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Queen Elizabeth II

1926-2022

The Queen attends the state opening of parliament in 1971

Lichfield Archive/Getty Images

GEORGE PARKER AND HENRY MANCE

Queen Elizabeth II, Britain's longest-serving monarch, has died aged 96, a watershed moment in the life of the nation.

The country was in mourning at the ending of a reign that spanned 70 years. The Prince of Wales, the Queen's eldest son, has become the new head of state, King Charles III.

"The death of my beloved mother Her Majesty The Queen, is a moment of the greatest sadness for me and all members of my family," the new king said.

"We mourn profoundly the passing of a cherished sovereign and a much-loved mother. I know her loss will be deeply felt throughout the country, the Realms and the Commonwealth, and by countless people around the world."

Buckingham Palace said in a statement: "The Queen died peacefully at Balmoral this afternoon. The King and The Queen Consort will remain at Balmoral this evening and will return to London tomorrow."

The Union flag above Buckingham Palace was lowered to half mast, marking the beginning of 10 days of national mourning and what is expected to be a relatively low-key coronation, which will set the tone for King Charles's reign.

Alongside the formalities of succession, the moment of the King's elevation will also be one of personal loss and grief; he has been beside the deathbed of both his parents in the past 18 months.

Liz Truss, Britain's new prime minister, said: "Through thick and thin Queen Elizabeth provided us with the spirit and strength that we needed. Her spirit will endure . . . her devotion to duty is an example to us all." She added that the Queen "leaves a great legacy".

In 2015, Elizabeth overtook Queen Victoria to become the nation's longest-serving monarch. Her final years were to prove among the most challenging, as she sought to bind a nation divided by Britain's exit from the EU and stricken by the coronavirus pandemic.

Senior members of the royal family had travelled earlier in the day to be with her at Balmoral, the Queen's castle in the Scottish highlands. At Westminster the mood among senior politicians was sombre.

The Queen celebrated the 70th anniversary of her reign this year with celebrations that rallied the country. She had represented continuity and stability for Britain from the postwar era into the 21st century.

The country was braced for the death of the monarch yesterday morning when Buckingham Palace issued a rare medical bulletin on the Queen's health.

The BBC, the national broadcaster, suspended normal programming. Earlier this week, the Queen, who had suffered from mobility issues for some time, oversaw the transition of power from Boris Johnson to Truss from Balmoral instead of travelling to London.

The news of the monarch's condition was relayed to Truss in the House of Commons shortly before midday, as she made a statement to parliament on a state intervention in the energy market.

The Queen had been a central part of life in the UK for seven decades, since the death of her father George VI in 1952.

She took the throne when Winston Churchill was in Downing Street and this week invited Truss, the 15th prime minister of her reign, to form a new government.

Her reign almost never happened. When she was born in 1926 she was the niece of the Prince of Wales. He became king but abdicated in 1936, leaving the crown to his brother, George VI, Elizabeth's father.

She became Queen on his death in 1952. Her long reign encompassed the decolonisation of much of the British empire in Africa and Asia, as well as the consolidation of the Commonwealth. It also saw the emergence of the modern monarchy, which became the subject of intense media scrutiny, and Britain's evolution into a multicultural and more open society, less bound by tradition.

The Queen's personal popularity was seen as a key factor in maintaining support for the monarchy in the UK in recent years. She shied away from political interventions and was known chiefly to her subjects by her presence at public events and televised Christmas messages, which often emphasised the values of duty and service.

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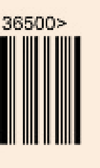

Spotlight: Queen Elizabeth at her coronation in Westminster Abbey, London, June 2 1953
Bettmann Archive

Monarch who became symbol of unity and continuity

Elizabeth established the royal family as one of few institutions still able to command mass appeal, *say Sue Cameron, Gordon Cramb and George Parker*

Her reign spanned Britain's journey from the wireless to the smartphone, from social deference to egalitarianism, from empire to the EU — and out again.

Through the dramas and vicissitudes of seven decades, with their wars and other woes, Queen Elizabeth II served as the nation's figurehead, supremely able to hold her people together.

Amid momentous social and political upheaval, her falterings were few. The Queen, who has died at the age of 96, became a symbol of continuity and unity in an ever-changing political landscape. Her coronation, the first in British history to be fully televised, was viewed around the UK and the world. By the end of her reign, she had established the monarchy as one of the few institutions in public life still capable of commanding mass appeal.

The decades before her accession saw the abdication of her uncle, Edward VIII, while monarchies across Europe were displaced and removed by violent or constitutional means. The enduring strength of "the Firm", as the British monarchy is often known, is testament to the success of her reign.

"You cannot benchmark queens," was the dry response of a courtier asked to compare the Queen with two great predecessors, Elizabeth I and Victoria. Yet the functionary added: "She had all the physical courage of Elizabeth Tudor and better judgment than Victoria. She was a great mixture of shyness and formidability with an instinctive feel for other people's problems. That was why she fulfilled her role so well. She was part of the fabric of the nation."

And not just the British nation. This was also the Queen of Canada, Australia, New Zealand, Jamaica and a clutch of other former colonies. It was Elizabeth personally who was the mainstay of the Commonwealth. As a top civil servant put it: "She believed passionately and deeply in that institution — she saw it as part of her mission. I'd not put money on the Commonwealth staying together after her."

At home and overseas, her sense of duty and an appetite for the job were the qualities that helped to keep the monarchy in business as an institution. Confidentiality surrounded her relationship with a long succession of prime ministers. Labour's James Callaghan went further than most when he disclosed that she offered holders of that office her "friendliness but not friendship".

As head of state, each week she spoke to the premier but also the top official at the Foreign Office. Always well informed, as her reign progressed she came to outstrip her ministers in experience. In the words of one senior official: "She could and did raise a royal eyebrow sometimes, but she knew how to make her views clear without giving offence."

Speculation over scenarios that could force the Queen to take a decisive political role continued for much of her reign, not least in her country's dalliance with coalition government, the prospect of Scottish secession and over Brexit. It is some tribute to her skill in staying above politics that, for the most part, she was able to avoid being seen to interfere.

What mattered more to the Queen's subjects was the style of the monarchy. Shifting social mores brought demands for the House of Windsor to abandon some of its costly pomp. Yet only in her later years did changes become apparent. Minor royals took a less prominent role; the Queen herself started to pay income tax, though it was seldom clear how much.

While her son and heir, Charles, Prince of Wales, has seemed no great modernising influence, the emergence into adulthood of his two sons returned a more youthful image to the royal family. Prince William's marriage to Kate Middleton, who became the Duchess of Cambridge, also provided the three who rank highest among her great-grandchildren. The succession had been assured for three generations.

It was a world away from her own apprenticeship in sovereignty. Elizabeth Alexandra Mary, eldest child of Prince Albert and the former Lady Elizabeth Bowes-Lyon, was born in London on April 21 1926, by caesarean section. Her father, known as Bertie in the family, was the second son of King George V and Queen Mary. His elder brother, David, was expected to become king. Yet Princess Elizabeth and her sister Margaret, who arrived in 1930, attracted great attention from the outset.

The pair were educated at home, with plenty of time for the riding lessons that instilled a passion for horses. In 1936, King George V died and David became King Edward VIII. But his decision to marry the twice-divorced American Wallis Simpson soon forced his abdication. Princess Elizabeth's shy, stammering father became King George VI. He described it as a dreadful moment. For Princess Elizabeth, it was a fateful one. From then on she was heir to the throne.

In her teenage years during the second world war, she was gradually introduced to public life. In her 21st-birthday speech, broadcast from South Africa in 1947, she proclaimed: "I declare before you all that my whole life, whether it be long or short, shall be devoted to your service and the service of our great imperial family to which we all belong."

Her life was indeed to be long — and Princess Elizabeth was about to enter the partnership that helped her through it for more than 70 years. Her engagement was announced to Philip, lately first lieutenant on a Royal Navy destroyer. The two had met when she was 13 and few doubted it had become a love match. Despite his Greek title and a Danish-German family name, he too was descended from Victoria and, educated in Scotland, was essentially British. To further ensure eligibility, Philip became naturalised, changed his name from Battenberg to Mountbatten, and was created Duke of Edinburgh.

'She was a great mixture of shyness and formidability with an instinctive feel for other people's problems'

The period in which Princess Elizabeth could be an "ordinary" mother and naval wife was shortlived. In 1952 the couple were in Kenya when King George VI died. Philip had to tell her that at only 25 she was Queen. By that time they had two children: Charles was born in 1948, Anne in 1950. While Queen she bore two more, with Andrew arriving in 1960 and Edward in 1964.

In many ways, the throne she ascended and the attitude of courtiers and public towards the monarchy had changed little from the days of her grandfather. But disparate events undermined the old order. One was the Suez crisis, which underlined Britain's loss of empire and its new, more humble place in the world. At home, old attitudes were, meanwhile, breaking down.

Along with that came an ongoing difficulty in trying to adapt without destroying what Walter Bagehot, the 19th-century constitutionalist, described as the magic of monarchy. "Our royalty is to be reverenced and if you poke about it you cannot reverence it," he wrote. "Its mystery is its life. We must not let in daylight upon magic."

For the Queen, this was a precept hard to follow, with an increasingly irreverent media keen indeed to "poke about" in every aspect of royal life. Yet, nearly always, she remained just beyond their reach. She was the best-known woman in the world, yet almost nothing was known about her private views.

At times, she had to endure periods of intense disquiet about the royal role and that of her family. When Princess Margaret fell in love with Group Captain Peter Townsend, a commoner and a divorcee, the Queen — supreme governor of the Church of England — stayed aloof and the princess finally renounced Townsend in 1955. Yet the public's attitude to divorce had softened since the abdication crisis. Many thought the younger sister had been treated harshly.

By the end of the 1960s, the Queen recognised that the royal image needed a boost. She allowed a television crew into Buckingham Palace for a behind-the-scenes portrayal. *Royal Family* was hailed as a breakthrough, though some warned it would open a Pandora's box of media intrusion.

The doomsayers were right, yet the Queen never doubted her decision. The film raised the popularity of the Windsors. "If you had wanted to kill the monarchy you would have ignored TV," said one courtier. "The 1969 film and the 1992 documentary *Elizabeth R* were broadcasts that changed the scope and style of the monarchy."

If the monarchy was opening up to the media, the media in turn was posing an ever greater challenge to the institution. Lady Diana Spencer, who married Prince Charles in 1981, would quickly become an international celebrity who outshone her husband and mother-in-law. Both seemed to expect her to accept the traditional role of putting duty first and suppressing any personal unhappiness. But the Windsors had mistaken their woman. The next few years were among the hardest of Elizabeth's reign.

Prince Charles and Diana separated. In 1995, the Princess of Wales told the

Christening: Elizabeth, with her parents, the Duke and Duchess of York (later King George VI and Queen Elizabeth, the Queen Mother) in 1926
Popperfoto/Getty Images

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QUEEN ELIZABETH II 1926-2022

Main picture: the future Queen Elizabeth II, right, pictured with her sister Margaret in 1933. Above, Elizabeth during her service in the Auxiliary Territorial Service during the second world war. Below, her arrival at London airport from Kenya in 1952 after the death of her father, the king
AFP/Getty Images; Imperial War Museum; Topfoto/PA

BBC that there had been "three of us in the marriage" — a reference to Camilla Parker Bowles, who 10 years later became the Duchess of Cornwall. Elizabeth's eldest son had, like her uncle who was so fleetingly king, married a divorcee. Moreover, to do so, he also had to become one.

The greatest and most unexpected blow came in the late summer of 1997. A disbelieving nation awoke to the news that the Princess of Wales had died in a car crash in Paris. The outpouring of public grief was on an unprecedented scale. So too, within days, was the criticism of the Queen for what many saw as a cold reaction.

While Tony Blair, who had come to power as Labour prime minister just a few months earlier, tapped into the mood when he paid tribute to the "people's princess", the Queen chose to remain in Scotland with her bereaved grandsons, William and Harry.

On her return to London she ordered the royal standard over Buckingham Palace to be flown at half-mast — spurning protocol in recognition of a wider clamour — and took her grandsons to meet some of the thousands who were laying flowers in memory of their mother. The episode showed the Queen's willingness to listen, to learn and to change. Yet what would have been a family tragedy under any circumstances was made worse by her initial failure to gauge the public mood.

There ensued a slow but steady return to smoother waters and greater popularity for the Queen and her family. In the millennium year, her mother's 100th birthday reinforced support for the monarchy. So too, at the other end of the age range, did a new generation of unstuffy younger royals.

Yet the Queen herself was not nearly as solemn as she often appeared in public and could be wittily caustic. One Financial Times journalist who was researching an article about the royal finances was unexpectedly ushered into her Buckingham Palace study. That morning the FT had carried a cutting piece about a senior businessman. "I hope you're going to be kinder about us than you were about that poor Mr X," her majesty observed.

Also in her study, complete with corgis, this mischievous streak extended to filming a cameo that formed part of the opening ceremony for the London 2012 Olympic Games. The Queen played herself while the actor Daniel Craig reprised his role as James Bond, before she appeared along with Prince Philip at the stadium. For her platinum jubilee in June 2022, she appeared in a skit taking tea with Paddington Bear.

By the time of the Olympics, Prince Philip had been in hospital and unable to attend some events for her diamond jubilee the previous month. Despite the occasional flash of her dazzling smile, public appearances increasingly gave the impression of a woman either preoccupied with such worries or contending with physical discomfort herself.

Palace bulletins on her health were rare; it was only gradually and at the margins that she devolved duties to an already sexagenarian Charles and relinquished charitable patronages. Elizabeth I and Victoria had both gained in stature and popularity as they approached old age; so did Elizabeth II, whose quiet, old-fashioned virtues of service, dignity and integrity came to be all the more appreciated the longer she survived.

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> The Queen was not nearly as solemn as she often appeared in public and could be wittily caustic

In 2015 she overtook Victoria to become the nation's longest-serving monarch, but her final years were to prove among the most challenging, as she sought to bind together a nation divided by Brexit and stricken by the coronavirus pandemic.

In 2016 The Sun newspaper claimed "Queen backs Brexit", prompting a complaint by Buckingham Palace, upheld by the press watchdog. The monarch urged the country to focus on what united it during the turmoil that followed the vote to leave the EU.

In 2019 Boris Johnson dragged the monarch into the Brexit morass when, as prime minister, he asked her to suspend or "prorogue" parliament, a decision subsequently deemed by the High Court as an unlawful attempt to stifle parliamentary debate.

The split from the royal family of Prince Harry and his wife Meghan the following year was another sign of dysfunctionality in the House of Windsor. So too was the scandal that engulfed Prince Andrew, the Queen's second son, whose friendship with the convicted sex offender Jeffrey Epstein ended with him being stripped of military titles and royal patronages and being forced to make a multimillion-pound out-of-court settlement in a sexual abuse lawsuit. Andrew denied any wrongdoing.

When the Covid-19 crisis hit and the country was plunged into lockdown, the Queen was able to draw a personal link back to the spirit of the Blitz, telling the nation: "We will meet again."

In April 2021, Prince Philip, the longest-serving royal consort in British history, died aged 99, after being at the Queen's side for more than seven decades of her reign. Poignant images of the monarch sitting alone and wearing a black mask at a socially distanced funeral service at Windsor captured the desolate moment, but in the months that followed she continued to perform her royal duties. In June this year there were national celebrations to mark the Queen's platinum jubilee. The monarch, suffering discomfort, made only fleeting appearances but the country enjoyed a weekend of fly-pasts, rock concerts and pageantry.

The Queen remained outwardly inscrutable in affairs of state until the end. The mass ushering out of hereditary peers from the House of Lords brought no audible royal murmur. The 2011 ending of male primogeniture, so that sons and daughters would have equal right to the throne under succession laws, was also of no evident concern. After all, it carried the imprimatur of all 16 Commonwealth heads of government and the change could be seen not just as a nod to equality but a recognition of the Queen's own service.

Her reign perhaps proves right the dictum of royal biographer Dermot Morrah that the task of a constitutional monarch is not to do, but simply to be. However her heirs may fare, to have remained for so long the titular and spiritual leader of her people, never mind one so popularly admired, is the noblest of achievements.

FINANCIAL TIMES
'Without fear and without favour'

The grace, humanity and fortitude of Elizabeth II

Deep affection for the Queen reflected a life of extraordinary service over a seven-decade reign

It was on her first official overseas visit, to South Africa in 1947, that the future Queen Elizabeth II pledged in a radio broadcast to devote her life to the service of her people, "whether it be long or short". She would fulfil that vow to the end of a reign that proved the second-longest by any monarch in world history. Yet the Queen was far more than a servant of her people. She became an enduring symbol of identity, a pivot around which her country changed perhaps even more profoundly than during the reign of her long-lived great-great-grandmother, Victoria.

As one of the most recognised faces on the planet in an era when celebrity is so often assumed to bestow a right to opine, the Queen respected the convention that British monarchs keep their counsel on political issues. In an age of unprecedented media intrusion, she began to open up the institution, but not so much as to banish the monarchy's mystique. Yet her own stoic weathering of familial misfortunes made her, for the public, a human and relatable figure. Her passing, 17 months after her husband Philip, is a moment of profound sorrow for those around the world whose lives she touched.

The affection in which she was held reflected, above all, a sense of duty that seemed innate. The experience of the abdication of her uncle, Edward VIII, to marry the divorcee Wallis Simpson — elevating her father, George VI, reluctantly to the throne — reinforced the young Elizabeth's resolve to uphold the responsibilities that had been thrust upon her.

She fulfilled a sometimes ill-defined constitutional role with delicacy. She was the weekly confidante of 14 prime ministers from Winston Churchill onwards, and just days before her passing swore in her 15th, Liz Truss. She remained above politics with only rare, discreet exceptions — such as her professed hope, days before Scotland's 2014 independence referendum, that the Scottish people would "think very carefully about the future".

If she differed over policy with prime ministers — she was said to dislike Margaret Thatcher's opposition to sanctions on apartheid-era South Africa — she did not betray confidences. When Boris Johnson sought a dubious suspension of parliament as he struggled to agree an EU exit deal, she observed the separation of powers, quietly granting the request and leaving it to the Supreme Court to rule it illegal.

Grasping the opportunities of modern transport to travel the globe, the Queen was often the first British monarch to visit one-time colonies, helping to enfold, even as Britain's empire was dismantled, some 54 nations into the political association of the Commonwealth.

Her own dignity magnified the power of a slowly diminishing UK. She hosted or visited every US president from Eisenhower, except Lyndon B Johnson. She was the country's abiding figurehead through its parallel transformations: from imperial power to EU member and then post-Brexit standalone, and from a socially conservative, white- and male-dominated society into a more liberal and multicultural state.

> She fulfilled a sometimes ill-defined constitutional role with delicacy, remaining above politics with only rare, discreet exceptions

Her efforts to modernise the monarchy strove to keep pace with those changes. Over the decades, she jettisoned some of the costlier flummery and began to slim down the institution. Minor royals started to play reduced roles and, in 1992, the Queen agreed that the monarch would pay income tax for the first time since the 1930s.

If she mostly ran the official business of the "Firm" with assurance, the affairs of her family were less happy. The Queen bears no personal blame for the ill-starred first marriages of three of her children. But the royal family badly mishandled its relationship with Diana, Princess of Wales — through its pressure on Prince Charles to pursue a "suitable" match, and its discomfort with the eclipsing star power of his bride. Diana's death in a car crash a year after her divorce, and the Queen's initial failure to make the display of empathy demanded by the public of 1997 was one of the most difficult moments of her reign.

The scars of Diana's loss loomed large in the decision of the Queen's grandson Prince Harry and his wife Meghan Markle to relinquish royal duties and move to the US. The search for a role for the Queen's second son, Andrew, after his own divorce and the end of his naval career, led him into a friendship with the businessman and sex offender Jeffrey Epstein, and eventual disgrace.

If support for the monarchy has rebounded despite those setbacks, it is thanks largely to the personal esteem of the Queen and the husband she called her "strength and stay", which seemed only to increase with their advancing years. The task of further renewal now falls to Charles as King, his second wife Camilla as Queen Consort, and Charles's elder son William and his wife Kate.

The kingdom the Queen leaves behind confronts much larger questions than her own institution. Britain has lost its own strength and stay just as it is groping to define its place in the world for the decades ahead. Many other institutions of state appear outdated or tarnished and the survival of the 315-year-old United Kingdom itself is not necessarily assured. The Queen's personal standing not just in England but in the other UK nations was part of the glue binding the union together.

In some of the other 14 countries where she remained head of state, her passing may embolden a reconsideration of the monarchy from which they held back as long as the Queen remained on the throne. And in some parts of the Commonwealth, demands are mounting for a re-evaluation of Britain's colonial past, for apology and atonement, as Charles and William experienced in difficult trips to the Caribbean during the past year. King Charles must begin to grapple with these issues well into his eighth decade, and without the same wellspring of public fondness as his mother.

The challenges that now face her country were, however, not of the Queen's making. If the reigns of the other great female monarchs of English and British history, Elizabeth I and Victoria, coincided with periods of national expansion, it fell to the second Elizabeth to be a mainstay of a nation coming to terms with a changed place in the world.

Thanks to the grace, humanity and fortitude with which she performed that role, and the depth of the regard in which she was held by her people, Queen Elizabeth II's own seven-decade reign will be remembered by history as no less outstanding.

INTERNATIONAL

Energy crisis

Poland signals rift with EU over windfall levy

Suspension of emissions trading scheme should take priority, says leader

RAPHAEL MINDER — KARPACZ

The EU should prioritise measures other than a windfall levy on power producers, Poland's prime minister said, in a sign of possible divisions over Brussels' plan to help consumers through the energy crisis.

Ahead of an EU emergency energy meeting today, Mateusz Morawiecki suggested that a temporary suspension of the EU emissions trading scheme to help lower electricity costs would give a "response to Putin, showing him that we are able to very quickly react".

In contrast, the windfall corporate levy proposed by the European Commission would take far longer to bring down soaring electricity prices for European households because it would "require redistribution thereafter".

"We do not exclude some taxation on those who have extraordinary profits but there are other instruments which should be triggered as well, even ahead," Morawiecki said in an interview. He envisaged a suspension of the ETS for one to two years or a significant lowering of prices for carbon permits.

His warning suggests that, far from resolving the crisis, the EU emergency meeting today in Brussels could expose disagreements among member states about how to respond to Russia's decision to close its main gas pipeline until sanctions against Moscow are lifted.

Brussels is proposing a levy on "enormous" revenues generated by non-gas electricity producers that would be rerouted to member states to support vulnerable households and companies, Ursula von der Leyen, European Commission president, said on Wednesday.

But Morawiecki also warned against giving Brussels a larger role in setting tax policy, which should be left in the hands of EU member states, even if the energy crisis triggered by Russian supply cuts in response to western support for Ukraine required an extraordinary response.

"Pretending that it is very easy to have one energy policy is very wrong: one size does not fit all. All member states have to have their own idiosyncratic solutions for their energy systems and climate neutrality aspirations," he said.

To respond to President Vladimir Putin's "weaponisation" of energy, Morawiecki called for a freeze on "irrational policies by the EU institutions that could create huge pressure on energy-intensive sectors" such as fertilisers.

The Polish premier urged the EU to put the fight against climate change on the back burner "as it is now done in Germany, where they are turning on coal power plants again" to help meet its energy needs.

On Wednesday, Morawiecki also criticised Brussels for not disbursing funds more quickly to Kyiv, even though EU leaders had agreed a €9bn package for Ukraine in May.

Morawiecki attributed the delay in sending funds to Ukraine to political differences over the war, prompted by "those who would like to end the war at any cost and go back to business as usual as quickly as possible".

Still, the commission announced on Wednesday the release of €5bn of planned funding for Ukraine, raising the total to €6bn of the €9bn agreed in May.

See The FT View and Opinion

Ukraine. Land battle

Kyiv claims gains in Kharkiv counter-offensive

Action launched after Russia deploys forces south to defend occupied territory

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Firepower: Ukrainian gunners in action in the Kharkiv region late last month
Ihor Thachev/AFP/Getty Images

'[Russian troops] dumped their uniforms and all of their stuff' to avoid capture

Ukraine claims to have regained territory in its eastern regions in the most successful counter-attacks since the Russian assault on Kyiv and the north-east was repelled early in the war.

The gains have been made while Moscow focuses on Ukraine's southern counter-offensive around Kherson and could weaken Russia's hold on the eastern Donbas region, analysts said.

"This week we have good news from the Kharkiv region . . . you all have already seen reports about the activity of Ukrainian defenders," Volodymyr Zelenskyy, Ukraine's president, said in his daily address. The comments follow reports including videos on social media showing Ukrainian soldiers liberating the city of Balakliia and nearby villages in eastern Kharkiv province.

The area lies near the city of Izyum, base for one of Russia's largest military concentrations, raising Ukrainian hopes of cutting supply lines to forces focused on taking the Donbas region in full.

Zelenskyy did not name the recaptured cities or towns, saying "now is not the time to name the settlements to which the Ukrainian flag returns".

Brigadier General Oleksiy Gromov, deputy chief of the operational unit at Ukraine's general staff, said: "The total area of the territory returned to Ukraine in the Kharkiv and [Kherson] directions exceeds 700 sq km." He indicated the action was the first stage of a counter-offensive designed to push the Russians back east of the Dnipro river before winter.

Russian officials have not acknowledged the eastern losses, but local leaders installed by Moscow to govern occupied areas have reported bloody battles.

Vitaly Ganchev, head of the "military-civil administration" for occupied areas in the Kharkiv region, said yesterday that Ukrainian forces had tried to encircle and seize Balakliia but had been repulsed. "The city is under our control," he told Russian state television.

But bloggers and commentators embedded with Russian forces have reported recent defeats in the east.

The attacks coincide with Kyiv's southern offensive that followed weeks of long-range rocket and artillery strikes. The equipment, provided by the west, has proved crucial in destroying weapons depots, logistics and command posts deep in occupied territories.

"Each success of our military in one direction or another changes the general situation along the entire frontline in favour of Ukraine," Zelenskyy said.

The top US general said Ukraine's counter offensive was seeing "real and measurable gains". General Mark Milley, chairman of the US joint chiefs of staff, after meeting western and Ukrainian defence officials at Germany's Ramstein air base, said Ukraine's action was a "deliberate offensive operation that is calibrated to set conditions and then seize their objectives".

He said western long range and heavier weaponry, including Himars, multiple launch rocket systems and artillery, had helped Kyiv soften the ground in previous weeks by hitting Russian arsenals, logistics and command posts in occupied territories.

"We are seeing real and measurable gains from Ukraine in the use of these systems," Milley said. "The Ukrainians have struck over 400 targets with the Himars and they've had devastating effect," he added. These strikes, Milley said, were having a "direct impact on Russia's ability to project and sustain combat power".

Taras Berezovets, a communications officer in a Ukrainian special forces brigade, posted footage of himself touring abandoned Russian positions near the liberated village of Bairak on the outskirts of Balakliia. "As you can see, it's all completely burnt out," Berezovets said, walking alongside destroyed Russian military vehicles.

"They dumped their uniforms and all of their stuff" before fleeing, a Ukrainian soldier told him at a deserted Russian fortification nearby. Both said the Russian troops fled in civilian clothing to avoid capture by Ukrainian forces.

The Institute for the Study of War, the US think-tank, suggested Ukraine had taken advantage of the fact that Russia had recently moved forces south to repel the southern offensive.

Additional reporting by Felicia Schwartz in Washington

Source: Institute for the Study of War, AEI's Critical Threats Project, WorldPop, FT research
Updated 8am GMT September 8

Utilities

Brussels seeks relaxation of state aid rules to support energy sector

SAM FLEMING AND JAVIER ESPINOZA
BRUSSELS
BARNEY JOPSON — MADRID

Brussels wants to relax state aid rules within weeks to help EU states funnel public sector money to struggling utilities as it seeks to respond rapidly to the cash crunch in the sector.

EU competition commissioner Margrethe Vestager said in an interview with the Financial Times that she planned an imminent consultation with member states on temporarily prolonging the bloc's "crisis framework" for state aid. The measure was instituted during the Covid-19 crisis to speed up applications by member states wanting to channel funds to private enterprises.

The process was a "no brainer" given worries about liquidity in the sector, she said, adding: "We will start consulting on a prolongation of the crisis framework and also the substance of it."

However, the Danish commissioner warned it would be difficult to ensure cash was targeted where it was most needed given the diverging fortunes of European utilities. Some companies are making windfall profits as the cost of gas surges while others are being squeezed by rising collateral requirements on energy markets because of volatile electricity prices.

EU energy ministers are meeting today to discuss a range of measures aimed at tackling soaring power prices and mounting pressures on the energy companies. The European Commission wants them to back an extension to the crisis framework before member states are consulted on the proposal.

Brussels is expected to begin the consultation next week, and Vestager said it intended to complete the process swiftly. "We are not talking months, we are talking weeks. We will consult with the purpose of getting a prolongation, which I think is a no-brainer, and we will say that we intend to prolong if we have the support for it."

The speed of action depends on member states. "Some are extremely worried about the risk of bailouts being offered to companies that do not really need them, undermining fair competition," Vestager said. "What is needed, therefore, is a short-term reassurance rather than taxpayers stepping in over the longer term."

The liquidity crunch has forced some governments to step in. Sweden on Sunday said it would provide up to $23bn in credit guarantees to Nordic utilities to help them avoid technical defaults, while Finland has proposed a €10bn package. Among other measures being mooted by member states are potential changes to EU trading rules to ease the demands for collateral that utilities face when hedging their energy contracts.

The commission is also discussing so-called circuit breakers with exchange operators to limit intraday volatility in the markets and is examining the case for a new pricing benchmark for gas trading that would be based on liquefied natural gas.

Teresa Ribera, Spain's energy and environment minister, said European governments must act urgently: "There may be a domino effect in many companies in many countries, and this could trigger undesirable consequences."

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France

Macron borrows from de Gaulle playbook in search of revival

LEILA ABBOUD — PARIS

Emmanuel Macron defused popular rage during the yellow vest protests in 2019 with the "grand national debate" that convened citizens, trade unions and politicians to a series of public meetings to discuss everything from the cost of living to tax fairness.

Now, the French president is trying to repeat the trick by creating a talking shop aimed at jolting his second term to life after losing his parliamentary majority in June. That setback, as well as a looming economic downturn and energy crisis, have emboldened opponents who cast him as a lame duck leader unable to deliver on campaign promises to achieve full employment and raise the retirement age.

As part of his efforts to seize back momentum, Macron yesterday held the first meeting of his Conseil National de la Refondation, or National Council for Refoundation, featuring about 50 local and national politicians, activists, experts and other stakeholders.

In his invitation to the day-long event, Macron pledged to work with "all who want to set aside political squabbling" and to take the "actions needed to protect the French, and ensure their independence and progress".

Its agenda included the biggest problems facing France as defined by the Elysée — climate change, an ageing population and revamping health and education systems, among others.

The president said the CNR, whose name is a nod to the Conseil National de la Résistance created by an exiled General Charles de Gaulle to prepare to rebuild France after the 1939-45 war, was not a "new institution but rather a new way of working" for the long term.

But opponents are sceptical. Unlike de Gaulle's CNR, Macron's event has been boycotted by many, including Gérard Larcher, head of the Senate from the conservative Les Républicains and four of the big labour unions. Leftwing parties also dismissed it as a "gimmick", while Marine Le Pen's far-right Rassemblement National warned against it being used as a means to avoid parliamentary debate.

Regardless of the outcome of the CNR, some in Macron's camp are worried that the government has seemed adrift since losing its majority. "There is no vision and little momentum so far in the second term," said one former adviser. "Macron seems to be stuck in the fire-fighting mode of managing crises."

Elected aged 39 in 2017 on promises to strengthen France's economy and renew its political class, Macron's reformist zeal foundered when the yellow vest protests exploded over a proposed fuel tax. His momentum was further slowed by the coronavirus pandemic and the war in Ukraine.

In April, he won re-election only to lose his parliamentary majority two months later. Since then, the government's work has slowed. Although it managed to pass a July package aimed at combating inflation, it delayed the opening of the next session to October instead of the usual September to prepare for an expected restive parliament.

Slow start: Emmanuel Macron has struggled to regain momentum

Macron was unusually quiet during the summer, allowing Élisabeth Borne, his new prime minister, to lead the anti-inflation drive. When he resurfaced last month, he delivered an uncharacteristically downbeat message that soaring temperatures, drought and an energy crunch showed how the carefree "age of abundance" was over.

Beyond handling the energy crisis, the government has delayed other promised initiatives, such as a draft law to tighten immigration controls. There is no sign of the once flagship but unpopular retirement reform, although ministers say it is still on the cards.

Bruno Cautrès, a political scientist at Sciences Po university, said Macron's approval rating had slipped to 39 per cent, five points lower than in March.

"People see him as someone who is good at managing a crisis, but on his project to reform France they are less convinced," he added.

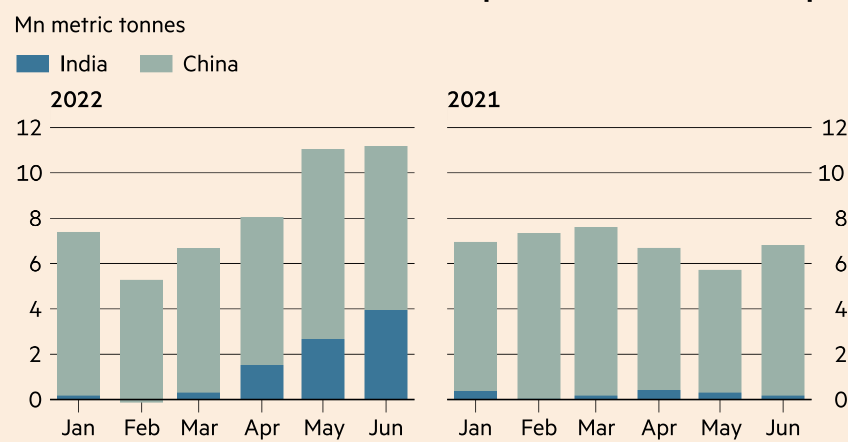
INTERNATIONAL

India and China threaten impact of sanctions by buying more Russian oil

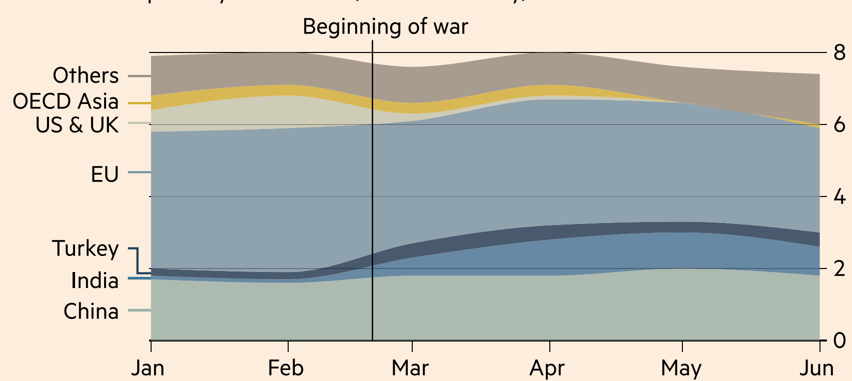
Demand from Beijing and New Delhi is largely offsetting loss of sales to Europe, data suggest

ANDY LIN — HONG KONG
JOHN REED — NEW DELHI
MAX SEDDON — RIGA

Unloading: a fuel tanker discharges petrol at a station near Hyderabad in India. New Delhi is coming under pressure to back a price cap limiting Russian oil revenues
Noah Seelam/AFP/Getty Images



China and India have increased oil imports from Russia since April



Surging Indian imports of Russian oil have largely offset western cuts
Russian oil exports by destination (mn barrels a day)

Sources: General Administration of Customs of China; Ministry of Commerce and Industry of India; IEA; KSE Institute

Indian and Chinese oil buying has offset most of the fall in Russian shipments to Europe, raising questions about the impact of sanctions on Moscow that have led to soaring energy bills for European consumers.

