficient market for porn, or other media, also raises issues. Those unable to attract large audiences can be drawn towards serving niches, or extreme demands, where prices are higher.

But the main unresolved question — for porn conglomerates such as MindGeek as well as news publishers or music labels — is how the balance of power will shift between the old industry and creators.

Porn revenues depend on a relatively small pool of paying users. Unlike YouTube or Instagram, free porn sites cannot sell their audience to mainstream brand advertisers. These porn conglomerates instead take ad money from others promoting paid porn, or drive traffic to their own pay sites.

It is effectively a closed ecosystem. The crucial point will be whether OnlyFans increases overall spending on porn, or just assists performers to take a bigger slice of the same pie.

The full implications of this for music, news and the celebrity economy are still playing out. Porn may provide answers earlier than most. Things can move fast in the adult world; the director of *The Uranus Experiment* said the weightless sex scene was concluded, successfully, in under 30 seconds.

alex.barker@ft.com

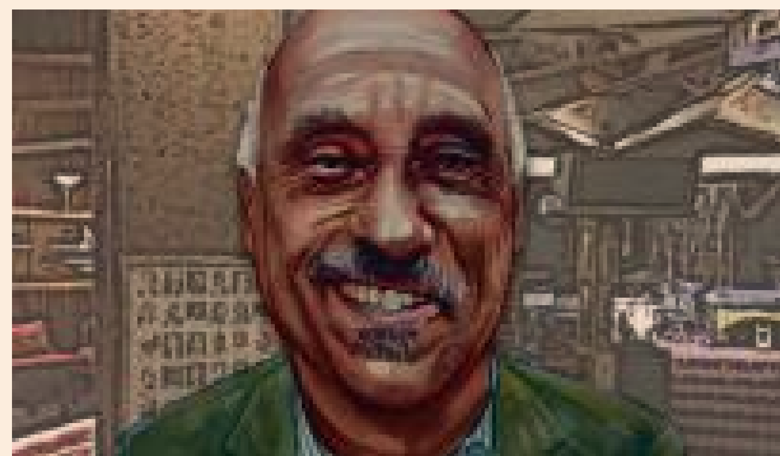
FINANCIAL TIMES
HOW TO SPEND IT
4 SEPTEMBER 2021

DESIGNS FOR LIVING
ALEK WEK takes things TO THE MAX

INSIDE GLENMORANGIE'S LIGHTHOUSE LABORATORY – CARTIER'S CROWN JEWEL –
AT HOME WITH ROSE UNIACKE – CLAUDIA RODEN'S BLACK BOOK OF STYLE

Mohsin Hamid: What was the point of it all?

Generation Merkel: Young Germans on the future of their country



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FT Weekend

Media

YouTube Music passes 50m milestone

Expanded subscriber base makes Google a leading participant in sector

ANNA NICOLAOU — NEW YORK

YouTube's paid music streaming services have amassed 50m subscribers, a milestone for Google as it competes with Amazon, Apple and Spotify in the fiercely competitive market.

After a slow start since launching in 2018, YouTube's music streaming services have attracted millions of paying users in recent months to reach 50m subscribers in August, according to two people briefed on the figures. That is up markedly from the 30m subscribers that YouTube reported in October last year, and reflects growing demand for YouTube Music, which costs $10 a month, and YouTube Premium, an expanded product with extra video features that costs $12 a month.

After years of friction with the music industry, Google hired Lyor Cohen — a longtime record executive who helped develop artists including Kanye West — to lead the launch of YouTube Music and turn it into a rival to Spotify.

The expanded subscriber base makes Google a genuine competitor in the paid music streaming market after a series of failed product launches over the years.

YouTube did not respond to a request for comment.

YouTube Music was "becoming to Gen Z what Spotify was to millennials half a decade ago", said Mark Mulligan of Midia Research.

Spotify reported it had reached 165m subscribers by the second quarter, while Apple and Amazon had 78m and 63m subscribers respectively at the end of the first quarter, according to Midia estimates. Spotify launched in 2008, Apple Music in 2015 and Amazon Music Unlimited in 2016.

YouTube's growth spurt defied more conservative expectations from Wall Street when its paid streaming service was first announced. Upon launching in 2018, Morgan Stanley analysts projected that YouTube Music would reach only 25m subscribers in 2022.

The analysts questioned whether YouTube Music would succeed after Google's previous forays into paid music streaming, such as Google Play and YouTube Red, failed to gain traction.

YouTube is the largest video site, and slickly produced videos by pop stars draw billions of views. But labels and artists have for years complained that the platform was short-changing the industry by hosting a proliferation of fan videos that used their music without licensing permission.

After joining YouTube in 2016, Cohen sought to mend the relationship with the large labels — Universal Music, Sony and Warner — touting a service to "make them rich", according to executives involved in the meetings.

"I've seen this industry evolve from an audio business to an audiovisual business and now — as my friend Chuck D puts it — to a visual-audio business," Cohen said in June. "As a visual-audio platform, our goal is to become the leading revenue generator for the music industry."

Mining

KPMG UK audit chair poised to join former client BHP's board

MICHAEL O'DWYER, ATTRACTA MOONEY AND NEIL HUME — LONDON

The chair of KPMG's UK audit division has been appointed an independent director at miner BHP, a recent client that has paid the firm hundreds of millions of dollars over the past two decades.

Michelle Hinchliffe, a member of the firm's UK board, will leave in February to join the Anglo-Australian company, where she will also sit on the risk and audit committee.

BHP's annual reports show that between 2003 and 2019 it paid KPMG's member firms in Australia and other countries $293m for auditing its financial statements and $64m for other advice. EY replaced KPMG as auditor from July 2019 under rotation rules.

Hinchliffe's move has prompted questions from accountants and investors both about KPMG's independence as an auditor and whether she could be truly independent as a director of BHP.

She will be the third former KPMG executive to sit on BHP's board since it was appointed the company's auditor in 2003. KPMG Australia ex-chair David Crawford was a BHP director from 2001-14 while its former chief executive Lindsay Maxsted was on the board from 2011-20.

Ken MacKenzie, BHP chair, said yesterday that "Michelle's extensive experience in financial risk management and her broad international perspective

> Hinchliffe will be the third former KPMG executive to sit on BHP's board since it was appointed auditor

will further strengthen the BHP board and complement the expertise of existing directors".

A senior auditor at another accounting firm said that while Hinchliffe's move "technically complies" with the two-year cooling-off period for UK auditors joining their former clients, such appointments "always smell".

The BHP audit was led by KPMG Australia, where Hinchliffe was a board member until 2015. KPMG UK said Hinchliffe had never worked on BHP's audit.

However, she had oversight of the team working on the UK portion of the audit in her roles as head of KPMG's UK audit practice from 2017-19 and subsequently as chair of the division, people familiar with the firm's structure said.

UK auditors have been taking steps to improve their independence after a string of scandals in the industry.

Hinchliffe's appointment also raises questions about her independence as a non-executive director, according to a corporate governance specialist at one top 30 BHP shareholder.

Under the UK's corporate governance code, a non-executive director's independence could be impaired if they had a material business relationship with a company in the previous three years. KPMG last signed off on BHP's accounts in September 2019.

The code applies to companies with a premium UK listing but BHP will leave the FTSE 100 and move to a standard listing if shareholders back plans to unify its dual-corporate structure by shifting its primary stock market listing to Australia.

Pharmaceuticals

Advent and Singapore fund in $8bn bid for Sobi

RICHARD MILNE
NORDIC AND BALTIC CORRESPONDENT

US private equity firm Advent and Singapore wealth fund GIC have teamed up for a SKr69bn ($8bn) bid for Swedish Orphan Biovitrum in what would be the largest leveraged buyout in the Nordic country.

Shares in Sobi rose 27 per cent to SKr243.50, past the recommended offer price of SKr235, suggesting that investors expect a bidding war for the drugmaker that focuses on rare diseases.

Investor, vehicle of the Wallenbergs who are Sobi's biggest shareholder with a 35 per cent stake, said it would back the offer unless a competing bid came in at more than SKr251 a share.

The deal would be the largest leveraged buyout of a European healthcare group in five years and comes as private equity increasingly looks at the healthcare and life sciences sector. The Advent-GIC bidding group argued that Sofi needed investments, which would be easier to do in private ownership.

Tom Allen, managing director of Advent, said: "We are attracted by Sobi's product portfolio, R&D expertise, product launch capabilities and highly skilled team of employees. Over the coming years, Sobi will continue its transformation towards becoming a global leader in rare diseases."

Sobi's board recommended the offer, which represents a premium of 34.5 per cent over its share price last week before rumours of a deal circulated. The offer is conditional on the bidding company gaining more than 90 per cent of shares with shareholders, representing 43 per cent of the capital already committed.

Guido Oelkers would continue in his role as Sobi's chief executive should the buyout be successful.

The bidding group said private ownership would be better for Sobi "as the resources to implement [investments] are limited at this point due to Sobi's large share of revenues deriving from price-pressured legacy haemophilia products, combined with significant recent investments in acquisitions".

Sobi has built its immunology arm and looked to the US for growth to reduce its dependence on haematology and Europe.

Several analysts said they thought the offer was low and a higher counterbid was possible.

See Lex

Transport

Some trucking businesses warn that the country's shortage of drivers could lead to fuel shortages and higher prices at the pump — Damian Dovarganes/AP Photo

US fleet managers beg to hire foreign truck drivers

STEFF CHAVEZ — CHICAGO

A dearth of workers willing to drive trucks has become so severe in the US that some fleet managers are petitioning to let more foreign operators into the country.

Truck driving has always been a job with high turnover and a scarcity of labour. But the shortage has deepened since the pandemic, as training schools closed, some drivers quit and a stricter drug and alcohol testing system led to about 60,000 dismissals, said Bob Costello, chief economist at American Trucking Associations. The shortfall is "the worst ever", he said.

Certain smaller trucking companies are now imploring the US government to loosen or hasten visa approvals to alleviate strained supply networks.

At Petroleum Marketing Group, a fuel distributor to more than 1,300 petrol stations on the US east coast, vice-president of operations André LeBlanc said he had gone "on the warpath" to warn governors, senators and the US transportation and labour departments that the lack of drivers could see fuel shortages and increased prices at the pump.

He said officials could ease the situation by speeding up approval of EB-3 permanent work visas, which allow employers to bring in those "performing work for which qualified workers are not available in the US". The scheme has an annual quota of 40,000. "I don't think this is going to get better, but we have a solution and I'm trying to get somebody to listen to me," LeBlanc said.

Andrew Owens, chair of the board of Oregon Trucking Associations, said the idea of turning to foreign drivers was "picking up steam". He is organising about a dozen trucking companies to meet federal lawmakers to "plead our case on just expediting EB-3s".

Part of their pitch will be to try to get truck drivers on the US Department of Labor's "Schedule A" list. This designation, which identifies occupations deemed to be facing a shortage of qualified individuals, could shave 10-12 months off an EB-3 process that typically takes around 18 months, said Jose Gomez-Urquiza, chief executive of Visa Solutions, which places foreign workers in the US transport industry.

> 'I don't think this is going to get better, but we have a solution and I'm trying to get somebody to listen'

Another option would be to hire seasonal truck drivers on H-2B visas, which allow foreign workers to take temporary jobs that are difficult to fill domestically, Gomez-Urquiza said.

Washington could ease pressure on supply chains by exempting truck drivers from the visas' 60,000-person yearly quota, said Anda Malescu, managing partner at the Miami business and immigration law firm Malescu Law. It has already raised the cap on H-2B visas by 22,000 for this fiscal year.

LeBlanc surmised that officials found the concept of bringing in workers unpalatable. One asked him: "You really want me to ask to try and bring in people from outside the US when we have so many people that are unemployed?"

Malescu said trucking companies were most interested in drivers from Mexico and Canada, as their driving licences were recognised in the US.

The US Department of Transportation said that it was "actively engaged in increasing the availability of qualified long-haul truck drivers".

Virginia-based Petroleum Marketing Group has only 26 of the 74 drivers it needs, LeBlanc said. "We're out there recruiting and we're not getting any bites, not even a nibble," he said.

Additional reporting by Andrew Edgecliffe-Johnson in New York

Financial services

Wirecard-linked Briton charged in Singapore

STEFANIA PALMA — ROME
MERCEDES RUEHL — SINGAPORE

A British businessman who advised Wirecard in Asia has been arrested and charged in Singapore for allegedly instructing another company linked to the German payments group to forge a letter.

Henry O'Sullivan, 46, allegedly instructed local firm Citadelle Corporate Services to falsify a document, according to a charge sheet seen by the Financial Times.

O'Sullivan, who was arrested on August 30 and appeared in court on Wednesday on charges of abetment, asked R. Shanmugaratnam, Citadelle's Singaporean director, to issue a letter from Citadelle to Dubai-based Wirecard subsidiary Cardsystems Middle East FZ, according to the charge sheet.

The letter said there was a balance of €86.4m in an escrow account held by Citadelle as of December 2016, "when in fact Citadelle did not maintain the said account", according to the charge sheet. Authorities have not said who was supposed to own the funds in the escrow account.

If convicted, O'Sullivan faces up to 10 years in jail, a fine, or both. The businessman's lawyer declined to comment.

The Briton is suspected of having multiple ties to Wirecard, which collapsed in June last year after disclosing a €1.9bn hole in its balance sheet.

O'Sullivan entered at least one partnership with the company in Asia and played a key role in some of the German group's deals, according to documents seen by the FT. He also had ties to Jan Marsalek, Wirecard's former chief operating officer and a fugitive.

Companies associated with O'Sullivan received large loans from Wirecard. Loan documents by Wirecard Bank describe O'Sullivan as "personally known to Wirecard executives and of impeccable integrity", according to the appendix of KPMG's forensic audit into Wirecard.

The Briton's case has been adjourned to September 8, and the judge ordered that he be remanded for one week at the Central Police Division in Singapore.

He is the second person to be charged in Singapore in connection with the Wirecard scandal. The city-state has charged Shanmugaratnam with 14 counts of falsification of accounts.

Shanmugaratnam allegedly issued 14 letters from Citadelle to Wirecard, its subsidiaries and an audit firm that "falsely represented that Citadelle held large sums of money in its escrow accounts at various points in time between 2015 and 2017, when Citadelle actually did not maintain such accounts or did not hold such balances in its accounts", according to a statement by the Singapore police.

Shanmugaratnam's pre-trial conference is scheduled for September 23. He has yet to submit a plea. His lawyer declined to comment on the accusations linked to O'Sullivan.

Banks

JPMorgan settles tax fraud case in France

LEILA ABBOUD — PARIS

JPMorgan has reached a settlement with French prosecutors over allegations that it helped clients illegally avoid tax, and will pay a €25m fine without admitting guilt.

France's prosecutor for financial crimes said yesterday that judges at the Paris court had approved the settlement, ending a long-running investigation without a trial.

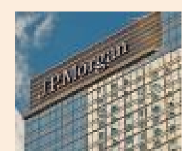
JPMorgan was alleged to have helped former managers at the investment company Wendel avoid tax from a series of transactions related to a share-based bonus plan from 2004-07.

The bank allegedly provided financing to the Wendel executives to help them minimise capital gains tax, which allowed them to shield over €300m from the tax authorities, according to Agence France-Presse.

An investigation began in 2012 when French tax authorities filed a complaint about the arrangements. They alleged that 11 Wendel executives and three board directors, including the investment company's heir and former chair Ernest-Antoine Seillière and then-CEO Jean-Bernard Lafonta, benefited from the scheme.

According to AFP, prosecutors argued at a hearing yesterday that JPMorgan should be permitted to settle the case as opposed to go on criminal trial because it was complicit in the alleged fraud but not at the origin of it, and that it had co-operated.

JPMorgan was alleged to have provided Wendel managers with financing so they could minimise tax



"We are happy to bring an end to this case, which concerns a single transaction made by clients in 2007," said the bank in a statement.

"Even though we did not offer tax advice on the transaction, we fully co-operated with the investigation and continue to think that we acted in conformity with French law."

Although the bank's involvement in the case is over, it will continue for some other suspects, including Seillière and Lafonta, who have both denied wrongdoing and could face trial next year. They could not immediately be reached for comment.

Wendel itself has not been accused of wrongdoing, and it did not immediately return a request for comment.

Such settlements over alleged white-collar crimes are relatively new to France, which only introduced US-style plea bargains in 2016 when it passed an anti-bribery and corruption law called Sapin II, after then finance minister Michel Sapin.

Since then French prosecutors have signed nine settlements for financial crimes, including one against Airbus that led the aircraft maker to pay €3.6bn in fines to France, the US and the UK.

COMPANIES & MARKETS

Bridgepoint keeps lid on executive rewards

Newly listed UK buyout group has managed to avoid reporting sums paid to individuals as carried interest

KAYE WIGGINS — LONDON

Blackstone's Stephen Schwarzman made $610.5m in pay and dividends last year. KKR's Henry Kravis and George Roberts received $80.6m and $84.5m respectively.

The regular disclosure of the US private equity executives' income, which dwarfs that of most other business leaders, often causes a fuss. They can now look with envy at their newly listed UK peer Bridgepoint, where top executives' true rewards remain hidden from view.

This summer Bridgepoint became the first private equity firm to list on the London Stock Exchange since 1994, with a £300m initial public offering and a market valuation that quickly rose to more than £4bn.

With the industry already under heightened scrutiny in the UK after a flurry of takeover bids for companies such as Wm Morrison, Aggreko and John Laing, pay at the latest private equity firm to go public is another potential source of tension.

But Bridgepoint's complicated structure keeps new shareholders in the dark about its management rewards.

UK-listed companies are obliged to disclose senior managers' pay. But Bridgepoint's approach does not appear to have broken any rules — and that could set a precedent for other secretive private equity tycoons who want the benefits of a London listing without having to reveal their personal fortunes.

> 'Maybe [other] firms are now seeing that you can get away with giving just so much information'

"Lots of other groups in Europe have thought about listing, but the senior partners have decided, 'I don't need that spotlight because it would tell the world how wealthy I am . . . It would get politicians frothing,'" a senior private equity figure based in London said.

"Bridgepoint is a testing ground. Maybe those firms are now seeing that you can get away with giving just so much information, if you do it cleverly, and perhaps the opprobrium won't come."

The Financial Conduct Authority requires UK-listed companies to disclose the total pay of senior managers "for services in all capacities to the issuer and its subsidiaries".

While Bridgepoint states its executives' salaries and bonuses, it does not report the amount of money individuals receive in the form of "carried interest" payments, a 20 per cent share of profits in the funds their firms raise and invest. Those payments are not remuneration, but a return on investments that incur capital gains tax rather than income tax, a person close to Bridgepoint said.

A group including current and former Bridgepoint employees received £494m in carried interest in 2019, the year the fund that owned Spanish motorsports company Dorna started paying out carried interest. That dwarfed the company's £53m earnings before interest, tax, depreciation and amortisation that year. In 2020, carried interest payments were £41m.

Top executives' share of these sometimes life-changing sums are disclosed for listed private equity firms in the US, where public filings show they account for a large portion of total remuneration at Blackstone and KKR.

Bridgepoint says it does not make similar disclosures because the money flowed through a series of corporate entities that the private equity firm does not control.

Bridgepoint's IPO prospectus, the main document used to market its shares to investors, does not disclose who received money from these vehicles or how much they received — or even, with one exception, what the entities are called.

Research by the Financial Times and Peter Morris, an associate scholar at Oxford university's Saïd Business School, has identified 10 of the entities that were set up to distribute carried interest, all of which list Bridgepoint as a "person with significant control" at Companies House.

A person close to Bridgepoint said the reference to control in the prospectus was based on an accounting definition, which is separate from the Companies House regime, and that Bridgepoint does not ultimately control the vehicles.

"If you're not disclosing the basics of your compensation it's difficult to understand your motivations, your performance, your incentives," said William Birdthistle, professor of law at Chicago-Kent College of Law. "It's kind of fundamental in a capitalist system. If you hide it, you've cloaked a lot of information about how you're running your business."

One large shareholder said its team tasked with examining executive pay had yet to look at Bridgepoint's set-up. The situation suggests a disconnect between the portfolio managers who rushed to buy the stock and asset managers' governance or stewardship teams.

Bridgepoint's executive chair William Jackson, 57, who joined the company's predecessor NatWest Equity Partners in 1986 and was part of a management buyout that formed Bridgepoint in 2000, is likely to be among the top recipients of carried interest.

Recent documents do not disclose his share of the payouts, but a 2006 filing for the vehicle through which Bridgepoint's third fund would have paid out carried interest, had it been more profitable, showed his share via a family trust was 6.6 per cent.

If Jackson were entitled to 6.6 per cent of the carried interest paid to individuals across the private equity firm, it would have totalled £32.6m in 2019 and £2.7m in 2020, though it is impossible to tell how close to the true figure this is. A person close to Bridgepoint said carry and co-investment holdings differ from fund to fund.

Bridgepoint's prospectus shows that Jackson received a £700,000 salary and £630,000 bonus in 2020 and Adam Jones, 52, who joined Bridgepoint as chief financial officer from Pret A Manger, received a £325,000 salary and £442,500 bonus. Jackson directed £300,000 of his bonus to a Covid-19 hardship fund for charitable causes and Jones directed £65,000 of his salary to it, the document shows.

Although the lion's share of the carried interest currently goes to individuals, the listed company has a 5 per cent share of carried interest from Bridgepoint's most recent mid-market buyouts fund, which it aims to increase to between 22.5 and 35 per cent of future funds, according to the prospectus.

Public filings show such sums account for a large portion of remuneration at US peer Blackstone

Bridgepoint said it had "followed all relevant UK listing disclosure regulations in our prospectus, as confirmed by our listing, regulatory, legal and accounting advisers" and that "to suggest otherwise is wholly misleading and inaccurate".

The FCA said it "cannot comment on individual cases but prospectuses are ultimately the responsibility of the companies that produce them and, for prospectuses relating to shares, their directors".

While Bridgepoint is the first buyout group to list in the UK for decades, the Swedish buyout firm EQT, which listed in Stockholm in 2019, also used a model that enabled it not to disclose carried interest payments to individual senior executives. EQT says on its website that its "sustainability framework" focuses on "transparency and accountability".

EQT declined to comment on why it did not disclose the information, and Finansinspektionen, the Swedish financial regulator, declined to comment.

UK-based peer Intermediate Capital Group also does not disclose carried interest. However, at the time of its listing in 1994, the company was a credit-focused fund that did not compensate executives using carried interest.

Bridgepoint, which has about €27bn of assets under management, said in its prospectus that in setting executive directors' pay there would be a "strong emphasis on the fairness of remuneration outcomes across the workforce". But the gaps in information about top executive pay means this will be impossible to verify externally.

The lack of information also means that, when shareholders are given a chance to vote on Bridgepoint's remuneration policy, they will do so without knowing the full picture of how much the top executives receive.

This looks odd from a US perspective. "The 'say on pay' wouldn't make much sense if you're hiding from shareholders what you get in carried interest," said John Coffee, a law-school professor at Columbia University.

But Arnaud Giblat, an analyst at Exane BNP Paribas who has an "outperform" rating on Bridgepoint's stock, said he was "quite comfortable" with not knowing how much individuals received, since he knew the overall amounts of carried interest paid out, and thought the company's corporate governance was "strong".

"My recommendation is on the basis of what's there [for shareholders] . . . You get a share of the management fees, there's growth ahead, the valuation's attractive. If they're making a killing out of it, good for them, as long as everyone's interests are aligned."

Separate to the carried interest disclosure is information on share ownership. The prospectus said Jackson owned 1.6 per cent of Bridgepoint immediately before it listed, and 1.1 per cent afterwards, with no other "interest in the share capital of the company".

A publicly available statement of capital dated July 1, shortly before the IPO, indicates that once Jackson's wife and three children are included, the family's collective stake was 4 per cent — worth £115m at the IPO offer price. Since then the share price has risen 46 per cent.

Frederic Pescatori, a partner who joined in 2009, is the only individual named in the prospectus as holding more than 3 per cent. That is because, unlike colleagues, he does not appear to have split his ownership with family members.

Several other long-serving senior figures are not named as shareholders in the prospectus because their solo stake is below the 3 per cent threshold for disclosure, even though their family's total interest is above that level.

> 'If they're making a killing out of it, good for them, as long as everyone's interests are aligned'

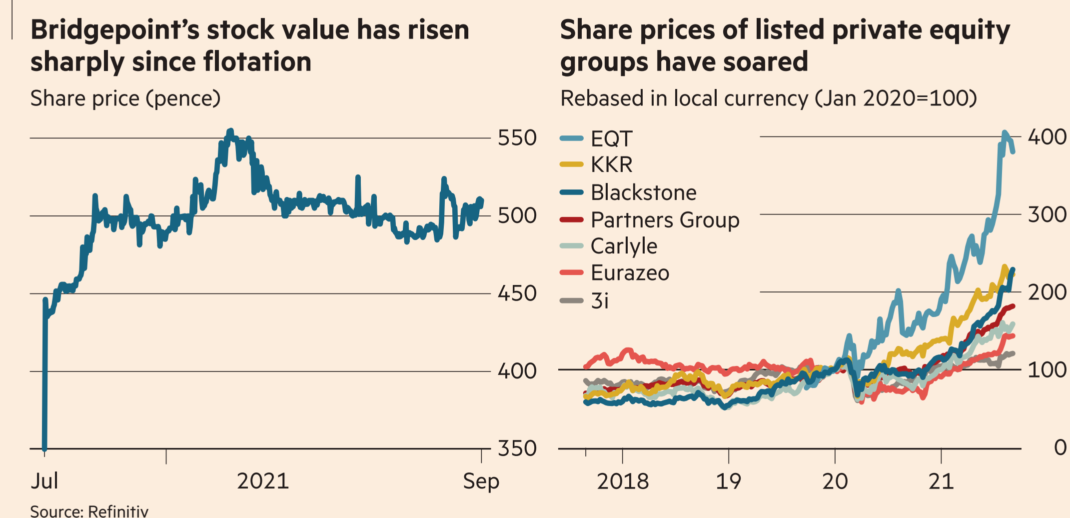
Listing rules require the disclosure of each individual's shareholding not the holdings of family members, a person close to Bridgepoint said.

The dearth of information about a listed company is a sign of a wider malaise, said Morris from Oxford university.

"This is postmodern capitalism, fragmenting reality in a way that makes it impossible to see the big picture," he said. "The last line of defence is regulators and policymakers. As things stand, they seem to be, wittingly or not, conniving in a process that will see ever more of the corporate sector in major economies disappear behind a veil."

Additional reporting by Attracta Mooney

Bridgepoint's executive chair William Jackson. The firm's finance chief, Adam Jones, previously worked for the Pret A Manger chain, below — Charlie Bibby/FT



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DIGITAL DIALOGUES:
CREATING OPPORTUNITIES IN THE MANUFACTURING SECTOR
A new era in international trade

Wednesday 15 September | 10:00 - 11:00 BST | #FTDigitalDialogues

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Fixed income. Supply surge

Bankers and investors braced for US corporate debt binge

The US Federal Reserve's mantra that inflationary pressure will be transitory has persuaded more investors of late
Stefani Reynolds/Bloomberg

Groups rush to lock in low borrowing rates after summer lull amid fears of inflation jump

JOE RENNISON — NEW YORK

Bankers and investors are braced for a bumper month of debt issuance in the US with pent-up supply from a quiet end to August set to be unleashed following the Labor Day holiday this weekend.

September is always a busy month for corporate bond sales after the unofficial summer break. But participants say some parts of the market could rival the frenetic pace of new deals in the depths of last year's pandemic shock when companies grasped for cash to survive.

Adding to the urgency, some borrowers sense that high inflation and a broad economic recovery could wash through to higher borrowing costs by the end of the year.

"The engine of supply is running on all cylinders," said Jeanmarie Genirs, Deutsche Bank's head of syndicate for US investment grade deals. "While the market is engaged we are telling people, 'please, if you are ready to go, now is the time'."

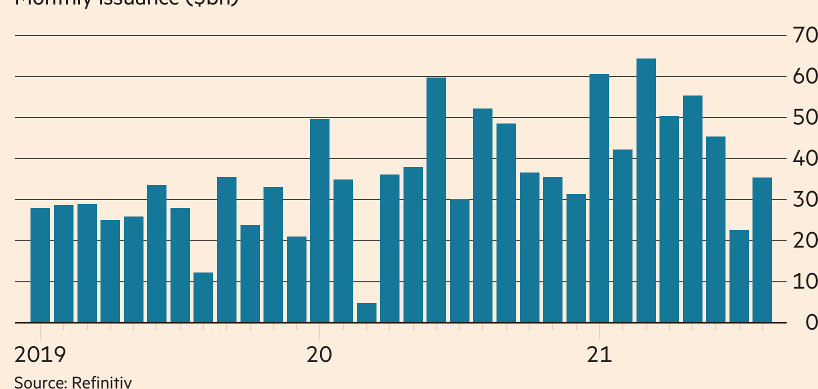
Bank of America credit strategist Oleg Melentyev predicted that $47bn of new high-yield corporate bonds — the spicier end of the risk spectrum offering investors higher returns — will hit the market in September.

That would roughly equal the runaway pace of issuance during the pandemic in the same month last year, according to Refinitiv data.

Alex Barth, who runs US leveraged debt capital markets at Deutsche Bank said it could be even more, with issuance potentially pushing up to $60bn — a level breached for the first time in January and surpassed again in March.

High-yield corporate debt issuance set to match pandemic levels

Monthly issuance ($bn)



Source: Refinitiv

Higher up the ratings ladder, the story is much the same with Genirs forecasting $140bn of new debt.

That number falls short of the $200bn raised in September last year or the $308bn record borrowed in April 2020 but would still maintain a frenetic pace of issuance over the past 18 months, lurching back from $90bn issued this August, according to Refinitiv.

Unlike 2020, when companies rushed to secure capital to outlast the pandemic downturn, this year has seen more opportunistic fundraising with companies looking to lock in low borrowing costs over a longer time horizon or borrow to fund acquisitions and stock buybacks, rewarding shareholders.

The window of opportunity to lock in historically low borrowing costs may be starting to close.

Fears of runaway inflation this year hit US government bond prices, pushing up their yields — a crucial input into corporate bond interest rates. Since then, investors have largely come around to the US Federal Reserve's mantra that inflationary pressure will be transitory.

Treasury yields have declined with corporate bond yields falling alongside them. The average yield across investment grade corporate bonds has dropped to 2 per cent, down from a peak of over 2.3 per cent in March but still higher than the 1.8 per cent reached at the very start of the year, according to an index run by Ice Data Services.

"We had a little spook on the rates side," said Barbara Mariniello, who runs US bond issuance at Barclays.

She predicted there would be $135bn of investment grade issuance in September and added that a lot of her corporate clients remain worried about inflation with anecdotal signals from companies' own supply chain pressures potentially front-running evidence of price rises in official data sources.

"If companies are seeing that, even if it hasn't hit official data yet, then they are aware that funding costs could go higher again," said Mariniello. "In some cases, they are accelerating their fundraising."

