FINANCIAL TIMES

FRIDAY 16 MARCH 2018 — WORLD BUSINESS NEWSPAPER — EUROPE

Best in class
FT celebrates Boldness in Business winners — SEPARATE SECTION

Unbearable
How Dimon's Bear Stearns deal quickly soured — COMPANIES, PAGE 14

Robotic rivalry
China passing US in artificial intelligence race — COMMENT, PAGE 9

Thousands of Syrians flee east Ghouta

Civilians carrying their belongings flee the besieged district of eastern Ghouta on the seventh anniversary of the start of Syria's civil war. At least 12,000 people escaped the rebel-held area close to Damascus, the capital, yesterday during the largest evacuation since the Syrian regime began renewed air and ground attacks a month ago.

Dust-covered families crowded the crossing point out of eastern Ghouta, where more than 1,100 people have been killed in the past month, with some holding Syrian flags as state soldiers stood on guard. Rebels say civilians fear entering the government-controlled areas, where they could be arrested for supporting the opposition.

Assad makes inroads page 4

Louai Beshara/AFP/Getty Images

Leading Nato powers join forces to accuse Russia of UK poison attack

● US unveils fresh sanctions ● France and Germany add backing ● Moscow set to retaliate

SAM FLEMING AND KATRINA MANSON — WASHINGTON
NEIL BUCKLEY — LONDON

Nato's leading powers closed ranks against Vladimir Putin yesterday as the US unveiled new sanctions against Moscow and joined France and Germany to back Britain's accusations against the Kremlin for the poisoning of a former Russian spy on UK soil.

The Trump administration appeared to shed its ambivalence towards Moscow by placing sanctions on five groups and 19 individuals, accusing them of cyber attacks on US energy and nuclear infrastructure, the toughest measures taken since Donald Trump took office.

Mr Trump also signed on to an unusually strong statement that accused Russia of being behind the "first offensive use of a nerve agent in Europe since the second world war" in the attempted murder of former double agent Sergei Skripal and his daughter in Salisbury.

The communiqué — which was joined by Britain's Theresa May, Germany's Angela Merkel and France's Emmanuel Macron — warned that the attack was a "breach of international law. It threatens the security of us all."

The statement said Washington, Paris and Berlin "share the UK assessment that there is no plausible alternative explanation" for the attack, providing important diplomatic backing to Mrs May in her stand-off with Moscow.

Although most of the sanctions unveiled by the US targeted those charged last month with attempting to disrupt the 2016 elections, Treasury secretary Steven Mnuchin broadened the accusations against Russians for what he called "nefarious attacks".

Though not directly co-ordinated, the global actions reflected unease in western capitals over an apparent but unexplained rise in aggressive activity by the Kremlin in the months leading to Sunday's Russian presidential election. One French diplomat warned that Moscow seemed willing to clash with the west.

"Whatever the reason behind the [poisoning], it's a provocation; there's a willingness to cause a public backlash," the diplomat said.

Rex Tillerson, the outgoing US secretary of state, warned this week of a "pivot to be more aggressive" by Russia, and a "certain unleashing of activity that we don't fully understand".

The US, France and Germany 'share the UK assessment that there is no plausible alternative explanation' for the attack on ex-Russian spy Sergei Skripal

Even Mr Trump for the first time blamed Moscow for the Skripal attack, telling reporters: "It certainly looks like the Russians were behind it." The US was in "deep discussion" with allies over how to respond, he added.

Russia signalled it was preparing to expel UK diplomats and take other retaliatory measures a day after Mrs May said Britain was ejecting 23 Russian embassy staff believed to be spies.

Among the entities targeted by the Treasury sanctions are the Federal Security Service, Russia's domestic intelligence agency, and its military intelligence directorate, the GRU.

Report & Analysis page 4
Philip Stephens page 9
Lex page 10
Russian bonds page 11

Briefing

▸ **CME targets UK fintech prize Nex**
The US futures exchange has made a preliminary bid for Michael Spencer's Nex Group, a move likely to spark a race among exchanges to buy the British financial technology company.— PAGE 11

▸ **Global role eyed for anti-regulation head**
Randal Quarles, appointed to the Fed by Donald Trump to ease bank regulation, is being considered by the White House as its candidate to head the body that oversees global financial rules.— PAGE 2

▸ **ECB softens bad loan plan after backlash**
The European Central Bank has softened its plan to ask banks to stump up more cash against bad loans, following a backlash in Brussels and Rome to its original proposal to tackle the problem.— PAGE 2

▸ **Brussels under fire over Barroso move**
An internal watchdog has hit out at Brussels over its former president's move to Goldman Sachs, in which it failed to slap a ban on his lobbying and relied on his word to refrain.— PAGE 3

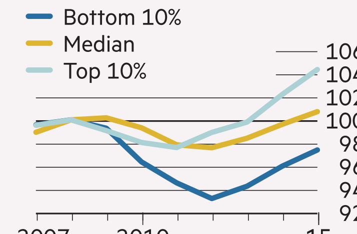
▸ **Premier quits after reporter's killing**
Robert Fico has resigned in an effort to contain a mushrooming political crisis in Slovakia sparked by the murder of investigative journalist Jan Kuciak and his fiancée Martina Kusnirova.— PAGE 4

▸ **Amazon's Tokyo headquarters raided**
Japan's anti-monopoly watchdog has swooped on the offices for the second time in two years, as the US technology group continues to grab market share at the expense of domestic rivals.— PAGE 12

▸ **Oslo vet sees slice of $32m Statoil rebrand**
Norway's Statoil has paid "some money" to an Oslo veterinarian to secure his web address, required after the group rebranded itself as Equinor in its push to become a broad energy group.— PAGE 12

Datawatch

Recovery rates
Real household disposable income*



* Average of 17 OECD countries with available data. Source: OECD (2008=100)

Household real disposable income in the OECD dropped after the global financial crisis, particularly for poor families: by 2015 they were still worse off than before. Top earners saw a smaller drop and started to recover earlier

EU targets €5bn annually with tax on Big Tech sales

Analysis ▸ PAGE 3

Unilever shift to Rotterdam dents May hopes for smooth transition after Brexit

SCHEHERAZADE DANESHKHU, GEORGE PARKER AND ADAM SAMSON — LONDON

Unilever has decided to shift its headquarters to the Netherlands, breaking a near century-old structure of running the company from both the UK and European mainland, in a setback for Theresa May's pledge that it will be business as usual after Brexit.

The Anglo-Dutch group's head insisted yesterday that Britain's decision to leave the EU had "categorically" played no part in the consumer goods group's choosing Rotterdam over London for its single base, saying both countries were "highly attractive investment planets".

Paul Polman, chief executive and a critic of Brexit, added that the "proof of the pudding" was in the fact that two of its three main businesses would stay in the UK and receive £1bn of investment.

Mrs May said that Unilever's choice of Rotterdam was unrelated to Brexit, with one of her allies saying: "[Mr Polman] could not have been clearer."

But Rebecca Long-Bailey, opposition business spokesman, said: "This is another blow for the prime minister . . . businesses are quickly losing confidence in this government."

Some investors were unhappy that the UK's third-biggest company, with a market value of £103bn, would probably fall out of the FTSE 100 index because of its Netherlands domicile and likely inclusion in the Euro Stoxx index.

One investor said: "It's a potential stumbling block and a real issue. As an investor, you don't mind small companies dropping in and out of the index but big companies going out because of wanting to shift domicile — that has an impact on you."

The group behind the quintessentially British Marmite spread, as well as Dove soap and Magnum ice cream, said it would retain its listings in London, Amsterdam and New York.

Mr Polman is aware of the political sensitivities of the decision to move from the UK, coming a month after publishing group Relx decided to go the other way and unify its Anglo-Dutch structure in London, where its headquarters were already based.

Last year the company centralised its food division in the Netherlands, moving 140 jobs from the UK.

Unilever said roughly 50 jobs would be cut among the 100 positions in the two main HQs. It employs 7,300 people in the UK and 3,100 in the Netherlands.

Editorial Comment page 8
Analysis page 13

Austria	€3.70	Macedonia	Den220
Bahrain	Din1.8	Malta	€3.60
Belgium	€3.70	Morocco	Dh45
Bulgaria	Lev7.50	Netherlands	€3.70
Croatia	Kn29	Norway	NKr35
Cyprus	€3.60	Oman	OR1.60
Czech Rep	Kc105	Pakistan	Rupee320
Denmark	DKr35	Poland	Zl 20
Egypt	E£35	Portugal	€3.60
Finland	€4.50	Qatar	QR15
France	€3.70	Romania	Ron17
Germany	€3.70	Russia	€5.00
Gibraltar	£2.70	Serbia	NewD420
Greece	€3.60	Slovak Rep	€3.60
Hungary	Ft1090	Slovenia	€3.50
India	Rup210	Spain	€3.60
Italy	€3.60	Sweden	SKr39
Latvia	€6.99	Switzerland	SFr6.00
Lebanon	LBP7500	Tunisia	Din7.50
Lithuania	€4.30	Turkey	TL12.50
Luxembourg	€3.70	UAE	Dh17.00

Subscribe In print and online

www.ft.com/subscribetoday
email: fte.subs@ft.com
Tel: +44 20 7775 6000
Fax: +44 20 7873 3428

No: 39,731 ★

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

9 770174 736159 11>

World Markets

STOCK MARKETS

	Mar 15	prev	%chg
S&P 500	2755.29	2749.48	0.21
Nasdaq Composite	7508.46	7496.81	0.16
Dow Jones Ind	24981.73	24758.12	0.90
FTSEurofirst 300	1473.86	1466.10	0.53
Euro Stoxx 50	3417.11	3390.98	0.77
FTSE 100	7139.76	7132.69	0.10
FTSE All-Share	3947.16	3943.63	0.09
CAC 40	5267.26	5233.35	0.65
Xetra Dax	12345.56	12237.74	0.88
Nikkei	21803.95	21777.29	0.12
Hang Seng	31541.10	31435.01	0.34
MSCI World $	2134.51	2144.60	-0.47
MSCI EM $	1218.70	1223.83	-0.42
MSCI ACWI $	522.87	525.31	-0.46

CURRENCIES

	Mar 15	prev		Mar 15	prev
$ per €	1.232	1.236	€ per $	0.812	0.809
$ per £	1.395	1.395	£ per $	0.717	0.717
£ per €	0.883	0.886	€ per £	1.132	1.128
¥ per $	106.065	106.185	¥ per €	130.677	131.240
¥ per £	147.929	148.080	£ index	79.051	78.839
€ index	96.354	96.032	$ index	96.756	96.826
SFr per €	1.171	1.170	SFr per £	1.325	1.320

COMMODITIES

	Mar 15	prev	%chg
Oil WTI $	61.27	60.96	0.51
Oil Brent $	65.18	64.89	0.45
Gold $	1323.55	1322.75	0.06

INTEREST RATES

	price	yield	chg
US Gov 10 yr	95.13	2.83	0.02
UK Gov 10 yr	98.21	1.44	0.00
Ger Gov 10 yr	99.68	0.57	-0.02
Jpn Gov 10 yr	100.71	0.04	-0.01
US Gov 30 yr	93.95	3.07	0.01
Ger Gov 2 yr	101.41	-0.59	0.01

	price	prev	chg
Fed Funds Eff	1.42	1.35	0.07
US 3m Bills	1.76	1.73	0.03
Euro Libor 3m	-0.38	-0.38	0.00
UK 3m	0.60	0.60	0.00

Prices are latest for edition — Data provided by Morningstar

A Nikkei Company

Financial regulation

US eyes Fed's bank overseer for global post

Quarles' deregulatory instincts would mark step change at stability board

SAM FLEMING — WASHINGTON
CAROLINE BINHAM — LONDON

Randal Quarles, the Federal Reserve governor who supervises big banks, is being discussed in the Trump administration as a candidate to head the body that oversees international financial regulation, according to people familiar with the deliberations.

If his candidacy to take over as chairman of the Financial Stability Board were to gain traction, it would mark a significant change of gear from the regime of Mark Carney, the Bank of England governor who has overseen the body's efforts to tighten post-crisis regulation since 2011.

Mr Quarles was appointed by Donald Trump, US president, as vice-chairman for financial supervision at the Fed last year with the goal of easing burdens on banks to boost growth. Among his initiatives are efforts to streamline the so-called Volcker rule that limits proprietary trading by lenders, greater transparency in the stress tests that the Fed imposes on banks and an overhaul of the leverage ratio.

His deregulatory instincts would mark a contrast with some of the work pushed by the FSB following the financial meltdown. The body, which makes recommendations to G20 countries, has led efforts to strengthen big banks' loss-absorbing capacity and end taxpayer bailouts of banks.

With senior officials, including the Fed chairman, Jay Powell, suggesting that the problem of US banks being "too big to fail" had been tackled, the Trump administration has been pressing for regulation to be skewed towards job creation. Mr Quarles has advocated

> 'Randy Quarles is a way to strengthen US global engagement in this area'
>
> Nicolas Véron

streamlined regulation, while also declaring support for the core reforms following the crisis, saying they have created a more resilient system.

The Trump administration is taking soundings about Mr Quarles as a candidate, but he would need to win acceptance from a range of nations to clinch the post and his name could encounter opposition from campaigners for tough financial regulation. Some countries might argue it is time for an Asian policymaker to lead the body.

According to people familiar with the situation, Mr Quarles was first tipped as a successor to Stefan Ingves, who chairs the Basel committee on banking supervision that sets minimum standards for big banks. But the US Treasury then pushed instead for the more influential FSB chairmanship, they added. The US Treasury had no comment. The Federal Reserve Board and the FSB declined to comment.

Earlier this year Mr Carney was asked to stay on as chairman of the FSB until December 2018, extending his tenure by a year. He succeeded Mario Draghi, who is the European Central Bank president, in 2011.

Potential rivals to Mr Quarles include Ravi Menon, the head of the Monetary Authority of Singapore, and Klaas Knot, the governor of the Dutch central bank, according to people familiar with the situation.

The final decision is made by the FSB's seven-member nominations committee. A committee has been set up but its composition is so far shrouded in secrecy.

As well as the Trump administration's deregulatory agenda, there is also concern that senior US politicians have expressed scepticism over the extra-territoriality of both the FSB and the Basel committee.

"At this juncture, Randy Quarles is a way to strengthen US global engagement in this area, and that has value for the rest of the world," said Nicolas Véron, a senior fellow at the Bruegel think-tank in Brussels.

House of Representatives

Republicans press for more radical easing of Wall Street controls

BARNEY JOPSON — WASHINGTON

Republican efforts to pass the biggest rollback of banking regulations since the financial crisis moved to the House of Representatives yesterday after the Senate approved a bill that some conservatives want to make more radical.

A group of 16 Democrats and one independent joined forces with Republican senators on Wednesday to approve a bill that would relax key elements of the Dodd-Frank post-crisis reforms affecting small and mid-sized banks.

The bill would deliver the Trump administration its most significant legislative victory to date in its deregulatory drive, which has so far consisted mostly of rule changes by bureaucrats as opposed to laws rewritten by Congress.

Critics of the legislation, including prominent liberal Democrats led by Senator Elizabeth Warren, say the small-looking revisions it contains for the biggest banks will encourage more risk-taking at the "too big to fail" giants of Wall Street.

The House is generally reluctant to accept unmodified Senate bills and Jeb Hensarling, the anti-Dodd-Frank chairman of the House financial services committee, wants to make the bill a vehicle for more aggressive deregulatory measures. "I look forward to combining [the Senate legislation] with our helpful House bipartisan banking bills and getting that combined bill to the president's desk," he said.

However, shifting the bill rightward risks upsetting the balance vital to maintaining the support of moderate Democrats. Some Senate Democrats who backed it face tight re-election races in November in states where President Donald Trump won.

Hensarling allies stress that many of his amendments have bipartisan support, having passed the House already. They include legislation to reduce the frequency with which banks submit "living wills" to regulators and to make it easier for start-ups to raise funds.

The Senate bill passed on Wednesday by a vote of 67-31. Mike Crapo, who sponsored it as chair of the banking committee, said the US was witnessing a "rare, bipartisan moment". Mitch McConnell, the Republican Senate majority leader, has called the bill "modest but essential".

In its current form the bill would open the way for some banks with assets of up to $250bn to be released from the Federal Reserve's strictest supervisory regime, while giving regulators the option to loosen certain capital requirements for even larger institutions.

The legislation would loosen mortgage underwriting standards for lenders with less than $10bn in assets and exempt those institutions from the Volcker rule, which bans lenders from placing market bets with their own money.

Nancy Pelosi, the top House Democrat, said: "In their haste to help out those who need the government's help the least, the GOP is recklessly risking another historic meltdown that could wipe out millions of families' jobs, savings and financial security."

But Brandon Barford, a former Senate Republican aide and partner at Beacon Policy Advisors, said the bill "just tinkers around the edges".

Profile. Larry Kudlow

TV star brings everyman touch to economics

New director of White House NEC is a conservative who forecast 'no recession' in 2007

BARNEY JOPSON — WASHINGTON

Minutes after being confirmed as US president Donald Trump's top economic adviser, putting him at the centre of momentous decisions on trade and tax, Larry Kudlow was preparing to spend the first hour of the new era in an old habitat: on the set of CNBC, Wall Street's favourite cable channel.

The 70-year-old from New Jersey is a made-for-TV economist, a chatty Reaganite commentator with an everyman touch. He can express wonkery in plain English and dodge awkward questions with a smile, while ensuring the world appreciates that he has friends who are great people in high places.

"Jamie Dimon, who is a friend of mine, apparently called someone and said 'Could I have Kudlow's number?'," he said on CNBC, adding the head of JPMorgan Chase to a list of dropped names. "The only thing I didn't like about it is I thought he had my number."

Mr Kudlow, who replaces Gary Cohn as director of the White House's National Economic Council, is no empty vessel. He has clear conservative economic views, despite limited formal economics training, and has expressed them with gusto for 40 years.

The question looming over his appointment is one of substance versus style. Has Mr Trump picked Mr Kudlow for his advice or because he can present the president's ideas on screen with a verve Mr Cohn could never muster?

Mr Kudlow started as a junior economist at the Federal Reserve Bank of New York in the 1970s then shifted to Wall Street. He rose to become chief economist at PaineWebber (acquired by UBS) then at Bear Stearns (sold to JPMorgan).

From there he joined Ronald Reagan's revolution as a senior official in the White House budget office, where he joined a cavalry of officials arguing that the best economic stimulus was low taxes and regulatory rollbacks — a prescription Mr Trump has embraced.

Brian Domitrovic, an academic who co-wrote the book *JFK and the Reagan Revolution* with Mr Kudlow, says he has long clung to two aphorisms. The first: "Free market capitalism is the best path to prosperity." The second: "King dollar and tax rate cuts."

On Wednesday, Mr Kudlow was less than definitive about the longstanding strong dollar policy, which the Trump administration has undermined. "I have no reason to believe [Mr Trump] doesn't favour a sound and strong and steady [dollar]," he said. "I'm not saying the dollar has to go up 30 per cent."

After the White House, Mr Kudlow returned to Bear Stearns as chief economist. He was talked about as a talented potential candidate for elected office. But he resigned from the group in 1994, before confessing in the New York Times to drug and alcohol abuse.

He made a fresh start as a commentator on the Manhattan media circuit, where he crossed paths with Mr Trump. He co-hosted a CNBC show in the early 2000s and had his own show, *The Kudlow Report*, from 2009 to 2014.

Arthur Laffer, the supply-side economist who counselled Reagan and Margaret Thatcher, says Mr Kudlow "is a damn good economist and he is very clear-thinking". Left-leaning commentators were quick to highlight Mr Kudlow's record of wrong calls, ranging from a 1993 prediction that Bill Clinton's tax increases would strangle a recovery to his December 2007 declaration that "there's no recession coming".

Economist Brad DeLong wrote: "The right way to view this appointment is as if Donald Trump were to name William Shatner to command the Navy's Seventh Fleet."

In a 2015 presidential debate when Mr Trump was asked if he was running a "comic book campaign", the first thing he did in his defence was cite Mr Kudlow, "who I have a lot of respect for, who loves my tax plan".

Clubby: Larry Kudlow waits to give an interview at the New York Stock Exchange on Tuesday
Richard Drew/AP

The economist will join a White House that has become a byword for back-stabbing, mistrust and disorder. But Mr Laffer says Mr Kudlow is well equipped, having lived through a storm when David Stockman, his Reagan-era boss, told an interviewer that the Reagan doctrine was a "Trojan horse" to give tax cuts to the rich. "Larry was able to keep his cool throughout the whole process," Mr Laffer says.

In a search for potential rifts between Mr Kudlow and his boss, much has been made of a critical op-ed he wrote with Mr Laffer and Stephen Moore about the tariffs Mr Trump imposed this month on steel and aluminium. It decried the

> 'The right way to view this appointment is as if Trump were to name William Shatner to command the Navy's Seventh Fleet'

"crisis of logic" behind a policy that "puts at risk 5m manufacturing" jobs in US industries that use steel. On Wednesday, Mr Kudlow sought to finesse his way out, saying he did not like across-the-board tariffs but that Mr Trump "makes a persuasive case" that targeted tariffs could force China to negotiate.

Mr Domitrovic suggests Mr Trump is creating a new "team of rivals" on trade. The economic nationalists, such as Wilbur Ross, commerce secretary remain, but with Mr Kudlow he is replacing the abrasive "globalist" Mr Cohn with someone with similar views but a more clubby manner.

"He's bringing in one of Wilbur Ross's good friends, but someone who disagrees with him in an amicable way."

Notebook page 8

FINANCIAL TIMES
1 Southwark Bridge,
London SE1 9HL

Subscriptions & Customer service
Tel: +44 207 775 6000, fte.subs@ft.com,
www.ft.com/subscribetoday
Advertising
Tel: +44 20 7873 4000 asiaads@ft.com,
emeaads@ft.com
Letters to the editor
Fax: +44 20 7873 5938,
letters.editor@ft.com
Executive appointments
Tel: +44 20 7873 4909
www.exec-appointments.com

Published by: The Financial Times Limited, 1 Southwark Bridge, London SE1 9HL, United Kingdom. Tel: +44 20 7873 3000; Fax: +44 20 7407 5700. Editor: Lionel Barber.
Germany: Dogan Media Group, Hurriyet AS Branch Germany, An der Brucke 20-22, 64546 Morfelden - Walldorf. Responsible Editor, Lionel Barber. Responsible for advertising content, Jon Slade.
Italy: Monza Stampa S.r.l., Via Michelangelo Buonarroti, 153, Monza, 20900, Milan. Tel. +39 039 28288201 Owner, The Financial Times Limited; Rappresentante e Direttore Responsabile in Italia: I.M.D.Srl-Marco Provasi - Via G. Puecher, 2 20037 Paderno Dugnano (MI), Italy. Milano n. 296 del 08/05/08 - Poste Italiane SpA-Sped. in Abb.Post.DL. 353/2003 (conv. L. 27/02/2004-n.46) art. 1 .comma 1, DCB Milano.
Spain: Bermont Impresion, Avenida de Alemania 12, CTC, 28821, Coslada, Madrid. Legal Deposit Number (Deposito Legal) M-32596-1995; Publishing Director, Lionel Barber; Publishing Company, The Financial Times Limited, registered office as above. Local Representative office; C/ Infanta Maria Teresa 4, bajo 2, 28016, Madrid. ISSN 1135-8262.
UAE: Al Nisr Publishing LLC, P.O.Box 6519. Dubai. Editor in Chief: Lionel Barber.
Qatar: Dar Al Sharq, PO Box 3488, Doha-Qatar. Tel: +97 44557825
France: Publishing Director, Jonathan Slade, 46 Rue La Boetie, 75008 Paris, Tel. +33 (0)1 5376 8256; Fax: +33 (01) 5376 8253; Commission Paritaire N° 0909 C 85347; ISSN 1148-2753.
Turkey: Dunya Super Veb Ofset A.S. 100. Yil Mahallesi 34204, Bagcilar- Istanbul, Tel. +90 212 440 24 24.