A Financial Times analysis of available data from Chinese and Indian customs statistics shows the countries imported 11mn tonnes more oil from Russia in the second quarter of 2022 compared with the first quarter. Payments for Russian oil from the countries increased by $9bn.

The biggest volume growth came from India, where imports of Russian oil jumped from 0.66mn tonnes in the first quarter to 8.42mn tonnes in the second.

After President Vladimir Putin's invasion of Ukraine in February, the US, EU, UK, Canada and Japan imposed sanctions on Russia, crippling its financial system and banning imports of many of its goods.

But customers in China and India, the world's most populous countries, kept buying Russian oil and other commodities such as coal and fertiliser.

China, already an important buyer of Russian crude before the war, bought 2mn barrels a day in May, an increase of 0.2-0.4mn per day compared with January and February.

The evidence of rising shipments to India and China comes as the US is pushing importers of Russian oil, including New Delhi, to join the G7 in backing a price cap to limit Moscow's revenues.

Alexander Gabuev, senior fellow at the Carnegie Endowment for International Peace, said India and China were "taking advantage of opportunities on the market".

"It's not a conscious desire to help Putin; it's just a cynical, pragmatic way to use the situation in their best interest," Gabuev said. "But of course, it de facto creates cash flow that helps the Kremlin when exports to Europe are being cut."

India's ports and coastal refineries are within easy reach of shipping routes from oil-exporting countries that are much closer than Russia, including Saudi Arabia, Iraq and the United Arab Emirates.

"My view on India buying larger quantities of Russian oil is that it's economic expediency," said Biswajit Dhar, professor at the Centre for Economic Studies and Planning at Jawaharlal Nehru University. "In a situation where inflationary pressures and shortages of fertilisers were upsetting all calculations, the Russian supplies came in handy."

Dhar said a "key factor" in India's buying was its neutrality on the war in Ukraine. Russia is also India's largest arms supplier.

While information on India's oil import market is opaque, analysts said they believed New Delhi was also taking advantage of discounts from Russia.

Since the invasion, Russian oil has traded at discounts of as much as $30 a barrel compared with Brent crude, the international benchmark. But the total income Russia receives has still been higher than in 2021 as global prices have gone up so much, with oil trading for most of the year above $100 for the first time since 2014.

Chinese customs data suggest its current oil imports from Russia cost almost the same as the smaller quantity it bought before the war. Given that global oil prices surged during that period, the figures imply that the sales took place below prevailing market prices.

The unit value of imports from Saudi Arabia, the UAE, Iraq and Oman, China's other top sources of crude oil, soared to $800 a tonne in the second quarter, while import costs from Russia stayed at $700 a tonne.

India has even enjoyed a price cut compared with the prewar period, its statistics suggest. India's oil imports from Russia cost an average of $790 a tonne in the first quarter but fell to $740 a tonne in the second. The cost of imports from other sources rose during the same period.

"Although we don't know the exact level, there seems to be a substantial discount Russia is offering on its oil," said Neil Crosby, a Vienna-based senior analyst at OilX. "But I don't think many have seen any paperwork on these deals, so we can only make inferences."

Despite the discounts, Russian oil companies could still profit handsomely, said Elina Ribakova, deputy chief economist at the Institute for International Finance.

Profits at Tatneft, a large Russian oil producer, rose 52 per cent year on year in the first half of 2022.

At an economic forum on Wednesday, Putin claimed Russia would have no issue selling its energy to non-western buyers. Whereas redirecting gas supplies is difficult due to the limitations of pipeline infrastructure, Russia has been more successful at maintaining oil sales.

> 'Russia might be laughing now, but will become dependent on China and India for exports as Europe pivots from Russian gas'

"As far as our resources are concerned," Putin said, "the demand [for them] is so great on the world markets that we have no problem selling them."

Putin said Moscow would walk away from energy contracts and cut off supplies if a price cap on Russian oil proposed by the G7 were imposed, warning the west would end up "frozen", adding: "We will not supply gas, oil, coal, heating oil; we will not supply anything."

Ribakova said: "Russia's authorities might be laughing now, but they will become excessively dependent on China and India for energy exports as Europe pivots from Russian gas in the coming one to two years.

"This is why Russia is using its leverage now, as it knows soon it will no longer be as effective in the energy wars."

Additional reporting by Polina Ivanova

Exports

Turkey backs Putin over criticism of Moscow-Kyiv grain contract

LAURA PITEL — ANKARA
ROMAN OLEARCHYK — KYIV

Turkish president Recep Tayyip Erdoğan echoed Vladimir Putin's criticism of a grain deal that he helped to broker between Moscow and Kyiv and pledged to discuss the issue with the Russian leader at a summit next week.

Erdoğan told a news conference in Croatia that Putin was "right" to say most of the grain was going to rich countries rather than the poorer nations that the UN-backed deal was intended to help.

That claim is at odds with data provided by the UN showing that, as of September 8, 28 per cent of the shipments had gone to lower-middle income countries including Egypt, India, Iran and Sudan. About 44 per cent went to high-income nations, 21 per cent to Turkey and 7 per cent to China.

The Turkish president, who recently accused the west of taking a "provocative" stance towards Moscow, also supported Putin's complaint that a parallel deal aimed at helping Russia to export grain and fertiliser was not working.

"We want grain shipments from Russia to start as well," he said. "There is a delay here."

Erdoğan said he would discuss these issues with the Russian leader at the meeting of the Shanghai Cooperation Organisation in Uzbekistan.

On Wednesday, Putin triggered a 7 per cent surge in wheat futures after he floated the idea of placing limits on exports of grain from Ukraine, raising fears that the grain deal could be under threat.

Those comments came as a Russian delegation met UN officials in Geneva to discuss Moscow's complaint that western sanctions were still impeding its grain and fertiliser exports despite the UN-brokered deal.

Meanwhile, Antony Blinken, the US secretary of state, made an unexpected visit to Kyiv, the Ukrainian capital, yesterday to meet president Volodymyr Zelenskyy and underline Washington's support in the face of Russia's invasion.

Blinken told Ukrainian officials the Biden administration planned to provide $2.2bn in additional long-term military assistance to Ukraine and 18 neighbouring countries that are at risk of attack by Russia.

Blinken's visit comes hours after Lloyd Austin, US defence secretary, announced during a meeting with western military chiefs in Ramstein air base in Germany a new $675mn weapons package for Ukraine. It comes on top of more than $11bn provided since just before the Russian president launched his renewed invasion of Ukraine on February 24.

Included in the $675mn package of materiel are ammunition for Himars, howitzers, high-speed anti-radiation missiles, armoured vehicles and other weaponry.

Diplomacy. Warming relations

North Korea deepens ties with isolated Kremlin

Pyongyang uses invasion of Ukraine to help bolster regime's hand against South

CHRISTIAN DAVIES — SEOUL

North Korea has seized upon Russia's international isolation following President Vladimir Putin's invasion of Ukraine to foster closer ties, threatening international efforts to pressure Pyongyang over its illicit nuclear weapons programme.

US officials said on Tuesday that Russia has purchased "millions of rockets and artillery shells" from North Korea as western sanctions begin to choke Moscow's supply of weapons.

The disclosure is the latest sign of warming ties between the countries, after Pyongyang broke with Chinese policy in July and recognised the breakaway territories of Luhansk and Donetsk in Russian-occupied Ukraine.

That was followed last month by an exchange of letters between North Korean leader Kim Jong Un and Putin promising to "expand comprehensive and constructive bilateral relations with common efforts".

Analysts and western diplomats said Pyongyang was offering Moscow its support to secure reciprocal backing in the event of heightened tensions on the Korean peninsula.

"Pyongyang sees in Russia's increasing isolation from the west an opportunity to get Moscow deeper into its corner," said Anthony Rinna, a specialist in North Korea-Russia relations at the Sino-NK research group. "If Kim doesn't take Russia's side explicitly now, there is no telling when he may have the chance to do so in future."

North Korea was quick to express its support for the Russian invasion of Ukraine in February, blaming the war on US "hegemonic policy" and "high-handedness". The Kim regime was one of just four countries, other than Russia, to oppose a UN general assembly resolution condemning the military action.

Moscow has repaid the favour by echoing Pyongyang's denunciation of military exercises by the US and South Korea in August. In a recent interview with Russian media, Moscow's envoy to North Korea even appeared to endorse Pyongyang's unsubstantiated claims that balloons infected with Covid-19 and flown into the country from South Korea were responsible for a coronavirus outbreak this year.

Representatives of the breakaway "people's republics" of Luhansk and Donetsk have discussed proposals with North Korean officials for Pyongyang to send workers to help rebuild cities in Russia-occupied Ukraine.

Aaron Arnold, a counter-proliferation expert at the Royal United Services Institute think-tank who has served on a UN panel monitoring North Korean sanctions violations, said the acquisition of artillery or use of labour constituted "serious violations" of sanctions. But he added that Russia had never been fully committed to enforcing the measures.

"Russia has been in violation of sanctions on North Korea for years," said Arnold.

Analysts voiced fears that Russia's economic isolation could result in closer co-ordination between criminal networks associated with the countries.

"Smuggling is an increasingly important part of the Russian economy. This is the bread and butter of how North Korea operates, so it easy to see how alliances will be forged, especially in the Russian far east where officials operate on a very long leash," said Alexander Gabuev, a senior fellow at the Carnegie Endowment for International Peace think-tank, citing potential trade in arms, narcotics and cryptocurrencies.

While acknowledging that relations within the UN Security Council were "broken", a senior western diplomat expressed hope that "some degree of unity" would return in the event of a North Korean nuclear test.

"The key will be whether Russia feels sufficiently aggrieved with what it calls the 'collective west' to start truly engaging in nefarious behaviour," said Rinna. "If Russia reaches what it views as a point of no return, the sky's the limit as to how North Korea and Russia could co-operate."

Yun Sun, director of the China programme at the Stimson Center think-tank in Washington, noted that such a closer partnership could also prove awkward for Beijing, which has not recognised the separatist republics.

"China is concerned about conflict on the Korean peninsula between a 'Northern Triangle' of North Korea, Russia and China and a 'Southern Triangle' of South Korea, Japan and the US," she pointed out.

"It is unthinkable that Russia and China would veto a UN Security Council resolution after a North Korean nuclear test," Sun added.

"North Korea wants the return of the Northern Triangle as it wants Russia and China to offer solid support without hesitation. But China doesn't want this because all it does is push South Korea and Japan deeper into the American camp."

All smiles: leaders Kim Jong Un and Vladimir Putin in Russia in 2018

Climate change

Australia passes landmark bill to cut carbon emissions

WILLIAM LANGLEY — HONG KONG

Australia passed a landmark climate bill yesterday, bringing the resource-rich country back in line with the global push to cut carbon emissions after years of resisting such efforts.

The climate change bill pledges a reduction in carbon emissions by 43 per cent from 2005 levels by 2030 and net zero emissions by 2050.

The policy was a crucial plank of Labor prime minister Anthony Albanese's election campaign this year and brings Australia broadly in line with countries such as Canada and Japan. The targets lags behind goals set by the US, UK and EU.

Australia is one of the world's largest miners and one of the biggest coal exporters. The country had been a climate policy laggard for years, with former prime minister Scott Morrison once brandishing a lump of coal in parliament as a testament to his Liberal party's steadfast support for the industry.

Albanese's government pledged to hit the targets when it came into power and will have to report annually on its progress on reducing emissions.

Industry groups responded positively to the news, with the Business Council of Australia saying the country was "a step closer to ending the climate wars that have put a handbrake on progress and become a serious economic barrier".

But analysts and environmental groups cautioned that the bill was only a first step to achieving net zero emissions.

"There's this air of unreality about them . . . because they're not addressing the big thing, which is no new coal or gas projects and no new oil projects," said Bruce Robertson, an analyst at the Institute for Energy Economics and Financial Analysis.

"Investors just sit on the sidelines when there's uncertainty, so you need some sort of framework and at least this government is attempting to provide that . . . over time we will know what it is."

Amanda McKenzie, chief executive of Australian environmental non-profit organisation Climate Council, said it was too early to declare the move an unequivocal success.

"On its own, the Climate Change Act won't reduce emissions . . . It needs to be backed up by credible climate action across every sector of the economy," she pointed out.

The prime minister's office said the country had "missed out on billions of dollars in public and private clean energy investment" and the new legislation would "provide the energy policy and investment certainty needed to usher in economic growth and opportunity in a decarbonising global economy".

INTERNATIONAL

Monetary policy

ECB raises interest rates by 75 basis points

Central bank increases eurozone borrowing costs to highest level since 2011

MARTIN ARNOLD — FRANKFURT
HARRIET CLARFELT — LONDON

The European Central Bank yesterday raised interest rates by 75 basis points in an effort to tackle record inflation, despite fears that soaring energy prices will push the eurozone into recession.

The move, which was unanimously backed by the 25 members of the governing council and matches the ECB's previous biggest increase in borrowing costs, lifts the bank's benchmark deposit rate from zero to 0.75 per cent — the highest level since 2011.

Christine Lagarde, ECB president, said investors should not assume moves on this scale were "the norm", but there would be "several" rate rises in the coming months to bring inflation down from its latest "far too high" record of 9.1 per cent back towards the bank's target of 2 per cent.

There were "probably more than two" increases to come, "but also probably less than five", Lagarde told the media following the vote.

The euro lost 0.4 per cent against the dollar in the late afternoon to trade at $0.996. Europe's regional Stoxx 600 share gauge closed the session 0.5 per cent higher, retracing declines earlier in the session.

The latest rate rise comes in spite of mounting fears that the currency area's economy will shrink in the coming months as surging energy prices — largely the result of Russia's throttling of European gas supplies — hit businesses and households throughout the region.

The ECB raised rates by 50 basis points in July, its first such move for more than a decade. But its last 75 basis points increase was a three-week technical adjustment to smooth the euro's launch in 1999.

German bonds sold off, with the yield on two-year debt, which is sensitive to changes in interest rate expectations, rising 0.28 percentage points to 1.37 per cent — its highest level in 11 years.

The 10-year Bund yield, seen as a proxy for borrowing costs across the eurozone, rose 0.17 percentage points to 1.74 per cent. Italian bond prices also fell, with the 10-year yield climbing 0.22 percentage points to 4.09 per cent, according to Tradeweb data.

The ECB has lagged behind other leading central banks in its response to high inflation. The US Federal Reserve is widely expected to announce a third consecutive 75bp rise at its meeting this month, which would lift the federal funds rate to a target range of 3 per cent to 3.25 per cent.

In response to the ECB move, the Danish central bank also raised its benchmark rate by 75bp to 0.65 per cent, in line with its mandate to keep the Danish crown stable against the euro. The move ended nearly a decade of negative policy rates in Denmark. So far eurozone economic data have remained resilient. Growth rose by an unexpectedly strong 0.8 per cent in the second quarter and the unemployment rate hit a record low of 6.6 per cent in July, bolstering calls by hawkish ECB policymakers for more "forceful" action on rates.

The Frankfurt-based bank lifted its growth forecast for this year to 3.1 per cent, but slashed its prediction for next year to 0.9 per cent and trimmed the one for 2024 to 1.9 per cent.

Inflation

Fed chief's hawkish tone lends weight to rate rise expectation

COLBY SMITH — WASHINGTON

Jay Powell did little to dispel expectations yesterday that the US central bank will deliver a third consecutive 0.75 percentage point rate rise, saying the Federal Reserve needed to act "forthrightly" to ensure elevated inflation did not become entrenched.

In his last public remarks before the bank's policy meeting later this month, the Fed chair repeated the hawkish message he delivered at the recent Jackson Hole conference, in Wyoming, that the central bank "has and accepts responsibility for price stability".

"We need to act now, forthrightly, strongly as we have been doing and we need to keep at it until the job is done," he said during a discussion at a conference hosted by the Cato Institute.

His comments come just days before the scheduled "blackout" period ahead of the next gathering of the Federal Open Market Committee, which is set to be held on September 20 and 21, during which public communications are limited.

'We need to act now, forthrightly, strongly, and we need to keep at it until the job is done'

The blackout begins before the next consumer price index report is released early next week, which economists broadly expect to show an annual inflation rate of 8.1 per cent, down from 8.5 per cent in July.

While no official, including Powell, has officially endorsed another supersized rate rise, they have in recent weeks emphasised the momentum propelling the economy and resilience of the labour market, which added 315,000 positions in August alone.

Those comments have reinforced expectations that the Fed will yet again raise rates by 0.75 percentage points, rather than downshift to a half-point rate rise, in a move that would push the federal funds rate to a new target range of 3 per cent to 3.25 per cent.

Powell yesterday warned of the costs associated with a situation in which the expectations that households, businesses and market participants have about future price pressures escalate to an extent that they further feed inflationary fears.

This dynamic plagued the Fed in the 1970s, forcing Paul Volcker, then chair, to push up interest rates and crush the economy more than otherwise would have been necessary in order to restore price stability.

"The clock is ticking," Powell said. "The longer that inflation remains well above target, the greater the concern that the public will start to just naturally incorporate higher inflation into its economic decision-making and our job is to make sure that doesn't happen."

Powell reiterated that as the Fed acted to root out high inflation, the labour market was likely to accrue losses as growth slowed. When asked about the spending bills either signed into law or championed by the Biden administration, Powell warned "our federal fiscal policy is not on a sustainable path, and it really hasn't been for some time".

Latin America. Presidential poll

Brazil faces democracy stress test over election

Concerns voiced about what will happen if Bolsonaro refuses to accept he has lost

BRYAN HARRIS — RIO DE JANEIRO
MICHAEL POOLER — SÃO PAULO

President Jair Bolsonaro rallied tens of thousands of supporters in cities across Brazil in a pre-election show of force that featured displays from the country's armed forces.

Paratroopers landed on Rio de Janeiro's Copacabana beach and air force jets flew overhead in a spectacle ostensibly to mark Brazil's bicentennial anniversary of independence but which critics said was co-opted by the populist leader to coincide with a presidential election rally in the same location.

Brazilians go to the polls on October 2, with Bolsonaro trailing his main rival, leftwing former president Luiz Inácio Lula da Silva, by some 10 percentage points.

A former army captain, Bolsonaro has unnerved people by repeatedly refusing to say whether he would accept the results of the election if he loses. It has stirred fears that Brazil might face a situation similar to the US in 2020, when Donald Trump claimed the presidential election was fraudulent.

Over the past two years, Bolsonaro has threatened to invoke military might, claiming the armed forces would not accept "absurd decisions" by the Supreme Court or Congress. "Our battle is a fight between good and evil," the 67-year-old leader said on Wednesday in a more moderate speech than expected.

His close relationship with the armed forces was underlined by the military manoeuvres, which the president had ordered to occur alongside his rally.

"The fact is that Brazil is at risk of a democratic rupture. The election will be a referendum on democracy in Brazil," said Orlando Silva, an opposition lawmaker who supports Lula.

"My impression is there will be turmoil in the electoral result because I think the current president is going to be defeated, and it will be a great stress test for Brazil's institutions."

While few expect any kind of military intervention, opposition politicians and analysts are concerned about what might happen if Bolsonaro simply refuses to accept the election result.

The president commands support from more than 20 per cent of the electorate, many of whom are willing to take to the streets and are loyal to his conservative ideals and agenda. The possibility of a riot akin to the January 6 attack on the US Capitol in 2021 should not be discounted, pundits said.

"The president himself has already signalled the possibility [he may not accept the results]. He has with him a radicalised base, which does politics in an aggressive way," said Carlos Melo, a political scientist at Insper, a university in São Paulo.

Valter Brandão, a 51-year-old security professional who attended the rally alongside tens of thousands of others, said: "The country was running the risk of becoming communist under Lula."

Mirroring Trump, Bolsonaro has also sought to cast doubt on the integrity of Brazil's electronic voting machines, alleging fraud in past elections — including the one he won in 2018 — without offering any proof. Opponents believe it is a ploy to undermine the credibility of the poll in case of defeat.

He previously demanded printed vote receipts, arguing a paper audit trail is required if a result is disputed. The proposal was rejected by Congress last year. In recent months, the military has also raised questions about the voting system that echo some of the president's criticisms, suggesting some top brass are sympathetic to his narrative.

Thousands of active and reserve members of the military serve in Bolsonaro's administration — including more in the executive branch than during the country's 1964-85 dictatorship.

In response to the military's overtures, Brazil's superior electoral court has included a general on a newly created transparency committee and is considering its suggestion for the use of voter biometrics.

'There will be turmoil in the electoral result because I think the current president is going to be defeated'

Carlos Fico, professor of history at the Federal University of Rio de Janeiro, did not believe the armed forces "would promote any kind of institutional rupture", adding: "[But] Bolsonaro is trying to show he has their support."

In recent weeks, Bolsonaro has notably reduced the intensity of his attacks on the electoral system, which analysts said reflected his failure to convince society of the fraud allegations. After he assembled a group of foreign diplomats in Brasília to publicise his claims, the US state department issued a note underlining its confidence in Brazil's system.

Civil society has also responded to the president's attacks. Last month, thousands of public figures, artists and business executives — who once supported him — launched a campaign in defence of democracy, calling the nation's elections "an example to the world".

"All this reduces the chances of him successfully contesting the election," said Melo at Insper. "Of course, the chance still does exist, but it is smaller today than in the past."

Additional reporting by Carolina Ingizza

Flying high: crowds watch an aerial acrobatic team over Copacabana beach, Rio, on Wednesday at a military display and rally called by President Jair Bolsonaro, below
Silvia Izquierdo/AP; Evaristo Sa/AFP/Getty Images

South Asia

Pakistan's Khan gains political strength after April ousting

BENJAMIN PARKIN AND FARHAN BOKHARI — ISLAMABAD

The residents of Bani Gala, a ritzy suburb of Islamabad, Pakistan's capital, have in recent weeks seen crowds converge at the estate of Imran Khan, who was ousted as premier in a no-confidence vote in April.

Far from fading into obscurity, Khan, 69, has enjoyed a political rebirth. In rallies, the former cricketer has denounced the "cabal of crooks" that he alleges took over as part of a US-backed conspiracy, without evidence.

After his party won a series of local polls, he demanded new elections immediately. "Every effort has been made to crush [us] but we did not sit silently," Khan said last month.

At a time of rampant inflation and IMF-induced austerity, his message has struck a chord. "Imran Khan ensured that the cost of living was still more affordable, whereas his successors have only made life miserable for everyone," said Naseem Malik, a maths teacher who had joined the crowds near Khan's residence. Khan is "the only hope for economic justice in Pakistan", he said.

The improved fortunes for Khan and his Tehreek-e-Insaf party have emerged as one of the biggest unknowns for investors and policymakers at a key moment for the economy. Shehbaz Sharif, his successor, has portrayed himself as a counter to Khan's reckless populism. But with elections to be held by next year, convincing voters may be harder.

Sharif's task has been made tougher by flooding across much of Pakistan that has killed more than 1,100 people and displaced hundreds of thousands. Officials warn that the disaster may imperil economic recovery.

"[Khan] doesn't play by the rules. He doesn't accept the rules," said Maleeha Lodhi, former ambassador to the US. "In that sense, any government would find it pretty difficult to deal with an opponent like that."

Since coming to office, Sharif and his Pakistan Muslim League (N) party have set about putting out fires they say Khan started. Islamabad this week revived a stalled IMF programme negotiated under the PTI in 2019, reversing populist fuel subsidies introduced by Khan and securing a $1.1bn bailout they say just averted a default. The IMF programme "will restore the confidence of the international markets and investors in Pakistan", said Ahsan Iqbal, planning minister. "Four months ago people were betting we were going to become the next Sri Lanka. Now nobody is."

Imran Khan has denounced his successors as a 'cabal of crooks' installed in a US conspiracy

Sharif has also tried to improve ties with the US and EU, which Khan has accused of meddling. Sharif has tried to calm relations with the powerful military, which Khan supporters questioned.

"Part of our economic problem is not just what [Khan] has left behind, but the commitment to political chaos he has made until he's back in political power," said Sherry Rehman, climate change minister.

"An unstable system will struggle to grow. But that doesn't matter to him. It's his ego before Pakistan's stability."

For Khan's supporters, efforts to discredit him reek of desperation. Asad Umar, a PTI leader, said: "Clearly, the PTI is politically resurgent and Imran Khan's popularity is almost certainly at the highest level he has ever had."

Khan first achieved fame as Pakistan's cricket captain in the 1980s. He rose in politics thanks in part to his critiques of political dynasties such as the Bhuttos of the Pakistan Peoples party, part of the ruling coalition, or Shehbaz Sharif's brother Nawaz, who was ousted as prime minister in 2017 over a corruption scandal. Both families dispute the allegations against them.

After Khan was elected prime minister in 2018 on a welfarist, anti-corruption platform, he governed erratically and was beholden to the boom-and-bust cycles that he had vowed to end. Supporters were left disillusioned, which paved the way for his removal.

His ouster only galvanised his base, leading to an increasingly nasty standoff. The Sharif-Khan confrontation will come to a head at the polls, which must be held by autumn 2023 at the latest.

Healthcare

Oxford's child malaria vaccine offers high level of protection

DONATO PAOLO MANCINI — LONDON

A booster shot of a malaria vaccine developed at the University of Oxford has demonstrated high and durable protection in children, according to a study that has offered hope in the fight against the disease.

Malaria, caused by parasites, is preventable and curable. There were 241mn cases globally in 2020, according to the World Health Organization, which led to an estimated 627,000 deaths. Africa accounts for most cases and deaths and children are particularly affected.

The findings of the mid-stage peer-reviewed study were published on Wednesday in The Lancet. A total of 450 participants aged 17 months to five took part in the study in Burkina Faso, 409 of whom received a booster.

Participants were randomly assigned to three groups, with the first two receiving the R21 vaccine with an adjuvant — a substance that boosts the efficacy of jabs — at a high or low dose, yielding higher and lower efficacy, respectively. The third group received a rabies vaccine. Each child received a further dose of the same vaccine they had been given previously.

A booster dose of the malaria vaccine showed efficacy as high as 80 per cent in one group, and 70 per cent in the other.

"A standard four-dose immunisation regime can now, for the first time, reach the high efficacy level over two years that has been an aspirational target for malaria vaccines for so many years," said Professor Adrian Hill, who heads Oxford's Jenner Institute research body and co-authored the paper.

The vaccine is administered with Novavax's Matrix-M adjuvant and is licensed to the Serum Institute of India.

Hill said the Serum Institute was "willing and able to make 200mn doses a year next year", but he stressed the challenge would be logistics and deployment in each country. He declined to give a price for the vaccine, which he said would be "a few dollars a dose".

Lloyd's burden Marketplace set for £1.2bn hit from grounded jets, stranded cargo and bad debts caused by Ukraine war PAGE 10

Companies & Markets

EY chiefs back proposed split of audit and advisory units

- Firm's 13,000 partners to be balloted
- Accounting sector set for shake-up

MICHAEL O'DWYER — LONDON

EY's bosses have approved a plan to split the Big Four firm into separate audit and advisory businesses, with the radical break-up proposal now proceeding to a vote of 13,000 partners.

The decision, which would reshape the accounting industry, follows a summer of delays and internal disagreements over how a split should work as EY aims for a stock market listing of its advisory arm late next year.

Like its big rivals — Deloitte, KPMG and PwC — EY is a network of national member firms in about 150 countries. The leaders of EY's 15 largest members,

> Faster growth is reckoned possible with the separate businesses unhindered by conflicts of interest

which account for about 80 per cent of its $45bn annual revenues, were "unanimous" in wanting to put the split to partner votes, said Carmine Di Sibio, EY's global chair and chief executive.

Leaders at the 312,000-person firm are betting that the audit and advice arms can grow faster as separate businesses unconstrained by conflicts of interest that stop consultants from working with audit clients. The split would give clients "more choice", said Di Sibio.

EY's audit-focused business with revenues of about $18bn would remain in the existing partnership structure. A separate, larger advisory business would be spun out into a standalone company, with a stake of up to 15 per cent sold to external investors.

EY's plan assumes revenue growth of up to 7 per cent annually in the audit-led business and 18 per cent in the advisory company, according to people familiar with the matter. Partners are likely to be pitted against former colleagues after the split because the audit business will retain some advisory capabilities.

EY's partners, who have been promised big payouts if the break-up happens, will now be asked to vote country-by-country on whether to back the deal between November and January before a final vote of the firm's global board and ratification by its governance council.

Di Sibio would not say whether he was confident of winning partners' backing. "[Our] leaders would not put this forward unless we thought it was the right thing to do," he said.

EY's China operations have been excluded from the deal; the country's consultants will stay tied to the audit business. "The one country of the top 15 that we will need to do more work on is China," said Di Sibio. EY has so far failed to devise a deal structure deemed satisfactory by Chinese regulators.

Both the consultants and auditors of any EY member firm that reject the split will stay as part of the global audit firm.

Parts of the new businesses will be subject to a non-compete clause. "We're still debating the timeframe — probably three years," said Di Sibio.

The audit business is set to retain the EY brand while the advisory business would be given a new name. "That hasn't been totally decided but that's the presumption," said Di Sibio.

A break-up would trigger multimillion-dollar windfalls for the current crop of partners, but doubts remain over how the need to deliver returns to external shareholders in the advisory business would affect the pay and promotion prospects of future generations.

EY Global is being advised by Goldman Sachs and JPMorgan, while Rothschild, Lazard and Evercore have been counselling individual member firms on the implications of a split, according to people with knowledge of the matter.

Deloitte's record revenues page 8

End of an era Melrose set to spin off GKN auto division in break-up of UK engineering group

Turnround specialist Melrose plans to list the automotive business on the London Stock Exchange — Sean Pollock

SYLVIA PFEIFER AND PETER CAMPBELL
LONDON

Melrose Industries plans to spin off the GKN automotive division as a new UK-listed company in a move that will crystallise the break-up of one of Britain's oldest engineering businesses.

The FTSE 100 turnround specialist, which acquired the car parts and aerospace components manufacturer in a bitter £8bn takeover in 2018, confirmed the move yesterday, along with its interim results to the end of June.

Under the plan, Melrose will separate GKN's automotive and smaller powder metallurgy businesses from its aerospace arm through a demerger of shares. Melrose shareholders will have stock in the holding company.

The new auto company, one of the world's leading suppliers of driveshafts, will aim to trade on the London Stock Exchange next year under a yet-undecided name.

Melrose will retain ownership of GKN Aerospace, a "tier one" supplier of airframe structures and engine components for aerospace and defence companies including Airbus and Rolls-Royce. The demerged automotive group will account for approximately two-thirds of Melrose's current projected revenues for 2022 of more than £7.5bn.

Liam Butterworth, chief executive of GKN Automotive, will become the head of the demerged business, with a separate chair to be appointed later on. Simon Peckham, Melrose chief executive, and Geoffrey Martin, finance director, will take executive director positions on the board of the demerged group.

The move will finalise the break-up of GKN, which traces its roots to the late 1700s with the founding of an ironworks in south Wales.

Melrose, a turnround specialist, acquired GKN in 2018, sparking concerns from critics it would dismantle the conglomerate. The company has argued that it spots underperforming manufacturing businesses, restructures them and sells them on.

Peckham told the Financial Times that Melrose had always intended to split up the businesses. The company would be returning the auto and metallurgy businesses to the stock market in a much stronger financial position.

"From a government point of view — what more could you want than two quoted UK large businesses," he told the FT. Now was the right time for a demerger, he added. A lot of the underlying restructuring work in the auto business had been done, while the sale of its US heating and air conditioning operations, Nortek, had bolstered the group's balance sheet substantially, Peckham said.

See Lex

Evergrande crisis deepens after lender seizes HQ

CHENG LENG, TABBY KINDER AND CHAN HO-HIM — HONG KONG

Evergrande's Hong Kong headquarters has been seized by a lender after the struggling Chinese property developer defaulted on a loan and twice failed to sell the building, according to four people with knowledge of the matter.

The lender, whose identity has not yet been confirmed, informed Evergrande this week that it had appointed a receiver to take charge of the property that is valued at $1.2bn and force a sale, the people said.

They added that the lender had security over the China Evergrande Centre — a 26-storey tower near the city centre of Hong Kong island — which allowed it to take charge of the asset.

One person familiar with the situation said that Evergrande had in the past pledged the building in exchange for loans from a consortium of lenders led by China Citic Bank International, the Hong Kong subsidiary of the Chinese state-owned bank.

The lender has appointed receivers from restructuring firm Alvarez & Marsal, according to two people.

Evergrande and Citic Bank International did not immediately reply to requests for comment. Alvarez & Marsal declined to comment.

Last September, as an Evergrande default loomed, Citic Bank told its investors that its loans to the developer were pledged against valuable security, although it did not provide details.

Evergrande was the most prominent developer to default last year as a liquidity crisis gripped the Chinese property sector. It told creditors in January that it would unveil a preliminary plan by the end of July to restructure its $300bn of liabilities, which include $20bn of offshore bonds, but it missed that deadline and instead said it had only made "positive progress" towards a proposal.

Evergrande has twice attempted to sell the tower. Last October, Chinese state-owned Yuexiu Property pulled out of a reported $1.7bn deal.

It put the headquarters back on the market in July, attracting a number of bids including from Li Ka-shing's Hong Kong property developer CK Asset Holdings.

However, a person close to the tender process said the sale had again fallen through because the bids were too low, reflecting Evergrande's desperate need to raise cash.

IT world feels the squeeze as summer rebound runs out of steam

INSIDE BUSINESS
TECHNOLOGY

Richard Waters

The dog days of August were a tough time for Wall Street's tech optimists. Signs of a tech slowdown seemed to spread inexorably into many more corners of the tech world. Now, with the all-important fourth quarter looming — a period when IT spending is typically at its strongest — a nail-biting end to the year is in store.

As the summer began, there was still reason to hope that the effects of high inflation and economic uncertainty would be limited.

PC sales had slumped as consumer confidence fell back. A slowdown has eaten into some corners of the digital advertising market, made worse by privacy changes at Apple that have hit companies that depend on collecting personal data from iPhone users. They include Snap, which responded last week by cutting 20 per cent of its staff.