Global investors have proved to be more than happy to absorb these corporate fundraisings as they struggle to generate returns from even lower yields in government bonds across the world.

'It is a super frustrating market. Nothing looks interesting on an absolute level of return'

According to Bank of America's analysts, financial debt — bonds and other debt securities, as well as loans — of non-financial US firms has grown 30 fold in the past 50 years to $11.2tn.

As yields have steadily fallen in recent decades, the share of that debt owned by foreign investors has grown, accelerating after the 2008 financial crisis.

BofA's analysts, drawing from data from the Fed, estimate foreigners own roughly 27 per cent of all US corporate bonds, making them the largest single investor base in the market.

Even though US corporate bond markets are offering close to record low returns for investors, their returns remain markedly higher than what is on offer elsewhere with the total amount of negative yielding debt around the world rising higher this quarter, maintaining a long-run trend that began with the monetary policy responses to the 2008 financial crisis.

"As an investor, it is a super frustrating market," said Monica Erickson, head of investment grade credit at fund manager DoubleLine. "There is nothing that looks interesting on an absolute level of return. But on a relative basis, the US is still attractive. It's still significant for foreign investors to come in and there is still a lot of money to put to work."

However, some worry that rampant demand is fuelling a decline in lending standards, allowing increasingly risky companies to gain access to easy credit.

BofA's analysts note that this has been somewhat offset by the rally in equity markets, increasing the cushion that sits beneath debt investors should company fortunes take a downward turn.

"It means equity investors feel more comfortable adding more debt," said Erickson. "But debt investors, all else being equal, tend to like companies being more restrained."

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Equities

Singapore approves Spac listings ahead of Asia rivals

MERCEDES RUEHL — SINGAPORE

Singapore Exchange has become the first big bourse in Asia to allow blank cheque companies to list, even as the market attracts more intense scrutiny from global regulators.

Special purpose acquisition companies (Spacs) will be able to apply to list on the SGX from today, the bourse said yesterday.

Entities will require a minimum market capitalisation of S$150m ($112m), half of the SGX's earlier proposed amount. Following a market consultation, the SGX softened some measures it had initially proposed, including removing limits on shareholder redemption rights.

"We want the Spac process to result in good target companies listed on SGX, providing investors with more choice and opportunities" said Tan Boon Gin, chief executive of Singapore Exchange Regulation (RegCo), SGX's regulatory arm. SGX will focus on the sponsors' quality and record, he added.

Singapore has struggled for years to attract fast-growing and high-profile companies to its exchange. Low liquidity and valuations have prompted a string of companies to delist, while some of the city's most promising homegrown technology start-ups have chosen to list in the US and Hong Kong.

The city has struggled for years to attract fast-growing and high-profile companies to SGX

In response, SGX has tried to bolster other growth areas, including boosting its appeal as a hub for investors to trade bonds, foreign exchange, commodities and derivatives.

It has also encouraged some of Singapore's offshore listed companies such as Sea, a gaming and online commerce company, and gaming group Razer to consider "homecoming" or secondary listings in the city-state.

Spacs have been one of the hottest asset classes in the US, raising $79.4bn globally last year. They are shell companies that raise money by listing on the stock market before hunting for a target with which to merge.

However, SGX's move comes as the global Spac mania has started to subside. The sheer number of deals has attracted the attention of the US securities regulator, while some analysts say prices have become too rich for what are often speculative ventures.

RegCo has spent "considerable time" listening to industry feedback as well as taking on board recent regulatory developments in the US, said Robson Lee, a partner at law firm Gibson Dunn.

"The new ground rules for Spacs in Singapore encompass two cardinal components: providing investors with opportunities to participate in the growth and development of promising private enterprises, while ensuring safeguards to protect public investors without distorting the concept and substance of [the vehicles]," Lee said.

Equities

Stimulus moves by Beijing provide boost for beaten-down tech stocks

WILLIAM LANGLEY — HONG KONG

Chinese tech stocks led gains for Asian equities yesterday as Beijing boosted stimulus measures to support its pandemic-hit economy.

Hong Kong's Hang Seng Tech index rose 1.3 per cent, fuelled by gains by short-video platform Kuaishou and smaller increases for Alibaba, Tencent and food delivery group Meituan.

The rise came on a month-long rally in Chinese internet stocks as investors shopped for value in a sector hit hard by Beijing's regulatory crackdown.

In November, Chinese regulators forced Jack Ma's fintech Ant Group to halt its $37bn initial public offering while in recent months it has pulled Didi's ride-hailing app from online stores and fined ecommerce group Alibaba a record $2.8bn for violating competition rules.

Regulators yesterday summoned 11 ride-hailing companies, including Didi and Meituan, and demanded that they come up with detailed plans to overhaul their treatment of workers and customers by the end of the year.

Kuaishou rose more than 6 per cent on news it would join the Stock Connect scheme, allowing mainland Chinese investors to buy its Hong Kong-listed shares.

Hong Kong's Hang Seng index inched higher and mainland China's CSI 300 index of Shanghai and Shenzhen stocks closed flat yesterday.

Japan's Topix eked out a 0.1 per cent gain and South Korea's Kospi fell nearly 1 per cent. The S&P/ASX 200, index which tracks Australian stocks, was lower.

Meituan was among the ride-hailing companies summoned by regulators

The prospect of renewed government stimulus has helped tech companies shake off the effects of the recent regulatory clampdown.

"On the policy front, Chinese Premier Li [Keqiang] held the State Council regular meeting and pledged to increase support for small and medium enterprises to counter the impact from elevated commodity prices, resurgent virus spread and flooding," said Ken Cheung Kin Tai, chief Asian FX strategist at Mizuho Bank.

The People's Bank of China announced that it would provide Rmb300bn ($46.4bn) in low-cost funding for banks.

Analysts said the move hinted at possible further support from Beijing after an independent survey of manufacturing activity showed a contraction in August.

"As evidence of a growth slowdown increases, we think Beijing is inching closer towards stepping up policy support," said Lu Ting, chief economist at Nomura in Hong Kong. "Keynesians are coming back in Beijing."

Equities

CMC shares take a dive after 'subdued' trading activity spurs profit warning

JOSHUA OLIVER AND OLIVER RALPH

CMC Markets has warned on profits after clients' enthusiasm for trading waned during the summer, making the spread betting and online trading company the latest to suffer from a slowdown following the pandemic investing boom.

The news sent the FTSE 250 group's shares down by more than a quarter yesterday after it said "subdued" market activity in July and August resulted in less trading from both new and existing clients.

CMC, which benefited from market volatility earlier in the pandemic as people traded more, warned that it expected net operating income for the 12 months to March 2022 to be between £250m and £280m if current market conditions continued for the rest of the year.

That is down from a figure of "in excess of £330m" that CMC set out in a trading update in late July.

The shares fell as much as 28 per cent yesterday morning — their lowest level in just over a year. They finished the day down 27.4 per cent.

CMC, like other investment businesses, was buoyed by a surge in trading during the first year of the Covid-19 pandemic as markets whipsawed and traders stuck at home deployed higher levels of savings.

But there are concerns this fillip is coming to an end. Last month, the UK's largest investment platform Hargreaves Lansdown warned that the pandemic surge in trading would not last, sending its shares down 11 per cent on the day.

The shares fell as much as 28 per cent yesterday morning — their lowest level in just over a year

CMC's business is based more on fees from trading than long-term investing, meaning it is more exposed to market volatility according to analysts, although the group has taken steps to branch out into other areas such as non-leveraged stockbroking.

It recorded net operating income of almost £410m in the year to March 2021, alongside record profits, as volatility encouraged clients to trade more.

CMC chief executive Baron Peter Cruddas, who with his family owns a 62 per cent stake in the company, credited "Covid-19 related volatility and heightened levels of interest in the financial markets" for a jump in new customers in 2020.

"Our strategy allows us to attract and retain these new clients," he said earlier this year.

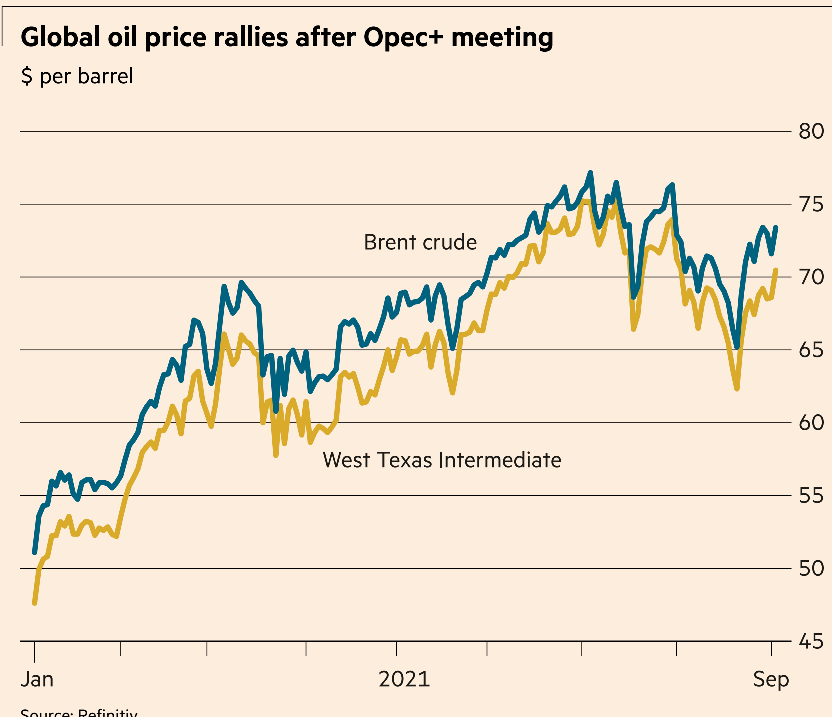
Many investment businesses had prepared for trading and client interest to drop more than usual during the summer lull as Covid lockdowns ended in the UK. However, the scale of the hit to its income prospects exceeded CMC's expectations.

Stuart Duncan, analyst at Peel Hunt, said the decline probably reflected a combination of factors including "reduced volatility, fewer reasons to trade and clients taking holidays as restrictions have eased" but that higher client numbers following the pandemic meant CMC could rebound quickly if market activity picked up. However, "CMC cannot escape the slowdown in trading activity", he warned.

The day in the markets

What you need to know

- Wall Street stocks at records ahead of US employment report
- Tech stocks outperform as investors worry about stuttering growth
- Oil rallies in a sign of optimism over fuel demand



Wall Street's leading benchmarks hit records yesterday ahead of today's keenly watched US labour market report, which will help set the path of monetary policies that have shored up markets during the pandemic.

The blue-chip S&P 500 and tech-focused Nasdaq Composite were both 0.3 per cent higher at lunchtime in New York.

Economists polled by Bloomberg expect that the non-farm payrolls report will show that US employers added 750,000 jobs in August.

Anything around this level was "something that markets would be comfortable with", Invesco multi-asset fund manager Sebastian Mackay said, as it would support a popular narrative that the US economy was recovering strongly from the pandemic at the same time that the nation's central bank was willing to continue its crisis-era stimulus.

But a miss on those US jobs numbers would spark fears of stagflation, added Mackay, as investors worried that, alongside the spread of the Delta variant of Covid-19, wages increases would fuel price rises.

"Market moves since June are consistent with downgrades to growth expectations in the US, Europe and particularly China," strategists at Goldman Sachs said, as investors expected the economic boost from industries reopening to fade while supply chain bottlenecks made inflation likely to linger for longer.

Investors have hedged their bets in recent weeks by topping up their holdings in companies viewed as relatively insulated from slowdowns, such as tech and healthcare groups.

"When you have fears about growth, tech stocks usually show up as a means of defence," said Patrick Spencer, vice-chair of equities at Baird.

In Europe, the continent's tech subsector is up more than 13 per cent so far this quarter, outperforming the broader Stoxx 600 benchmark, which has risen 4.8 per cent for the same period, having climbed 0.3 per cent yesterday.

Brent crude, the international oil benchmark, rose 2.4 per cent to $73.38 a barrel after Opec and its allies agreed on Wednesday to pump an extra 400,000 barrels a day each month.

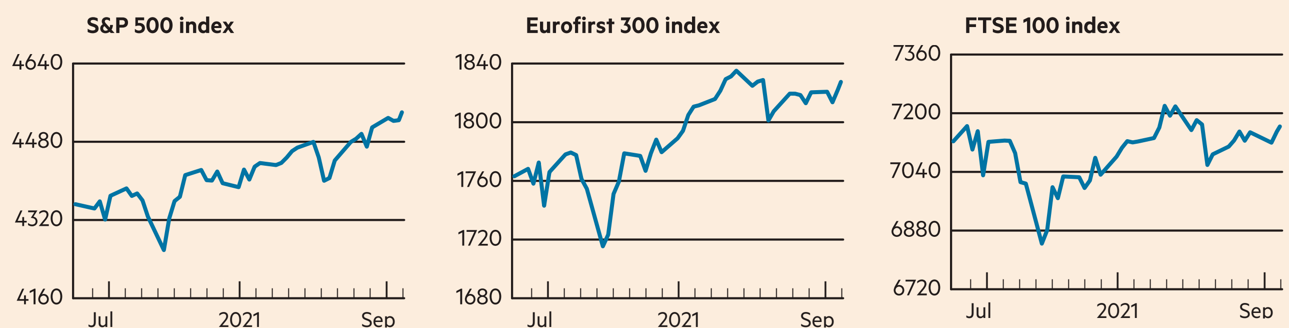
"Opec+ went ahead with its planned supply hike . . . as demand is seen to be improving," said analysts at Citigroup. "However, we expect the group to remain vigilant at each upcoming meeting amid demand uncertainty." **Naomi Rovnick**

Markets update

	US	Eurozone	Japan	UK	China	Brazil
Stocks	**S&P 500**	**Eurofirst 300**	**Nikkei 225**	**FTSE100**	**Shanghai Comp**	**Bovespa**
Level	4540.22	1827.47	28543.51	7163.90	3597.04	118007.31
% change on day	0.36	0.29	0.33	0.20	0.84	-1.16
Currency	**$ index (DXY)**	**$ per €**	**Yen per $**	**$ per £**	**Rmb per $**	**Real per $**
Level	92.482	1.187	109.975	1.383	6.461	5.146
% change on day	0.036	0.169	-0.027	0.290	-0.057	-0.176
Govt. bonds	**10-year Treasury**	**10-year Bund**	**10-year JGB**	**10-year Gilt**	**10-year bond**	**10-year bond**
Yield	1.297	-0.387	0.030	0.586	2.828	10.369
Basis point change on day	-0.340	-1.200	0.390	-1.200	0.900	11.000
World index, Commods	**FTSE All-World**	**Oil - Brent**	**Oil - WTI**	**Gold**	**Silver**	**Metals (LMEX)**
Level	491.24	73.26	70.34	1811.80	23.92	4229.10
% change on day	0.28	2.71	3.02	-0.17	-0.52	-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



Biggest movers

%	US		Eurozone		UK	
Ups	Quanta Services	10.41	Volkswagen	2.86	Melrose Industries	7.19
	Cabot Oil & Gas	8.36	Ses	2.64	Prudential	3.75
	Occidental Petroleum	6.70	Repsol	2.44	Weir	3.12
	Devon Energy	5.65	Royal Dutch Shell	2.24	Bp	1.92
	Diamondback Energy	5.33	Omv	2.10	Royal Dutch Shell	1.90
Downs	Hormel Foods	-4.77	Alstom	-3.37	Bhp	-5.56
	Autodesk	-4.14	Ab Inbev	-2.48	Barratt Developments	-4.50
	O'reilly Automotive	-2.66	Edf	-2.15	Bt	-3.85
	Visa	-2.60	Unilever	-1.68	Admiral	-3.83
	Biogen	-2.55	Telecom Italia	-1.42	B&m Eur Value Retail S.a.	-2.70

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

Chewy, the online retailer for pet owners, fell as investors digested an earnings miss.

Second-quarter net sales leapt 26.8 per cent year on year to $2.16bn, which was 2 per cent shy of the mean estimate from analysts polled by Refinitiv, while a net loss of $0.04 a share was wider than consensus forecasts.

What soured sentiment further were signs that the pace of adding additional customers was slowing. UBS said that Chewy "could see nearly 2.8m fewer net adds year on year in 2021".

Contracting services group **Quanta** rallied on news that it was buying Blattner, which works with developers in the wind, solar and energy storage sectors. The $2.7bn acquisition "significantly enhances Quanta's renewables footprint", said Piper Sandler.

Explaining the rationale behind the deal, Earl "Duke" Austin, Quanta's chief executive, said: "We believe what Quanta is to the electric power solutions industry, Blattner is to the utility-scale renewable energy solutions industry."

Better-than-expected results lifted **Kirkland's**. The home-decor chain posted second-quarter earnings per share of $0.04, against a loss of $0.05 expected by analysts. The retailer also signed off on a new share buyback programme of up to $20m. *Ray Douglas*

Europe

Solna's **Swedish Orphan Biovitrum** surged on news it had received a takeover offer from US private equity firm Advent International and a subsidiary of Singapore's sovereign wealth fund GIC.

The price of SKr235 a share represented a 22.6 per cent premium on Wednesday's close.

Sobi's board "unanimously" recommended that its shareholders accept the bid, which values the group at SKr69.4bn ($8.1bn). Other potential suitors will have until late October to submit rival offers, as the acceptance period for the bid spans approximately a month, starting "on or around" September 22.

Portuguese construction company **Mota-Engil** rallied after reporting a net profit of €7.6m for the first six months of 2021 against a loss of €5m a year earlier.

The Porto group's order backlog increased 22 per cent year to date to a record €7.4bn, with an increasing weighting going to long-term contracts, it said.

Mota added that the pace of recovery varied across geographies but all regions had "a positive outlook".

A rating downgrade weighed on Dutch chipmaker **BE Semiconductor Industries**, better known as Besi. Berenberg lowered its rating to "hold" from "buy". *Ray Douglas*

London

The scaling back of output targets sent oil and gas group **EnQuest** sharply lower.

It said net production for 2021 was expected to be at the "lower end" of the guidance range of 46,000 to 52,000 barrels of oil equivalent a day, due in part to the performance at its Magnus oilfield, where there was "unplanned third-party outage, power related failures and natural declines associated with the new wells that were brought on stream in early 2020".

Gym Group ended the session stronger after reporting a robust recovery in membership numbers.

Total members climbed from 547,000 at the end of February to 730,000 in June, which was "just 9 per cent below pre-Covid levels", said Anna Barnfather at Liberum.

The analyst, which gives the fitness group a "buy" recommendation, said the Guildford company was "in a powerful position to continue on its accelerated rollout strategy following its £30.3m equity placing in July".

It had opened seven gyms this year and had exchanged on a further 15 sites, she said.

Manufacturing group **Melrose Industries** jumped, having swung to an operating profit of £223m in the first half of 2021 against a loss of £11m last year. *Ray Douglas*

Hard to get excited about era of inward looking investment

David Lubin

Markets Insight

One often hears that China accounts these days for about a third of global GDP growth. That's true enough but a more interesting statistic is this: in the 10 years running up to the pandemic, China accounted on average for almost half — actually, 47 per cent — of global investment growth.

Since it is investment spending that supports the dynamics of global trade and of commodities demand, China's very large role in shaping the global investment cycle means that any open or commodity-dependent economy has become "China-dependent". That's as true for Germany as it is for Brazil.

But China's dominance of the global investment cycle is about to end, not so much because the country will be investing less but rather because the US and Europe are committing themselves to investing more.

In principle, that should be good news for global growth. But since economic nationalism is a big reason for the west's new focus on capital expenditure, the world economy will not benefit as much as it should from the emergence of new sources of investment spending. This is all about the economics of self-reliance.

China's dominance of the global investment cycle in recent years springs from two trends, both having their roots in the 2008 financial crisis.

In the first place, China's response to that crisis was to stimulate its economy by boosting spending on infrastructure and real estate, ensuring that its economy remained heavily dependent on this kind of activity.

Meanwhile, western governments' austerity-driven response to the crisis meant that investment spending fell since it is usually that kind of "postponable" stuff that is the first victim of any government's efforts to rein in expenditure. And in Europe at least, private sector investment spending has also been incredibly weak, falling consistently in the past decade.

But it is investment spending that holds out the promise of GDP growth in the future since it reflects the effort an economy is making in providing transport infrastructure, or in buying the machinery and buildings needed to produce goods and services.

From that point of view, it is depressing to consider that, if you exclude China, the rest of the world's investment/GDP ratio is lower today than it was before the financial crisis.

> The rest of the world's investment/GDP ratio is lower today than it was before the financial crisis

That this state of affairs is about to change is clear, for example, from the US Senate's recent approval of the Infrastructure Investment and Jobs Act.

This promises about $550bn in new federal investment in roads and bridges, water infrastructure and the internet.

Meanwhile, the European Recovery and Resilience Facility has strong echoes of the US plan. Both aim to upgrade infrastructure, particularly in an effort to diversify and secure supply chains but also in ways that support climate change objectives.

Western governments' newfound enthusiasm for investment spending is partly a response to years of neglect and is obviously motivated by how cheap it is to borrow these days. But it is also driven by a sense of competition with China.

In the US, the White House's June report on "building resilient supply chains" is a 250-page analysis that aims to reduce US vulnerabilities to supply-chain disruptions in four areas: semiconductors, large-capacity batteries, active pharmaceutical ingredients and critical minerals and materials.

The report argues that deficiencies in all these areas are partly the result of "insufficient US manufacturing capacity" and so it is clear that geographically disaggregated supply chains no longer enjoy the same support from US policymakers as used to be the case.

Behind this American bid for self-reliance lies a national will to wean the economy off dependence on its nemesis, China. Indeed, it's not just the west that will be investing more in an effort to improve self-reliance.

In China itself, policy decisions are influenced now by its "dual-circulation strategy", which is Beijing's response to what it sees as a more hostile external environment and the advent of technology nationalism.

So the strategy requires a continued bias towards investment spending on semiconductors, AI, quantum computing, biotech, and the automotive and aerospace industries.

In theory, more investment activity should make us all more optimistic about growth. But if all this investment is inward looking, aiming to substitute global trade rather than complement it, it is difficult to get excited about a new global investment push.

David Lubin is head of emerging markets economics at Citi

Moral Money Forum

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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 $
0.36%	0.33%	0.44%	0.20%	0.29%	0.33%	0.24%	0.28%	0.169%	0.290%	-0.027%	-0.233%	0.98%	-0.17%

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

AMERICAS

S&P 500 New York — Aug 03 - - 4,402.66 → 4,540.23. Day 0.36% Month 3.50% Year 26.80%

Nasdaq Composite New York — 14,780.53 → 15,360.42. Day 0.33% Month 4.63% Year 27.40%

Dow Jones Industrial New York — 34,792.67 → 35,466.21. Day 0.44% Month 1.81% Year 21.88%

S&P/TSX COMP Toronto — Aug 03 - Sep 02 20,329.73 → 20,791.26. Day 0.49% Month 2.49% Year 24.52%

IPC Mexico City — 51,195.43 → 52,010.60. Day -0.39% Month 2.26% Year 40.39%

Bovespa São Paulo — 121,801.21 → 118,007.31. Day -1.16% Month -3.67% Year 15.80%

EUROPE

FTSE 100 London — Aug 03 - Sep 02 7,105.72 → 7,163.90. Day 0.20% Month 1.23% Year 20.66%

FTSE Eurofirst 300 Europe — 1,804.89 → 1,827.47. Day 0.29% Month 2.18% Year 27.02%

CAC 40 Paris — 6,746.23 → 6,763.08. Day 0.06% Month 2.27% Year 36.96%

Xetra Dax Frankfurt — Aug 03 - Sep 02 15,692.13 → 15,840.59. Day 0.10% Month 1.91% Year 22.09%

Ibex 35 Madrid — 8,792.90 → 8,981.40. Day -0.11% Month 3.52% Year 29.10%

FTSE MIB Milan — 25,490.22 → 26,233.38. Day 0.20% Month 3.48% Year 33.94%

ASIA

Nikkei 225 Tokyo — Aug 03 - Sep 02 27,641.83 → 28,543.51. Day 0.33% Month 4.49% Year 23.22%

Hang Seng Hong Kong — 26,426.55 → 26,090.43. Day 0.24% Month 0.46% Year 3.55%

Shanghai Composite Shanghai — 3,477.22 → 3,597.04. Day 0.84% Month 5.88% Year 5.47%

Kospi Seoul — Aug 03 - Sep 02 3,280.38 → 3,175.85. Day -0.97% Month -0.83% Year 35.17%

FTSE Straits Times Singapore — 3,149.25 → 3,088.84. Day 0.03% Month -2.47% Year 21.68%

BSE Sensex Mumbai — 53,823.36 → 57,852.54. Day 0.90% Month 9.83% Year 48.66%

Country	Index	Latest	Previous
Argentina	Merval	75788.74	75232.61
Australia	All Ordinaries	7783.80	7813.00
	S&P/ASX 200	7485.70	7527.10
	S&P/ASX 200 Res	5123.60	5251.10
Austria	ATX	3664.87	3633.08
Belgium	BEL 20	4336.61	4322.24
	BEL Mid	10218.44	10175.52
Brazil	IBovespa	118007.31	119395.60
Canada	S&P/TSX 60	1244.94	1238.11
	S&P/TSX Comp	20791.26	20689.58
	S&P/TSX Div Met & Min	856.95	845.36
Chile	S&P/CLX IGPA Gen	22229.22	22275.64
China	FTSE A200	12969.04	12984.73
	FTSE B35	9000.71	8988.96
	Shanghai A	3770.01	3738.62
	Shanghai B	269.64	267.95
	Shanghai Comp	3597.04	3567.10
	Shenzhen A	2540.27	2529.95
	Shenzhen B	1217.28	1205.40
Colombia	COLCAP	1261.61	1260.21
Croatia	CROBEX	2013.05	2011.29
Cyprus	CSE M&P Gen	68.46	68.68
Czech Republic	PX	1291.06	1290.25
Denmark	OMXC Copenahgen 20	1829.47	1810.55
Egypt	EGX 30	11301.36	11283.70
Estonia	OMX Tallinn	2087.87	2028.82
Finland	OMX Helsinki General	13376.77	13235.29
France	CAC 40	6763.08	6758.69
	SBF 120	5297.91	5293.53
Germany	M-DAX	36275.62	36183.03
	TecDAX	3956.12	3940.90
	XETRA Dax	15840.59	15824.29
Greece	Athens Gen	917.06	918.06
	FTSE/ASE 20	2202.22	2203.74
Hong Kong	Hang Seng	26090.43	26028.29
	HS China Enterprise	9341.30	9271.32
	HSCC Red Chip	3974.46	3939.43
Hungary	Bux	51830.24	51946.96
India	BSE Sensex	57852.54	57338.21
	Nifty 500	14684.35	14551.35
Indonesia	Jakarta Comp	6078.23	6090.93
Ireland	ISEQ Overall	8788.01	8779.59
Israel	Tel Aviv 125	1827.26	1818.53
Italy	FTSE Italia All-Share	28884.05	28805.78
	FTSE Italia Mid Cap	51031.26	50614.47
	FTSE MIB	26233.38	26181.66
Japan	2nd Section	7682.37	7691.40
	Nikkei 225	28543.51	28451.02
	S&P Topix 150	1682.27	1681.05
	Topix	1983.57	1980.79
Jordan	Amman SE	2071.42	2060.31
Kenya	NSE 20	2026.14	2020.77
Kuwait	KSX Market Index	6633.44	6603.51
Latvia	OMX Riga	1284.94	1287.03
Lithuania	OMX Vilnius	1010.51	1004.74
Luxembourg	LuxX	1708.74	1695.97
Malaysia	FTSE Bursa KLCI	1582.19	1585.89
Mexico	IPC	52010.60	52215.54
Morocco	MASI	12705.58	12694.16
Netherlands	AEX	793.32	790.00
	AEX All Share	1120.24	1115.90
New Zealand	NZX 50	13280.47	13243.49
Nigeria	SE All Share	39184.18	39219.61
Norway	Oslo All Share	1017.37	1006.88
Pakistan	KSE 100	46903.06	47413.46
Philippines	Manila Comp	6834.66	6785.94
Poland	Wig	71431.16	70995.66
Portugal	PSI 20	5505.55	5472.53
	PSI General	4148.12	4124.74
Romania	BET Index	12255.27	12302.26
Russia	Micex Index	3990.77	3971.02
	RTX	1726.61	1715.09
Saudi-Arabia	TADAWUL All Share Index	11319.87	11310.54
Singapore	FTSE Straits Times	3088.84	3087.84
Slovakia	SAX	387.26	387.26
Slovenia	SBI TOP	-	-
South Africa	FTSE/JSE All Share	66654.24	66976.05
	FTSE/JSE Res 20	63429.33	63793.00
	FTSE/JSE Top 40	60357.49	60612.64
South Korea	Kospi	3175.85	3207.02
	Kospi 200	415.89	419.92
Spain	IBEX 35	8981.40	8991.50
Sri Lanka	CSE All Share	9335.98	9163.13
Sweden	OMX Stockholm 30	2388.40	2368.67
	OMX Stockholm AS	1001.72	991.88
Switzerland	SMI Index	12432.46	12432.79
Taiwan	Weighted Pr	17319.76	17473.99
Thailand	Bangkok SET	1647.75	1634.48
Turkey	BIST 100	1479.12	1474.13
UAE	Abu Dhabi General Index	[illegible]	[illegible]
UK	FT 30	2784.30	2779.10
	FTSE 100	7163.90	7149.84
	FTSE 4Good UK	6748.73	6743.62
	FTSE All Share	4133.54	4128.63
	FTSE techMARK 100	7644.38	7633.53
USA	DJ Composite	11711.92	11645.93
	DJ Industrial	35466.21	35312.53
	DJ Transport	14903.83	14751.62
	DJ Utilities	947.73	945.37
	Nasdaq 100	15632.45	15611.57
	Nasdaq Cmp	15360.42	15309.38
	NYSE Comp	16942.36	16845.99
	S&P 500	4540.22	4524.09
	Wilshire 5000	47270.74	47044.69
Venezuela	IBC	6635.19	6613.67
Vietnam	VNI	1334.65	1334.65
Cross-Border	DJ Global Titans ($)	525.66	525.77
	Euro Stoxx 50 (Eur)	4232.10	4227.27
	Euronext 100 ID	1325.51	1322.54
	FTSE 4Good Global ($)	11163.15	11159.77
	FTSE All World ($)	491.24	489.85
	FTSE E300	1827.47	1822.15
	FTSE Eurotop 100	3408.55	3399.59
	FTSE Global 100 ($)	2955.10	2953.01
	FTSE Gold Min ($)	2037.05	2038.60
	FTSE Latibex Top (Eur)	4440.00	4432.20
	FTSE Multinationals ($)	3198.06	3188.85
	FTSE World ($)	882.55	880.39
	FTSEurofirst 100 (Eur)	4630.56	4619.34
	FTSEurofirst 80 (Eur)	5838.86	5830.07
	MSCI ACWI Fr ($)	743.67	741.27
	MSCI All World ($)	3151.66	3141.35
	MSCI Europe (Eur)	1890.98	1880.02
	MSCI Pacific ($)	3233.35	3204.88
	S&P Euro (Eur)	1974.05	1970.27
	S&P Europe 350 (Eur)	1881.89	1877.00
	S&P Global 1200 ($)	3464.92	3453.04
	Stoxx 50 (Eur)	3634.38	3629.61