Eurozone banking

ECB tones down plans for new rules on non-performing loans

CLAIRE JONES — FRANKFURT

The European Central Bank has toned down plans to ask banks to stump up more cash for loans that turn sour, after a backlash in Italy, one of the eurozone's weakest banking markets, and the European Parliament.

While the ECB says the initiative is vital to deal with the risk of a rise in non-performing loans in a future downturn, Italian officials and MEPs argue that the bank's initial proposals for seemingly binding rules went beyond its powers and infringed on those of legislators.

"The European Parliament has forced ECB bureaucrats to take a step back on non-performing loans," said Antonio Tajani, president of the European Parliament, who recently toyed with returning to domestic Italian politics.

"It's now up to the European Parliament, as one of the EU's co-legislators, to fully scrutinise the addendum."

The new plans from the ECB's supervisory wing, the Single Supervisory Mechanism, maintain that banks should provide cash to cover the entirety of any unsecured loan within two years of it turning sour. The guidance, which also includes provisions to provide collateral within seven years for parts of the loan that are secured, are tougher than rules in other jurisdictions and would make it much more costly for banks to keep bad loans on their balance sheets.

But the plans, issued five months after a previous draft, make clear that the guidance is not statutory but rather a "supervisory expectation" and the "basis" for a conversation between banks and the SSM.

The latest version also omits a requirement in the October draft for banks to comply with the regulator's guidance or explain themselves. It offers lenders more freedom to say why they thought the rules should not apply to them.

The ECB will not begin applying the guidance until 2021.

"The corrections show that our critical remarks were right," said Roberto Gualtieri, an Italian member of the European Parliament.

"It is positive that the SSM has moved the burden of proof from the banks to the supervisor."

He also called for the central bank supervisors to align their guidelines with new requirements for non-performing loans the European Commission issued on Wednesday. The commission would allow banks eight years to cover secured bad loans.

Red light: the ECB has been forced to take a step back after protests from MEPs and Italian officials
Arne Dedert/AP

Italy's banking sector is one of the weakest in the eurozone. In a little over two years several banks have collapsed — including Monte dei Paschi di Siena, the world's oldest lender — requiring €13bn in bailouts.

The troubles of the country's banking system are widely seen as one of the causes of the country's populist backlash, in which two insurgent parties came top in this month's election.

Non-performing loans are a broader problem in the eurozone. Lenders directly supervised by the ECB are exposed to sour loans worth €915bn, or about 4 per cent of total exposure.

The SSM had previously suggested that it could apply similar rules to the eurozone's existing stock in bad loans, as well as to loans that turn sour in the future, leading Matteo Renzi, the former Italian prime minister, to warn that such measures could trigger a new crisis in Italy.

Additional reporting by Caroline Binham in London

China faces struggle to meet $100bn US trade demand

Cuts to external surpluses mean Beijing has few easy options to address deficit

Shifting the location for final iPhone assembly would look good in the headline number but the effect would be largely cosmetic
Thomas Lee/Bloomberg

GABRIEL WILDAU — SHANGHAI
JANE PONG — HONG KONG

China is not immune to the charms of symbolic gestures when they serve a diplomatic purpose. From 2005 to 2014, when US criticism of China for undervaluing its currency was a big bilateral issue, Beijing frequently pushed the renminbi higher before international summits and state visits, only to revert once international attention had faded.

But this time — faced with demands by President Donald Trump to cut the bilateral trade deficit by $100bn — Beijing has few easy options.

"If you look at China's overall trade or current account surplus, we can't really call that a mercantilist or excess-saving economy," says Louis Kuijs, head of Asia economics at Oxford Economics in Hong Kong.

"China runs trade deficits with many countries, but it happens to run big surpluses with the US, Europe and India — three regions where there is increasing momentum towards protectionism."

A key obstacle to Beijing's efforts to satisfy Mr Trump's demands is the substantial progress that China has already made in reducing external surpluses. China's current account surplus had fallen to 1.4 per cent of gross domestic product by last year, down from 9.9 per cent in 2007. Analysts also broadly agree that China's currency is no longer undervalued.

Despite this wider improvement, however, the US-China bilateral gap for goods trade hit a record $375bn last year, according to US census data that also include Hong Kong. China's customs bureau reckons the deficit was lower, at $276bn, but still a record. The robust US economy helped propel the total US trade deficit in January to its widest since 2008.

Though China's imports have risen dramatically in the past decade, exports remain an important source of jobs. Beijing is therefore unlikely actively to discourage exports to the US and will try instead to boost imports, analysts say.

Imports of agricultural commodities, Boeing aircraft and energy are the products of choice for high-profile, big-ticket purchases. Yet these staples of trade diplomacy will not be sufficient to meet the $100bn goal. Chinese purchases of US agricultural products, including food and beverages, totalled just $21bn last year. Energy added another $9bn, mostly in the form of oil and gas.

"It is hard to see how a $100bn swing in the bilateral trade deficit could come from growing US exports alone," says Brad Setser, senior fellow for international economics at the Council on Foreign Relations and a former deputy assistant treasury secretary.

"In the short-run, the only real way to get a change that large in the headline number is to do things that have big optical but only modest real effects, like change the final assembly location for iPhones, or do a better job counting US exports to Hong Kong that end up in China," he says.

Indeed, mobile phones, computers and computer components alone accounted for $148bn in Chinese exports to the US last year, or 29 per cent of the total value, according to census figures. For most of these items, China itself produces only a fraction of the total value-added, since it imports expensive components from elsewhere. Still, if China wanted to grant Mr Trump a cosmetic victory, it could press manufacturers such as Foxconn to put finishing touches on such products in a third country.

> If the US doesn't increase the scale of high-tech exports 'there is no hope of achieving the $100bn goal'

Another way to narrow the gap would be through trade in services, where the US ran a surplus of $39bn in the year to the end of September, according to US balance of payments data. More than half of US service "exports" take the form of Chinese travel to the US, including tourism and educational travel spending.

But it is hard to see how Chinese government intervention could significantly affect individual Chinese travel decisions. Research also suggests that a sizeable share of Chinese travel spending may be capital flight in disguise. This implies that the true size of the US services trade surplus with the US may be overstated.

While Mr Trump is also pressing China to open its services sectors such as finance, law, consulting and logistics to US investment, those benefits would accrue mostly to foreign groups with operations in China and would not show in data on cross-border services trade.

From the Chinese perspective, the US deserves most of the blame for the bilateral deficit. In addition to macroeconomic policies that boost consumption, officials point to US restrictions on high-tech exports to China. Most Chinese analysts take a dim view of the prospects for achieving Mr Trump's goal.

"In a fair situation, the Chinese will take the US side's appeal into account and seek to resolve its core concerns," says Liang Ming, director of the Institute of International Trade at the Chinese Academy of International Trade and Economic Co-operation, a think-tank under China's commerce ministry.

"But if the US only exports crude oil, natural gas, and agricultural products without actively increasing the scale of high-tech exports . . . there is basically no hope of achieving the $100bn goal."

Additional reporting by Yizhen Jia in Shanghai

Editorial Comment page 8

Tax avoidance

Brussels proposes levy on Big Tech digital revenues

MEHREEN KHAN, ALEX BARKER AND ROCHELLE TOPLENSKY — BRUSSELS

Brussels is preparing to hit Big Tech groups such as Google, Facebook and Apple with a "digital tax" on EU turnover that will raise about €5bn a year.

According to draft proposals seen by the Financial Times, the European Commission will unveil a three-pronged digital tax next week that targets revenues rather than profits, heeding calls in France, Germany and Britain for a tougher approach to tax avoidance by tech companies.

The levy, which is likely to be set at a rate of 3 per cent, will be raised against advertising revenues generated by digital companies such as Google, the fees raised from users and subscribers to services such as Apple or Spotify, and the income made from selling personal data to third parties.

The precise thresholds and rates are under debate in the commission and could change. But a draft circulated on Wednesday applied the tax on companies with an annual global turnover of more than €750m and total taxable revenues of €50m generated in the EU. It described them as having established a "strong market position" that can benefit from "network effects and exploitation of big data".

"The application of the current corporate tax rules to the digital economy has led to a misalignment between the place where the profits are taxed and the place where value is created," says the text.

The commission's blueprint will anger US tech groups that have long complained of unfair treatment by Brussels. The proposals are also likely to meet resistance from the EU's low-tax member states such as Ireland and Luxembourg, as well as smaller countries, such as Denmark and Lithuania, which fear they will not be able to reap the rewards of the levy as online giants have a smaller presence in their countries.

To become law, the commission proposal requires unanimous support from the EU's 28 member states.

In a draft legal text, the commission notes that while traditional companies have paid an effective tax rate of 23.3 per cent, digital companies — which often operate across borders — pay on average 9.5 per cent tax in the EU.

The Brussels plan to target turnover upends an international consensus to tax companies based on profits rather than sales. However, the principle has the support of France and the UK, a rare convergence of views that highlights growing political momentum in Europe for a change of approach.

The UK government this week hinted that it might consider imposing a national tax on digital revenues, while the idea for an "equalisation tax" on tech revenues was first launched by France last September with the backing of Germany, Italy and Spain.

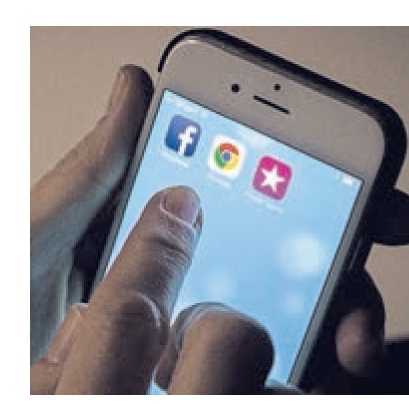
Brussels' "interim solution" is intended as a stopgap policy to generate billions of euros for EU governments while international authorities come up with longer-term plans to change rules on the taxation of digital companies.

The commission will publish its tax plan next week alongside other, longer-term plans, for establishing the rules around digital taxation. This would use thresholds, such as whether a company has at least 100,000 users or consumers in a single EU country, to determine its tax treatment.

The commission's draft text for the short-term digital tax calculates how much could be raised from the levy if set at between 1 per cent and 5 per cent. The highest level would generate €7.8bn a year. An EU official said that although discussions were continuing, Brussels was likely next week to propose a rate of 3 per cent. That would generate an estimated €4.8bn a year.

Media organisations such as newspapers and telecoms companies will be exempted from levies. Ecommerce platforms such as Amazon and other retailers are likely to be exempted, too.

The world's large economies have been working through the OECD to agree an approach on digital taxation but officials have been frustrated by the slow progress.



Facebook, Google and Apple will be affected by the proposed 3% tax

Probe

Watchdog issues rebuke over Barroso's Goldman move

ALEX BARKER — BRUSSELS

The European Commission has been criticised by the EU's own internal watchdog for mishandling the ethical issues raised by the move of José Manuel Barroso, its former president, to investment bank Goldman Sachs.

The rebuke from the European Ombudsman calls for a formal reassessment of whether his position at the bank is "compatible" with the "integrity and discretion" legally required of former officials.

Emily O'Reilly, who led the year-long investigation into potential maladministration, criticised the commission for not imposing a formal lobbying ban on Mr Barroso because it saw his personal promise to refrain as sufficient.

Ms O'Reilly called for the issue to be brought back to a commission ethics panel that had previously cleared Mr Barroso of violating rules.

"Putting the matter to the ethics committee once more would demonstrate that the commission has taken very seriously public concern over this affair and the damage done to the image of the EU institutions — despite the hard work and ethical behaviour of the vast majority of people who work in them," she said yesterday.

Mr Barroso tweeted in response: "The independent Ad Hoc Ethical Committee reviewed my professional appointment well over a year ago and did not find that it involved any breach of my duties".

In another tweet he added: "The European Ombudsman's recommendations published today do not involve any legal assessment of my duties as she has confirmed in a letter to me made available on her website."

The intervention is the latest twist in the controversy over Mr Barroso's move to Goldman — dubbed *l'affaire Barroso* — which drew criticism from MEPs, the former French president and a 150,000-strong online petition.

The former Portuguese premier was cleared by an ethics committee in 2016 of violating conduct rules, but its report nevertheless criticised him for a lapse of judgment in taking the Goldman job.

His Goldman role hit the headlines again last month when Jyrki Katainen, a commission vice-president, confirmed he had met Mr Barroso last year to discuss trade and defence issues. Although registered as a meeting with Goldman, Mr Barroso insists it was a private meeting of a personal nature.

In her report Ms O'Reilly said: "Whatever the precise nature and content of the meeting with the former commission president, there are understandable concerns about this incident, specifically that the former commission president is using his previous status and his contacts with former colleagues, to open doors, to influence and to obtain information."

> 'The recommendations . . . constitute a thinly veiled *ad personam* political attack'

Such concerns would not have arisen, Ms O'Reilly argued, had the commission taken a formal decision to "impose the necessary safeguards to prevent such lobbying".

Mr Barroso hit back at the claims in a submission to the investigation. "There are numerous other issues with the recommendations which, in my view, constitute a thinly veiled *ad personam* political attack," he said in a letter to Ms O'Reilly that related to an early draft of the recommendations. "It is a bitter irony that you have sought to use your office in this way.

"For my part, I stand by the assurances I have given to the commission," he said.

"I have not and will not engage in any lobbying activity with the European institutions on behalf of Goldman Sachs."

Ms O'Reilly's main recommendations are directed at improving "systemic issues" with the commission's ethics board, saying reforms introduced earlier this year did not go far enough to "prevent a Barroso-like situation arising in the future".

Middle East. Investment strategy

Saudi Arabia in push to set up own defence industry

> Kingdom looks to diversify away from oil revenues and create local plants and jobs

AHMED AL OMRAN — RIYADH
PEGGY HOLLINGER — LONDON

As a young boy, Muneer Bakhsh dreamt of building a plane. "That was the late 1980s. There was no such thing as building a plane in Saudi Arabia," said Mr Bakhsh who grew up helping his father, a car mechanic.

Today Mr Bakhsh leads the aeronautics unit at state-owned Taqnia, which has just spent more than $44m on equipment to manufacture aircraft parts and assemble Black Hawk helicopters in Saudi Arabia in partnership with Lockheed Martin, the US defence contractor.

Mr Bakhsh, who has worked in the US for Boeing and Gulfstream, is part of a mission to establish a domestic defence industry in a country that is one of the world's biggest arms buyers.

These plans are an integral part of Crown Prince Mohammed bin Salman's efforts to help the kingdom diversify its economy away from oil revenues.

"We spend between $50bn and $70bn annually on the military. We are the world's third-largest spender on arms, and 99 per cent of that goes outside the kingdom," the crown prince, who also serves as defence minister, said last year. "This is a huge opportunity to create Saudi-based industries and jobs."

The push to build a domestic defence industry comes as Saudi Arabia has been widely condemned for its role in the war in neighbouring Yemen.

More than 3,200 civilians were reportedly killed by Saudi-led coalition forces between March 2015 and August 2017, according to a UN human rights report. The war has also exposed Saudi reliance on western defence supplies.

The US and the UK have faced criticism for supplying Saudi Arabia with arms that caused civilian deaths in Yemen. Germany this year said it would stop arms exports to countries involved in the conflict.

With the crown prince due to visit Washington next week to discuss defence co-operation, some congressmen have called for similar curbs. US military officials have defended the Saudi mission in Yemen.

As part of its economic plan, dubbed Saudi Vision 2030, Riyadh aims to spend at least half its military budget locally by that year.

With this in mind, the kingdom set up the state-backed Saudi Arabian Military Industries and appointed Andreas Schwer, a former head of combat systems at Germany's Rheinmetall AG, as its head. It has also set up the General Authority for Military Industries, a government body with broad powers in military procurement as well as research and development.

The world's big defence companies know that if they want to continue selling to one of the world's top military spenders, they will have to locate more manufacturing in Saudi Arabia.

Companies such as the UK's BAE Systems have for decades been expanding their training and manufacturing activities in the kingdom. BAE employs 6,000 people there, roughly two-thirds of whom are Saudi nationals. It assembles the Hawk trainer aircraft in Saudi Arabia and is also doing some work on its Typhoon fighter jets.

The UK and Saudi Arabia last week signed a memorandum of intent worth £5bn for another 48 Typhoon fighter jets, a deal that has been in discussion since 2014. Difficult negotiations over which raw materials and services would be sourced locally contributed to the delay in reaching agreement, said a person familiar with the matter.

Khalid al-Otaibi, vice-president of manufacturing for BAE in Saudi Arabia, said that transferring work from Europe or the US to the kingdom was complicated and costly. The company had to ensure local contractors met international standards and it needed to train Saudi workers, since young graduates lacked the right skills to do the job.

"The country benefited operationally, without a doubt, [from arms purchases] and built strong armed forces. But when it comes to manufacturing and localisation there [have] been many shortages and deficiencies," he said.

"They have been very clear they want to grow quickly," said Rick Edwards, executive vice-president of Lockheed Martin International. "We support the Vision 2030 goals completely, but you are not going to go from 2 per cent [of local spend] to 50 per cent in a few years. This is a long process. It has to be done in a way that manages the risk."

The Saudis are already working on developing their own technology. King Abdulaziz City for Science and Technology, the government's R&D arm, has 40 engineers working on short-range ballistic missiles and laser-guided bombs, an official told local media last week.

State-owned Taqnia assembles Black Hawk helicopters in Saudi Arabia

Nerve agent attack

Allies' reaction eases UK fear of diplomatic isolation

British relieved after the international community comes to London's side

DAVID BOND — LONDON

Initial concerns that Britain's tough stance on Russia would not be matched by its closest allies melted away yesterday as the US, France and Germany rowed in behind the UK in condemning the Kremlin for the Salisbury poisoning.

Just 24 hours earlier, Prime Minister Theresa May looked isolated with some hesitation in President Emmanuel Macron's government and the US seemingly reluctant to apportion blame for the nerve agent attack on Russia.

But by lunchtime yesterday, Britain had reason to be reassured.

"We call on Russia to address all questions related to the attack in Salisbury," the US, UK, French and German leaders said in a joint statement.

While it stopped short of setting out any steps the four powers would take if Russia did not fall into line, the message to Moscow was clear.

One government official said there was relief inside Whitehall that the international community had come to the UK's side.

"This is not something that just affects us," the official said. "It's a pattern of behaviour from Russia that stretches a long way back."

Over the next few days, UK ministers will step up their efforts to build the international coalition.

Today Boris Johnson, UK foreign secretary, will host his Polish counterpart, Jacek Czaputowicz. Then, crucially on Monday, focus will turn to Brussels and a meeting of foreign ministers of the EU.

That meeting is likely to provide the first big test of whether Brexit will soften support for a broader pushback against Russian aggression, with some European nations like Italy reluctant in the past to endorse deeper EU sanctions against President Vladimir Putin's government and its allies.

But Jonathan Eyal, international director at the Royal United Services Institute, a London-based think-tank, said the response so far suggested the UK was in a strong position.

"It looked tough for the PM," said Mr Eyal. "This was not a flawless operation. But giving the Russians 36 hours was an inspired choice. She has lined up the key allies of the UK, which has deflected some of the criticism of what the world might look like post Brexit," he said.

The timing of the US announcement yesterday of sweeping sanctions against Russia for cyber attacks on critical American infrastructure and meddling in the 2016 presidential elections only helped to create the impression that the UK was building momentum.

'This was not a flawless operation. But giving the Russians 36 hours was an inspired choice'

The big question for the UK and its allies is what Russia does next, following Mrs May's expulsion of 23 diplomats on Wednesday.

If Russia matches those expulsions exactly, then that may leave the crisis in a stalemate, said Tony Brenton, a former UK ambassador to Moscow.

"If they respond as I expect them to respond — a roughly equivalent response — then we are in for a long chilly period," said Sir Tony. "But if they ramp up the level of measures they take against us, then we would have to respond further."

UK government officials nevertheless say they are ready to roll out a new series of retaliatory measures if Russia raises the stakes.

But whatever happens in the coming days — and for all the encouraging rhetoric emerging from Washington and other European capitals — the UK knows that the real test will come when, and if, it has to actually call for joint action against Moscow.

Following the murder of Alexander Litvinenko in 2006, the British were accused of a weak response. But Sir Tony, ambassador in Moscow at the time, has long been a vocal critic of the failure of the EU then to rally to the UK's side. He believes times have changed.

"Back in 2006 Russia was seen to be souring on human rights but there were hopes Russia would come right in terms of its links with the west and development of democracy," added Sir Tony. "It's very different now."

Just how different was emphasised by the UK's defence secretary, Gavin Williamson, in a speech yesterday.

As well as investing more money in military capabilities, Mr Williamson said Russia was using "growing hybrid [warfare] capabilities" to "subvert, undermine and influence countries around the world".

FT Big Read page 7
Philip Stephens page 9
Lex page 10
Russian bonds page 11

Embargoes. Moscow defiant

Russia's energy sector escapes pain of sanctions

Oil and gas groups find new ways and new friends to bypass punitive measures

HENRY FOY — MOSCOW

Arctic bankroll: the Yamal LNG project faced collapse when western banks quit in 2016, but the Chinese stepped in with $12bn funding
Maxim Zmeyev/AFP/Getty

For western officials looking for signs that Russia is struggling under the weight of US and EU sanctions, Exxon Mobil's admission this month that it is pulling out of a $500bn deal with the Kremlin's biggest oil company Rosneft is a welcome victory.

But it is an exception to the rule.

Since Washington, Brussels and a handful of other western allies began imposing sanctions on Russia in 2014 in response to Moscow's annexation of Ukraine's Crimea peninsula, the country's most important industries have largely carried on unscathed.

Oil and gas production is growing and the economy is steady, in a blow to western governments that hoped a painful reaction would force the Kremlin to the negotiating table. It is a potential lesson for the UK government as it weighs further retaliation after blaming Moscow for the attempted murder, via a nerve agent, of the former spy Sergei Skripal.

"[To those who] introduced restrictions and sanctions that are illegal from the standpoint of international law aiming to restrain our nation's development . . . I will say this: everything you have tried to prevent through such a policy has already happened. No one has managed to restrain Russia," President Vladimir Putin said in his annual address to the country's top lawmakers and officials this month.

Targeted sanctions that restrict certain individuals from travelling or conducting business in the US have impeded business ties. But broader restrictions designed to cripple the country's oil, gas and defence industries by strangling their access to technology and finance have largely failed to live up to expectations.

Russia's oil production rose to a 30-year high of 10.98m barrels a day last year, while annual gas production hit its highest level. That is despite sanctions that directly target the energy industry, which accounts for about 40 per cent of Moscow's tax revenues. "Resilience to the sanctions has been very high. Currently, we see no serious consequences," said Tatiana Mitrova, director of the Skolkovo Energy Centre in Moscow.