As the month of August wore on, however, cracks started to appear far more widely in the demand picture. This has not been lost on the investors. A strong tech rebound on Wall Street ran out of steam halfway through the month, with companies in the IT world taking some of the biggest hits.

Take the software sector. After the battering they took since last November, software stocks staged a brief recovery in early August, rising 25 per cent from their lows. But they have since given up most of those gains and the Bessemer emerging cloud index of software companies is off 56 per cent from last year's high.

With a spate of IT companies ending their fiscal quarters in July and reporting results over the past two weeks, signs of weakening demand have spread, though the picture has been far from uniform.

On the positive side, networking company Cisco Systems and data storage company NetApp both reported no signs that customers were pulling back. Some software companies, riding strong secular demand as businesses digitise more of their operations and manage the flood of data, continued to pull in big new contracts. Data warehousing company Snowflake maintained its red-hot growth, while HR software concern Workday shrugged off worries that had been gathering since the quarter before.

> Some deals subjected to deeper scrutiny are likely to end up being scrapped as customers become more risk-averse

But other companies have noted clear evidence of demand weakening, and in some cases have cut their financial forecasts for the rest of the year. In the chip sector, a sharp inventory correction that bit surprisingly quickly ricocheted through some of the leading chip companies, including Nvidia and Micron. While the inventory reset was the main factor, a number of companies said that the erosion in end demand for products that rely on chips had extended well beyond the consumer PC and smartphone markets.

Over the past two weeks, a number of software and hardware companies have provided further evidence that big IT buyers have become more cautious. Software company Salesforce issued a surprising cut to its revenue guidance after noticing that customers had started to become "more measured" about their purchases in July. Meanwhile, hardware maker Dell said customers were taking longer to sign off on new purchases of servers and that the size of its deals had been falling, both common early signs of a retrenchment in IT spending.

As usual at such times, lengthening sales cycles have been blamed for much of the slowdown. Facing greater business uncertainty, customers take longer to decide and require reviews by managers before signing off on new tech purchases.

An optimistic view is that this causes spending to be deferred rather than put off entirely. But while tech companies like to believe all purchase of their products are essential ones, some proportion of deals subjected to deeper scrutiny is likely to end up being scrapped as customers become more risk-averse.

For now, there are still reasons to hope the effects will be limited, at least for the rest of this year. Surging capital spending by the biggest cloud companies is still a powerful engine in the IT world.

Also, after the supply constraints of the past two years, there is still plenty of pent-up demand that will take time to meet. Hewlett Packard Enterprise said last week that its backlog of orders had nearly doubled over the past year and that orders for servers were five times the normal level. Tight supplies have also kept prices high. While HPE reported a sharp reduction in unit sales, increases in average selling prices more than made up for the shortfall.

But with demand across a wide range of the tech industry's end markets starting to decelerate, sales cushions like these may provide only brief relief.

richard.waters@ft.com

SAINT-GOBAIN

Compagnie de Saint-Gobain
Titres participatifs in XEU
Coupon on February 10, 2023

For the calculation of the coupon maturing on February 10, 2023, the net consolidated profit used for the calculation of the floating portion of the remuneration is EUR 424.547 million. The EURIBOR 6 M is 0.729%.

The minimum coupon so calculated produces a semi-annual interest rate of 0.5520%.

Therefore, the semi-annual coupon payable on February 10, 2023, will be EUR 33.75 per titre participatif of EUR 1,000 and so produces an annual interest rate of 6.75%.

Legal Notices

In the matter of Lionglex Limited
and
In the matter of the Cyprus Companies Law Cap 113

Notice is hereby given that the creditors of the above-named company which is being voluntarily wound up are required on or before the 9th day of October 2022 to send in their full names, their addresses and descriptions, full particulars of their debts or claims and the names and addresses of their solicitors (if any) to the undersigned Constantinos Constantinou, of PricewaterhouseCoopers Limited, Julia House, 3 Th. Dervis Street, CY-1066 Nicosia, P.O.Box 21612, CY-1591 Nicosia, Cyprus, the joint liquidator of the said company, and if so required by notice in writing from the said joint liquidator, to come in and prove their said debts or claims at such time and place as shall be specified in such notice, or in default thereof they will be excluded from the benefit of any distribution made before such debts are proved.

Dated this 9th day of September 2022

Constantinos Constantinou
PricewaterhouseCoopers Limited
Joint Liquidator of Lionglex Limited

Contracts & Tenders

REC POWER DEVELOPMENT AND CONSULTANCY LIMITED
(formerly known as REC Power Distribution Company Ltd.)

GLOBAL INVITATION (Through e-bidding Only)

FOR SELECTION OF TRANSMISSION SERVICE PROVIDER THROUGH TARIFF BASED COMPETITIVE BIDDING (TBCB) PROCESS ON BUILD, OWN, OPERATE AND TRANSFER (BOOT) BASIS FOR TRANSMISSION SYSTEM FOR EVACUATION OF POWER FROM LUHRI STAGE-I HEP

REC Power Development and Consultancy Limited (formerly known as REC Power Distribution Company Limited), New Delhi, India (a wholly owned subsidiary of REC Limited, a Navratna Central Public Sector Undertaking) invites proposal for setting up of the below mentioned transmission project through TBCB process on Build, Own, Operate and Transfer (BOOT) basis following single stage two envelope process of "Request for Proposal (RFP)". Interested bidder may refer to the Request for Proposal (RFP) notification and RFP document available on our website www.recpdcl.in & www.recindia.nic.in w.e.f. 06.09.2022.

The bidders may obtain the RFP documents on all working days between 1030 hours (IST) to 1600 hours (IST) from 06.09.2022 to one day prior of bid submission on payment of non-refundable fee of Rs. 5,00,000/- (Rupees Five Lakh Only) or US$ 7000 (US Dollars Seven Thousand Only) + 18% GST as per details provided in the RFP document available on the website www.recpdcl.in & www.recindia.nic.in.

The Request for Proposal (RFP) Documents can also be downloaded from our website www.recpdcl.in & www.recindia.nic.in, however in such cases interested parties can submit Response to RFP only on submission of non-refundable fee of Rs. 5,00,000/- (Rupees Five Lakh Only) or US$ 7000 (US Dollars Seven Thousand Only) + 18% GST as per details provided in the respective RFP document. The last date for seeking clarifications on RFP is 26.09.2022 and last date for submission of Response to RFP is 09.11.2022 (upto 1200 Hrs IST). Response to RFP will be opened on the same day at 1230 Hrs (IST) in presence of bidders' representatives who wish to attend. The survey report & clarifications to RFP documents shall be issued to those bidders, who have obtained/purchased RFP document by paying requisite fee.

All corrigenda, addenda, amendments, time extensions, etc. to the RFP will be hosted on our websites www.recpdcl.in & www.recindia.nic.in. Bidders should regularly visit our websites to keep themselves updated.

Note: RECPDCL reserves the right to cancel or modify the process without assigning any reason and without any liability. This is not an offer.

Chief Executive Officer
REC Power Development and Consultancy Ltd.
(formerly known as REC Power Distribution Company Ltd.)
Core-4, SCOPE Complex, 7, Lodhi Road, New Delhi-110003, India

Bid Process Coordinator
REC Power Development
REC Power Development and Consultancy Ltd. (formerly known as REC Power Distribution Company Ltd.)

An Initiative of
Ministry of Power
Government of India

Initiative Partner
Central Electricity Authority

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Technology

Thoma Bravo pulls out of Darktrace bid

Cyber security group's shares fall by a third after cash takeover talks fail

ANNA GROSS AND ROBERT WRIGHT
LONDON

Shares in Darktrace fell more than 30 per cent yesterday after private equity group Thoma Bravo announced it would not make an offer for the British cyber security group.

It emerged last month that the US-based and tech-focused group had initiated discussions with Darktrace about a cash takeover of the company, which at the time had a market capitalisation of £2.67bn. "Early stage discussions took place with Thoma Bravo about a possible offer for the company but an agreement could not be reached on the terms of a firm offer," Darktrace said yesterday.

Darktrace chief executive Poppy Gustafsson said: "Thoma Bravo is a well-respected organisation with a number of cyber security investments, so it is no surprise that our world-leading technology caught their eye. I firmly believe, and so does the board, that we still have so much more value to bring to this business as an independent company."

Thoma Bravo did not give any reasons for its decision.

Darktrace, which specialises in artificial intelligence-based software to protect companies from cyber attacks and is one of the best-known UK tech start-ups, floated on the London Stock Exchange in April last year. In the following six months its share price more than tripled, from 250p at IPO to 945p.

'I firmly believe that we still have so much more value to bring to this business as an independent company'

But last October the stock plummeted after the brokerage Peel Hunt published a note saying the company was worth half its market cap, arguing that the potential customer base it was targeting was not as big as the company claimed.

News that Thoma Bravo, a US-based technology private equity group, was considering a bid to privatise Darktrace helped it recover. Shares rose nearly 30 per cent since then, though these gains were entirely erased yesterday, with the price falling to 356p.

Thoma Bravo, with $114bn in assets, is one of the world's most active investors in cyber security companies. Last year, it took the email security company Proofpoint private for $12.3bn and earlier this year it agreed to privatise SailPoint Technologies for $6.9bn and Ping Identity for $2.8bn.

The private equity group's decision coincided with Darktrace's publication of its first full-year results as a public company. It reported a 46 per cent rise in full-year revenues to June, from $285mn in 2021 to $416mn, and a 170 per cent increase in adjusted earnings before interest, tax, depreciation and amortisation to $91mn. It now has more than 7,400 customers, most of which are small to medium-sized companies — a 32 per cent increase on last year.

Darktrace acknowledged that it had made an accounting mistake and that $3.8mn it had recognised in the year to April 2022 was actually related to previous periods, but noted that the combined revenue of both years "remains unchanged".

Financial services

Boom in tech consulting pushes Deloitte revenues to record level

MICHAEL O'DWYER — LONDON
STEPHEN FOLEY — NEW YORK

Deloitte lifted its global revenues by almost a fifth to a record in its last financial year, which ended in May, as a boom in tech consulting and corporate dealmaking helped cement its position as the largest of the Big Four professional services firms.

The accounting and consulting group reported revenues of $59.3bn, with about $16bn coming from selling services as part of alliances with tech groups such as Amazon Web Services, Google, Salesforce and SAP.

Revenue from partnerships with the world's biggest tech groups is increasingly important to consultants' business models. It is also part of the rationale for EY, the third-largest of the Big Four, pursuing a break-up of its audit and advisory businesses.

EY is auditor to several big tech groups, meaning conflict of interest rules have stopped its consultants from partnering with them in the way that has helped drive revenues at Deloitte.

Deloitte's global chief executive Punit Renjen rejected the possibility of his firm pursuing a split, saying that combining audit and advisory work was "at the core" of the organisation.

"We will not separate and split our businesses," he said. "The multidisciplinary model and private partnership culture continue to be the preferred strategy and structure."

'We will not monetise our collective life's work or that of the generations that preceded us'

He added: "Our results speak for themselves. We will not monetise our collective life's work or that of the generations that preceded us."

EY's planned break-up — expected to win the approval of its global bosses this week — would deliver multimillion-dollar windfalls to the current generation of partners. It has led to speculation that partners at rival Big Four firms would want to follow suit, potentially reducing the financial rewards on offer to future generations of partners.

Demand for advice on tech projects has soared as companies continue to shift to selling and supporting customers online after the pandemic and update their systems to exploit data and make supply chains more resilient.

Consulting was the fastest-growing of Deloitte's business lines last year, increasing revenues 24.4 per cent to $25.8bn. Deloitte is the least reliant of the Big Four on audit revenues, generating the smallest total despite having the largest overall group revenues.

Audit and assurance revenues grew at a more modest 8.7 per cent to $11.4bn as companies continued to turn to auditors to review their disclosures relating to their impact on the climate.

Total sales across the roughly 150 countries where Deloitte operates rose 18.1 per cent to $59.3bn in the 12 months to May. The increase was matched by a rapid expansion of its workforce, with total headcount climbing to 415,000 from less than 350,000 a year earlier.

The smaller financial and risk advisory divisions both grew by about a fifth while sales of tax and legal advice rose 11.5 per cent to $9.9bn.

The Americas, which account for about half of Deloitte's business globally, were the fastest-expanding region, increasing sales by 22.1 per cent.

Energy. Supply crisis

US gas pledge to Europe fuels domestic backlash

State governors fear increase in LNG exports will drive up prices for home consumption

JUSTIN JACOBS — HOUSTON

Europe is desperate for new natural gas sources as the Kremlin squeezes deliveries from Russian fields. But a US promise to plug the supply gap is threatening a domestic backlash.

The US wholesale gas market is likely to average $9 a million British thermal units for the remainder of the year, the Energy Information Administration (EIA) forecast on Wednesday. The price is a fraction of the gas price in Europe, giving traders huge financial incentives to send fleets of liquefied natural gas tankers overseas. The US recently eclipsed Australia and Qatar as the world's largest LNG exporter.

But $9 is still triple the average US gas price of the past decade and thus holds the potential to drive sharp increases in home heating and electricity prices at a time when inflation is close to 40-year highs.

In July, state governors in the north-eastern New England region warned the White House of a potential jump in gas prices in the winter. They alluded to the US's pledge to help Europe reduce reliance on Russian gas, made weeks after Vladimir Putin's invasion of Ukraine.

"We appreciate that the [Joe] Biden administration has been working with European allies to expand fuel exports to Europe. A similar effort should be made for New England," the group of governors wrote to energy secretary Jennifer Granholm, in a letter seen by the Financial Times.

The governors of Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island and Vermont asked the administration to help secure domestic LNG supplies from the Gulf of Mexico coast, a move that could divert US exports away from global markets.

High prices "will have significant implications for our region's electric and natural gas customers and raises reliability concerns if the region suffers a severe winter", the governors told Granholm.

The governors asked the administration to ease restrictions under the Jones Act, a law that requires vessels that are US-flagged, built and crewed for shipments between domestic ports.

Granholm told the governors last month that the administration was "prepared to use all the tools in our toolkit" to address supply disruptions and high prices.

She said the administration would quickly review any requests for exemptions from the Jones Act, but it could not issue "blanket waivers".

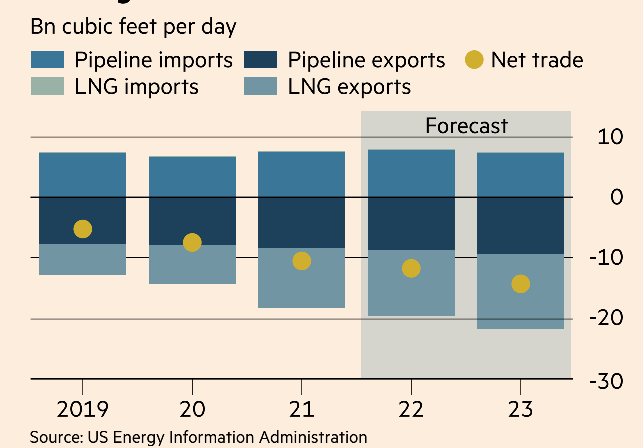
An LNG carrier waits to be loaded in Louisiana. LNG shipments have risen to about 12% of US output
Mark Felix/Bloomberg

Since the first gas exports left the Gulf coast in 2016, LNG shipments have grown to account for about 12 per cent of total US production. More than 70 per cent of those cargoes have flowed to Europe this year.

The continent's need for it was accentuated this week, when Russia said it would keep the Nord Stream 1 pipeline to Europe shut until western sanctions on Moscow were lifted.

Business groups such the US Chamber of Commerce and National Association of Manufacturers have largely backed further gas exports. Yet others have raised concerns. In August the Industrial Energy Consumers of America, a manufacturing group, said in a regulatory filing that "LNG exports have already resulted in substantially increased inflation via higher natural gas and electric power prices."

Albert Lin, executive director at Pearl Street Station Finance Lab, an energy-focused advisory group, said: "Electricity bills are going to shock most consumers because it's going to rise way above the current rate of inflation. This super-high price spike that everyone is witnessing in Europe is pulling up US prices because of LNG exports."



Source: US Energy Information Administration

US export capacity is now 14bn cubic feet a day, though more than 2bn cu ft/d is temporarily offline after an explosion at a terminal in Freeport, Texas. Capacity is on track to rise 40 per cent to 19.7bn cu ft/d by 2026 as new projects are completed, according to the EIA.

The multibillion-dollar expansions have drawn resistance from climate and environmental justice campaigners on the Gulf coast. Sierra Club, one of the largest environmental groups in the US, has put up "Stop LNG" billboards along highways in southern Louisiana, where several projects have received government approval.

"We are already overburdened and we already have communities that are living right next to petrochemical facilities that are already damaging the water and the air," said James Hiatt of the Louisiana Bucket Brigade, which opposes the LNG projects.

'This super-high price spike that everyone is witnessing in Europe is pulling up US prices because of LNG exports'

"Most of southern Louisiana will be underwater if we continue to pump these greenhouse gases, so we cannot continue this foolish exercise."

Earlier this year, a group of Democratic US lawmakers, including senators from New England states, urged the Biden administration to "limit US natural gas exports" while it examined the "impact on domestic energy prices". Those calls could grow louder if energy prices jump this winter.

Analysts at ClearView Energy Partners, a Washington-based consultancy, said in a recent report they thought it was unlikely that the administration would curtail exports given its promises to Europe. But they added that higher domestic gas prices could lead it to delay approvals and permits for new projects.

"The administration recognises the urgency of which the rest of the world is looking for US natural gas," said Charlie Riedl, executive director of the Center for Liquefied Natural Gas, a trade group. "Slowing that as a result of a winter of high prices here seems like a short-sighted geopolitical decision, and I would be surprised if this administration took that kind of action."

Automobiles

Half of Jeep sales in US to be electric by 2030

PETER CAMPBELL — LONDON

Half of all Jeeps sold in the US and every model in Europe will be zero emission by 2030, the off-road brand announced yesterday as it unveiled a bevy of new battery-driven models.

The Stellantis-owned nameplate will release four battery-only models by 2025, and plans to have electric models across its line-up by the end of the decade. The first electric model, the Avenger, will go on sale in Europe next year.

Stellantis, which also has the Ram, Alfa Romeo and Peugeot brands, plans to be fully carbon neutral by 2038.

Jeep has grown from producing niche off-roading models to historically one of the largest sport utility vehicle brands in the world, but still needs to cater for motorists who take their vehicles into the wildernesses that dominate its North American heartland.

In the US, the brand will install solar-replenished chargers in remote locations to allow owners to complete popular off-road trails without being stranded, boss Christian Meunier said.

The chargers, which will feature in at least 80 locations, would be exclusively for Jeep owners initially, he said.

This gave customers the "opportunity to drive in silence in nature", Meunier added, saying he hoped it would accelerate the uptake in North America, where electric sales lag far behind Europe.

In Europe, which is significantly ahead of the US in the shift towards electric cars, Jeep only sells hybrid models today, aside from in Italy, which will shift away from engine-only vehicles by the end of next year.

"We're anticipating the end of the engine in Europe," Meunier told the Financial Times.

Its European line-up might include a hydrogen model by 2030, he added, with a final decision not yet taken. Stellantis is developing hydrogen commercial vehicles, and may introduce the technology to its other models in time. "I'd love to have a hydrogen Jeep [in the line-up]", added Meunier.

The first model, the Avenger, will be made at its existing plant in Poland. Jeep will launch the new Recon and an electric version of its Wagoneer in North America and Europe by 2025, and has yet to reveal details of the final electric model planned before the middle of the decade.

The business expects to manufacture the Recon and Wagoneer in North America, though it has not announced which plants will manufacture them.

Automobiles

Ford unveils e-version of Transit delivery van

PETER CAMPBELL — LONDON

Ford has announced the electric version of its best-selling European delivery van, as the carmaker prepares to shift from selling vehicles with traditional engines in the region by 2035.

The E-Transit Custom will go on sale late next year with a range of about 380km, the company said yesterday.

The US carmaker must convince its army of van drivers to take up the battery version for Ford to keep its position as market leader in the region.

When the company polled more than 1,000 customers during the vehicle's development, range and charging time were the most common concerns raised, said Ted Cannis, head of Ford Pro, which manages the services and software for commercial vehicle customers.

The diesel Transit Custom is a key driver of profits for Ford as its best-selling van in Europe and the most sold vehicle of any type in the UK last year.

The brand expects to sell only electric passenger cars in Europe by 2030 and aims to phase out the sale of diesel vans in the region by 2035, but it will continue offering diesel and hybrid versions of its Transit range for the time being.

Countering customer concerns will be key to the success of the new model.

"There are a lot of fuel garages I can fill up within five minutes . . . but charging can take up to an hour," said Aaron, an emergency plumber and a Ford Transit owner who appeared in a video about the new electric model.

Antonia, a fleet manager in the video, said that she was "quite nervous in terms of range" and that battery vehicles were "a massive investment to make". After speaking to customers, Ford made several changes to the vehicle, including lowering the height of the van to below 2 metres and redesigning the wing mirrors to reduce drag.

But the company is still beholden to the public charging networks. Ford, unlike Tesla, does not have its own network of chargers, but did invest in the Ionity charging group alongside Volkswagen, BMW and Mercedes-Benz.

Instead, the group is trying to use its in-house Ford Pro service to combat the woes of relying on public chargers that can be unreliable. The system tells drivers which chargers are working and allows them to pay for charging at any without the need for separate apps.

The new Transit Custom also features a fast-charging setting that allows 38km of range in five minutes, which Ford hopes will alleviate concerns over the need to "splash and dash".

Shipping prepares for squall despite once-in-a-lifetime boom conditions

Profits have been 'intoxicating' but the cycle appears to have peaked with freight rates down a third

RICHARD MILNE
NORDIC AND BALTIC CORRESPONDENT

In three years, the container shipping industry will have made as much money as the previous six decades.

Propelled by soaring demand after the pandemic, operators have enjoyed a level of profitability that few in the volatile sector could have dreamt of.

Container shipping groups from Mediterranean Shipping Company and AP Møller Maersk to CMA CGM and Hapag-Lloyd have experienced a once-in-a-lifetime boom.

"Earning the money they have done in the past two years is intoxicating," said Simon Heaney, a senior manager at Drewry, the shipping research group. Drewry forecasts that the industry's profits for 2021-23 will equal the amount it made between the 1950s, when container ships were first built, and 2020.

"It's something you see once in a lifetime, maybe not even that," said Rolf Habben Jansen, chief executive of Hapag-Lloyd, the German carrier that is the industry's fifth largest by capacity.

But the container shipping cycle appears to have peaked.

Port congestion is still high, which has forced up prices and helped profits, with ports such as Felixstowe in the UK hit by strikes. Yet freight rates have fallen by about a third and profitability is set to decline next year, analysts believe.

On top of that, fears abound of sky-high inflation and possible recessions in many western countries.

How will an industry used to boom-bust cycles react and cope? Have container shipping companies used the good times well enough to prepare for squallier conditions?

Container shipping companies are the prime agents of globalisation, transporting goods from shoes to food across the oceans, particularly from manufacturers in Asia to consumers in Europe and the US.

After the first wave of Covid in 2020, container shipping groups and consumer goods companies alike were surprised at the sharp rebound in spending, particularly online.

Drewry estimates that the industry made an operating profit of $7bn in 2019 and $26bn in 2020. But in 2021, as companies paid ever higher rates to get the goods they needed, operating profits rose to $210bn, and they are forecast to reach $270bn this year.

Søren Skou, Maersk chief executive, said: "I certainly hope we will not see a pandemic of this nature again, certainly in my lifetime. It's been a dramatic period. We are looking forward to a more normalised world. We believe we have used this period to build a much better business."

Carriers have used the bumper profits to repair their balance sheets, many of which were still stricken after the financial crisis brought an end to high levels of growth.

Heaney said that in 2020, many carriers still had balance sheets that Drewry classified as "red", while now, nearly all were "green".

Many of the larger groups, such as the big three of MSC, Maersk and CMA CGM, have used their soaring profits to move more into logistics, hoping to build a reasonable counterweight to their more volatile shipping businesses.

Maersk has made numerous land-based acquisitions, culminating in December's $3.6bn purchase of Li & Fung's contract logistics business in Asia. Revenues at its logistics business have more than doubled in the past two years, although they remain about a fifth of the level of its container business.

Shareholders have benefited from the boom, with exceptional dividends and buybacks from some of the listed groups.

"Shareholders have helped us through 10 years of crisis, putting money in, and now they get rewarded for that," said Jansen.

The performance of shipping groups in a downturn might be undermined by their use of record earnings to buy more ships.

Vessels normally take two to three years to be delivered, meaning many will arrive in what are expected to be very different economic conditions, a curse of the industry.

The capacity of ships on order compared with the current capacity at sea has risen from a low of 8 per cent in 2020 to 28 per cent, according to data specialist Alphaliner.

"I think carriers will regret how they have added capacity this year," said Heaney. "If a recession comes and demand for containers drops off much quicker than we are anticipating, then it will speed up recovery for ports and the release of capacity. There are lots of new builds arriving. There is a risk of large-scale overcapacity next year."

Jansen said he hoped container shipping companies would be more rational in this downturn than previous ones, but conceded that he did not know for sure.

"This industry has always been cyclical. I don't think that will change."

One difference from previous downturns is that the industry is more consolidated, with the biggest participants having more scale and being part of networks with other carriers that allow them to tweak capacity jointly.

Jansen said Hapag-Lloyd lost $7mn a day in revenues at the start of the pandemic, concentrating the mind.

"You see the hits you get if something goes wrong are bigger, so it maybe makes you more conservative. The sheer magnitude of these numbers makes us probably act a bit quicker," he said.

In Copenhagen, Skou is concerned about Europe, where consumer confidence is low, war is raging in Ukraine and imports have fallen back to pre-pandemic levels.

Still, the Maersk chief executive is relatively confident, as he expects the chronic supply chain congestion to start to ease at the end of this year.

He said: "I don't see a hard landing for Maersk. If demand drops a lot, we will have to adjust the capacity . . . I know how we're going to act in a slowdown situation. What matters for global container shipping is not how many ships exist but how much capacity is deployed compared to the demand out there."

He pointed to more and more customers signing long-term contracts, locking in high freight rates, as well as its push into logistics helping to "substitute" for some of the earnings it is likely to lose in shipping.

Carriers also have tools at their disposal to reduce capacity through scrapping or idling vessels, pushing back deliveries of new ships and cancelling sailings.

Scrapping fell to zero in the past few years as carriers pressed all vessels into service, but with new environmental standards coming into force there is likely to be more.

There are few certainties, especially in an industry with a tradition of acting irrationally. Heaney said analysts at Drewry were split on whether it would be different this time.

"I'm pessimistic that carriers have changed their behaviour completely," he said.

"They are better equipped than previously. The odds are better than they have been."

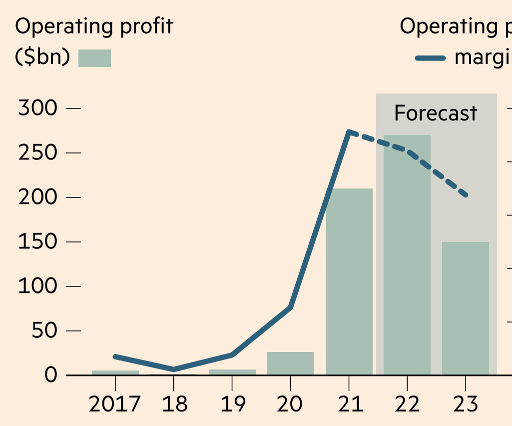
The industry and analysts alike are forecasting a gradual normalisation.

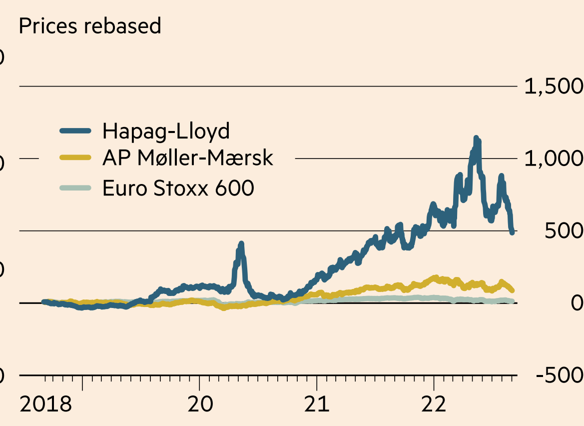
Earnings next year are likely to be lower but still well above the pre-pandemic level. Supply chain woes provide a support even as freight rates and volumes fall.

But the danger is that a sudden economic slowdown in the developed world leads to a sharp reversal that unblocks supply chains and ports quicker than expected, which would be bad for profits as the forces that led to sky-high prices could unwind quickly.

Heaney said: "It's the beginning of the end [of the boom]. But it's not going to be an overnight thing. There are no guarantees at the moment."

A section of the Port of Philadelphia. The sector's profits for 2021-23 are forecast to equal the sum made between the 1950s and 2020, but fears are growing over inflation and potential recession Matt Rourke/AP





Sources: Drewry Maritime Research; Refinitiv; S&P Capital IQ

$270bn
Sector's projected operating profit for this year, against $7bn in 2019

28%
Capacity of ships on order compared with the current capacity at sea

> 'We are looking forward to a more normalised world. We believe we have used this period to build a much better business'

Energy

Spending by Big Oil fails to square with green boasts, study shows

CAMILLA HODGSON

Spending by five of the biggest oil and gas groups on measures to lower carbon emissions is at odds with the proliferation of green claims in their public statements, according to new research.

Sixty per cent of more than 3,000 public messages from BP, Shell, Chevron, ExxonMobil and TotalEnergies published during 2021 contained green claims, the independent think-tank InfluenceMap found. But they were expected to allocate a little more than 10 per cent of their capital expenditure to low-carbon investments this year.

The companies, except BP, were forecast to increase their oil and gas production between 2021 and 2026, according to estimates from third- party data provider Asset Resolution.

Green claims included communications on reducing emissions, moving to a cleaner energy mix and promoting fossil fuels as climate solutions. For example, discussions about "carbon neutral" liquefied natural gas.

There was a "systemic misalignment between the companies' business models and how these are being represented to the public", InfluenceMap said.

The five companies were "spending huge amounts of time and money talking up their 'green' credentials, while their business investments and lobbying activities tell a very different story", said InfluenceMap's programme manager Faye Holder.

> InfluenceMap points to 'misalignment between the business models and how these are represented'

Regulators are increasingly scrutinising the environmental claims made by companies and financial institutions, seeking to root out "greenwashing". Climate-related litigation is increasing, and numerous US oil majors are being sued for allegedly misleading the public.

The analysis covered 3,421 public communications, including company and executive social media accounts, press releases and speeches, from 2021 and used cost estimates in its calculations for total spending.

It found that 60 per cent of the messages contained at least one green claim, while a quarter promoted fossil fuels as patriotic due to the energy crisis, pragmatic or important for the economy and local communities. However, the five companies' financial disclosures indicated that they planned to allocate an average of just 12 per cent of their capital expenditure to low-carbon activities in 2022, InfluenceMap said.

TotalEnergies included certain gas-fired power in its "renewables & electricity" category, while ExxonMobil, Chevron and BP included hydrogen spending in their low-carbon investment plans. However, they did not disclose whether the hydrogen would be made from fossil fuels or clean energy.

All except TotalEnergies are members of industry lobby group the American Petroleum Institute, which has been a critic of tougher climate-related laws.

Natasha Landell-Mills, head of stewardship at asset manager Sarasin & Partners, said the research "paints a picture of a corporate effort to block more robust climate action".

Shell said it was investing billions in "lower-carbon energy" and that it was important to tell customers about it.

ExxonMobil said although investments in lower-emission solutions were "relatively small", it anticipated "a tripling of investment by 2025".

Technology

EU targets 'internet of things' product makers

JAVIER ESPINOZA — BRUSSELS

Makers of "internet of things" products, such as smart kettles and fridges, and software developers will face heavy fines if they do not meet tough rules aimed at averting cyber attacks, according to draft EU legislation to be revealed next week.

Companies will have to obtain mandatory certificates that show they are meeting the basic requirements of cyber safety that minimise the risk of attacks, according to a confidential document seen by the Financial Times.

Those that fail to comply will be fined up to €15mn or 2.5 per cent of the previous year's global turnover, whichever is higher.

The new rules will also give the European Commission, the executive arm of the EU, powers to recall and ban products that are not compliant.

A study by EU regulators showed that only half of relevant companies applied adequate safeguards against cyber attacks.

The size of the market for hardware makers is roughly 23,000 companies with a combined annual turnover of €285bn and around 370,000 software makers with a total yearly turnover of €265bn.

The research also found that two-thirds of cyber attacks came from previously detected breaches that makers had failed to fix — something the new rules would require for products to be granted access to the EU market.

"Hardware and software products are increasingly subject to successful cyber attacks, leading to an estimated global annual cost of cyber crime of €5.5tn by 2021," the confidential paper marked as "sensitive" said.

Under the proposed rules, which are expected to become law by 2024, internet of things makers need to inform authorities and consumers about attacks and must be able to put in place quick fixes, the proposals state.

Legislators said in the draft proposals that "smart" products suffered from "a low level of cyber security".

If implemented, the measures would be the first EU regulations that would affect all sectors where there was a digital component to counter the threat of cyber attacks, people briefed on the matter said.

Automobiles

Amazon-backed EV maker in Mercedes tie-up

PETER CAMPBELL — LONDON

Amazon-backed electric vehicle maker Rivian has forged a deal with legacy carmaker Mercedes-Benz to make battery delivery vehicles in Europe.

The start-up, which has struggled with production in the US, will share costs on a factory with the German carmaker's van unit, giving it a production toehold in the world's second-largest electric vehicle market.

The pair plan to build a facility at an existing Mercedes factory in central or eastern Europe to manufacture two new electric vans, one for each brand.

The project "can move quicker if we do it together" said Mercedes-Benz Van chief executive Mathias Geisen. This marks the first international expansion for Rivian, which builds vans, pick-up trucks and sport utility vehicles in Illinois. The company in March halved production estimates for this year because of supply chain issues.

The new Rivian van will be based on the current model, which is being produced for Amazon in the US, and will be sold in Europe. Mercedes will produce a new battery electric van at the plant as well.

"Together we will produce truly remarkable electric vans which will not only benefit our customers but the planet," said Rivian founder and chief executive R.J. Scaringe.

The timescale for the plant and vehicles has not been decided, but the facility is not likely to begin production until after 2025. Neither company detailed costs of the project. Rivian plans to build a separate factory in mainland Europe or the UK to manufacture its passenger vehicles. It will carry two lines, one for each company, with plans for savings through joint purchasing and other synergies. The companies will also have one paint shop and assembly line within the factory, and are working to establish what other parts of the process can be combined to save costs.

Full details about the site, which may be at the current Mercedes facility in Hungary, as well as the timings, are expected "very soon," said Geisen.