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

STOCK MARKET: BIGGEST MOVERS

AMERICA

ACTIVE STOCKS	stock traded m's	close price	Day's change
Apple	48.2	153.59	1.08
Amazon.com	44.2	3494.04	15.04
Facebook	29.0	377.37	-4.68
Advanced Micro Devices	26.0	110.42	0.43
Alphabet	23.2	2878.83	-25.48
Nvidia	22.2	224.75	0.34
Visa	21.2	224.14	-5.98
Netflix	20.7	596.62	14.55
Microsoft	18.0	301.12	-0.72
Alphabet	14.2	2903.85	-12.99

BIGGEST MOVERS	Close price	Day's change	Day's chng%
Ups			
Quanta Services	112.36	10.59	10.41
Cabot Oil & Gas	17.62	1.36	8.36
Occidental Petroleum	26.76	1.68	6.70
Devon Energy	29.84	1.60	5.65
Diamondback Energy	78.11	3.95	5.33
Downs			
Hormel Foods	43.49	-2.18	-4.77
Autodesk	290.70	-12.54	-4.14
O'reilly Automotive	576.78	-15.76	-2.66
Visa	224.14	-5.98	-2.60
Biogen	329.62	-8.62	-2.55

Based on the constituents of the S&P500

LONDON

ACTIVE STOCKS	stock traded m's	close price	Day's change
Unilever	148.7	3961.00	-83.00
Bhp	115.7	2107.00	-124.00
Bp	107.9	299.90	5.65
Glencore	91.3	329.15	-0.15
Rio Tinto	91.2	5406.00	74.00
Diageo	90.8	3556.00	3.00
Astrazeneca	87.8	8614.00	98.00
Glaxosmithkline	80.6	1476.20	4.80
Avast	79.4	592.80	-2.20
Anglo American	75.3	3074.50	7.00

BIGGEST MOVERS	Close price	Day's change	Day's chng%
Ups			
Energean	730.00	49.50	7.27
Melrose Industries	184.24	12.36	7.19
Helios Towers	181.60	7.40	4.25
[illegible]	143.40	5.20	3.76
Prudential	1536.50	55.50	3.75
Downs			
Cmc Markets	305.00	-115.00	-27.38
Ig Holdings	841.00	-104.00	-11.01
Auction Technology	1474.00	-168.00	-10.23
Bhp	2107.00	-124.00	-5.56
Centamin	95.10	-5.15	-5.14

Based on the constituents of the FTSE 350 index

EURO MARKETS

ACTIVE STOCKS	stock traded m's	close price	Day's change
Asml Holding	385.5	722.20	8.00
Inditex	369.3	29.80	0.00
Vivendi Se	199.6	32.75	0.22
Eni	181.5	10.63	0.14
Unilever	176.9	53.86	-0.92
Allianz Se Na O.n.	157.1	197.72	-1.58
Philips Kon	154.3	40.15	0.81
Royal Dutch Shella	152.5	17.09	0.37
Novo Nordisk B A/s	149.0	85.38	0.44

BIGGEST MOVERS	Close price	Day's change	Day's chng%
Ups			
Volkswagen Ag St O.n.	295.20	8.20	2.86
Ses	7.30	0.19	2.64
Repsol	9.75	0.23	2.44
Getinge Ab Ser. B	35.87	0.83	2.36
Royal Dutch Shella	17.09	0.37	2.24
Downs			
Alstom	35.00	-1.22	-3.37
Ab Inbev	51.14	-1.30	-2.48
Edf	11.13	-0.24	-2.15
Telecom Italia R	0.40	-0.01	-1.72
Unilever	53.86	-0.92	-1.68

Based on the constituents of the FTSEurofirst 300 Eurozone index

TOKYO

ACTIVE STOCKS	stock traded m's	close price	Day's change
Softbank	742.4	6159.00	-45.00
East Japan Railway	640.1	6908.00	-512.00
West Japan Railway	613.2	5208.00	-803.00
Nippon Yusen Kabushiki Kaisha	591.6	8790.00	80.00
Mitsui O.s.k.lines,	545.5	8450.00	20.00
Central Japan Railway	433.6	15450.00	-700.00
Tokyo Electron	409.0	48030.00	550.00
Fast Retailing Co.,	328.4	73200.00	-150.00
Toyota Motor	327.9	9650.00	-2.00
Softbank	302.1	1508.50	19.50

BIGGEST MOVERS	Close price	Day's change	Day's chng%
Ups			
Kikkoman	8700.00	350.00	4.19
Toto	6270.00	170.00	2.79
Yokogawa Electric	1804.00	48.00	2.73
Ebara	5720.00	150.00	2.69
Ms&ad Insurance Holdings,	3717.00	96.00	2.65
Downs			
West Japan Railway	5208.00	-803.00	-13.36
East Japan Railway	6908.00	-512.00	-6.90
Central Japan Railway	15450.00	-700.00	-4.33
Ntn	248.00	-8.00	-3.13
Mitsui Mining And Smelting ,	3270.00	-100.00	-2.97

Based on the constituents of the Nikkei 225 index

UK MARKET WINNERS AND LOSERS

FTSE 100	Sep 02 price(p)	%Chg week	%Chg ytd
Winners			
Melrose Industries	184.24	11.0	2.7
Weir	1785.50	6.2	-
Intermediate Capital Group	2293.00	4.8	31.4
St. James's Place	1659.50	4.5	46.1
Ashtead	5830.00	4.5	64.2
Informa	558.80	4.2	5.7
Burberry	1914.00	4.2	5.7
Ferguson	10645.00	4.1	19.7
Pershing Square Holdings Ltd	2625.00	3.8	3.6
Spirax-sarco Eng	16595.00	3.3	53.4
Rightmove	726.80	3.3	11.7
Segro	1306.50	3.2	36.9
Losers			
B&m Eur Value Retail S.a.	540.00	-6.2	3.9
Bhp	2107.00	-5.6	7.5
Sainsbury (j)	304.10	-4.9	32.4
Admiral	3488.00	-4.5	17.0
Bt	162.15	-4.3	19.8
Barratt Developments	709.40	-3.4	4.3
Crh	3819.00	-2.6	21.4
Johnson Matthey	2923.00	-2.5	16.5
Unilever	3961.00	-2.5	-10.5
Itv	115.50	-2.4	6.4
Polymetal Int	1434.00	-2.3	-
Hsbc Holdings	387.25	-2.1	0.9

FTSE 250	Sep 02 price(p)	%Chg week	%Chg ytd
Winners			
Trustpilot	451.40	14.3	-
Ip	143.40	12.6	45.3
Energean	730.00	9.0	0.7
Homeserve	990.00	8.0	-6.1
Ninety One	263.40	7.7	13.1
Petropavlovsk	22.00	7.6	-
Tyman	438.00	7.4	23.4
Renishaw	5565.00	7.3	-7.8
Trainline	373.80	7.3	3.8
Vietnam Enterprise Investments	701.00	6.2	26.3
Indivior	201.80	6.2	94.4
C&c	252.20	6.1	17.4
Losers			
Cmc Markets	305.00	-27.9	-
Ig Holdings	841.00	-9.5	-4.2
Wh Smith	1570.50	-6.2	0.7
Auction Technology	1474.00	-4.5	17.0
[illegible]	[illegible]	[illegible]	[illegible]
Babcock Int	357.20	-4.2	23.3
Plus500 Ltd	1416.00	-4.0	-4.1
Countryside Properties	547.50	-3.8	15.9
Civitas Social Housing	101.20	-3.4	-3.3
Centamin	95.10	-2.9	-
Reach	408.00	-2.9	-
Vistry	1176.50	-2.8	24.0

FTSE SmallCap	Sep 02 price(p)	%Chg week	%Chg ytd
Winners			
Raven Property	36.00	33.3	29.1
Rps	116.00	12.6	59.8
Norcros	316.00	10.2	59.6
Clipper Logistics	881.00	10.0	52.7
Bmo Private Equity Trust	487.00	9.7	59.4
The Gym	306.00	9.1	42.3
Aberdeen New India Investment Trust	660.00	[illegible]	[illegible]
Aptitude Software	700.00	6.1	57.3
Helical	487.50	6.0	28.0
Hunting	209.50	5.8	-2.9
Tbc Bank	1438.00	5.7	14.9
Chesnara	307.00	5.5	4.1
Losers			
Kkv Secured Loan Fund	22.05	-46.2	-34.8
Kkv Secured Loan Fund C	14.65	-11.7	-
Esken	12.74	-9.6	-
Fuller, Smith & Turner	744.00	-9.3	7.8
[illegible]	23.70	-6.5	-
Severfield	78.00	-5.6	11.7
U And I	84.00	-5.4	33.8
Foxtons	52.60	-5.2	1.2
Anglo-eastern Plantations	622.00	-4.7	6.7
Robert Walters	670.00	-4.3	41.9
Up Global Sourcing Holdings	216.00	-4.2	83.3
Troy ome & Growth Trust	75.40	-4.1	1.9

Industry Sectors	Sep 02 price(p)	%Chg week	%Chg ytd
Winners			
Health Care Equip & Services	8007.96	29.4	8.6
Industrial Transportation	4520.56	28.6	2.6
Real Estate & Investment Servic	3104.72	26.7	9.9
Industrial Engineering	19456.86	25.2	11.3
Electronic & Electrical Equip.	12269.10	24.5	9.9
Chemicals	17547.00	22.8	7.1
Real Estate Investment Trusts	3402.90	22.4	9.0
Pharmaceuticals & Biotech.	18251.98	22.1	3.9
Software & Computer Services	2338.85	20.8	9.5
Electricity	9740.22	19.1	8.6
Support Services	12043.06	18.5	5.5
Aerospace & Defense	4320.75	17.9	18.9
Losers			
Mining	21124.77	-13.6	-6.4
Travel & Leisure	8588.03	-8.9	8.6
Food Producers	6888.00	-8.6	-0.3
Oil & Gas Producers	5178.74	-6.7	4.6
Banks	2784.99	-2.9	0.3
Mobile Telecommunications	2954.81	-2.5	-1.3
General Retailers	2655.96	0.1	4.2
Personal Goods	34287.19	0.3	-0.7
Life Insurance	8279.37	1.1	10.6
Food & Drug Retailers	4265.48	1.8	-5.8
Household Goods	18041.61	2.2	4.5
Automobiles & Parts	4909.40	3.0	5.7

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

CURRENCIES

Sep 2	Currency	DOLLAR Closing Mid	Day's Change	EURO Closing Mid	Day's Change	POUND Closing Mid	Day's Change
Argentina	Argentine Peso	97.8240	0.0486	116.0923	0.1897	135.3291	0.5353
Australia	Australian Dollar	1.3500	-0.0066	1.6021	-0.0060	1.8676	-0.0026
Bahrain	Bahrainin Dinar	0.3769	-0.0001	0.4473	0.0004	0.5214	0.0017
Bolivia	Bolivian Boliviano	6.9100	-	8.2004	0.0093	9.5593	0.0331
Brazil	Brazilian Real	5.1460	-0.0091	6.1070	-0.0038	7.1189	0.0122
Canada	Canadian Dollar	1.2563	-0.0048	1.4909	-0.0040	1.7380	-0.0006
Chile	Chilean Peso	767.8250	0.8700	911.2136	2.0682	1062.2044	4.8749
China	Chinese Yuan	6.4613	-0.0037	7.6679	0.0043	8.9385	0.0258
Colombia	Colombian Peso	3778.2500	35.6600	4483.8264	47.3754	5226.8096	67.2475
Costa Rica	Costa Rican Colon	624.1750	0.7950	740.7374	1.7853	863.4799	4.0839
Czech Republic	Czech Koruna	21.3984	-0.0104	25.3944	0.0165	29.6023	0.0880
Denmark	Danish Krone	6.2657	-0.0073	7.4358	-0.0003	8.6679	0.0199
Egypt	Egyptian Pound	15.7034	0.0190	18.6360	0.0438	21.7240	0.1014
Hong Kong	Hong Kong Dollar	7.7711	-0.0045	9.2223	0.0051	10.7504	0.0309
Hungary	Hungarian Forint	293.4865	-0.0854	348.2940	0.2952	406.0073	1.2872
India	Indian Rupee	73.0682	-0.0181	86.7134	0.0772	101.0820	0.3248
Indonesia	Indonesian Rupiah	14272.5000	-10.0000	16937.8415	7.3985	19744.5061	54.5442
Israel	Israeli Shekel	3.2089	0.0025	3.8081	0.0073	4.4391	0.0188
Japan	Japanese Yen	109.9750	-0.0300	130.5124	0.1130	152.1387	0.4851
..One Month		109.9750	-0.0301	130.5125	0.1130	152.1387	0.4850
..Three Month		109.9749	-0.0302	130.5126	0.1132	152.1386	0.4849
..One Year		109.9746	-0.0309	130.5129	0.1139	152.1387	0.4844
Kenya	Kenyan Shilling	110.0000	0.1000	130.5421	0.2671	152.1733	0.6644
Kuwait	Kuwaiti Dinar	0.3007	-0.0001	0.3568	0.0003	0.4159	0.0014
Malaysia	Malaysian Ringgit	4.1580	0.0043	4.9345	0.0107	5.7522	0.0258
Mexico	Mexican Peso	19.9555	0.0185	23.6821	0.0489	27.6063	0.1210
New Zealand	New Zealand Dollar	1.4049	-0.0090	1.6672	-0.0088	1.9435	-0.0057
Nigeria	Nigerian Naira	412.0000	-	488.9395	0.5564	569.9582	1.9722
Norway	Norwegian Krone	8.6427	-0.0426	10.2567	-0.0388	11.9563	-0.0174
Pakistan	Pakistani Rupee	167.0500	0.3500	198.2460	0.6405	231.0959	1.2822
Peru	Peruvian Nuevo Sol	4.1016	0.0183	4.8676	0.0272	5.6741	0.0449
Philippines	Philippine Peso	49.8290	-0.2310	59.1344	-0.2065	68.9331	-0.0799
Poland	Polish Zloty	3.8004	-0.0007	4.5101	0.0042	5.2574	0.0172
Romania	Romanian Leu	4.1620	-0.0016	4.9392	0.0037	5.7576	0.0177
Russia	Russian Ruble	72.7775	-0.1725	86.3684	-0.1062	100.6799	0.1106
Saudi Arabia	Saudi Riyal	3.7505	-	4.4509	0.0051	5.1884	0.0180
Singapore	Singapore Dollar	1.3426	-0.0015	1.5933	0.0001	1.8573	0.0044
South Africa	South African Rand	14.3913	0.0162	17.0788	0.0387	19.9088	0.0913
South Korea	South Korean Won	1161.4500	4.3000	1378.3466	6.6657	1606.7427	11.4876
Sweden	Swedish Krona	8.5745	-0.0246	10.1757	-0.0175	11.8618	0.0072
Switzerland	Swiss Franc	0.9143	0.0000	1.0850	0.0012	1.2648	0.0043
Taiwan	New Taiwan Dollar	27.7125	-0.0040	32.8877	0.0327	38.3373	0.1271
Thailand	Thai Baht	32.4575	0.1000	38.5188	0.1624	44.9015	0.2932
Tunisia	Tunisian Dinar	2.7819	-0.0086	3.3014	-0.0064	3.8484	0.0015
Turkey	Turkish Lira	8.2775	-0.0200	9.8233	-0.0125	11.4510	0.0121
United Arab Emirates	UAE Dirham	3.6732	-	4.3591	0.0050	5.0814	0.0176
United Kingdom	Pound Sterling	0.7229	-0.0025	0.8579	-0.0020	-	-
..One Month		0.7229	-0.0025	0.8578	-0.0020	-	-
..Three Month		0.7229	-0.0025	0.8577	-0.0020	-	-
..One Year		0.7228	-0.0025	0.8572	-0.0020	-	-
United States	United States Dollar	-	-	1.1867	0.0014	1.3834	0.0048
..One Month		-	-	1.1867	-0.1919	1.3834	0.0048
..Three Month		-	-	1.1865	-0.1919	1.3834	0.0048
..One Year		-	-	1.1858	-0.1919	1.3834	0.0048
Vietnam	Vietnamese Dong	22765.0000	-	27016.2935	30.6930	31492.9881	108.9193
European Union	Euro	0.8426	-0.0010	-	-	1.1657	0.0027
..One Month		0.8426	-0.0010	-	-	1.1657	0.0027
..Three Month		0.8424	-0.0010	-	-	1.1656	0.0027
..One Year		0.8417	-0.0010	-	-	1.1650	0.0027

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 Sep 02	Day's chge%	Euro Index	£ Strlg Sep 01	£ Strlg Aug 31	Year ago	Div yield%	Cover	P/E ratio	X/D adj	Total Return
FTSE 100 (102)	7163.90	0.20	6509.69	7149.84	7119.70	5940.95	3.41	1.94	15.12	203.96	7050.90
FTSE 250 (250)	24226.27	-0.10	22013.94	24250.83	24102.19	17704.42	1.76	2.71	20.94	318.69	19505.91
FTSE 250 ex Inv Co (185)	25459.97	-0.14	23134.99	25494.75	25330.56	17888.34	1.68	0.49	120.37	281.11	20904.08
FTSE 350 (352)	4148.24	0.14	3769.43	4142.37	4123.45	3362.81	3.10	2.02	15.94	106.20	8114.24
FTSE 350 ex Investment Trusts (285)	4041.06	0.14	3672.03	4035.22	4017.15	3277.45	3.18	1.67	18.78	77.05	4082.36
FTSE 350 Higher Yield (116)	3212.10	0.08	2918.78	3209.56	3207.83	2527.05	4.78	1.38	15.17	117.93	6982.02
FTSE 350 Lower Yield (236)	4875.54	0.21	4430.31	4865.47	4822.79	4061.51	1.35	4.39	16.82	71.92	5861.59
FTSE SmallCap (251)	7612.60	-0.52	6917.43	7652.38	7627.46	5117.77	2.25	3.26	13.60	114.20	12303.40
FTSE SmallCap ex Inv Co (131)	6529.10	-0.34	5932.87	6551.16	6529.06	3875.92	1.68	0.16	369.03	65.73	11000.66
FTSE All-Share (603)	4133.54	0.12	3756.07	4128.63	4109.96	3329.78	3.08	2.05	15.84	104.30	8164.96
FTSE All-Share ex Inv Co (416)	3985.88	0.14	3621.89	3980.48	3962.74	3213.95	3.16	1.66	19.12	75.33	4088.54
FTSE All-Share ex Multinationals (534)	1367.98	-0.21	1031.18	1370.90	1362.67	1035.26	2.35	3.09	13.76	25.17	2795.22
FTSE Fledgling (86)	13370.31	0.41	12149.35	13316.07	13242.71	8685.44	2.01	4.15	11.97	171.67	27914.19
FTSE Fledgling ex Inv Co (37)	18477.63	0.55	16790.26	18376.88	18214.01	91.95	1.40	-9.59	-7.42	167.53	37598.10
FTSE All-Small (337)	5291.96	-0.47	4808.71	5316.97	5299.01	3550.62	2.24	3.31	13.50	78.75	10971.45
FTSE All-Small ex Inv Co (168)	4900.54	-0.30	4453.02	4915.49	4897.92	87.17	1.67	-0.14	-421.53	49.25	10458.32
FTSE AIM All-Share (725)	1307.63	0.25	1188.22	1304.33	1292.95	968.08	0.76	0.47	279.45	6.82	1510.06
FTSE All-Share Technology (21)	2520.81	-0.44	2401.18	2531.85	2468.86	2217.17	1.10	0.73	125.25	16.65	3571.82
FTSE All-Share Telecommunications (7)	1916.89	-1.51	1825.91	1946.26	1946.38	1581.20	4.36	0.72	31.78	40.79	2703.19
FTSE All-Share Health Care (14)	12933.69	0.76	12319.89	12836.35	12790.89	12362.71	3.15	0.69	45.84	179.50	11603.81
FTSE All-Share Financials (252)	4890.83	0.34	4658.72	4874.31	4848.60	3758.24	2.68	5.14	7.27	85.65	5233.45
FTSE All-Share Real Estate (56)	1217.59	-0.12	1213.29	1219.08	1202.76	919.07	2.34	0.24	175.05	14.46	1232.84
FTSE All-Share Consumer Discretionary (90)	5603.93	-0.46	5337.98	5629.89	5579.60	4136.96	1.22	-0.78	-105.68	48.93	5785.23
FTSE All-Share Consumer Staples (27)	18915.90	-0.51	18018.19	19012.96	18922.69	18195.17	3.95	1.17	21.70	409.08	16540.38
FTSE All-Share Industrials (87)	7348.05	0.52	6999.33	7310.08	7269.74	5249.62	1.64	2.43	25.11	67.03	8279.41
FTSE All-Share Basic Materials (25)	8293.08	-0.56	7899.51	8339.69	8374.19	6119.70	6.42	2.28	6.84	357.02	10606.74
FTSE All-Share Energy (14)	5369.24	1.90	5114.42	5269.36	5298.56	4152.99	3.95	0.78	32.45	111.54	6224.88
FTSE All-Share Utilities (10)	8035.47	-0.14	7654.12	8046.68	7980.21	6831.16	4.44	1.67	13.44	236.94	11628.28
FTSE All-Share Software and Computer Services (19)	2707.52	-0.47	2579.03	2720.44	2650.98	2401.59	1.09	0.71	128.74	17.54	4059.01
FTSE All-Share Technology Hardware and Equipment (2)	7086.81	0.96	6750.48	7019.37	7009.60	4394.43	1.23	1.28	63.80	72.63	8969.87
FTSE All-Share Telecommunications Equipment (2)	700.44	-0.27	667.20	702.35	701.81	719.59	1.29	2.69	28.94	5.80	980.36
FTSE All-Share Telecommunications Service Providers (5)	2950.33	-1.56	2810.32	2997.09	2997.37	2406.81	4.49	0.70	31.91	64.75	3782.84
FTSE All-Share Health Care Providers (3)	8314.05	0.10	7919.48	8306.07	8258.31	5330.51	0.12	49.03	16.62	3.06	7672.08
FTSE All-Share Medical Equipment and Services (2)	6648.34	-0.28	6332.83	6666.71	6570.89	6943.18	1.93	1.06	48.83	87.94	6218.87
FTSE All-Share Pharmaceuticals and Biotechnology (9)	18187.38	0.84	17324.25	18035.99	17986.65	17396.22	3.27	0.66	46.38	255.46	14688.66
FTSE All-Share Banks (11)	2752.10	0.10	2621.49	2749.24	2746.36	1941.02	2.86	5.43	6.44	43.85	2336.41
FTSE All-Share Finance and Credit Services (8)	11308.88	0.17	10772.19	11289.50	11162.38	8951.81	1.25	1.42	56.32	126.28	14907.91
FTSE All-Share Investment Banking and Brokerage Services (32)	11039.80	-0.43	10515.88	11087.99	10999.52	8788.19	3.63	2.27	12.15	244.80	14715.99
FTSE All-Share Closed End Investments (187)	14169.91	-0.11	13497.43	14185.00	14108.42	11268.61	2.00	10.49	4.77	136.95	8605.88
FTSE All-Share Life Insurance (7)	8417.93	2.77	8018.43	8191.32	8125.31	6251.73	3.19	2.29	13.72	266.29	9879.62
FTSE All-Share Nonlife Insurance (7)	4028.71	0.11	3837.51	4024.09	3989.71	3221.80	3.52	1.69	16.79	125.32	8255.69
FTSE All-Share Real Estate Investment and Services (15)	3031.53	0.22	2887.66	3024.95	2966.87	2290.20	1.42	2.76	25.60	28.51	8838.85
FTSE All-Share Real Estate Investment Trusts (41)	3028.33	-0.20	2884.62	3034.36	2997.76	2278.34	2.56	-0.07	-542.25	36.52	4405.82
FTSE All-Share Automobiles and Parts (2)	4934.56	0.98	4700.37	4886.90	4951.61	2883.73	0.97	-7.85	-13.19	10.66	5096.31
FTSE All-Share Consumer Services (3)	2523.63	-0.70	2403.86	2541.48	2502.13	2166.93	0.01	-73.22	-99.40	0.13	3158.64
FTSE All-Share Household Goods and Home Construction (12)	15164.00	-2.41	14444.35	15539.12	15561.78	11818.49	3.62	1.91	14.46	245.01	12485.40
FTSE All-Share Leisure Goods (2)	30350.95	1.75	28910.56	29827.67	29399.37	23304.36	1.56	2.12	30.16	328.09	32282.88
FTSE All-Share Personal Goods (5)	29912.98	0.67	28493.37	29714.34	29360.81	20442.11	1.40	1.34	53.03	419.78	22922.24
FTSE All-Share Media (11)	9722.86	0.28	9261.43	9695.83	9602.87	6875.81	1.73	1.06	54.73	158.76	6669.54
FTSE All-Share Retailers (22)	2764.41	-0.99	2633.22	2792.02	2760.83	1947.34	0.93	4.41	24.53	22.49	3488.93
FTSE All-Share Travel and Leisure (33)	8479.35	-0.06	8076.94	8484.75	8401.49	6187.15	0.13	-80.24	-9.33	9.68	8711.83
FTSE All-Share Beverages (6)	27966.12	0.00	26638.90	27967.42	27519.96	20101.76	2.04	1.52	32.40	353.01	21953.76
FTSE All-Share Food Producers (10)	7062.74	-0.92	6727.55	7128.67	7077.99	6755.26	1.63	3.06	20.07	86.73	6645.67
FTSE All-Share Tobacco (2)	28911.99	0.50	27539.89	28767.28	28983.90	26620.27	8.04	1.45	8.60	1078.50	24769.60
FTSE All-Share Construction and Materials (15)	9130.95	-0.53	8697.61	9179.90	9187.32	6353.27	1.92	0.35	150.41	30.53	10740.93
FTSE All-Share Aerospace and Defense (9)	4597.99	-0.08	4379.78	4601.45	4609.00	3440.94	2.08	8.10	5.93	60.09	5451.64
FTSE All-Share Electronic and Electrical Equipment (10)	14522.69	0.77	13833.47	14411.71	14324.42	10254.41	1.07	2.21	42.37	123.48	14094.17
FTSE All-Share General Industrials (9)	5945.64	1.33	5663.47	5867.45	5813.20	4291.82	2.57	0.94	41.31	84.43	7562.41
FTSE All-Share Industrial Engineering (5)	21168.52	1.86	20163.91	20782.46	20705.77	13819.38	0.70	3.26	43.83	121.74	27866.15
FTSE All-Share Industrial Support Services (31)	11593.09	0.28	11042.91	11561.06	11458.99	9155.39	1.44	1.56	44.61	98.07	13029.16
FTSE All-Share Industrial Transportation (8)	6793.24	1.24	6470.85	6710.33	6669.77	3216.49	1.06	2.74	34.54	61.48	6967.95
FTSE All-Share Industrial Materials (1)	21403.99	-0.47	774.55	21504.01	22004.11	16537.68	1.47	2.67	25.48	213.54	26352.57
FTSE All-Share Industrial Metals and Mining (12)	6835.86	-0.64	6511.44	6879.97	6914.54	4848.47	7.11	2.29	6.14	325.73	9804.62
FTSE All-Share Precious Metals and Mining (5)	20225.00	-1.69	19265.16	20573.24	20487.55	30720.61	5.09	1.90	10.35	761.67	13588.28
FTSE All-Share Chemicals (7)	19444.32	0.51	18521.53	19345.44	19344.11	13546.97	1.56	2.10	30.45	191.93	18936.88
FTSE All-Share Oil, Gas and Coal (14)	5210.79	1.90	4963.49	5113.86	5142.20	4030.43	3.95	0.78	32.45	108.26	6265.19
FTSE Sector Indices											
Non Financials (351)	**4964.01**	**0.06**	**4510.70**	**4961.28**	**4939.93**	**83.96**	**3.19**	**1.30**	**24.12**	**91.54**	**8623.52**

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	7137.54	7155.29	7152.58	7146.38	7144.48	7141.48	7149.89	7152.52	7160.26	7167.33	7137.54
FTSE 250	24210.19	24224.79	24236.06	24217.09	24185.73	24178.38	24221.97	24215.63	24209.24	24248.52	24176.85
FTSE SmallCap	7645.82	7648.22	7650.41	7645.80	7639.50	7639.40	7638.94	7643.90	7641.36	7651.87	7612.60
FTSE All-Share	4121.68	4130.24	4129.39	4125.91	4123.98	4122.39	4127.53	4128.63	4131.90	4134.45	4121.68

Time of FTSE 100 Day's high:15:29:45 Day's Low07:03:00 FTSE 100 2010/11 High: 7220.14(11/08/2021) Low: 6407.46(29/01/2021)
Time of FTSE All-Share Day's high:15:12:00 Day's Low07:03:00 FTSE 100 2010/11 High: 4144.47(13/08/2021) Low: 3641.93(29/01/2021)

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FT 30 INDEX

	Sep 02	Sep 01	Aug 31	Aug 30	Aug 27	Yr Ago	High	Low
FT 30	2784.30	2779.10	2756.80	2769.40	2762.80	0.00	2870.10	2450.90
FT 30 Div Yield	-	-	-	-	-	0.00	3.93	2.74
P/E Ratio net	-	-	-	-	-	0.00	19.44	14.26

FT 30 hourly changes

8	9	10	11	12	13	14	15	16	High	Low
2779.1	2787	2784	2779.2	2776.7	2776.3	2782.1	2779.3	2781.1	2788.5	2774.3

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

FX: EFFECTIVE INDICES

	Sep 01	Aug 31	Mnth Ago		Sep 02	Sep 01	Mnth Ago
UK	81.49	81.55	82.25				

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

Industrial Metals &	33.01	Fixed Line Telecomms	18.80	FTSE 100 Index	10.89
Chemicals	28.86	FTSE 250 Index	18.24	Electricity	9.95
Industrial Eng	27.32	Pharmace & Biotech	15.70	Equity Invest Instr	9.82
Software & Comp Serv	26.64	Food & Drug Retailer	15.56	Travel & Leisure	8.95
Construct & Material	26.29	Basic Materials	15.47	Nonlife Insurance	8.79
Technology	26.16	Life Insurance	14.90	Financial Services	8.06
Electronic & Elec Eq	25.79	Oil & Gas Producers	14.80	Leisure Goods	7.94
Support Services	25.49	Health Care	14.59	Automobiles & Parts	6.48
Real Est Invest & Tr	23.26	Oil & Gas	14.19	Telecommunications	6.03
Industrials	22.94	Consumer Services	14.10	Health Care Eq & Srv	3.99
Beverages	22.71	General Retailers	13.90	Consumer Goods	1.38
FTSE SmallCap Index	22.48	Gas Water & Multi	13.43	Mobile Telecomms	1.28
Tech Hardware & Eq	22.31	Mining	13.32	Tobacco	0.45
Real Est Invest & Se	21.37	NON FINANCIALS Index	13.27	Industrial Metals &	40.74
Media	21.09	Utilities	12.53	Food Producers	-0.87
Aerospace & Defense	20.48	FTSE All{HY-}Share Index	12.52	Household Goods & Ho	-3.32
Industrial Transport	19.81	Financials	11.92	Personal Goods	-7.95
		Banks	11.50	Oil Equipment & Serv	-19.74