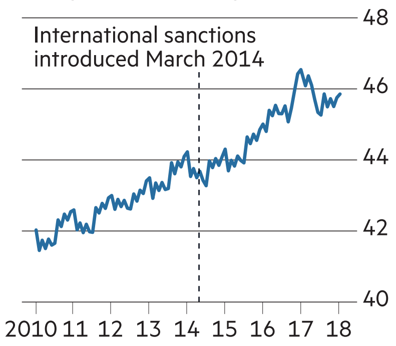
Some analysts have pointed to Russia's recession in 2015 and 2016 as proof of the sanctions' impact, but that slowdown was driven mainly by the collapse in the oil price and commodity markets.

US sanctions legislation passed last year unnerved some investors and Moscow's elite, who saw potential curbs on foreign buyers of Russian debt or deeper restrictions for Russian banks as painful for businesses. But the overwhelming majority of Russian executives say that they are carrying on as normal.

'Resilience to the sanctions has been very high'

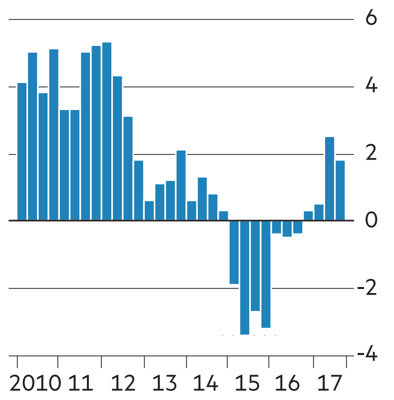
What impact have sanctions had on Russia's oil output?

Russian crude oil production, rolling 6-month average (m tonnes)



Russia's GDP growth

Annual % change



Source: Thomson Reuters Datastream

"Of course, as an illegal, unfair way of economic competition, we have learnt how to work in the right way [in response to sanctions], and we will learn how to work against such further decisions," said Alexei Likhachev, chief executive of Rosatom, Russia's state-controlled nuclear power monopoly.

Russia has found new ways, and new friends, to help it work around the sanctions regime.

Cash from Chinese banks and investors has offset the withdrawal of European and US banks, while a deepening relationship with Saudi Arabia and its oil company Aramco is seen by Moscow as a way to develop technology for the energy industry that was previously supplied with US partners.

Yamal LNG, a liquid natural gas project in the Arctic, faced collapse when western banks withdrew in 2016, but was funded by $12bn of Chinese finance. This winter it began shipping its first cargoes, some to the US and Britain.

In recent days, Moscow has threatened to respond in kind if the UK steps up its sanctions regime. Theresa May, the UK prime minister, announced the expulsion of 23 Russian diplomats on Wednesday but faced demands to do more. "Any threat to take 'punitive' measures against Russia will meet with a response," the country's embassy in London said.

BP, which owns close to 20 per cent of Rosneft, is the UK's biggest investor in Russia. About 600 British businesses have operations in the country. More than three dozen Russian companies are listed on the London Stock Exchange.

Experts say that the true impact of sanctions could take more than a decade to be felt, given the long-term investment cycle of oil and gas companies and the uncertain future for many of Russia's biggest revenue-producing energy fields.

"To say that sanctions do not work is wrong. They work, but in a different way. There has been no immediate result, but there could be problems in the future," said Ms Mitrova. "The desire of those who drew up these sanctions was a message: we are taking away your future . . . and that is what we see in all our models."

Corruption claims

Slovak PM resigns after street protests over murder

JAMES SHOTTER
CENTRAL EUROPE CORRESPONDENT

Robert Fico, Slovakia's prime minister, resigned yesterday in an effort to contain a mushrooming political crisis sparked by the murder of an investigative journalist, but insisted that he would remain active in Slovak politics.

Mr Fico's coalition government has been under pressure since police revealed that the killing of Jan Kuciak and his fiancée, Martina Kusnirova, may have been linked to Kuciak's investigative work. The deaths last month provoked outrage among the public and plunged the country into political turmoil.

Tens of thousands took to the streets in cities and towns across Slovakia last Friday to demand the resignation of the government, in the biggest display of popular anger since the Velvet Revolution in 1989. A further protest has been called for today.

After battling for two weeks to remain in power, Mr Fico resigned, but only after President Andrej Kiska agreed to allow his centre-left Smer party to choose Peter Pellegrini, Mr Fico's deputy, as the next prime minister. Smer rules in coalition with two other parties.

Yet even as he stepped down, Mr Fico — who has won three terms as prime minister and dominated Slovak politics for the past decade — made clear that he had no intention of withdrawing from politics and would continue as chairman of Smer. "I am not going anywhere, I want to be an active political party leader," Mr Fico said. "My role will be to back [Mr Pellegrini] . . . Our EU and Nato orientation is clear. I will do everything possible to fight Eurosceptics like [opposition leader Richard] Sulik."

Mr Pellegrini, who worked at the finance and education ministries, said the new government would continue the pro-EU direction steered under Mr Fico, even as its neighbours in Poland and Hungary have clashed repeatedly with Brussels.

Slovakia joined the EU in 2004 and in 2009 became only the second former Communist state to adopt the euro, anchoring the country in the mainstream of EU politics.

But the killing of Kuciak has shone a light on the country's deep-rooted problems with corruption, a source of intense frustration for the Slovak public.

Analysts said it was unclear whether Mr Fico's departure would be enough to calm such emotions. "This is cosmetic change. Smer's control over the government and law enforcement will be untouched," said Milan Nic, senior fellow at the German Council on Foreign Relations.

"Fico is testing whether this will be enough to calm the street, which it might, because as prime minister he has stepped down, although in fact he will continue to rule from behind. But it will be a very unstable situation."

He added that MPs from Smer's junior coalition partner, Most-Hid, could yet walk away from the coalition, further reducing the government's majority.

In an indication of the strength of discontent, organisers of a protest planned today in the capital, Bratislava, said it would go ahead. More than 40,000 people have expressed interest in attending on the event's Facebook page.

Slovaks watching a live stream of Mr Fico's resignation also expressed scepticism over whether it would mark a turning point. "The names on the doors have been changed, but the people in the background will remain the same," wrote one Slovak Facebook user. "This is not a fundamental change."

Syria siege

Civilians flee rebel-held eastern Ghouta as Assad forces tighten their grip

REBECCA COLLARD — BEIRUT

At least 12,000 people escaped yesterday from besieged eastern Ghouta, the largest evacuation from the rebel-held enclave since the bombardment by Syrian regime forces began a month ago.

The Syrian Observatory for Human Rights, a UK-based monitoring group, said the civilians had fled towards army positions as government forces advanced further into the enclave.

Sana, the Syrian state broadcaster, showed families with children crowding the Hamouriyeh crossing out of eastern Ghouta. Covered with dust, they carried babies, blankets and bags full of belongings. Some carried Syrian flags and one could be seen waving a piece of white cloth. Syrian soldiers stood among the crowd.

Many of those shown on Syrian state television escaping condemned the rebels and praised the Syrian army.

The evacuation came on the seventh anniversary of the start of the uprising against President Bashar al-Assad.

The Syrian government and its ally Russia have accused the rebel forces controlling eastern Ghouta of preventing civilians from leaving and firing on the humanitarian corridors. Rebels say civilians fear entering government-controlled areas, where they could be arrested for supporting the opposition.

"The situation is really bad," Mohamed, a carpenter, told the Financial Times by telephone from inside eastern Ghouta. "We absolutely don't want to go back to regime areas, but we don't want to stay here and face death. We don't want to risk our lives trying to leave. It's a really tough choice."

An estimated 400,000 people live in eastern Ghouta, a suburb of the capital Damascus that has been under siege since 2013. The UN and humanitarian groups have raised serious concerns for their safety after a month of fierce air bombardment and ground advances.

A man escapes the embattled enclave carrying his belongings

The Syrian Observatory said yesterday government forces had taken 70 per cent of eastern Ghouta.

More than 1,100 people have been killed there in the past month and many more remain in dire need of assistance. While several aid convoys have entered the enclave in recent weeks, the government has removed key medical goods and the trickle of supplies is seen as insufficient for the tens of thousands in need. The International Committee of the Red Cross said 25 trucks reached the town of Douma yesterday, but that it was a fraction of what was needed.

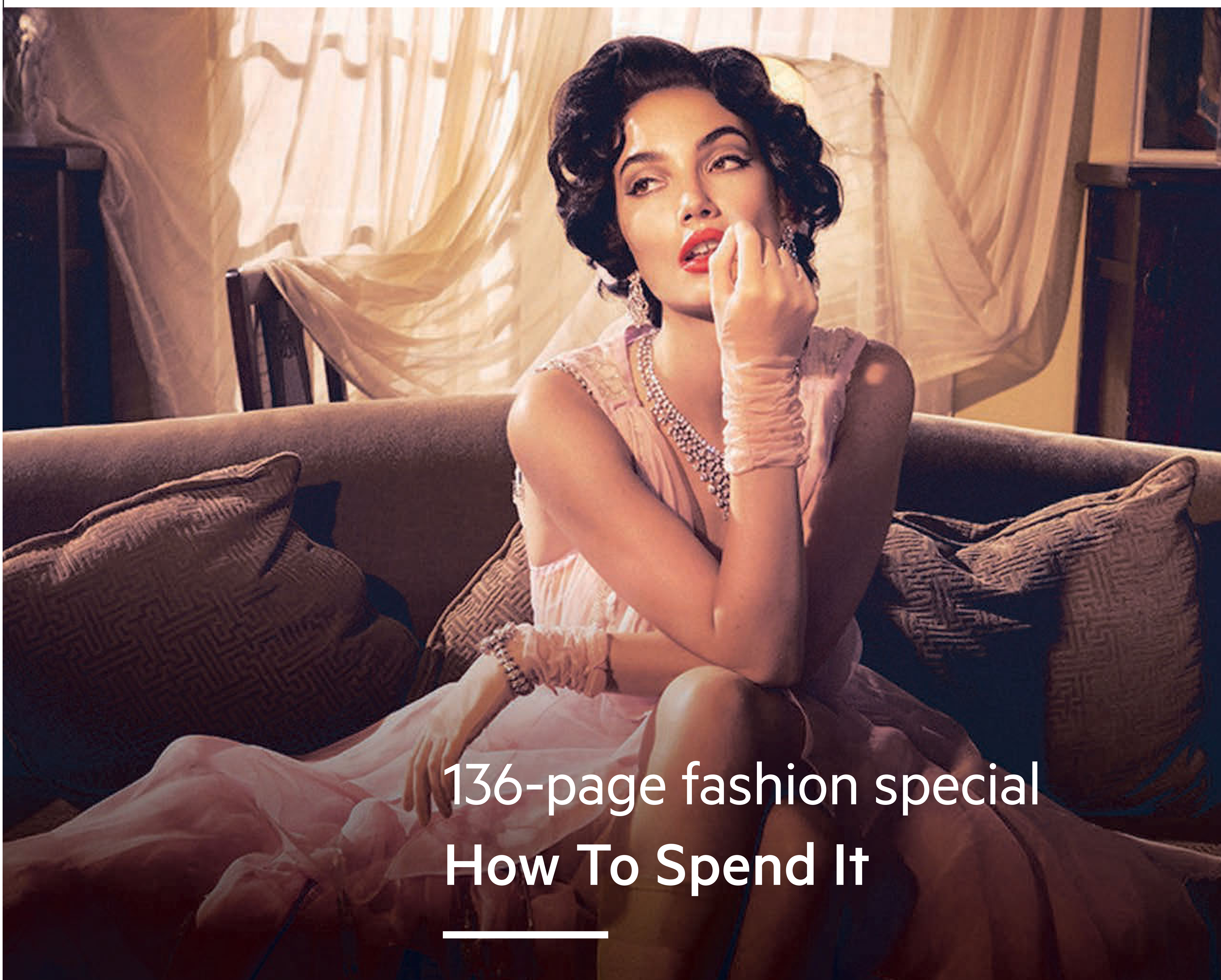
The Syrian civil war that began as a battle between Mr Assad and rebels seeking to oust him has turned in the president's favour thanks to Russian and Iranian military support. The mostly Islamist rebel groups have been pushed back, while the territory controlled by Isis has shrunk dramatically.

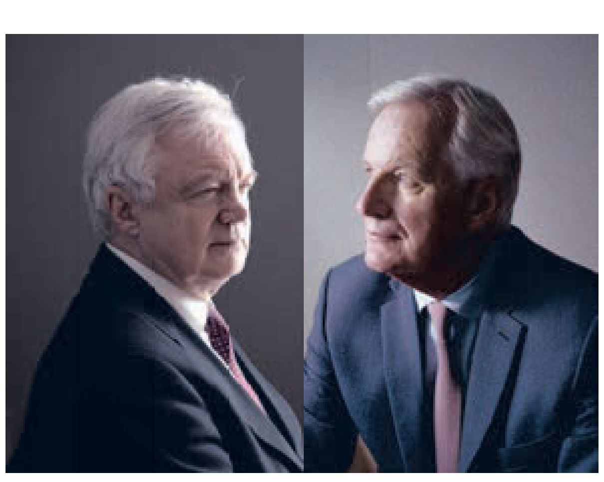
The siege in eastern Ghouta has raised fears of a repeat of the fall of the city of Aleppo, whose residents lived under siege and bombardment for months before rebel factions finally surrendered in late 2016.

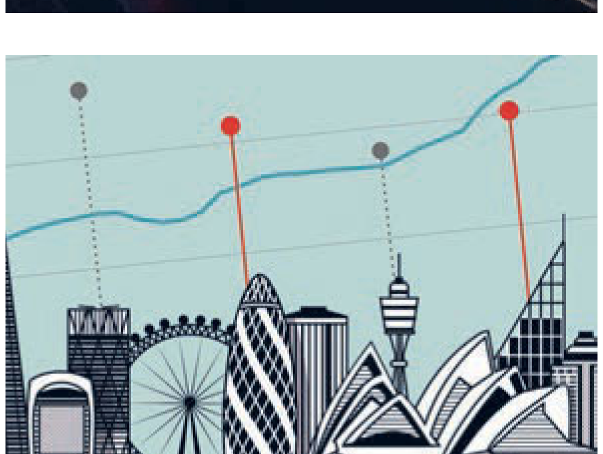
Jaish al-Islam and the other armed groups inside eastern Ghouta have pledged to keep up resistance as government forces continue their advance. But with the territory divided and the major towns surrounded, analysts said it was difficult to see rebel forces retaking any territory in the enclave.

Loss of eastern Ghouta, which has been under rebel control since November 2012, would be another blow to the opposition, leaving rebels in control of only the city of Idlib and pockets of territory across the country. Kurds control a large area of north eastern Syria.

FT Weekend







Plus

Meet the Brexit negotiators: our interviews with David Davis and Michel Barnier
Life & Arts

18 hours, five movies, 9,000 miles, one economy class seat – the FT tests the new age of super-long-haul
Life & Arts

Ten years on: how the crash created one global city
House & Home

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

Chronicle of a shape-shifter and shaman

Tate Modern's long-overdue show of work by Joan Jonas underlines her status as a colossus, writes Rachel Spence

Joan Jonas performs in 'They Come to Us without a Word II' (2015) in Venice — Moira Ricci

Joan Jonas's art so nearly doesn't work. It is so raw, so guileless, so exploratory, borderless and unfinished, it comes perilously close to undergraduate experimentation. Yet Tate Modern's new exhibition underlines that Jonas is a genuine colossus of contemporary practice.

As such, hats off to curator Andrea Lissoni. His role cannot be overstated in lucidly presenting an artist who not only moves, as Jonas does, between performance, installation, drawing and video-making but also chooses to fuse these media as inextricably as possible.

Lissoni's meticulous organisation celebrates Jonas's untrammelled imagination while underscoring how obsessively she orchestrates every frame, line, layer and chord. Entitled simply *Joan Jonas*, the London show encompasses a five-month gallery exhibition, a 10-day and six-night programme of live performance and installation in Tate Modern's Tanks space — which includes works by other artists as well as installations and performances by Jonas — and a film retrospective in the Starr cinema.

Such recognition is long overdue. Born in 1936 in New York, Jonas started making groundbreaking performance art in the 1960s when she was part of the experimental collective called the Judson Dance Theater. In 1970 she acquired her first video camera which allowed her to document her gift for expressive movement in a way no photograph could rival.

A committed feminist, she loved working with the new medium because, as she once put it: "It wasn't male-dominated [unlike] painting and sculpture." Indeed, this was a time when women were still so marginalised that a top curator could visit Judy Chicago's studio only to tell her that her sculptures were "too good" to be shown alongside male artists. Jonas, alongside artists and choreographers such as Carolee Schneemann, Yoko Ono and Yvonne Rainer, worked dauntlessly to create an art that owed little to macho tradition, often using their own bodies as raw material.

As the New York art scene caught up with the feminist pioneers, Jonas found recognition in Manhattan. But it wasn't until 1994 that a retrospective at Amsterdam's Stedelijk Museum thrust her into the European spotlight. Only in 2015 did her sumptuous Venice Biennale pavilion garner her the global attention she deserved.

Tate's show should leave no British art-lover doubtful of her significance. Unfolding through the galleries of the new building, it presents Jonas's installations like a sequence of chapters whose clean, modulated boundaries are diametrically opposed to the layered, overlapping, boundary-free anima of the works themselves.

In the first room, a display of masks and objects — from a painted Noh-like face to a wooden goat and a patterned stone — announces that Jonas is as much shape-shifter and shaman as artist and filmmaker.

Her desire to shed her skin was present from her early days. On show in the second gallery, among black-and-white photographs showing Jonas cavorting in hoops and performing in masks, is her landmark early video *Organic Honey's Visual Telepathy* (1972).

Although the black-and-white film is flawed, grainy and gauchely composed, thanks to the gritty vitality with which Jonas performs her rituals — drawing in chalk, being filmed as a belly-dancer, peering at herself in a crude, doll-like mask that transforms her figure into a travesty of female identity — these videos still move the viewer with their refusal to sacrifice

Video still from Joan Jonas's 'Wolf Lights, The Shape, the Scent, The Feel of Things' (2005)

authenticity for elegance or effect.

Here is a woman turning the act of self-inquiry into a work of art, revealing her narcissism as both aesthetic and existential expression of subjectivity. In the age of Instagram, such selfie-like musings are barely worthy of note. But back in Jonas's day, women were not encouraged to explore their own identities. As John Berger wrote in *Ways of Seeing*, the early 1970s was still a world in which "Men act and women appear."

Jonas was always going to do both. Yet even as she fought to be taken seriously at a time when male artists such as Joseph Beuys and Bruce Nauman — who worked with similar multimedia, semi-autobiographical narratives — had no difficulty in persuading audiences that their work had universal resonance, Jonas pursued a feminism that was oblique rather than belligerent.

In *The Juniper Tree* (1976, reconstructed in 1994), she borrows a Grimms' fairy tale of a little boy beheaded by his wicked stepmother — hardly the stuff of smashed gender stereotypes — as the soundtrack for an installation that brings together a traditional silk kimono, a sacrificial offering of naked branches and 24 face paintings on red and white silk, their contours dribbling down the fabric with sinister, sensuous, sanguineous fluidity.

For Jonas, making, performing and imagining are themselves acts of resistance to the establishment. Her figure appears in the films that are the kernel of every installation as a hybrid persona who is simultaneously witch-doctor, actor, dancer, poet and artist (she loves to film herself drawing). As such she anchors what would otherwise be a cacophonous, chaotic rag-and-bone shop of screens, props, images and soundtracks.

Instead, thanks to Jonas's priestly authority, the visitor embarks on a journey through a surreal, mystical dreamscape where sounds, materials and images elide and separate with baffling complexity yet undeniable grace. Joyously, her gifts have not slackened over the years. Her most recent work, given centre stage in Tate's gallery show, is also her most spectacular.

Entitled *Stream or River, Flight or Pattern* (2016-17), it brings together a glorious sequence of large drawings of birds mounted on scumbled pink and red walls, a ceiling installation of paper kites that Jonas found in Vietnam with a three-screen video projection that tumbles us in typical Jonas style through Venice, Singapore, San Francisco, Spain, India and Canada. En route, we'll pause in front of Byzantine mosaics, tropical jungles, factories churning out south-east Asian religious objects, and close-ups of fluttering, squawking caged birds. Sometimes Jonas's own figure gambols across the screen like a shamanic granny. At others shadowy silhouettes perform mysterious dances.

What are we to make of such disparate, seductive snapshots? Perhaps

For Jonas, making, performing and imagining are themselves acts of resistance

Jonas is here to remind us that we are essentially symbolic creatures. We need to draw and dance and dream in order to be more than the birds and the trees. Yet at the same time we are also codependent on the natural world. (Jonas turns out to be inseparable, even when prowling her Tate show before the press preview, from her beloved poodle.)

Ultimately Jonas's skill is nearer that of the poet than the visual artist. As she has said: "How do you construct? It's like a haiku. You put one thing next to another and it makes something else, a third thing." In the words of another great American bard, Walt Whitman, Joan Jonas contains multitudes.

To August 5, tate.org.uk

Ludicrous plot, lovely music

OPERA

Rinaldo
Barbican, London
★★★★☆

Richard Fairman

It is hard to see *Rinaldo* without thinking of Glyndebourne's production a few years ago. That came to a climax with a band of pigtailed schoolgirls blowing up the chemistry lab. Did Handel envisage that? Of course not, but then his original scenario is hardly less ludicrous.

It can be no surprise that concert performances of Handel's operas have become popular. There was a full house for this latest instalment in the English Concert's annual series of Handel operas. As before, *Rinaldo* is being taken on a short international tour, ending at Carnegie Hall in New York.

In all the venues the opera is being performed in strict concert form — no acting, no props (except for a Harry Potter wand). The plot of *Rinaldo* is set during the crusades and involves a sorceress trying to whip up trouble by getting Christians and Muslims falling in love with the wrong people. It is a lot of nonsense, but that did not bother audiences in 1711, who loved its theatrical effects, the mermaids, flying machines and a flock of live sparrows.

Now we sit reverentially in awe of the music, which includes some of Handel's best. The English Concert and Harry Bicket, its artistic director, are as lively as any of the period bands. Bicket's Handel sits satisfyingly midway between the delicate Baroque playing of some and gutsy, driving rhythms at the opposite extreme.

The casting of the lead roles has been the clinching factor of their Handel opera series. The title role here was taken by Iestyn Davies, a countertenor notable for the beauty of his voice, though he also summoned up some swashbuckling coloratura. Jane Archibald sang the sorceress Armida, magicking up an array of extra top notes that Handel did not write. There was good-quality singing, if less personality, from Sasha Cooke as Goffredo, Joélle Harvey as a touching Almirena and the pure-toned, young countertenor Jakub Józef Orliński as Eustazio. On a bigger scale, Luca Pisaroni invested the Saracen king Argante with dramatic force.

In the opera's final minutes a totally unbelievable twist sees the Muslims convert to Christianity, delivering a happy ending, Baroque-style. Glyndebourne's marauding schoolgirls were no more farcical than that.

barbican.org.uk

Dramatic force: Luca Pisaroni and Joélle Harvey in 'Rinaldo' Robert Workman

CLASSICAL MUSIC

Meredith Monk: Cellular Songs
Brooklyn Academy of Music, New York
★★★★★

Virginia Webb

In her 50-year career, Meredith Monk, composer, performer, director, choreographer and film-maker, has single-mindedly pursued her own path, a lonely one at times no doubt, but at 75 she is now a beloved icon and American national treasure. For those unfamiliar with her work, there is a large body of recordings to listen to, and watch, but it is only in witnessing a live performance that one fully experiences the joy and ineffable beauty of what she creates with the human voice.