"We are sharing investment and technology because we also share the same strategic ambition: accelerating the electrification of the van market with sustainable and superior products."

Fixed income. Private credit

Banks look to sell Citrix buyout debt to 'gun-shy' investors

Wall St lenders vulnerable to big losses after agreeing to fund $16.5bn deal before slowdown

ERIC PLATT — NEW YORK

Bankers on Wall Street have embarked on a high-stakes attempt to offload a $15bn financing package to investors in a significant test of whether creditors are willing to lend to risky businesses as the economy slows and interest rates rise.

Bank of America, Goldman Sachs and Credit Suisse were yesterday held calls to drum up investor interest in one part of the package — a $4.55bn loan — to fund the $16.5bn leveraged buyout of software company Citrix, according to people briefed on the plans.

The banks are expected to generate significant losses after agreeing to finance the takeover of Citrix by Vista Equity Partners and Elliott Management.

The deal was struck in January before borrowing costs started to surge, and attempts to offload the debt to other investors during the summer were delayed after the banks struggled to generate enthusiasm.

Bankers have spent the ensuing months retooling the financing package to make it more appealing to investors and are being forced to use their own balance sheet to provide part of the equity cheque to Vista and Elliott.

"It really will be a signal of [how] the market values . . . risk," said John McClain, a portfolio manager at Brandywine Global. "Investors are a little bit gun-shy. You see private credit taking a step back after licking a couple of wounds."

Borrowing costs have surged for junk-rated US companies

Average yield on the ICE BofA US high-yield index (%)

Bankers were using yesterday's calls to explain how they think they can finance the deal.

The vast majority of the $4.55bn loan will be denominated in dollars with the rest in euros, the people said.

The banks have told investors that the order book for the US dollar loan is almost full with 40 creditors offering to lend $4bn, according to three people briefed on the negotiations.

However, to attract those investors, the banks will have to offer the loan at a significant discount.

They are hoping to price it at 92 cents on the dollar with an interest rate of 4.5 percentage points above Sofr, the floating interest rate benchmark.

That is a much bigger discount than has been recently typical for a deal like the buyout of Citrix.

For instance, Hellman & Friedman and Bain Capital secured in January a $5.9bn term loan to fund their $17bn buyout of Athenahealth.

It had an interest rate of 3.5 percentage points above Sofr and priced at 99.5 cents on the dollar.

However, investors are warning the discount could still increase as bankers finalise the deal depending on the level of appetite.

In addition to the loan, the banks are expected in the coming days to start marketing a multibillion-dollar secured bond with a yield of up to 9 per cent, the people said.

That is higher than the average yield on junk debt that traded hands on Wednesday — which stood at 8.47 per cent, according to Ice Data Services — and underscores the concessions investors are demanding to get on board.

The loan and secured bonds will be supplemented by junior credit as well as loans the banks plan to make themselves after struggling to find investors to take on the risk.

Sunnier days: the deal for Citrix was struck in January before borrowing costs started to jump
David Paul Morris/Bloomberg

> 'It really will be a signal of how the market values risk'

The size of the discounts that the banks must ultimately offer will determine the magnitude of their losses, with estimates ranging from the hundreds of millions of dollars to roughly $1bn.

Bank of America, Credit Suisse, Goldman Sachs, Elliott and Vista declined to comment.

The struggle the banks have had in offloading the Citrix debt is likely to influence their willingness to fund future private equity buyouts.

Bankers and investors said the terms of new funding packages have become much less advantageous for acquiring companies, reflecting the volatility buffeting financial markets and a sharp increase in borrowing costs after the US Federal Reserve embarked on a string of interest rate rises.

Companies, including those with investment grade credit ratings, are now racing to lock in long-term financing ahead of further rate rises.

On Tuesday, 19 companies including Walmart, McDonald's, Nestlé and Union Pacific raised more than $35bn of debt, according to strategists at Bank of America.

"As we look over the next 24 months our goal is to understand what cumulative defaults will look like," said Adam Abbas, co-head of fixed income at Harris Associates.

"I can't remember a period over the past 10 years other than Covid when . . . there were a wider set of [possible] outcomes for the economy," he added.

Additional reporting by Antoine Gara and Ian Johnston

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Insurance

Lloyd's set for £1.25bn hit from war in Ukraine

IAN SMITH
INSURANCE CORRESPONDENT

Lloyd's of London is braced for a £1.25bn hit from the grounded planes, stranded cargoes and bad debts caused by Russia's war in Ukraine as the specialist insurance market starts to feel the losses caused by the conflict.

John Neal, Lloyd's chief executive, said there was still significant uncertainty over the level of insurance claims from Ukraine but the market had a good idea of the exposed areas so far and had calculated a "very firm financial reserve".

"Our view has always been — get your arms around what you think the loss could be and reserve it," Neal told the Financial Times, pointing out that only 4 per cent of expected claims had been received.

A big part of the uncertainty comes from a legal struggle between aviation insurers and their policyholders, which has meant some insurers have shied away from predicting claims levels.

Aviation accounts for roughly a quarter of expected Lloyd's payouts, with losses also expected from insurance lines such as marine and credit.

Neal said the Ukraine war was not a "critical" event for the market itself, damping earlier fears of a multibillion-dollar loss. He predicted that Ukraine-related losses could reach £10bn to £15bn across the insurance sector.

> Lloyd's became the latest employer to help lower-earning staff cope with the cost of living crisis

Lloyd's also has to cope with a growing list of sanctions arising from the war where restricting access to the global insurance market is being used as a key policy tool against Moscow.

The market, which published aggregate half-year figures yesterday, said it had taken £1.1bn of the Ukraine hit, net of reinsurance, in the first half.

Despite that, it posted an underwriting profit — an aggregate figure for the more than 50 insurers that operate in the market — of £1.2bn, up from £1bn in the same period last year.

Its combined ratio, which measures claims and expenses as a proportion of premiums, was 91.4 per cent, its best level since 2015 and helped by lower expenses and an upswing in insurance prices that has stretched for five years.

After a huge sell-off in bond markets from rising interest rates, Lloyd's took a £3.1bn mark-to-market loss on its investments that left it with an overall pre-tax loss of £1.8bn.

Neal stressed the loss would unwind and that higher yields would deliver investment returns of £3bn a year in 2023 and 2024.

Lloyd's became the latest employer to help lower-earning staff cope with the cost of living crisis. It is paying £2,500 to employees earning below £75,000 and will backdate a previously agreed pay award for three extra months, it told staff on Wednesday.

Equities

Naspers moves $7.6bn Tencent stake to HK clearing system ahead of selldown

PRIMROSE RIORDAN AND GLORIA LI
HONG KONG
JOSEPH COTTERILL — JOHANNESBURG

South Africa's Naspers internet group has moved a $7.6bn chunk of its stake in Tencent to Hong Kong's clearing and settlement system to smooth future sales of the shares to fund a stock buyback.

Naspers, Tencent's biggest shareholder, said in a statement that it had moved the block of 192mn shares "to enable . . . market trading of such shares, in an orderly way . . . over time", and that it had sold 1mn of the shares yesterday, reducing its stake to below 28 per cent.

The move comes two months after Prosus, the company's Amsterdam-listed international investment arm, abandoned its pledge not to sell stock in one of China's most valuable companies, to fund an open-ended buyback to support its own struggling share price.

Global investors are cutting their holdings in Chinese technology stocks following a government crackdown and regulatory onslaught that has bruised the sector. The S&P China Tech 50 index, which tracks the 50 largest Chinese companies in the sector, is down 36 per cent over the past 12 months.

SoftBank sold the bulk of its stake in Alibaba in August, while Warren Buffett's Berkshire Hathaway has lowered its holdings in Chinese electric carmaker BYD.

Naspers' warning that it would sell its Tencent stake has weighed on the group, with the company's shares declining more than 20 per cent since a June peak. Tencent's shares closed down about 3 per cent yesterday.

Tencent itself has been selling down its stakes in tech companies

When Naspers announced the open-ended buyback in June it said it would manage the sales of Tencent shares to be gradual and to represent "a small percentage of average daily traded volume of Tencent shares".

The 192mn shares were placed in Hong Kong's Central Clearing and Automated Settlement System on Wednesday. Shares are usually put in the clearing system before being sold.

Naspers is attempting to narrow a gap between the valuations of its listed vehicles and that of its Tencent stake through the repurchases.

The Chinese tech group reported its first decline in quarterly revenues for the period ending in June after advertising revenue shrank 18 per cent.

Beijing's crackdown on the tech sector has come as growth in the world's second-largest economy has been dragged down by a crisis in the property sector and rolling Covid-19 lockdowns.

Tencent itself has been selling down its stakes in tech companies such as JD.com and Singapore's Sea. The company has outlined a soft target of divesting about Rmb100bn ($14.4bn) this year, depending on market conditions.

Asset management

BlackRock rejects Republican claim of climate activism threat to fiduciary duty

BROOKE MASTERS — NEW YORK

BlackRock has hit back at Republican politicians for what it calls their "misconceptions" about its approach to climate change, arguing that its efforts are "entirely consistent" with a duty to maximise investor returns.

The world's largest money manager has been under concerted attack for its use of environmental, social and governance factors in investing. It has become a target because chief executive Larry Fink has been outspoken about the need to address global warming.

Nineteen state attorneys-general, all of them Republicans, sent a letter to BlackRock last month accusing it of prioritising "activism" over fiduciary duty to their state pension funds.

"Our states will not idly stand for our pensioners' retirements to be sacrificed for BlackRock's climate agenda," they wrote in the letter, which was led by Arizona attorney-general Mark Brnovich.

New York-based BlackRock responded this week, writing to the attorneys-general: "Climate change is testing the resilience of many industries and businesses. As prudent risk managers and stewards of our clients' assets, it is imperative that we seek to understand and assess how these risks and opportunities will impact the companies in which we invest."

BlackRock, with $8.5tn in assets under management, was also the lone US company on a list of money managers singled out last month for potential divestment by the Texas comptroller because they allegedly "boycott" the fossil fuel industry. Several other states are considering similar moves.

> 'We do not dictate to companies what specific emission targets they should meet'

The money manager denied boycotting fossil fuel, arguing that its $170bn of investments in US energy companies were "completely at odds with any notion of a boycott".

It said its main goal when it came to climate change was "transparency . . . We ask companies to provide disclosures on material issues that impact their businesses so that investors can make informed decisions."

When voting against management in shareholder resolutions, BlackRock wrote: "Our votes are not cast to 'penalise' companies. Quite the opposite: our votes are cast with a view to achieving the best long-term value for those companies and their shareholders."

The asset manager has also been criticised by environmental activists this year for pulling back on its support for US shareholder proposals on environmental and social issues.

Saying the proposals had become too prescriptive, BlackRock voted in favour of them just 24 per cent of the time, down from 43 per cent last year.

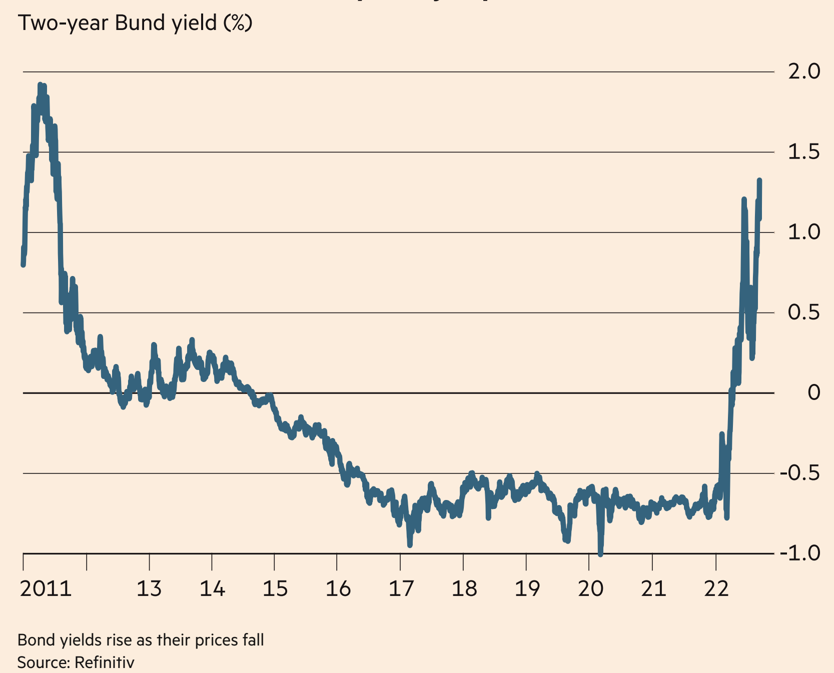
BlackRock also rolled out a "voting choice" programme that allows institutional money managers, including state pension funds, to choose how to vote their own shares at annual general meetings. "We do not . . . dictate to companies what specific emission targets they should meet or what type of political lobbying they should pursue," BlackRock wrote to the attorneys-general.

Brnovich's office did not respond to a request for comment.

The day in the markets

What you need to know

- Eurozone bonds slide after ECB raises interest rates
- US stocks mixed following Powell's reiteration of hawkish messaging
- FTSE 100 gains but pound weakens as Truss announces energy package



Short-dated German bond yields jump
Two-year Bund yield (%)

Bond yields rise as their prices fall
Source: Refinitiv

Eurozone bonds sold off yesterday after the European Central Bank raised interest rates by 0.75 percentage points and the chair of the US Federal Reserve reiterated hawkish rhetoric.

Germany's two-year Bund yield, which is sensitive to changes in interest rate expectations, jumped 28 basis points to 1.37 per cent, touching its highest level since 2011, according to Tradeweb data.

The 10-year Bund yield, seen as a proxy for eurozone borrowing costs, added 17bp to 1.74 per cent.

Those moves came after the ECB raised interest rates to 0.75 per cent, having lifted rates in July for the first time in more than a decade by 0.5 percentage points to zero.

Rate-setters also committed to further rises in borrowing costs, underscoring the central bank's determination to stamp out inflation ahead of economic growth.

"The rate hikes will further raise borrowing costs of peripheral countries and tighten financial conditions, which may deepen the recession," said Willem Sels, global chief investment officer at HSBC Private Banking. "The ECB must have judged that this is the price to pay for crushing the inflation dragon."

Inflation reached a record 9.1 per cent in the eurozone in the year to August.

"We should not underestimate the importance of the signal, it's a highly symbolic, if not historic, decision," said Frederik Ducrozet, head of macroeconomic research at Pictet Wealth Management. "There was never such a large move in rates. It's a reflection of the change in the reaction [to inflation]."

Elsewhere in bond markets, the yield on the two-year Treasury note added 5bp to just under 3.5 per cent after Fed chair Jay Powell said the US central bank needed to act "forthrightly" to ensure high inflation did not become entrenched.

US equities moved between gains and losses yesterday with Wall Street's broad S&P 500 gauge up 0.1 per cent by lunchtime in New York and the technology-heavy Nasdaq Composite down 0.2 per cent.

Across the Atlantic, the pan-regional Stoxx Europe 600 rose 0.5 per cent.

London's FTSE 100 added 0.3 per cent on the day that Prime Minister Liz Truss announced an estimated £150bn package to shield Britain from soaring energy prices.

In currencies, the euro slipped 0.3 per cent lower to trade just below parity with the dollar at $0.997.

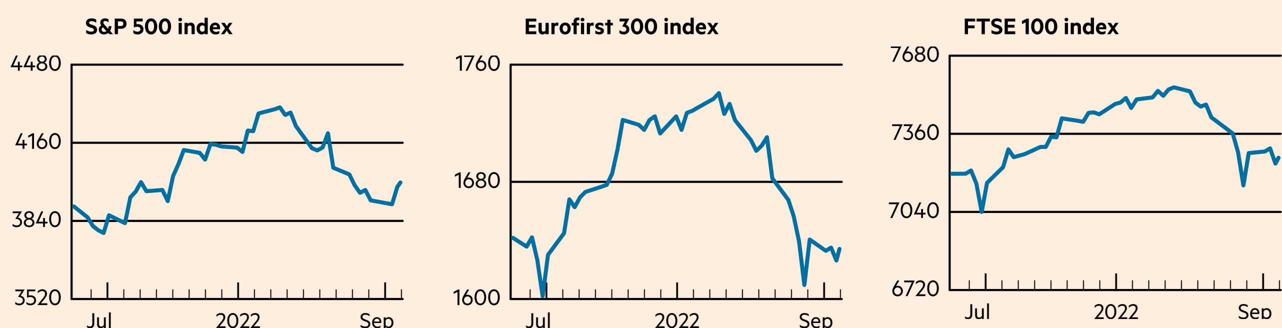
The pound also lost 0.4 per cent against the dollar to $1.148. **Ian Johnston**

Markets update

	US	Eurozone	Japan	UK	China	Brazil
Stocks	**S&P 500**	**Eurofirst 300**	**Nikkei 225**	**FTSE100**	**Shanghai Comp**	**Bovespa**
Level	3997.49	1634.22	28065.28	7262.06	3235.59	108776.11
% change on day	0.44	0.49	2.31	0.33	-0.33	-0.90
Currency	**$ index (DXY)**	**$ per €**	**Yen per $**	**$ per £**	**Rmb per $**	**Real per $**
Level	109.531	0.996	143.975	1.149	6.963	5.221
% change on day	-0.281	0.101	-0.360	0.174	-0.108	-0.524
Govt. bonds	**10-year Treasury**	**10-year Bund**	**10-year JGB**	**10-year Gilt**	**10-year bond**	**10-year bond**
Yield	3.287	1.714	0.247	3.143	2.632	12.457
Basis point change on day	0.780	14.300	0.420	11.300	0.800	-17.500
World index, Commods	**FTSE All-World**	**Oil - Brent**	**Oil - WTI**	**Gold**	**Silver**	**Metals (LMEX)**
Level	402.95	89.06	83.55	1702.65	18.17	3599.40
% change on day	0.60	-0.18	0.48	0.00	-1.22	-0.84

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	Regeneron Pharmaceuticals	17.81	Caixabank	6.25	Antofagasta	4.16
	Freeport-mcmoran	5.57	Unicredit	6.02	Pershing Square Holdings Ltd	2.90
	Albemarle	3.85	B. Sabadell	5.58	Standard Chartered	2.77
	Invesco Ltd	3.83	Deutsche Bank	5.28	Experian	2.71
	Edwards Lifesciences	3.65	Erste Bank	4.82	Ocado	2.37
Downs	Mccormick &	-7.35	Telecom Italia	-5.15	Melrose Industries	-9.34
	Campbell Soup	-3.23	Fresen.med.care	-3.50	Associated British Foods	-7.56
	Williams Companies	-2.68	Porsche	-2.99	B&m Eur Value Retail S.a.	-5.02
	Kellogg	-2.27	Continental	-2.76	Tesco	-4.77
	Paccar	-2.11	Galp Energia	-2.66	Sainsbury (j)	-4.54

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

Electric truck and van maker **Rivian** rallied on news that it had signed a memorandum of understanding with Germany's Mercedes-Benz.

The groups plan to operate a factory in Europe to manufacture large electric vans for both brands, starting in a few years.

Promising clinical trials sent biotech group **Regeneron** rallying.

Two studies showed its treatment Eylea, developed with Germany's Bayer, improved vision with less frequent injections in patients suffering from two types of eye diseases.

An earnings miss left **McCormick & Co** lower with the spices and seasoning specialist posting earnings of 65 cent per share for its fiscal third quarter, which missed the Refinitiv-compiled estimate of 83 cents.

It trimmed its full-year outlook, expecting sales to grow 3 to 5 per cent on a constant currency basis, down from a previous forecast of 5 to 7 per cent.

Lawrence E. Kurzius, chief executive, said "the normalisation of our supply chain costs is taking longer than expected, pressuring gross margin".

Biopharma group **Amyly** surged after the Food and Drug Administration's advisory committee supported the approval of its experimental treatment for ALS, a rare neurodegenerative disease. *Ray Douglas*

Europe

Swedish real estate group **SBB** rallied on news that it had signed a letter of intent to divest a property portfolio valued at around SKr9bn ($840mn).

Further details were scant other than the buyer was an "institutional investor", it said.

Belgium's **Barco**, which sells monitors, projectors and image-processing equipment, climbed on signs that it was "turning the corner in its recovery from the pandemic", said KBC Securities.

"Strong demand for its product solutions drove sales to exceed pre-pandemic levels in the second quarter," said the broker.

This assessment came as Barco hosted its capital markets day in which the group reconfirmed its full-year outlook that aimed for 25 per cent topline growth compared to 2021. Over a longer three-year period, its management forecast an organic topline compound annual growth rate in the high single-digits.

A gloomy forecast by Berenberg weighed on **Zalando**.

The broker lowered its target price for the German online fashion retailer, noting that the consumer environment was "likely to get tougher over the all-important winter months".

This coincided with high inventory levels that risked a further squeeze on gross margins, said analysts. *Ray Douglas*

London

Cyber security group **Darktrace** dived after confirming that its takeover talks with Thoma Bravo had ended.

Discussions with the US private equity firm were first announced in mid-August following news that Darktrace had received a number of unsolicited, preliminary proposals.

"But an agreement could not be reached on the terms of a firm offer," said the group.

A profit warning pushed **Associated British Foods** sharply lower with the Primark owner saying its operating profit margin for the next financial year would be lower than the second half of this year.

Despite the weaker pound and higher energy costs, ABF said it would not carry out further price rises in 2023 as it tried to protect its "core proposition of everyday affordability and price leadership".

Susannah Streeter, senior analyst at Hargreaves Lansdown, said ABF clearly did not "want to put its value tag at risk when the fight for shoppers is set to intensify in the months to come".

Animal genetics company **Genus** surged following a robust performance for the year ending June 30.

Excluding its pigs business in China, which suffered from Covid disruption and overstocking issues, adjusted pre-tax profit jumped 25 per cent on a constant currency basis. *Ray Douglas*

Macro models only provide an illusion of knowledge

Howard Marks

Markets Insight

In the investment management business, it is standard practice to come up with macro forecasts and bet clients' money on them. And, these days, it seems as if investors hang on forecasters' every word.

While I've long expressed my disregard for this, I believe it is now important to consider why making helpful macro forecasts is so difficult.

Forecasters have no choice but to base their judgments on models, be they complex or informal, mathematical or intuitive. Models, by definition, consist of assumptions: "If A happens, then B will happen." In other words, relationships and responses. When I think about modelling an economy, my first reaction is to consider how incredibly complicated this task is.

To predict the path of the US economy, you have to forecast the behaviour of hundreds of millions of consumers, plus millions of workers, producers and intermediaries. A real simulation would therefore have to deal with billions of interactions, including those with suppliers, customers and other market participants around the globe.

Clearly, this level of complexity necessitates the use of simplifying assumptions. For example, it would make modelling easier to be able to assume that consumers won't buy B in place of A if B isn't either better, cheaper (or both). But what if consumers are attracted to the prestige of B despite (or even because of) its higher price?

Further, a model will have to predict how each group of participants in the economy will behave in a variety of environments. But consumers may behave one way at one moment and a different way at another similar moment. That's largely because participants' behaviour is influenced by their psychology, which can be affected by qualitative, non-economic developments. How can those be modelled?

Additionally, how can a model be comprehensive enough to deal with things that haven't been seen before or in modern times? Consider the Covid-19 pandemic. What aspect of a pre-existing model would have enabled it to anticipate the pandemic's impact?

Next, think about the limitations inherent in any attempt to predict something that can't be expected to remain unchanged. "Stationarity", the belief that the past is a statistical guide to the future, might be fairly assumed for the physical sciences. But few processes can be counted on to be stationary in the world of economics and investing.

> The bottom line for me is that forecasts can't be right often enough to be worthwhile

Even if investors manage to get an economic forecast correct, that's only half the battle. They still need to anticipate how that economic activity will translate into a market outcome. This requires an entirely different forecast, involving innumerable variables, many of which pertain to psychology and thus are practically unknowable.

So is it possible to create valuable macro forecasts? We can't answer this without first deciding whether we think the economic world is one of order or of randomness. Put simply, is it entirely predictable, entirely unpredictable or something in between? I believe it's in between. Thus, I believe that the output from an economic model may point in the right direction much of the time.

But it can't always be accurate, especially at critical moments such as inflection points . . . and that's when accurate predictions would be most valuable.

As I've long said, we have two types of forecasts: extrapolation forecasts, most of which are correct but unprofitable, as extrapolations are already reflected in market prices, and deviation forecasts, which are potentially very profitable but are rarely correct and thus generally unprofitable. The bottom line for me is that forecasts can't be right often enough to be worthwhile.

Yet macro forecasting goes on. I don't think of forecasters as crooks or charlatans. Most are bright, educated people who think they're doing something useful. But self-interest causes them to act in a certain way and self-justification enables them to stick with it in the face of evidence to the contrary.

Many will blame unsuccessful forecasts on having been blindsided by random occurrences or exogenous events. But that's the point: why make forecasts if they're so easily rendered inaccurate?

Ultimately, we can't know the future, so the proper goal of the investor is to do the best possible job in the absence of that knowledge.

This means focusing on areas where one can gain a potential knowledge advantage, such as companies, industries and securities, and recognising the difference between forecasting where we're going and knowing where we are.

Howard Marks is co-founder and co-chair of Oaktree Capital Management and author of 'Mastering the Market Cycle: Getting the Odds on Your Side'

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Digital dexterity to compete, differentiate and grow at high-velocity Finance

Tuesday 18 October
09:00 - 11:00 EST / 14:00 - 16:00 BST / 15:00 - 17:00 CEST

Jason Daniels, Chief Digital Officer Digital, Data & Cloud, Fujitsu
Jennifer Thomson, Research Director European Services, IDC
Jason Maude, Chief Technology Strategist, Starling Bank
Visa Honkanen, Development Director, Helsinki University Hospital (HUS)

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MARKET DATA

WORLD MARKETS AT A GLANCE

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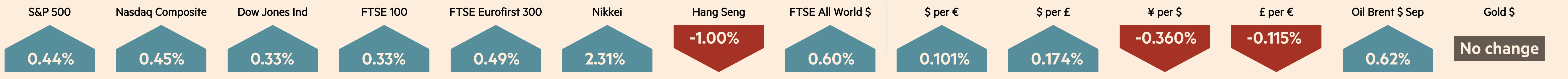
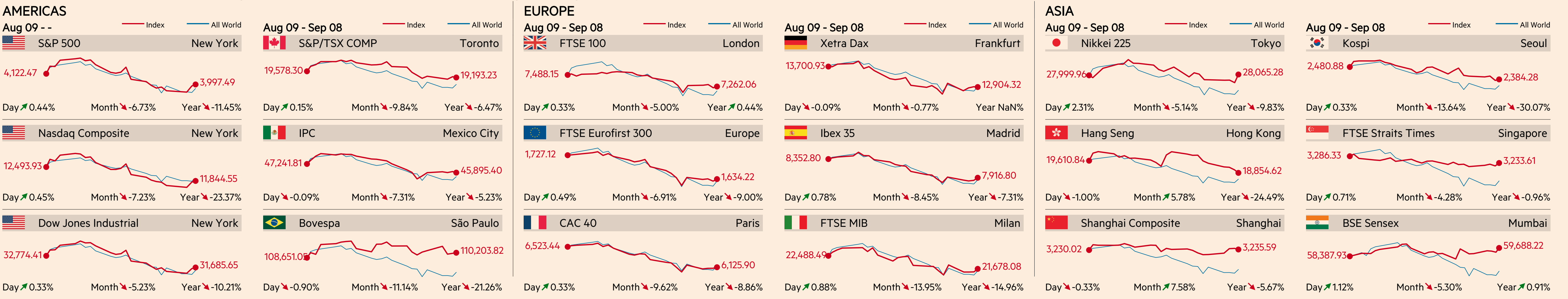
Change during previous day's trading (%)



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



Country	Index	Latest	Previous
Argentina	Merval	140642.06	141001.53
Australia	All Ordinaries	7085.30	6959.30
	S&P/ASX 200	6848.70	6729.30
	S&P/ASX 200 Res	5223.80	5153.80
Austria	ATX	2938.89	2904.77
Belgium	BEL 20	3623.21	3577.06
	BEL Mid	9410.27	9397.55
Brazil	IBovespa	108776.11	109763.77
Canada	S&P/TSX 60	1165.56	1163.43
	S&P/TSX Comp	19269.35	19241.44
	S&P/TSX Div Met & Min	1303.41	1316.10
Chile	S&P/CLX IGPA Gen	29843.31	29626.15
China	FTSE A200	10785.77	10826.16
	FTSE B35	9000.71	8988.96
	Shanghai A	3390.66	3401.82
	Shanghai B	311.48	313.13
	Shanghai Comp	3235.59	3246.29
	Shenzhen A	2201.47	2221.17
	Shenzhen B	1209.20	1208.09
Colombia	COLCAP	1261.61	1260.21
Croatia	CROBEX	2013.05	2011.29
Cyprus	CSE M&P Gen	68.46	68.68
Czech Republic	PX	1172.22	1152.96
Denmark	OMXC Copenahgen 20	1668.63	1648.15
Egypt	EGX 30	10232.29	10329.66
Estonia	OMX Tallinn	1786.84	1782.57
Finland	OMX Helsinki General	10473.98	10454.04
France	CAC 40	6125.90	6105.92
	SBF 120	4733.29	4718.66
Germany	M-DAX	25126.08	24996.30
	TecDAX	2955.01	2927.19
	XETRA Dax	12904.32	12915.97
Greece	Athens Gen	825.00	822.51
	FTSE/ASE 20	1984.55	1973.57
Hong Kong	Hang Seng	18854.62	19044.30
	HS China Enterprise	6436.60	6513.22
	HSCC Red Chip	3607.68	3644.84
Hungary	Bux	40863.94	41292.35
India	BSE Sensex	59688.22	59028.91
	Nifty 500	15440.70	15319.40
Indonesia	Jakarta Comp	7232.02	7186.76
Ireland	ISEQ Overall	6909.53	6880.25
Israel	Tel Aviv 125	2033.63	2053.20
Italy	FTSE Italia All-Share	23614.90	23435.68
	FTSE Italia Mid Cap	37062.12	36893.14
	FTSE MIB	21678.08	21489.36
Japan	2nd Section	7228.27	7239.06
	Nikkei 225	28065.28	27430.30
	S&P Topix 150	1683.51	1645.35
	Topix	1930.17	1935.49
Jordan	Amman SE	2480.21	2500.83
Kenya	NSE 20	1771.36	1763.40
Kuwait	KSX Market Index	6633.44	6603.51
Latvia	OMX Riga	1109.74	1107.73
Lithuania	OMX Vilnius	911.69	913.00
Luxembourg	LuxX	1372.57	1378.19
Malaysia	FTSE Bursa KLCI	1494.73	1491.35
Mexico	IPC	46015.19	46056.97
Morocco	MASI	12109.70	12140.72
Netherlands	AEX	674.40	671.27
	AEX All Share	922.36	917.51
New Zealand	NZX 50	11677.93	11548.30
Nigeria	SE All Share	49644.92	49991.41
Norway	Oslo All Share	1017.37	1006.88
Pakistan	KSE 100	41824.79	41766.05
Philippines	Manila Comp	6593.74	6554.08
Poland	Wig	49081.35	48883.67
Portugal	PSI 20	5965.70	5937.89
	PSI General	4713.50	4681.44
Romania	BET Index	11894.18	11928.73
Russia	Micex Index	2436.57	2445.30
	RTX	1245.71	1212.57
Saudi-Arabia	TADAWUL All Share Index	11863.81	11994.72
Singapore	FTSE Straits Times	3233.61	3210.83
Slovakia	SAX	344.57	347.40
Slovenia	SBI TOP	-	-
South Africa	FTSE/JSE All Share	67260.23	66715.83
	FTSE/JSE Res 20	60715.53	59942.44
	FTSE/JSE Top 40	60637.95	60174.38
South Korea	Kospi	2384.28	2376.46
	Kospi 200	309.12	308.16
Spain	IBEX 35	7916.80	7855.90
Sri Lanka	CSE All Share	9599.32	9447.27
Sweden	OMX Stockholm 30	1907.31	1897.76
	OMX Stockholm AS	755.36	750.09
Switzerland	SMI Index	10790.32	10805.16
Taiwan	Weighted Pr	14583.42	14410.05
Thailand	Bangkok SET	1640.00	1639.92
Turkey	BIST 100	3483.81	3402.81
UAE	Abu Dhabi General Index	9222.93	9251.11
UK	FT 30	2405.90	2426.40
	FTSE 100	7262.06	7237.83
	FTSE 4Good UK	6564.22	6541.62
	FTSE All Share	3990.56	3976.83
	FTSE techMARK 100	6167.44	6079.49
USA	DJ Composite	10874.63	10860.63
	DJ Industrial	31685.65	31581.28
	DJ Transport	13691.70	13737.97
	DJ Utilities	1049.28	1047.29
	Nasdaq 100	12314.69	12259.39
	Nasdaq Cmp	11844.55	11791.90
	NYSE Comp	14909.43	14844.57
	S&P 500	3997.49	3979.87
	Wilshire 5000	39935.14	39743.92
Venezuela	IBC	8953.47	8982.34
Vietnam	VNI	1234.60	1243.17
Cross-Border	DJ Global Titans ($)	431.54	430.17
	Euro Stoxx 50 (Eur)	3512.17	3502.09
	Euronext 100 ID	1187.99	1183.20
	FTSE 4Good Global ($)	9495.77	9454.53
	FTSE All World ($)	402.95	400.54
	FTSE E300	1634.22	1626.29
	FTSE Eurotop 100	3191.46	3177.85
	FTSE Global 100 ($)	2508.89	2499.76
	FTSE Gold Min ($)	1442.50	1420.18
	FTSE Latibex Top (Eur)	4440.00	4432.20
	FTSE Multinationals ($)	2607.12	2581.18
	FTSE World ($)	728.95	724.10
	FTSEurofirst 100 (Eur)	4264.26	4245.73
	FTSEurofirst 80 (Eur)	4842.75	4825.96
	MSCI ACWI Fr ($)	607.73	602.32
	MSCI All World ($)	2614.10	2584.97
	MSCI Europe (Eur)	1655.92	1660.92
	MSCI Pacific ($)	2450.72	2492.76
	S&P Euro (Eur)	1618.09	1612.16
	S&P Europe 350 (Eur)	1676.14	1669.11
	S&P Global 1200 ($)	2898.40	2885.59
	Stoxx 50 (Eur)	3489.18	3474.84

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

STOCK MARKET: BIGGEST MOVERS

AMERICA

ACTIVE STOCKS	stock traded m's	close price	Day's change
Tesla	74.2	286.92	3.22
Apple	52.1	155.53	-0.43
Nvidia	44.0	138.80	1.66
Advanced Micro Devices	40.5	82.51	2.90
Amazon.com	25.4	129.22	-0.26
Microsoft	22.0	258.83	0.74
Regeneron Pharmaceuticals	13.3	702.66	106.22
Alphabet	9.7	108.76	-0.69
Alphabet	8.6	109.72	-0.77
Netflix	7.9	226.46	-2.51