FTSE GLOBAL EQUITY INDEX SERIES

Sep 2 Regions & countries	No of stocks	US $ indices	Day %	Mth %	YTD %	Total retn	YTD %	Gr Div Yield
FTSE Global All Cap	9121	837.53	0.4	2.7	15.1	1307.67	16.6	1.7
FTSE Global All Cap	9121	837.53	0.4	2.7	15.1	1307.67	16.6	1.7
FTSE Global Large Cap	1739	747.01	0.3	2.8	14.7	1201.85	16.2	1.7
FTSE Global Mid Cap	2287	1067.68	0.4	2.3	16.5	1567.82	17.9	1.7
FTSE Global Small Cap	5095	1160.91	0.5	2.5	15.4	1634.94	16.5	1.4
FTSE All-World	4026	489.85	0.3	2.7	15.0	809.71	16.5	1.7
FTSE World	2623	880.39	0.3	2.6	16.4	1952.99	17.9	1.7
FTSE Global All Cap ex UNITED KINGDOM In	8834	886.39	0.3	2.7	15.2	1358.30	16.6	1.6
FTSE Global All Cap ex USA	7360	616.59	0.7	2.5	9.4	1056.19	11.4	2.2
FTSE Global All Cap ex JAPAN	7730	871.41	0.3	2.6	16.0	1373.41	17.5	1.6
FTSE Global All Cap ex Eurozone	8470	881.32	0.3	2.6	15.0	1346.98	16.4	1.6
FTSE Developed	2176	807.15	0.3	2.6	16.6	1270.37	18.1	1.6
FTSE Developed All Cap	5692	846.02	0.4	2.6	16.5	1312.29	18.0	1.6
FTSE Developed Large Cap	865	755.91	0.3	2.7	16.6	1211.02	18.1	1.6
FTSE Developed Europe Large Cap	233	450.00	0.9	2.3	14.6	860.43	17.2	2.3
FTSE Developed Europe Mid Cap	343	805.62	1.0	2.1	15.4	1342.20	17.5	2.0
FTSE Dev Europe Small Cap	706	1159.01	0.8	3.8	20.2	1854.41	22.1	1.7
FTSE North America Large Cap	240	997.63	0.1	2.9	20.1	1470.77	21.3	1.3
FTSE North America Mid Cap	420	1262.15	0.1	2.1	19.0	1715.96	20.1	1.4
FTSE North America Small Cap	1280	1326.73	0.5	2.4	16.0	1735.70	16.8	1.2
FTSE North America	660	649.22	0.1	2.7	19.9	978.00	21.1	1.3
FTSE Developed ex North America	1516	322.82	0.8	2.3	10.2	595.88	12.2	2.2
FTSE Japan Large Cap	174	467.13	1.0	4.0	3.0	663.45	4.2	1.9
FTSE Japan Mid Cap	333	672.37	0.8	3.5	4.3	906.93	5.7	2.1
FTSE Global wi JAPAN Small Cap	884	740.16	0.3	2.7	3.8	1034.76	5.2	2.1
FTSE Japan	507	193.12	0.9	3.9	3.2	307.13	4.4	2.0
FTSE Asia Pacific Large Cap ex Japan	913	882.29	0.4	2.4	0.9	1552.25	2.5	2.1
FTSE Asia Pacific Mid Cap ex Japan	927	1146.89	0.4	3.1	11.7	1941.86	13.7	2.3
FTSE Asia Pacific Small Cap ex Japan	1933	727.46	0.4	1.4	11.9	1201.59	13.7	2.0
FTSE Asia Pacific Ex Japan	1840	696.30	0.4	2.4	1.9	1301.71	3.6	2.1
FTSE Emerging All Cap	3429	924.14	0.3	3.1	3.9	1548.40	5.8	2.2
FTSE Emerging Large Cap	874	870.74	0.3	3.4	1.5	1467.56	3.3	2.2
FTSE Emerging Mid Cap	976	1187.97	0.1	3.5	13.5	1995.11	15.8	2.6
FTSE Emerging Small Cap	1579	969.52	0.3	1.0	13.7	1558.66	15.9	2.2
FTSE Emerging Europe	85	439.63	1.3	5.7	18.7	868.81	23.7	4.5
FTSE Latin America All Cap	250	839.68	-0.5	-1.3	2.2	1480.87	5.1	3.8
FTSE Middle East and Africa All Cap	328	782.06	0.2	3.4	19.7	1379.52	22.2	2.3
FTSE Global wi UNITED KINGDOM All Cap In	287	358.99	0.6	1.4	13.2	703.79	16.2	3.1
FTSE Global wi USA All Cap	1761	1122.41	0.1	2.8	19.5	1595.84	20.6	1.3
FTSE Europe All Cap	1439	543.05	0.9	2.5	15.3	997.44	17.8	2.3
FTSE Eurozone All Cap	651	535.92	1.1	3.2	15.6	977.75	17.8	1.9
FTSE EDHEC-Risk Efficient All-World	4026	544.94	0.3	2.2	15.4	833.01	17.1	1.9
FTSE EDHEC-Risk Efficient Developed Europe	576	427.98	0.9	2.1	14.6	727.36	16.7	2.0
Oil & Gas	132	298.24	-0.4	-0.6	15.6	575.37	19.3	4.2
Oil & Gas Producers	90	281.60	-0.5	-0.8	16.5	555.59	20.4	4.3

Sep 2 Sectors	No of stocks	US $ indices	Day %	Mth %	YTD %	Total retn	YTD %	Gr Div Yield
Oil Equipment & Services	27	226.28	0.1	0.1	19.5	397.33	23.7	4.9
Basic Materials	365	687.21	-0.5	-0.5	12.6	1196.07	15.4	3.1
Chemicals	170	962.39	-0.3	-0.3	10.6	1644.82	12.3	2.1
Forestry & Paper	21	338.33	0.3	0.3	7.0	657.46	9.3	2.4
Industrial Metals & Mining	94	602.61	-1.1	-1.1	28.6	1065.52	32.4	3.8
Mining	80	948.28	-0.4	-0.4	7.7	1705.38	11.6	4.4
Industrials	747	610.45	0.2	0.2	16.5	951.06	17.8	1.4
Construction & Materials	147	749.87	0.7	0.7	21.7	1231.34	23.5	1.7
Aerospace & Defense	34	818.53	0.0	0.0	11.6	1254.41	12.7	1.4
General Industrials	72	287.68	-0.4	-0.4	13.7	493.51	15.4	1.9
Electronic & Electrical Equipment	142	793.70	0.5	0.5	18.6	1119.97	19.8	1.1
Industrial Engineering	143	1176.27	0.2	0.2	14.8	1825.68	16.1	1.5
Industrial Transportation	124	1067.63	0.6	0.6	16.4	1675.97	17.9	1.5
Support Services	85	754.11	0.2	0.2	17.3	1103.23	18.0	0.9
Consumer Goods	533	652.97	0.5	0.5	6.8	1069.12	8.3	1.9
Automobiles & Parts	125	668.64	-0.1	-0.1	9.2	1060.26	10.0	1.0
Beverages	67	769.57	1.3	1.3	4.1	1271.38	5.5	2.2
Food Producers	133	753.88	0.3	0.3	5.0	1265.51	7.0	2.2
Household Goods & Home Construction	60	613.87	0.9	0.9	6.6	1003.04	8.5	2.3
Leisure Goods	45	321.21	0.7	0.7	-2.7	446.62	-2.0	1.2
Personal Goods	88	1162.49	1.0	1.0	10.3	1751.86	11.4	1.3
Tobacco	15	1015.19	0.0	0.0	11.8	2664.56	15.4	5.9
Health Care	324	785.52	0.2	0.2	14.5	1226.43	16.0	1.6
Health Care Equipment & Services	123	1627.21	0.7	0.7	16.9	1972.41	17.6	0.8
Pharmaceuticals & Biotechnology	201	500.99	-0.1	-0.1	12.7	835.79	14.7	2.2
Consumer Services	448	730.48	0.5	0.5	5.9	1029.80	6.5	0.8
Food & Drug Retailers	72	342.75	-0.2	-0.2	14.7	529.48	16.8	2.2
General Retailers	152	1307.01	0.4	0.4	3.2	1768.37	3.7	0.7
Media	83	517.31	1.2	1.2	10.2	733.80	10.9	0.7
Travel & Leisure	141	530.59	0.4	0.4	6.5	764.64	7.2	0.8
Telecommunication	88	157.68	0.0	0.0	2.4	353.51	5.3	4.1
Fixed Line Telecommuniations	36	118.07	-0.2	-0.2	1.5	300.69	5.7	5.6
Mobile Telecommunications	52	190.66	0.2	0.2	3.5	370.55	5.5	3.2
Utilities	197	338.48	1.1	1.1	5.5	761.84	8.2	3.2
Electricity	137	380.13	1.2	1.2	5.3	843.12	7.9	3.2
Gas Water & Multiutilities	60	340.47	1.1	1.1	6.2	791.79	9.0	3.3
Financials	863	298.29	0.4	0.4	18.2	552.54	20.5	2.4
Banks	266	222.64	0.1	0.1	20.7	454.34	23.5	2.8
Nonlife Insurance	71	343.39	0.4	0.4	14.8	553.61	17.7	2.9
Life Insurance	54	252.08	0.6	0.6	8.4	465.03	11.4	3.3
Financial Services	212	500.24	0.3	0.3	19.1	744.42	20.4	1.4
Technology	329	647.03	0.3	0.3	24.3	834.80	25.0	0.7
Software & Computer Services	175	1083.15	0.5	0.5	28.9	1301.58	29.4	0.4
Technology Hardware & Equipment	154	507.18	0.2	0.2	18.9	700.24	19.9	1.1
Alternative Energy	15	228.84	0.6	0.6	-14.8	327.01	-14.4	0.5
Real Estate Investment & Services	161	359.35	1.0	1.0	0.2	676.15	2.2	2.7
Real Estate Investment Trusts	99	571.86	1.4	1.4	25.8	1284.58	28.1	2.7
FTSE Global Large Cap	1739	747.01	0.3	0.3	14.7	1201.85	16.2	1.7

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 https://research.ftserussell.com/Products/indices/Home/indexfiltergeis?indexName=GEISAC¤cy=USD&rtn=CAP&segment=global-developed--emerging. 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 International Limited. 2013. All Rights reserved. "FTSE®" is a trade mark of the London Stock Exchange Group companies and is used by FTSE International Limited under licence.

FTSE 100 SUMMARY

FTSE 100	Closing Price	Day's Change
3I Group PLC	1338.5	-0.50
Abrdn PLC	265.00	-1.10
Admiral Group PLC	3488	-139.00
Anglo American PLC	3074.5	7.00
Antofagasta PLC	1431.5	-2.50
Ashtead Group PLC	5830	80.00
Associated British Foods PLC	1964.5	-35.50
Astrazeneca PLC	8614	98.00
Auto Trader Group PLC	641.80	-1.00
Avast PLC	592.80	-2.20
Aveva Group PLC	4190	8.00
Aviva PLC	411.70	4.70
B&M European Value Retail S.A.	540.00	-15.00
Bae Systems PLC	568.20	2.00
Barclays PLC	185.48	1.50
Barratt Developments PLC	709.40	-33.40
Berkeley Group Holdings (The) PLC	4767	-81.00
Bhp Group PLC	2107	-124.00
BP PLC	299.90	5.65
British American Tobacco PLC	2719	13.50
British Land Company PLC	543.00	1.00
Bt Group PLC	162.15	-6.50
Bunzl PLC	2652	-2.00
Burberry Group PLC	1914	20.50
Coca-Cola Hbc AG	2634	-28.00
Compass Group PLC	1514	-10.50
Crh PLC	3819	-23.00
Croda International PLC	9264	60.00
Dcc PLC	6264	34.00
Diageo PLC	3556	3.00
Entain PLC	1948.5	-29.50
Evraz PLC	596.60	11.00
Experian PLC	3252	12.00
Ferguson PLC	10645	80.00
Flutter Entertainment PLC	14280	20.00
Fresnillo PLC	833.20	-10.80
Glaxosmithkline PLC	1476.2	4.80
Glencore PLC	329.15	-0.15
Halma PLC	3038	-6.00
Hargreaves Lansdown PLC	1512.5	-3.00
Hikma Pharmaceuticals PLC	2565	5.00
HSBC Holdings PLC	387.25	0.50
Imperial Brands PLC	1545.5	8.00
Informa PLC	558.80	2.40
Intercontinental Hotels Group PLC	4678	17.00
Intermediate Capital Group PLC	2293	36.00
International Consolidated Airlines Group S.A.	159.84	-
Intertek Group PLC	5352	-10.00
Itv PLC	115.50	-0.15
Jd Sports Fashion PLC	1033	-7.00
Johnson Matthey PLC	2923	12.00
Just Eat Takeaway.Com N.V.	7007	-48.00
Kingfisher PLC	350.10	-4.80
Land Securities Group PLC	729.60	3.60
Legal & General Group PLC	276.60	3.80
Lloyds Banking Group PLC	43.63	-0.40
London Stock Exchange Group PLC	8084	22.00
M&G PLC	205.70	-2.70
Melrose Industries PLC	184.24	12.36
Mondi PLC	2031	19.00
National Grid PLC	944.00	-2.30
Natwest Group PLC	214.00	1.30
Next PLC	7928	-154.00
Ocado Group PLC	2090	4.00
Pearson PLC	769.80	0.60
Pershing Square Holdings LTD	2625	-15.00
Persimmon PLC	2876	-61.00
Phoenix Group Holdings PLC	626.60	-4.80
Polymetal International PLC	1434	-12.00
Prudential PLC	1536.5	55.50
Reckitt Benckiser Group PLC	5590	5.00
Relx PLC	2203	8.00
Rentokil Initial PLC	581.00	-3.00
Rightmove PLC	726.80	6.20
Rio Tinto PLC	5406	74.00
Rolls-Royce Holdings PLC	114.24	-0.70
Royal Dutch Shell PLC	1450.6	27.00
Royal Dutch Shell PLC	1455.4	27.20
Royal Mail PLC	494.60	8.90
Sage Group PLC	743.00	-4.00
Sainsbury (J) PLC	304.10	-2.10
Schroders PLC	3807	25.00
Scottish Mortgage Investment Trust PLC	1393.5	9.00
Segro PLC	1306.5	7.50
Severn Trent PLC	2809	-2.00
Smith & Nephew PLC	1409	-4.50
Smith (Ds) PLC	448.70	3.40
Smiths Group PLC	1447	-3.00
Smurfit Kappa Group PLC	4215	8.00
Spirax-Sarco Engineering PLC	16595	300.00
Sse PLC	1652	-0.50
St. James's Place PLC	1659.5	22.50
Standard Chartered PLC	459.80	1.60
Taylor Wimpey PLC	177.80	-4.45
Tesco PLC	256.60	0.60
Unilever PLC	3961	-83.00
United Utilities Group PLC	1060.5	-4.00
Vodafone Group PLC	121.26	-1.00
Weir Group PLC	1785.5	54.00
Whitbread PLC	3252	23.00
Wpp PLC	998.40	6.40

UK STOCK MARKET TRADING DATA

	Sep 02	Sep 01	Aug 31	Aug 27	Aug 26	Yr Ago
Order Book Turnover (m)	330.08	40.01	286.14	123.33	123.33	123.33
Order Book Bargains	786263.00	1000004.00	642252.00	642057.00	642057.00	642057.00
Order Book Shares Traded (m)	1037.00	1573.00	1014.00	884.00	884.00	884.00
Total Equity Turnover (£m)	5677.47	5313.12	5346.47	3831.50	3831.50	3831.50
Total Mkt Bargains	1032210.00	1301638.00	875303.00	862225.00	862225.00	862225.00
Total Shares Traded (m)	5934.00	7524.00	5417.00	5145.00	5145.00	5145.00

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

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

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

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

UK COMPANY RESULTS

Company		Turnover		Pre-tax		EPS(p)		Div(p)		Pay day	Total	
600 Group (The)	Pre	**53.550**	67.206	**0.090**	0.633L	**0.022L**	0.003L	**0.00000**	0.00000	-	**0.000**	0.300
Abcam	Ann	**147.500**	138.200	**16.200**	26.000	**6.100**	12.700	**0.00000**	3.55000	-	**0.000**	12.130
Baron Oil	Int	**0.000**	0.000	**0.117L**	0.703L	**0.002L**	0.020L	**0.00000**	0.00000	-	**0.000**	0.000
Barratt Developments	Pre	**4811.700**	3419.200	**812.200**	491.800	**64.900**	39.400	**21.90000**	0.00000	Nov 9	**29.400**	0.000
Bidstack Group	Int	**0.820**	0.274	**3.633L**	3.166L	**0.740L**	1.180L	**0.00000**	0.00000	-	**0.000**	0.000
Camellia	Int	**105.500**	114.900	**7.800L**	12.900L	**220.900L**	456.200L	**0.00000**	0.00000	-	**144.000**	0.000
Coca-Cola Europacific Partners	Int	**5918.000**	4837.000	**455.000**	211.000	**0.540**	0.280	**0.00000**	0.00000	-	**0.000**	0.000
Energean	Int	**205.466**	2.070	**20.484L**	99.069L	**0.002L**	0.004L	**0.00000**	0.00000	-	**0.000**	0.000
EnQuest	Int	**548.853**	411.085	**49.072**	373.357L	**0.034L**	0.286L	**0.00000**	0.00000	-	**0.000**	0.000
Headlam Group	Int	**329.900**	227.200	**14.000**	24.500L	**0.000**	0.000	**5.80000**	0.00000	Nov 29	**7.800**	1.989
Inspired	Int	**32.616**	24.942	**0.935**	0.952	**0.080**	0.150	**0.00000**	0.10000	-	**0.120**	0.100
Mast Energy Developments	Int	**0.000**	-	**0.672L**	-	**0.450L**	-	**0.00000**	-	-	**0.000**	-
Melrose Industries	Int	**3540.000**	3386.000	**256.000L**	720.000L	**26.667**	13.000L	**0.00000**	0.00000	-	**0.833**	0.000
Mpac Group	Int	**44.200**	36.800	**2.800**	1.400	**10.600**	6.000	**0.00000**	0.00000	-	**0.000**	0.000

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)
08/25	4.00		CRES	Citius Resources PLC	4.75	0.00	4.98	4.87	205.4
08/18	25.00	AIM	LIKE	Likewise Group PLC	34.00	1.98	35.00	25.00	6540.7
08/11	20.00	AIM	BVX	BiVictriX Therapeutics PLC	20.00	-0.70	29.25	19.00	1322.3
07/30	100.00		HGEN	HydrogenOne Capital Growth PLC	112.25	0.25	115.00	99.18	12050.0
07/28	200.00	AIM	BIG	Big Technologies PLC	349.00	0.25	385.00	250.00	100677.8
07/27	180.00	AIM	CODE	Northcoders Group PLC	181.50	0.00	187.02	178.03	1260.4

§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

FT 500: TOP 20

	Close price	Prev price	Day change	Day change %	Week change	Week change %	Month change %
Ch Rail Gp	4.20	3.89	0.31	7.97	0.49	13.2	16.67
Midea	0.62	0.60	0.02	3.33	0.07	12.7	3.33
CanNatRy	155.88	154.00	1.88	1.22	17.39	12.6	15.08
BOE Tech	1.08	1.02	0.06	5.88	0.12	12.5	16.13
ChStConEng	5.19	5.12	0.07	1.37	0.55	11.9	16.37
Occid Pet	26.76	25.08	1.68	6.70	2.76	11.5	3.84
Baxter	80.86	77.32	3.54	4.57	7.09	9.6	4.77
PetroChina	3.44	3.42	0.02	0.58	0.30	9.6	5.86
Netflix	596.62	582.07	14.55	2.50	46.50	8.5	15.80
Walgreen	51.70	50.29	1.41	2.80	3.86	8.1	10.51

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 %
Sychrony Fin	48.52	48.59	-0.07	-0.14	-2.25	-4.4	3.59
ChUncHK	4.14	4.11	0.03	0.83	-0.19	-4.4	-1.19
China Vanke	21.90	21.75	0.15	0.69	-1.00	-4.4	7.16
DiscFinServ	124.59	124.77	-0.18	-0.14	-5.68	-4.4	0.62
BT	162.15	168.65	-6.50	-3.85	-7.25	-4.3	-7.18
CntJpRwy	15450.00	16150.00	-700.00	-4.33	-655.00	-4.1	-2.55
PngAnBnk	18.40	17.88	0.52	2.91	-0.76	-4.0	4.01
Biogen	329.62	338.24	-8.62	-2.55	-12.62	-3.7	-0.60
NovoB	634.90	631.60	3.30	0.52	-22.70	-3.5	9.47
ChinaMBank	66.05	65.10	0.95	1.46	-2.25	-3.3	11.40

Based on the FT Global 500 companies in local currency

BONDS: HIGH YIELD & EMERGING MARKET

Sep 02	Red date	Coupon	Ratings S*	Ratings M*	Ratings F*	Bid price	Bid yield	Day's chge yield	Mth's chge yield	Spread vs US
High Yield US$										
HCA Inc.	04/24	8.36	BB-	Ba2	BB	113.75	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-	109.50	2.33	0.16	0.52	1.28
Brazil	04/26	6.00	-	Ba2	BB-	115.15	2.78	-0.01	0.65	1.73
Poland	04/26	3.25	-	A2	A-	111.22	0.98	0.03	0.16	-0.07
Mexico	05/26	11.50	-	Baa1	BBB-	149.00	1.61	0.00	-0.12	0.56
Turkey	03/27	6.00	-	Ba2	BB+	101.26	5.82	0.00	0.17	3.07
Turkey	03/27	6.00	-	B2	BB-	102.88	5.43	0.14	0.83	4.38
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	168.12	2.48	0.07	0.05	-
Brazil	02/47	5.63	-	Ba2	BB-	101.48	5.52	0.08	0.80	-
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-	106.48	-0.26	-	-	-0.36
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

Sep 02	Red date	Coupon	Ratings S*	Ratings M*	Ratings F*	Bid price	Bid yield	Day's chge yield	Mth's chge yield	Spread vs US
US$										
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-	98.73	1.34	-0.02	-0.14	0.27
£ 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

Sep 02	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

Sep 02 (Libor: Sep 01)	Over night	Change Day	Change Week	Change Month	One month	Three month	Six month	One year
US$ Libor	0.07288	-0.001	-0.005	0.001	0.08325	0.11888	0.15188	0.22763
Euro Libor	-0.59386	0.001	-0.001	-0.001	-0.58414	-0.56543	-0.54071	-0.49543
£ Libor	0.04150	0.001	0.001	0.003	0.05375	0.06688	0.10038	0.22175
Swiss Fr Libor				0.001	-0.79220	-0.76320	-0.72660	-0.59920
Yen Libor				-0.003	-0.07400	-0.09483	-0.08100	0.05617
Euro Euribor				0.000	-0.55400	-0.55000	-0.52100	-0.49600
Sterling CDs				0.000	0.50000	0.63000	0.78500	
US$ CDs				0.000	0.14000	0.19000	0.16000	
Euro CDs				0.000	-0.53000	-0.53000	-0.52000	

Sep 02	Short term		7 Days notice		One month		Three month		Six month		One year	
Euro	-0.74	-0.44	-0.71	-0.41	-0.68	-0.38	-0.68	-0.38	-0.67	-0.37	-0.66	-0.36
Sterling					0.45	0.55	0.58	0.68	0.71	0.86	0.90	1.05
US Dollar	0.11	0.31	0.01	0.21	0.00	0.20	0.09	0.29	0.06	0.26	0.18	0.38
Japanese Yen	-0.10	0.00	-0.10	0.00	-0.10	0.10	-0.10	0.10	-0.15	0.15	-0.15	0.15

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.

BOND INDICES

	Index	Day's change	Month's change	Year change	Return 1 month	Return 1 year
Markit IBoxx						
ABF Pan-Asia unhedged	222.57	0.05	0.05	-2.11	0.57	3.06
Corporates(£)	404.07	0.09	0.09	-1.16	-0.04	3.08
Corporates($)	341.63	-0.17	-0.16	0.03	-0.16	0.03
Corporates(€)	244.70	-0.06	-0.06	0.22	-0.46	2.45
Eurozone Sov(€)	258.68	-0.09	-0.09	-1.83	-0.64	0.62
Gilts(£)	365.77	0.27	0.27	-3.55	-0.54	-1.62
Global Inflation-Lkd	324.04	-0.94	-0.39	3.03	-0.39	6.54
Markit iBoxx £ Non-Gilts	390.32	0.09	0.09	-1.17	-0.08	2.41
Overall ($)	282.25	-0.15	-0.13	-0.85	-0.13	-0.85
Overall(£)	368.56	0.22	0.22	-2.90	-0.41	-0.53
Overall(€)	250.63	-0.08	-0.08	-1.31	-0.53	0.84
Treasuries ($)	258.42	-0.15	-0.16	-1.50	-0.16	-1.50
FTSE						
Sterling Corporate (£)	-	-	-	-	-	-
Euro Corporate (€)	104.47	-0.05	-	-	0.54	-1.73
Euro Emerging Mkts (€)	788.47	4.12	-	-	12.26	32.87
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	226.49	0.44	-6.36	-10.11	273.86	224.88
Europe 5Y	44.62	0.16	-1.39	-2.15	55.28	44.45
Japan 5Y	43.21	-0.01	-1.33	-3.42	49.50	43.16
Senior Financials 5Y	51.62	0.02	-1.45	-2.50	64.29	51.47
Markit CDX						
Emerging Markets 5Y	151.26	-0.95	-7.15	-12.27	191.34	148.48
Nth Amer High Yld 5Y	274.41	-1.16	-7.34	-21.50	316.77	269.30
Nth Amer Inv Grade 5Y	46.07	-0.16	-1.75	-4.24	58.09	46.07

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

VOLATILITY INDICES

	Sep 02	Day Chng	Prev	52 wk high	52 wk low
VIX	16.04	-0.07	16.11	41.16	14.10
VXD	14.70	-0.27	14.97	47.53	2.67
VXN	19.95	0.11	19.84	47.63	18.41
VDAX	17.21	-0.38	17.60	93.30	-

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

BONDS: BENCHMARK GOVERNMENT

	Red Date	Coupon	Bid Price	Bid Yield	Day chg yield	Wk chg yield	Month chg yld	Year chg yld
Australia	11/22	2.25	102.71	0.02	0.01	0.01	0.02	-0.26
	05/32	1.25	99.63	1.29	0.09	0.09	0.07	0.19

GILTS: UK CASH MARKET

Sep 02	Price £	Red Yield	Change in Yield Day	Week	Month	Year	52 Week High	52 Week Low	Amnt £m
Tr 3.75pc '21	100.05	0.00	-100.00	-100.00	-100.00	-100.00	102.75	100.00	29.00
Tr 4pc '22	102.04	0.03	-25.00	-25.00	50.00	-160.00	106.18	102.04	38.77
Tr 0.125pc '23	100.00	0.12	-20.00	-14.29	140.00	-400.00	100.57	99.96	33.82
Tr 0.125pc '24	99.82	0.20	-9.09	-9.09	33.33	-385.71	104.23	99.69	34.12
Tr 0.25pc '25	99.98	0.26	-3.70	0.00	23.81	-966.67	123.21	99.78	4.23
Tr 0.125pc '26	99.25	0.30	-6.25	0.00	15.38	500.00	101.04	98.61	33.89
Tr 1.25pc '27	105.12	0.37	-5.13	-2.63	5.71	270.00	108.78	104.13	39.34
Tr 0.875pc '29	102.65	0.54	-5.26	0.00	5.88	107.69	106.90	100.42	41.87
Tr 4.25pc '32	136.66	0.71	-2.74	1.43	5.97	61.36	145.77	133.57	38.71
Tr 4.25pc '36	145.98	0.87	-3.33	2.35	6.10	33.85	156.30	140.76	30.41
Tr 4.5pc '42	166.69	1.01	-1.94	2.02	5.21	21.69	179.39	157.72	27.21
Tr 3.75pc '52	172.22	1.02	-1.92	2.00	5.15	17.24	187.66	158.62	24.10
Tr 4pc '60	198.05	0.95	-2.06	2.15	5.56	13.10	216.08	179.62	24.12

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

GILTS: UK FTSE ACTUARIES INDICES

Price Indices Fixed Coupon	Sep 02	Day's chg %	Total Return	Return 1 month	Return 1 year	Yield
1 Up to 5 Years	87.38	0.03	2476.17	-0.11	-0.64	0.20
2 5 - 10 Years	181.17	0.10	3745.84	-0.26	-2.00	0.51
3 10 - 15 Years	214.92	0.14	4780.81	-0.45	-2.56	0.81
4 5 - 15 Years	188.78	0.11	4003.72	-0.32	-2.04	0.64
5 Over 15 Years	377.03	0.33	6296.48	-1.03	-3.05	0.97
7 All stocks	185.41	0.18	4037.09	-0.57	-2.18	0.86

Index Linked	Sep 02	Day's chg %	Month chg %	Year's chg %	Total Return	Return 1 month	Return 1 year
1 Up to 5 Years	309.25	0.14	0.65	1.13	2578.27	0.65	2.39
2 Over 5 years	880.06	0.52	0.67	7.46	6670.14	0.67	7.85
3 5-15 years	527.12	0.31	0.80	1.24	4223.47	0.80	2.01
4 Over 15 years	1173.53	0.59	0.63	9.70	8649.37	0.63	9.94
5 All stocks	778.24	0.48	0.67	6.71	6011.24	0.67	7.19

Yield Indices	Sep 02	Sep 01	Yr ago		Sep 02	Sep 01	Yr ago
5 Yrs	0.29	0.30	-0.10	20 Yrs	1.03	1.05	0.80
10 Yrs	0.68	0.69	0.29	45 Yrs	0.87	0.89	0.73
15 Yrs	0.93	0.94	0.63				

Real yield	inflation 0% Sep 02	Dur yrs	Previous	Yr ago	inflation 5% Sep 02	Dur yrs	Previous	Yr ago
Up to 5 yrs	-3.15	2.65	-3.09	-2.64	-3.52	2.66	-3.47	-3.01
Over 5 yrs	-2.42	24.00	-2.40	-2.18	-2.44	24.05	-2.42	-2.20
5-15 yrs	-2.85	9.26	-2.82	-2.78	-2.96	9.26	-2.92	-2.87
Over 15 yrs	-2.37	28.58	-2.35	-2.10	-2.39	28.59	-2.37	-2.12
All stocks	-2.43	21.84	-2.41	-2.18	-2.45	21.92	-2.43	-2.21

See FTSE website for more details www.ftse.com/products/indices/gilts

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COMMODITIES

www.ft.com/commodities

Energy		Price*	Change	Agricultural & Cattle Futures		Price*	Change
Crude Oil†	Sep	68.93	0.67	Corn	Sep	514.00	-1.00
Brent Crude Oil‡		73.26	1.93	Wheat	Sep	694.00	-7.50
RBOB Gasoline†	Sep	2.13	0.02	Soybeans	Sep	1271.00	-7.00
Heating Oil†		-	-	Soybeans Meal	Sep	343.30	-0.30
Natural Gas†	Sep	4.60	-0.02	Cocoa (ICE Liffe)✠	Sep	1786.00	47.00
Ethanol		-	-	Cocoa (ICE US)	Sep	2574.00	0.00
Uranium†		-	-	Coffee(Robusta)✠	Sep	2051.00	-7.00
Carbon Emissions‡		-	-	Coffee (Arabica)	Sep	195.30	0.00
Diesel†		-	-	White Sugar✠		489.50	6.20
Base Metals (LME 3 Months)				Sugar 11		19.68	0.00
Aluminium		2693.50	0.00	Cotton	Oct	94.22	0.00
Aluminium Alloy		2060.00	160.00	Orange Juice	Sep	134.05	0.00
Copper		9398.50	62.50	Palm Oil		-	-
Lead		2303.00	21.00	Live Cattle	Oct	127.48	0.48
Nickel		19435.00	85.00	Feeder Cattle	May	134.88	-
Tin		33475.00	75.00	Lean Hogs	Oct	90.20	1.35
Zinc		2985.50	5.50				
Precious Metals (PM London Fix)					Sep 01	% Chg Month	% Chg Year
Gold		1811.80	-3.05				
Silver (US cents)		2392.00	-12.50	S&P GSCI Spt	534.21	0.14	51.03
Platinum		1012.00	11.00	DJ UBS Spot	96.92	1.23	33.08
Palladium		2470.00	-22.00	TR/CC CRB TR	231.68	-0.04	42.36
Bulk Commodities				LEBA EUA Carbon	53.32	-1.90	86.37
Iron Ore		139.70	-3.85	LEBA UK Power	840.00	-40.43	-71.86
GlobalCOAL RB Index		148.00	4.00				
Baltic Dry Index		4001.00	-12.00				

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

BONDS: INDEX-LINKED

	Price Sep 01	Yield Sep 01	Yield Prev	Month return	Value stock	Market	No of stocks
Can 4.25%' 26	129.41	-1.173	-1.173	0.12	5.25	81675.48	7
Fr 2.10%' 23	107.59	-1.806	-1.806	0.01	18.05	254108.79	16
Swe 1.00%' 25	120.43	-1.775	-1.775	-0.02	33.01	199736.91	6
UK 1.875%' 22	107.79	-4.277	-4.277	0.10	15.74	861584.40	31
UK 2.50%' 24	361.04	-3.196	-3.196	0.18	6.82	861584.40	31
UK 2.00%' 35	304.40	-2.673	-2.673	0.23	9.08	861584.40	31
US 0.625%' 23	105.00	-2.389	-2.389	-0.05	47.03	1726011.09	44
US 3.625%' 28	135.55	-1.471	-1.471	-0.07	16.78	1726011.09	44

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

BONDS: TEN YEAR GOVT SPREADS

	Bid Yield	Spread vs Bund	Spread vs T-Bonds		Bid Yield	Spread vs Bund	Spread vs T-Bonds
Australia	1.29	-	-	Netherlands	-0.57	-	-
Austria	0.03	-	-	New Zealand	1.82	-	-
Canada	-	-	-	Norway	-	-	-
Denmark	-1.57	-	-	Portugal	-0.38	-	-
Finland	-0.21	-	-	Spain	-1.25	-	-
Germany	-	-	-	Sweden	-1.70	-	-
Ireland	-	-	-	Switzerland	-	-	-
Italy	0.60	-	-	United Kingdom	-	-	-
Japan	0.17	-	-	United States	-	-	-

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

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Tormented by a knitting Nazi

This week's new UK theatre, reviewed by Alice Saville

A gigantic glowing sun is beaming over the Almeida's stage, warming the plywood desert beneath. Its rays are both optimistic and oppressive, an ideal backdrop to Josh Azouz's conflicted play about a close-knit group of friends — some Jewish, some Arab — whose warm relationships are complicated by the arrival of Nazis in 1940s Tunisia.