Her latest piece, *Cellular Songs*, which premiered at the Brooklyn Academy of Music on Wednesday, is a spare but deeply affecting meditation on the nature of the biological cell as a metaphor for human society. The piece is scored for five women's voices — Monk and her vocal ensemble, Katie Geissinger, Allison Sniffin, Ellen Fisher and Jo Stewart (joined by members of the Brooklyn Youth Chorus in the final section); the five women sing, move, dance, lie on the floor, play the piano together and generally care for one another. There is a deceptive simplicity to it that belies the extraordinary rigour of the work, also apparent in the lighting and video, almost entirely in shades of black and white, but for one glorious technicolour moment.

The five voices are each distinct enough that you can follow them individually within the ensemble, but they blend so well that you can also lose yourself in the balancing act of their interlocking voices. As Monk herself says, "Earlier, my music had much more to do with layering. Now you can almost see or hear the piece rotating as if it were a sculpture in space." Each of the five women is outstanding, but aside from the miracle of Monk's voice, special mention must be made of Geissinger, both for her remarkably beautiful voice and her special rapport with Monk.

The 75-minute work is wordless except for Monk's solo "Happy Woman". As she sang, there was a palpable sense of love and joy between her and the audience that spoke volumes. An antidote to the troubled times we live in.

bam.org

The president has been promoting young officials to prepare them — and the country — for an eventual transition. They mark a departure from the former security officials who have dominated his inner circles.

By Kathrin Hille and Henry Foy

Meet Putin's new technocrats

Whenever Anton Alikhanov looks up from his desk in the governor's office in Kaliningrad, he sees a bright green A4 folder hanging on the wall. President Vladimir Putin brought the file, bursting with petitions he received from Kaliningrad residents, during his first visit in August to the Russian enclave since appointing Mr Alikhanov to run it.

"It hangs there, framed and under glass, as a reminder of the essence of our job," he says. "Work — that's the green folder."

For Mr Alikhanov, it makes sense to project a single-minded focus on the tasks set by the president. Upon his appointment as Russia's youngest-ever provincial chief at the age of 30 in October 2016, he joined the breed of fresh-faced new administrators Mr Putin is installing to prepare the country for an eventual political transition, when the president finally decides to stand down.

As voters prepare to go to the polls on Sunday, that makes him a member of a group that could end up being much more influential for Russian politics than the results of the presidential poll.

In Sunday's vote, Russians are expected to re-elect Mr Putin, who has controlled the country since 2000, for another six years. By barring Alexei Navalny, the opposition politician most likely to build a following of his own, and by imposing an ever tighter grip on the media, civil society, parliament, regional and local government, the Kremlin has ensured that there is no credible challenger on the horizon.

Even though Mr Putin's next term has to be his last under the constitution, it remains unclear whether he will want to leave in 2024. But given that Mr Putin will be 71 by then, the political elite expects him to start transforming a system of governance that has grown overly dependent on him personally.

36 Out of 85 regional governors have been replaced in the past three years

20 Of the new provincial chiefs are under 50, with the average age now 46

"[While] Russia is not on the edge of regime change, the regime is changing," wrote Ivan Krastev, a political scientist and chairman of the Centre for Liberal Strategies in Sofia, and Gleb Pavlovsky, a former Kremlin spin-doctor, in a recent paper. "The coming presidential elections will mark the arrival of post-Putin Russia regardless of whether Putin remains the head of state for the next six or 16 years."

The president, whose relations with the west are deteriorating after the poisoning in the UK of a Russian former double agent, has sent strong signals that such change is afoot. Laying out plans and priorities not just for the next presidential term but for a decade ahead in his state of the nation address on March 1, Mr Putin repeatedly spoke of "the future government" or "the new government".

On domestic and economic policy, he defined big-picture targets without giving detailed instructions. Mr Putin has been retreating from the micro-management of domestic issues that characterised his rule for so long, and has almost exclusively concentrated on foreign policy and security.

"They are focused on strengthening the political institutions," says Tatyana Stanovaya, director of the analytical department of the Centre for Political Technologies, a Moscow consultancy. Such efforts are very different from enhancing democracy. "The system needs to be rejigged in a way that makes it capable of running on its own, without him but on the track he has determined," adds Ms Stanovaya.

Beyond the Moscow bubble

At the heart of such restructuring efforts is the cohort of young politicians that Mr Alikhanov belongs to. Although they significantly differ from each other in style, political analysts see them as a new class of technocrats.

As such, they mark a departure from the senior officials who have dominated the presidential administration and the cabinet. Those incumbents have long been split into two camps, with Mr Putin's fellow alumni of the security services on one side of the divide and a more liberal economic bloc on the other.

If the new generation comes to dominate, "Russia would be a country governed by McKinsey consultants who are loyal to Mr Putin and will preserve his policies once he is gone", say Mr Krastev and Mr Pavlovsky.

'There is tension now because everyone who is influential today is keen to secure influence in this new apparatus'

To get there, the young appointees will be thoroughly tested. With Mr Putin's green folder on the wall as a constant reminder, Mr Alikhanov sees his Kaliningrad posting as a chance to prove himself. "I think it is entirely correct when people are not allowed to grow just in the capital but sent to the regions, to give them the possibility to test themselves, to get training, to understand life outside the big Moscow offices," he says.

"If they master this work, that's good; if not, then they've failed the test."

The personnel shake-up ordered by Mr Putin has been little short of dramatic. Over the past three years, he has replaced 36 of the country's 85 regional governors and 20 of the new provincial chiefs are aged under 50. The reshuffles have lowered the average age among governors from 55 to 46.

Other branches of government have also seen an injection of fresh blood. In August 2016, Mr Putin replaced Sergei Ivanov, 65, a fellow former KGB official and one of the most heavyweight members of the ruling elite, as his chief of staff with Anton Vaino, a little-known former diplomat, now 46, who had mostly worked in secretarial and protocol functions. In the cabinet, Maxim Oreshkin, a deputy finance minister, became economy minister in November 2016 at the age of 34.

More appointments are expected: after Mr Putin's inauguration for his new term, the cabinet has to resign. The president has said he intends to retain his long-running associate Dmitry Medvedev as prime minister, but Mr Medvedev's team could see large-scale changes.

Most Russian analysts say none of the newcomers is a candidate to succeed Mr Putin — yet. "It is far too early for that," says Evgeny Minchenko, a political consultant. "For now, he's laying the groundwork by introducing a new generation of officials."

Mr Minchenko points to neighbouring Kazakhstan, where Nursultan Nazarbayev, the 77-year-old leader who has ruled the former Soviet republic since its independence in 1991, has been trying to develop institutions fit for survival without him and pondering potential successors for years. "Putin will be watching very carefully anything that happens over there," he says. "It may hold some lessons for him."

'Chemezov creations'

One of the central questions of Mr Putin's reshuffle is what this means for his own inner circle and its informal influence on the government. In the course of Mr Putin's three presidential terms and one term as prime minister, a relatively small group of men mostly his age — fellow former KGB officers, friends from his youth and former colleagues from his time in St Petersburg's municipal administration — has enjoyed an outsized influence.

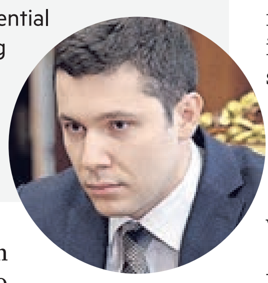
"People who participate in certain decisions often don't hold any formal posts at all," Mr Minchenko told Meduza, the Latvia-based Russian online newspaper, in December. "Rotenberg is more influential than most ministers," he said, referring to Arkady Rotenberg, Mr Putin's judo sparring partner who has built a growing construction and transport business empire since 2000.

Other heavyweight members of Mr Putin's inner circle include Igor Sechin, the powerful chief executive of state oil firm Rosneft, Sergei Chemezov, head of state defence conglomerate Rostec, and Yuri Kovalchuk, a billionaire who holds Russian banking and media assets.

"There is immense tension now because everyone who is influential today is keen to secure influence in this new apparatus he is building," says a person whose family has ties to Mr Putin. "If we are talking about the new regional governors, most have little or no political weight of their own. If we get a well-functioning bureaucracy that is supposed to just implement orders efficiently, you want to be among those who have a say in what the orders are."

The powerful men around Mr Putin are therefore scrambling to place their protégés among the new generation of bureaucrats. "When the reshuffle started in 2015, we saw mostly Chemezov creations," says Mr Minchenko. "More recently, Kovalchuk has been activated, and last year [defence minister Sergei] Shoigu and Sechin joined the game."

According to the political consultant, it was Mr Sechin who lobbied for the appointment of Gleb Nikitin, the 40-year-old new governor of Nizhny Novgorod, in September. Mr Nikitin was thrown into the limelight when Mr Putin announced his presidential candidacy in December during a visit to an automobile plant in the industrial region by the Volga river.



Anton Alikhanov, the governor of Kaliningrad since October 2016 — Kremlin.ru

'It is correct to give them the possibility to test themselves, to understand life outside the big Moscow offices'

Two people familiar with Mr Chemezov said he had pushed Mr Alikhanov as a candidate for the post in Kaliningrad — a strategic territory bordering Poland and the Baltic. The young governor has several links to senior officials — his father was friends with Mikhail Babich, Mr Putin's envoy in one of the country's six federal districts who has served as a KGB officer, chief executive of weapons manufacturer Antey and prime minister of Chechnya. Mr Alikhanov senior is also believed to be acquainted with Igor Shuvalov, the deputy prime minister.

The promotions of Moscow-backed outsiders to the regions are causing a lot of controversy. Mr Alikhanov has already clashed with local elites. Business leaders criticise the way he has set up a special economic zone in the enclave. Activists are unhappy about a state media campaign vilifying those in the territory who stress the cultural legacy of its former German residents.

Mr Alikhanov has little patience for these disputes. Asked about the territory's special identity, he snaps that it "does not have and cannot have any identity other than the general Russian one". In general, he believes that disagreements with local elites should not be the subject of public debate. "We will solve these problems behind closed doors and that's how it should be."

Governors eyeing development

Alexander Kozlov, governor of the far-eastern Amur province, is not quite so earnest. Sitting beneath a big mural of Wonder Woman in a café in Blagoveshchensk on the Chinese border, the 37-year-old gets out his iPhone and shows photos of a recent ski race and a video of African students plunging into frozen lakes as part of a Russian orthodox festival.

Two young video producers are recording the interview for his Gubernator Live YouTube channel, where videos show him taking a trip to Moscow or playing ice-hockey — one of Mr Putin's favourite hobbies.

A Moscow-schooled lawyer who worked as an executive at a small coal producer, Mr Kozlov entered local politics in 2011 before rapidly rising to the top of the regional executive.

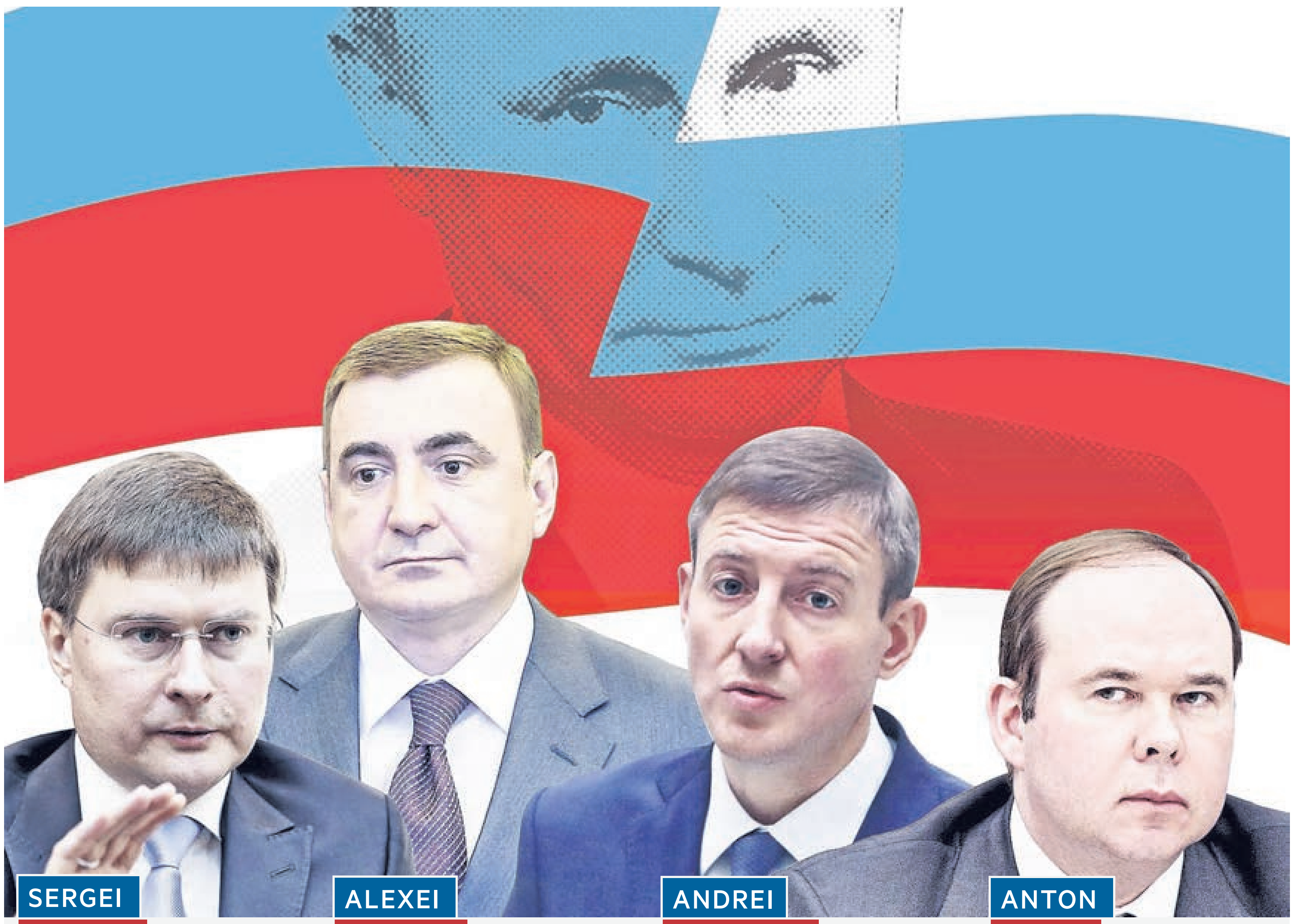
His province, once a backwater, has gained importance due to a $55bn gas pipeline being built across its territory to China, and Moscow's geopolitical goal to develop ties with Beijing as relations with the west sour. And Mr Putin's name is never far from the conversation.

"The president has named the Amur region as a territory that receives more investment . . . And of course we consider this assessment very important," he says, speaking in a quiet, measured voice with long pauses strikingly similar to Mr Putin's delivery. "He has declared that this century is the one where we develop the far east region."

Andrei Nikitin, 38, governor of Novgorod since February last year, faces a task at least as difficult: to restore his thinly populated, relatively poor region to the prominence it once enjoyed. But the Swedish-trained economist who headed the Agency for Strategic Initiatives, a policy think-tank, until last year is full of confidence. The governor is approaching his job with a mindset that looks more McKinsey than KGB.

A fast talker, Mr Nikitin says he draws on his experience at the agency in "analysing and scaling up best practices from various regions" to bring Novgorod quickly up to speed.

"I tell my guys, go to Tula [province], look why they have fewer civil servants there than we have, although the region is larger," he says. "They went, looked, and we cut 30 per cent of civil servants last year. It turned out they were not needed."



SERGEI IVANOV

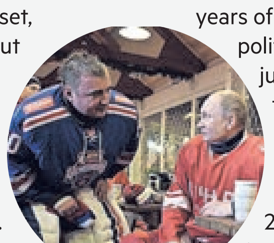
Sergei Ivanov had no mining experience when he was appointed head of Alrosa, the world's biggest diamond miner, but he had the right name. His father, also called Sergei Ivanov, is a friend and aide to Vladimir Putin, a fellow former spy who served as the president's defence minister and chief of staff. Aged 37, Mr Ivanov is the youngest chief executive of any of the biggest Kremlin-controlled companies and corporate Russia's most prominent princeling, the so-called sons of officials close to Mr Putin.

Graduating in 2002 straight into a plum job at a state-owned investment fund, Mr Ivanov also worked at gas giant Gazprom and Sberbank, the country's largest lender.

Even after his father (inset) was shifted into a less prominent role, Mr Ivanov was appointed head of the $11bn diamond miner last March by prime minister Dmitry Medvedev. At his unveiling, a bashful Mr Ivanov asked if he was to start work immediately. "Come on, of course!" chided the premier.

ALEXEI DYUMIN

Of all the skills required of Russia's regional governors, knowing how to fight off a bear is unlikely to feature in a job interview. But Alexei Dyumin (inset, with Mr Putin) marked himself out as a dependable aide to the president when he was his personal bodyguard, boasting of an evening when he drove away the grizzly night-time visitor as the head of state slept.



As governor of Tula, an agricultural region south of Moscow, the 45-year-old has emerged as a political player, in the tradition of former security officials holding prominent roles in Mr Putin's Russia. Made deputy chief of the military intelligence agency in 2014, he has denied press reports that he ran the operation that year to evacuate Ukraine's former president Viktor Yanukovych to Russia as protests raged.

Promoted to lieutenant-general and made deputy defence minister in 2015, Mr Dyumin's appointment a year later to the governorship surprised many, but he described it as just another order from his "commander-in-chief".

ANDREI TURCHAK

The son of Anatoly Turchak, who started judo training in then Leningrad with Mr Putin and worked with him in the early years of the future president's political career, Mr Turchak junior has risen early and fast.

He was appointed governor of the north-western region of Pskov in 2009. In 2010, prominent journalist Oleg Kashin was gravely injured in an attack involving an iron bar, later found to have been ordered by people working for the company Mr Turchak's father had long headed.

After nine years as governor, Mr Turchak became a senator for the territory last autumn, and a new position of deputy chairman of the Federation Council, the upper house of parliament, was created for him.

Simultaneously, he became secretary of the general council of United Russia, the ruling party which has a stranglehold of parliament. In his party position, he is vying for influence with Vyacheslav Volodin, the Duma speaker and former senior aide to Mr Putin.

ANTON VAINO

Anton Vaino was born into a family of senior Soviet officials, but his appointment as Mr Putin's chief of staff in 2016 appears to have been the result of his loyalty and efficient service as a bag-carrier for the president.

Mr Vaino was born in Tallinn and is the grandson of the former head of the Communist party of Estonia. After graduating from MGIMO, the university that trains Russia's foreign policy staff, he embarked on a diplomatic career, mainly working on Asian affairs. Since 2002, he has worked directly with Mr Putin, first as a protocol officer in the presidential administration, then in the government when Mr Putin switched to prime minister, before returning to the presidential administration with him in 2012.

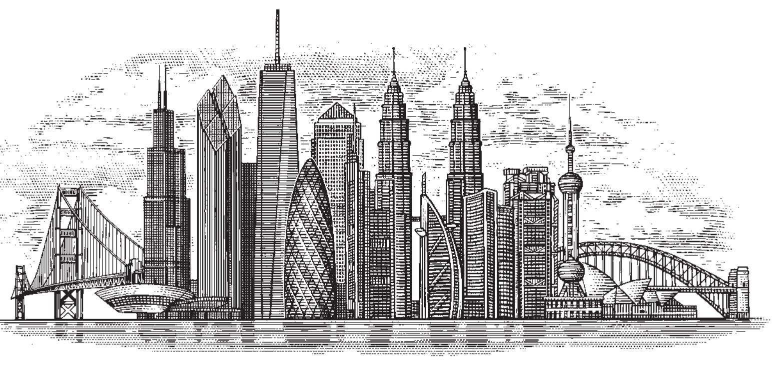
In articles published around the time he obtained an economics degree and one book published in 2012, Mr Vaino lays out a theory of the entire universe, and discusses potential ways of controlling it, including an enigmatic device called the "nooscope".

Speed read

Clique concern Powerful men around Vladimir Putin are scrambling to place their protégés in the new inner circles

Change in approach Putin has stopped micromanaging domestic issues, focusing on security and foreign policy

Provincial attitude The promotions of young Moscow-backed outsiders are causing disquiet in some regions



FINANCIAL TIMES
'Without fear and without favour'

FRIDAY 16 MARCH 2018

A reasoned response to Trump's irrational tariffs

Trading partners should prioritise bypassing, not confronting, the US

The world's big steel and aluminium-exporting countries are grappling with one of the more intractable puzzles in trade policy: how do you deal with a fundamentally illogical hegemon?

Donald Trump's announcement of emergency tariffs on steel and aluminium has put the likes of the EU, Japan, Canada, Mexico and Brazil into a quandary. The duties will come in next week, and in the meantime the EU and others are formulating their reaction.

Their responses so far have largely been drawn from the traditional playbook: attempt to negotiate exclusions from the tariffs (successfully, so far, for Canada, Mexico and Australia) or hit back with tariffs of their own in politically sensitive areas (the EU's current plans). But the risks of these moves going legally astray or setting off a major trade war are much higher than in earlier decades. Affected countries should be planning (as well or instead) to keep the trading system open and functioning between themselves.

The standard answer to a provocation like Mr Trump's would be to take a case to the World Trade Organization and in the meantime contemplate countermeasures. But Mr Trump's decision to invoke the rarely used national security exemption in WTO rules has complicated this.

The irrationality and inconsistency is plain to see. The US's main national security adversary, China, is barely affected by the tariffs. Mr Trump himself frequently departs from the script by arguing that the tariffs are actually intended to correct unfair trade.

But the obvious nonsense of the justification does not necessarily ensure trading partners will win a WTO case — or indeed permit the EU, as Brussels has threatened, to classify the tariffs as "safeguards" designed to cope with surges in imports and impose countermeasures unilaterally. WTO rules give wide discretion to governments to invoke national security exemptions.

It is quite possible that, assuming the cases can wend their way through a clogged-up WTO dispute settlement system, the US would win and the EU lose. This would hand Mr Trump a propaganda victory.

In addition to retaliation or as an alternative option, the global economy's big powers need to consider how they can keep the system going without the US. Cutting tariffs or otherwise easing trade between themselves as much as possible within WTO rules would be a way of showing the US that its exports could be disadvantaged by its actions.

The commendable efforts of the other 11 economies in the Trans-Pacific Partnership to resurrect the talks after Mr Trump had pulled out of the deal shows the way. More broadly, with regard to the health of the multilateral trading system, other countries have been pondering the possibility of setting up their own dispute settlement system under the aegis of WTO rules.

None of this is easy, not least because any effective effort to isolate the US in the system will need to include China, which has been shifting away from an open, rules-based approach to trade. But trying to bargain for exemptions from a notoriously fickle negotiator, or tackling the US head-on with potentially illegal sanctions, are fraught with more than the usual danger.

The EU and other big economies need to err on the side of caution. The US steel tariffs, after all, will affect only about 2 per cent of EU steel production: not negligible, but not dramatic. The slow, painstaking business of pursuing legal avenues and building a system that bypasses the US is much less satisfying than slapping tariffs on bourbon. But it may well pay longer-term dividends in the face of such a mercurial US administration.

Unilever's move is not all about Brexit, but . . .