BIGGEST MOVERS	Close price	Day's change	Day's chng%
Ups			
Regeneron Pharmaceuticals	702.66	106.22	17.81
Freeport-mcmoran	29.96	1.58	5.57
Albemarle	289.95	10.75	3.85
Invesco Ltd	17.21	0.64	3.83
Edwards Lifesciences	95.34	3.36	3.65
Downs			
Mccormick &	78.76	-6.25	-7.35
Campbell Soup	47.72	-1.60	-3.23
Williams Companies	31.99	-0.88	-2.68
Kellogg	71.51	-1.66	-2.27
Paccar	86.71	-1.87	-2.11

Based on the constituents of the S&P500

LONDON

ACTIVE STOCKS	stock traded m's	close price	Day's change
Shell	207.4	2270.00	7.00
Bp	150.6	443.05	1.80
Rio Tinto	126.3	4725.50	93.50
Astrazeneca	119.4	10512.00	112.00
Unilever	94.3	3911.50	-14.00
Glencore	94.2	471.15	2.90
Hsbc Holdings	81.0	525.50	2.50
Barclays	73.0	166.26	2.16
Vodafone	69.4	107.90	-2.28
British American Tobacco	69.3	3476.00	10.00

BIGGEST MOVERS	Close price	Day's change	Day's chng%
Ups			
Genus	2798.00	400.00	16.68
Energean	1411.00	166.00	13.33
Drax	732.50	41.50	6.01
Chrysalis Investments	73.30	3.50	5.01
Aston Martin Lagonda Global Holdings	456.70	19.80	4.53
Downs			
Darktrace	337.10	-177.70	-34.52
Melrose Industries	124.80	-12.85	-9.34
Associated British Foods	1345.00	-110.00	-7.56
Aj Bell	262.20	-17.80	-6.36
Integrafin Holdings	258.20	-13.80	-5.07

Based on the constituents of the FTSE 350 index

EURO MARKETS

ACTIVE STOCKS	stock traded m's	close price	Day's change
Nestle N	463.4	113.60	-1.13
Roche Gs	317.7	334.15	0.36
Novartis N	285.5	81.29	-0.27
Intesa Sanpaolo	256.9	1.74	0.04
Unicredit	250.2	10.19	0.58
Totalenergies	240.3	49.26	-0.53
Asml Holding	204.9	479.90	4.95
Eni	194.0	11.58	-0.04
Stellantis	159.4	13.13	-0.01
Swiss Re N	123.7	83.64	1.86

BIGGEST MOVERS	Close price	Day's change	Day's chng%
Ups			
Unicredit	10.19	0.58	6.02
Ing Groep N.v.	8.89	0.27	3.18
Kbc	50.14	1.53	3.15
Bbva	4.63	0.13	3.00
Axa	24.41	0.69	2.91
Downs			
Vonovia Se Na O.n.	25.60	-1.05	-3.94
Richemont N	107.21	-3.15	-2.85
Vivendi Se	8.56	-0.19	-2.19
Telefonica	3.92	-0.09	-2.19
Volkswagen Ag St O.n.	187.50	-4.20	-2.19

Based on the constituents of the FTSEurofirst 300 Eurozone index

TOKYO

ACTIVE STOCKS	stock traded m's	close price	Day's change
Nippon Yusen Kabushiki Kaisha	865.0	9740.00	320.00
Softbank .	623.9	5499.00	131.00
Toyota Motor	551.5	2080.50	46.00
Fast Retailing Co.,	532.5	83110.00	1750.00
Mitsubishi Ufj Fin,.	494.2	726.30	14.80
Tokyo Electron	493.3	42450.00	900.00
Mitsui O.s.k.lines,	487.6	3315.00	65.00
Sony	440.4	10775.00	250.00
Keyence	426.6	53600.00	2230.00
Nippon Telegraph And Telephone	417.1	3928.00	163.00

BIGGEST MOVERS	Close price	Day's change	Day's chng%
Ups			
Ntn	280.00	18.00	6.87
Olympus	3096.00	140.50	4.75
Bandai Namco Holdings .	10065.00	447.00	4.65
Rakuten .	656.00	29.00	4.63
Daiichi Sankyo ,	4290.00	182.00	4.43
Downs			
Kawasaki Heavy Industries,	2605.00	-43.00	-1.62
Mitsui Eng & Shipbuilding Co.,	426.00	-7.00	-1.62
Toho Z Co.,	2427.00	-22.00	-0.90
Inpex	1491.00	-9.00	-0.60
Oki Electric Industry ,	741.00	-3.00	-0.40

Based on the constituents of the Nikkei 225 index

UK MARKET WINNERS AND LOSERS

FTSE 100	Sep 08 price(p)	%Chg week	%Chg ytd
Winners			
Jd Sports Fashion	126.35	10.4	-
Ocado	751.20	9.8	-
Rolls-royce Holdings	78.28	9.8	-
Antofagasta	1151.00	9.6	-
St. James's Place	1130.00	8.2	-
Centrica	82.78	8.2	14.0
Endeavour Mining	1727.00	7.9	1.2
Admiral	2167.00	7.9	-
Smith & Nephew	1095.00	7.7	-
Fresnillo	707.60	7.6	-
Glencore	471.15	6.6	12.2
Rentokil Initial	545.60	6.6	-
Losers			
Associated British Foods	1345.00	-10.3	-
B&m Eur Value Retail S.a.	344.10	-6.6	-
Bt	139.25	-4.7	10.0
Dechra Pharmaceuticals	3248.00	-4.4	-
Vodafone	107.90	-3.8	13.2
Melrose Industries	124.80	-3.6	-1.2
Berkeley Holdings (the)	3475.00	-3.2	-23.1
Tesco	237.40	-2.8	-
Hikma Pharmaceuticals	1266.50	-1.8	-
Sainsbury (j)	197.60	-1.2	-
Barratt Developments	410.50	-1.1	-
Severn Trent	2732.00	-1.0	-6.9

FTSE 250	Sep 08 price(p)	%Chg week	%Chg ytd
Winners			
Bridgepoint	303.40	28.0	-
Genus	2798.00	17.9	-
Network Int Holdings	281.20	17.5	-
Ncc	219.50	15.8	-
Countryside Partnerships	260.40	13.7	-
Ashmore	219.60	13.1	-24.7
Energean	1411.00	12.9	21.6
Watches Of Switzerland	825.50	12.0	-
Drax	732.50	11.8	7.9
Provident Fin	184.40	11.1	-44.0
Carnival	756.40	10.9	-
Jupiter Fund Management	101.30	10.8	-
Losers			
Darktrace	337.10	-33.1	-
Balanced Commercial Property Trust	94.90	-7.3	5.5
Iwg	144.70	-6.3	-
Cls Holdings	171.40	-5.1	-7.4
Abrdn Private Equity Opportunities Trust	400.00	-5.0	-3.6
Fidelity China Special Situations	234.50	-4.7	-9.9
Aj Bell	262.20	-4.2	-29.8
Uk Commercial Property Reit	66.00	-4.1	-0.8
Marks And Spencer	116.85	-4.0	-41.0
Clarkson	2665.00	-3.8	-
Investec	395.80	-3.7	5.4
Xp Power	1866.00	-3.7	-46.9

FTSE SmallCap	Sep 08 price(p)	%Chg week	%Chg ytd
Winners			
Marston's	45.24	24.6	-
Funding Circle Holdings	37.65	21.5	-
Nanoco	48.20	20.2	76.6
De La Rue	98.00	16.9	-
Halfords	150.00	15.2	-
Luceco	88.00	14.7	-
Avon Protection	887.50	14.7	-
Treatt	575.00	13.4	-
Headlam	293.00	12.7	-
Metro Bank	87.30	10.8	-
Hollywood Bowl	183.20	10.8	-9.9
Restaurant	44.16	10.6	-
Losers			
Up Global Sourcing Holdings	105.00	-11.4	-
Carr's	114.00	-10.4	-
Helical	338.50	-10.3	-
On The Beach	116.20	-9.1	-
Dwf	88.80	-8.5	-
Ten Entertainment	187.50	-8.3	-20.7
Fisher (james) & Sons	289.00	-8.1	-
Schroder Real Estate Investment Trust	47.70	-7.9	-1.7
Cineworld	4.14	-7.6	-
Aurora Investment Trust	186.00	-7.5	-
Abrdn Property ome Trust	69.60	-7.4	-1.6
Value And Indexed Property ome Trust	225.00	-7.2	4.4

Industry Sectors	Sep 08 price(p)	%Chg week	%Chg ytd
Winners			
Aerospace & Defense	4696.72	5.4	18.4
General Retailers	3319.07	1.9	4.7
Electricity	10942.23	1.6	3.1
Industrial Engineering	13382.08	1.2	-
Gas Water & Multiutilities index	5900.02	0.9	-0.7
Life Insurance	6480.91	0.6	-
Food & Drug Retailers	4106.50	0.5	-7.9
Health Care Equip.& Services	11030.61	0.3	24.2
Oil & Gas Producers	7866.40	0.3	24.4
Pharmaceuticals & Biotech.	19517.79	0.2	15.4
Tobacco	36828.48	0.0	26.2
Mobile Telecommunications	2656.29	-0.1	10.8
Losers			
Automobiles & Parts	1599.82	-12.7	-
Real Estate Investment Trusts	2544.07	-6.1	-
Mining	9934.31	-5.2	-50.7
Industrial Metals	6571.59	-4.9	-0.6
Travel & Leisure	5964.91	-4.6	-
Personal Goods	28026.61	-4.5	-
Beverages	28668.41	-4.0	-
Software & Computer Services	1875.82	-3.7	-
Real Estate & Investment Servic	2462.00	-3.2	-
Electronic & Electrical Equip.	8224.87	-2.4	-
Food Producers	5443.33	-2.1	-
Household Goods	10623.50	-1.4	-

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

CURRENCIES

Sep 8	Currency	DOLLAR Closing Mid	DOLLAR Day's Change	EURO Closing Mid	EURO Day's Change	POUND Closing Mid	POUND Day's Change
Argentina	Argentine Peso	141.1430	0.3420	140.5289	0.4535	162.1588	0.7157
Australia	Australian Dollar	1.4841	-0.0034	1.4777	-0.0022	1.7051	-0.0005
Bahrain	Bahrainin Dinar	0.3770	-0.0001	0.3753	0.0003	0.4331	0.0008
Bolivia	Bolivian Boliviano	6.9100	-	6.8799	0.0055	7.9389	0.0158
Brazil	Brazilian Real	5.2209	-0.0275	5.1982	-0.0232	5.9983	-0.0196
Canada	Canadian Dollar	1.3129	-0.0057	1.3072	-0.0046	1.5084	-0.0035
Chile	Chilean Peso	882.3050	-2.0950	878.4661	-1.3763	1013.6777	-0.3798
China	Chinese Yuan	6.9634	-0.0075	6.9331	-0.0019	8.0002	0.0074
Colombia	Colombian Peso	4388.7450	-62.8800	4369.6496	-59.0366	5042.2185	-62.0385
Costa Rica	Costa Rican Colon	655.8200	-4.8050	652.9666	-4.2541	753.4697	-4.0062
Czech Republic	Czech Koruna	24.6206	-0.1223	24.5135	-0.1020	28.2865	-0.0839
Denmark	Danish Krone	7.4687	-0.0061	7.4362	-0.0001	8.5808	0.0101
Egypt	Egyptian Pound	19.3227	0.0888	19.2386	0.1038	22.1998	0.1461
Hong Kong	Hong Kong Dollar	7.8493	-0.0006	7.8151	0.0058	9.0180	0.0174
Hungary	Hungarian Forint	398.1068	-1.3001	396.3746	-0.9741	457.3837	-0.5782
India	Indian Rupee	79.7212	-0.1813	79.3744	-0.1164	91.5915	-0.0251
Indonesia	Indonesian Rupiah	14897.5000	-20.0000	14832.7020	-7.9246	17115.6970	11.2125
Israel	Israeli Shekel	3.4351	0.0037	3.4202	0.0064	3.9466	0.0121
Japan	Japanese Yen	143.9750	-0.5200	143.3486	-0.4018	165.4125	-0.2662
..One Month		143.9746	-0.5208	143.3485	-0.4020	165.4121	-0.2669
..Three Month		143.9737	-0.5225	143.3482	-0.4025	165.4113	-0.2686
..One Year		143.9689	-0.5322	143.3456	-0.4075	165.4121	-0.2732
Kenya	Kenyan Shilling	120.3000	0.0500	119.7766	0.1463	138.2123	0.3331
Kuwait	Kuwaiti Dinar	0.3089	-0.0003	0.3075	-0.0001	0.3548	0.0003
Malaysia	Malaysian Ringgit	4.5010	-0.0005	4.4814	0.0031	5.1712	0.0097
Mexico	Mexican Peso	20.0340	-0.0057	19.9468	0.0104	23.0170	0.0393
New Zealand	New Zealand Dollar	1.6539	-0.0041	1.6467	-0.0028	1.9001	-0.0009
Nigeria	Nigerian Naira	428.7500	-	426.8845	0.3440	492.5896	0.9828
Norway	Norwegian Krone	10.0849	0.0349	10.0410	0.0428	11.5865	0.0631
Pakistan	Pakistani Rupee	225.5000	2.2500	224.5189	2.4193	259.0763	3.0967
Peru	Peruvian Nuevo Sol	3.8780	-0.0175	3.8611	-0.0143	4.4554	-0.0112
Philippines	Philippine Peso	57.1800	0.0450	56.9312	0.0906	65.6939	0.1827
Poland	Polish Zloty	4.7240	-0.0242	4.7035	-0.0202	5.4274	-0.0169
Romania	Romanian Leu	4.9000	0.0169	4.8787	0.0207	5.6296	0.0306
Russia	Russian Ruble	61.0500	0.1000	60.7844	0.1485	70.1402	0.2546
Saudi Arabia	Saudi Riyal	3.7585	0.0005	3.7421	0.0035	4.3181	0.0092
Singapore	Singapore Dollar	1.4064	-0.0016	1.4003	-0.0005	1.6158	0.0014
South Africa	South African Rand	17.4863	0.1475	17.4102	0.1608	20.0899	0.2092
South Korea	South Korean Won	1380.7500	-3.5500	1374.7424	-2.4239	1586.3397	-0.9057
Sweden	Swedish Krona	10.7493	-0.0117	10.7025	-0.0030	12.3498	0.0113
Switzerland	Swiss Franc	0.9734	-0.0086	0.9692	-0.0078	1.1183	-0.0077
Taiwan	New Taiwan Dollar	30.9150	-0.0120	30.7805	0.0129	35.5182	0.0571
Thailand	Thai Baht	36.4200	-0.2625	36.2615	-0.2319	41.8428	-0.2175
Tunisia	Tunisian Dinar	3.2257	-0.0025	3.2117	0.0001	3.7060	0.0045
Turkey	Turkish Lira	18.2365	0.0082	18.1572	0.0228	20.9519	0.0513
United Arab Emirates	UAE Dirham	3.6731	-	3.6571	0.0029	4.2200	0.0084
United Kingdom	Pound Sterling	0.8704	-0.0017	0.8666	-0.0010	-	-
..One Month		0.8705	-0.0017	0.8665	-0.0010	-	-
..Three Month		0.8706	-0.0017	0.8662	-0.0010	-	-
..One Year		0.8706	-0.0018	0.8648	-0.0009	-	-
United States	United States Dollar	-	-	0.9956	0.0008	1.1489	0.0023
..One Month		-	-	0.9955	-0.1509	1.1490	0.0023
..Three Month		-	-	0.9950	-0.1509	1.1491	0.0023
..One Year		-	-	0.9934	-0.1508	1.1491	0.0023
Vietnam	Vietnamese Dong	23552.0000	-38.0000	23449.5729	-18.8762	27058.8394	10.3930
European Union	Euro	1.0044	-0.0008	-	-	1.1539	0.0014
..One Month		1.0042	-0.0008	-	-	1.1538	0.0014
..Three Month		1.0038	-0.0008	-	-	1.1535	0.0014
..One Year		1.0021	-0.0006	-	-	1.1521	0.0015

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

	£ Stlg Sep 08	Day's chge%	Euro Index	£ Stlg Sep 07	£ Stlg Sep 06	Year ago	Div yield%	Cover	P/E ratio	X/D adj	Total Return
FTSE 100 (100)	7262.06	0.33	6532.08	7237.83	7300.44	7095.53	3.72	1.92	13.98	225.59	7414.06
FTSE 250 (250)	18878.29	0.36	16980.65	18811.48	18820.84	23848.89	2.96	1.36	24.79	407.92	15594.89
FTSE 250 ex Inv Co (176)	19148.30	0.23	17223.52	19103.72	19117.60	24983.22	3.08	1.60	20.31	440.69	16141.71
FTSE 350 (350)	4025.18	0.34	3620.57	4011.63	4041.41	4104.05	3.60	1.85	14.96	119.31	8152.96
FTSE 350 ex Investment Trusts (274)	3956.31	0.31	3558.63	3944.10	3975.01	3997.10	3.67	1.91	14.27	120.06	4141.66
FTSE 350 Higher Yield (129)	3466.95	0.10	3118.45	3463.43	3501.77	3182.59	5.07	1.87	10.51	130.88	7893.34
FTSE 350 Lower Yield (221)	4172.77	0.58	3753.33	4148.52	4163.52	4816.16	2.07	1.80	26.74	84.14	5128.15
FTSE SmallCap (246)	6290.64	0.61	5658.30	6252.44	6256.70	7545.08	3.23	1.31	23.71	152.21	10489.93
FTSE SmallCap ex Inv Co (130)	5058.29	0.40	4549.83	5038.08	5042.73	6388.55	3.14	1.96	16.19	120.57	8777.70
FTSE All-Share (596)	3990.56	0.35	3589.43	3976.83	4005.61	4089.76	3.59	1.84	15.12	117.66	8161.54
FTSE All-Share ex Inv Co (404)	3886.91	0.31	3496.20	3874.87	3904.85	3941.73	3.66	1.91	14.29	117.59	4131.20
FTSE All-Share ex Multinationals (528)	1092.69	-0.02	815.34	1092.96	1097.80	1353.64	3.71	1.97	13.69	31.84	2309.22
FTSE Fledgling (83)	11962.79	0.23	10760.29	11935.89	12013.67	13547.89	3.51	5.77	4.94	250.85	25680.39
FTSE Fledgling ex Inv Co (32)	15124.46	0.16	13604.15	15100.58	15362.91	18725.68	3.25	7.57	4.07	319.66	31518.03
FTSE All-Small (329)	4391.85	0.59	3950.39	4366.09	4370.43	5251.35	3.25	1.56	19.71	105.52	9392.97
FTSE All-Small ex Inv Co (162)	3804.35	0.39	3421.94	3789.48	3795.20	4801.38	3.15	2.17	14.64	90.33	8360.27
FTSE AIM All-Share (765)	869.36	0.39	781.97	865.97	865.38	1300.66	1.49	1.49	45.20	8.62	1016.26
FTSE All-Share Technology (22)	1987.61	-1.33	1573.56	2014.45	1997.97	2518.03	1.87	0.92	58.01	34.20	2870.86
FTSE All-Share Telecommunications (6)	1715.69	-1.77	1358.29	1746.52	1777.82	1929.99	6.18	1.03	15.66	57.66	2553.35
FTSE All-Share Health Care (14)	13660.60	0.97	10814.87	13529.18	13623.59	12565.23	2.88	1.14	30.58	334.88	12616.18
FTSE All-Share Financials (257)	4546.37	0.66	3599.29	4516.59	4558.55	4837.81	3.69	2.44	11.12	149.08	5040.39
FTSE All-Share Real Estate (53)	933.92	-0.62	773.47	939.79	941.84	1186.00	3.67	4.51	6.04	25.71	975.59
FTSE All-Share Consumer Discretionary (89)	4385.80	0.00	3472.17	4385.76	4378.45	5520.09	2.33	0.86	49.83	83.13	4625.38
FTSE All-Share Consumer Staples (24)	19652.04	-0.23	15558.20	19696.59	19741.67	18978.04	3.88	1.21	21.28	533.34	17871.81
FTSE All-Share Industrials (85)	5955.27	0.63	4714.69	5917.98	5910.20	7256.29	2.31	1.41	30.70	106.06	6859.79
FTSE All-Share Basic Materials (22)	7952.55	1.27	6295.90	7852.46	8039.39	8223.04	6.85	2.01	7.27	536.09	10837.92
FTSE All-Share Energy (14)	8139.59	0.45	6443.98	8103.35	8278.37	5312.32	3.40	2.86	10.27	218.81	9807.41
FTSE All-Share Utilities (10)	8840.94	-0.41	6999.23	8877.02	8810.86	8025.30	4.24	0.67	34.95	286.01	13344.14
FTSE All-Share Software and Computer Services (19)	2148.50	-1.40	1700.93	2179.04	2160.86	2695.34	1.87	0.92	58.02	37.20	3283.49
FTSE All-Share Technology Hardware and Equipment (3)	4795.01	0.82	3796.13	4756.09	4741.62	7936.76	1.83	0.95	57.67	63.01	6177.58
FTSE All-Share Telecommunications Equipment (1)	576.73	1.18	456.59	570.02	566.89	693.33	2.13	2.31	20.32	11.51	824.38
FTSE All-Share Telecommunications Service Providers (5)	2652.27	-1.87	2099.76	2702.73	2753.34	2972.58	6.32	1.02	15.53	90.35	3592.95
FTSE All-Share Health Care Providers (3)	11172.84	0.81	8845.36	11083.27	11143.33	8235.58	0.52	3.58	53.69	54.55	10366.61
FTSE All-Share Medical Equipment and Services (2)	5484.58	0.87	4342.05	5437.41	5399.87	6457.53	2.43	1.04	39.80	94.26	5247.14
FTSE All-Share Pharmaceuticals and Biotechnology (9)	19464.21	0.98	15409.50	19275.51	19425.14	17666.34	2.93	1.14	30.05	489.47	16191.94
FTSE All-Share Banks (12)	3249.34	0.90	2572.45	3220.33	3286.82	2696.95	4.00	4.25	5.89	126.59	2873.67
FTSE All-Share Finance and Credit Services (8)	10995.28	0.66	8704.79	10923.20	10952.09	11396.74	1.90	2.11	24.91	208.41	14773.13
FTSE All-Share Investment Banking and Brokerage Services (32)	8100.13	-0.98	6412.74	8179.98	8161.15	10813.42	5.36	1.85	10.11	339.83	11307.54
FTSE All-Share Closed End Investments (192)	11872.69	0.85	9399.42	11772.89	11772.27	14112.82	2.59	0.42	93.00	216.39	7385.48
FTSE All-Share Life Insurance (6)	6600.35	1.33	5225.39	6513.46	6605.12	8369.82	4.65	1.08	19.99	294.59	8077.16
FTSE All-Share Nonlife Insurance (7)	3486.06	-0.39	2759.86	3499.58	3483.42	4010.45	4.16	1.22	19.73	130.27	7424.05
FTSE All-Share Real Estate Investment and Services (11)	2376.40	0.21	1881.36	2371.39	2377.71	3008.04	2.13	3.85	12.23	33.58	7059.53
FTSE All-Share Real Estate Investment Trusts (42)	2317.98	-0.78	1835.11	2336.30	2341.18	2937.19	3.97	4.58	5.51	70.27	3488.24
FTSE All-Share Automobiles and Parts (2)	1608.02	1.62	1273.04	1582.38	1564.20	4693.72	0.87	-17.18	-6.68	14.02	1672.89
FTSE All-Share Consumer Services (2)	3116.94	1.28	2467.63	3077.57	3038.85	2407.40	1.23	1.95	41.63	38.43	3953.83
FTSE All-Share Household Goods and Home Construction (14)	8875.39	-0.20	7026.50	8893.50	9034.25	14590.85	7.61	1.78	7.38	459.91	7731.67
FTSE All-Share Leisure Goods (2)	19687.29	1.63	15586.11	19370.82	19197.12	30380.78	3.50	1.56	18.28	600.05	21697.08
FTSE All-Share Personal Goods (5)	24152.62	0.02	19121.24	24146.66	24107.48	29720.95	2.12	2.58	18.31	402.68	18891.10
FTSE All-Share Media (11)	8972.83	0.35	7103.65	8941.85	8893.71	9640.83	2.34	1.53	28.02	192.67	6292.60
FTSE All-Share Retailers (22)	1826.81	-1.86	1446.25	1861.48	1897.48	2776.03	2.75	3.69	9.84	37.28	2361.05
FTSE All-Share Travel and Leisure (31)	5858.89	-0.09	4638.39	5864.07	5809.47	8368.02	0.66	-14.22	-10.66	35.23	6054.33
FTSE All-Share Beverages (5)	28776.16	0.47	22781.62	28640.68	28712.38	27632.24	2.08	1.99	24.16	583.84	23061.21
FTSE All-Share Food Producers (10)	5618.35	-3.29	4447.96	5809.48	5910.44	6983.07	2.63	2.19	17.31	81.34	5406.89
FTSE All-Share Tobacco (2)	36828.54	0.33	29156.56	36706.69	36824.49	28971.32	6.42	0.92	16.99	1261.21	33974.13
FTSE All-Share Construction and Materials (15)	7075.79	-0.02	5601.79	7077.30	7017.47	8940.53	3.21	0.63	49.05	212.64	8611.38
FTSE All-Share Aerospace and Defense (8)	4934.13	1.03	3906.27	4883.60	4898.70	4418.17	2.00	0.08	589.30	59.71	5964.29
FTSE All-Share Electronic and Electrical Equipment (10)	9677.57	0.98	7661.58	9583.55	9578.51	14402.22	1.78	2.00	28.14	128.82	9540.43
FTSE All-Share General Industrials (8)	4702.86	-1.37	3723.18	4768.40	4739.67	5916.95	2.90	1.39	24.83	93.07	6145.49
FTSE All-Share Industrial Engineering (5)	14812.45	1.76	11726.78	14555.73	14551.25	20765.48	1.69	2.09	28.25	179.60	19784.97
FTSE All-Share Industrial Support Services (31)	9549.31	1.58	7560.04	9400.94	9390.93	11565.75	1.99	1.73	29.06	165.72	10963.32
FTSE All-Share Industrial Transportation (8)	4754.85	0.31	3764.34	4740.12	4772.33	6689.42	2.46	3.41	11.94	98.14	4981.84
FTSE All-Share Industrial Materials (1)	14502.71	0.00	436.18	14502.71	14652.73	20853.89	2.27	1.81	24.38	329.06	18319.08
FTSE All-Share Industrial Metals and Mining (9)	7078.52	1.46	5603.95	6976.47	7178.52	6781.10	7.38	2.01	6.74	516.41	10864.08
FTSE All-Share Precious Metals and Mining (5)	9402.23	1.00	7443.59	9308.95	9199.17	20256.88	3.80	1.86	14.14	358.99	6628.90
FTSE All-Share Chemicals (7)	12828.58	-0.38	10156.18	12877.59	12725.92	19146.58	2.97	1.97	17.12	324.25	12857.57
FTSE All-Share Oil, Gas and Coal (13)	7901.50	0.45	6255.49	7866.36	8036.25	5155.55	3.40	2.86	10.27	212.42	9873.61
FTSE Sector Indices											
Non Financials (339)	**4846.13**	**0.25**	**4358.99**	**4833.83**	**4865.93**	**4911.79**	**3.56**	**1.66**	**16.89**	**138.26**	**8715.30**

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	7261.62	7268.25	7269.72	7254.90	7250.36	7239.13	7207.11	7223.00	7261.11	7272.76	7175.85
FTSE 250	18908.42	18880.01	18872.70	18848.70	18787.60	18821.91	18760.13	18773.32	18878.09	18913.55	18675.83
FTSE SmallCap	6260.88	6267.52	6267.72	6268.23	6269.30	6266.02	6260.35	6251.79	6262.59	6290.64	6243.18
FTSE All-Share	3990.77	3993.02	3993.46	3986.00	3982.02	3977.98	3961.43	3968.90	3989.63	3995.52	3944.38

Time of FTSE 100 Day's high:07:06:30 Day's Low13:41:00 FTSE 100 2010/11 High: 7672.40(10/02/2022) Low: 6959.48(07/03/2022)
Time of FTSE All-Share Day's high:15:07:00 Day's Low13:41:00 FTSE 100 2010/11 High: 4296.96(10/02/2022) Low: 3862.39(07/03/2022)

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FT 30 INDEX

	Sep 08	Sep 07	Sep 06	Sep 05	Sep 02	Yr Ago	High	Low
FT 30	2405.90	2426.40	2435.30	2411.20	2418.10	0.00	2880.10	2300.60
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
2426.4	2420.3	2424.5	2579	2579.7	2581.8	2588.4	2393.5	2407.6	2431.5	2379.8

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

FT WILSHIRE 5000 INDEX SERIES

	Sep 07		Sep 07
FT Wilshire 5000	40499.83	FT Wilshire Mid Cap	5455.10
FT Wilshire 2500	5185.06	FT Wilshire Small Cap	4919.56
FT Wilshire Mega Cap	5172.21	FT Wilshire Micro Cap	4866.05
FT Wilshire Large Cap	5219.39		

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FTSE GLOBAL EQUITY INDEX SERIES

Sep 8 Regions & countries	No of stocks	US $ indices	Day %	Mth %	YTD %	Total retn	YTD %	Gr Div Yield
FTSE Global All Cap	9372	681.89	0.9	-4.9	-19.5	1088.01	-18.2	2.3
FTSE Global All Cap	9372	681.89	0.9	-4.9	-19.5	1088.01	-18.2	2.3
FTSE Global Large Cap	1869	609.80	0.8	-5.3	-19.7	1002.97	-18.3	2.3
FTSE Global Mid Cap	2245	879.52	1.2	-3.7	-18.0	1319.91	-16.7	2.4
FTSE Global Small Cap	5258	910.99	1.2	-4.6	-20.4	1307.64	-19.3	2.1
FTSE All-World	4114	400.54	0.8	-5.0	-19.4	676.81	-18.1	2.3
FTSE World	2666	724.10	0.9	-5.2	-19.4	1641.71	-18.1	2.3
FTSE Global All Cap ex UNITED KINGDOM In	9079	721.74	1.0	-4.8	-19.5	1129.52	-18.2	2.2
FTSE Global All Cap ex USA	7551	464.43	-0.7	-6.2	-22.6	821.47	-20.6	3.4
FTSE Global All Cap ex JAPAN	7977	714.08	1.1	-4.8	-19.2	1149.91	-17.9	2.3
FTSE Global All Cap ex Eurozone	8706	728.05	0.9	-4.7	-18.6	1136.20	-17.4	2.2
FTSE Developed	2222	665.17	1.0	-5.2	-19.4	1068.45	-18.2	2.2
FTSE Developed All Cap	5854	693.53	1.1	-5.2	-19.5	1097.56	-18.3	2.1
FTSE Developed Large Cap	862	623.20	1.0	-5.5	-19.6	1018.92	-18.4	2.1
FTSE Developed Europe Large Cap	230	341.28	-0.2	-7.1	-24.1	674.46	-21.9	3.3
FTSE Developed Europe Mid Cap	358	519.78	0.0	-9.0	-32.6	890.50	-31.0	3.2
FTSE Dev Europe Small Cap	741	736.62	-0.1	-10.1	-33.3	1212.28	-31.7	3.1
FTSE North America Large Cap	243	855.88	1.7	-4.6	-17.9	1280.91	-17.0	1.6
FTSE North America Mid Cap	428	1119.37	2.0	-2.3	-14.4	1548.67	-13.4	2.0
FTSE North America Small Cap	1332	1097.95	2.1	-3.7	-16.8	1456.89	-16.0	1.6
FTSE North America	671	560.51	1.8	-4.2	-17.3	857.56	-16.4	1.7
FTSE Developed ex North America	1551	239.15	-0.8	-7.6	-24.2	455.51	-22.3	3.3
FTSE Japan Large Cap	165	345.74	-1.8	-8.1	-24.2	502.56	-23.1	2.7
FTSE Japan Mid Cap	342	489.44	-1.6	-6.8	-20.3	677.32	-18.9	2.5
FTSE Global wi JAPAN Small Cap	888	538.56	-1.9	-7.3	-22.6	773.19	-21.2	2.7
FTSE Japan	507	142.48	-1.8	-7.8	-23.4	232.01	-22.3	2.7
FTSE Asia Pacific Large Cap ex Japan	1075	661.16	-1.2	-5.5	-20.7	1200.36	-18.7	3.2
FTSE Asia Pacific Mid Cap ex Japan	850	941.45	-0.9	-2.9	-16.9	1648.23	-14.7	3.5
FTSE Asia Pacific Small Cap ex Japan	2006	541.99	-0.7	-3.8	-25.5	922.25	-23.7	3.1
FTSE Asia Pacific Ex Japan	1925	526.63	-1.1	-5.2	-20.3	1016.17	-18.3	3.2
FTSE Emerging All Cap	3518	709.13	-0.7	-3.0	-19.5	1231.24	-17.1	3.7
FTSE Emerging Large Cap	1007	656.24	-0.8	-3.6	-20.2	1145.98	-18.0	3.7
FTSE Emerging Mid Cap	885	1000.22	-0.5	-0.5	-13.0	1746.25	-10.4	4.0
FTSE Emerging Small Cap	1626	770.08	-0.3	-0.5	-20.5	1279.74	-18.3	3.4
FTSE Emerging Europe	49	96.89	0.8	4.5	-76.6	202.41	-75.7	3.7
FTSE Latin America All Cap	260	706.39	-0.1	-0.6	-0.4	1377.77	6.6	11.5
FTSE Middle East and Africa All Cap	331	764.00	-1.2	-4.0	-4.1	1390.49	-1.9	3.1
FTSE Global wi UNITED KINGDOM All Cap In	293	291.10	-1.3	-7.9	-19.1	592.22	-16.7	3.7
FTSE Global wi USA All Cap	1821	962.70	1.9	-4.1	-17.4	1389.00	-16.5	1.6
FTSE Europe All Cap	1452	387.62	-0.1	-7.6	-27.6	735.20	-25.6	3.3
FTSE Eurozone All Cap	666	365.85	0.5	-7.9	-29.4	689.11	-27.5	3.3
FTSE EDHEC-Risk Efficient All-World	4114	456.76	1.1	-3.6	-16.3	715.87	-14.8	2.6
FTSE EDHEC-Risk Efficient Developed Europe	588	288.47	0.0	-8.3	-30.2	505.77	-28.3	3.4
Oil & Gas	126	378.81	-1.3	3.0	15.6	768.43	19.7	4.8
Oil & Gas Producers	83	373.58	-1.7	3.8	17.6	777.84	22.2	5.1