Once Upon a Time in Nazi-Occupied Tunisia draws on Azouz's own family history, but he doesn't handle his material with the kid gloves of an archivist. Instead, his messy methodology mingles strategies from movie Westerns, Beckett and farce, creating a place where normal rules melt in the burning desert heat.

Loys and Victor are a Jewish couple who have been friends with Arab couple Youssef and Faiza since they were all kids: together, they eat strawberry ice creams, sing along to hit Tunisian songs and complain about the arrival of their new rulers, "the blonds". But when Youssef takes a job in the army, lured by the promise of Tunisian independence, Loys is terrified, haunted by possibilities her friends dismiss as ridiculous.

She's right to be scared. It quickly becomes clear that any Nazi with a future in the party is in Europe. Tunisia is for the weirdos, the quixotic psychopaths. Like "Grandma", a Nazi leader who is played with vigorous brilliance by Adrian Edmondson. In the evening, he knits. By day, he sadistically tortures the local Jewish population, trusting that his whimsical image will allow him to escape retribution after the war. Following in the illustrious goose-steps of everything from *The Producers* to Taika Waititi's *Jojo Rabbit*, Azouz makes Nazism camp and ridiculous — Edmondson alternates eye-gouging with bursting unexpectedly into song or waxing lyrical about the polyamorous love lives of vipers.

But among the jokiness, Azouz's play also makes room for tougher debates. Grandma visits a terrified Loys for dinner, with Yasmin Paige delivering a powerful performance as a woman torn between terror, defiance and a desire to make her case. She argues that her Jewish identity doesn't define her, that oppression comes from the Nazi fixation with putting people in boxes. But Grandma is ready with provocative analogies between her interest in a new homeland in Palestine and his longing for *Lebensraum*.

This is a play whose characters would rather die than let an argument go unsettled and its final scenes stretch plausibility to its limits. Still, any writer would buckle under the weight of discussing Zionism and colonialism on stage, and putting a hymn-singing Nazi into the mix does throw things off a bit. Azouz's previous plays, such as *The Mikvah Project* and *Buggy Baby*, have gone much further into surrealness and abstraction. This work marks him out as an ambitious talent, ready to take aim at big stages and bigger ideas.

To September 18, almeida.co.uk

Clockwise, from above: Pierro Niel-Mee, left, and Adrian Edmondson in 'Once Upon a Time . . .'; Feargus Woods Dunlop, centre, in 'Crimes, Camera, Action'; Leah St Luce, left, and Eleanor Sutton in 'Hungry'
Marc Brenner; Pamela Raith; Nobby Clark

Once Upon a Time in Nazi-Occupied Tunisia
Almeida Theatre, London
★★★★☆

Hungry
Paines Plough Roundabout, touring
★★★☆☆

Crimes, Camera, Action
Theatre Royal, Bath/touring
★★★☆☆

On the surface, Chris Bush's new play **Hungry** is a love story, but it's also a battlefield — an ambitious drama where two women fiercely defend their conflicting positions on food and class. Chef Lori woos her kitchen temp Bex by chucking away her instant noodles and making her a midnight snack with sound culinary credentials: the theatre fills with the scent of butter and eggs, cooked on stage. But good taste can be oppressive. Soon, Lori starts to use food to control her younger, less experienced girlfriend, pushing Bex to overcome her fear of oysters or to rid the freezer of the convenience foods she loves.

Is good — or at least, expensive — food something that working-class people "deserve"? Or is stigma about what and how we eat just a way of reinforcing social divides? Bex soon starts to resist Lori's attempts to stage a culinary *Educating Rita*, defending her upbringing by showering the stage with crisps.

This is skilful writing, full of push-and-pull, and Katie Posner's well-judged direction pacily evokes the moments when playful teasing tips over into hurt or anger subsides into rueful affection. Paines Plough's pop-up Roundabout tent is always an exciting spot in which to watch new plays: lit up in bright pink and blue, it gives even the sparest productions a welcome sheen and polish.

Performers Eleanor Sutton and Leah St Luce fill it with crackling tension, showing how articulacy can become a weapon. Still, it feels as though the heft of their discussions slightly overwhelms the fragile relationship this play centres on, like a skinny waiter set off-balance by an armful of plates.

Lori and Bex barely have time to establish a romantic bond, and Lori seems so controlling from the start that her monstrous betrayal is robbed of some of its shock.

Perhaps this couple's opposing positions on food are a little starkly drawn, too. There's nothing inherently middle class about avocados or olive oil, and Boris Johnson trumpets his love of oven chips. But we're in a cultural moment where playwrights are increasingly prioritising clarity over ambiguity and moral straightforwardness over ambivalence. Maybe some issues are too important to be mealy-mouthed about. *Hungry* is touring the UK this autumn and should give audiences plenty to chew on.

Touring to October 17, painesplough.com

Where *Hungry* is designed to unsettle audiences, touring company New Old Friends create comedies that envelop you in a warm fug of nostalgic silliness. With a rare lack of pretension, their website announces that they "create theatre with a desire to entertain the largest audience possible".

This spirit shines through **Crimes, Camera, Action**, a knowingly ludicrous pastiche of Hollywood film noir dramas that's crammed to the gills with knife-sharp visual gags and murderously bad puns.

The brains behind the operation are husband-and-wife team Feargus Woods Dunlop and Heather Westwell, who are building a growing franchise of new works — including their soon-to-premiere baby, trailed on stage by Westwell's pregnancy bump.

Westwell's pregnancy only adds to the comedy as she throws herself through a hectic series of roles and high-speed costume changes, starting with a screen starlet who dies gruesomely on set after someone switches her prop knife for a real blade. Luckily, hard-boiled detective Stan Shakespeare (played by Woods Dunlop) is on hand to investigate, the cool centre of a maelstrom of movie-inspired high jinks.

> Adrian Edmondson alternates eye-gouging with bursting unexpectedly into song

The action unfolds on the set of blockbuster movie *Cowboys and Showgirls in Space*, where an ambitious chorus girl aspires to do more than say "bleep bloop" in a tinfoil suit and a bed-ridden producer is furious at the director for wriggling out of her clutches. But does either have a motive for murder? It doesn't really matter, because writer Woods Dunlop is more interested in hilarious set pieces than artful plotting. In one standout scene detective Shakespeare spools his way through footage from the film's set, making the actors perform their scene in reverse or at double speed: a cheeky reminder that movies can never rival the virtuoso skill that goes into live theatre.

Comedy theatre is going through an unfashionable spell, but for companies that get it right the rewards are huge, as demonstrated by the rapid ascent of *The Play That Goes Wrong* from fringe show to West End fixture. New Old Friends are back in December with a new show, *Crimes Against Christmas*: however cheesy the gags, they know their giggling audience will be right back there with them.

Touring the UK in spring 2022
newoldfriends.co.uk

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Chronicle of terror and dedication

A new Amazon Prime drama series focuses on how hospital staff responded to the Mumbai attacks of 2008. Nirpal Dhaliwal reports

The Mumbai terror attacks of November 26-29 2008, when jihadis bombed and machine-gunned their way through the city, have inspired a welter of movies, the best-known of these in the west being *Hotel Mumbai* (2018), starring Dev Patel, Armie Hammer and Anupam Kher. The event has been the subject of several Hindi films but, with its scale and complexity, including the terrorists' last stand at the captured Taj Mahal Palace hotel, it has been restricted almost entirely to thrillers and action movies.

On September 9, however, Amazon Prime will release *Mumbai Diaries 26/11*, a fast-paced drama series set largely inside the emergency room of a government hospital overwhelmed by the injured and dying. The long-form possibilities of television are finally allowing an intimate look at the emotional journeys of those who were caught up in the attacks; the focus, this time, is on the first-responders and healthcare workers who struggled to cope with an unprecedented crisis.

In eight episodes spanning the attacks' first 24 hours, the show combines the storytelling techniques of two hit US programmes — medical series *ER* and counter-terrorism thriller *24*, whose events took place over one day.

"I didn't want to make a show just about terrorism," says the show's creator and co-director, Nikkhil Advani, over Zoom from Mumbai. "I've always wanted to make a medical drama like *ER*, *Chicago Hope*, *Chicago Med* or *Code Black*."

The 50-year-old is one of the founders of Emmay Entertainment, which, in addition to producing this series, has a back catalogue of successful Bollywood movies. They include this summer's quirky spy-thriller, *Bell Bottom*, starring Akshay Kumar, inspired by multiple hijackings of Indian aeroplanes in the 1980s. *Mumbai Diaries 26/11*, however, has few of the thrills, spills or humour of most of the content Advani has made during his career. While his other recent TV series, last year's *Hasmukh* — created alongside the comedian Vir Das for Netflix — was an offbeat tale about a serial-killing standup comic, this latest offering stays very close to grim reality.

Natasha Bharadwaj as Dr Diya

"I wanted to do something in a government hospital, which now people have seen because of Covid and videos that have been circulating," he says, adding that instead of a "sanitised drama" he wanted "to do a show about doctors coping with a lack of infrastructure, lack of facilities, lack of medicine. There's just a huge amount of passion and dedication . . . They're in the trenches. Every single day, they are in the trenches."

Mohit Raina as Dr Kaushik

The on-screen medical team is led by Dr Kaushik, played by Mohit Raina. In 2008, the actor was stranded at a friend's home in Vashi, a suburb of Mumbai, when the attacks happened. "Everyone was glued to the television sets," says Raina, also via Zoom from Mumbai. "It was heartbreaking, shocking, gut-wrenching." Having moved there from his native Jammu and Kashmir, a region long affected by terrorism, "I thought I'd seen everything, that it couldn't [get] worse than that. Seeing Mumbai in shambles, the spirit broken for three days, was unbelievable."

As with the brutal second Covid wave this spring, the 2008 attacks presented Mumbai's hospitals with an emergency they were painfully unprepared for. "Ordinarily they are dealing with 300 admissions a day," Advani says. "There are 1,200 beds in a normal government hospital in this city . . . When I was writing, I thought, what if I flip it? What if it's not an ordinary day, but the most extraordinary day in the history of this city?"

Written in 2018 and shot mostly before the pandemic hit India in 2020, the show evokes an acute sense of being overwhelmed through its clever use of medical interns on their first day, such as Dr Diya (Natasha Bharadwaj), and rookie journalist Mansi (Shreya Dhanwanthary).

Their initial innocence and optimism give way to a rising sense of panic, sharply contrasted against the gravitas of the senior doctors and nurses struggling to make life-or-death choices. When I say this is reminiscent of Kiefer Sutherland's experience in *24*, "That was something we aspired to," replies Advani.

Given how obsessed Indians are with being doctors, I ask him why it's taken until now for the country to have its first series set in an emergency room. "It's thanks to [direct-to-consumer] platforms like Amazon that film-makers are now in a position to tell the stories of doctors, nurses and hospital staff," he says. "You're now going to see more and more stories about characters and events like these, which you normally would not have because of the traditional formulas of Bollywood."

On Amazon Prime from September 9

FT BIG READ. AGRICULTURE

Food exports bring in welcome dollars to the sanctions-hit economy. But sales of wheat and grain are also playing a growing role in foreign policy and could help Moscow expand its global political reach.
By Nastassia Astrasheuskaya

Russia sows seeds of 'wheat diplomacy'

Vladimir Putin had just become president," says a market consultant in Moscow, who asks to remain anonymous. "And he was told in a meeting that Russia imported more than 50 per cent of its food. His face went pale.

"Putin has since made it his goal to ensure better food security in the country," adds the person who attended the meeting in 2000. "He dreads dependency. Russia is number one in wheat, and is having others depend on it."

A hangover from the era of the Soviet Union, when it had been a net importer of grain, the sector was by 2000 neglected, with no subsidies to producers and heavily reliant on imports.

Putin launched a state-led programme to develop agriculture through national projects aimed at stimulating investment and developing production in 2004. It included targets to ensure 80-95 per cent of self-sufficiency in key products, including grain. A decade later a grain charter to boost transparency in the market was introduced. "Large players and the state agreed to make this market less shadowy for everyone's benefit. The effect was very positive," says Daria Snitko, analyst at Gazprombank. "This has helped exports for sure."

So too did the sharp devaluation in the rouble — making exports cheaper — that followed the imposition of US and EU sanctions against Moscow after the 2014 annexation of Crimea and standoff with neighbouring Ukraine. Counter sanctions by the Kremlin, banning most food imports from the west, further boosted domestic producers.

Shortly afterwards, the world's biggest country by landmass became the world's top wheat exporter, passing the US and Canada for the first time in 2017. "We are number one," Putin declared in a later press conference. "We beat the US and Canada."

Wheat, and especially grain, have become valuable sources of foreign capital in a sanctions-hit economy. Now Russia is slowly making its way across Eurasia, Africa, and Latin America as an agricultural export powerhouse as it looks to reduce its reliance on oil, identify new markets and extend its global diplomatic reach.

Some even anticipate Russian grain becoming the Kremlin's new oil — a commodity through which to keep some countries dependent on its resources — or to at least open doors.

Russia's deal to cut oil output in a joint effort with Opec in 2016 was a trade-off with Saudi Arabia, the de facto head of the oil cartel. Riyadh needed a higher oil price to balance its budget than Russia, says Madina Khrustaleva, analyst at TS Lombard, investment research provider, so Moscow compromised, cutting output and raising oil prices more than it wanted to. "Russia [co-operated but] in return Saudi Arabia opened its huge market for chicken [and grain]."

Riyadh also eased its rules for imported wheat quality, allowing Russian exports, which now account for 10 per cent of Saudi Arabia's grain imports, according to Rusagrotrans, Russia's leader in railway grain transportation.

After successful lobbying for new markets, particularly in Asia, China and Vietnam have become big customers. Russia has tripled its 2020 beef exports, and doubled those of pork, both in tonnes and dollar revenue year on year. Half of the beef went to China, after it opened its market to Russian cattle producers last year. Vietnam, which started importing Russian pork in late 2019, is now the second-largest importer of meat from the country in the world.

Grain and meat exports have deepened Russia's presence in developing countries, say industry experts, especially those that are neighbours or close enough for logistics not to be problem. The UN calculates that the world will need to produce 40 per cent more food by 2050 simply to keep pace with a world population that is expected to rise by 2bn people over the next 30 years.

"We are destined for certain growth and success in the food industry," says a confident Oleg Rogachev, board member at Rusagrotrans. "It is profitable because of the geopolitical position.

"Most of our consumers, which experience food shortages, are located practically in our underbelly," he adds. "They are very close — it's all of Africa, the Middle East, the Asia-Pacific countries, the Far East. The shortest and easiest way to satisfy their need is through supplies from Russia."

Not just 'oil and Kalashnikovs'

This was not always the case. Russia produces enough crude oil to satisfy 10 per cent of the world's demand, and in the 1990s — after the collapse of the Soviet Union — it used its oil money to import most of its food.

Now, however, Russia is nearly self-sufficient in everything from grain to cheese. And, according to Rusagrotrans data compiled based on US Department of Agriculture statistics, accounts for a third of Middle Eastern and African wheat imports, 10 per cent of those in Asia and supplies about a fifth of the planet's total wheat demand.

Agricultural output in the country has grown by almost 50 per cent since 1991. Exports have more than trebled in that time to over $30bn last year, having jumped by a fifth in money terms over 2019. Of all the agricultural exports it is grain that is the main source of foreign exchange, with Egypt and Turkey being the biggest single buyers.

Now Dmitry Patrushev, the agriculture minister and son of a close Putin ally Nikolai Patrushev, secretary of Russia's Security Council, has been tasked with adding another 50 per cent to the value of agricultural exports by 2024. He is also under pressure to raise grain production to 140m tonnes by 2025 to feed those export markets. Temporary export quotas on grain — triggered by labour shortages and poor weather hitting crops — are expected to force output levels down to 127m tonnes in 2021.

Food has been a diplomatic tool in Russian relations with its neighbours before. It banned some Turkish agricultural imports as part of a package of measures following the downing of a Russian fighter jet by Turkish forces in 2015. The imports resumed two years later and Turkey became the top importer of Russian wheat in 2019 after it agreed to transit Russian gas to Europe.

In return for wheat sales to Iran, Russia agreed to take and sell Iranian oil as part of its oil-for-goods swap prior to the reimposition of US sanctions on Tehran in late 2018.

What has changed since those one-offs is the scale and ambition of the industry, say analysts. China, where Moscow has pivoted since its relations with the West plunged and where it has launched a major gas pipeline, is seen by Russia as its big future food market, given the population and geographical proximity. Yet, for now, Russia's share of the Chinese market remains relatively small and wheat imports actually fell in 2020.

"Of course, we always count on China. It is our main neighbour and the main trade partner as a whole, including in agriculture. It is the most interesting market we want to win over. All the major producers are competing against one another for it," says Snitko at Gazprombank, adding that Australia and Ukraine are also fierce rivals for the Chinese market.

As Russia gains the leadership in the global wheat market, it is trying to find a balance between securing future markets and driving foreign policy. For now, says Khrustaleva, the former trumps the latter. "For Russia in the current economic situation, it is important to get access to external markets rather than try to achieve something in international policy, or foreign policy with the supply of wheat," she says.

Some industry watchers see grain revenues offsetting a proportion of the losses from falling oil production. Yet agriculture accounts for just 4 per cent of Russia's gross domestic product, compared with 15 per cent for oil and gas, according to official statistics.

Oil and gas revenues still make up nearly a third of the state budget, but recent price volatility has bitterly exposed Russia and other producers. Global trade wars and the arrival of the clean energy transition has forced Moscow to look at its options for cutting its dependence on fossil fuels. In that context food has become a useful new tool for its diplomacy. And Moscow sees the opportunity in supplying food to regions with the fastest population growth, such as Africa and south-east Asia.

Russia, says Andrei Guriev, chief executive of Phosagro — one of the largest fertiliser producers in Russia and Europe — is well placed to satisfy that demand. "Russia has the land, the water, ports, railways. No other country has that big a potential," he adds.

"Even if we don't win some competition with our rockets and satellites, our agriculture products will see global demand," he says. "The world does not only have oil and Kalashnikovs to get from Russia, but also green land, blue water and clean food."

Investment boom

Investors have also noticed, attracted by the longer-term potential. Jim Rogers, who co-founded Quantum Fund with George Soros and is now a renowned bull on Russia and China, has invested in Russian fertilisers and agriculture via Phosagro and believes the sector's success is only starting.

"My investments here are profitable, but not as profitable as they are going to be eventually," he says. "If you look at the map you'll see Russian agriculture could dominate the whole world. Russia has whatever it takes to be the great agricultural nation again or certainly one of them."

Rogers says the change in the leadership's attitude made him invest. "It's not a one-time shot. Something happened in the Kremlin in the past decade, and it's beyond just one person, it's too big a change [for that]," he says.

Russia has gained an advantage as economic and climate conditions have made life more difficult for some of its main rivals. US grain producers have had one of their worst seasons in 2019 due to low margins, with a number of companies that previously relied on state support going bankrupt when it was removed and as prices dropped. Wheat output has also fallen, according to the USDA. Wildfires in Australia have damaged crops and the USDA expects its wheat exports to drop 17 per cent year on year in the 2021-22 season.

Yet, in Russia, climate change is opening up new frontiers for more agricultural usage of land in the north with the melting of permafrost. To an extent, this offsets droughts in the south.

"Russia has various climate zones, and if the Volga region burns down, Siberia will grow, or if something happens in the south, the Volga and central regions will compensate," says Rogachev of Rusagrotrans.

Russia also put emphasis on clean food production, and the use of fertilisers free or low in metals content, as buyers grow cautious of food purity. Fertilisers in Russia come from some of the cleanest rock with no heavy content of cadmium, offering it additional competitive advantage, say producers.

Investors such as Rogers, as well as local businessmen, are drawn by the prospects of Russian agriculture, due to its size, various climate zones, existing infrastructure, and room for increasing the yield through technological development and greater use of fertilisers.

"America cannot invent more land, American farmers already use fertilisers coming out of their ears, America is already mechanised and unlikely to get much more mechanised," adds Rogers. "Canada knows as much about farming as it will probably ever do. Argentina is not as big. There is a lot more scope for improvement for Russian agriculture."

The investment prospects have not gone unnoticed by Russian billionaires, a number of whom now own land and are involved in agricultural exports. Vladimir Yevtushenkov, the main shareholder in the Sistema conglomerate, has a stake in Steppe Agroholding, one of the country's largest grain exporters, which has a nearly 3 per cent market share.

Oleg Deripaska, once Russia's richest man, owns one of Russia's largest agricultural holdings, Kuban. The US imposed sanctions on Deripaska and he was forced to give up control of Rusal, the country's top aluminium producer. Yevtushenkov is on a US watchlist of businessmen close to Putin, and he too could potentially face sanctions.

Russia still needs to improve its production efficiency, infrastructure and financial tools to prompt greater investment, experts say.

The country's second-largest lender, VTB has taken on the task of reforming the industry and becoming the biggest player in the grain market. The bank has invested over $2bn in the grain business via a series of high-profile acquisitions in the past few years, before selling half of these assets to Russian investors.

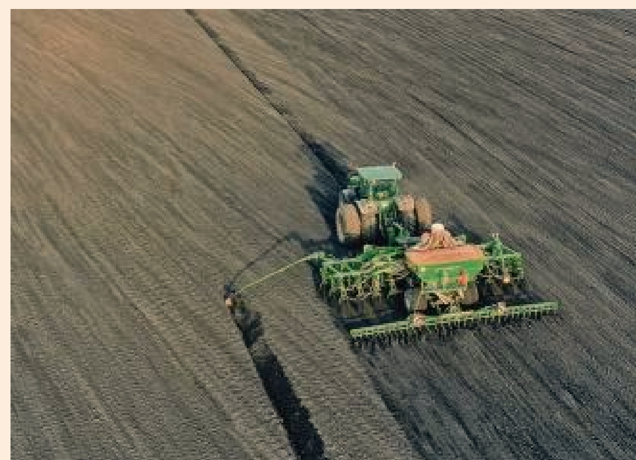
"We are at the bottom of the efficiency chain," says Atanas Djumaliyev, head of global commodities at VTB Capital. "The US agriculture derivative market is around $1tn and it has more players, including financial investors. That has allowed the industry and technology to develop. In Russia, it will take years to build that market."

> 'The world does not only have oil and Kalashnikovs to get from Russia, but also green land, blue water and clean food'

> 'For Russia in this economic situation, it is important to get access to external markets rather than try to achieve something in foreign policy with the supply of wheat'

The soft power of grains: Vladimir Putin's Russia is using growing wheat exports to develop its global influence. Below, an example of clean food production and agriculture minister Dmitry Patrushev, left

FT montage; Alexander Ryumin/TASS via Getty Images; Dmitry Astakhov/Pool/TASS



Russia leads in global wheat exports
Metric tonnes (m, 2020/21)

Source: USDA

FINANCIAL TIMES
'Without fear and without favour'
FRIDAY 3 SEPTEMBER 2021

Xi aims to redraw China's social contract

A campaign to address vulnerabilities risks a return to radicalism

The blizzard of new regulations, speeches and policies emanating from China in recent weeks appears motivated by what Beijing calls "changes unseen in a century". That is code for the rise of China and the relative decline of US-led western power. The instability that such a shift in the global order may trigger has prompted Beijing to strengthen itself pre-emptively, by addressing internal and external vulnerabilities.

At times, the rhetoric has sounded like a blast from China's revolutionary past. This week, for instance, Xi Jinping, China's authoritarian leader, advocated "struggle" in a speech carried in the People's Daily newspaper. "It is unrealistic to expect a peaceful life without struggle," he said. "We must uphold China's sovereignty, security and development interests with unprecedented determination."

The aim appears to be to advance several objectives at once, some of which overlap, and some of which do not. In advocating "common prosperity", Beijing is signalling a campaign against social inequality. In stressing "dual circulation", it is seeking to reduce reliance on foreign markets. In promoting family values it is, in part, hoping that women will opt to have more babies. By cracking down on after-school tuition and video games, it wants to alleviate the financial and emotional stress on families.

Some of the moves are to be applauded. Outlawing the controversial "996" overtime policy, under which many tech sector employees work from 9am to 9pm, six days a week, suggests Beijing may genuinely intend to improve the lot of China's vast cohort of low-income workers. Limiting after-school tuition could reduce chronic stress for millions of sleep-deprived children.

The response to some of Beijing's initiatives has so far been impressive. Alibaba, the Chinese tech giant, yesterday pledged to invest $15.5bn in economic and social development by 2025 to support Beijing's "common prosperity" agenda. The amount promised matched a similar undertaking by Tencent, its rival, last month.

But there are dangers too. Exhortations to "struggle", twinned with the campaign-style nature of some policymaking, could shut down reasoned debate and whip up officials into empty displays of loyalty, damaging the quality of policymaking over time.

Already, some announcements appear simplistic. A rule that limits children to three hours of video games a week may be tough to enforce. The government's credibility ebbs when mass disobedience goes unchecked.

A bigger risk is that in the various broadsides against the vibrant tech sector, a prejudice against private enterprise is nurtured. Almost all of the tech companies — such as Alibaba, Tencent, Meituan, Didi and others — that have fallen under regulatory scrutiny in recent weeks are privately owned.

A campaign-driven approach to policy can easily spill over into radicalism. Wealth redistribution, for instance, would be better achieved in China by legislation that tweaks the tax code. Levying tax on property sales, inheritance and some other expressions of wealth would be seen to be transparent and equitable. This is a path that Beijing may yet decide to follow.

Xi appears intent on redrawing China's social contract. The old mantra that some will "get rich first" is giving way to a more equitable creed. That may ultimately benefit some 600m Chinese who live off a monthly income of about $154 or less. But if such good intentions are derailed by radicalism, China will face a darker future.

UK plc should not be above the law

Reform of criminal liability needed to hold large companies to account

Has UK plc become too big to prosecute? The Serious Fraud Office, tasked with investigating and prosecuting the most complex financial crimes, thinks so. Successive SFO directors have called for reform of corporate criminal liability laws. A bad workman often blames his tools. The SFO has a poor record in court but in this area the apparatus it must work within is antiquated and ineffective. It needs an overhaul if the largest corporations are not to be above the law.

The Law Commission, whose consultation on corporate criminal liability closed on Tuesday, will offer reform options to the government by the end of the year. It is time ministers acted on proposals after years of dithering.

Laws dating back to the 19th century, when corporate structures were much simpler, currently demand that prosecutors prove a company's "directing mind" was complicit when it comes to bringing a corporate prosecution for crimes that require intent, such as fraud. This "identification principle" has meant in practice that prosecutors can hold to account small companies, with clear lines of control, but not large ones, with often complex checks and balances such as boards. Lisa Osofsky, the SFO director, explained she can go after "Main Street but not Wall Street". That undermines the idea that the law applies to all, equally.