Bellicose rhetoric has had an unsettling effect on business sentiment

Potential investors in the UK are "reaching for their coats", the CBI claimed this week, citing the twin threat of a hard Brexit and Labour plans for nationalisation. Within days of the warning came Unilever's announcement that the Anglo-Dutch group has chosen Rotterdam, not London, for its unified headquarters.

It would be easy, but wrong, to assume that the consumer goods group's decision was a direct result of the British government's decision to cut loose from the EU single market. However, Unilever's protestations that it has "nothing to do with Brexit" do not convince either. The decision is clearly coloured by the approach Theresa May has taken on Brexit, and by the way she has handled relations with business.

The catalyst for Unilever's restructuring was the $143bn takeover bid the company received from Kraft-Heinz a year ago. Unilever managed to fight off the bid, but felt compelled afterwards to make changes to placate investors.

Shareholders will welcome the simpler, less bid-proof structure. The change will make it easier for Unilever to make big acquisitions or spin out businesses. But while other companies abandoning a dual structure — the business data group Relx among them — chose London over Rotterdam, for Paul Polman, a chief executive who advocates sustainable growth over quick returns, the Netherlands may seem a more amenable environment.

Dutch takeover law takes a broader view of stakeholder interests — including those of employees — than the UK does: it allows "poison pill" shares to deter hostile bids and permits the use of *stichtings* — legal entities that protect a company's independence.

Unilever says it does not intend to use this protection. It may in any case still be subject to shared UK jurisdiction, so long as its primary share listing is in London — and Britain in the EU.

Nonetheless, Mr Polman lobbied hard last year for the UK to create, as he put it, a "level playing field", arguing that its takeover rules were more liberal even than those of the US. He was visibly irritated by No 10's lack of engagement when a company with such deep roots in the UK came under attack from a cost-cutting predator.

Ironically, Mrs May was at first inclined to take a more interventionist approach to foreign takeovers. The reason she did not was because she felt impelled to prove that Britain remained "open for business".

There is of course no reason why the UK should change its takeover regime at the behest of any large employer. A Conservative government in particular must make it clear that it is not in the business of cutting special deals to keep this company or that in Britain. Businesses take such commercial decisions all the time. The government cannot allow each one to be viewed as a litmus test of whether it is doing its job.

However, it must take a careful look at the effects its policies and rhetoric — in the context of the huge uncertainties created by Brexit — are having on business sentiment. Bellicose suggestions that Britain could leave the EU with no deal, if the right one is not on offer, have been deeply destabilising. Even if a deal on transition is reached next week, it looks likely to be a bare bones political outline, with none of the details businesses need to plan ahead. Unilever's decision may be swiftly followed by others that will have a larger effect, in terms of jobs and economic activity.

Mrs May's government cannot eliminate the risk of a Corbyn victory, or dictate the outcome of talks with the EU. But it must do what it can — as Mr Hammond did in this week's Spring Statement — to create a stable, predictable environment for business.

Letters

Email: letters.editor@ft.com
Include daytime telephone number and full address
Corrections: corrections@ft.com
If you are not satisfied with the FT's response to your complaint, you can appeal to the FT Editorial Complaints Commissioner: complaints.commissioner@ft.com

Hawking had expert knowledge of the NHS

Sir, I was very interested to read Clive Cookson's obituary of Stephen Hawking ("Physicist who inspired millions", March 15). The news of Hawking's death rocked our household on Wednesday evening after it was first pointed out by our 11-year-old, whose enthusiasm for all things science has long included Stephen Hawking.

I did want to query one thing though — the suggestion in the obituary that Hawking's activism on behalf of the National Health Service was not an area of his expertise. Academically — yes. But I would suggest instead that a man whose chronic illness of more than 50 years' duration, profound disability and need for 24-hour nursing would certainly make him an expert on health services in the UK.

I am mother to a severely disabled six-year-old with a chronic illness — we are heavy users of the health services here in Australia. The past six years have given us an intimate understanding of how the health system here works and how much we depend on it. I can only imagine what more than 50 years of such experience would be like. Hawking's championing of the NHS was of the most informed kind — as a patient with a severe chronic illness.

Allison Wyndham
Canberra, ACT, Australia
Previously of Duxford, Cambs, UK

Encourage whistleblowers to take the right steps — without financial rewards

Sir, There are times when the UK should take a hard look at the US justice system. Yet I question Brooke Masters' praise for the *qui tam* programme, which allows US employees to blow the whistle for financial reward "Whistleblowers deserve our thanks — and protection too" (March 14).

In the UK, employees working in the financial services industry are obliged to report concerning matters as a result of the Financial Conduct Authority's conduct rules (and the Senior Managers and Certification Regime in particular). Paying these individuals to blow the whistle when they have a regulatory obligation to do so undermines the regulator's efforts to foster "good culture" in financial institutions.

Ms Masters is right that whistleblowers deserve protection. The confidentiality afforded by the *qui tam* arrangement promotes disclosure without threat to an individual's career. Whistleblowers need to know that issues will be investigated fairly and they will be protected from reprisals after acting in good faith. But we should be encouraging employees to take the right steps, regardless of economic motivations. Protection without profit is what the UK's whistleblowers need.

Peter Wright
Partner,
Fox Williams,
London EC2, UK

Only fiscal money can keep the EMU together

Sir, Martin Wolf, in "Italians will struggle to 'take back control'", Martin Wolf refers to the fiscal money proposal that we have developed and promoted for years. Mr Wolf agrees that the proposal is technically possible, albeit that "it would surely create hysteria in Northern Europe".

Well, it shouldn't. In our proposal, fiscal money would be issued as transferable and negotiable bearer bonds, which recipients would be entitled to use for tax rebates two years after issuance. However, such bonds would carry immediate value, since they incorporate sure claims to future fiscal savings, and would be immediately exchangeable against euros or usable as payment instruments in parallel to the euro. Under European accounting rules, they would not constitute public debt.

Fiscal money would be allocated, free of charge, to supplement employees' income, reduce enterprises' tax wedge on labour, and fund public investments as well as social expenses.

It would allow Italy to expand domestic demand and improve enterprise competitiveness, while avoiding any increase in public debt and breaches of the fiscal compact. In fact, it would make debt sustainable, reversing the effect of years of austerity, and would remove any inducement for the European Central Bank to withdraw Mario Draghi's "whatever it takes" pledge.

Fiscal money is sometimes wrongly characterised as the anteroom of Italexit. Quite the contrary — it provides a way to overcome the eurosystem's dysfunctionalities that condemn the Italian economy to a permanent state of depression. Failing this, an Italian breakaway from the euro could well take place. Instead of being taken by hysteria, northern Europe should better salute the only instrument that can keep the EMU together.

Biagio Bossone
Marco Cattaneo
Massimo Costa
Stefano Sylos Labini
Members, Group of Fiscal Money, Italy

Big Four 'break in' young auditors with long hours

Sir, Further to your editorial "What the public should expect from auditors" (March 15): deficiencies in auditing are likely to occur when auditors are expected to work for 16 hours a day for weeks on end with scant breaks for weekends and holidays.

This especially applies to young auditors, with the Big Four apparently considering this a tradition to break them in, as I have seen with a young friend of mine who had to work on a stressful audit from 9am to 1am for weeks. This makes it difficult to keep up the high standards of work that it is these companies' duty to maintain.

Audrey Donnithorne
Hong Kong

A possible understanding between Trump and Kim

Sir, Further to your report "Korea experts puzzle over Kim silence on talks" (March 14): potential negotiations between President Donald Trump and North Korea's Kim Jong Un may most likely take into account the consequences of military action. A collapse of global stock and bond markets, destruction of both North and South Korea's economic and physical infrastructure, and a North Korean invasion leading to a ground war with long-lasting effects would be likely outcomes.

Japan's economic and physical infrastructure could be damaged as well and, since South Korea and Japan are home to many of the world's most important corporations, their assets and support networks would probably be severely affected. Many such corporations could find themselves insolvent and default on their debts.

And, who would provide the funds for reconstruction? The US government is already heavily indebted — a burden that will very likely increase in coming years. Japan has the highest government debt load in the world, and it is projected to rise further in the near future, while South Korea would probably default on its government (if not also its private) debt.

All along, being the clever businessman that he is, Mr Trump may have kept this scenario at the back of his mind — as he threatened, bullied and insulted Mr Kim — and Mr Kim may have understood it all too well as he made threats, fired missiles and tested his nuclear arsenal.

Luis Suarez-Villa
Professor Emeritus,
University of California, Irvine, US

Russia has not changed since Palmerston's time

Sir, As he analysed how the British government might respond to the nerve agent attack in Salisbury (Instant Insight, March 13), Gideon Rachman could have reminded your readers of the analysis of Russia foreign policy as explained by the British prime minister Lord Palmerston to the House of Commons 160 years ago:

"The policy and the practice of the Russian government has always been to push forward its encroachments as fast and far as the apathy or want of firmness of other governments would allow it to go, but always to stop and retire when it met with decided resistance and then to wait for the next favourable opportunity."

Francis Ghilès
Senior Research Fellow,
CIDOB,
Barcelona, Spain

It is in the EU's interests to engage in the debate on business and human rights

Sir, Since 2014, a treaty on business and human rights has been discussed under the auspices of the United Nations Human Rights Council. The EU initially refused to even engage in the discussions, and then accepted to do so only reluctantly. We regret this position.

As Europeans, we are deeply committed to the idea of an EU whose external policies are guided by its values, including universality and indivisibility of human rights and the promotion of multilateralism. We believe it is in the interest of the EU itself to engage constructively in this discussion.

First, by persisting in its opposition, the EU will make it more difficult to gather support for its own priorities. Its credibility, when it points at shortcomings of other governments, is already significantly reduced by its attitude on this particular matter.

Second, corporations registered in the EU are the most strictly regulated, ensuring that they neither violate human rights, nor be complicit in violations. Further progress is taking place at the domestic level: France has taken the lead in 2017 by adopting a law compelling companies to adopt "due diligence" plans ensuring human rights are respected throughout their supply chains. It is in the interests of these companies that the EU enforces such standards outside its area.

Third, in a number of member states, courts are ordering EU-based companies to respect human rights throughout their activities, whether these take place in the EU or outside. However, companies' "duty of care" remains unclear and may be a source of legal uncertainty.

Fourth, citizens are turning away from economic globalisation. Free trade agreements meet with strong resistance. The privileges of foreign investors are being challenged. There has been a backlash against policies favouring regulatory reforms complying with international competitiveness in almost all member states, fuelling economic nationalism and providing ammunition to demagogues. It is high time for the EU to demonstrate that it supports a form of globalisation that serves sustainable development and not economic juggernauts.

No corporation deserves impunity. But companies registered in the EU deserve a level playing field, and legal certainty: progress towards multilateral standards of human rights conduct of companies could serve both goals at once. The EU must now put forward ambitious proposals for a legally binding instrument on business and human rights, and participate in the shaping of a more humane economic globalisation.

Olivier De Schutter
Professor, University of Louvain and SciencesPo; Member, UN Committee on Economic, Social and Cultural Rights
Dimitris Christopoulos
President, FIDH — the International Federation for Human Rights
Miguel Moratinos
Honorary Chairman, Board of Advisers for the Center for International Relations and Sustainable Development
Eva Joly
Member of the European Parliament

The Donald Trump show, now with added death by tweet

Notebook
by Robert Shrimsley

Say what you like about Donald Trump, he has showmanship. Knowing that few people would be surprised by a move to sack Rex Tillerson as secretary of state, the president found a new and exciting way to dispatch him. Without bothering with the small courtesy of telling him first, the president sacked his chief diplomat via a public tweet announcing his successor. This was the right thing to do. With White House departures becoming a dime a dozen the president had to breathe life back into the format. Viewers will demand ever more graceless and sudden firings.

President Trump this morning sensationally sacked Ivanka Trump from his White House after a series of clashes over policy. Ms Trump was given no warning apart from a flurry of tweets over the past few months lambasting her for being too hard on white supremacists. The first news came in a tweet from the president at 6.03am announcing her successor.

"Sarah Sanders, press secretary, will become our new first daughter! She will do a fantastic job! Thank you to Ivanka Kushner for her service."

The news was a shock plot twist. DC insiders thought Ivanka safe after she saw off a challenge from Hope Hicks, former communications chief, who Mr Trump was thought to have earmarked as the next first daughter.

Speaking later, Mr Trump said: "I like Ivanka. She's smart and really hot and actually we got along quite well, but we disagreed on things. I had originally hoped she might become the next secretary of state. She was extremely qualified and really hot. But we had disagreements. I think Mrs Kushner will be a lot happier now."

He then tweeted: **"Look at designs for the Trump Tower Hyderabad. I wanted the lobby done in gold leaf and cherubs and she wanted pastels. I guess she thought it was OK but I think it was terrible and so did former Treasury secretary Mnuchin."**

Republicans were stunned after the president dismissed Barron Trump as third son following policy differences over gun control. Initially protective of Barron, Mr Trump soured on the boy after his school signed an open letter calling for tighter gun control. The president hit back at what he saw as a betrayal in a series of tweets.

"Little Barron. What a wuss! If anyone tried to push my Dad around after a high school shooting I'd have turned up with a Smith and Wesson."

This was followed a day later by: **"Macaulay Culkin would make a great third son. That kid really knows how to stick up for his family and possessions. Either third son or Home Aloneland security. Watch this space."**

And finally: **"Barron Trump, child of my ex-wife and former first lady is now fourth son. I still like him. He may come back once he's grown a pair and stops speaking Slovakian. A good kid, but at his age I'd already won the Hunger Games twice."**

Later, a chastened Mr Trump admitted he had forgotten to tell Melania about the divorce that he had been planning to announce during the July sweeps. Mr Trump said he had rejected a suggestion from Don Jnr to have his half-brother "met at an airport" saying "there's no need to do that at the moment".

In a shock plot twist, Mr Trump sacked Mike Pompeo as new CIA chief while he was still in a limo being driven to Langley to take up the post.

"Have told driver to turn around. Mike was doing a great job but we need new thinking." The move was the most shocking departure since Mr Trump tweeted that he had sacked Rudy Giuliani as his attorney-general before he had even appointed him. **"I love Rudy but he would have loused up, so I had to let him go."**

The president has sacked one-time son-in-law and consigliere Jared Kushner after a flurry of tweets.

"Still no peace Middle East. It's been a year. Where is Jared?"

Then came: **"Big worries around 666 Fifth Ave. President can't be associated with real estate deals facing bankruptcy. Jared too close to the Russians. Unpresidential!"**

Finally today he tweeted: **"Have asked outgoing chief of staff Gen Kelly to confiscate Jared's pass. Kirill Shamalov — suddenly available — is new first son-in-law. Ivanka will be delighted. May give her another chance as first daughter."**

robert.shrimsley@ft.com

Comment

America's census must drop the citizenship question

FINANCE

Gillian Tett

This week, America has relearnt an important lesson: it matters how you count people. On Tuesday night, Democrats won a high profile election in southwestern Pennsylvania by a mere 627 votes — a laughably thin margin of 0.6 per cent.

But as statisticians ponder that result, a much bigger battle about number crunching is about to erupt in Washington. This month, Wilbur Ross, US commerce secretary, is holding intensive behind-the-scenes discussions about how his department will organise the 2020 census.

This seemingly recondite subject has not made headlines yet. But Mr Ross will tell Congress his plans in the next two weeks — and these will matter deeply; not just to political pundits, but investors and business executives, too.

The decennial census is a pillar of America's civic structure, constitution and political economy. It is used by businesses as well as the government, which relies on it to draw electoral boundaries and allocate federal resources.

Today, however, there is a significant risk that the 2020 census could become tarnished by political controversy. The issue at stake is how the number crunchers should classify people.

This has never been simple: fights about ethnic categories have occurred throughout the past two centuries. But the flash point now is whether the census should contain a question asking respondents to give their citizenship status. During most of the 20th century one was included. Mr Ross, for example, worked on the 1960 census as a student, when the citizenship question was posed. But in 2000 the question was removed, only appearing in the so-called American Community Survey, a far smaller sampling exercise.

The Department of Justice, apparently under White House prodding, recently wrote to Mr Ross, demanding that the citizenship question be reintroduced. In theory, this is not such a crazy idea, as including it would improve the demographic profile. But there is a big practical snag: in today's climate, asking about citizenship could terrify people into lying on the forms, particularly if they are among the estimated 11m undocumented inhabitants of the US.

Intelligence sources think malevolent actors could spread fake news to undermine the exercise

As the United States Conference of Mayors recently put it to Mr Ross in a letter: "Adding a citizenship question to the decennial consensus . . . may compromise it" because it would "increase the burden on respondents, heighten privacy concerns . . . and lower participation by immigrants who fear that the government will use the information to harm them and their families".

Researchers at the Commerce department have seen a "troubling" rise in the level of fear about the census, which may "have implications for data quality and nonresponse", according to a memo drawn up by the Center for Survey Management last autumn.

This could soon worsen: observers in the intelligence community think that malevolent actors may deliberately spread fake news on social media sites to undermine the census. This would repeat the pattern seen in the most recent presidential election, when Russian cyber actors planted misinformation to interfere with the political process. Indeed, there are signs this might be under way in dark corners of the web.

Mr Ross says that the Commerce department is determined to fight back. He has already won some battles: the Census department was the only non-military agency to avoid budget cuts last year, and Mr Ross is increasing the budget for public communications.

But the mayors fear that this pot of money is still far too small to cope with the "unprecedented challenges" the US faces. And Mr Ross admits that he has a very tough logistical job on his hands — not least because it will be very hard to hire overnight 500,000 temporary staff who have the digital skills to conduct this census at a time when the labour market is particularly tight.

So what can Mr Ross do? As a first step, he needs to tell Congress that he might need more than the $12.3bn he currently has. The Commerce department also needs to learn a lesson from the last election cycle, and fight back at the first sign that outsiders are trying to "hack" the census.

But the most important step that Mr Ross must take is to heed the advice of America's mayors and refuse to reintroduce the citizenship question. This will not please conservatives, let alone Donald Trump.

However, it is the right choice, not just for the political process, but for the commercial world, which would suffer if the census is undermined. Business and civic leaders need to stand up and be counted in this fight — literally and politically.

gillian.tett@ft.com

Hammond unwisely outsources his spending plans

ECONOMICS

Chris Giles

Philip Hammond billed his Spring Statement as the moment a responsible chancellor discarded his ability to tweak the taxes twice a year, replacing regular fiddles with an annual fiscal event to decide levels of tax, expenditure and public borrowing. The shift received almost universal acclaim.

The plaudits were misplaced. For Mr Hammond did much more than deny himself the opportunity to fiddle. Whether wittingly or not, he also delegated the most important political decision — how much the government should spend — to unelected officials at the Office for Budget Responsibility.

The chancellor was explicit. "If, in the autumn, the public finances continue to reflect the improvements that today's [OBR] report hints at . . . I would have capacity to enable further increases in public spending and investment in the years ahead," he said.

Let's be clear what this means. If Robert Chote, Charlie Bean and Graham Parker, the three members of the Budget Responsibility Committee, produce an optimistic forecast for the economy and public finances, the chancellor says the health service will get more money and you might have a shorter wait in accident and emergency. If they take a more pessimistic view, public services will continue to be starved and we can expect riots in prisons.

It was never parliament's intention to link OBR judgments directly to tax and spending decisions. These are central to politics and rightly a matter for elected MPs and the elected government.

The UK has never before explicitly linked fiscal policy to highly uncertain forecasts

The OBR must be feeling pretty uncomfortable at the prospect. Any discomfort will only be amplified when MPs and the public realise that the quality of public services now rests on two highly uncertain judgments made by these three officials.

These are best described as informed guesses. The first is the fiscal watchdog's assessment of whether the economy is running hot or cold. If it thinks the UK is still in recovery mode from the financial crisis, it can happily pencil in rapid economic growth in the years ahead and hence healthier public finances. In fact, business surveys have persuaded the OBR that the economy is fully recovered from the 2008-09 recession and is overheating a little. It judges UK output to be 0.3 per cent of national income higher than the sustainable level.

The second judgment is its view that the likely growth rate of productivity will remain below the UK's historical average, but higher than that of the past decade. Here, Mr Chote and his colleagues have ignored recent improvements in the data.

Huge amounts of public spending rest on these two guesses because, as the fiscal watchdog states, these assumptions are highly uncertain, but still "provide the foundations of our forecast". Using the OBR's own scenario analysis, if the economy could grow another 2 per cent without generating inflation, the public finances would be about £20bn a year better and if productivity growth returned to historical norms, the gain would be about £26bn a year.

There is no suggestion the OBR has a bias towards pessimism. If the economy is overheating more, or productivity grows slower, the public finances would deteriorate by similar amounts.

Of course, Britain's level of public spending cannot entirely be divorced from economic performance, but we have never before explicitly linked spending decisions to highly uncertain forecasts in the way Mr Hammond chose this week in his Spring Statement.

At a time when economic experts' views are under fire, the chancellor has unwisely politicised the OBR's already difficult judgments. And, as for taking control, this government, which is seeking to repatriate some decisions from Brussels, has just given away the most central lever of government power to unelected officials.

chris.giles@ft.com

Deterrence is the antidote to Putin's poison

GLOBAL POLITICS

Philip Stephens

The Kremlin had nothing to do with the attempted murder of a former Russian spy in the small English city of Salisbury. Moscow must similarly be absolved of any role in the invasion and annexation of Crimea. The heavily-armed Russian soldiers fighting in Eastern Ukraine are no more than civilian volunteers. Cyber attacks in the Baltics and Scandinavia are the invention of hostile states. Russia has no role in the daily slaughter of Syrian civilians. Charges of interference in the US presidential election are wholly fabricated.

We know this because Vladimir Putin, the Russian president, insists it to be so. Television images of the troops in Crimea, traces of Russian military-grade nerve gas found in Salisbury, hard documentary evidence collated by the US special prosecutor Robert Mueller — they are all fake news. Mr Putin, we must also understand, does not care that we know that he is lying. As Germany's Chancellor Angela Merkel has learnt, he is as brazen in private discussions as in his public pronouncements. Tearing up the rules is Mr Putin's way of projecting Russian power.

Horrible though it was — the more so because of the use of a chemical agent bearing the unmistakable fingerprint of Moscow — the poisoning of Sergei Skripal and his daughter Yulia is scarcely shocking against the standards of the regime. State-sponsored assassination has the public backing of the Russian parliament. At present, Mr Putin is fighting a sham election. Most likely, the Kremlin's calculation was that killing a "traitor" living abroad would at once boost his ratings and serve as a warning to opponents.

The regime's contempt for Britain has been evident for some time. You do not deploy a weapon such as Novichok without expecting to be found out. The symmetry with the murder in London of Alexander Litvinenko in 2006 is striking. Mr Litvinenko was killed with polonium — on the orders, an exhaustive inquiry found, of the Russian state. Britain's feeble response to that outrage probably explains why Moscow felt it could act again with impunity.

The counter-measures announced by Theresa May, the prime minister, are welcome, if again too cautious. Any tit-for-tat measures from Moscow should be met by a much firmer response. A clean-out of spies from the Russian embassy in London is overdue. So too are financial and travel restrictions on Mr Putin's allies in the business community. For too long, London has been happy to launder dirty money and even dirtier reputations.

Bankers, public relations consultants, Mayfair estate agents and pensioned-off politicians and diplomats have extracted rich rewards. Art galleries, museums and universities queue to bestow a stamp of respectability in return for hefty donations.