Sep 8 Sectors	No of stocks	US $ indices	Day %	Mth %	YTD %	Total retn	YTD %	Gr Div Yield
Oil Equipment & Services	23	260.41	-0.3	0.5	11.3	478.19	14.6	4.5
Basic Materials	373	550.90	-0.1	-3.7	-18.1	1009.66	-15.0	5.2
Chemicals	182	769.77	0.9	-3.9	-20.5	1354.82	-18.7	3.1
Forestry & Paper	20	251.98	0.2	-2.6	-17.4	506.76	-15.1	3.9
Industrial Metals & Mining	94	432.28	-0.4	-3.6	-21.9	822.44	-18.3	8.8
Mining	77	825.65	-1.5	-3.5	-11.3	1604.17	-6.2	6.8
Industrials	781	470.23	0.7	-5.4	-21.7	747.21	-20.5	2.1
Construction & Materials	146	547.09	1.1	-3.5	-26.0	918.04	-24.6	2.3
Aerospace & Defense	34	799.48	0.9	-3.8	-0.5	1244.82	0.7	1.6
General Industrials	72	217.62	1.2	-5.4	-21.6	382.73	-20.0	2.7
Electronic & Electrical Equipment	158	577.75	0.4	-7.0	-28.1	827.82	-27.3	1.6
Industrial Engineering	151	883.60	0.5	-5.0	-23.6	1398.52	-22.5	2.1
Industrial Transportation	129	927.54	0.1	-6.8	-16.5	1501.31	-14.3	3.2
Support Services	91	530.26	1.1	-5.0	-25.4	785.61	-24.7	1.4
Consumer Goods	562	560.14	0.8	-4.7	-18.7	937.74	-17.4	2.4
Automobiles & Parts	132	592.72	1.7	-4.4	-23.3	955.87	-22.3	2.1
Beverages	71	745.66	1.0	-3.1	-7.5	1261.76	-6.1	2.3
Food Producers	134	701.90	0.3	-3.9	-10.6	1206.29	-8.9	2.5
Household Goods & Home Construction	63	501.44	1.0	-5.7	-23.4	840.13	-21.8	2.8
Leisure Goods	52	235.22	-1.0	-8.7	-26.1	331.45	-25.5	1.4
Personal Goods	96	855.14	0.7	-6.2	-25.9	1311.53	-25.0	1.9
Tobacco	14	947.08	0.1	-1.1	-1.5	2642.29	1.6	6.0
Health Care	347	676.20	1.0	-4.9	-14.4	1074.33	-13.2	1.8
Health Care Equipment & Services	134	1347.54	1.7	-5.0	-19.0	1649.05	-18.5	1.0
Pharmaceuticals & Biotechnology	213	443.66	0.5	-4.8	-10.7	757.53	-9.1	2.4
Consumer Services	431	544.06	1.8	-3.9	-22.8	775.24	-22.1	1.2
Food & Drug Retailers	66	314.72	0.8	-2.7	-8.6	498.36	-6.9	2.4
General Retailers	148	995.60	2.2	-4.5	-22.1	1358.41	-21.6	0.9
Media	78	300.63	1.6	-3.8	-35.9	430.97	-35.4	1.3
Travel & Leisure	139	422.49	1.7	-2.9	-17.6	615.58	-16.9	1.2
Telecommunication	87	129.62	-0.2	-6.3	-12.6	302.55	-10.1	4.2
Fixed Line Telecommuniations	32	100.57	-0.1	-6.2	-10.8	269.49	-7.5	5.2
Mobile Telecommunications	55	153.77	-0.2	-6.3	-13.5	309.32	-11.4	3.7
Utilities	195	335.86	2.3	0.7	-2.1	781.53	0.3	3.1
Electricity	139	385.30	2.3	1.6	-0.1	882.80	2.3	3.0
Gas Water & Multiutilities	56	320.44	2.1	-1.3	-7.1	772.06	-4.5	3.4
Financials	847	251.48	0.6	-3.4	-16.2	480.72	-14.2	3.2
Banks	266	188.34	0.0	-3.8	-16.8	400.83	-14.2	4.3
Nonlife Insurance	71	328.29	1.3	1.0	-6.3	546.08	-4.0	3.0
Life Insurance	51	204.82	-0.4	-3.2	-15.2	392.59	-12.5	4.1
Financial Services	210	414.36	1.2	-4.4	-17.0	627.13	-15.9	1.8
Technology	365	479.38	1.1	-9.4	-29.3	624.20	-28.9	1.1
Software & Computer Services	192	742.51	1.7	-8.4	-30.6	897.02	-30.3	0.6
Technology Hardware & Equipment	173	413.28	0.4	-10.6	-27.9	578.49	-27.2	1.5
Alternative Energy	20	202.02	4.8	-2.1	-3.1	289.86	-2.7	0.4
Real Estate Investment & Services	148	257.62	0.2	-2.7	-21.7	498.94	-20.0	3.2
Real Estate Investment Trusts	101	484.81	1.4	-3.8	-18.7	1124.15	-17.1	3.4
FTSE Global Large Cap	1869	609.80	0.8	-5.3	-19.7	1002.97	-18.3	2.3

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FTSE SECTORS: LEADERS & LAGGARDS

Year to date percentage changes

Oil & Gas Producers	37.85	NON FINANCIALS Index	-4.45	Food Producers	-18.73
Oil & Gas	37.23	Mobile Telecomms	-4.79	Consumer Services	-18.74
Tobacco	25.74	FTSE All{HY-}Share Index	-5.17	Household Goods & Ho	-19.07
Aerospace & Defense	11.70	Telecommunications	-7.71	Industrials	-19.51
Electricity	8.47	Beverages	-7.81	FTSE 250 Index	-19.60
Banks	7.96	Financials	-10.08	Construct & Material	-21.49
Pharmace & Biotech	4.05	Media	-11.68	Leisure Goods	-22.46
Health Care	3.55	Nonlife Insurance	-12.11	Support Services	-23.15
Mining	2.99	Software & Comp Serv	-12.24	Real Est Invest & Tr	-24.84
Utilities	1.44	Travel & Leisure	-12.30	Real Est Invest & Se	-25.33
Beverages	31.66	Technology	-12.62	Food & Drug Retailer	-29.36
Gas Water & Multi	-0.91	Financial Services	-14.74	Industrial Eng	-29.69
FTSE 100 Index	-1.66	Fixed Line Telecomms	-15.15	Chemicals	-30.39
Consumer Goods	-2.97	Life Insurance	-15.16	Electronic & Elec Eq	-31.91
Basic Materials	-3.14	FTSE SmallCap Index	-15.67	General Retailers	-34.08
Personal Goods	-3.32	Tech Hardware & Eq	-16.23	Industrial Transport	-39.48
Health Care Eq & Srv	-3.40	Oil Equipment & Serv	-16.45	Automobiles & Parts	-55.90
		Equity Invest Instr	-16.77	Industrial Metals &	-80.75

FTSE 100 SUMMARY

FTSE 100	Closing Price	Day's Change	FTSE 100	Closing Price	Day's Change
3I Group PLC	1155.5	-23.50	Intertek Group PLC	3972	22.00
Abrdn PLC	149.65	-4.00	Jd Sports Fashion PLC	126.35	2.40
Admiral Group PLC	2167	-34.00	Kingfisher PLC	237.40	-3.30
Airtel Africa PLC	137.10	3.00	Land Securities Group PLC	628.40	-4.00
Anglo American PLC	2794.5	50.50	Legal & General Group PLC	256.60	1.60
Antofagasta PLC	1151	46.00	Lloyds Banking Group PLC	45.23	0.56
Ashtead Group PLC	4205	23.00	London Stock Exchange Group PLC	8004	60.00
Associated British Foods PLC	1345	-110.00	M&G PLC	199.25	-3.05
Astrazeneca PLC	10512	112.00	Meggitt PLC	798.60	0.60
Auto Trader Group PLC	640.40	-3.80	Melrose Industries PLC	124.80	-12.85
Avast PLC	720.20	-0.80	Mondi PLC	1446	-14.00
Aveva Group PLC	2918	31.00	National Grid PLC	1066	-6.50
Aviva PLC	437.00	4.60	Natwest Group PLC	254.40	1.00
B&M European Value Retail S.A.	344.10	-18.20	Next PLC	5816	-232.00
Bae Systems PLC	787.40	8.60	Ocado Group PLC	751.20	17.40
Barclays PLC	166.26	2.16	Pearson PLC	902.40	8.40
Barratt Developments PLC	410.50	-3.60	Pershing Square Holdings LTD	2840	80.00
Berkeley Group Holdings (The) PLC	3475	-22.00	Persimmon PLC	1464.5	-5.50
BP PLC	443.05	1.80	Phoenix Group Holdings PLC	599.40	-1.80
British American Tobacco PLC	3476	10.00	Prudential PLC	938.00	20.40
British Land Company PLC	410.80	-3.40	Reckitt Benckiser Group PLC	6518	18.00
Bt Group PLC	139.25	-2.70	Relx PLC	2274	14.00
Bunzl PLC	2867	-	Rentokil Initial PLC	545.60	11.60
Burberry Group PLC	1701	-5.00	Rightmove PLC	618.00	-1.80
Centrica PLC	82.78	-0.76	Rio Tinto PLC	4725.5	93.50
Coca-Cola Hbc AG	1953.5	28.50	Rolls-Royce Holdings PLC	78.28	1.53
Compass Group PLC	1892	24.50	Rs Group PLC	1074	12.00
Crh PLC	3120	-6.00	Sage Group PLC	735.00	12.80
Croda International PLC	6656	-70.00	Sainsbury (J) PLC	197.60	-9.40
Dcc PLC	4790	-12.00	Schroders PLC	2642	-24.00
Dechra Pharmaceuticals PLC	3248	68.00	Scottish Mortgage Investment Trust PLC	812.60	15.00
Diageo PLC	3770.5	16.00	Segro PLC	907.60	-17.00
Endeavour Mining PLC	1727	23.00	Severn Trent PLC	2732	-41.00
Entain PLC	1200	-10.00	Shell PLC	2270	7.00
Experian PLC	2692	71.00	Smith & Nephew PLC	1095	-
Flutter Entertainment PLC	10215	-60.00	Smith (Ds) PLC	274.40	-0.70
Fresnillo PLC	707.60	6.60	Smiths Group PLC	1522	31.00
Glaxosmithkline PLC	1344.2	-0.20	Smurfit Kappa Group PLC	2828	-19.00
Glencore PLC	471.15	2.90	Spirax-Sarco Engineering PLC	10635	195.00
Haleon PLC	260.15	5.15	Sse PLC	1752.5	-1.00
Halma PLC	2116	31.00	St. James's Place PLC	1130	12.50
Hargreaves Lansdown PLC	832.20	-18.00	Standard Chartered PLC	592.80	16.00
Hikma Pharmaceuticals PLC	1266.5	-15.50	Taylor Wimpey PLC	105.65	-0.85
Howden Joinery Group PLC	571.00	-	Tesco PLC	237.40	-11.90
HSBC Holdings PLC	525.50	2.50	Unilever PLC	3911.5	-14.00
Imperial Brands PLC	1937	10.00	Unite Group PLC	1042	-11.00
Informa PLC	546.60	-5.40	United Utilities Group PLC	1043.5	-15.50
Intercontinental Hotels Group PLC	4695	77.00	Vodafone Group PLC	107.90	-2.28
Intermediate Capital Group PLC	1254	-27.50	Whitbread PLC	2551	-1.00
International Consolidated Airlines Group S.A.	108.06	-1.62	Wpp PLC	748.00	5.60

UK STOCK MARKET TRADING DATA

	Sep 08	Sep 07	Sep 06	Sep 05	Sep 02	Yr Ago
Order Book Turnover (m)	155.28	2510.99	378.67	149.46	149.46	149.46
Order Book Bargains	745097.00	753667.00	634014.00	753296.00	753296.00	753296.00
Order Book Shares Traded (m)	1466.00	1839.00	1423.00	1768.00	1768.00	1768.00
Total Equity Turnover (£m)	5043.12	39945.71	4936.17	5938.12	5938.12	5938.12
Total Mkt Bargains	917541.00	926196.00	805850.00	927346.00	927346.00	927346.00
Total Shares Traded (m)	6339.00	7537.00	6303.00	5003.00	5003.00	5003.00

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

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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	
abrdn UK Smaller Companies Growth Trust	Pre			192.409L	216.236	199.030L	217.440	0.00000	5.00000	-	2.700	7.700
Albion Development VCT	Int			1.104	12.454	0.950	12.470	2.37000	2.06000	May 31	4.680	4.050
Anglesey Mining	Pre	0.000	0.000	0.693L	0.329L	0.300L	0.200L	0.00000	0.00000	-	0.000	0.000
Arecor Therapeutics	Int	0.693	0.376	5.234L	3.452L	16.000L	17.000L	0.00000	0.00000	-	0.000	0.000
Bonhill Group	Int	6.079	5.524	1.796L	2.176L	2.600L	2.330L	0.00000	0.00000	-	0.000	0.000
Cadogan Petroleum	Int	4.635	4.517	1.746L	0.130L	0.007L	0.001L	0.00000	0.00000	-	0.000	0.000
Cenkos Securities	Int	12.682	18.221	0.483L	1.686	0.800L	3.100	1.00000	1.25000	Nov 11	4.000	3.750
Curtis Banks Group	Int	141.467L	249.240	5.348L	5.054	11.200L	6.200	0.00000	2.50000	-	6.500	9.000
Darktrace	Pre	415.482	285.101	5.313	143.861L	0.002	0.283L	0.00000	0.00000	-	0.000	0.000
Energean	Int	338.955	205.466	109.790	20.484L	0.670	0.200L	0.00000	0.00000	-	0.000	0.000
Genus	Pre	593.400	574.300	48.400	55.800	62.500	72.600	0.00000	21.70000	-	10.300	32.000
Melrose Industries	Int	3594.000	3431.000	358.000L	275.000L	8.200L	24.000	0.00000	0.75000	-	1.000	1.583
Spire Healthcare Group	Int	597.900	558.200	3.000	4.700	0.100L	4.200L	0.00000	0.00000	-	0.000	0.000
Vistry Group	Int	1162.988	1129.446	111.345	156.213	39.100	54.800	23.00000	20.00000	Nov 18	63.000	40.000

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)
09/02	11.00		ZAMZ	Zamaz PLC	10.00	0.30	12.00	10.86	7080.6
07/29	10.00		FCM	First Class Metals PLC	12.75	1.12	13.92	9.00	837.3

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

MARKET DATA

FT500: THE WORLD'S LARGEST COMPANIES

Stock	Price	Day Chg	52 Week High	52 Week Low	Yld	P/E	MCap m
Australia (A$)							
ANZ Bank	22.90	0.62	28.75	20.78	6.03	10.48	46134.58
BHP Group	36.92	0.65	53.72	35.56	10.19	9.47	125933.84
CmwBkAu	95.21	1.11	110.19	86.98	3.36	19.55	109028.75
CSL	299.61	6.20	319.78	240.10	0.92	46.85	97330.28
NatAusBk	29.62	0.31	33.75	25.43	2.78	17.23	63146.61
Telstra	3.94	0.02	4.20	3.62	2.32	35.00	30674.35
Wesfarmers	46.97	1.25	61.34	40.03	3.47	26.37	35884.21
Westpac Bank	21.17	0.34	26.44	18.80	3.84	16.82	49941.31
Woolworths	36.57	0.16	41.13	32.62	2.70	45.55	29911.6
Belgium (€)							
AnBshInBv	49.37	0.29	58.72	46.66	1.05	25.41	85383.27
KBC Grp	49.91	1.30	86.50	45.53	6.68	8.38	20716.13
Brazil (R$)							
Ambev	15.37	-0.19	18.12	12.81	3.52	24.19	46367.22
Bradesco	15.69	-0.22	17.45	13.53	5.07	7.57	14637.06
Cielo	5.01	-0.11	6.22	2.01	2.79	17.67	2607.06
ItauHldFin	22.61	-0.17	27.88	18.86	3.28	9.32	21472.52
Petrobras	35.35	-0.55	40.51	24.50	13.02	5.25	50391.37
Vale	63.68	0.01	107.11	61.85	19.56	2.96	58288.16
Canada (C$)							
Bausch Hlth	9.15	0.04	37.42	5.10	-	-3.11	2515.85
BCE	62.70	-0.51	74.09	61.42	4.92	23.78	43550.9
BkMontrl	123.50	2.07	154.47	118.79	3.23	10.76	63449.76
BkNvaS	72.08	1.17	95.00	69.95	4.54	10.22	65492.23
Brookfield	63.73	0.51	79.04	55.51	0.91	23.94	79434.71
CanadPcR	99.62	0.96	106.93	82.12	0.67	27.03	70573.03
CanImp	62.77	0.93	167.50	59.03	8.44	4.93	43253.52
CanNatRs	68.87	-0.01	88.18	40.69	2.56	12.09	58941.16
CanNatRy	155.81	0.28	171.48	137.26	1.39	25.65	81233.61
Enbridge	53.40	-0.59	59.69	46.88	5.51	21.10	82354.95
GtWesLif	31.18	0.23	41.50	29.93	5.46	9.93	22128.71
ImpOil	60.86	-0.30	72.96	33.31	1.49	19.84	29277.77
Manulife	22.61	0.11	28.09	21.28	4.56	7.24	32834.33
Nutrien	119.58	1.12	147.93	76.30	1.71	19.45	49118.51
RylBkC	124.94	1.02	149.60	118.24	3.14	12.57	132545.99
SHOP	40.48	-0.13	222.87	38.19	-	1.59	36400.28
Suncor En	39.83	-0.14	53.62	22.86	2.32	16.31	41454.58
ThmReut	146.29	0.08	156.62	119.23	1.23	11.42	53875.09
TntoDom	85.56	0.43	109.08	77.27	3.37	12.14	118236.91
TrnCan	62.14	-0.73	74.44	57.71	4.94	37.89	47895.33
China (HK$)							
AgricBkCh	2.47	-0.03	3.15	2.45	8.17	3.41	9672.89
Bk China	2.70	-0.01	3.20	2.67	7.80	3.52	28764.39
BkofComm	4.40	-0.02	5.74	4.35	7.52	3.83	19626.25
BOE Tech	0.75	0.05	1.21	0.57	-	12.74	19.01
Ch Coms Cons	3.73	-	5.17	3.60	5.16	3.26	2099.66
Ch Evrbrght	2.37	-0.02	3.11	2.32	9.57	3.38	3828.22
Ch Rail Cons	4.48	-0.02	5.99	4.32	5.54	2.51	1185.07
Ch Rail Gp	4.45	-0.03	5.88	3.61	4.38	3.77	2385.3
ChConstBk	4.69	-0.04	6.23	4.68	7.49	3.59	143651.75
China Vanke	15.88	0.08	22.75	13.06	8.49	7.54	3857.1
ChinaCitic	3.35	-0.01	4.08	3.20	7.93	3.27	6351.56
ChinaLife	10.98	-0.02	15.04	10.86	5.89	5.05	10409.16
ChinaMBank	38.00	-0.35	70.80	37.70	3.56	7.38	22225.61
ChinaMob	50.00	0.10	58.65	45.90	6.10	8.12	130331.39
ChinaPcIns	16.16	-0.08	26.20	15.46	7.69	5.54	5713.79
ChMinsheng	2.40	-0.04	3.38	2.39	9.70	3.27	2544.01
ChMrchSecs	13.36	0.01	20.62	12.06	3.13	12.45	14240.01
Chna Utd Coms	3.58	0.03	4.40	3.30	2.99	18.75	15918.4
ChShenEgy	25.25	-0.50	27.65	15.74	7.68	8.06	10864.92
ChShpbldng	3.96	-	5.08	3.36	-	-307.45	12558.84
ChStConEng	5.23	-	6.40	4.52	3.93	4.23	30670.63
ChUncHK	3.64	-	4.43	3.60	4.09	8.44	14189.57
CNNC Intl	6.66	-	8.92	5.78	1.79	18.18	18029.28
CSR	2.89	-	3.98	2.77	6.78	8.36	1609.38
Daqin	6.67	0.05	7.25	5.95	6.89	10.55	14240.58
GuosenSec	9.30	0.01	12.73	8.83	2.37	11.16	11789.15
HaitongSecs	4.99	-0.06	7.43	4.97	5.46	5.71	2167.57
Hngzh HikVDT	28.65	0.10	58.45	28.10	2.67	16.44	37752.38
Hunng Pwr	4.70	0.27	5.74	3.08	3.98	-5.55	2814.5
IM Baotou Stl	2.04	-0.02	3.94	1.75	-	36.27	9280.16
In&CmBkCh	3.86	-0.03	4.94	3.85	7.45	3.72	42682.71
IndstrlBk	17.01	-0.08	23.22	16.69	4.37	4.87	50747.11
Kweichow	1815	-3.01	2216.96	1585	1.02	42.69	327428.52
Midea	0.43	0.01	0.65	0.42	-	-4.86	16.30
New Ch Life Ins	16.96	-0.46	25.15	16.92	8.55	3.39	2234.42
PetroChina	3.67	-0.07	4.49	3.30	6.16	7.79	9865
PingAnIns	45.10	-0.50	69.40	42.55	5.26	7.55	42792.06
PngAnBnk	12.36	0.03	20.99	11.94	1.35	7.71	34445.04
Pwr Cons Corp	8.10	-0.14	9.96	5.99	1.05	17.58	12785.53
SaicMtr	15.35	-0.05	23.45	14.63	3.71	8.02	25755.02
ShenwanHong	0.14	0.00	0.18	0.05	-	4.49	161.64
ShgPdgBk	7.24	0.02	9.48	7.06	6.09	4.84	30518.33
Sinopec Corp	3.45	-0.20	4.28	3.25	3.83	4.38	11213.92
Sinopec Oil	1.96	-0.02	2.90	1.70	-	680.53	3819.37
Denmark (kr)							
DanskeBk	100.55	2.29	133.25	93.56	1.93	7.11	11607.46
MollerMrsk	16165	-250.00	24070	15910	2.04	2.72	18121.64
NovoB	782.60	8.40	863.60	604.50	1.16	38.95	182592.77
Finland (€)							
Nokia	5.01	0.01	5.71	4.12	-	17.83	28414.09
SampoA	45.21	0.53	48.74	35.85	3.67	9.93	23994.85
France (€)							
Airbus Grpe	96.28	0.31	120.36	88.91	-	18.21	75551.6
AirLiquide	122.44	-0.86	153.40	120.02	2.18	23.32	63797.69
AXA	24.38	0.66	29.09	20.34	5.68	8.47	56713.44
BNP Parib	47.44	0.93	68.07	40.67	5.47	7.05	58301.91
ChristianDior	619.00	3.00	733.50	513.00	1.10	23.32	111248
Cred Agr	9.21	0.12	14.27	8.09	8.41	5.19	27906.12
Danone	50.53	-0.17	60.58	46.48	3.72	17.74	33998.97
EDF	12.00	0.02	12.67	6.64	3.94	9.52	46416.7
Engie SA	12.76	0.03	14.61	9.79	4.02	9.27	30934.18
EssilorLuxottica	150.35	0.75	195.00	132.70	0.70	47.31	66976.97
Hermes Intl	1284	9.00	1678	957.60	0.34	56.88	134961.34
LOreal	341.60	-0.40	433.65	300.45	1.13	42.95	182548.84
LVMH	643.50	2.10	741.60	535.00	1.05	27.80	322437.05
Orange	10.06	-0.03	11.94	8.93	5.78	3446.58	26649.03
PernodRic	187.30	2.10	214.50	166.60	1.61	29.18	48103.33
Renault	28.90	-0.06	38.07	20.47	-	-22.27	8509.19
Safran	102.62	-0.02	123.12	87.85	0.41	1059.22	43652.86
Sanofi	80.56	-0.05	106.08	76.45	3.85	16.81	101663.84
Sant Gbn	40.75	0.36	64.82	39.03	3.23	10.06	21100.32
Schneider	121.60	1.12	173.78	110.02	2.07	22.14	69142.75
SocGen	23.07	0.59	37.68	18.34	2.32	4.02	19521.51
Total	49.20	-0.60	57.41	36.51	5.32	9.76	128300.58
UnibailR	50.60	-0.71	73.09	45.69	-	-7.44	6990.69
Vinci	93.46	-0.05	103.74	80.74	2.79	21.39	55605.11
Vivendi	8.54	-0.21	12.16	6.22	6.81	-15.74	9425.92
Germany (€)							
Allianz	167.56	1.20	232.50	164.46	5.55	10.93	68143.41
BASF	42.50	-0.45	69.15	39.33	7.52	7.26	38860.93
Bayer	51.91	0.85	67.99	43.91	3.73	52.53	50775.74
BMW	72.95	-1.12	97.60	67.58	2.52	4.01	43724.48
Continental	55.76	-1.42	113.50	54.50	-	8.87	11103.81
Deut Bank	8.65	0.46	14.64	7.53	-	8.78	17799.79
Deut Tlkm	18.82	-0.07	19.39	14.47	3.09	22.33	93456.71
DeutsPost	35.37	-0.33	61.29	33.44	3.79	9.24	43628.68
E.ON	8.89	-0.07	12.54	7.72	5.12	5.10	23389.67
Fresenius Med	32.37	-1.59	65.56	32.30	4.01	10.09	9443.28
Fresenius SE	24.48	-0.50	43.33	23.40	3.57	7.99	13612.65
HenkelKgaA	60.25	-0.15	75.80	56.55	2.94	16.54	15584.6
Linde	284.75	1.15	315.35	244.00	1.27	45.66	141292.16
Mercedes-Benz	55.05	-1.04	77.90	50.19	2.38	5.68	58638.3
MuenchRkv	256.50	5.00	282.25	205.15	3.70	12.65	35779.02
SAP	85.47	0.17	129.74	83.01	2.10	19.78	104543.4
Siemens	103.12	-1.34	156.98	93.67	3.29	16.01	87270.63
Volkswgn	188.05	-3.65	301.40	162.40	2.47	6.56	55250.2
Hong Kong (HK$)							
AIA	72.05	-1.00	95.75	70.15	1.58	19.36	109552.28
BOC Hold	26.30	-0.25	32.75	22.20	4.03	14.17	35425.58
Ch OSLnd&Inv	22.00	-0.45	27.35	15.42	4.66	5.74	30676.54
ChngKng	53.15	0.40	57.00	41.35	2.85	12.77	24671.98
Citic Ltd	8.07	-0.08	10.24	6.96	5.69	3.92	29908.28
Citic Secs	15.38	-0.20	21.32	15.32	2.65	8.32	5133.83
CK Hutchison	47.35	-0.40	60.45	47.10	4.11	6.30	23131.22
CNOOC	9.57	-0.36	12.54	7.55	4.04	8.77	54435.07
HangSeng	119.90	-0.70	169.50	119.00	4.34	20.26	29204.05
HK Exc&Clr	302.00	-2.40	515.00	300.20	2.59	35.76	48780.04
MTR	39.60	-0.10	44.30	39.00	2.65	30.11	31275.57
SandsCh	16.68	-0.22	27.30	13.52	-	-19.35	17198.35
SHK Props	94.05	0.45	111.80	87.15	4.49	11.28	34721.32
Tencent	301.80	-9.80	515.00	288.00	0.45	12.47	369817.42
India (Rs)							
BhartiartI	769.80	16.70	781.80	628.75	-	180.90	57507.39
HDFC Bk	1497.6	15.30	1725	1271.6	-	27.95	104557.85
Hind Unilevr	2577.15	12.55	2859.3	1901.55	1.13	75.99	75955.26
HsngDevFin	2449.65	21.85	3021.1	2026	0.85	22.95	55796.48
ICICI Bk	898.80	22.60	900.80	642.15	0.20	31.39	78502.5
Infosys	1475.9	18.25	1923.3	1367.15	1.87	32.10	77898.58
ITC	329.90	3.80	330.60	207.00	2.96	30.17	51283.89
L&T	1974.4	16.30	2008	1456.35	0.83	36.05	34798.93
OilNatGas	131.85	-0.65	194.95	118.20	6.28	4.11	20806.4
RelianceIn	2585.4	3.65	2856.15	2180	0.25	32.56	219424.57
SBI NewA	544.65	11.80	549.00	425.00	0.67	16.72	60972.32
SunPhrmInds	894.30	0.55	967.05	733.70	0.76	36.68	26915.36
Tata Cons	3169.65	20.05	3989.9	2953	1.04	33.32	145480.81
Israel (ILS)							
TevaPha	29.27	-0.63	37.23	23.83	-	26.47	9507.97
Italy (€)							
Enel	4.81	0.06	7.61	4.60	7.39	23.07	48648.48
ENI	11.58	-0.04	14.85	10.33	5.64	5.03	41578.31
Generali	14.68	0.11	21.55	13.80	9.70	8.51	23109.11
IntSPaolo	1.74	0.04	2.92	1.58	2.03	55.68	33669.69
Unicred	10.19	0.58	15.93	7.75	1.14	15.62	22702.95
Japan (¥)							
AstellasPh	1999.5	40.00	2205	1739	2.44	29.07	25495.99
Bridgestne	5252	92.00	5509	4042	3.35	11.54	26034.68
Canon	3291	70.00	3516	2467	3.15	15.38	30487.35
CntJpRwy	16315	300.00	18110	14660	0.85	-29.55	23343.57
[illegible]							
Ericsson	78.30	0.87	117.32	70.05	2.89	11.56	22380.04
H & M	109.26	-1.62	191.86	106.30	5.80	15.08	14846.9
Investor	170.70	1.88	228.75	162.62	2.06	7.35	28932.68
Nordea Bk	100.00	1.28	114.64	85.25	14.72	11.69	34914.63
SEB	106.15	1.45	141.85	91.64	9.58	8.89	21276.61
SvnskaHn	87.40	1.06	108.15	80.88	5.76	8.59	15812.59
Swedbank	142.85	2.70	196.70	124.50	10.26	7.64	15043.56
Telia Co	35.38	-1.41	41.70	33.61	5.69	12.50	13460.57
Volvo	166.88	0.52	218.65	148.24	3.92	10.89	24660.59
Switzerland (SFr)							
ABB	27.12	0.01	35.30	24.85	2.78	13.65	54739.98
CredSuisse	5.04	0.07	10.18	4.86	1.80	-8.30	13719.4
Nestle	110.10	-1.10	128.90	105.64	2.26	20.05	311048.9
[illegible]							

FT 500: TOP 20

	Close price	Prev price	Day change	Day change %	Week change	Week change %	Month change %
Regen Pharm	702.66	596.44	106.22	17.81	102.03	17.0	-9.64
Hunng Pwr	4.70	4.43	0.27	6.09	0.68	16.9	5.41
Bausch Hlth	8.95	9.11	-0.16	-1.76	1.07	13.6	-17.10
RollsRoyce	78.28	76.75	1.53	1.99	6.97	9.8	-2.85
CaixaBnk	3.21	3.02	0.19	6.25	0.25	8.5	-2.64
WalMrtMex	71.35	70.93	0.42	0.59	5.33	8.1	-4.55
Twitter	41.70	41.20	0.50	1.21	3.08	8.0	-2.72
HCA Hold	215.08	212.16	2.92	1.37	15.63	7.8	-15.41
Engie SA	12.74	12.72	0.01	0.11	0.92	7.8	-10.83
MuenchRkv	256.30	251.50	4.80	1.91	18.10	7.6	5.12
AmerAir	13.86	13.89	-0.04	-0.25	0.93	7.2	-24.06
KBC Grp	50.14	48.61	1.53	3.15	3.29	7.0	-11.17
Glencore	471.15	468.25	2.90	0.62	29.15	6.6	-19.09
Seven & I	5889.00	5661.00	228.00	4.03	356.00	6.4	-2.79
Swiss Re	81.06	79.26	1.80	2.27	4.88	6.4	-8.54
Prudential	938.00	917.60	20.40	2.22	56.40	6.4	0.66
Aviva	437.00	432.40	4.60	1.06	25.80	6.3	-6.58
BhartiartI	769.80	753.10	16.70	2.22	43.20	5.9	-3.66
LlydsBkg	45.23	44.68	0.56	1.24	2.53	5.9	-6.25
Edwards Lifesc.	95.34	91.98	3.36	3.65	5.22	5.8	0.05

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 %
MitsuiFud	844.20	834.30	9.90	1.19	-1979.30	-70.1	-7.50
MitsubEst	955.64	941.29	14.35	1.52	-924.36	-49.2	-2.28
AscBrFd	1345.00	1455.00	-110.00	-7.56	-155.00	-10.3	-6.66
CNOOC	9.57	9.93	-0.36	-3.63	-1.07	-10.1	-13.50
BHP Group	36.92	36.27	0.65	1.79	-3.68	-9.1	-10.82
New Ch Life Ins	16.96	17.42	-0.46	-2.64	-1.54	-8.3	10.20
Tencent	301.80	311.60	-9.80	-3.15	-25.40	-7.8	4.27
Equinor	354.10	352.65	1.45	0.41	-28.45	-7.4	-6.17
Sinopec Corp	3.45	3.65	-0.20	-5.48	-0.26	-7.0	-14.29
SmsungEl	55600.00	56000.00	-400.00	-0.71	-4100.00	-6.9	-16.99
CK Hutchison	47.35	47.75	-0.40	-0.84	-3.40	-6.7	-9.29
MediaTek	623.00	619.00	4.00	0.65	-44.00	-6.6	-30.30
Cielo	5.14	5.12	0.02	0.39	-0.36	-6.5	-1.26
KoreaElePwr	19650.00	19600.00	50.00	0.26	-1300.00	-6.2	-3.00
Telia Co	35.38	36.79	-1.41	-3.83	-2.25	-6.0	-1.69
Comcast	34.70	34.98	-0.29	-0.81	-2.21	-6.0	-8.29
TaiwanSem	475.00	472.50	2.50	0.53	-30.00	-5.9	-17.09
MollerMrsk	16165.00	16415.00	-250.00	-1.52	-1000.00	-5.8	-19.16
SandsCh	16.68	16.90	-0.22	-1.30	-1.02	-5.8	31.97
Suncor En	40.05	39.97	0.08	0.20	-2.44	-5.7	-14.08

Based on the FT Global 500 companies in local currency

BONDS: HIGH YIELD & EMERGING MARKET

[illegible]

BONDS: GLOBAL INVESTMENT GRADE

[illegible]

INTEREST RATES: OFFICIAL

Sep 08	Rate	Current	Since	Last
US	Fed Funds	1.5-1.75	15-06-2022	0.83
US	Prime	4.75	15-06-2022	4.00
US	Discount	1.00	05-05-2022	0.50
Euro	Repo	-0.64	19-05-2022	0.00
UK	Repo	1.75	04-08-2022	1.25
Japan	O'night Call	0.00-0.10	01-02-2016	0.00
Switzerland	Libor Target	-1.25-0.25	15-01-2015	-0.75--0.25

INTEREST RATES: MARKET

Sep 08 (Libor: Sep 07)	Over night	Change Day	Change Week	Change Month	One month	Three month	Six month	One year
US$ Libor	2.31243	0.001	0.004	0.020	2.70457	3.19400	3.75214	4.18886
Euro Libor	-0.64957	-0.064	0.000	0.001	-0.61943	-0.58057	-0.55600	-0.48571
£ Libor	0.18063	-0.005	0.000	0.015	2.21270	2.68820	3.39920	0.81363
Swiss Fr Libor				-0.002	-0.77540	-0.75300	-0.70280	-0.55320
Yen Libor				0.000	-0.04632	-0.01559	0.04330	0.04867
Euro Euribor				0.026	0.39400	0.82200	1.36300	1.91300
Sterling CDs				0.000	0.50000	0.63000	0.78500	
US$ CDs				0.000	2.51000	3.01000	3.43000	
Euro CDs				0.070	0.54000	0.83000	1.31000	

Sep 08	Short term		7 Days notice		One month		Three month		Six month		One year	
Euro	-0.22	0.08	0.17	0.47	0.39	0.69	0.68	0.98	1.16	1.46	1.59	1.89
Sterling					0.45	0.55	0.58	0.68	0.71	0.86	0.90	1.05
US Dollar	2.15	2.35	2.19	2.39	2.41	2.61	2.91	3.11	3.33	3.53	3.68	3.88
Japanese Yen	-0.15	0.05	-0.20	0.00	-0.20	0.00	-0.15	0.05	-0.10	0.20	-0.05	0.25

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

BOND INDICES

	Index	Day's change	Month's change	Year change	Return 1 month	Return 1 year
Markit IBoxx						
ABF Pan-Asia unhedged	196.01	-0.58	-1.54	-10.82	-3.80	-11.86
Corporates(£)	324.90	0.20	-1.67	-17.91	-7.39	-19.47
Corporates(€)	212.02	0.14	-0.08	-12.22	-3.96	-13.19
Eurozone Sov(€)	220.41	0.28	-0.03	-13.37	-4.82	-14.50
Gilts(£)	282.72	0.04	-2.27	-21.35	-9.55	-22.34
Overall(£)	289.28	0.08	-2.05	-20.09	-8.81	-21.21
Overall(€)	214.52	0.26	-0.05	-13.03	-4.47	-14.14
FTSE						
Sterling Corporate (£)	-	-	-	-	-	-
Euro Corporate (€)	104.47	-0.05	-	-	0.54	-1.73
Euro Emerging Mkts (€)	744.49	-4.20	-	-	-4.57	-12.91
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	548.11	-9.44	-38.60	30.05	630.88	330.24
Europe 5Y	111.47	-2.67	-8.69	8.57	127.35	70.55
Japan 5Y	88.53	-2.84	-2.87	6.78	115.50	57.71
Senior Financials 5Y	121.83	-4.06	-9.39	10.73	139.21	79.74
Markit CDX						
Emerging Markets 5Y	306.46	-14.76	-21.18	18.40	387.80	219.01
Nth Amer High Yld 5Y	496.97	-28.47	-36.29	59.60	589.25	421.25
Nth Amer Inv Grade 5Y	85.54	-5.44	-6.74	9.17	102.64	63.80

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

VOLATILITY INDICES

[illegible]

BONDS: BENCHMARK GOVERNMENT

[illegible]

GILTS: UK CASH MARKET

[illegible]

GILTS: UK FTSE ACTUARIES INDICES

[illegible]

COMMODITIES

www.ft.com/commodities

Energy		Price*	Change	Agricultural & Cattle Futures		Price*	Change
Crude Oil†	Oct	82.45	0.51	Corn♦	Dec	668.00	-3.00
Brent Crude Oil‡		89.06	-0.16	Wheat♦	Dec	850.25	6.00
RBOB Gasoline†	Oct	2.31	0.01	Soybeans♦	Nov	1386.50	3.00
Natural Gas†	Oct	7.83	-0.01	Soybeans Meal♦	Oct	418.40	3.40
[illegible]							

BONDS: INDEX-LINKED

	Price Sep 07	Yield Sep 07	Yield Prev	Month return	Value stock	Market	No of stocks
Can 4.25%' 26	112.31	1.247	1.274	0.10	5.25	72328.11	8
Fr 0.25%' 24	105.13	-2.390	-2.730	-1.81	17.92	252110.68	17
Swe 1.00%' 25	125.17	-1.149	-1.109	0.38	35.15	218648.95	6
[illegible]							

BONDS: TEN YEAR GOVT SPREADS

[illegible]

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ARTS

Cronenberg's gruesome vision of the future

FILM
Danny Leigh

In uncertain times, people take comfort where they find it. For some, a warm glow may come with David Cronenberg's anatomical satire **Crimes of the Future**. Which future is that? Much the same one the director showed bolder film-goers in the gruesome science fictions of his early career, an unnerving just-around-the-corner.