There have been high-profile examples of companies escaping prosecution because of the law's complexity: News Group Newspapers was not charged with phone hacking despite senior journalists going to jail, because of the identification principle. But it was the collapse of the SFO's case against Barclays that strengthened calls for reform. There is no legal definition of what constitutes a directing mind, though before the Barclays case it was assumed that a chief executive would make the grade. Yet fraud charges against the bank stemming from the financial crisis were thrown out because the judge ruled that its then chief executive, John Varley, was accountable to the board. The judge also acquitted Varley during a 2019 jury trial.

Models for reform might include the US or Australia. But the US system of vicarious liability — where a company is held accountable for the actions of employees if they acted to benefit that company — is often criticised for being too blunt. Australia's system, which attributes blame if there was a lackadaisical culture or where wrongdoing was sanctioned by senior management, is thought too uncertain.

Another option would be to mirror an overhaul of bribery legislation a decade ago. That followed criticism from the OECD over the UK's record in prosecuting corruption. The Bribery Act holds companies liable for failing to prevent corruption, without the need for the identification principle. A corporate "failure to prevent" offence was also extended to tax evasion in 2016.

Scandal preceded both those reforms — the Al Yamamah controversy and the Panama Papers leak, respectively — fostering wide cross-party political support. In the wake of both Brexit and the pandemic, it is debatable whether similar political will exists now. A corporate prosecution that ultimately ends in fines not prison can still be disastrous for a company as it can bar it from public tenders.

Politicians need not worry about overburdening companies. The SFO has hardly blazed a trail with contested bribery prosecutions since 2011. But reform should not be about improving the SFO's performance. It should be about improving public confidence that the law can hold even the largest and most powerful entities to account.

Letters

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Age check technology makes social media safer for children

The article "UK targets social media and gaming with new Children's Code" (Report, FT.com, August 25) raises the point that age verification technologies are "impractical, ineffective or risk being intrusive if implemented in their current form" as they can become a burden for smaller companies that do not have the resources to build their own age verification technologies. However, this is not the case.

Instead of building their own technologies, organisations have the option of using specialist age checking and parental consent companies such as Trust Elevate, the company that I founded, that are certified and regulated to ensure their service meets specific standards. This technology is not by necessity privacy-invasive, as some have been led to believe.

The code targets video streaming, gaming and social media platforms with limitations on what data can be collected, as well as age verification checks and bans on location tracking for children. These constraints are certainly a step in the right direction but do not go quite far enough. The new measures rely on users' self-declaration of age, which could have the result of incentivising children to be dishonest about their age to access the platforms. Children's ages must be verified by authoritative data sources to ensure the improvements have the intended effect.

Regulatory drivers such as data protection laws and the code reflect the growing recognition that while the internet has many benefits, it also poses risks to children's rights and wellbeing. Businesses are legally required to do more to ensure their services are age appropriate. Age check and parental consent providers enable both large and start-up social media, gaming and streaming platforms to meet regulatory requirements and know the ages of their users. Doing so, they can create safer spaces and respect children's rights to participate in the online world.

Rachel O'Connell
Founder and Chief Executive, Trust Elevate, London W1, UK

The techno-utopian myth needs a reality check

Robert Armstrong's Unhedged essay "The rich get richer, and rates get lower" (FT.com, August 31) explains well a recent study by Atif Mian *et al* that details the powerful feedback loop between low-interest rates and growing income inequality that has been churning away in the US since the '50s.

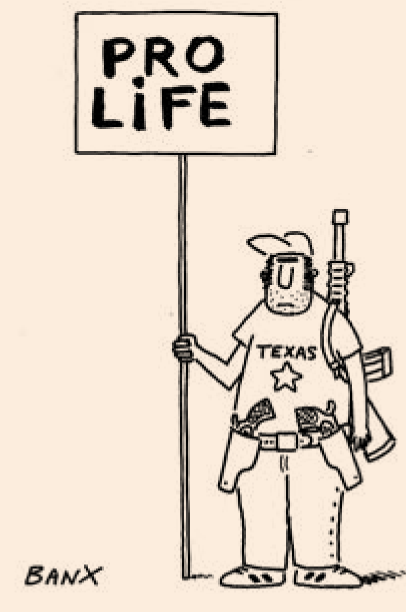
Rapid, post-Covid deployment of artificial intelligence and automation will only accelerate this cycle, with the rich receiving a disproportionate share of the spoils of automation and mechanisation.

Economists Daron Acemoglu of Massachusetts Institute of Technology and Pascual Restrepo of Boston University report that since 1987 automation has been displacing workers faster than new jobs are created.

Yet, the techno-utopian myth persists that new and exciting types of work produced by new technology will more than make up for automation-related job loss. The reality is that a dozen robotics engineers can displace hundreds if not thousands of workers. The costs of AI-created job loss (in retraining, welfare and underemployment) continue to be socialised and born by the public, while the profits are privatised by the wealthy.

We can only hope that increasing high inequality will be a "real buzzkill". If the trends in AI and automation continue, we may be facing a runaway reaction that will melt down jobs into an economy slag heap and seal off any means of escape, for even the most hardworking and creative people left at the bottom.

J Scott Christianson
University of Missouri, Columbia, MO, US



Trusting the adaptability of supply chains is unwise

Peter Atwater's article "Securitisation woes hold lessons for supply chains" (Markets Insight, September 1) offers an incomplete picture.

The problem in the market for semiconductors, for example, is a problem of production capacity. The consequences of this lack of capacity could not have been prevented with any kind of buffer stocks. So just-in-time logistics is not part of the problem. And the attempt to draw a parallel with the market of securitised home loans is, at best, extremely creative.

Far more interesting is to understand how this capacity shortage could appear in a highly effective market economy. There are a number of suppliers who have an interest to make sales and take market share. Still, they missed this opportunity. Most of us will survive this supply glut without too much pain. We can wait a month for a new car or our next computer. The chipmakers will increase their capacity and the matter will soon be forgotten.

But in other areas, this trust in the adaptability of the market economy may be unwise. We have handed over the planning of energy supply to some kind of market economy. If it fails, the consequences will be much broader and will take years or decades to correct. Covid has also shown how dependent we are on a few suppliers of vital components for many medicines.

Per Bengtsson
Lisbon, Portugal

Beijing's stance cannot be a surprise to investors

I do not agree with George Soros' claim that investors in China face a rude awakening (Opinion, August 31). China, since 1987, has followed the principle that economic development is the central task of government. This requires sticking to the "socialist road", accepting that the system is a "people's democratic dictatorship" and giving the leading role to the Communist Party of China, and Marxism-Leninism-Mao Zedong thought. But it also means the policy of reform and opening up the economy.

The recent actions by the Chinese government are to remind people that the central government is and has always been playing an important role in the economy of China when the market is not functioning for the benefits of all stakeholders. It has always been apparent. It is just that some people chose to forget and then now pretend to remember.

Tony SK Li
Hong Kong

High-speed rail is critical if cities are to be regenerated

Lord Berkeley's case against HS2 and his call for abandoning the project at a net cost of £7bn (Letters, September 1) is essentially based on a single argument: uncertainty.

We don't know when demand for rail will recover and by how much, and we don't know exactly how the HS2 terminal will work.

He could have gone further in admitting that we don't know what impact the project will have on city regeneration and on regional economies, and indeed we don't know if, or when, city centres will recover from the impact of the pandemic.

But post Covid, that is the world we live in, a world where public investment should be used to generate confidence and reduce uncertainty.

Apart from London's link to Paris, Britain is still utilising a railway system built by Victorian labourers, mostly with pick axes and wheelbarrows.

We built a completely new motorway system in the 1960s and '70s, based on fossil fuels, supporting decentralisation and thus undermining our cities.

It's time we invested in a fast, modern, carbon-neutral rail system, powered by green electricity, supporting all the UK's cities and their regeneration. HS2 is the necessary spinal element.

Professor Ian Wray
Heseltine Institute for Public Policy, Practice and Place, University of Liverpool Liverpool, UK

Please, no euphemisms, it's a 'climate emergency'

Your editorial "Don't let climate goals be lost in culture wars" (FT View, August 31) makes numerous references to "climate change", variously describing it as "catastrophic", "an urgent threat" and "too important to be lost to culture wars".

The editorial rightly outlines a message that politicians "must communicate" to reach climate goals, and acknowledges the role that individual decisions will have in addressing the fundamental threat to society.

The philosopher Ludwig Wittgenstein said (as translated) that "the limits of my language mean the limits of my world".

Without getting lost in the culture wars, are editors losing the language battle? Are the media not obliged to communicate the incontrovertible message of "climate crisis" or "climate emergency" rather than the euphemistic "climate change"?

Jack Barber
London SE24, UK

Remember it took years to ban chlorofluorocarbons

The banning of lead in petrol certainly rivals the Montreal Protocol's action on chlorofluorocarbons (CFCs) as the "world's most successful environmental treaty". But the gases used as CFC substitutes by the chemical industry — hydrochlorofluorocarbons (HCFCs) and hydrofluorocarbons (HFCs) — are also powerful greenhouse gases (Letters, August 24).

Indeed the growth in demand that has occurred since Montreal was signed means that the chemical industry substituted one environmental problem for another.

In 2013, scientists from the Center for International Climate Research in Oslo published a review of all such halocarbons, concluding that their present-day contribution was about "18 per cent of the forcing due to increased carbon dioxide".

That same year, the US president Barack Obama and China's Xi Jinping signed an agreement to limit the use of HCFCs — 25 years after the problem had first been highlighted. Some of the halocarbons still in use in 2013 had global warming potentials 14,000 times greater than an equivalent mass of carbon dioxide.

In 2016, the parties to the Montreal Protocol met in Kigali — at what was their 28th meeting — stitching together an agreement of sorts to limit the use of HFCs, but not for "high ambient temperature countries". This arguably could soon be most of us.

The full ban on the manufacture of HCFCs did not take effect until January 2020. A worldwide ban on HFCs is still pending, though countries in the EU are gradually phasing them out.

It is a sad reflection on our prospects of tackling climate change, if such a minor technological problem has taken more than three decades of diplomatic effort to put half right.

Robin Russell-Jones
Former Chair, CLEAR, The Campaign for Lead Free Air; Founder, Help Rescue the Planet, Marlow, Buckinghamshire, UK

Workers can thank Brexit if wages now improve

I am not sure what point Alan Bullion is making ("Conspiracy of silence helps foster a low-wage economy", Letters, August 31). It is fashionable to blame all our woes on Brexit, but if it results in UK farm workers, food processors, truckers and abattoir staff getting decent wages then I reckon that's a good outcome and we should accept the consequences.

Ron Iles
Haywards Heath, West Sussex, UK

Could in-person conversations tone down the culture wars?

Notebook
by Jemima Kelly

I had an unusual experience as I sat in a trendy north-east London café last week: a stranger sitting at the next table struck up a conversation with me. Even more surprising than an in-person chat after so many months of being stuck on the internet, was this man's response, unprompted, to my telling him that I sometimes write about cultural issues: "Oh, cool! God, I hate all the woke stuff that's going on at the moment — cancel culture and everything, it's terrible."

This wasn't the kind of person you might imagine would launch into a critique of the culture wars in the first two minutes of a conversation; he was a fashion-conscious 28-year-old who worked in the film industry, speaking to me between sips of "artisanal coffee" and mouthfuls of that millennial favourite, avocado on toast.

Yet this wasn't the first occasion in recent months that I have been surprised to discover, upon talking to someone in the real world, that they shared some of my concerns about the lack of tolerance for any view that deviates from a rigid set of supposedly "progressive" ideas, cultural codes and moral values that have become the consensus among certain groups over the past 18 months.

While I can think of countless instances on social media in which anyone who dares to even question these ideas is attacked viciously by online mobs, I can't recall a single recent IRL (in real life) conversation in which I have come across the same lack of nuance and censorious moral grandstanding. Perhaps some of the "consensus" that seems to have become so entrenched over the course of the pandemic might not be quite as widely shared as it appears to be. Maybe — though this might be a little optimistic — as we gradually return to face-to-face conversations, the culture wars that have raged online in recent months, often with real-world repercussions, might start to ebb.

One of the reasons the online discourse seems so polarised is the way that social media algorithms and 280-character limits favour simplistic and uncompromising points of view that play to a certain "side". Also, those people who hold the most extreme views tend to share them more often. According to a poll by NGO More in Common, just 13 per cent of the British population falls into the "progressive activist" category but they are about six times more likely than the other seven groups identified to share their political opinions on social media. The category of "loyal nationals", who feel the most threatened by immigration, are the second most likely to post their opinions online.

"We think we're divided but the proportion that says we're divided is lower than a few years ago," says Ben Page, chief executive of Ipsos-MORI, a polling group. "A lot of it is shouty media and shouty social media, and smallish numbers of people shouting at each other."

It's true that some of the blame must be taken by my profession. We, like the rest of the world, have been trapped online since early 2020 and have probably too often relied on social media as a gauge for how the general public thinks. "Journalism has always had the taxi driver bias — a journalist arrives in a new country and the people they speak to the most and first are taxi drivers," says Martin Walker, a director at the Center for Evidence-Based Management. "Twitter is the new taxi driver."

A further problem is that those of us who spend our time on the English-speaking internet falsely imagine that we are all living in the same society, when we are not. America is far more polarised than we are in Britain, and to a certain extent we have imported its culture wars (we even have a new Fox-News-alike channel dedicated to fighting them).

It seems to me that the "new puritanism" sweeping across the West might lose some of its power if the institutions that seem so keen to abide by its rigid rules — and to dole out punishment to anyone who breaks them — began to realise that the online social justice warrior mobs they pander to are less reflective of how most people feel than they imagine.

In the coming months, if all goes to plan, we will start returning to offices, cafés and cultural venues en masse, and engage in more face-to-face discussions. As we do, we might start to realise that we agree on more than we think.

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Opinion

America will not find security behind its borders

POLITICS
Philip Stephens

Hard-nosed foreign policy realists have cause for cheer. Liberal interventionism has been falling out of vogue for the best part of a decade. The manner of the retreat from Kabul has read the last rites. The US is pulling back behind its borders. Afghanistan is again a Taliban state. Without a lead from Washington, Europe has fallen to paralysis.

Joe Biden has defied the bungled nature of the US withdrawal by declaring it the end of the era of nation building. The US president's defiantly glib mantra is that there will be no more "forever wars". A few thousand troops brought home and now the US can square up to China. History, Biden seems to think, will be kind. After all, the chilling images of helicopters evacuating the last US marines from the embassy in Saigon have never made a case that the US should have stayed in Vietnam.

Dismayed as they may be by Biden's Trumpian turn, champions of liberal intervention must offer their own mea culpa. Two decades of western occupation of Afghanistan has shown them to have been naive in their expectations and careless in the execution of their democratising project.

Once the Americans had chased out al-Qaeda and the mission morphed into nation building, the easy assumption was that elections could turn Afghanistan into a shiny new democracy. The writing of a centralised constitution defied at once the fragmented nature of Afghanistan's tribal society and any real understanding of how democracies work. Elections are the last piece in the puzzle. You start with a scaffolding of the rule of law, impartial national institutions and societal norms.

For all the hundreds of billions spent on the military, the west devoted trivial amounts to economic development. A treasure-trove of documents assembled by the Washington-based National Security Archive shows that even the hawkish former defence secretary Donald Rumsfeld thought the US should be allocating more to building an Afghan economy and less on the military if it wanted to beat the Taliban. Perversely, politicians prefer to spend money on missiles than on development aid.

> The mistake now would be to believe that the US will be any safer for Biden's retreat

The failure in Afghanistan was political rather than a military defeat. No serious attempt was made to bind Kabul's neighbours into a settlement. Instead successive US administrations stood by as their supposed "ally" Pakistan continued to help organise and arm the Taliban. They refused to engage with Iran. During her time as secretary of state, Hillary Clinton gave a good speech calling for a "political surge" to secure a settlement. And then continued as before.

The mistake now would be to believe that America will be any safer for Biden's retreat. It's no accident that those cheering loudest at the withdrawal have been the west's adversaries. Nation building has never been an entirely altruistic project. Stable, open democracies are a bulwark against both the jihadis who will now move back into Afghanistan and the authoritarian states challenging a rules-based international order. If Biden thinks the US is in a global contest with China — a battle between democracy and authoritarianism — he has just ceded an awful lot of ground.

It is easy enough to argue that reshaping broken and failing states requires commitments spanning generations — a "forever" task, Biden would say. The snag is that it is not one that can be sidestepped. Disorder is the friend to autocrats and terrorists. America is about to mark the 20th anniversary of the attacks on New York and Washington. If that murderous episode carried a warning it was that today's threats are often heedless of national borders.

The realists are right when they say that you cannot build democracies at the point of a gun. And they are wrong to believe that the US can uphold an open, rules-based international order while hiding away at home, picking off terrorists with drones and ceding the world's ungoverned spaces to authoritarian adversaries. Inaction also carries a price. Look at Syria.

At some point the pendulum will swing back again — perhaps in response to another attack, perhaps to atrocities that, however far they may be from western shores, public opinion cannot tolerate.

The real lesson from Afghanistan is that the purpose of military intervention — and it must always be a last resort — is to provide a space in which politics, economics and diplomacy can do their work. Biden is right about one thing. Confronting the new challenges needs leaders with patience and endurance — more than shown by the present occupant of the White House.

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Digital currency shift shakes up finance cartels

Efi Chalikopoulou

BANKING
Gillian Tett

This week the central banks of Australia, Malaysia, Singapore and South Africa have started a new experiment: building a cross-border central bank digital currency system called "Project Dunbar", under the auspices of the Bank for International Settlements.

The idea is to let institutions in those countries use cryptocurrency and distributed ledger technology to make cheap, instant payments in different currencies. And if Dunbar works — a big "if" — this will give a new twist to 21st-century digital finance.

While some central banks, such as the Bahamas, have tested domestic CBDCs, and others, such as the Monetary Authority of Singapore and Switzerland, have tested domestic and cross-border settlement systems in one currency, none have tackled multiple currencies.

The holy grail of central bank digital finance is to link different silos and currencies. Dunbar is not the only initiative attempting this: the central banks of Hong Kong, China, the United Arab Emirates and Thailand will soon embark on a so-called mCBDC bridge project with the same aim, using different technology.

Should anyone who is not a central bank or crypto enthusiast care? Yes, for four reasons. First, these experiments show that while cryptocurrencies and distributed ledger technology used to haunt the financial fringes, they are now going mainstream. So much so, that the US Federal Reserve will report on its own efforts to build a dollar CBDC — albeit just for domestic purposes.

Second, the mushrooming of central bank experiments shows that a furious tussle is under way in the bowels of finance. Private sector entrepreneurs are racing to determine which computing solution will deliver DLT in the most secure and scaleable manner, creating a proliferation of products, such as ethereum, cardano, solana and polkadot.

Central bank officials are grappling with tough policy choices as they peruse the tech options, such as how to retain centralised ledgers (and control) if they embrace elements of DLT. Some are testing their ideas with private sector partners. MAS has worked with JPMorgan; DBS and ConsenSys, a software provider, have focused on ethereum. Others, like the Fed, are using proprietary tech. Agustín Carstens, head of the BIS, expects this homegrown route will become more popular. "CBDC is so important that we cannot outsource the production of CBDC to the crowd," he tells me.

Either way, the acronym "CBDC" can refer to a broad spectrum of models, and none of these dominate yet. As Carstens adds: "[The issue] is how to interconnect and how to generate a network of CBDCs with different governance and connectivity models for cross-border transactions. But there are lots of ways to do this."

Third, Asia is leading much of this innovation. That is partly because China is racing to develop a digital yuan to boost its global power, and the People's Bank of China is ahead of most rivals in this respect. However, the central banks of Singapore and Hong Kong are moving fast too.

"Asia is definitely leapfrogging other regions [since] there is more appetite for tech and less legacy systems," notes Charles d'Haussy, a former Hong Kong government official who runs the Asian operations of ConsenSys. Or as Charles Hoskinson, who runs a company focused on the cardano technology observes: "Smaller governments recognise that this is a great opportunity to leapfrog the west."

> Debate around CBDCs has led payment companies to scramble to ward off looming competition

The fourth — and arguably most important — point to have emerged around Dunbar, however, is that the immediate impact of CBDC experiments might not be felt in the world of crypto and DLT. It seems unlikely that CBDCs (or privately created digital tokens) will be an effective form of money for retail finance anytime soon. Traditional systems, such as credit cards, mobile phone banking — or even paper money — are still speedier. And while DLT can already be effective for some corners of wholesale finance, the applications are limited since the tech is still clunky.

That might change fast. But even before that happens (if it does), the debate around CBDCs and private sector experiments, by groups such as Facebook, is prompting legacy operators to scramble to ward off the looming competition. Singapore is a case in point: domestic banks have raced to make existing mobile phone banking services more efficient.

"In Singapore we can pay each other in three clicks, and have cross-border payments with countries such as Thailand," says Sopnendu Mohanty, chief technology officer at MAS. "So why do I need a CBDC?" he asks. "The answer is that you can dramatically bring down the cost of transfers." And thus further raise competitive threats.

Therein lies perhaps the biggest reason to watch Dunbar and its ilk. As Andrew McCormack, a senior BIS official, notes: "Anything which raises expectations that payments should be fast, instant and cheap is a good thing."

So if CBDCs can shake up the sometimes sleepy finance cartels, we should all cheer. And celebrate the principle that the economist Adam Smith championed three centuries ago: competition is a wonderful thing for spurring innovation — and growth.

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China's crackdown is not the way to deal with video games

TECHNOLOGY
John Thornhill

The introduction of new technologies often sparks moral panics. Socrates warned that writing degraded understanding. In the 19th century, passengers worried that women's uteruses might fly out of their bodies if they travelled too fast on railway trains. And the lobbyist Jack Valenti told the US Congress that the video cassette recorder was as dangerous as the Boston strangler.

To that list must now be added China's crackdown on video games, which were condemned in one recent article on state media (later removed) as "spiritual opium". On Monday, the National Press and Publication Administration banned all children below 18 years of age from playing online video games at any time apart from 8pm to 9pm on Fridays, Saturdays and Sundays and on public holidays. Gaming companies were told to stop children from playing outside these periods and to ensure real name verification systems were in place. The shares of China's Tencent, the world's biggest creator of video games, duly dropped on the news.

Weary parents, who sometimes shout at teenage children to stop playing wretched computer games and go and do something more useful (I know, I've been there), may have sneaking sympathy with the move. But the Chinese crackdown is a wild overreaction and could prove ridiculously hard to enforce. Good luck trying to stop smart teenagers devising any number of fantastic workarounds to ensure they can continue to play their favourite games.

In a political system in which every decision must be viewed through the prism of Chinese Communist party control, the suspicion must be that this ban is as much about clamping down on alternative sources of influence as protecting children's welfare. It also forms part of a broader regulatory crackdown against over-mighty tech companies.

It would be foolish to deny, though, that there are real concerns about video games. Somewhat controversially, the World Health Organization in 2018 recognised that internet gaming disorder as a disease. To be diagnosed, the behaviour pattern would have to be of "sufficient severity to result in significant impairment in personal, family, social, educational, occupational or other important areas of functioning" for at least a year. A more recent report from the Harris polling organisation found that 72 per cent of those who played multiplayer games had witnessed toxic behaviour, including abuse or harassment.

> This is as much about stifling alternative sources of influence as protecting children's welfare

Such concerns should be actively addressed. But as the cultural anthropologist Genevieve Bell has explained, the way this has historically happened is that societies slowly develop new norms to shape uses of technology and more acceptable behaviour. This is indeed already happening with video games. Governments introduce sensible regulations. Age restrictions apply to violent games. Parents and teachers, many of whom are themselves games players, institute their own rules. Children learn among themselves that video games can be a waste of time. Therapists help wean players off serious addiction.

One six-year study of the impact of video games on adolescents found that they caused no harm or negative long-term consequences for 90 per cent of users. "There is a lot to really like about video games," says Sarah Coyne, a professor at Brigham Young University and lead author of the study. "Computer games can help teenagers connect, especially during the pandemic."

Pro-social games can have social, mental and educational benefits, Coyne says. They can also help older players counter cognitive decline. But video games have a dark side, too. In particular, she suggests, games companies must be pushed to balance their desire to make money from addictive games with their social responsibilities.

It is hard to avoid the conclusion that the moral panic over video games partly reflects the timeless concern of older generations about technologies they little use or understand. This phenomenon was memorably captured by the writer Douglas Adams in his three rules of technology:

1. Anything that is in the world when you're born is normal and ordinary and just a natural part of the way the world works.

2. Anything that's invented between when you're 15 and 35 is new and exciting and revolutionary and you can probably get a career in it.

3. Anything invented after you're 35 is against the natural order of things.

When our children grow up, they will view video games as just a natural part of the way the world works. They will doubtless recognise them more as escapist entertainment than electronic drugs.

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Sunak has strong fiscal cards waiting to be played

ECONOMICS
Chris Giles

UK healthcare providers need £10bn to maintain service levels. Fixing social care requires another £10bn a year. Avoiding the cuts in universal credit would cost £6bn. Paying for catch-up teaching needs £5.8bn, say school leaders. The government's promises to pensioners come with a £4bn annual bill. The railways need a few extra billion a year to avoid bankruptcy, as does the judicial system to clear backlogs.

With the UK economy generating roughly £2,300bn a year, rarely has the phrase "a billion here, a billion there and pretty soon you are talking real money" had more relevance. But the good news is that the UK can afford it. Maintaining harmonious relations between Rishi Sunak and Boris Johnson might be difficult this autumn, but the economics of Britain's public finances are not that daunting.

To see what is possible, you need to look at two cards the Treasury is keeping close to its chest. These are likely to make all the difference at the time of the Autumn Statement on October 27.

The first relates to timing. Every month the chancellor issues almost the same tough statement, saying he is committed to keeping public borrowing "on a sustainable footing" and ensuring measures are in place "to keep debt under control in the years to come". Sunak is correct — the high levels of current borrowing are unsustainable. But returning to pre-pandemic levels of public expenditure does not have to happen in 2022-23, as currently planned.

> Returning to pre-pandemic levels of public expenditure does not have to happen in 2022-23, as planned

Expenditure to clear court backlogs, ease health waiting lists, provide catch-up education or bail out viable transport services can continue for a few years, so long as it is credibly temporary. A core purpose of government borrowing is to insure society against catastrophic events, smoothing the costs over many years. This is just as important in the recovery phase from the pandemic as it was in the teeth of the crisis.

The second card Sunak is likely to hold this autumn will be a large windfall in the public finance forecasts of the Office for Budget Responsibility, as it trims previous estimates of the long-term economic damage from the crisis. The fiscal watchdog has already put under review its current assumption the pandemic will impart a permanent 3 per cent hit to the £2.3tn level of economic activity. And while none of us has a good idea what the right assumption should be, and it is shocking the OBR's work is being done in private, similar organisations have become more optimistic in 2021 about scarring. The OBR never likes being an outlier and the Treasury is expecting a material revision.

If the OBR used the Bank of England's assumptions, for example, careful work by the Institute for Government shows Sunak should count on a £25bn annual windfall — enough to fund additional longer-term public spending and to run sustainable public finances.

The money would not cover new programmes, such as the reform of social care or an uplift to state pensions, merely because the average earnings figures are highly distorted at the moment. But it sets up an intriguing package of measures for the autumn.

Sunak could announce a social care reform funded by income tax rises, a generous but reasonable increase in the state pension and a freeze in universal credit at its higher current level. The pandemic requires us all to be in it together, the chancellor could say, with contributions from the rich, pensioners and the poor. This package could include more money permanently for health and temporary higher borrowing for catch-up spending in education, justice and transport. All this could come with a medium-term current budget balance and debt falling as a share of national income.

Sunak is lucky in having two get out of jail free cards this autumn. He now needs to play them right.

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Central banks: digital cash dash

Central bank digital currencies generate a lot of noise for an innovation that is still largely theoretical. The Bank for International Settlements is adding to the buzz with an experiment to use multiple CBDCs for international payments.

Commercial banks can be forgiven for feeling alarmed. Sprawling correspondent banking networks allow them to take a small cut at every stage of many cross-border payments.

Fintechs are already colonising busy payment corridors. Fast, low-cost dealings using blockchain-based CBDCs would represent an even deeper disruption. Under the BIS scheme, central banks in Australia, Malaysia, Singapore and South Africa will jointly design platforms for cross-border payments in CBDCs.

The paradox is that most central bankers fear digital currencies as much as traditional private sector financiers do. The CBDC brainstorming is because they fear cryptocurrencies more. These threaten to sidestep regulation protecting retail customers and financial stability.

Most central banks are working on some variant of the idea. Ideally, central banks would prefer old-fashioned private sector banks to keep their role distributing and managing money flows. The problem for central banks and private institutions alike is that the emerging technology may impose an infrastructure of its own. Glomming CBDCs on to the existing financial system may be awkward and lack credibility.

That tension is apparent in EU plans for central banks to hold retail deposits of CBDCs. This would reduce their current account provider to a funnel for funds. A proposed cap on the amount deposited reflects fears that money would avalanche into central bank deposit accounts at times of stress.

There will be no overnight revolution. It is notable that bitcoin, the crypto that alarms central bankers most, is used primarily for speculation. Despite the hype, it is an awkward and insecure medium for payments. Chief executives of large universal banks would meanwhile be making more fuss about their own trials of blockchain currencies if these were going brilliantly.

Even so, once a technological genie gets out of the bottle, it stays out. This one is beginning to push harder on the cork.

Nomura/JT: no smokes without firings

Investment bankers and brokers have stressful jobs. But resentful Nomura executives that smoke to relax will have to find another solution. The Japanese investment bank has banned staff from lighting up while working. The prohibition reflects a bleak outlook for the tobacco industry in Japan.

Smoking rates have more than halved in the past decade. But the adult male rate of 29 per cent remains one the highest in developed countries. Cigarettes are particularly prevalent in the workplace. Here, 38 per cent of men in their 40s are smokers.

Costs linked to smoking amounted to ¥2.1tn ($19.1bn) a year, according to a 2015 study. The government prohibited indoor smoking in restaurants and offices last year. Such bans should worry Japan Tobacco. It dominates the local market and gets about 40 per cent of operating profits from cigarettes. Profits fell last year, despite proceeds from a property sale.

The company has diversified with heat-not-burn devices and medical treatments. But the pharmaceuticals business brought in little more than 3 per cent of sales in the first half.

Its shares have fallen 46 per cent in the past five years and trade at 11 times forward earnings, according to S&P Global — expect further losses.

Nomura can expect benefits beyond better employee health. Productivity should improve. Marketing group Piala estimated that breaks taken by its smokers reduced their working time by six days a year. Non-smokers at the Tokyo-based agency get an extra six days' holiday.