Wealthy Russians enjoy spending their riches in London. The door must now be slammed firmly shut against those associated with the present regime. The test of Mrs May's response will be whether it is followed by tough legislation modelled on the US Magnitsky Act and by the use of "unexplained wealth" powers to confiscate the profits of corruption.

The attempted murder of Mr Skripal cannot be seen in isolation. It is part of the pattern that includes fostering corruption in the former communist states of eastern and central Europe, fomenting instability in the Balkans, the spread of fake news and disinformation, and financial support for populist extremists. Mr Putin's goal is obvious enough — to destabilise and divide European democracies and chip away at the values that underpin the liberal order.

Those who want to engage with a revanchist Russia confuse engagement with submission

Welcome as they are, expressions of support for Mrs May from allies are insufficient in themselves. Britain has not helped itself by deciding to leave the EU, but for Germany, France and the rest defending the international rule of law should be more important than arguments about Brexit.

Sadly, Mr Putin has apologists in high places. Donald Trump, the US president, still refuses to admit the attempt to subvert US democracy. Populists on the far-right and left in Europe are seduced by Russian authoritarianism. Presented with evidence of state-sponsored terrorism and chemical weapons, Jeremy Corbyn, the far-left leader of Britain's opposition Labour party, still struggled to condemn Mr Putin.

Then of course there are also those who want to "engage" with a revanchist Russia — it is too powerful and dangerous to drive into isolation. These apologists confuse engagement with submission. They also misremember the cold war, when co-operation in arms control coexisted with military competition.

That co-operation was rooted in western resolve. Now, as then, those who value democracy and human rights can properly deal with Mr Putin only from a position of strength. His disdain for rules and norms must be shown to carry a cost. The Russian leader sees appeasers for what they are. Far from being a provocation, hard-headed and sustained deterrence is the only plausible route to a more stable relationship.

The west is menaced by Mr Putin's regime. For all its economic weakness, Russia's military power and reckless hostility towards the norms of international behaviour imperil peace and democracy in Europe. The Russian president thinks that the west has lost faith in its own values. A failure to stand firm against aggression would show him to be right.

philip.stephens@ft.com

China challenges the US for dominance in artificial intelligence

OPINION

Michael Wooldridge

Artificial intelligence has had more than its fair share of ups and downs over the past 60 years, but one constant feature of the field has been the dominance of the US. Significant contributions to AI have certainly arisen elsewhere but, until recently, every AI system that made worldwide news originated in the US.

DeepBlue, which defeated chess grandmaster Garry Kasparov, was an IBM system, as was Watson, which defeated champion Jeopardy players in 2011. The robot Stanley, which demonstrated the feasibility of driverless cars in 2005, was developed at Stanford University in the heart of Silicon Valley. And if you dig a little deeper, the reasons for the dominance of the US become clear: Darpa, the US military research funding agency, is acknowledged in many of the key research papers in the AI canon.

But today American hegemony in AI is being seriously challenged for the first time. One of the most remarkable features of the current AI boom is the sudden and very visible presence of China as a global force.

One crude but nevertheless useful way of measuring national scientific muscle is to look at how a country performs in the leading scientific publication venues. Historically, one of the key scientific conferences in AI is the annual meeting of the Association for the Advancement of AI. This was first held in 1980 and, within a few years, the conference was receiving some 5,000 delegates. The 1980 conference was dominated by the US: there was not a single paper written by researchers from a Chinese institute, and only a modest European presence.

This is not too surprising, of course: in its early days the conference was a US-centric event, and China was a very different place back then.

Go forward 18 years to the 1998 conference, and America still dominated, but with a substantial non-US presence, particularly from Europe. But there was just one paper from China — more specifically from Hong Kong, which had reverted to Chinese rule just one year before.

Today, the picture is startlingly different. At the 2018 conference, held in New Orleans in February, China submitted 25 per cent more papers than the US (1,242 to 934). More tellingly, it was just three papers behind the US in acceptances.

Chinese companies gain advantage in their access to data and are investing in AI on a dizzying scale

It is hard to avoid the conclusion that China is now in serious competition with the US for dominance in AI. No European nation remotely competes at these volumes and, even taken as a whole, Europe is not really in competition for gold or silver.

So why is China suddenly so prominent? In a word: scale. The machine-learning techniques behind the current AI boom are seriously data hungry. To recognise human faces, translate languages and pilot driverless cars requires huge quantities of "training data" — the fuel for machine learning algorithms that we generate every time we go online or use our smartphones.

With a population in a single market larger than the US and Europe combined, Chinese companies have a natural advantage in terms of access to data. While they might not be familiar to ordinary consumers in the west, Chinese tech companies like Tencent, Baidu, Alibaba and JD.com are global giants in terms of the number of users and market capitalisation. And they are all investing in AI on a dizzying scale. Ask a British teenager if they know WeChat, Tencent's social media app, and you will be met by blank looks (I know because I've tried); but in China, the app has nearly 1bn users.

One face of China's AI revolution is Andrew Ng. British born to parents from Hong Kong, Mr Ng was director of the AI lab at Stanford, one of the great historical centres for AI research in the US. He made his name developing AI software to control helicopters, and won the Computers and Thought Award, the key research award for young AI scientists.

He went on to work for Google, starting the Google brain project, and then became chief scientist for Baidu. Last year, he left Baidu to pursue other ventures. Brilliant, charismatic, and above all, remarkably energetic, Mr Ng has a flair for highly quotable soundbites. He recently tweeted: "Pretty much anything that a normal person can do in less than a second, we can now automate with AI." I am not inclined to argue.

In 2017, he declared that AI is the "new electricity", and that "just as electricity transformed many industries roughly 100 years ago, AI will also now change nearly every major industry". If that is the case, it is very likely that China will be the generator that powers AI in the decades ahead.

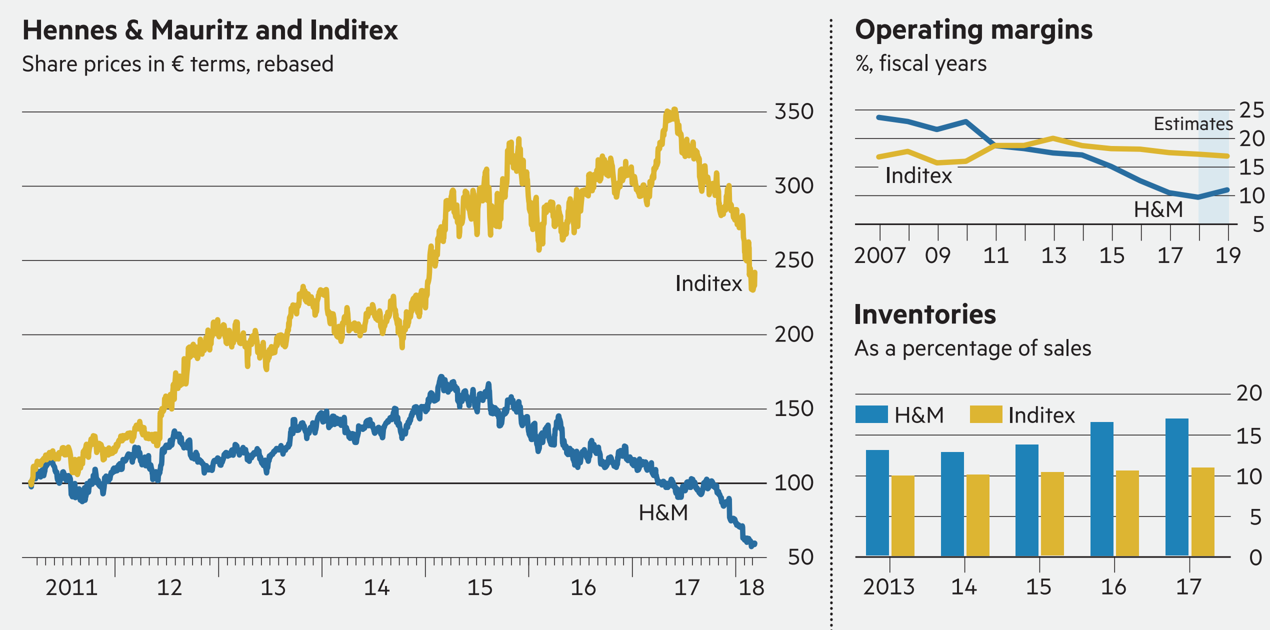
The writer is professor of computer science at the University of Oxford

Lex.

Twitter: @FTLex **Email:** lex@ft.com

H&M/Inditex: on the rack

Inditex of Spain, which owns the Zara fashion chain, has outpaced H&M in recent years. The Swedish group's margins have come under sustained pressure and its inventory, as a percentage of sales, has built up. Inditex's efficient supply chain allows it to respond to new trends, keeping margins up and inventory down.



FT graphic Sources: Thomson Reuters Datastream; Bloomberg; Capital IQ

If Hennes & Mauritz were a garment, it would sit in the bargain bin. Yesterday its shares fell another 4 per cent on disappointing first-quarter sales. With six out of 10 analysts advising clients to sell the stock, further profit estimate cuts are likely.

The problem? A lot of H&M's clothes do not get second looks. Clothes linger on the rails, crowding out new stock and absorbing much-needed cash flow. As a percentage of annual sales, inventory has risen from 12.6 per cent to 16.9 per cent in the past five years. Compare that with agile Inditex, the Spanish owner of the Zara fashion chain.

Its inventory proportion has hardly moved up, from 9.9 per cent to just 10.6 per cent, in the past five years. That is a measure of its efficient supply chain and responsiveness to new trends. That also explains why its shares rarely appear on the sales rack — trading on a multiple of 21 times. Those of its Swedish rival are lowly rated at 15 times forward earnings. Since 2011, when Inditex overtook H&M to become the world's biggest fashion retailer, its shares have risen nearly 150 per cent. Those of H&M have declined a third.

But even Inditex is starting to look a bit shop-soiled. Its shares are down a fifth in the past year, on fears it is not immune to the pressures squeezing the sector. Bears worry over the erosion of margins as customers switch to buying goods online. Those concerns might be overdone. Its ability to use its stores to fulfil online orders will limit any dilution of profits. Last year online sales grew 41 per cent. True, operating margins went into reverse — edging down 0.3 points to 17.2 per cent. But they are still 70 per cent higher than at H&M.

H&M will find it hard to catch up. It has run through its cash pile and must borrow to fund its dividend. Free cash flow covered little more than two-thirds of the payout last year. A plan to conserve cash by offering investors shares instead of a cash dividend had to be abandoned.

H&M promises better times. So far, investors are unconvinced. The shares, like its clothes, need to be marked down further before shoppers rush to buy them.

UK/Russia: Moscow mules

Russia's alleged use of a military-grade nerve agent to attack a former spy and his daughter living in the UK demands a more ample reaction than diplomatic expulsions and a boycott on royals watching the World Cup. But choosing the right financial reprisal is going to require a delicate hand.

A hardliner would start by widening capital market sanctions to the country's $120bn local-currency debt market. Almost a third of rouble bonds are owned by overseas investors — from just 5 per cent in 2012 — thanks to some of the highest yields in emerging markets. If sales were curbed, Russia's debt financing costs would jump.

The drawback is that such a move is almost impossible for the UK to pull off alone. London is the main overseas capital-raising venue for Russia, but other financial centres could be used. For now, financial markets regard the threat as minor; Russia is busy planning a new eurobond sale. And limited access to debt markets has simply encouraged self-reliance. Russia's debt is just 12 per cent of GDP.

Similarly, the appetite for trade sanctions is limited. The UK is one of Russia's smaller trading partners and estimates that less than 1 per cent of its gas comes from the country. Europe would be needed to make a difference. The EU will not countenance a ban, given that a third of its gas comes from Russia. Co-operation on financial sanctions via Swift, the interbank transfer network, has potential. But Russia is likely to push its own interbank system to allies, presenting Swift with unwanted competition. The risk of retaliation is problematic for UK groups with assets in Russia too, such as BP's near 20 per cent stake in Rosneft.

The conservative option is to press for an extension on existing sanctions. But these have changed neither Russia's leadership nor its actions. President Vladimir Putin welcomes antagonism that supports his nationalism. He will almost certainly be re-elected at the weekend.

Acting alone, the UK can do more by targeting individuals. The number of Russian residents has tripled in the past two decades to more than 60,000. Expanding Unexplained Wealth Orders to question the legitimacy of resources, limiting visas and curbing listings for connected companies would have an immediate effect. Lawyers, wealth managers and estate agents in Chelsea will wail — but without international backing the UK has few other options.

iHeartMedia: runway model

Struggling companies are fond of the word "runway" as a metaphor for the time needed for a turnround. That definition could usefully be broadened to include the breathing space needed to agree an orderly wind-up.

Yesterday, US radio station company IHeartMedia, a $25bn pre-crisis leveraged buyout, finally filed for bankruptcy protection. It had been expected for almost a decade. When iHeart made it to court, its owners and most creditors were negotiating a lengthy restructuring deal. This is intended to maximise the chance for a smooth emergence in time.

The alternative is illustrated starkly by Toys R Us. It unexpectedly filed for bankruptcy in September. The ensuing chaos left the business with no choice but to close or sell 700 US stores.

The reasoning behind the 2007 buyout of ClearChannel, which became IHeartMedia, was straightforward. Hundreds of millions of Americans listened to terrestrial radio. Surely, the radio ad market would continue to grow steadily? Instead, the company was walloped first by the financial crisis and then by competition in the form of streamed music from the likes of Apple, Pandora and Spotify. By 2017, iHeart was paying $1.4bn interest but generating only $1bn of cash flow.

The contemplated restructuring would be painful for junior bondholders and the private equity firms, Bain Capital and TH Lee. But investors holding $10bn of the $16bn of debt support a plan where 94 per cent of the new iHeart equity goes to senior loan holders. Those terms have been kicked about for a couple of years and the ultimate deal may look different. But at least there has been a process to recover value for investors.

Toys R Us would have preferred filing for bankruptcy after the holiday season. Then it could have focused on maximising revenue during its most crucial time of year. Instead it suffered a disorderly unravelling, destroying its value. IHeart's approach should ensure a better run at recovery.

India/state banks: recovery position

Investors keen on India's banks face a stark choice between cheaply priced shares of state banks, freighted with non-performing loans, and those of the private market competition. The latter are priced at some of the highest valuations in the world. Hunt for bargains in the former group.

Share prices of state banks, such as the country's largest, State Bank of India, have suffered this year. A $1.8bn fraud at Punjab National Bank raised fears of repercussions at other public lenders. PNB said staff had improperly logged letters of undertaking. These resemble guarantees and have since been scrapped by India's central bank. The letters were used as backing for loans at foreign branches of other lenders.

Traders fret that the tactic may have been used elsewhere. Outdated technology — a common complaint about state banks — made it easier to circumvent compliance checks at PNB.

The fraud undermined confidence the Indian government had sought to bolster by announcing a $32bn recapitalisation for state banks in October. The programme was meant to help state-owned banks work through bad-loan portfolios accrued in years of reckless lending to big corporations.

PNB shares are a quarter below their pre-programme level. SBI shares are 4 per cent higher.

SBI lost Rs24bn ($369m) in the most recent quarter, in part from additions to stressed assets. The lender trades at roughly its book value, relatively high given that non-performing assets are nearly a tenth of total loans. Better-run private banks often trade at more than four times book value.

Fitch thinks capital raised from public coffers and the market should cover remaining shortfalls for state banks. Yet, the government may inject even more capital following the scandal. That would be no bad thing.

Regulators will intensify demands that borrowers settle bad debts. State banks will benefit from central bank support. SBI is the pick of the bunch.

OneSavingsBank: challenger challenged

Brits love the plucky underdog and they hate big banks. No surprise, then, that they have warmed to the nebulous concept of "challenger banks" set up to rival the dominance of the big four.

The challengers are far from a homogenous group though. OneSavingsBank is a property-focused lender that emerged from a struggling building society. Full-year results yesterday showed a return on equity of 28 per cent, a figure big banks can only dream about. The shares have more than doubled since its 2014 flotation.

The challengers face challenges of their own. In February, the Bank of England's term funding scheme closed. No new money will be available from this low-cost source, though it will take some time to disburse funds already drawn. The cost of retail deposits is likely to rise as the BoE starts to lift the base rate. As a result, OneSavingsBank's net interest spread will be flat at best in 2018.

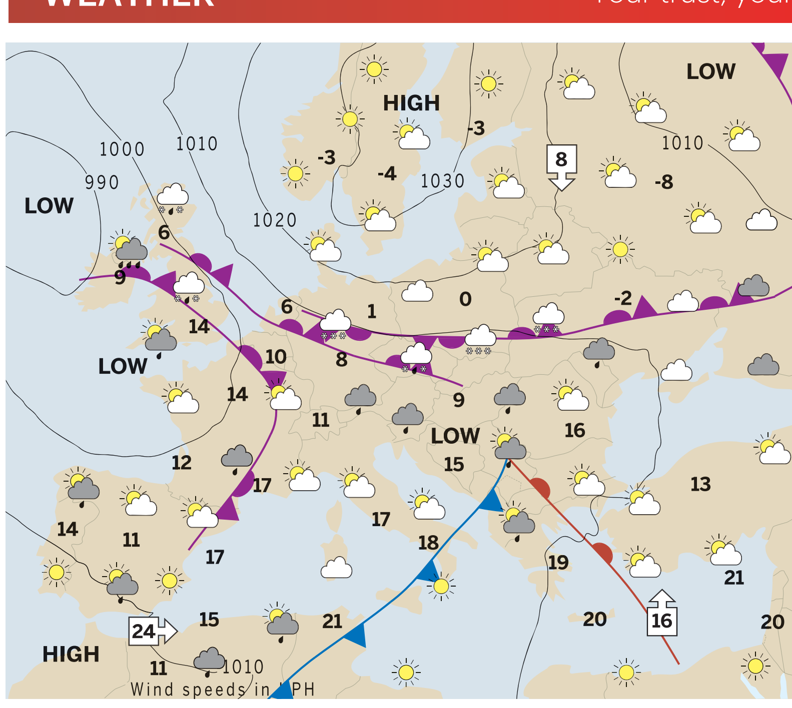
With costs rising, profit growth will have to come from higher volumes. Tax changes have curtailed the braggadocio of "dinner party landlords" but the serious multiple-property players are still active. As a result, the group expects 2018 net loan growth in the "mid-teens", against 23 per cent in 2017, even as the buy-to-let market is expected to contract.

Unlike some wannabes, OneSavingsBank pays dividends and has pledged to return a quarter of net profit in 2018 — 17p a share on Investec forecasts. It is also more than adequately capitalised, and could feasibly return capital if it cannot be lent. An eventual switch to using internally generated risk ratings, rather than a model prescribed by regulators, could release more capital.

Compared with rival Paragon, its shares look cheap judged on earnings but more expensive versus book value. Those wanting exposure to its high-quality, high-return loan book might like to wait until backer JC Flowers has left the register; the final lock-up on its near-10 per cent stake has just expired.

Lex on the web
For notes on today's breaking stories go to **www.ft.com/lex**

WEATHER

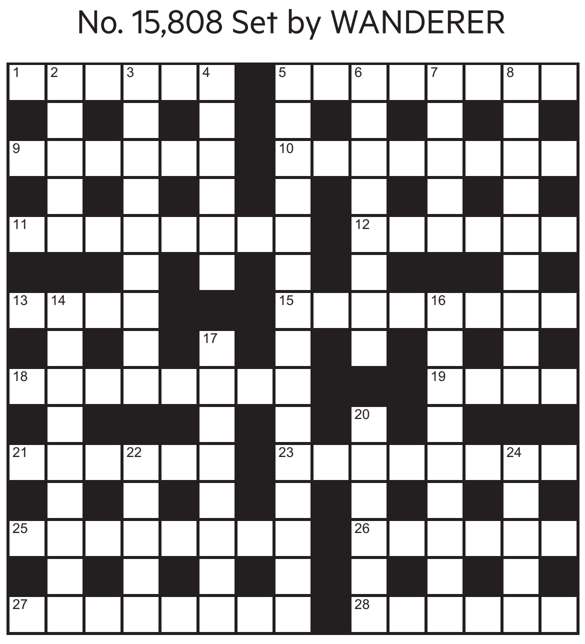


Forecasts by MeteoGroup
Warm front Cold front Occluded front Wind speed in KPH

Today's temperatures Maximum for day °C

City	Weather	°C	City	Weather	°C
Amsterdam	Sleet	6	Malta	Sun	23
Ankara	Fair	13	Manila	Shower	31
Athens	Cloudy	19	Miami	Fair	25
Bahrain	Fair	31	Milan	Fair	15
Barcelona	Sun	17	Montreal	Fair	-3
Beijing	Sun	9	Moscow	Cloudy	-8
Belfast	Rain	8	Mumbai	Sun	33
Belgrade	Shower	15	Munich	Shower	12
Berlin	Cloudy	1	Naples	Cloudy	18
Brussels	Rain	10	New York	Cloudy	3
Budapest	Rain	9	Nice	Fair	14
Cairo	Sun	23	Nicosia	Sun	21
Cardiff	Shower	12	Oslo	Sun	-3
Chicago	Fair	3	Paris	Fair	14
Cologne	Shower	10	Prague	Sleet	5
Copenhagen	Cloudy	-1	Reykjavik	Cloudy	9
Delhi	Sun	31	Riga	Fair	-3
Doha	Sun	31	Rio	Shower	33
Dubai	Sun	29	Rome	Rain	17
Dublin	Rain	9	San Francisco	Shower	12
Edinburgh	Rain	5	Singapore	Fair	33
Frankfurt	Shower	11	Stockholm	Fair	-3
Geneva	Fair	11	Strasbourg	Cloudy	13
Hamburg	Cloudy	1	Sydney	Drizzle	25
Helsinki	Sun	-3	Tokyo	Drizzle	15
Hong Kong	Sun	25	Toronto	Fair	0
Istanbul	Fair	16	Vancouver	Sun	9
Lisbon	Shower	14	Vienna	Rain	10
London	Fair	14	Warsaw	Snow	0
Los Angeles	Shower	16	Washington	Fair	7
Luxembourg	Drizzle	10	Zagreb	Cloudy	16
Madrid	Fair	11	Zurich	Cloudy	11

CROSSWORD
No. 15,808 Set by WANDERER

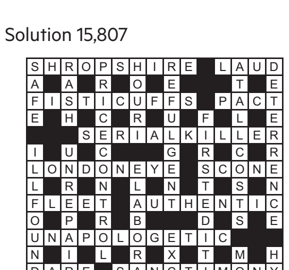


JOTTER PAD

ACROSS
1 Bays perhaps with beaches, after moving south-east (6)
5 First of Lives in set by chief biographer (8)
9 Horse leading man home (6)
10 Nervous? Saint Christopher has this sorted (8)
11 Unyielding as Left or Right here? (8)
12 God, you need to cut grass back (6)
13 Reproductive system provided in human interest, originally (2-2)
15 Thin gums treated by someone with small arms? (8)
18 Fourth, fifth or sixth rage, potentially (4,4)
19 Comets, as Haley's band (4)
21 Club suit? Yes and no (6)
23 Assorted munchies? Nothing does for energy to the same extent (8)
25 Interval that's between two notes? (4-4)
26 Salad item has small girl covered in spots (6)
27 Huddersfield initially top of the table? (8)
28 PM not the first lady in a wig, perhaps (6)

DOWN
2 Great support for love letter (5)
3 His F-word's upset a swimmer, in the main (9)
4 Given light by setter? (6)
5 Pope's gangrene is treated by former high-flyer (9,6)
6 It's making one distasteful, lacking editor (8)
7 A long letter (5)
8 Maybe film in these classes about film location? (9)
14 One can have a long time on railway in planned route (9)
16 Supply English maid service, primarily for those in press box? (4,5)
17 Consuming a lot online? Consuming nothing outside of that (8)
20 High priest's lively wit (6)
22 Pass on way up and down (5)
24 Raised Anglican society's function briefly (5)

Solution 15,807



Companies & Markets

FINANCIAL TIMES

State of disrepair Lax governance and lending hit India's regional banks — PAGE 12

Valley of sin Tech start-up fraud exposes dangers of hype — RICHARD WATERS, PAGE 12

CME in approach for Spencer's Nex

- US exchange's move likely to spark race for fintech
- UK group's market cap is £2.6bn

PHILIP STAFFORD — LONDON
JOE RENNISON — BOCA RATON

CME Group, the US futures exchange, has made a preliminary bid for Michael Spencer's Nex Group, a move likely to spark a race among exchanges to buy the UK financial technology company.