What does it look like? Well, Cronenberg being Cronenberg, it looks disgusting. "Body horror" was the name given to the queasy likes of *Videodrome* (1983) and *Dead Ringers* (1988), before semi-respectability set in around the 2000s. Now the ick is back. The new movie is a grand pageant of troubling growths and weird orifices, just like the old days. How nice, you may think.

Now 79, Cronenberg presents us with an alter ego in performance artist Saul Tenser, another veteran of scandalous reputation, played by Viggo Mortensen. We meet him sleeping uneasily in a deeply Cronenbergian bed, the frame like an upturned bug hung from the ceiling, intravenous limbs plugged into his body. An exoskeletal dining chair is also available. Who needs Eames?

The budget has clearly gone on the furniture, serving not just as interior design but plot point. The bed is a clinical aid for the coming man Saul represents. Strange new organs grow throughout his body, human evolution gone haywire. Life and art conjoined, his condition becomes a show, the star cut open by creative partner Caprice (Léa Seydoux) in an act of public surgery. A surrealist cooked breakfast comes to mind. Cronenberg has not lost his gift of the gag.

Or for gags. The cheekbony pomp of performance art is playfully teased. The director always did dry comedy well, however much it was sometimes missed by outraged critics and hardcore fans alike. The cast are in on the joke. Mortensen wears the ghost of a smile even under the knife; Kristen Stewart arrives to trill excitedly as a medical bureaucrat. For dramatic pulse, we have panicked authorities, gastro-radicals, killer Wonka bars.

But the plot is really only there as a frame for chewy ideas about humanity and things to come. The movie might easily have been a slim novella, though that would have meant less movie star flesh. "Sexier means easier funding," Mortensen notes in the knowing tone you might expect from, say, a seasoned maker of hard-to-market feature films.

Self-awareness is baked in. The title is recycled from a 1970 Cronenberg film, though the two movies share little common thread. The nag of history doesn't end there. Riffs on designer cosmetic surgery might have appeared in any Cronenberg project of the past five decades. But diagnosing the now and what's next is still the director's signature.

Under the drollery and beyond the innards is a fatalistic vision of environmental collapse and a tart retort to fonder blueprints of the future. Cronenberg, you suspect, has kept tabs on Mark Zuckerberg's plans for 21st-century living, the Facebook founder's virtual Metaverse a place to transcend our physical selves and the real world we have made. Think again, the movie says, the tone suddenly wintry. The body is not so easily escaped.

In UK cinemas now

Viggo Mortensen plays a performance artist who grows new organs in 'Crimes of the Future' — Nikos Nikolopoulos

Crimes of the Future
David Cronenberg
★★★★☆

See How They Run
Tom George
★★★☆☆

Pinocchio
Robert Zemeckis
★★★☆☆

Bodies Bodies Bodies
Halina Reijn
★★★☆☆

Sam Rockwell and Saoirse Ronan in 'See How They Run' — Parisa Taghizadeh

Save your pity for John Woolf, the late British film producer whose career encompassed a string of lucrative hits through the 1950s and 1960s. *The African Queen* and *Oliver!* were his, but he also struck the most luckless deal in cinema history — buying the rights to Agatha Christie's *The Mousetrap* in 1956.

At the time, few bets could have been safer: the transformation of West End smash into big-screen cash cow, subject only to the contractual small print that a movie could not be made until six months after the stage production ended. Of course, 66 years later, the world's longest running play remains in situ off Shaftesbury Avenue. And so instead we have **See How They Run**, a rickety comic hymn to whodunnits everywhere, built around the legend of Christie's juggernaut.

Woolf himself is a supporting character, played by Reece Shearsmith, part of a vast ensemble, the plot lightly dipped in actual events. As we begin, the deal is newly signed, the play still only 100 performances in, the star a speechifying Richard Attenborough (Harris Dickinson). The rest is fiction, though the edges are blurred. British desire for Hollywood glitz sees Woolf hire a swinish American director. Real-life transatlanticism finds Adrien Brody cast to play him. Another Los Angeles exile, Sam Rockwell, is a scuffed Scotland Yard detective inspector, Saoirse Ronan his chipper protégé, the pair called into action after a backstage murder.

Casting Ronan and Brody suggests the film taking aim at the just-so symmetries of Wes Anderson, the actors having co-starred in Anderson's *The Grand Budapest Hotel*. Yet the energy proves altogether more farcical. Doors slam in faces, drunks slide down walls, wisecracks put an elbow in your ribs. But later, another mystery: the jokes simply vanish. More than one scene ends in a fizzle, as if the actors had misplaced the page with the punchline. Among a mixed bag of performances, Rockwell looks haunted by his miscasting, sinking into his overcoat like a man trying to hide inside his own costume.

Yet even the most joyless critic may have to admit they still had a good time. Hand most of the kudos to Ronan, doing endless heavy lifting to give a lumpy script an airy soufflé bounce. But credit too for the sheer vim of director Tom George. Enough affection for period, place and genre runs through his movie to drown out — just about — the creaks and clanks.

In UK cinemas now and US cinemas from September 16

Prepare to lose your bearings in **Pinocchio**, Disney's regeneration of its 1940 animated landmark. The movie is being sold as live action, or thereabouts at least, with a star turn from Tom Hanks as Geppetto. Hanks is an erratic prospect these days, but if his Mitteleuropean accent ends up back in southern California, he is, if nothing else, definitively human. The new Jiminy Cricket is, by contrast, still a cartoon. At least I think so. (Either way, his voice comes from a caffeinated Joseph Gordon-Levitt.) But the animation is now so hyper-advanced, the landscape of the movie so eerily both this and that, it is easy to get confused about where reality stops and ones and zeros take over.

Conceptually, of course, it makes the perfect stage for the boy caught between actuality and the merely handmade. And the Pinocchio presented here by director Robert Zemeckis is a ringer for the one first drawn by Disney's galley slaves 82 years ago — still animated too, but rendered just a breath from flesh and blood.

Likewise, the film takes pains to stick to the original script, or at least the basic chronology of Blue Fairy, Stromboli, Coachman and Monstro. (Grit your teeth through the stuff about influencers.) You may even find a trace of the darkness of Carlo Collodi's 1883 source novel. Early on, Figaro the cat (animated) retreats in dread as Hanks marches towards him with his wooden puppet boy, the story's essential proximity to horror clear even before the cacophony of cuckoo clocks.

When they erupt, you see what else is proximate: the weight of Disney history and the place of the new film in corporate strategy. Every clock turns out to host a celebrated Disney character, an Easter egg that feels notably less charming the third time it happens.

Among the cameos, the keen-eyed will spy Jessica Rabbit, star of *Who Framed Roger Rabbit*, the groundbreaking mash-up of animation and live action made by Zemeckis back in 1988.

Truthfully, that movie did better than this at avoiding the sense of a showcase at a tech conference, but for the young audience most clearly in the film's sights, such visual sophistication is likely to be taken as a given anyway. Their parents are the ones who will ooh and aah. Then again, they are also the ones paying for the Disney Plus subscription, which is the only way to see the film, another stride into the company's future.

On Disney Plus now

If this week's new *Pinocchio* film sees Disney target Generation Alpha (under 12s), eternally modish studio A24 keeps hunting the Gen Z dollar with bloody comic ensemble piece **Bodies Bodies Bodies**. The title could hint at either sex or death, and both end up with roles to play in a movie carefully stuffed with rising stars du jour.

Among the headliners are Rachel Sennott, lead of 2020 sleeper hit *Shiva Baby*, and Maria Bakalova, last seen in the company of Rudy Giuliani in *Borat Subsequent Moviefilm*. But the biggest names are Amandla Stenberg and deadpan man-child Pete Davidson, the latter cast as a feckless rich kid with a country house devoid of parents and a friendship group come to stay.

The set-up suggests horror. Sure enough, a corpse is produced, followed by wild accusations and power cuts. (The cast huddle round the lights of their iPhones.) But if olds like me are put in mind of *Scream*, this movie has none of that film's nitpicking obsession with movies themselves. Instead, it mines a seam of bitter rivalries, secret affairs and ugly grudges among the young and beautiful, all played for giggles.

David Cronenberg's new film is a grand pageant of troubling growths and weird orifices, just like the old days

Much of the movie is not unwitty. Still, actual young people may smell a rat in a film packed with mocking references to triggering and toxicity, the stuff of a million digs at twentysomething "snowflakes". The movie captures a generation all right, but perhaps not the one the makers intended. Sure enough, a creative team including director Halina Reijn and original story writer Kristen Roupenian (author of the celebrated short story *Cat Person*) prove, like the A24 higher-ups, to all be on the dustier side of 40. How's that for a sting in the tail?

In UK cinemas now

Left: Maria Bakalova and Amandla Stenberg in 'Bodies Bodies Bodies'. Below: Cynthia Erivo as Blue Fairy in 'Pinocchio' — Gwen Capistran; Disney

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FT BIG READ. AGRICULTURE

The spectre of faltering food security — along with the decaying norms of the globalised economic system — looms over the country that imports almost two-thirds of what it eats. Reforms are essential.

By Leo Lewis and Kana Inagaki

Can Japan feed itself?

At the end of the month, in supermarkets across Japan, regular staff and a secret army of wholesalers will work the shelves through the night on a project that none of them — from national chains to local stores — are able to talk about openly.

When the food retail industry's collective doors open on October 1, shoppers who have barely experienced inflation since the early 1990s will be hit by the most severe price shock in almost two generations.

The prices of more than 6,000 daily food items will have soared overnight; so too, say experts whose warnings have long gone unheeded, will the Japanese public's realisation of what it means to depend upon the most vulnerable food supply system in the developed world.

The spectre of faltering food security, admit government officials, is a symbol of both the country's decline as an economic superpower and the decaying norms of the globalised economic system that allowed Japan to thrive.

For the past year, Japan's supermarket industry has shielded customers from a 48 per cent rise in import prices — much of that surge driven by the high cost of energy and, since March, the sustained collapse of the yen to a 24-year low against the dollar.

The choreographed effort to raise prices is in keeping with decades of habit in Japan's fragmented and competitive supermarket industry — and in an economy that defined the phenomenon of deflation for the rest of the world. None would have felt comfortable acting on their own, particularly after more than 20 years of wage stagnation. Now, however, passing on the cost to consumers is a matter of survival.

There have been other shocks over the years, say officials, but this one feels different. Extreme weather, climate change and Covid-related disruption of logistics have highlighted the fragility of systems on which Japan has come to rely. By disrupting the global flows of food commodities, energy and chemical fertiliser, Russia's war in Ukraine has laid bare the huge risks that Japan has, over decades, allowed to become structural within its food supply system.

If tensions between Taipei and Beijing escalate into a military conflict in the Taiwan Strait, disruption to this vital shipping route would be crippling for Japan's food imports. Without immediate agricultural reforms, warns one of the country's leading food experts, the sophisticated modern Japanese diet would be sent back to the rice and sweet potato Spartanism of the 1940s.

The Japanese government has acknowledged the threat that hangs over its food security: the question is whether it has the time, the incentives, the human resources and powers of innovation required to avert disaster.

"What's different from the past is that Japan's economic status has fallen. We need to think of [a new] strategy of supplying food to everyone now that the premise that Japan can buy whatever it likes from wherever in the world at any price is gone," says Atsushi Suginaka, director-general for policy co-ordination at the ministry of agriculture, forestry and fisheries. "The biggest problem facing agriculture is the lack of a willingness to take on new challenges."

Geopolitical obstacles

Though the October price increases are not enough to ruin Japanese households, they will provide an unambiguous reminder of the country's food self-sufficiency rate of just 38 per cent, and its dependence on imports to make up the remaining calories consumed.

The self-sufficiency rate — now the lowest among major countries — has fallen from 73 per cent in 1965 as demand has risen for meat and other food it cannot produce on its own. Some of Japan's dependencies, such as wheat (83 per cent imported), soyabeans (78 per cent) and edible oils (97 per cent) are exceptionally skewed.

The culinary scene Japan is famed for — from backstreet ramen noodle shops ranked by Michelin among the world's finest restaurants, to the tempura udon dishes worshipped by traditionalists — is almost entirely dependent on the outside world. Russia's invasion of Ukraine has caused upheaval in global food supplies as both countries are important grain exporters, between them accounting for almost a third of the world's traded wheat. The situation could worsen if global crop yields also decline due to the shortage and high prices of fertilisers, where Japan's import dependence is high at 75 per cent.

Even before the war, prices for key fertilisers jumped last year after the EU announced sanctions over human rights abuses against Belarus, a leading potash producer, and China and Russia, large fertiliser exporters, put export curbs in place to protect domestic supply.

So far, Japan has navigated these geopolitical obstacles by securing deals with alternative suppliers such as Morocco and Canada for phosphate, potassium and other fertiliser ingredients. Over decades, the resource-poor country has cultivated a sophisticated network of trading houses and economic partners as well as contingency plans so it can get hold of many of its imported foods even in cases of emergencies such as natural disasters and armed conflicts.

But even then, officials say, Japan's sourcing ability will be severely limited if prices continue to rise, making it harder to compete against rivals with much bigger purchasing power.

Japan has historically remained committed to the idea that the nation should be 100 per cent self-sufficient in rice, above, despite its heavy dependence on other imports. Right: the supermarket industry has shielded customers from a rise in import prices

FT montage/Dreamstime; Issei Kato/Reuters

> 'What's different from the past is that Japan's economic status has fallen. We need to think of [a new] strategy'

Alarmed by the looming crisis, a group of parliamentarians from the ruling Liberal Democratic party in May submitted proposals for strengthening Japan's food security. A month later, when Prime Minister Fumio Kishida unveiled a draft of his "new capitalism" programme, a section was devoted to outlining plans to revive the agricultural industry. "To establish food security in Japan, food self-sufficiency will be improved by creating robust agriculture, forestry and fisheries industries," it read. As part of that effort, the government will aim to boost exports of agricultural, forestry and fishery products from ¥1.2tn last year to ¥5tn by 2030.

Still, some agricultural ministry officials say the Kishida administration has placed a bigger emphasis on economic security matters in areas such as semiconductor and battery technologies after the supply chain disruptions caused by Covid-19 and the war in Ukraine. The same sense of urgency should be applied to food security, these officials say, especially since Japan retains internationally competitive technology in the breeding of rice, fruits and vegetables.

"Farming remains in Japan, and it is still highly regarded overseas. That's not the case with semiconductor technology," Suginaka says. "We must make sure that we do not lose our existing advantages."

Homegrown solutions

With a succession crisis facing many of Japan's ageing farmers, the prospects are grim for increasing domestic production of wheat and other agricultural products. A key pillar of the Kishida administration's food security agenda rests on the use of innovation and digital technologies to boost productivity and encourage younger people into the shrinking agricultural sector.

One example of this is the new venture capital arm of Norinchukin — an agricultural bank that has since 2019 established itself as an investor in a small selection of start-ups focused on agricultural technology. This ranges from robot wheelbarrows for elderly farmers to online systems for organising the dispatch of foreign workers to farms short of human staff.

Algal Bio, a University of Tokyo spin-off, is researching the use of algae as a supplement for animal protein to feed livestock or as fertiliser. The goal is to make the entire value chain self-sufficient using algae that can be homegrown on almost any kind of land.

"The solutions for Japan's energy crisis are clear. But when it comes to agriculture, that's not the case," says Amane Kimura, chief executive of Algal Bio, noting that the country can turn to nuclear power and renewable energy to reduce its reliance on imported energy.

In the case of agriculture, however, simply increasing the volume of production is not necessarily the answer since Japan would still need to import fertilisers to grow the food. "There is an increasing sense of urgency for the need to create a new value chain for foods in order to genuinely raise the self-sufficiency rate," Kimura adds.

Japan's vulnerability to outside shock arises from a variety of factors that go beyond the country's fundamental dependence on imports of energy and other critical resources.

The central crisis, argues Kazuhito Yamashita, a former agricultural ministry official and now research director at the Canon Institute for Global Studies, is that the long years of relatively crisis-free reliance on imports have permitted Japan to either overlook massive problems in domestic agriculture.

As with the rest of the Japanese economy, the nation's agriculture is placed at immediate risk by an ageing and shrinking population. The countryside has experienced this particularly acutely, as its young have migrated to cities.

But even before they left, and the average age of a Japanese farmer rose to 68, Japanese agriculture was riddled with deep structural weaknesses and distortional incentives. The average size of Japanese farms, limited by a long history of prohibitively cumbersome legal baggage associated with the sale and consolidation of farmland, is extremely small. The national average is 3.1 hectares, but that average is significantly raised by the 30ha average in the northern island of Hokkaido.

"Despite progress in agriculture reform, a much bigger crisis may be needed in order to trigger a response large enough to achieve the resilience and sustainability needed in the Japanese food supply chain," says Morgan Stanley economist Robert Feldman.

Let them eat rice

In a recent study of the acute concerns around Japanese food security, Morgan Stanley analysts highlighted a key misconception that has provided the country with a false sense of security.

> 'The solutions for Japan's energy crisis are clear. But when it comes to agriculture, that's not the case'

Despite the ever increasing ratio of imported to domestically produced food, Japan has remained politically committed to the idea that the nation should be 100 per cent self-sufficient in rice and that the price of domestic rice should remain artificially high.

That commitment, says Yamashita, has created some of the most dangerous distortions to Japan's food supply, particularly as average rice consumption in Japan has fallen from a peak of 118kg a year in 1962 to 53.5kg in 2018.

In the face of declining popularity, the effort to maintain domestic rice at the highest price in the world has created a system where owners of high quality farmland are incentivised not to grow rice and, therefore, squeeze supply.

"The Japanese government should have used a policy of allowing rice prices to fall in order to control its production and increase demand for rice while raising wheat prices to increase its production and control demand for wheat," says Yamashita. "In reality, it implemented a policy that has achieved the exact opposite."

The danger behind the dogma of rice self-sufficiency, say analysts, is that it has created a complacency whereby the threat of external shock on the food system is dismissed with the response, "Well, we will just eat more rice."

Unfortunately, according to calculations by the investment bank Morgan Stanley, that is impossible. Wheat consumption in Japan, its research found, provided about 324 kcal a day per person and rice consumption about 519 kcal. If all of the wheat was replaced by rice, then rice production would have to rise by about 62 per cent.

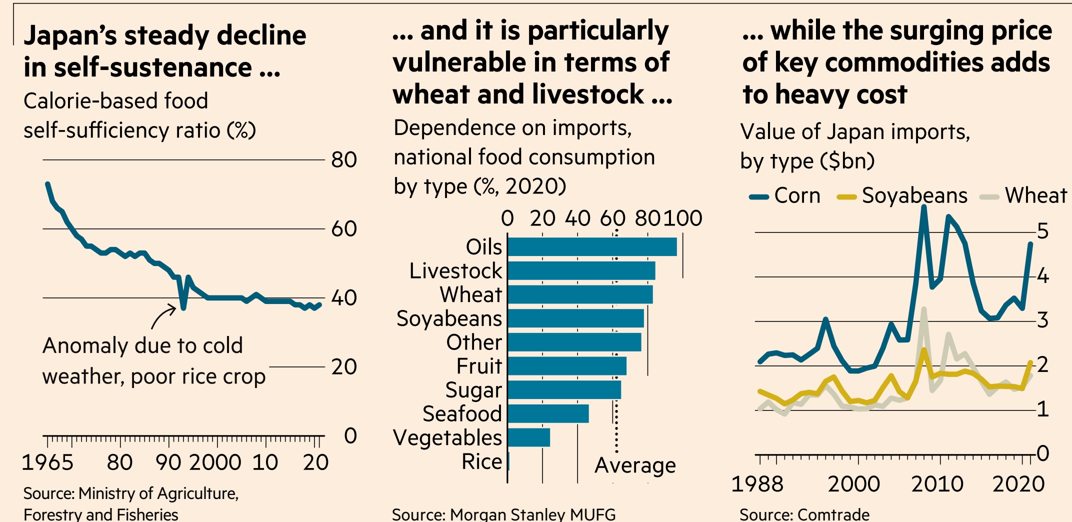
There are two possible ways Japan could attempt to achieve this: either by finding extra paddy land or by raising the productivity of each hectare under rice cultivation. The implied additional demand of 4.8mn tonnes would require 900,000ha of new rice paddy cultivation. The government, meanwhile, estimates that recoverable unused farmland in 2020 was 90,000ha.

Raising productivity would also be a non-starter, analysts say. Between 2000 and 2020 output per hectare grew by 0.184 per cent a year on average. At this pace, according to Morgan Stanley's research, increasing output per acre by 62 per cent would take 262 years.

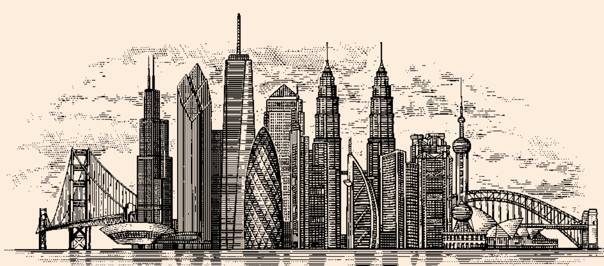
Meanwhile, the threat of external shock rises. "Japan has some very bad neighbours: North Korea, China and Russia. We could have a food crisis if there is some sort of incident in the Taiwan Strait and the imports of food are disrupted," adds Yamashita.

For too long, Japan had underestimated its food security risks, says Akio Shibata, president of the Natural Resource Research Institute.

"The reality now is that Japan can no longer get hold of food or energy resources at reasonable prices, and it needs to reverse its strategy of depending so heavily on the outside world," Shibata said. "Now it may be too late to reverse course."



The FT View



FINANCIAL TIMES
'Without fear and without favour'

ft.com/opinion

New prime minister's expensive energy lifeline

Government will need to take steps to shore up the UK's economic credibility

Liz Truss dislikes "handouts", but she has shown a welcome readiness to be flexible when overwhelming need dictates. British families and households finally have some clarity that substantial support in paying crippling gas and electricity bills is on its way. The new prime minister's bold package, including an energy price guarantee, is estimated to cost £150bn — more than double the Covid-19 furlough scheme. This is a huge sum, but so is the challenge.

Many more households will stay warm, fewer businesses will fail, and the economic slump this winter will feel slightly less grim. This will help to maintain resolve in the economic war against Vladimir Putin that the UK and its partners cannot afford to lose.

A two-year price cap for households is, nonetheless, a blunt instrument to tackle a multi-faceted crisis. The UK will be paying the cost for decades. As it subsidises costs regardless of income level, it provides a big giveaway to the better-off, while some of the most vulnerable will still struggle with prices at this level. The cap also lessens incentives to reduce consumption, though the price will still be significantly higher than pre-war levels.

Precise details will need to be ironed out quickly. Many businesses will also be anxious about how they will cover costs after the government's six-month price guarantee passes. Truss's team may need to develop their package as the crisis evolves. Yet with many households and enterprises just weeks away from financial ruin, the government had to opt for speed.

The cap should pull down near-term inflation, reducing immediate debt interest costs, while also potentially easing inflation expectations. But the additional boost to demand may mean inflation proves stickier. And if wholesale prices go even higher, the government's outlay to maintain the price freeze will increase.

After giving ground on "handouts", Truss is determined to maintain her campaign pledge to reverse this year's increase in national insurance and freeze corporation tax at current rates. If she goes ahead, however, borrowing will soar further, and there is little room elsewhere for cutting spending.

Revenue will have to be raised from somewhere. Sterling has crashed to its lowest since 1985 and gilt yields have pushed higher. Investors are jittery over the hefty borrowing and the risks that debt, already at 96 per cent of gross domestic product, could become unsustainable. The Bank of England will have to reassure markets that it remains committed to fighting high inflation despite the government's intervention. A planned fiscal statement this month also needs to provide precise details on the funding plans, and an independent assessment by the Office for Budget Responsibility.

> A two-year price cap for households is a blunt instrument to tackle a multi-faceted crisis. The country will be paying the cost for decades

Attempting to boost energy security — in part by short-term steps to exploit more UK fossil fuels — and to reform pricing to better reflect the country's energy mix are reasonable goals. But they must not detract from vital efforts to reduce long-term reliance on oil and gas and accelerate the transition to renewable and nuclear energy. In the near-term, gas supplies may become even more scarce, while the price cap might not restrain demand. That makes it vital for the government to push ahead with an information campaign for households and businesses to save energy and raise efficiency.

Today's package is a crucial step in the battle against Putin's weaponisation of gas. It will certainly not be the last. But the government must balance the urgency to protect consumers and win the economic war with the Kremlin with the need to preserve Britain's invaluable reputation for economic prudence.

Opinion Poland

Endless EU friction risks fuelling Euroscepticism

Czarek Sokolowski/AP

Aleks Szczerbiak

The Polish government — led since 2015 by the rightwing Law and Justice party (PiS) — last month appeared to ratchet up its criticisms of the EU political establishment. In an interview with the conservative Sieci magazine, PiS leader Jarosław Kaczyński accused the European Commission of "not fulfilling its obligations with regard to Poland" and trying to create "total chaos in the Polish state".

Kaczyński argued that if PiS wins the next parliamentary elections, scheduled for autumn 2023, relations with the EU would have to be rearranged. Other Law and Justice politicians suggested that Poland should consider vetoing some EU decisions to increase its leverage.

This tough rhetoric followed a warning from commission president Ursula von der Leyen that Poland might not receive its share of the EU's post-pandemic recovery fund, because Brussels was not satisfied that Warsaw had complied with its recommendations on amending the country's judicial reforms. The commission agrees with Poland's legal establishment and most opposition parties that these reforms threaten the constitutional separation of powers. PiS supporters argue that the measures are justified because Poland's transition to democracy in 1989 was flawed and the judiciary was expropriated by a post-communist elite.

> Many Poles now see membership more in terms of a cost-benefit analysis

The commission has withheld recovery fund payments to Poland until it implements a July 2021 European Court of Justice ruling that it disband a supreme court disciplinary chamber. In July, the Polish government felt that it had satisfied these concerns when it passed a law that replaced the controversial body with a new professional responsibility chamber. Moreover, recognising Warsaw's pivotal role in providing humanitarian and military assistance to Ukraine after Russia's invasion, the commission finally approved Poland's national recovery plan, a measure necessary for the funds to be released.

However, since then commission representatives have suggested that Warsaw has still not fulfilled the recovery plan's rule-of-law "milestones". One controversy is whether Polish judges can question the status of justices appointed by the national judicial council, which the opposition argues has been politicised but PiS says is formed in line with practices in other EU states. Another is whether judges previously sanctioned by the disciplinary chamber should be reinstated automatically or have their cases reviewed.

The Polish opposition has seized on Kaczyński's latest remarks to argue that PiS is preparing the ground for "Polexit": Polish withdrawal from the EU. Given Poles overwhelmingly support membership, Polexit is a politically suicidal slogan for any mainstream party to be associated with.

In fact, PiS, though often categorised as Eurosceptic, is committed to trying to reform the EU from within. To this end, it aims to build alternative power blocs to the "European mainstream", particularly among other post-communist countries. Many feel the dominant Franco-German axis has lost moral and political capital through its inadequate response to Russian aggression towards former Soviet states.

Yet a change of tone is noticeable in the debate on EU policy among some PiS leaders. Moreover, some rightwing intellectuals and commentators are looking at Polexit as an option if the EU cannot be reformed and its current trajectory changed.

At the same time, public support for the EU is very broad but also rather shallow, with Poles increasingly instrumental in their attitudes towards membership. Whereas they initially viewed EU accession in rather abstract, romantic terms as a historical-civilisational choice to reunite post-cold war Europe, many Poles now see membership more in terms of a cost-benefit analysis.

Poland's current position as the largest recipient of EU funds sustains high levels of support. But this could change if the country became a net contributor. Given this mood, it might seem that not securing access to the EU recovery money would be extremely damaging for PiS.

Polls suggest that most Poles blame the government for the impasse and want it to make further concessions to Brussels. However, there is also a growing public perception that the commission's actions are politically motivated, to help the opposition oust PiS at the next election. Even some critics of PiS warn that a feeling that the EU's institutions are moving the goalposts and interfering in Polish domestic politics could backfire and fuel Euroscepticism in Poland.

The author is professor of politics at the University of Sussex

Letters

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Quantum computing is where petrol cars were in early 1900s

The passionate debate on FT Alphaville on quantum computing between Nikita Gourianov ("The quantum computing bubble", FT.com, August 25) and Simon Benjamin ("Separating quantum hype from quantum reality", FT.com, September 2) is testament to the growing interest in this technology.

Far from being the over-hyped field presented by Gourianov, within the decade we will see commercialised quantum computing hit the market.

There are evolving approaches that will allow companies to achieve quantum advantage even faster, and avoid the building of thousands of "qubits". Fields that will benefit the most are sectors reliant on making a high volume of complex calculations. Think logistics in air travel or the high precision involved in vaccine development. Now is not the time for scepticism or abandoning hope. Rather we should be ratcheting up the ambition of the industry, and looking for practical approaches rather than theoretical ones. Quantum computing today is where combustion-powered automobiles were in the early 1900s. And the stage is set for the next Ford.

The gamechanger will be the firm that can bridge the gap between the cutting-edge quantum hardware and the software in development. This will require the "middleware" — the operating system that will enable hardware and software to (in effect) talk to each other.

As an early stage venture capital firm we have every faith the tech industry will meet this challenge head on.

Ekaterina Almasque
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Stoltenberg's cheerleading does Ukraine no favours

The real lesson of the article by Jens Stoltenberg, secretary-general of Nato, is that Nato has no effective strategy — military, political or economic — to achieve its stated objectives in Ukraine ("The price will be high, but Nato must stay the course on Ukraine", Opinion, September 8).

That is normal for US-led military and geostrategic efforts, which have repeatedly reduced to rubble the countries the US professes to be saving: Vietnam, Cambodia, Laos, Iraq, Libya, Syria and Afghanistan, to name just a few (not even mentioning the failed US battle zones and war zones stretching across Latin America and the Caribbean).

These days US "strategic" thinking, repeated naively by Stoltenberg, is that the control of advanced semiconductors will determine the fate of the world — in Ukraine, the Russian economy, China and elsewhere.

Ukraine was ready to negotiate an end to this war back in March, based sensibly on Ukraine's neutrality and on pragmatic and workable approaches to other issues.

All of the negotiating parties — Ukraine, Russia and their Turkish mediators — reported rapid progress in the talks. At that point the US, with its longstanding hopes for Nato enlargement to corner Russia in the Black Sea region (shades of Lord Palmerston and the first Crimean war) talked Ukraine's leaders into abandoning the negotiations.