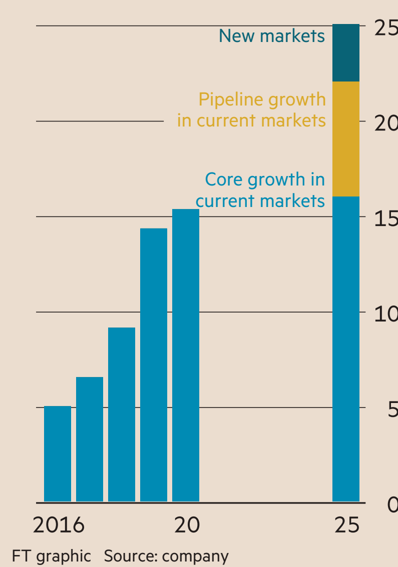
Lost hours add up for companies where labour typically accounts for a fifth of operating expenses. For banks, the impact is higher. Payroll accounted for 43 per cent of Nomura's non-interest expenses of $10.6bn last year.

Nomura's smokers, meanwhile, face a dilemma when working from home. Should they light up secretly, knowing their employer cannot enforce its ban? For hardworking company men and women, it is the ultimate loyalty test.

Biopharmaceuticals: Sobi story

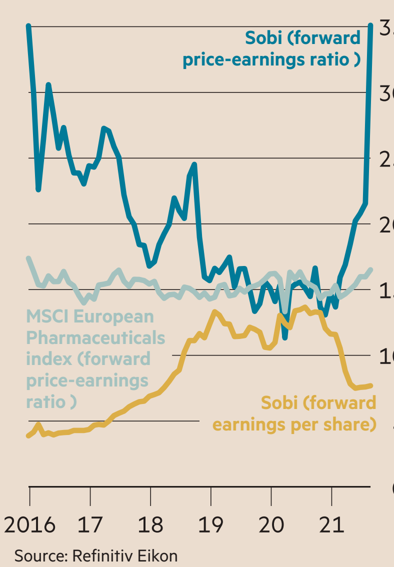
The rare-diseases drug developer specialises in haemophilia medicines. A pipeline of new drugs is expected to boost growth from existing treatments by 2025. Recent earnings downgrades have disappointed shareholders of the company.

Sobi's growth plans
Revenues (SKr bn)



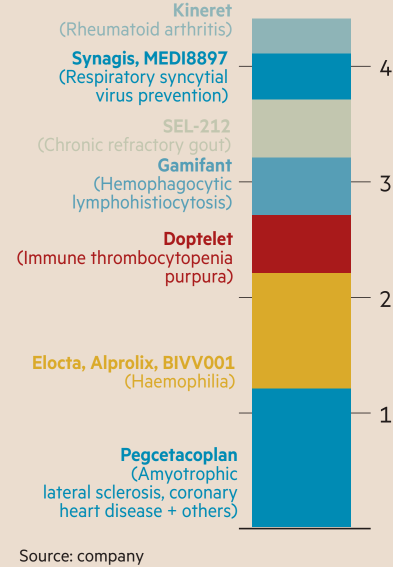
FT graphic Source: company

Valuations



Source: Refinitiv Eikon

Estimated peak sales
By drug (SKr bn)



Source: company

Private investors want to offer rare-disease drugmaker Swedish Orphan Biovitrum (Sobi) a new home.

Advent International and GIC, the Singaporean sovereign wealth fund, submitted a SKr235-a-share all-cash bid for Sobi yesterday. Drugmakers may be tempted to follow.

The premium of 35 per cent on Sobi's undisturbed share price values the group at SKr81bn ($9.4bn) including debt. A nod from Sobi's largest shareholder means the deal is unlikely to be turned down. But shares trading as high as SKr245 suggest a counter-offer may emerge.

Treatments for the blood disease, haemophilia, account for the bulk of Sobi's revenues. Competition and pricing pressure in its two main drugs have weighed on results, putting a lid on share price gains. Sobi has tried to diversify with acquisitions in immunology and other specialist treatments.

There is now a pipeline of new drugs, although these will require time and investment to bring to market. Public investors have shown they have little patience for these standalone risks.

Studies of existing Sobi drugs Gamifant and Kineret in treating symptoms of Covid-19 might provide nearer-term upside. New treatment BIVV001 could strengthen its existing haemophilia franchise, too.

Sobi's management has a plan to increase total revenues by SKr10bn to SKr25bn by 2025.

That may rekindle the interest of Pfizer and Biogen, both of which approached Sobi about a potential deal in 2016. Lack of interest from the Wallenberg family's Investor AB, which owns 36 per cent of Sobi's shares, quashed any hopes of a deal at the time.

On short-term horizons, the Advent/GIC deal price is fair. At 35 times this year's expected earnings, shares are valued at a record high.

But investors longer term could still push for a different outcome. Using management expectations for revenue and current profit margins to calculate 2025 earnings, the multiple falls to just 15 times. As this is well below the average since the group turned profitable in 2016, it should bring more bids to the table.

Melrose/GKN: hardy perennial

The teeth gnashing that accompanied Melrose Industries' acquisition of FTSE engineer GKN is over. Four years ago, the buccaneering turnround specialists irked some Britons by swooping on GKN. The engineer, specialising in components for road vehicles and aircraft, had historic heft but had been badly run for years.

Melrose's interim results, released yesterday, show it is doing most of what its very well-paid executives said they would. GKN shareholders who stuck with their Melrose shares are about a fifth better off, handily beating FTSE 100 gains.

GKN's swingeing pension deficit, about £1bn at the time of the takeover, has been pared back to £150m. That means a bigger cut of proceeds should go into investor pockets.

The group has returned about £1bn to investors since the deal, plus Melrose has reinstated the dividend at 0.75 pence. Assuming the interim is a third of the total, that would imply a full-year payout of 2.25p.

Impressed investors sent the shares higher while analysts scurried to upgrade forecasts. Both groups will need to remain patient. Melrose, with its manufacturing bent, lost ground over the pandemic. Operating margins at the half-year stage came in a third lower than for 2019 interims at 6 per cent on the group's preferred metric. This adjusts for all manner of non-recurring or "volatile" items, such as the equity-settled incentive scheme.

Without those tweaks, Melrose reported a statutory operating loss of £137m in the six months to end-June. Externalities will determine whether the business reaches targeted operating margins of 10 per cent. A chip shortage is curbing car production. Travel bans are depressing the aviation industry.

But Melrose's turnround merchants have come through the brawl of the GKN deal and — recovery permitting — are on track to show it was all worth the effort. Just in time to start the whole game again with the next big acquisition.

Baxter/Hillrom: blanket solution

Baxter is a US healthcare company in need of a pick-me-up. Its two biggest units — renal care and drug delivery systems — accounted for over half of the company's $11.7bn sales last year.

Unfortunately, dialysis machines and intravenous drip bags are low-margin businesses generating little growth.

That explains why Baxter wants to make a pricey bet by swooping on Hillrom. It is buying the Chicago-based maker of hospital beds and patient monitoring devices for $12.4bn, including debt. Baxter needs new ideas. But a multibillion-dollar acquisition in a new area will not offer any panacea.

The sweetened offer of $156 a share represents a 26 per cent premium to Hillrom's closing price on July 27 when news of the approach was first reported. The deal implies an enterprise value to ebitda multiple of 19 times for Hillrom, well above Baxter's 14 times.

But Hillrom — despite its specialisation in futuristic smart beds that can detect patient conditions — hardly offers fast growth. Revenue actually contracted 1 per cent to $2.9bn in its last financial year. The year before that, its sales rose just 2.1 per cent. Baxter has not done much better. Revenue in two of its three biggest units actually fell last year.

There is an argument that the pair will be stronger together. Patients want to receive more care at home. At the same time, hospitals and other care providers are investing in technology to monitor their patients remotely. Baxter and Hillrom could become a one-stop shop for this shift by selling beds and monitoring equipment as a package.

That could lure in additional business and lift profit margins. But expect pushback from governments and insurers: both want to contain costs for healthcare-related services.

Baxter forecasts $250m of cost savings after 2024, worth $2bn taxed and capitalised. That just about covers the premium. Baxter needs to hit its targets or it will simply have got bigger for the sake of it.

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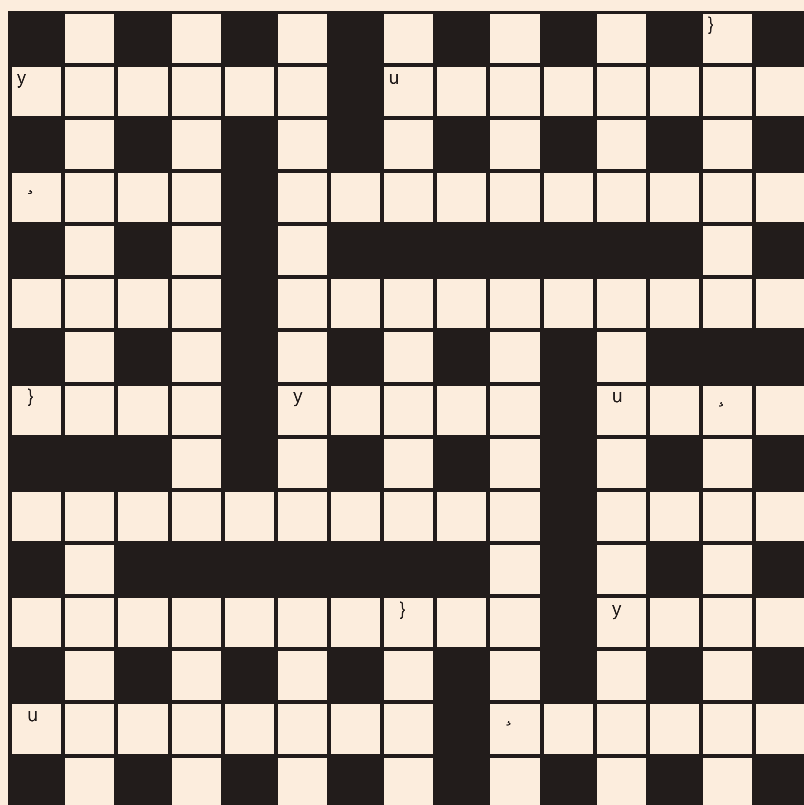
CROSSWORD

No 16,881 Set by BASILISK



ACROSS

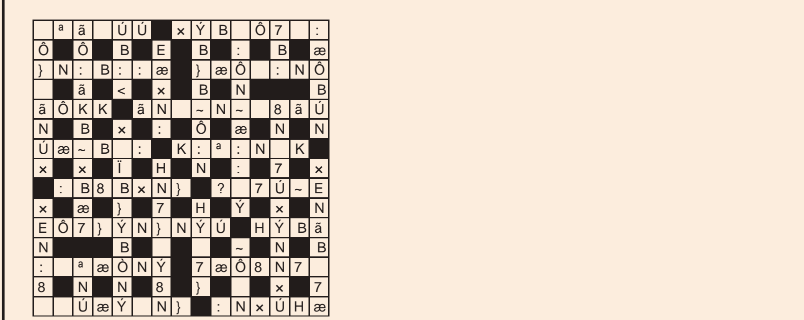
8 Lower quality of average TV programme (6)
9 What one has to start a fire pit going? (8)
10 Physician's son embracing this desire (4)
11 Responsible for retrospective issue being overdue (6,4)
12 Dance to rock and roll (4)
13 Surly niece dances with no confidence in herself (10)
17 Gather summary lacks focus (4)
18 Constraints on system cut back testing sessions (5)
19 Every year at home brings anguish (4)
21 Government organises indiscriminate use of armed forces? (10)
23 Broadcast live in the morning (4)
24 Measures beginning to suppress insect in enclosed areas (10)
28 Letter in A, B,..., I written backwards (4)
29 Inheritance fund used to maintain family properties? (4,4)
30 Genuine issue ultimately destroyed sanity (6)

DOWN

1 Rescue attempts almost always upset guards (8)
2 International role ruined through being in wrong place at wrong time (10)
3 Catholic head depressed by teacher's irritability (10)
4 Mess that's created by cutting into chunks of hard wood (4)
5 Even places in Cameroon provide a great time? (4)
6 Striking display of corruption engulfing India (4)
7 Heart of niggard is malicious and cheerless (6)
14 Wise man endlessly confused wise man (5)
15 The mob starts on a socialist backing banks (4,6)
16 British soldiers host American politician (10)
20 Aware of being bored by start of play's inertia (8)
22 Work had employees cutting off almost all facial hair (6)
25 Expected Labour leader to resolve dispute honourably? (4)
26 What starts to offer one leverage? (4)
27 Quiet, silent type has change of heart (4)

JOTTER PAD

Solution 16,880



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Watches & Jewellery

Hot and Bovet
Pascal Raffy liked its watches so much, he bought the brand
DESIGN Page 2

Bought and sold for Scottish gold
Jewellers have high hopes for local mine
MINING Page 3

No tears for Fears
Nicholas Bowman-Scargill on reviving his family's business
INTERVIEW Page 2

Friday September 3 2021

www.ft.com/watches-jewellery

Lost-and-found services face up to watch thieves

Online databases help recover stolen watches, writes *Simon de Burton*

In the months preceding the pandemic, smash-and-grab raids on luxury watch shops were reportedly on the rise. But, with most retailers having brought down their shutters during lockdown, robberies of individuals have since dominated the statistics of global watch thefts.

A high-profile spate of such attacks in the south of England has been carried out by various gangs, including two women dubbed the "Rolex Rippers" who have targeted older men in car parks at higher-end supermarkets and golf clubs.

These thefts have highlighted the role of privately run services such as the Watch Register, the largest UK-based database that lists 70,000 stolen or missing watches with hundreds of new entries each month. The service was launched in 2014 as an offshoot of the Art Loss Register which began in the 1990s as a way to locate stolen works of art and reunite them with their owners.

Isobel Hallam of the Watch Register's recoveries team says that it alone located 308 lost or stolen timepieces in 2020. In the seven months to the start of August 2021, 210 watches have been traced. The number of searches made on the register year-to-date is up by 9 per cent, too.

Such crimes are not usually one-off robberies by opportunists. Watch lovers in many other countries have suffered as organised crime gangs see rich pickings in targeting well-to-do people who enjoy the luxury of wearing an expensive watch. The advice from police is to be aware of the value of your watch and to decide when and where to wear it.

In the case of the Rolex Rippers, the thieves appear to favour a certain target demographic. "They typically go to a Waitrose supermarket car park because the clientele is largely 40-plus and wealthy," says Tom Grimshaw, a watch crime specialist with the Flying Squad, part of the organised crime command in the Metropolitan Police.

> The Watch Register located 308 lost or stolen timepieces last year

"Working in pairs, these criminals observe people getting out of their cars and see if they have a decent watch," he explains. "They pose as charity workers and claim to be working on behalf of the deaf as a cover for the fact that they don't speak. They encourage the victim to fill in a form on a clipboard — and then knock them to the ground and rip off their watch."

One victim, Alan Bruce, lost his £14,000 gold Rolex in Wimborne, Dorset, after being duped into signing a petition for a new centre for the deaf. Other attacks have occurred in Gloucestershire, Hampshire and Surrey. Bruce, 63, who described the thieves as "highly trained professionals".

Others who have been targeted by watch crooks include Richard Skelhorn, 41, an online gaming entrepreneur, and Lando Norris, the Formula 1 racing driver.

Skelhorn's £350,000 Richard Mille Lotus F1 watch was "clipped" from his wrist last month in "no more than two seconds" as he waited for his chauffeur to collect him from a restaurant in St Tropez, France.

Continued on page 3

David M. Benett/Getty Images for Louis Vuitton

Male image Genderless designs pique men's interest

American actor Jason Momoa, who portrays the superhero Aquaman on the big screen, is only one of many male celebrities who have been known to favour wearing jewellery in public.

This increased interest from men is reflected in the wider market for high and fine jewellery, prompting brands to adapt by launching dedicated collections.
Back Page

BVLGARI
ROMA

Interview Nicholas Bowman-Scargill The Fears owner went from Rolex to Asda while restarting his family's watch company, writes *Robin Swithinbank*

The British watchmaker that can wind back 175 years

Bowman-Scargill, pictured on a Emily Forgot bench, picked up where his great-grandfather left off when he revived Fears; the latest Archival watch and the original (right)
Alan Knox

Last March as Britain went into lockdown, Nicholas Bowman-Scargill took a job at an Asda supermarket. In the weeks leading up to that point, as the pandemic paralysed world economies, orders for his Fears watches had dried up. Sales were at zero.

Not wanting to lay off his small team or put suppliers in difficulty, and with the UK furlough scheme yet to kick in, the business continued to pay its bills — but he stopped taking pay. To keep both the company and himself afloat, the 34-year-old worked nights as a shelf stacker.

"I did five shifts a week for three months," says Bowman-Scargill, whose navy blue jacket, cutaway collar and tie place him a world away from manual labour. "I'd work from 1.30am until 8am, come home, sleep for an hour, have breakfast, work on Fears from 10am till 5pm, then force myself to sleep till midnight, and start again.

"My car broke down in the first week. I had to walk. I got stopped by the police asking me why I wasn't at home."

Come May, Bowman-Scargill noticed a surge in Fears' website traffic and orders began to trickle in. He left Asda — "people needed the job more than I did" — and went back to working "seven days a week" on his watch business.

Now, more than a year later, he is celebrating Fears' 175th anniversary with an event at the top of The Shard, Britain's tallest skyscraper, as well as a book telling the company's history and a pair of limited-edition watches. In the first six months of this year, he says, he sold more watches than in the whole of 2020.

Hardship, it seems, is part of the Fears make-up. Founded in 1846 in Bristol by Edwin Fear, it was hit hard by wars and ultimately collapsed in the late 1970s, during what is now known as the quartz crisis, when many old-school makers of mechanical watches suffered as cheaper, more accurate battery-powered watches came out of Asia.

Bowman-Scargill rebooted the business in 2016 and describes himself as the company's fourth managing director, following three generations of Fears — the last of whom, his great-grandfather, died in 1966 — and then a near 40-year hiatus in the company's operating history.

Bowman-Scargill's part in the story began in 2011. After graduating in economics from the University of York, he worked for a publishing house but found himself hungry for a career change. "I started to think as if I was a seven-year-old asking what I wanted do. It boiled down to two things: either a train driver, because I'm fascinated by the modern railway, or watchmaking."

He chose the latter, writing a "two-page letter" to every watch brand he knew had a workshop in the UK. One of them was Rolex. The Geneva company offered him a job at its St James's Square site in London as an apprentice watchmaker. "I thought I'd be there until my dying day," he says. "Could you get any better than starting at Rolex?"

Before Bowman-Scargill had completed his five-year apprenticeship, he realised it wasn't for him. "I have the millennial itch," he says. "I want to do more. I don't want to accept this is it."

It was at his parents' house in 2014 that he discovered he was descended from Edwin Fear. "My mother said, 'Why don't you restart the family watch company?'," he recalls. "That was the lightbulb moment. I knew I had relatives who had been watchmakers, but I had no idea that they'd trained in [the German watchmaking town of] Glashütte and become managing directors of the west of England's largest watchmaker."

Within a few months, he would incorporate the company and become immersed in it. "There kept being occasions when I thought I could stop now without egg on my face," he says of the months he spent researching what it would take to create a watch with the Fears name on the dial. "But every time I came to one of those moments, I just felt I had to keep going to the next one."

Bowman-Scargill eschewed external investment. He sold possessions, including his Rolex watch, and curbed his lifestyle to build a £30,000 start-up fund. "That buys you very little setting up any company," he says.

To save on watch design, marketing and branding, he enrolled on a 40-week evening course at City, University of London. "I'd finish at Rolex, jump on the bus to Islington, then do three hours of schooling until 9pm," he says. "I knew that if I could design my watch, I could afford to do it. If I'd had to pay someone else, I would have had to stop."

In February 2016, he left Rolex. "I was worried people would be angry," he says. "But then Rolex weren't that concerned I was going to set up a competitor overnight. It was scary leaving a pension and the security of a job."

That summer, Bowman-Scargill's first prototype was delivered. "When I put it on, I realised it was the first Fears watch in 40 years. I still wear it on launch days. It's battered but symbolises everything I gave up." In November 2016, Fears was reborn at SalonQP, the now defunct London watch show.

Business since then has been steady, rather than spectacular. Bowman-Scargill says his company has been profitable since 2019 and is now growing. In 2020, he says, Fears turned over about £250,000, more than twice what it did in 2019.

"During that first lockdown, you could buy a Fears, but not a Rolex, in the UK," he says. Rolex only sells watches through bricks-and-mortar showrooms, which were closed during the first lockdown. "Lockdown levelled the playing field for a few months. [Last] summer, we had stock and were ready to sell. And my website is better at shipping a watch than most of the big watch companies."

Bowman-Scargill's problem now, he says, is that he is selling faster than he can bring watches to market. "First half of 2021, we have turned over everything we did last year," he says. "Last year, we sold 100 watches; this year we've already sold 145. Everything is still out of stock on the website. We are selling batches of watches before they go live."

Fears' watches are classic-looking. "We're focused unashamedly on elegant watches," says Bowman-Scargill. All have Swiss mechanical movements, cases are made in either Germany or the UK, leather for straps is sourced in Bristol (they are then handmade in Belgium), packaging comes from around the UK, and assembly takes place in Norfolk.

Prices start at £2,850 and go up to £28,200 for a solid platinum, diamond-set version of the cushion-shaped Brunswick. Most of Fears' pieces are sold via its website, but it also has a showroom and two stockists in the UK, and sells through The Rake, an online style platform.

Much of Fears' success is down to Bowman-Scargill's marketing ability. This summer, he launched the "Be Fearless" campaign, offering a loan watch to anyone going for a job interview.

His anniversary pieces are the first in a new family called Archival, a rectangular, Art Deco-style design inspired by a model produced by Fears in 1930. In August, two watches called Archival 1930 arrived, limited to a combined total of 175 pieces and powered by new old-stock hand-wound movements. Each is engraved with a year, from 1846 onwards.

Bowman-Scargill says he is confident that, at the current rate of growth, sales will increase to as many as 2,000 watches a year within five years, which will require substantial investment. Currently, the business employs just three other people, only two of whom are full-time, and it relies on suppliers for most of the legwork, including production. He wants to build the business up in Bristol, opening a workshop to assemble watches.

"In five years, when anyone around the world names a British company, I'd like Fears to be one of the first," he says. "Not because of our volumes, but because of our reputation."

How Bovet bowed to new ownership and blossomed

Pascal Raffy liked its watches so much that he eventually bought the company, writes *Simon de Burton*

Those of a certain age might recall a 1979 television commercial for the Remington electric razor in which American businessman Victor Kiam proved that he really did put his money where his mouth was. "I liked the shaver so much," he declared, "I bought the company."

Kiam died in 2001, the same year in which French entrepreneur Pascal Raffy abandoned plans for early retirement and "bought the company" after being similarly impressed by the perhaps less masculine charms of 19th century watch house Bovet.

While the Remington shaver was famed for its "twin microscreens", Edouard Bovet had found success by making identical twin watches adorned with matching miniature paintings, often depicting sprays of flowers.

Swiss-born Bovet moved to London in 1814, aged 17, to study horology, and it was while apprenticed to British manufacturer Ilbury & Magniac that he was sent to Canton, China, where he quickly sold a quartet of pocket watches for the equivalent today of $1m.

The Asian market for expensive jewels that tell the time was already well established. This encouraged Bovet to set up his own company in 1822 solely to supply China, where he built a loyal following for matched pairs of pocket watches decorated with identical, exquisitely enamelled images, their cases and bow-topped winding crowns encircled with pearls.

Bovet died in 1849, shortly before competition from French and American-made watches, a rise in Chinese fakes, and difficulties caused by the opium war combined to make the business untenable. The Bovet family sold everything to new Swiss owners in 1864 and the company soldiered on until 2000 when Raffy discovered it was looking for fresh investment.

Though only 36 at the time, he had already retired, having bought into a small pharmaceuticals company a decade earlier. It merged with Synthlabo, which Raffy, a lawyer, helped to expand into north Africa prior to it becoming part of the French group Sanofi.

His exit from the business left Raffy a wealthy man, and he received many offers to buy stakes in watchmakers, having become known as a serious collector of valuable timepieces (212 at the last count).

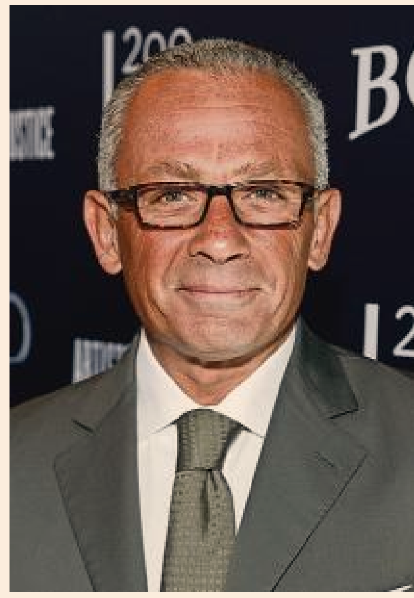
But it was not until he saw his first Bovet, still beautifully finished and with its distinctive "bow" top, that he was moved to take the chance — at a time when the business was down to making fewer than 150 watches a year.

A majority share investment made in 2001 (reported to have been $5m) proved only the tip of the iceberg. By 2003, he had bought out his partners and, in 2006, he not only acquired Bovet's components supplier, its dial supplier and a portion of its case-maker, but was also asked by the Swiss canton of Neuchâtel as to whether he might be interested in buying a 14th-century château to go with it.

"I had no desire to own a castle, but when I discovered it had belonged to the Bovet family from 1835 until they donated it to the canton in 1957, I naturally had to have it," he explains.

A portion of the 5,800 square metre Château de Môtiers overlooking Val-de-Travers has been turned over to watch assembly. All of Bovet's dials, hands, movement cases and even hairsprings are produced an hour away in a state-of-the-art facility in the town of Tramelan, which also supplies parts for other brands as well as for electronic, aeronautical and medical companies.

However, while profit and loss must figure in the entrepreneurial Raffy's thinking — given he is believed to have poured $35m into the business — his main concern is for preserving what he calls "respect" for the house and mastery of the multiple crafts key to creating a Bovet watch.



Raffy chose Bovet over other makers

"I get the greatest sense of pride when I see all of our engravers, miniature painters and watchmakers working together," Raffy says of the 92 staff, 70 per cent of whom have worked for the company since he fully integrated Bovet in 2006.

"Having been heavily involved in healthcare, I understood how important it was to ensure everyone has felt safe during the coronavirus pandemic, so we temporarily closed the manufacture to give all of the artisans the maximum amount of time at home," he says. "But it turned out that what they really wanted to do was to return to work and carry on doing what they love."

Raffy estimates that the pandemic resulted in the number of watches made in the 2020-21 business year falling to 800, which is 1,000 fewer than usual.

But, with 35 per cent of the 800 being bespoke commissions and the most complex pieces — which Raffy calls "the big, big babies" — costing as much as SFr1m ($1.1m), Bovet remains strong.

It also continues to honour a promise that even its least expensive watches — which start at SFr18,500 for models in the 19Thirty collection — should be finished to an equally high standard as those priced at seven figures.

Right now, however, Raffy's attention is focused on creating a high-end model to mark the auspicious occasion of Bovet's 200th anniversary next year. "That," he says, "will have to be a very big baby indeed."

Auction shows how the Journe-y started

Five unique FP Journe watches are expected to fetch more than SFr1.4m between them at the Phillips Geneva auction in November. The five make up the only known complete set of 'subscription' watches with which Francois-Paul Journe established his brand in 1999 by taking downpayments to get the business off the ground. It was a system also used by the 19th century watchmaker Abraham-Louis Breguet. The pieces on offer comprise a Tourbillon Remontoir; a Chronometer a resonance and two Octa models (Calendrier pictured below); a Reserve de Marche; and a Chronograph. Prices for Journe pieces have soared in recent years, with the one-off Astronomical Blue fetching SFr1.8m at the Only Watch charity sale in 2019.

A timely windfall

Pre-owned watch retailing platform Chrono24 has attracted an additional €100m in an investment round led by private equity firm General Atlantic and backed by Aglaé Ventures — which itself is funded by Groupe Arnault, the controlling shareholder of luxury goods giant LVMH. Chrono24, which was launched in Germany in 2003, claims 500,000 unique visitors a day to its site, which offers watches from 3,000 retailers and 30,000 private vendors to potential buyers in 100 countries. The latest cash injection brings the total raised by the business to €200m, with other investors including former Richemont director Gianni Serazzi and Yoox Net-a-Porter founder Alberto Grignolo.

Greedy for green

Antiquorum Monaco has sold the first Patek Philippe Nautilus Reference 5711/1A to appear at auction for €416,000 — more than 10 times retail. The model, with a distinctive, olive green dial, was launched in April as a replacement for the highly covetable blue dial version, causing a scramble among collectors that has led to the watch becoming all but unobtainable from authorised dealers. Similarly enthusiastic bidding is expected for the first example of Audemars Piguet's limited edition 'Black Panther' tourbillon to cross the block. Bidding for the watch, which officially retails at £118,000 and is limited to 250 pieces, runs until September 7 at Christies.

It's a-me!

Tag Heuer has joined forces with gaming giant Nintendo to create a new version of its Connected smartwatch based on Mario (pictured above), the 1980s dungaree-wearing figurehead of Nintendo. Aimed at encouraging fitness, the £1,800 watch features depictions of the Mario character that become more animated according to the activity of the wearer and offer 'rewards' for meeting daily exercise targets. Finished in the original 1985 Super Mario colours, the bezel of the watch is marked with a mushroom, a star and a winner's podium and has a timekeeping dial with a retro, pixelated look. It is supplied in a travel case in 'Super Mario red' and will be limited to 2,000 pieces.

Breathe easy

Polish tech start-up Mudita claims to have developed a watch that will help wearers "unwind and reduce stress". The minimal timepiece, which features a plain white, unbranded dial, is marked with a circle formed by 15 dots. Each dot marks a four-second interval and enables the wearer to practice the box breathing technique and other respiratory exercises. The watches go on sale in December and can be pre-ordered for $367.

It's snow time

Tudor is staging a pop-up exhibition in the Atrium at Harrods Fine Watch Room to commemorate the 1952 North Greenland Expedition for which it supplied 26 examples of its Oyster Prince watch. The exhibition, which runs until November, features a giant photograph of the North Ice station which was manned by 25 men who were supplied with 86 tons of equipment airdropped from a pair of RAF Handley Page Hastings transport planes. Scale models of one of the aircraft and the 'Weasel' tracked vehicles that were used on the two-year scientific survey also form part of the display, which is open to all.

Goldsmiths VIP

UK watch and jewellery retailer Goldsmiths, part of the Watches of Switzerland Group, is upgrading its stores in several UK locations to focus more on luxury watch brands such as Rolex and Cartier. The outlets at Manchester, Bristol, Sheffield, Canterbury, Reading and Leicester are all set to receive VIP rooms, hospitality bars and digital browsing tools.