The London group, which operates some of the world's largest foreign exchange and fixed income markets, said that discussions with CME were at an early stage and there was no certainty an offer would be made.

Mr Spencer, one of the City's best known entrepreneurs, is Nex's largest shareholder, controlling 17 per cent of the stock. In the past he has said a hostile takeover would be "very difficult".

Nex has a market capitalisation of about £2.55bn.

CME shares rose more than 2 per cent in the morning in New York. It declined to comment but Nex said its statement had been made with CME's consent.

A combination of CME, which has a value of more than $56bn, and Nex would concentrate trading for US Treasuries. CME dominates futures in US government debt while Nex owns BrokerTec, the world's largest platform for trading in the securities market.

The two also compete in the spot foreign exchange market, although they have only a small slice of the notional $5.3tn a day that is traded.

Shares in Nex closed at 670.5p compared with its record high of 676p.

Arnaud Giblat, an analyst at Exane BNP Paribas, said CME's approach could spark an auction. Intercontinental Exchange, Singapore's SGX, the London Stock Exchange Group and Deutsche Börse "are credible and highly likely interested acquirers", he added.

> Singapore's SGX, the LSE and Deutsche Börse are 'credible and highly likely interested acquirers'

Mr Giblat said the CME deal stood a good chance of antitrust approval. Regulators have blocked several deals recently, notably the LSE's proposed merger with Deutsche Börse a year ago.

Many of the heads of the world's largest exchange groups — including Mr Spencer but not Terry Duffy, his counterpart at CME — are at the annual derivatives industry meeting held by the FIA in Boca Raton, Florida.

The offer was reported first by Bloomberg.

Nex was formed at the end of 2016 in a split from ICAP, the interdealer broker that Mr Spencer founded in the 1980s. It has deepened cost cuts after a first-half profits warning. It spent heavily to restructure its post-trade unit, which runs the plumbing for deals in fixed income and derivatives markets. The business accounts for nearly half of group profits.

Rising yen Japan's currency has more room to appreciate

The yen has already risen 6 per cent versus the US dollar this year and some say this trade has a lot more room to run.

Deutsche Bank, for one, thinks we will see a rally towards ¥100 in 2018, a level last visited in mid-2016. Playing a key role in bolstering the yen have been investor flows from dollar-based investments, as Japanese equities attract new money.

"US dollar-denominated outflows from Japanese investors have slowed sharply, and FX-unhedged equity inflows into Japan are beginning, with parallels to the trend in Europe," said Deutsche Bank.

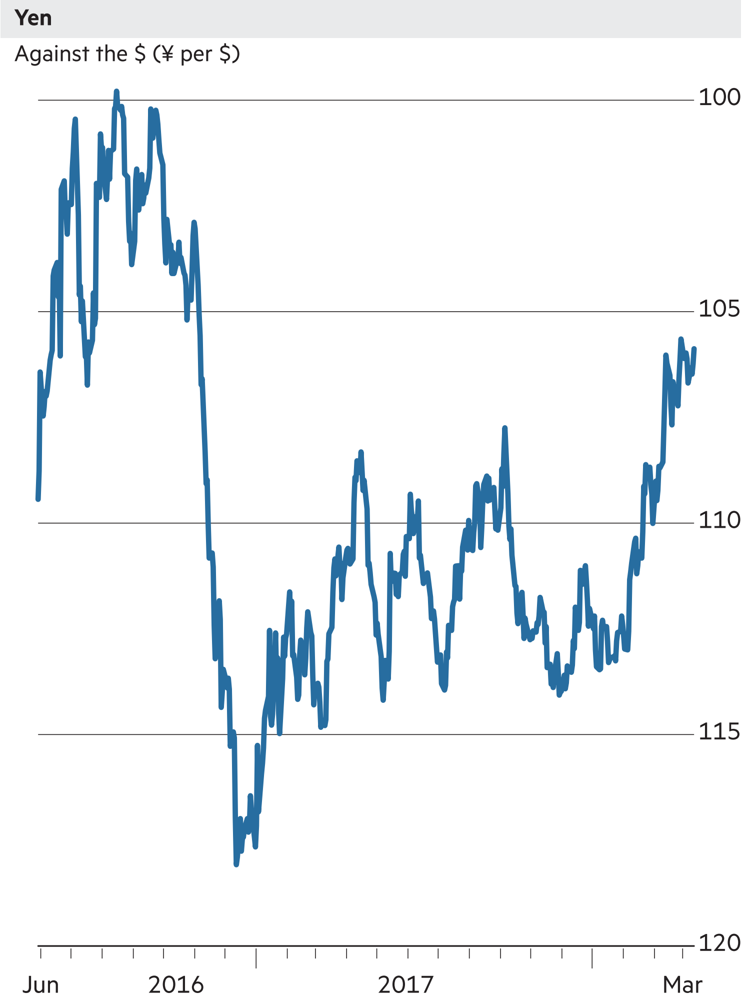
One factor helping the yen — and the euro — versus the dollar is the outlook for central bank policy. Deutsche said: "The Bank of Japan has been quietly reducing QE purchases and we expect a further slowdown in the rate of buying to ¥40tn to help [yen] gains this year."

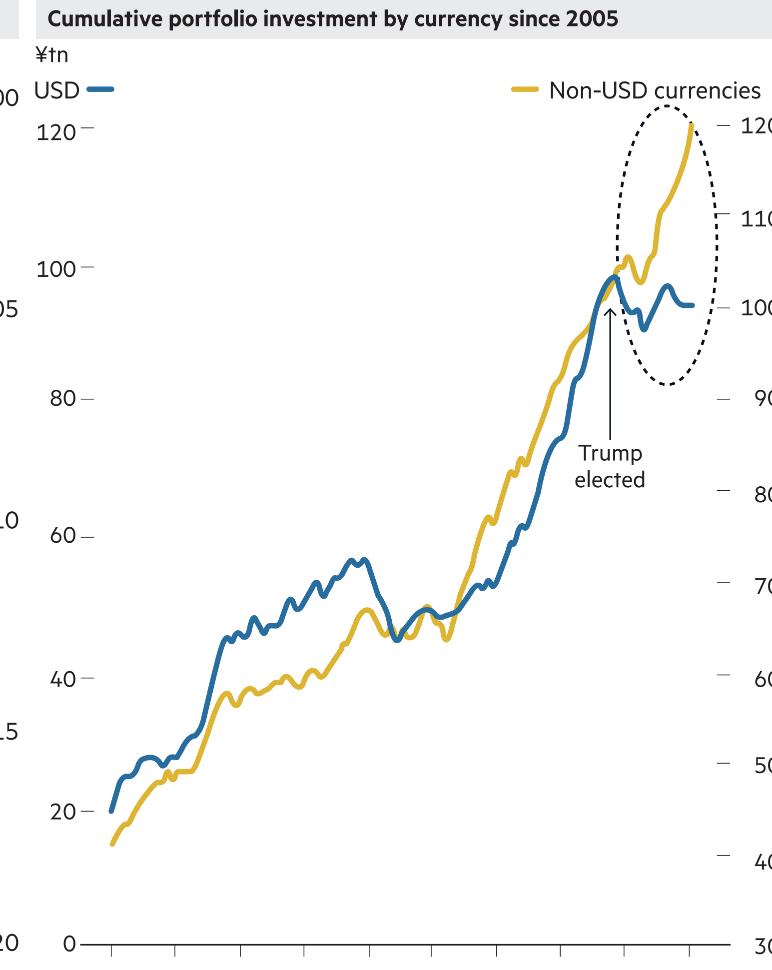
Given the wide difference between US and Japanese interest rates and with the Federal Reserve set to raise overnight borrowing costs next week, some may question why the yen is strengthening.

The reason, said BCA Research, is that the market believes the BoJ and European Central Bank have reached the "realistic limit of loose policy". Long-term market expectations view Japanese and eurozone rates as only rising from current levels. US policy is more symmetrical, in that rates could either rise further or drop.

"This stark asymmetry of central bank 'degrees of freedom' favours the euro and the yen over the dollar," said BCA.

Michael Mackenzie





Sources: Thomson Reuters Datastream; Deutsche Bank; Haver Analytics

Smart Money

John Authers

Do we need to think again about that "bear market" in bonds? The crucial 10-year Treasury yield dipped sharply this week to trade briefly below 2.8 per cent. It is yet to breach the 3 per cent level many fear. With investors heavily betting on a further sell-off in bonds and rising yields, this is a "pain trade" — it must have caused pain for many.

But that merely concerns the long end of the curve, as bond investors put it. The yield curve — the spread of longer dated yields over those of bonds that mature sooner — is flattening. This is driven also by a sharp rise in shorter dated bond yields; the spread of one-year yields over the Fed Funds rate is at its highest since the crisis.

Overnight rates charged by banks are also rising in a way that we all learned to fear a decade ago as money markets broke down ahead of the crisis. If not flashing red, this classic signal of monetary stress is flashing amber.

How to explain all of this? There is no particular shift in expectations for the Federal Reserve, which investors still do not expect to be very aggressive. If Fed Funds futures are to be believed, there is still only a roughly one in four chance that the Fed raises rates four times this year.

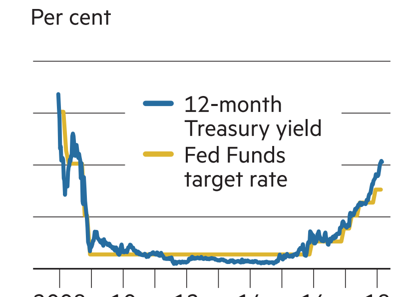
The answer lies for now with technical factors. There is heavy issuance of shorter term bonds. For longer bonds, investors were positioned for higher yields but the past week's data showed inflation running no faster than expected, retail sales weaker than thought and wage inflation lower than previously feared. There were still data points suggesting a hotter economy, but those nervous about their call for a bear market had an excuse to trim holdings and wait for the Fed next week.

Could bond yields have peaked? Peter Atwater of Financial Insyghts suggests they are "about to turn down sharply — laughable, right?" He suggests that readiness for higher yields has taken on the classic symptoms of a peak in sentiment. With rising rates now affecting US mortgage demand and prompting big corporate bond issuance, he suggests the market is now ready to turn.

If this really is a turning point, it could be good for risky assets. But a durable decline in bond yields would imply something very unwholesome about the narrative that the economy is in full-on growth mode.

Bond market braces for action from the Fed

Per cent



The spread of one-year yields over the Fed Funds rate has reached its highest since the financial crisis

Source: Thomson Reuters Datastream

john.authers@ft.com

Watchdog urges probe of cryptocurrency rules

A US regulator has called for action to deal with the 'vacuum' in rules around cryptocurrencies. Rostin Behnam, who sits on the Commodity Futures Trading Commission, has urged an examination of the underlying distributed ledgers, as well as the currencies themselves.

Markets ▸ PAGE 19

Russia declares 'business as usual' by pushing ahead with $7bn bond sale

JONATHAN WHEATLEY — LONDON

Russia is preparing to sell $7bn of eurobonds in an apparent show of defiance at international condemnation of its suspected involvement in last week's use of a nerve agent to poison a former spy and his daughter.

The finance ministry has issued guidance for an 11-year issue paying interest of about 4.75 per cent, and for an extension of an existing bond maturing in 2047 at a rate of about 5.5 per cent, more than the issue's original coupon of 5.25 per cent, people who had seen the deal's prospectus told the Financial Times.

The issue follows Gazprom, the state-controlled natural gas giant, in going to market on Wednesday with an eight-year €750m eurobond yielding 2.5 per cent.

On Twitter, the Russian embassy in London wrote that the Gazprom offer had received orders of three times that amount, adding: "Business as usual?"

Timothy Ash, EM strategist at BlueBay Asset Management, said Russia would want to show that the eurobonds issue was also a sign of "business as usual" and be keen to secure a wide distribution for the bonds to show its ability to tap international markets.

"One way or another the deal will be done. Enough people seem to like the Russia story for that," Mr Ash said. "But the mainstay [among buyers] will be Russian origin investors."

A person involved in the eurobonds issue who asked not to be named said VTB Capital of Moscow would be the sole book runner. The 11-year issue would aim to raise $3bn, with another $4bn from the reopened 2047 bond. Both issues were expected to be priced today.

Simon Quijano-Evans, EM strategist at Legal & General Investment Management, suggested there was more than an element of coincidence to this week's issuances.

"There has been talk of this [eurobonds issue] for some time so in that sense it's not news," he said. "But if you add in the serious issues of the past week, then there are some question marks about the timing."

Lex page 10

Companies / Sectors / People

Technology

Watchdog raids Amazon's Tokyo office

Action by Japan's competition regulator is second in two years

KANA INAGAKI AND LEO LEWIS — TOKYO

Japan's anti-monopoly watchdog has raided Amazon's Tokyo headquarters for the second time in two years, as the US technology group continues to grab market share at the expense of Japanese ecommerce rivals.

Japan has become Amazon's third-biggest market after the US and Germany and the threat it represents to local Japanese incumbents Rakuten and Start Today — which operates the popular fashion portal Zozotown — has pushed shares in those companies about 25 per cent lower over the past six months.

The Japan Fair Trade Commission is looking into whether Amazon has used its ever-increasing market clout to force suppliers to shoulder costs when it offers discounts in its online marketplace, according to a person with knowledge of the investigation.

In a statement yesterday, Amazon said it was "fully co-operating with the authorities" but declined to provide details.

Japan's top competition regulator last raided Amazon's Japan office in the summer of 2016, as it was becoming clear the US heavyweight was destined for the top position in Japanese ecommerce.

The JFTC ended that antitrust probe a year later after Amazon revised contracts that had required retailers to set their prices the same or lower than those on rival sites.

According to people involved in the ecommerce sector, Amazon may be more vulnerable to criticism of its business practices than some of its competitors in Japan because it is more likely to deal directly with suppliers.

Amazon's largest Japanese rival, Rakuten, sells a large proportion of the goods on its site via third-party vendors. The US company, by contrast, operates more like a traditional, large volume retailer and negotiates directly with many of its suppliers.

The investigation is likely to focus on whether Amazon unfairly pressured suppliers to cover discount costs that were not previously agreed.

Amazon, which first launched in Japan in 2000, overtook Rakuten to take the top spot in Japan's online retail market two years ago.

With sales of $11.9bn last year, it now

> The probe is likely to focus on whether suppliers were unfairly pressured to cover discount costs

holds a 23 per cent share compared with Rakuten's 18.5 per cent share, according to Euromonitor.

Shares of Rakuten rose 0.3 per cent, in line with the broader market, after news of the raid.

One analyst, who was unable to comment formally before he published research on the subject, said any buying of Rakuten shares on the back of the Amazon raid was premature, as the JFTC raids were unlikely to change the competitive environment.

"The reality is that Rakuten is in the exact same competitive game as Amazon, where merchants are paying higher margins to secure advantages in search functions and delivery," he said.

"Some merchants may be complaining, but most are going to carry on paying Amazon and customers couldn't care less."

Financials. Fraud fallout

Confidence in India state banks ebbing fast

Weakness of a sector stricken by non-performing loans threatens economic growth

SIMON MUNDY — MUMBAI

It is less than five months since shares in Punjab National Bank rose 36 per cent in a day amid euphoria over a government recapitalisation plan for India's state-owned lenders.

Now, India's second-largest state bank by assets is at the heart of a dip in sentiment on the sector after an alleged fraud cast doubt on the government's plans to draw a line under the state banks' severe balance sheet problems.

PNB has lost two-fifths of its market value since February 14, when it announced a suspected $1.77bn fraud allegedly involving the jeweller Nirav Modi.

Mr Modi's lawyer has denied the allegations.

The stock collapse has been especially painful for investors who backed PNB's $770m stock issuance in December. That capital raising had been greeted as a boost for the government's hopes that the capital market would provide a quarter of the $32.4bn of new capital to be raised by state banks.

The PNB revelation, coupled with tough central bank rules that might force larger writedowns of bad debts, knocked investor confidence, with hefty share price declines for most of India's 21 state banks. Analysts say the prospects of their raising $8.9bn from the market look bleak.

The outlook for the state lenders, which account for two-thirds of national bank assets, is uncertain. Stricken by non-performing loans accumulated during nearly a decade of often ill-judged lending to big industrial groups, the state banks' weakness threatens to become a drag on the country's economic growth.

"It's a sad state," says Saswata Guha, an analyst at Fitch Ratings. "The momentum that had been building up has come to a grinding halt."

The immediate implication of PNB's announcement concerned the hole that the alleged fraud threatens to leave in its balance sheet. Even before the fraud's discovery, PNB's tier-1 capital ratio was only $34m above the regulatory minimum that will be applied from April next year, and the scale of the alleged fraud far exceeds the $840m in new capital allocated to PNB under the government's recapitalisation plan.

This alone means the government will need to find new capital — on top of the sum allocated for the recapitalisation scheme — to restore PNB's core equity to the required level, says Pankaj Agarwal, an analyst at Ambit Capital.

PNB, India's second-largest state bank by assets, is at the heart of the dip in sentiment, dimming New Delhi's hopes of drawing a line under the sector's severe balance sheet problems
Divyakant Solanki/epa

This might be just the beginning of the headaches facing the government, which resorted to raising its fiscal deficit target in last month's budget.

PNB and three other banks raised $1.3bn from the stock market in December. But it now appears much more difficult for the banks to raise the rest of the $8.9bn envisaged under the government's plan, says Ashish Gupta, head of India research for Credit Suisse. "Confidence in many of the state-owned banks has been shaken by the PNB issue . . . It highlights the governance and processes in these banks. People will be more circumspect about giving them capital."

Another factor in the downturn in sentiment to the banks has been the Reserve Bank of India's announcement last month of tough norms for dealing with non-performing corporate debt.

Amid concerns that banks were continuing to postpone recognition of defaults, the RBI set timelines for them to file insolvency applications on large corporate accounts under the bankruptcy code.

The central bank's stance was further underscored by quarterly results on February 9 from State Bank of India, the country's largest bank, which was forced by the RBI to increase its bad loan estimate by $3.5bn.

The RBI's drive to compel greater transparency has been welcomed by some in the industry. "Some of the really tough acts coming out of the RBI really come out of a perception that we cannot fully trust how bankers have been doing things in the past," says Uday Kotak, founder of Kotak Mahindra Bank, a private sector lender. "Frankly we have really fiddled, postponed, kicked the can."

Punjab National Bank
Share price (Rs)

Source: Thomson Reuters Datastream

But the prospect of sharply increasing provisions has led to concern about the near-term impact on bank earnings, further spooking the investors who had been expected to take part in capital-raising by the state lenders.

For now, the finance ministry is not redrafting the recapitalisation plan, says a ministry official, adding: "In the aftermath of the PNB fraud, the focus is on firefighting."

But a reassessment of the scale of the state capital injection looks almost certain, Mr Guha of Fitch warns. "Common sense tells me that the government will have to start looking at raising the overall capital estimate. The PNB problem has exacerbated an already difficult situation. It's become like an onion where a layer is revealed every day."

Additional reporting by Jyotsna Singh in New Delhi and Andrea Rodrigues in Mumbai

See Lex

INSIDE BUSINESS
TECHNOLOGY

Richard Waters

Theranos case sounds a warning on Silicon Valley's bullish culture

Silicon Valley has been trying to run a mile from the mess that is Theranos. But the debacle at the blood-testing start-up founded by Elizabeth Holmes — which the Securities and Exchange Commission said this week was a "massive fraud" — will not be as easy to shrug off as the powers-that-be in the tech world would like.

It also holds a particular warning at a time when tech start-ups are extending their reach into industries from healthcare to finance and transportation. Ways of doing business honed in the pressure-cooker atmosphere of an early-stage company may not stand up so well when applied in different fields, or when the usual checks and balances are absent.

Experienced tech investors and entrepreneurs say Theranos, which was once valued at $9bn and is based almost next door to the longtime home of Hewlett-Packard, should not really be seen as a "Valley" company at all.

Rather than the usual elite venture capital firms, most of its money came from non-specialists like Fortress Investment Group, "strategic" investors such as pharmacy chain Walgreens and individuals like Rupert Murdoch. And its board was a list of Washington's great and good, among them Jim Mattis, US secretary of defence and a former general, and ex-US secretary of state George Shultz. The smart money in tech would not have made this mistake, according to Valley insiders.

But the saga hits closer to home than this analysis suggests. Local VC firm Draper Fisher Jurvetson gave Ms Holmes her first $500,000 — even though partner Steve Jurvetson later put it about that DFJ had been cut off from information about how the business was doing. Philanthropist Laura Arrillaga-Andreessen, wife of top tech investor Marc Andreessen, personally penned a eulogy to Ms Holmes in The New York Times. And Oracle boss Larry Ellison was among the backers.

Another uncomfortable truth for the Valley is that Theranos thrived in part because it fitted so neatly into local mystique: it supposedly had a wonder technology, invented by a photogenic college dropout who wanted to "democratise" (Ms Arrillaga-Andreessen's word) access to a potentially life-saving service. "She had that mesmerising zeal to revolutionise." That was the way Mr Jurvetson, who stepped down from DFJ last year, once described a teenage Ms Holmes to Bloomberg. One of his partners likened her to Steve Jobs — the surest way for Valley insiders to signal to each other their enthusiasm for an up-and-coming entrepreneur.

> The blood-testing start-up thrived in part because it fitted neatly into local mystique

Then there are the ways in which Ms Holmes stepped over the line, according to the SEC (she has settled the complaint and accepted various penalties, without admitting or denying the allegations). There are lessons for others in the Valley about the need to "tell investors the truth about what their technology can do today, not just what they hope it might do someday", as one SEC official put it.

Making big claims for a technology is often a first move for start-ups. The question is how they do this while also admitting shortcomings. Mr Jobs, for one, was famous in the Valley for his "reality distortion field" — an ability to get investors, customers and staff to suspend disbelief and see the future as he saw it, even if the tech was not ready.

There is nothing illegal about the tech sector's brand of hype. But even when within the law, it can raise ethical concerns. One allegation against Ms Holmes is she faked demonstrations of equipment to win over potential investors — something close to home for an industry that has long wrestled with the ethics of "enhanced" demos.

Augmented reality start-up Magic Leap released videos on YouTube in its early days that appeared to show the visual effects created by its revolutionary technology. One, from 2015, has had more than 5m views. It was not until two years later — after an article in The Information — that the company disclosed that it was a "concept video" made by a special effects firm. (Many of the investors who have poured $2.3bn into the company have raved about the technology after seeing real-life demos).