Washington assured Ukraine's leaders that US/Nato military backing and sanctions would enable Ukraine to win outright on the battlefield. Ukraine's political leaders put Ukraine's fate into US hands, which is ironic since even the US itself is utterly unsafe in US hands these days.

On the current trajectory and with the lack of a strategy, the US will make another Afghanistan out of Ukraine — that is, a place of continuing military devastation without a political solution.

Russia is certainly not going to cede the Black Sea region to US control in response to western sanctions, with their limited efficacy, and Ukraine's military capacities.

Russia too can count on many global trading and technology partners, who are also wary of US encroachments.

Ukraine's safety, security and sovereignty is still achievable, as it was in March, through smart regional and global politics by Ukraine.

There are many ways, aside from the battlefield, that Ukraine can mobilise crucial geopolitical backing for an end to the war on efficacious terms (albeit not with Nato enlargement).

Unfortunately, for now, US strategy and Stoltenberg's cheerleading pass for strategy, and Ukraine above all pays a horrendous price.

Jeffrey D Sachs
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When was the last time sanctions actually worked?

It is hardly surprising that oil sanctions against Russia do not seem to be fully working ("India and China undercut Russia's oil sanctions pain", Report, FT.com, September 8). When was the last time sanctions actually did work?

Economic sanctions have a long history of being broken. The US oil embargo against Japan before the second world war did not contain the crisis — it accelerated it. Iran, despite UN sanctions, has not abandoned its uranium enrichment programme, or stopped developing long-range missiles. Sanctions have not changed policy in North Korea or Cuba either.

At present, some 86 per cent of the Russian population supports Vladimir Putin and his foreign policy of no submission to the west. Moreover, Russia is economically much stronger than previously sanctioned targets such as Iran, Cuba and North Korea. Under these circumstances, is it wise to launch an economic war against Russia when the real challenge to the west's hegemony comes, not from Russia, but from rising and aggressive China?

Simren Kaur
Jalandhar City, Punjab, India

State-backed cyber attacks give insurers a headache

Josephine Wolff seems to know what no one else does: how markets, and demand especially, will behave in the future if insurers do not cover for state-sponsored cyber attacks (Opinion, August 30).

There is such a wide range of malevolent actors that many may still value purchasing a cyber insurance solution to cover against these. After all, war exclusions are common in many other forms of insurance, from life to property, under the argument that private insurers should not be the ones footing the bill for states' destructive actions. The case for why this should differ for cyber attacks is still yet to be made.

Clement Guitton
Peist, Graubünden, Switzerland

Wartime windfall tax and grandfather's bus company

I understand that during the second world war companies were not allowed to make excessive profits as a direct result of the conflict ("Starmer takes aim at Truss for rejecting windfall tax", Report, September 8).

My grandfather had a bus company that made a great deal of cash taking workers to the factories involved in arms production. As a result, the company was very profitable, but the excess profits were taxed at, I believe, 100 per cent. I remember being told that the company, which was allowed to depreciate its assets, ended up with double-decker buses valued in the books at £19.

This is in contrast to the first world war, when arms manufacturers or other firms earned big profits as a result of the conflict but were taxed more lightly — a windfall tax of 50 per cent, based on a firm's average profits before the war. Many also received decorations for services to the war effort, much to the annoyance of the King. The government was determined that the same situation should not occur in the second world war.

Surely the situation with the oil companies and Ukraine is not dissimilar. I do believe that we should be surcharging these excessive profits, though maybe not quite as harshly as occurred during earlier conflicts.

John Henry Bennett
Newbury, Berkshire, UK

Here's a seven-step solution to soaring energy prices

Step 1: Chancellor announces Treasury will purchase 51 per cent of one (unspecified) of the five largest electricity suppliers, committing to sell electricity at cost for the next two years.
Step 2: Share prices of the "big five" plummet.
Step 3: Treasury buys 51 per cent of the cheapest of the "big five".
Step 4: Customers flock to Treasury-owned electricity supplier.
Step 5: Share prices of the remaining "big four" fall further.
Step 6: Treasury purchases more shares in the big four.
Step 7: After two years Treasury sells back its shares in electricity companies, making a substantial capital gain.

Manfredi La Manna
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Sticks and stones

Stephen Bush's article "Cosseting our children is a good thing — mostly" (Opinion, September 6) brought to mind the words of the English landscape architect, campaigner for pre-school education and promoter of child welfare Marjory Allen: "Better a broken bone than a broken spirit."

Nigel Martin
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Personal carbon footprints can shape lifestyle choices

Simon Mundy is half right that a focus on personal carbon footprints can distract from the need for regulation and have other unintended consequences ("The carbon footprint fixation is getting out of hand", Magazine, FT Weekend, August 27).

However, they do help us understand what really matters.

Nearly two-thirds of EU citizens surveyed in 2021 said that they had taken personal action to combat climate change. However, overwhelmingly the most popular action, cited by three quarters, was separating waste for recycling. While important, this is almost irrelevant for reducing climate change.

Anyone who has calculated their own footprint will know that the actions that matter relate to diet, home energy and insulation, and transport choices. Yet these were far down the list and were cited only by meagre minorities of respondents.

Examining our own footprint helps us understand what's important and helps us demand the right policies from our politicians. Moreover, if those able to afford it become first adopters in new technologies such as heat pumps and electric cars, this sends commercial and political signals and can help new markets to develop.

We can't stop climate change through reducing our personal footprint. Moreover, there's no point in carbon footprints becoming a cause of personal shame or guilt. But understanding our footprint can help us educate ourselves on the issues and thereby become more effective citizens.

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Try ordering a 3D-printed martini shaken, not stirred

Further to the complaint registered by a Starbucks barista regarding a "mobile" order received for a "Mango Dragonfruit Refresher with coconut milk, no ice, and added water, apple juice, and strawberry purée, plus pumps of hazelnut, peppermint, toffee nut, and raspberry syrups all to be blended together", it's true we have come a long way from personalised drinks such as "a martini, shaken not stirred".

With 3D printing making inroads into the manufacturing of clothing, automobiles, medical products and, most recently, houses, can a 3D-printed Mango Dragonfruit Refresher be far behind?

Both baristas and management should take note ("The union revival brewing at Starbucks", Big Read, September 5).

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Opinion

It's time to hit the accelerator on the green transition

TECHNOLOGY
John Thornhill

The terrifying floods in Pakistan in recent weeks that have killed 1,400 people and displaced 40mn others have been called the "climate catastrophe of the decade." The fear is that such disasters will only become more frequent and more deadly as our planet warms. But some environmental experts are convinced the problem is fixable. We have the technological knowhow to combat the threat. So how do we galvanise collective action at the necessary speed and scale?

That problem was highlighted at a wide-ranging conference on climate change and biodiversity hosted by the Science Museum and the Natural History Museum in London this week, involving policymakers, environmental researchers, financiers and technologists. One scientist there asked: "Is climate and nature a cost or an income generator?" If viewed as a cost, it will always be tough to persuade politicians to act. If viewed as a means of generating jobs, greater prosperity and improved wellbeing, it will be an easier sell.

In April, the Intergovernmental Panel on Climate Change warned that greenhouse gas emissions had reached their highest level in human history over the previous decade. Without immediate and deep reductions in emissions, the possibility of limiting rising sea levels and preventing irreversible environmental damage would be beyond reach.

Three main challenges on collective action emerged at the conference — call them opportunities, if you are more optimistic. They are the three Cs of collaboration, competition and communication. Governments need to pursue systemic reforms that create incentives for businesses and consumers to make different choices. Companies need to innovate to provide cleaner, cheaper and better products. And scientists and activists need to sustain the political momentum with expertise and campaigning.

The complexity of the first challenge was driven home by the differing views of two policymakers. While one argued the only solution was to "rewrite the rules of the market", the other warned that elected politicians would always focus on "one-off shiny things". Politicians hailed the success of the Paris climate change agreement in 2015, vowing to cut harmful emissions. Since then, however, the world's 60 biggest banks are estimated to have poured $4.6tn into financing the fossil fuel industry.

> We have the knowhow to combat climate change — now we need to galvanise action

But there are many encouraging examples of collaboration between public and private sectors to accelerate green investment. The UK offshore wind industry, which now covers the energy needs of one-third of British homes, is one, according to Rhian-Mari Thomas, chief executive of the Green Finance Institute. Through its price guarantee and auction mechanism, early public funding and regulatory flexibility, the British government helped de-risk private sector investment, sparking impressive growth. By 2021, the UK accounted for 22 per cent of the world's offshore wind installations, second only to China's 47 per cent.

Thomas told me it was a blueprint, "or greenprint", for more ambitious public-private partnerships. Similar collaboration could entice more investors into other industries, such as green aviation fuels, steel, cement and hydrogen energy, she said.

Competition between renewable energy providers has already lowered the costs and increased the efficiency of wind, solar and battery technologies to a startling degree. Clean energy resources generated 38 per cent of the world's electricity in 2021 compared with 36 per cent from coal, according to the Ember think-tank. To have a chance of keeping global warming below the target ceiling, Ember predicted that the wind and solar industries would need to sustain compound growth rates of 20 per cent every year until 2030. These figures sound wildly ambitious, but they were achieved during the previous decade.

The third big challenge is communication, especially when it comes to biodiversity. Scientists embraced the opportunity to debate their research at the COP26 meeting in Glasgow last year. But they need to sharpen their message and learn the language of economics, too. Last year's Dasgupta Review on the economics of biodiversity was a milestone because it attached a value to the planet's "natural capital". Nature must be viewed as a precious asset, not just an economic good.

With surging energy prices triggered by the war in Ukraine, it is tempting for politicians to revert to dependence on fossil fuels. A far better response would be to accelerate the green energy transition and ensure fossil fuel emissions are cut. The tragedy of Pakistan only highlights the costs of making the wrong call.

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Brussels must act to quell derivatives risk

Efi Chalikopoulou

FINANCE
Gillian Tett

When European leaders meet in Brussels today to tackle the continent's energy crisis, politicians will be focused on windfall taxes and energy price caps. And no wonder: spiralling electricity costs are creating mounting pain for households and businesses — and political upheaval.

However, investors should keep an eye on another item on the agenda: their approach to energy derivatives markets, clearing houses and exchanges. This might seem arcane but the issues now bubbling in the derivatives sphere represent another potential time bomb for Europe — one that needs to be urgently addressed.

In recent years European utilities have fallen into the habit of using derivatives to lock in the price of their future electricity sales (ie before actually serving consumers) in order to protect themselves against possible price falls.

Since electricity prices have obviously surged — not fallen — this year, utilities do not actually need this protection, and will eventually reap a revenue bonanza. But they cannot cancel the contracts, and the price surges have created massive paper losses. The exchanges are now trying to protect themselves against the risks by demanding that the utilities post collateral, which would normally come in the form of cash.

How big these margin calls might be remains unclear. But an official at Equinor, the Norwegian energy group, suggested this week that €1.5tn collateral could be required — more than 5 per cent of Europe's gross domestic product. Meanwhile Mika Lintilä, Finland's energy minister, likened the problem to "the energy sector's version of [the] Lehman Brothers" disaster — a shock that might spark contagion.

This may be too alarmist; if EU ministers cap the price of electricity, margin calls might be smaller. But they will not disappear. Amid the uncertainty, there are two points that are clear: first most utility companies do not have enough working capital to meet big collateral calls without help; second, government regulators and private sector risk managers have badly dropped the ball by failing to prepare for this shock.

After all, it has long been known that commodity price swings create financial stress, particularly when derivatives are in the mix. In the 20th century, three global clearing houses collapsed because of wild commodity price swings and margin calls, and a debacle around silver prices, due to (in)famous trading by the Hunt brothers, contributed to the failure of some American banks.

More recently, in 2018, a single Norwegian oil trader badly dented Nasdaq's Swedish clearing house, after he posted huge losses without proper collateral buffers. If nothing else, this underscored "the importance of maintaining sufficient market liquidity for central clearing to support default management in stressed conditions", as a Bank for International Settlements report notes.

Yet, Europe's politicians and regulators only really started focusing on the issue when Putin's government cut off gas supplies, accelerating the electricity price spike. This smacks of poor scenario planning — even allowing for the unpredictable nature of (economic) war.

So can ministers now quell the crisis? Hopefully yes. There are at least three steps they could take. One would be to ask exchanges to stop raising margin calls, given the crisis. A second would be to widen the list of collateral that utilities can use to meet margin calls, to create more breathing room. A third would be to ask governments to bail out the utilities, either by providing the collateral for derivatives deals, offering bridging loans to replenish their working capital — or, in extremis, nationalising some companies.

> Why is Europe still pegging its electricity price to natural gas, given the distortions this creates?

Out of these three options, the first is a very bad idea; after all, if clearing houses do not demand collateral they risk imploding themselves, which poses new systemic risks. The second option, however, is entirely feasible and likely to occur. One sensible fix that the industry has asked for is that Europe should copy the current rules in America, which let utilities use uncollateralised bank loans to meet margin calls (instead of the current EU regime which only accepts cash or collateralised credit lines.)

However, even if this happens, governments will still need to use the third option — taxpayer support — since banks are unlikely to provide credit lines without a public sector backstop; and even then, such credit lines may not suffice.

Hopefully, public support will be forthcoming; countries including Sweden and Finland have already announced packages of aid. Britain joined their ranks on Thursday. This should help restore calm. And the one saving grace of these derivatives contracts is that they will expire in a few months. So this is primarily a liquidity shock, not a solvency crunch. Or not yet.

But if (or when) the short-term crisis abates, regulators, risk managers and politicians need to ask themselves some hard questions. Why did it take so long before Brussels acted to quell the derivatives risks? Why on earth is Europe still pegging its electricity price to natural gas, given the perverse distortions this creates? Why does the continent have so many separate utilities?

The current dislocation in derivatives is, to a large degree, simply a reflection of the longer-term structural flaws in Europe's energy sector as a whole. These need to be addressed, as surely as that €1.5tn derivatives time bomb. All eyes on Brussels.

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America's indifference to its life expectancy crisis

POLITICS
Edward Luce

Falling life expectancy is the last thing you would expect on a worry list about US national security. Yet when it is dropping as fast as it is in the US — Americans live almost five years less than the wealthy country average — even the Pentagon has to sit up. At 76, Americans now live shorter lives than their peers in China and only a year longer than the citizens of supposedly benighted Mexico. People in Japan, Italy and Spain, on the other hand, can expect to live until around 84. Your people's longevity is the ultimate test of a system's ability to deliver. Yet neither Democrats nor Republicans, presidents or legislators, seem too bothered.

Do Americans no longer care how long they live? The answer is obviously no. Yet concern about the country's falling lifespan is barely reflected in its politics. It is as though Washington has turned a blind eye to the issue that captures the deepest trends behind America's democratic woes. Terms such as "deaths of despair" and "obesity epidemic" are in frequent use. But America's shortening lifespan seems too big a subject for Washington to acknowledge. US life expectancy has fallen in six of the last seven years and is now almost three years below what it was in 2014. The last time it fell in consecutive years was during the first world war. In most other democracies this would trigger a national debate.

What explains US indifference? The biggest drivers of America's morbid trajectory are politically hard to confront — rising obesity, the opioid epidemic and Covid. Over 40 per cent of US adults are now classified as obese — a problem that keeps getting worse. More than half of American adults suffer from a chronic condition, most of which are associated with obesity, such as diabetes, hypertension and heart problems. A quarter suffer from two or more of these conditions. This partly explains America's unusually high death rate from coronavirus. Almost two-thirds of Americans hospitalised with Covid were suffering from at least one pre-existing condition. The pathogen was working in fertile territory. America's obesity rate is by far the highest among wealthy countries.

Yet targeting obesity has little political upside. Insulting almost half your adult population is not a great way to win votes. Among Republicans it annoys their base. The poorer rural counties that Donald Trump almost uniformly won in 2016 and 2020 have far higher rates of obesity than cities. Indeed, US counties that experienced the biggest drops in life expectancy were most likely to vote for Trump. For Democrats there is not much upside either. The opioid epidemic disproportionately affects parts of the US that long since stopped voting for them — notably in Appalachia. Meanwhile "fat shaming" has joined liberal America's list of taboos. The "fat acceptance" movement is growing apace.

> Targeting obesity has little political upside. Insulting voters is not a great way to win elections

Sooner or later though America will be forced to open its eyes. A US Marines general recently testified to Congress that last year was "arguably the most challenging in recruiting history", chiefly because American youths are failing the military's physical tests. The country suffers from other early death contributors, such as road accidents and gun violence. But the combination of rife pre-existing conditions and drug deaths makes the US exceptional in ways it cannot want. The fact that America spends 53 per cent more on healthcare per citizen than the next highest ranked country (Switzerland) shows it is also getting very poor value for money. Even relatively stretched systems, such as Britain's NHS, show far better outcomes. Britain's life expectancy is almost 82.

Which brings us to America's lifestyle challenge. The country's unequal healthcare coverage means that by the time people are arguing with insurers from their hospital beds, or struggling to pay for their cornucopia of drug prescriptions, it is too late. The US problem is as much about absence of prevention as poor access to cure. Americans take relatively little exercise, consume a world-beating volume of sugar and fat and feel unalarmed about it as they see so many others doing the same.

It is little use berating people for lack of will power. Unhealthy food is far cheaper in the US than healthy food. Some parts of poor America have rightly been dubbed "food deserts" as they offer none of the latter. School canteens ensure these bad habits start young. Taxing sugary drinks and supersized fast food would help if there were cheap alternatives. Aggressive taxes worked on tobacco. In this regard, the bicycling Joe Biden, who is now almost four years older than his country's average lifespan, could make a virtue of his age. He should start by speaking plainly about America's mortality crisis.

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Britain has to be honest about the cost of energy assistance

Kwasi Kwarteng

Like the rest of Europe, the UK faces extraordinary challenges this winter. While our energy supplies are secure, we are not immune from rising prices. The country's economic outlook has deteriorated as the cost of energy has risen following Vladimir Putin's weaponisation of Russia's immense gas supplies in his barbaric war on Ukraine.

In the face of these challenges, the new prime minister, Liz Truss, promised to be bold and to do things differently. She is doing just that.

She promised to take decisive action within her first days in office, and today the government she leads is delivering for the British people and our businesses. Our new Energy Price Guarantee will limit the amount suppliers can charge customers for units of gas and electricity — saving the average household at least £1,000 a year based on current energy prices. With immense volatility in gas markets, the savings for families could be worth even more next year.

Our six-month scheme for businesses, and organisations like charities and schools will protect them from soaring energy costs and provide them with the certainty they need to plan ahead, protect jobs and continue trading.

But we have to be honest with the British public that helping people through the winter will inevitably mean some fiscal loosening in the short term. There is no other option. Without urgent support, businesses would cease to trade, jobs would be lost and inflation would continue on an aggressively upward trajectory.

> Helping people through the winter will inevitably mean some fiscal loosening in the short term

There is no question in my mind that this is the right thing to do in these exceptionally difficult times. This is an emergency situation and it requires an emergency response. Targeted support would be in no way sufficient to manage the situation now, or what is to come if Putin further restricts supplies to Europe. What is clear is that the price of inaction would have been far greater than the cost of this intervention.

As much as this government is committed to helping people now, we have an equal commitment to getting debt down over the medium term as we grow our economy.

We will never let debt spiral unsustainably. As chancellor, I will keep a keen focus on driving growth, and ensure every penny of public funds is spent wisely. The advantage of this scheme is that it delivers substantial benefits to our economy while also providing urgently needed relief to people and businesses right now.

It will reduce energy company failures, which directly lead to higher costs for consumers, and will protect business and support jobs. It will boost growth. It will protect family budgets and balance sheets. And it will give certainty to everyone by bringing down inflation by around 5 percentage points.

This will, in turn, reduce government spending on servicing our debt by approximately £10bn over the first six months of the policy. Our radical supply side reforms to boost energy security — which are central to this package — will also reduce the cost of wholesale energy over the next two years.

We are dramatically increasing supply through a new Energy Supply Taskforce which will negotiate long-term energy contracts with domestic and international gas suppliers to immediately bring down energy costs and make them more affordable for the Exchequer. We are negotiating with renewable producers to reduce the prices they charge.

And we will maximise all sources of domestic energy, including North Sea oil and gas production and speeding up the deployment of clean, affordable, home-grown energy technologies such as offshore wind and new nuclear.

The coming months will be difficult — there is no question. But it is by creating a strong and resilient economy that we raise living standards and reduce our debt, in a fiscally sustainable way.

The writer is UK chancellor of the exchequer

Lex.

Twitter: @FTLex

Energy crisis/renewables: Gordian gas

Yesterday UK prime minister Liz Truss promised to protect consumers from surging energy costs. The support package is optimistically expected to cost only £150bn over two years. The government would hit that target more easily if it can decouple renewable energy prices from natural gas costs.

The price of electricity has risen out of all proportion to its blended cost. That is because the price for the entire market is set by the most expensive power-generating asset.

The marginal cost of operating wind, solar and nuclear is close to zero. But many of these generators are receiving the same price as a power station burning gas. This is stratospherically expensive because of the Ukraine war.

At issue is a legacy subsidy system known as the Renewables Obligation scheme. This offered generous incentives to encourage renewable energy generators to invest. Although it was scrapped in 2017, some contracts run until 2037. Renewable companies have subsequently sold energy under "contracts for difference". These limit benefits from high gas prices, providing renewable investors with a fixed, agreed price. It protects against falling prices, but also limits the upside.

Shifting everyone to CFDs would require renewable generators to agree to power prices they could deliver over long-term contracts currently set at 15 years. That would cut costs to consumers by £22bn per year, according to calculations by the UK Energy Research Centre in April, when gas prices were much lower. Another assessment of the scheme's potential by trade body Energy UK puts savings at just £18bn annually from next year.

There is upside for the generators in agreeing to the move: greater investment certainty and a smoothing of cash flow should follow. But their willingness to tear up existing contracts will depend on the proposed terms of CFDs. Renewable generators will drag their feet, citing practical difficulties. They have done nicely from energy mispricing.

The government should be prepared to brandish sticks and carrots in talks. The Truss administration, starting work at a moment of national crisis, can exploit exceptional political leverage. It must, meanwhile, offer investors a smaller replacement incentive in the form of extended CFD contracts. A system that pegs electricity prices to gas is not fit for purpose. Speedy reform is needed.

Kim Kardashian: social capital

Television star, influencer, entrepreneur and now capital allocator. Kim Kardashian, who is famous for being famous, has co-founded private equity firm SKKY Partners. She owes this fame to a starring role in reality TV shows. These provide undemanding escapism via fashion shoots, partying and family conflicts.

Investment professionals would be unwise to dismiss her involvement as a stunt. She already has a record of transmuting her social capital into financial capital.

Co-founder Jay Sammons is a skilled investor formerly of the Carlyle Group. SKKY will focus on deals in such areas as digital commerce and consumer media. Kardashian is unlikely to build financial models or solve supply chain challenges herself. But those skills can be provided by a plentiful supply of Harvard MBAs, like Sammons himself.

Kardashian's own business chops should not be underestimated. A women's undergarments business she co-founded, Skims, was valued this year at $3.2bn, according to data provider PitchBook. Another venture, cosmetics maker KKW, has a recent mark of $1bn. Once established, private capital businesses can enjoy long lives. Striking a few good deals is an essential starting point.

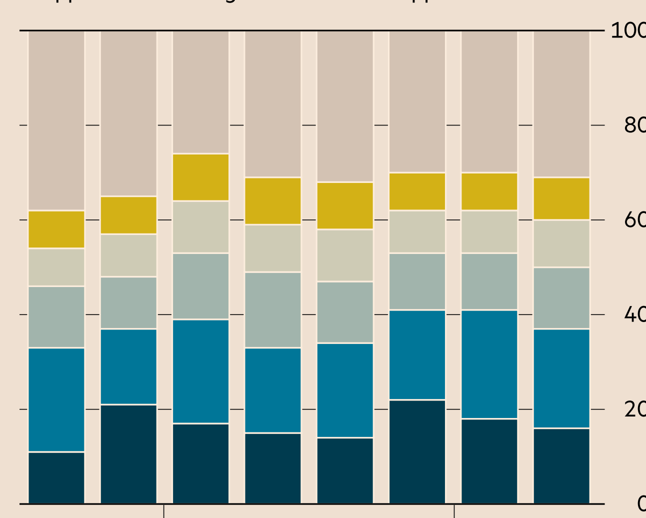
Among hundreds of investment groups offering a commodity product, namely cash, SKKY will stand out thanks to Kardashian's involvement.

TV stars, singers and athletes have typically become rich through fees and salaries. But capital creates the most consequential wealth. Private equity is particularly attractive because investment managers typically get to keep 20 per cent of deal profit without having to put up much cash themselves.

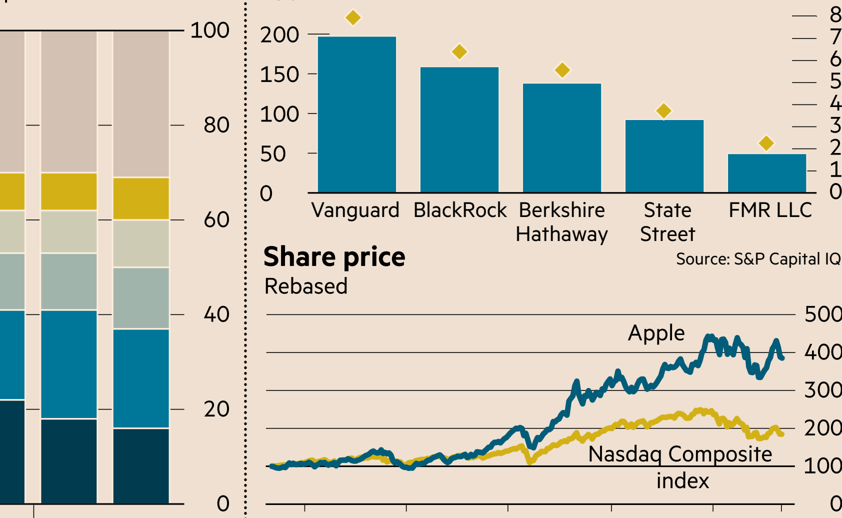
When Sammons left Carlyle, he could have started a firm with colleagues just like him. Instead, he has made an unconventional bet. Creativity is a key skill in investing. It applies not just to the way deals are picked and structured but also to the people making those decisions.

Apple: event horizon

The device maker has a steady share of smartphone shipments and is a favourite of large investment institutions. Apple's shares have convincingly outperformed the technology-heavy Nasdaq Composite index on Wall Street



FT graphic Source: Counterpoint



Source: S&P Capital IQ

Source: Refinitiv

The annual iPhone launch should not be an event. Smartphones are ubiquitous and Apple's version is 15 years old. The company's most interesting products — driverless cars and mixed reality headsets — remain under wraps. Yet Apple's knack for showmanship remains impressive.

On YouTube, more than 2.5mn people tuned in to watch. Rival hardware marketing events do not attract this level of interest. Apple's products are still outrageously popular. Around the world, more than 1.8bn of its products are in use.

Its share of the US smartphone market (including second-hand handsets) has climbed above 50 per cent, overtaking Android.

This year, the US market will contain almost 125mn iPhones, up 3 per cent on last year, according to estimates from market research company Insider Intelligence. New releases will lift that total.

The latest line-up of iPhones features larger display screens that are on even when locked. There is emergency satellite connectivity and a $799 Watch aimed at fitness fanatics. These are not radical upgrades, but improved performance will keep users replacing old Apple products with new ones.

Without a supply chain crunch, the performance might be even better.

Like the rest of the tech sector, Apple has had difficulty obtaining the chips that it wants and Apple is expanding production in India amid China's zero-Covid policy.

Costs elsewhere are being crimped but Apple is very good at extracting more revenue from existing customers. It no longer provides free chargers for iPhones. Revenue from Apple TV and Apple Pay rose 12 per cent in the past quarter. As well as accounting for more than a fifth of the group total, these encourage users to stick with Apple hardware.

There is a reason Apple is the biggest holding in Warren Buffett's Berkshire Hathaway and the most valuable tech company by market cap. Low spending, big buybacks and contented customers equal a safe bet in the midst of a downgrade in tech market valuations. Revolutionary new ideas are not necessary if users are content with what they have.

Melrose/GKN: drive strain

UK bourse investors have many faults. Sentimentality is not one of them. They are unlikely to celebrate the partial return of GKN out of nostalgia. But they may be a little disappointed by the demerger plan of owner Melrose, specialist in streamlining businesses and selling them on. Handing shares in GKN's unglamorous automotive business to shareholders is a departure from that script.

Melrose's red-blooded capitalism made its 2018 acquisition of GKN acrimonious. But an £8bn purchase price and the backing of event-driven hedge funds delivered victory.

Melrose may be spinning off GKN automotive because the sector's state is too uncertain to support a profitable sale. Valuations for parts makers are near decade lows. Car sales took a hit in the pandemic and may again in any recession. Supply chains are disrupted. Combustion engine vehicles, for which GKN makes parts, are on the way out. The state of Melrose's other markets in aerospace are not much better. The difference is that Melrose believes the automotive arm turnround is complete. An aerospace deal would be next on the agenda.

Melrose is including a powder metallurgy business with the automotive group. Combined revenues at the two might hit £5bn this year, thinks Numis. An enterprise value of six times expected 2023 ebitda would value the group at just over £4bn.

The final rating will depend on how well the group can position itself for the EV revolution. Melrose is confident of 10 per cent operating margins if revenues return to their 2019 level.

It hopes the rump aerospace unit would re-rate. At 12 times forward ebitda, this might be worth as much as the automotive business. Upside could notionally be as much as one-fifth for shareholders, Lex calculates.

Investors should not dismiss the possibility of a cash buyout of GKN automotive. The pound has slumped. M&A bankers expect a steady trickle of US takeovers of underpriced UK assets.

Citrix LBO financing: spread too thick

Would you risk $1bn today on where the economy will be next May? Eight months ago, Bank of America, Goldman Sachs and Credit Suisse did just that. They underwrote roughly $15bn of debt underpinning the $16.5bn leveraged buyout of Citrix by Elliott and Vista Equity.

That has left the trio of Wall Street banks with potentially sizeable losses.

Ordinarily, so-called leveraged lending is a smooth business. But 2022 has been anything but ordinary. Risks to normally trouble-free fees and prestige are spelling themselves out.

The banks are finally selling on the Citrix debt to specialist credit investors. Balance sheet losses for the lenders may approach $1bn, allowing for fees and pricing flexibility and judging from current terms in the debt markets. The US 10-year Treasury yield has jumped from 1.5 per cent to nearly 3.5 per cent this year. Spreads for junk debt above risk-free rates have blown out from 300 to 500 basis points. Citrix senior loans could generate yields approaching 10 per cent when accounting for both interest payments and the discount to par at which they may be sold.

Losses pale into insignificance beside the $240bn in equity capital boasted by Bank of America alone. But they will still irk some Masters of the Universe come bonus time.

Unsurprisingly, after record levels of loan and bond issuance in 2020 and 2021, companies have dialled back financings. The volume of high-yield bonds sold is down nearly 80 per cent according to data provider, LCD.

LBO lending remains an attractive business that banks will compete hard for despite current vagaries.

As for buyers of the Citrix debt, a near double-digit return on its secured debt may be a pretty good deal. This slow but steady software company looks safe even in the current environment. The banks know this and will keep some of the debt on their balance sheets. If conditions ease, paper losses may be reversed. Returns across the cycle are what matter.

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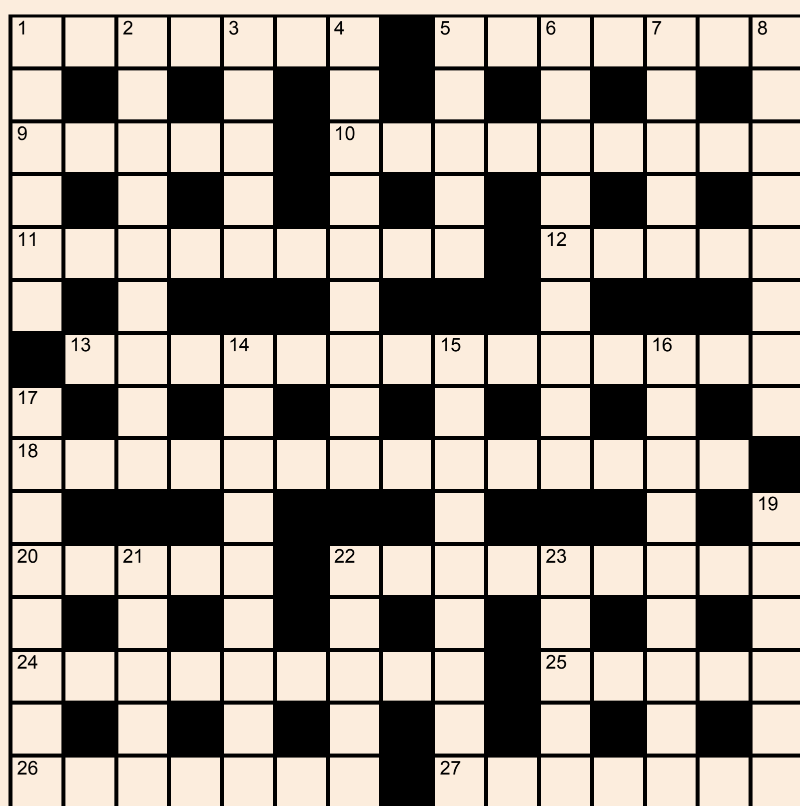

ACROSS
1 Film lawman from Britain in little jumper with collar (7)
5 Promise to marry Liz, eating rhubarb (7)
9 Drone in personnel engaged by corporation (5)
10 Keen on leaving home, stood your ground (9)
11 Exploiting weakness of leftie, a rightist's after power (9)
12 Heroic canine wanting energy drink (5)
13 Disagreement about leader with great assets (7,7)
18 Guy on cocaine given line, popular film star (7,7)
20 European and Brit touring southern English town (5)
22 Act hired to perform with piano obtained for a song (4,5)
24 Game show not unknown in part of Ireland (9)
25 Place to get milk shake Jack's put away (5)
26 Maybe Sappho, needing to pee badly, given vessel (7)
27 Ban therefore restricting degree of business (7)

DOWN
1 Run Jaguar, getting key in again (2-4)
2 Club and watering hole about to host billionaire (9)
3 Unconscious state overwhelms male butterfly (5)
4 One like me or her by church, say (9)
5 Behind in races, caught by child (5)
6 I'm leaving Spooner's dog-end (6-3)
7 Conger eels, periodically big monsters (5)
8 Loudly greeting hunters in meadow (8)
14 See Buccaneer wearing outfit with soldiers in unit (9)
15 Logic of criminal, admitting present case of crime (9)
16 Great starter of lamb wrapped in soft batter finally (4-5)
17 Second team better to show a bit of bottle (5,3)
19 Nothing left over in wine-producing area (6)
21 Like eg Paul McCartney leaving clubs drunk (5)
22 Rubbish date with one of six friends (5)
23 Small quantity of alcohol ingested by vacuous celeb (5)

JOTTER PAD

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