They dared, they won

A military-issue Rolex Submariner worn by a diver from the Royal Engineers during operations to raise the wreck of the Tudor warship the *Mary Rose* fetched £29,348 at Birmingham auction house Fellows last month. The watch, which had also survived the Falklands war, was consigned by the diver to whom it was issued in 1980 and was one of just 300 surviving 'Mil-Sub' models out of around 1,500 supplied to the Ministry of Defence between 1974 and 1976. At the same sale, an Omega Seamaster Planet Ocean from a batch made for SAS 22 Regiment realised a double-estimate £15,312. It was inscribed with the 'Who Dares Wins' motto and a line from the poem that encircles the clock tower at Stirling Lines, the SAS headquarters in Herefordshire.

Simon de Burton

Watches & Jewellery

Long wait for more Scottish gold 'will be worth it'

Mining Jewellers await next batch of native metal after good start, writes *Rachael Taylor*

The promise of Scottish gold was a heady lure. Mining precious metals in the Trossachs national park could offer jewellers locally sourced materials with full transparency — and consumers jewellery imbued with the romance of the Highlands. The dream, however, has stalled.

The Cononish mine, owned by Scotgold Resources since 2007 and largely funded by private investors, is yet to deliver a consistent source of gold for jewellery despite a successful trial via Hamilton & Inches, an Edinburgh retailer, and Sheila Fleet, a designer in Orkney.

The problem, according to Phillip Day, chief executive of Scotgold Resources, is due to "technical challenges" but he believes the latest issue holding back the mine, the potential of which was identified in the 1980s, will be resolved in months rather than years.

"The specialist processing required for Scotgold's Scottish gold is a separate and additional step from that which produces the concentrate gold," he says.

"There is a very rich and successful production of concentrate gold already established. As soon as the difficulties in the processing of gravity gold are resolved, Scotgold's Cononish mine will be well positioned to activate their traceable Scottish gold supply chain."

In June, the Aim-listed company accessed ore that peaked at 40g a tonne in an area with a further expected average yield of 10g a tonne. In August, it produced 25 tonnes of concentrate. These are positive rumblings for a company that had to be propped up by a short-term loan of £2m in May, funded by some of its directors and a third party.

Concentrate gold differs from that destined for jewellery shop windows. Gold for jewellery must be processed using a technique called gravity concentration, which separates the precious metal from the crushed ore. The gold must then be tracked, registered and, later, hallmarked by the Edinburgh Assay Office, a with a stag's head to identify it as Scottish gold.

Sheila Fleet Jewellery created and sold 100 pieces of jewellery in 18ct Scottish gold — each numbered and sold with a certificate — using the test batch of metal it received from Scotgold Resources four years ago. The brand has new designs ready for when it receives the next batch, promised for next spring.

"We have to be very patient," says Fleet, who has been crafting jewellery since the 1960s. She says that when she started out, she would not have thought it possible to create jewellery in Scotland with Scottish precious metals.

More than 25 tonnes of concentrate were extracted from the Scotgold mine in August. Yield is expected to be 10g of gold per tonne — Ian Rutherford/Alamy

"I take my hat off to the investors and the team, all the people involved, because it's a huge task to open a gold mine and they have had to jump through huge hoops. We've waited all this time, we can wait a few more months," she says.

The early products were a proof of concept for Sheila Fleet Jewellery, and the brand hopes to one day be able to offer the choice of all its items in Scottish gold. The origin, the company says, is attractive to people with a connection to the country — and it sees particular potential in wedding rings (pictured right, an 18ct yellow Scottish gold diamond ring).

Hamilton & Inches also enjoyed a positive start with Scottish gold. Its debut jewellery collection crafted in 22ct Scottish gold sold out when it launched in 2019, despite costing more than other gold. "We foresee that demand continuing [once we receive more Scottish gold] and not just from a jewellery point of view; we also see it as a corporate opportunity," says Victoria Houghton, the chief executive. In February a whisky decanter decorated in Scottish gold, created by Hamilton & Inches to hold a bottle of 50-year-old single malt from the Glenrothes distillery, sold at auction for £39,000.

Vivien Glass, founder and chief executive of Johnston Resources, which is a consultant to Scotgold, confirms that the market is willing to pay above the odds for Scottish gold. Its first batch of 1oz rounds was released in a sealed-bid auction in 2016. The first lot, numbered No 1, sold for £21,000. On average the gold achieved a premium of nearly 380 per cent on the bullion price, she says.

While the wait for more metal continues, there is another way to access Scottish gold.

Vincent Thurkettle is a gold panner who in 2005 retired early from the Forestry Commission to sift for "wild gold" in rivers. "In the winter I make most of my money from growing Christmas trees; in the summer it's from gold and treasure," says Thurkettle, a former president of the World Goldpanning Association and a gold medallist at the World Goldpanning Championships in Canada in 2007.

Sifting is a skill that he is passing on to others through courses he runs, which he says earn more than panning for gold, which tends to bring in £100 a day before expenses.

The gold he does find is available for sale at about £100 a gramme — more than double the bullion price. Thurkettle, though, is fussy about who he sells it to. His ideal customer is not a tourist, investor or even a fellow panner, but a jeweller. He wants his "ethical and beautiful and rare" gold to have a destiny befitting the passion he has put into his 40-year quest to find it.

Jewellery, he believes, "has so much emotion and power", and is a fitting vessel.

Lost-and-found services face up to watch thieves

Continued from page 1

Norris, 21, lost his Richard Mille timepiece after watching England play Italy in the Euro 2020 football final at Wembley Stadium in July.

One of the most violent robberies this year happened to Shay Belhassen, a jeweller from Los Angeles, while at lunch in a Beverly Hills restaurant in March. Three armed youths attacked him from behind and fled with Belhassen's $500,000 rose gold RM 11-03 Flyback Chronograph.

It is precisely these kinds of thefts that the Watch Register was created to combat. The company takes information about stolen watches from the police, insurers, dealers and individuals, listing them by brand, model, serial number and any unusual features. If available, photographs are added to the entry, which stays on the database until the watch is recovered.

The register's global reach was evident recently when a Patek Philippe Nautilus, taken in 2018 in a robbery in London, was looked up by a dealer in New York. After it was found on the database, the Watch Register contacted the American police and the watch was recovered on the same day.

Only Watch Register staff can make a search, which stops criminals checking to see if a watch they have stolen is being looked for. Dealers, jewellers and pawnbrokers can contact the register and submit a one-off search for £10. By sending the make, model and serial number, they can receive confirmation of the watch's status in minutes. Dealers can also pay for a bundle of searches or take an annual subscription.

When a watch is eventually traced, the register charges a 5 per cent finders' fee based on its value — or 20 per cent if it carries out the extra work to reunite a watch with its owner.

Hallam says that cases of fraud are also becoming more common "with scenarios happening on both sides of the transaction" — for example, buyers using stolen credit cards to pay for watches and some sellers not dispatching a watch after taking payment.

"Earlier this year, we even received our first cryptocurrency fraud registration: a high-value watch had been fraudulently obtained using Bitcoin."

But while the Watch Register's database continues to grow, there is still an absence of a single unified system for registering lost and stolen watches, as other businesses now provide similar services. Singapore-based MyStolenWatch.com and Dresden-based ChronoBase have both been operating in parallel to the Watch Register, each with their own unique systems and databases.

Not all of the individual robbery methods are the same, either. Two years ago, Grimshaw helped solve a "switch" carried out by a 33-year-old couple with their six-year-old son in tow. The couple were looking at a £68,000 Audemars Piguet Royal Oak watch in Harrods in London and swapped it for a fake that they had hidden in the hood of the boy's jacket. Staff called in the police the next day and the family was arrested as they tried to leave the country. The parents were jailed.

Although instances of individual watch thefts have been rising, Grimshaw expects store robberies will pick up again as global lockdown restrictions are eased gradually. Rolex is the most targeted make but criminals have been known to pursue other brands such as Omega, Breitling, Tag Heuer, Breguet, Cartier and Patek Philippe.

"Think about where you are going and then decide whether or not it is really a good idea to go there wearing an expensive watch," Grimshaw says. "It's easy to feel secure in, say, an expensive hotel in Mayfair, but there could well be criminals watching guests coming and going, and preparing to strike. A watch is easier to steal and move on than a car, and a theft can be over and done with in seconds. Be wary of strangers coming too close and always remain vigilant," he advises.

Deconstructed Watch

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Asia Emerging talents are producing innovative, dynamically coloured high jewellery pieces, reports *Francesca Fearon*

Art of the experimental: young Chinese designers on the rise

Jewellery designers such as Cindy Chao, Wallace Chan and Michelle Ong, with their artistry and depictions of nature, have become the pride of Asia, establishing a loyal following in China and the west.

But hard on their heels is a new wave of young Chinese designers, notably Feng. J (pictured top), Austy Lee (middle) and Gearry Suen (bottom), who are creating a stir in jewellery circles with their mix of innovative techniques, dynamic sense of colour, and traditional craftsmanship.

The highest profile of these young talents is enjoyed by Shanghai-based Feng. J, mainland China's first homegrown jewellery artist and the first to appear on an international auction platform. In November, her necklace of pastel-hued gemstones inspired by Monet's garden at Giverny and set with a large pink diamond sold for $2.6m at Phillips in Hong Kong to a European collector.

Feng's stock rose further when she was selected as one of the female jewellery designers for Phillips' Vivarium selling event, Woman to Woman, curated by Vivienne Becker.

The high jewellery market has long been dominated by western brands, "but now the world is flat and the information flowing via the internet makes it easier to know what is happening on the other half of the world", says Feng. "Asian jewellers are getting more chances to be seen".

This has certainly been the experience in Hong Kong for Austy Lee. The city is a well-established hub of international jewellery design and production, as well as luxury consumer spending. "There is a lot of competition, with a lot of people developing their own brand and style, in an east-meets-west culture," says Lee, "and everyone has strong ideas." The city is his biggest market, although he also sells in the UK through Annoushka Ducas.

Lee is the former chief designer of another Chinese leading light in jewellery, Wendy Yue, and set up his own brand in 2017 with a statement-making theme: "When Jewellery is Psychedelic Art". It set the scene for hypnotically coloured, beautifully detailed and crafted pieces inspired by eastern religions, New Age philosophy, Art Deco and fashion. The Asian aesthetic tends to be feminine and floral, but Lee describes his designs as "a bit more masculine and bolder with many forms and angles".

Another young Chinese designer making a name for himself is the prodigiously talented Gearry Suen, the Harbin-born, London-based 25-year-old who graduated from the Royal College of Art last year and who, in a highly competitive field, received three specialist awards and the prestigious Goldsmiths' Company Award in May for his Conversation earrings.

He will be exhibiting at Goldsmiths' Fair from September 28. Suen has also been selected to feature in next month's GemGenève Designer Vivarium exhibition, which puts the spotlight on talented emerging designers.

Clockwise from right: Feng J's Les Jardins de Giverny necklace; Austy Lee's Baroque Wool ring; Gearry Suen's Conversation earrings and Chimera earrings
Charlie Bibby

The pandemic delayed his first official show, planned for Shanghai, where potential clients were eager to see his work. But the restrictions on travel over the past 18 months have actually led to a sales boom for all jewellery in China, as demand shifted to domestic consumption.

What draws these three designers together is their experimental mindset and innovative techniques. Feng is trying out ideas with carbon and aluminium in her new high jewellery collection that was unveiled at Jingart in Beijing in June. However, she is best known for the "floating setting" technique she developed in 2018, two years after launching her label.

It creates a painterly Impressionist-like effect. Within a light framework of gold, electroplated in pastel hues, delicately coloured gemstones overlap to give volume but remain light. Feng says it "solved all my problems: I've always wanted my creations to feel weightless and I am fascinated by the way light transmits through my favourite double rose-cut diamonds, so it is a bit like a jigsaw puzzle."

Feng's artistic skills were inherited from her great-grandfather, who was a court painter. Austy Lee's love of gemstones, however, was nurtured by his uncle, a specialist and collector of jade, and by the time he spent as a trainee at jeweller Adler in Hong Kong. Lee often incorporates cabochon or rare carved jade he has found into his designs, or he carves pieces into goldfish or flowers in house. "Even in London and Paris there are customers who like the pieces that have a touch of jade," he says.

Lee is a prolific designer working closely with clients, sketching imaginative pieces with lots of colour. He combines craftsmanship with technology, mostly 3D animation, which he says "helps transform visions in my head into actual designs". The gemstones — his favourites are the green-blue hues of emeralds, Paraíba tourmaline and vibrant opals — are set in gold, specially coated in colourful resins to make the gem colours pop.

Suen's Goldsmiths' Company Award and one of his specialist awards — for technical innovation — were secured for creating high jewellery with complicated structures, using virtual reality programs normally employed in video game design. "Some might find it strange and bold, but I think it's opened a gate of imagination," says Suen. "We live in the 21st century, so why not use something of this era?"

While at the RCA he was given access to the VR facilities in the animation department and printed the resulting fantastical designs in resin to test wearability. He then reworked and hand-engraved the pieces before they were cast in gold or titanium.

The designs have a dreamlike quality inspired by Art Nouveau and the work of artist HR Giger, who designed the notorious monster in the *Alien* sci-fi films. The resulting gemset designs, which combine technology and tradition, are delicate, surreal sculptures that illustrate how the future can meet the past in high jewellery.

Hatton Garden businesses regain their twinkling vitality

Revival London's jewellery quarter sees workers and trade return after lockdown, says *Melanie Abrams*

Driving through London to his Hatton Garden metal-plating workshop during the pandemic — instead of catching his usual train — was surreal for Charlie Charalambous. "It was a ghost town . . . I've never experienced anything like it in my whole career," says the 55-year-old owner of Buzzforce, whose clients include Tessa Packard, the contemporary fine jeweller in Chelsea. Most of the workshops were shut although some smaller shops carried on with fewer hours and fewer staff.

Fast forward to today and London's jewellery quarter — home to a diamond-trading and jewellery industry since the mid-1800s — is recovering after the lifting of lockdown restrictions. With some workers returning to the City, and an end to the limit on guest numbers at weddings, demand is rising — especially for rings.

The streets have "got steadily busier but the area is still quieter than it was", says Brett Afshar, owner and managing director of the Hearts of London Group.

Jewellers are now optimistic about the area's recovery, as shown by the investment in new spaces. Afshar has spent £1.5m on a lease and renovations for a three-storey building in Hatton Garden, with a further £200,000 due annually for rent and business rates. The Queensmith ground floor shop opened in April, with diamond-setters, goldsmiths and other specialists scheduled to move in by the end of September.

Empty office space is also being adapted by newcomers. Olivia Madigan-Shea, a jewellery designer, has moved from Mayfair into a first-floor studio in Back Hill, north of Hatton Garden, that she shares with two friends. "I want to be close to my gemstone dealers, close to my workshops and I need to be within walking distance of everything," she says.

More are now joining the London Diamond Bourse, too, which now has more than 200 members, says Alan Cohen, its president. "People have given up shops, people have given up offices and it's worked out easier for them to take permanent seats here for a lot less money," he explains. Membership is up by around 7 per cent. A three-tier membership is being introduced by the industry association to tempt others to join.

The way dealers do business is changing, as well. Cohen, who has been dealing in gems for over 40 years, used to make most of his purchases abroad. But travel restrictions put a stop to going in person. "I would go to Russia once a month," he says. "I haven't been now for two years." He instead buys via videoconferencing. With no mines and few polishing facilities in the UK, "we have had to be reliant on technology to be able to purchase," he notes.

This switch to online trading has also led to changes in one of Afshar's bricks-and-mortar shop in Greville Street, off Hatton Garden. He has had to make space for consultations via Zoom and for live-streaming events "which are increasing in popularity," he says.

However, high rents caused many workshops to move during the pandemic — and some folded.

Rosh Mahtani, the founder of Alighieri contemporary jewellery in Hatton Place, says the lack of manpower means she is less able to find new ways of working or new products.

> 'Extra footfall will mean more sales, and the shops will come to us to have more orders made'

"We still get there; it just takes us longer and it's a harder struggle," she says.

For Charalambous, however, fewer workshops have led to new clients and more work for Buzzforce. "We've got queues outside," he says. These days, his team — who returned from furlough in August — are under pressure to work fast.

Gary Williams, the UK general manager of Presman Mastermelt, a precious metal refiner, still has his 40 Hatton Garden employees on a rota to avoid too many being on the premises at one time.

"There is still this bubble mentality," he says. "If we get Covid and they do have to isolate, it will close us down."

While businesses are cautious they are also looking forward to new customers next spring when Hatton Garden becomes one of London's best-connected areas.

Clockwise from above: Olivia Madigan-Shea, Mastermelt's Garry Williams; Brett Afshar of Queensmith
Gintaute Sinkeviciute; Charlie Bibby

Footfall is expected to increase with the opening of a new east-west underground line, and the Museum of London is set to relocate from Barbican to nearby Smithfield Market. At Farringdon station, passengers on the new Elizabeth Line will see a ceiling made of diamond-shaped slabs inspired by the jewellery quarter.

"Shops should get more sales — and they go to the workshops to have [the orders] made," says Daniel Seller, owner of Loupe Fine Jewellery and vice-president of the London Diamond Bourse. "The population [of the workshops] would increase again, the rents would, funnily enough, get driven down because the jewellery industry would be able to take over again," he says. "The landlords would see that, at least, they have tenants who want their premises."

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Watches & Jewellery

My Favourite Pieces Jacqueline Gestetner The Goldsmiths ambassador puts design above brand when picking jewellery, writes *Kate Youde*

'I just collect things that I fall in love with'

A weekend invitation to Jacqueline Gestetner's house used to lead to temptation for her guests.

Gestetner, a regular visitor to jewellery studios and school graduation shows, had wanted to help the designers she met to reach a wider audience. "It's a precarious living so I suddenly had this idea to show some of these jewellers at home — and invite all my friends — and they could sell," she explains. So "Jacqueline's Choice" was born.

For the first event in 2005, she hosted 16 jewellers and several hundred guests — all potential customers — over a Saturday and Sunday. It expanded in subsequent years to 22 designers who each gave a percentage of their takings to charity.

Sadly, a move to a flat 10 years later means that Jacqueline's Choice is no more. But Gestetner, 77, still has an eye for design: she is an ambassador for the Goldsmiths' Company, the UK membership organisation that supports craftspeople and stages the annual Goldsmiths' Fair for contemporary jewellery in London.

She is also an experienced collector. She and her husband Jonathan, the owner of Marlborough Rare Books, the antiquarian book dealer in London, gave their collection of paper peepshow printed scenes to the V&A museum in 2016.

Gestetner denies she has a collecting bug, however. "I know some people who collect jewellery and they get everything they can lay their hands on by a certain person, or they only collect brooches," she says. "I just collect things that I fall in love with."

She has been working with Beatriz Chadour-Sampson, a jewellery historian, to catalogue her collection. She has not added a lot to it lately — she feels she has "too much". Instead, she is enjoying what she has, and passing on pieces to her daughter and five granddaughters.

There is also a new fascination to focus on: silver goblets. Maybe she has the bug after all?

She insists not. "Jonathan definitely has a collecting bug and he needs a piece by somebody, a book by somebody," she says. "I don't have that."

Clockwise from main: Jacqueline Gestetner; Daphne Krinos necklace; Annamaria Zanella ring; Barbara Crowe bangle; Emmeline Hastings necklace
Charlie Bibby

Necklace, Emmeline Hastings (2012)
Gestetner seeks "innovative, interesting, original design, beautiful craftsmanship and wearability" in jewellery. She bought this "very stunning", chunky necklace, which has a magnetic catch, at a Jacqueline's Choice event. Six years later, she commissioned matching clip-on earrings.

She regards Hastings, a UK jeweller who combines acrylic with gold and silver, as "a very original voice". "Her pieces are very stylish," she says.

Necklace, Angela Cummings for Tiffany & Co. (1970s)
Her husband is "brilliant" at buying her jewellery, says Gestetner. He returned from a trip to New York in the 1970s with a necklace featuring seashells, fish and sponges by Cummings, who later launched an eponymous brand and sold her designs at the city's Bergdorf Goodman department store. There was also a pair of matching earrings.

"He arrived in New York and the hotel room wasn't ready, it was too early, so he went for a walk and had breakfast at Tiffany's," she says.

Gestetner thought the necklace unusual at the time for its matte gold appearance. "I said, 'Oh it's wonderful darling, it doesn't look real so I can wear it all the time,'" she says. "I don't think [Jonathan] was terribly impressed by that response."

Necklace, Daphne Krinos (c 2003)
Her husband also acquired her first necklace by Krinos. Gestetner is a great admirer of the Greek-born, London-based jeweller's work, which is often inspired by architecture and cityscapes. "She's got an endless imagination," she says.

She left a craft fair without the necklace — which had hexagonal, pale aquamarine stones in cages of oxidised silver — after deciding it was too expensive, "so [Jonathan later] quietly went and bought it for me and told Daphne not to tell me until he gave it to me".

Ring, Annamaria Zanella (2015)
Jewellery has an "emotional context" for Gestetner. She commissioned Zanella to make a new piece from her late mother's diamond ring as she did not wear it often. The result is a white gold, enamel and silver ring, "a wonderful box with the diamond *[en] tremblant* inside".

Gestetner met the Italian jeweller while on holiday in Padua. After seeing pieces in a museum by Padua School jewellers, she asked two local women where she might buy their designs. By chance, one knew Zanella, and Gestetner visited her home studio. "We fell in love with each other immediately," says Gestetner. "She's the most adorable person."

Bangle, Barbara Crowe (1960s)
Having worn her silver and gold bangle "most days" after buying it at a craft fair in the 1960s, Gestetner was "devastated" to arrive on holiday five years ago to find it missing. She realised she had not reclaimed the piece at airport security. Fortunately, it was in the lost property office. Gestetner has not encountered Crowe's works since she bought the bangle.

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First selling exhibition for black designers at Sotheby's

Sotheby's is staging its first jewellery exhibition and sale dedicated to black designers. A $400,000 diamond ring by Thelma West of London (pictured below) is one of 60 pieces by 21 jewellers that will be on sale during *Brilliant and Black: A Jewelry Renaissance*, to be held at the auctioneer's galleries in New York from September 17 to 26, and online until October 10. The showcase is presented in partnership with Melanie Grant, a jewellery writer. "I think we'll look back at this moment as a game changer, amplifying the often overlooked and sometimes under appreciated talents and stories of black jewellery designers," Grant says.

Tiffany's chain link

The streets of New York have inspired Tiffany & Co's latest collection. Tiffany Knot, launching next week, will use a motif based on the city's architectural chain-link fencing. Bracelets, rings, necklaces, pendants and earrings — made in 18-carat yellow gold, rose gold and pavé diamond versions — combine smooth curves with jagged angles. A double-wrap choker is set by hand with more than 300 diamonds.

The collection will launch alongside Knot Your Typical City, a global campaign that will feature Anya Taylor-Joy, the actress who plays chess prodigy Beth Harmon in Netflix's *The Queen's Gambit* series, Eileen Gu, a freestyle skier, and model Alton Mason.

Own a Picasso

A 23ct gold medallion by Pablo Picasso (pictured right) is the star in a sale of more than 350 pieces of wearable sculpture at Bonhams Los Angeles on October 12. *Wearable Art: Jewels from the Crawford Collection* features jewellery by 20th-century artists assembled by private collectors in the US. Picasso's *Le Grand Faune*, which matches lithographs by the artist, has an estimate of $40,000 to $60,000. Other work includes pieces by Art Smith, a Cuban-born American mid-century jeweller who championed African-American and gay rights, and Charles Loloma and Jesse Monongya, both Native American artists.

Flowers in photos

More than 100 jewellery pieces by Van Cleef & Arpels will be on show in Paris in an exhibition that presents floral creations by the French house next to pictures of flowers by Mika Ninagawa, the Japanese photographer. *Florae*, to be staged at Hôtel d'Évreux in Place Vendôme from September 10 to November 14, will focus on a naturalistic aesthetic, bouquets and a stylised vision of flora. The contemporary and vintage jewels will be displayed in an "immersive decor" by architect Tsuyoshi Tane.

Boodles to bloom

Two British jewellers will be involved in London's RHS Chelsea Flower Show between September 21 and 26. Boodles has expanded its Secret Garden collection to mark its inaugural garden, designed by Thomas Hoblyn, and a one-off bracelet features pink and white diamonds. The second jeweller is Theo Fennell, whose 18-carat gold and rose quartz ring (pictured above) is inspired by a peony. It will be on show in the Primrose Hall Peonies' exhibit.

Goldsmiths' Fair is back

An exhibition showcasing the work of the jewellery designers and "ring queens" Dorothy Hogg, Wendy Ramshaw and Gerda Flockinger will run alongside this year's Goldsmiths' Fair in London. More than 130 jewellery makers and silversmiths will take part in the fair at Goldsmiths' Hall from September 28 to October 10. The exhibition, *Rings: A World of Invention*, will focus on the 1960s and the work of contemporary designers such as Emefa Cole.

Lockdown inspiration

Announshka is launching a range of earrings that uses recycled 18ct yellow gold and is inspired by the seeds of the baobab tree. Baobabs are common in Kenya, where Annoushka Ducas, the founder of the British brand, spent three months of lockdown. Seeds, her new collection, includes hoop earrings featuring carved lapis lazuli, citrine and aquamarine, and long earrings using onyx and baroque pearl. The pieces will be available later this month.

Bridal space opens

Diamond specialist Jessica McCormack is to open a bridal space in its Mayfair townhouse in London this month. The jewellery will be set against backdrops of art, antique lace, South Pacific tapestry and New Zealand weave. Last month, the jeweller launched a bridal hub on its website to ease the experience of looking for an engagement ring.

Zigzag theme

This month sees the launch of the first diamond pieces in a collaboration between Tateossian and Zaha Hadid Design that marks the 30th anniversary of the jewellery brand. A zigzag motif is central to each of the additions to the Apex collection, which includes rings, cufflinks, bangles and shoelinks jewellery, worn on shoelaces. The pieces are made from sterling silver plated in brushed rose gold and finished with a micro-pavé of white diamonds.

Inspired by water

Tasaki has added 30 high and fine jewellery pieces to its Atelier offering. The Japanese jeweller's Earthly Gratitude collection features seven sub-collections inspired by water. The curved lines of diamond Swirl pieces recall currents, while the diamonds and pearls in Surge creations reflect the dynamism of waves. Illimitable designs use "the mysterious shimmer of tumbled sapphires" to represent fish swimming among colourful corals. The other sub-collections are Buoy, Aurora, Nacreous and Waterfall.

Kate Youde

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Genderless collections pique men's interest

Brands adapt to increased demand for men's fine jewellery, writes *Kate Youde*

In 1928, the Maharaja of Patiala walked into Boucheron in Paris with his servants carrying six boxes of precious gems, including 7,571 diamonds and 1,432 emeralds. He then placed what is still one of the most extraordinary orders in the history of Place Vendôme.

The result was 149 designs that included *sarpechs* (turban ornaments), necklaces, bracelets and arm jewels, with about 40 pieces created to be worn by the maharaja himself.

Nearly a century on, Boucheron is again seeing more men buy its most precious creations — although not quite on the same scale as the maharaja. "I think that, today, [men] feel more confident in their own style to take risks and try new things such as wearing jewellery to show who they really are as a person," says Claire Choisne, creative director of Boucheron.

This increased interest from men is reflected in the wider market for high and fine jewellery, too, and this has prompted brands to adapt.

Suzanne Kalan's first men's collection for her eponymous Los Angeles-based brand will launch on Mr Porter, the online fashion retailer, next week. The 10 designs include emerald green bangles, pink sapphire eternity bands and dog tags that feature black sapphires and white diamonds. "We noticed more and more rings being sold in larger sizes," says Kalan. "We realised [it is] men buying so we thought we should really focus and get the line going."

Hers will be the 13th fine jewellery brand added to Mr Porter in the past six months. Ten more jewellers are due to launch on the site by the end of the year.

Maxim De Turckheim, senior watch and fine jewellery buyer at Mr Porter, reports a "surge in customer interest in men's jewellery".

"Men are wanting to make an impact and impression with their jewellery, buying multicoloured stones, diamond, and black gold pieces," he says.

A chunky gold bracelet with pavéed pink and blue sapphires, rubies, garnets and citrines by Shay, a Californian brand, sold out as soon as it debuted on the site in July.

Tiffany & Co launched its first diamond engagement ring designs for men with the Charles Tiffany setting, named after its founder, in May.

Kalan says it was "an automatic reaction" to launch a dedicated range for men but that most of her collection is "genderless". Many jewellers are choosing to promote genderless design, with Messika, the French diamond brand, revealing its first unisex collection in April.

Last year's Contemplation line by Boucheron was its first high jewellery collection that Choisne planned as a "genderless campaign" and which used a male model.

This year's Histoire de Style, Art Déco offering — inspired by archive Boucheron designs — marked the first time that she used images of men during the sketching process for a high jewellery collection. Half the pieces were worn by men in the campaign shoot and video, and Choisne hopes this will continue.

'We noticed more rings being sold in larger sizes and realised it was for men'

Actors Jason Momoa (left), Michael B. Jordan (top) and singer John Legend have favoured wearing jewellery on the red carpet.
Items from top to bottom: a Shay rainbow bracelet, a Suzanne Kalan 18k yellow gold rainbow band and a fuchsia brooch by Shaun Leane

Valerie Macon/AFP via Getty Images; Frazer Harrison/Getty Images; Jon Kapaloff/Getty Images

Original art deco brooches are popular with men at auction for their simplicity and because they are "angular and geometric", suggests Frank Everett, sales director for jewellery at Sotheby's and a brooch collector in his own right. A Cartier diamond and onyx brooch, dated 1925, sold for $27,720 in June, nearly four times its high estimate, to a man aged under 40, a new collector of art deco lapel pins.

Sotheby's has recorded an 80 per cent increase in male buyers at its jewellery auctions in the space of five years. Men accounted for 37 per cent of buyers and women 31 per cent (the remainder were companies, museums and institutions).

Everett says there has been a rise in men buying for themselves, particularly brooches, which are now a more common sight on men on the red carpet. American actor Jason Momoa, who portrays the superhero Aquaman on the big screen, wore a Cartier brooch including onyx, diamond and emerald on his lapel for the Golden Globes last year. "If you see a guy . . . that's really a superstar in that quintessential male image, men aspire to that and so, if he's comfortable wearing a brooch, they are, too," Everett says.

London designer Shaun Leane feels that men who collect jewellery have become "much more daring" — his bespoke designs for these clients increased by 50 per cent in two years.

Juan Yarur Torres, a Chilean art collector and president of Fundación AMA, a Santiago non-profit art organisation, has commissioned pieces from Leane including a fuchsia brooch, an aquamarine shard necklace and a rose thorn arm vine. His latest request is jewellery for his leg. "I want something less obvious," he says. Wearing jewellery brings him "happiness"; the pieces are beautiful and have stories behind them. "It's something about power also," says Torres. "Let's be honest, if you have a huge stone it means something."

Men's interest in wearing jewellery is a "resurgence" of a trend that goes back hundreds of years, says Everett.

Choisne, though, will not be dictated to by trends. Her designs are "beyond gender", she says. "It's really about character, personality and aspiration."

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