The pressure on Ms Holmes, as described in the SEC complaint, will be familiar to entrepreneurs. At one point, in 2010, she made an over-confident prediction of when Theranos's blood-testing system would be ready — but when it came to roll it out three years later, the equipment did not perform as promised. The SEC said she disguised this from her partners rather than admit the problem.

For start-ups given to ethically dubious demos or the occasional white lie about their technology, it is an object lesson in the danger of getting in over their heads.

richard.waters@ft.com

Oil & gas

Statoil canters away from crude with rebranding

CAT RUTTER POOLEY AND SYLVIA PFEIFER — LONDON

Norway's Statoil is to rebrand itself as Equinor — taking the name of an Oslo vet in the process — as the group shifts its focus to being a broad energy company.

Announcing the change yesterday, it said: "The name Equinor is formed by combining 'equi', the starting point for words like equal, equality and equilibrium, and 'nor', signalling a company proud of its Norwegian origin."

Eldar Saetre, chief executive, said "oil is not a dirty word" but Statoil was "developing from a focused oil and gas company to a broader energy" one. Statoil would grow its renewables business and the change was part of "a clear strategic direction".

Although the bulk of the company's annual capital expenditure is still in oil and gas — over the past two years it has spent between 3 and 5 per cent of annual capex on renewables, mainly offshore wind power, and has indicated that this could rise to between 15 and 20 per cent by 2030 — Mr Saetre said it was the right time for the name change. "This is a good time, there is a reality behind it."

The rebranding costs are estimated at around NKr250m ($30m). The www.equinor.no web address was held by a vet in the Norwegian capital, but Mr Saetre said Statoil had paid "some money" to secure it. The company in question did not respond to calls for comment, but on its website it said it was changing its name to Equina.

Danish energy company Oersted last year rebranded itself from Dong Energy, an acronym for Danish Oil and Natural Gas, after it sold its fossil fuel assets to focus exclusively on renewables. The name change is facing a legal challenge.

Statoil posted a YouTube video, *Thank you Statoil! It's been a pleasure*, featuring "stories of change" including babes in arms and a cartoon butterfly emerging from a chrysalis.

Telecoms

Activist aims to send de Puyfontaine packing

NIC FILDES — LONDON
RACHEL SANDERSON — MILAN

The activist investor Elliott Management will seek to remove Arnaud de Puyfontaine, Telecom Italia's executive chairman, at an extraordinary general meeting in April.

Elliott last week revealed a position in Telecom Italia, which is controlled by Vivendi, the media conglomerate of French billionaire Vincent Bolloré, and said it would seek governance changes as a first step in a push to shake up the company and to drive up its share price.

The investor has told the Italian company that it wants a vote to remove Mr de Puyfontaine, who is also Vivendi's chief executive, from the board along with four other directors with strong links to the French company, including its finance director and general counsel. Elliott is also seeking to remove Giuseppe Recchi, the former executive chairman whom Mr de Puyfontaine replaced.

Vivendi's de facto control of Telecom Italia has been the subject of intense debate within Italy. The French group holds a 24 per cent stake in the business but controls the board and executive positions. It appointed Amos Genish, a confidant of Mr Bolloré, as chief executive last year, the third person to hold the position in three years. The company revealed this month a three-year recovery plan designed to restore dividend payments and reduce debt. That plan is to be put to a shareholder vote on April 24 but the meeting has been disrupted by Elliott's agenda. The investor has argued that the value of Telecom Italia would be increased with an independent board and has nominated a slate of Italian business veterans with experience of dealing with the Italian government. These include Luigi Gubitosi, a former executive at Fiat and Wind, the Italian telecoms company.

Telecom Italia shares were up 2.3 per cent by afternoon trading yesterday.

COMPANIES

Aloof No 10 helped steer Polman to Rotterdam

Unilever chief's ties with an apparently indifferent May were icy, in contrast to his regular contact with the Dutch PM

SCHEHERAZADE DANESHKHU AND GEORGE PARKER

Unilever's road to Rotterdam — the site chosen for its single legal base — began with a hostile bid from Kraft Heinz, in the aftermath of the Brexit vote.

Paul Polman, Unilever's Dutch chief executive, was to describe the $143bn shock approach from the US company as a "near-death experience".

Yet none of this seemed to matter much to the UK government.

During those traumatic days in February 2017, Mr Polman's fight to fend off Kraft Heinz coincided with a period in which relations between business and the UK government reached a nadir.

Mr Polman's relations with Theresa May were icy, in common with those of many other chief executives who found it impossible to organise face time or phone calls with the prime minister, even in moments of corporate crisis.

Mrs May had made a decision to distance herself from big business as part of a strategy — devised by her then adviser Nick Timothy — to align herself with the interests of working families.

Mr Polman, head of Unilever since 2009, privately fulminated at the apparent lack of interest from Mrs May about the fate of a company that ranked among the top five in the FTSE 100 index. The Anglo-Dutch group can trace its British lineage to 1884 when William Hesketh Lever — later Lord Leverhulme — began making Sunlight soap. It has 88,000 pensioners in the UK.

"I discovered that I had to unfortunately explain to people in the government what the impact was of a company like this," Mr Polman said in November.

The experience was in sharp contrast to the regular contact that Mr Polman had with Mark Rutte, the Netherlands prime minister who had previously worked at Unilever and lobbied hard to claim it as a truly Dutch company.

Mr Rutte faced down political protests over lowering corporation tax and scrapping a dividend tax. Unilever highlighted that "the Dutch dividend withholding tax will be abolished from 1 January 2020". There was nothing similar it could point to from the UK in yesterday's announcement.

In the UK, Rhys McCarthy, national officer at the Unite union, pointed to apathy in Westminster: "Theresa May has talked about toughening up rules to stop aggressive asset-stripping takeovers, but done little to nothing. Her continued inaction could lead to more companies like Unilever fleeing overseas."

Unilever says it is not taking flight. It bent over backwards yesterday to emphasise that it was committed to investing in the UK. Its two fastest-growing businesses — personal care and home care — have always been located in the UK and will continue to be nurtured by £1bn of annual investment in marketing and R&D.

Downing Street denies that Mrs May neglected Unilever; in recent months Number 10 has been kept fully informed about its restructuring plans and drew up a joint media strategy with the company to deal with the fallout.

Indeed, Mrs May concluded from her June 2017 election setback that the Conservatives could not afford to neglect their reputation as the party of business and sound economics. Doors to corporate Britain, including Unilever, reopened and Mr Polman said the government had "woken up".

Unilever was itself woken up by the bid from Kraft Heinz, the US company controlled by 3G Capital with Warren Buffett's Berkshire Hathaway.

Mr Polman quickly saw off the bid, which acted as a catalyst for investors to demand higher returns more quickly. Unilever promised €6bn in cost cuts, two-thirds of which will be reinvested, unveiled a €5bn share buyback, and sold off its margarines business.

Unilever managed to offload the spreads unit for $7bn to KKR in December. But it realised that if it had wanted to spin it off, Unilever's dual-headed legal structure would have made this "very, very complex", according to Graeme Pitkethly, finance director.

With a single share class, Unilever will be able to issue stock more easily for a large acquisition — or sell off its food and refreshments business which it centralised into one HQ in the Netherlands.

The Plc shares were 2 per cent lower in London yesterday and 1 per cent lower in Amsterdam. Martin Deboo, at Jefferies, said: "The modest negative reaction reflects the enhanced protections of the Dutch takeover code and a shift into a Mitteleuropean, rather than Anglo-Saxon, capital market milieu."

There are good reasons for the Unilever board, chaired by Marijn Dekkers, to have chosen to be incorporated in Rotterdam which the Dutchman outlined: the NV company is bigger than the Plc, with 55 per cent of the ordinary shares and has more liquidity. According to UBS, the trading volume in the NV shares is 1.5 times higher than in the Plc.

Shareholders have welcomed the simpler structure. But one shareholder said: "We do think Unilever is a well-governed business. But Mr Polman is likely to leave within the next 12 months and later on, a new management might view things differently."

The fact is that the UK and the Netherlands are small in the context of the overall business, 92 per cent of which is conducted outside the two countries.

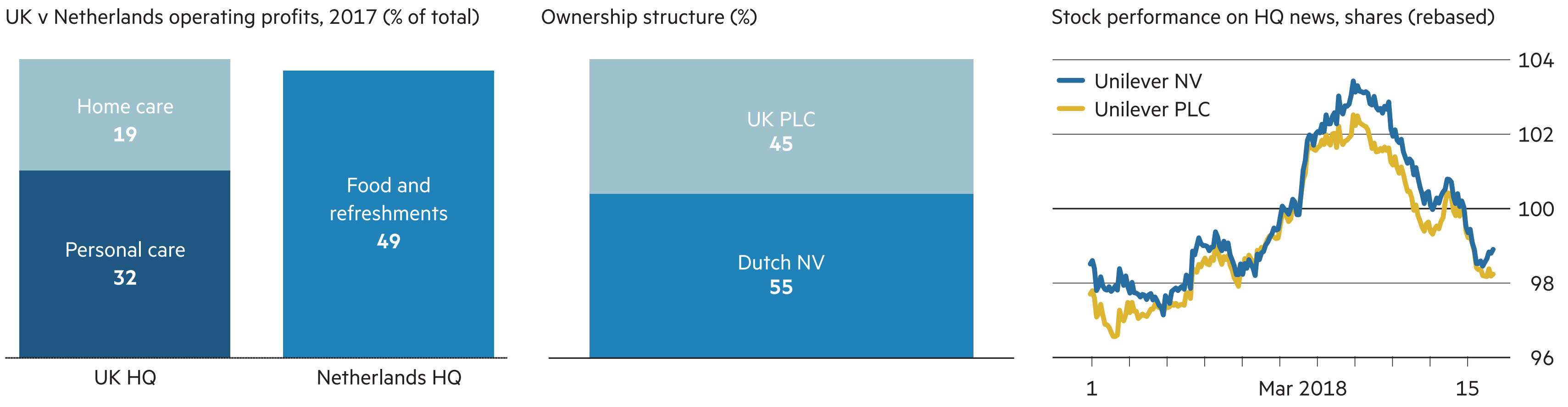
Boris Johnson, foreign secretary, said the choice of Rotterdam was "really an accounting decision" while chancellor Philip Hammond said it would not affect the amount of tax paid by the group in the UK and was limited to "a relatively small number of jobs".

See Editorial Comment

Parting ways

Paul Polman, chief executive, privately fulminated over what seemed to be a lack of interest from Theresa May in the fate of the company — FT Graphic

Unilever moves legal base to Rotterdam



Sources: UBS; company; Bloomberg

* As at Mar 14 2018=100

Q&A

Billions of pounds at stake over index nationality

Unilever may have resolved the question of its legal base in favour of the Netherlands but investors are still awaiting one outstanding decision.

It must choose a nationality for inclusion in some of the biggest stock market indices. It is a critical choice for investors because it affects portfolios that track benchmark indices in the UK and Europe. As one of the continent's biggest groups, its nationality affects billions of pounds of investors' money.

What happens in the short term?
Unilever wants just one type of share — Dutch. To help trading in the UK, it plans to create depository interests, UK securities that represent shares in overseas groups.
Each depository interest represents one share, and they can be traded electronically in much the same way as ordinary stocks, just not in paper form. They also allow investors to trade and receive dividends in sterling, helping boost liquidity, and to secure an exemption from paying stamp duty.

Why the uncertainty?
Unilever says it will decide its index nationality after having discussions with index compilers like FTSE Russell and Stoxx. It is also seeking a premium listing in London, which would make it eligible for the FTSE 100. Analysts have judged that prospect unlikely because FTSE Russell can only assign Unilever a UK nationality if its shares fail a liquidity test in its country of incorporation.

But FTSE Russell's standards for assessing non UK-incorporated companies leave room for manoeuvre. They include where a company's products are made, where its investors are based and the country where most transparent share trading takes place.

Where are its shares traded?
Unilever argues there is more liquidity in its Dutch shares than its UK stock. Last week about €1.4bn of its Dutch shares were traded compared with £630m in London, according to data from Fidessa.

The truer picture is more complicated. Fidessa data show only two-thirds of the Dutch shares trade on the Amsterdam market, with the rest on UK-based alternative venues and dark pools. All trading in the UK shares takes place in London. To give it the "strategic flexibility" it seeks, Unilever may argue that the pool of liquidity for the combined company's shares is greater in London than Amsterdam.

Philip Stafford and Cat Rutter Pooley

Travel & leisure

Merlin in China music streaming deals

ANNA NICOLAOU — NEW YORK

The body acting for some of the leading independent record labels has struck licensing deals with five of China's biggest streaming services, the latest sign that the country is becoming increasingly important for western artists.

Merlin, the London-based agency that represents 20,000 independent labels and makes up 12 per cent of the world's digital music catalogue, signed deals with streaming services owned by Tencent, Alibaba and NetEase.

The company expects the deals will give its acts, such as Vampire Weekend, access to 500m consumers, or 90 per cent of digital music listeners in China.

Charles Caldas, Merlin's chief executive, said digital streaming has given independent record labels a new-found global reach, after distribution in the CD era favoured the few record label behemoths with the cash to press, promote and ship them abroad.

"Music is moving around the world in ways we've never experienced before," he said. "A lot more value is going to come from markets that we were never really extracting value from in the physical [CD] world."

The deals come after the other three big suppliers of the world's music, Universal Music, Sony Music and Warner Music, signed exclusive pacts with Tencent, which then sub-licensed the catalogues to other platforms in China.

Merlin instead signed separate deals with Alibaba's Xiami, Tencent's QQ Music, KuGou and Kuwo, and NetEase's Cloud Music.

Tencent had a 78 per cent share of China's streaming market revenues last year, and has used its clout and cash to outbid rivals for distribution agreements with western labels. The internet group, which is reportedly looking to take its music arm public this year, has looked to capture content rights to bolster its prospects with investors.

China's National Copyright Administration called for an end to exclusive deals in September, aiming to encourage more competition in the market.

Mathew Daniel, vice-president at NetEase Cloud Music, called the deal "a significant step forward for music licensing in China".

Merlin yesterday revealed that its Latin American earnings have grown fivefold from 2015 to 2017, as streaming on YouTube and Spotify boomed in countries such as Brazil. The region's biggest economy is now the sixth largest moneymaker for independent record labels — ahead of France and Australia.

Independent labels are now hoping for similar luck in China, where paid digital music sales were projected to rise 59 per cent last year to $455m.

China presents a compelling opportunity, said Mr Caldas, as electronic dance music festivals have popped up, which "would not have been happening five years ago, before streaming".

Banks. Litigation bill

Dimon rues Bear Stearns' costly legacy

Revolving door: JPMorgan's crisis-era acquisition of Bear Stearns saved thousands of jobs, but the full cost probably outweighed the benefits — Mario Tama

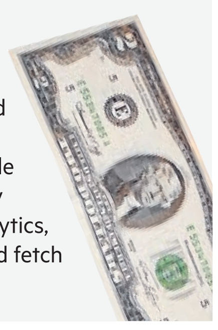
Pricing structure
Skyscraper value estimated at $1.7bn

A day after the board of Bear Stearns agreed a sale to JPMorgan Chase, some wag taped a $2 bill on the front door of the company's headquarters.

Bear did not own that building at 383 Madison Avenue, a 43-floor tower in the old financial heart of Manhattan. But it did have a right to buy the skyscraper at the end of its lease in 2012, provided it paid off the associated debt of the lessor.

According to Bear's last annual report, that option was worth a maximum of about $570m at the end of November 2007. It could be worth a lot more now. The lease has been extended but the structure of the deal is the same, according to one person familiar with the arrangement.

According to Financial Times' estimates derived from data on recent comparable sales provided by Real Capital Analytics, the building could fetch at least $1.7bn.



JPMorgan's chief appeared to have pulled off a coup in 2008, but costs soon mounted

BEN MCLANNAHAN — NEW YORK

The takeover of Bear Stearns by JPMorgan Chase, sealed exactly a decade ago in the crucible of the 2008 financial crisis, was one of the signature deals of a turbulent year, and the knockdown price of $2 a share was a shock to Wall Street.

Even after the terms were raised to $10 a share, JPMorgan and its chief executive, Jamie Dimon, appeared to have pulled off a coup. Acting at the urging of the US government, which feared the fallout from Bear's failure, JPMorgan had obtained a prestigious Wall Street franchise — plus a stately octagonal tower on Madison Avenue — for about $1.2bn, a fraction of Bear's $11bn in common equity.

Ten years on, JPMorgan is comfortably the biggest bank by assets in the US and has market-leading businesses all across the investment bank, some of them boosted by Bear. Mr Dimon, too, has grown into a role as elder statesman of the industry, reminding investors last month that his crisis-era acquisitions saved thousands of jobs and "avoid[ed] the devastation of communities".

Yet the full cost of the deal to JPMorgan probably outweighed the benefits.

By the time of his letter to shareholders in 2012, Mr Dimon was already complaining about the "poor" systems he inherited from Bear, as well as a big pile-up of litigation connected to mis-sold mortgages. In 2015, he lamented that the cost of settling lawsuits was pushing $19bn, about 70 per cent of which was connected to Bear and Washington Mutual, another distressed asset JPMorgan picked up in 2008. "We did not anticipate that we would have to pay the penalties we ultimately were required to pay," Mr Dimon wrote.

Bear hit trouble because it had loaded up on mortgage-related assets in what seemed to be an ever-rising housing market. When prices began to fall and loans went bad, creditors panicked and demanded their money back.

JPMorgan initially stepped in with emergency funds to Bear on Friday, March 14. But over that weekend, the US Treasury strong-armed Mr Dimon into buying the whole thing.

Bear was the smallest and most highly leveraged of the top firms on Wall Street, but rivals such as Merrill Lynch and Lehman Brothers were also showing signs of distress. The government feared carnage in Asian markets on the Monday if Bear was allowed to fail. At the same time, the Treasury wanted to send out a signal, according to people in the room at the time: if a bank got into trouble and the government came in to help, its shareholders would suffer.

The US Treasury declined to comment, as did Neel Kashkari, the former Treasury official who handled negotiations on the ground. He is now president of the Minneapolis Federal Reserve.

Mr Dimon had big plans for Bear at the outset. In his 2009 shareholder letter he noted mounting losses on the bank's $370bn of assets but said that, in time, the acquisition should add $1bn to JPMorgan's annual earnings.

He said he was particularly pleased to bulk up in energy trading and also prime broking — a business within investment banks that acts like a concierge to hedge funds, supplying them with everything from loans and research to introductions to investors. Bear was dominant in both and JPMorgan remains a leader in prime broking. It sold out of physical commodities in 2014, however, with a $3.5bn sale of the business to Mercuria.

Bear also gave a leg-up to JPMorgan's equities business, through characters such as David Freedman, who runs merger arbitrage, and Nick Rosato, head of North American research. Institutional Investor magazine ranked Bear's research as the second best on Wall Street in 2007, two notches ahead of JPMorgan. Now JPMorgan is number one in the survey.

Still, many of Bear's big hitters, especially in bond trading, scattered almost instantly. Today, there are no ex-Bear people on JPMorgan's 11-member operating committee, or among the five corporate officers. According to one estimate, less than 4,000 of 14,000 Bear employees at the time of the deal were still at JPMorgan within a couple of years. These days, about 2,000 remain.

Mr Dimon had done his best to smooth things over with Bear's shell-shocked employees. But during a first meeting at Bear's headquarters on a rainy Wednesday following the deal, he was barracked by senior managing directors, according to several people who were there. When he made an analogy to a "shotgun wedding" one trader fired back that it felt more like a "rape".

All had been hurt by the collapse of the share price. Employees owned about one-third of Bear's stock, often accumulated during long careers at the company, and at much higher prices than $2 a share, or even $10. A year earlier the stock had been at $170.

"I thought I'd be working until I was 100-years-old," says John Fitzgerald, who ran an expert-network business within Bear's equity unit.

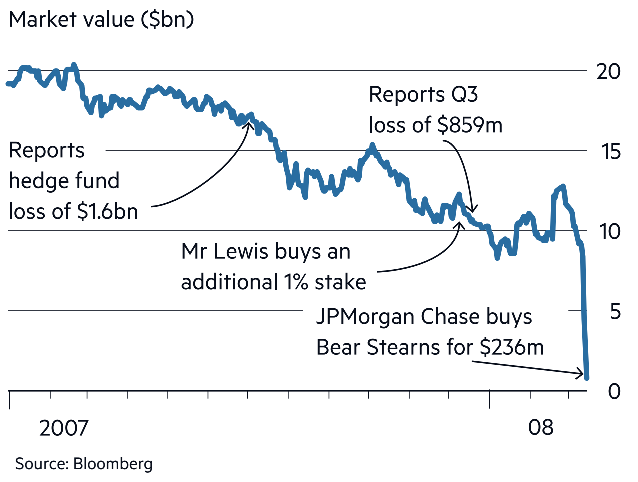
This was a tight-knit group, says Michael Kiernan, who used to run the morning call on Bear's equities floor, when analysts presented to the bank's sales force. As the company began to splinter he used his connections to maintain a giant Excel spreadsheet, hoping to link people to job opportunities elsewhere. He hosted a networking event at the Public House bar on East 41st Street that first Thursday; 10 years on, he says, "hundreds" still show up to yearly reunions.

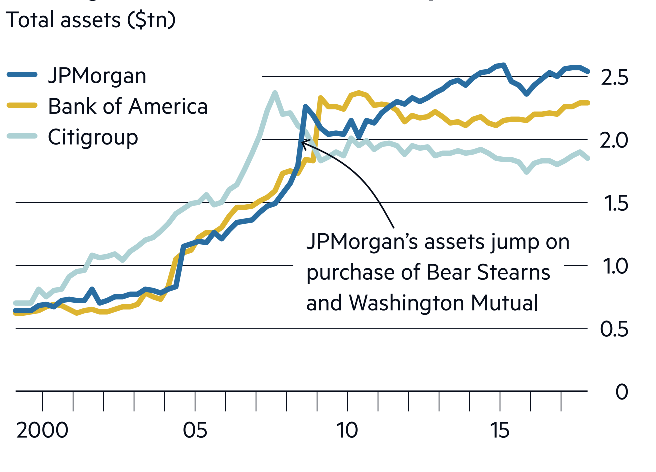
"It was a scrappy firm with good culture," says one former top executive. "We always viewed ourselves as the kids from the wrong side of the block."

JPMorgan's 2017 annual report, filed a fortnight ago, still shows a handful of outstanding litigation proceedings connected to Bear. Given the already huge bill for litigation, it seems unlikely that any other big bank will come to the aid of the government in the next financial crisis, says Rodgin Cohen, a lawyer at Sullivan & Cromwell who acted for Bear's board on the sale.

JPMorgan's $13bn settlement with the Department of Justice over sales of mortgage-backed securities in 2013, in particular, appeared to involve an "unreasonable" component for Bear's misdeeds, says Mr Cohen.

Mr Dimon, meanwhile, was still bitter in his 2015 letter to shareholders. "In case you were wondering: No, we would not do something like Bear Stearns again," he wrote. "In fact, I don't think our board would let me take the call."





Banks

Ex-Deutsche trader pleads guilty to Euribor manipulation

CAROLINE BINHAM — LONDON

A former star trader at Deutsche Bank, who authorities alleged had a "remarkable" relationship with the bank, has pleaded guilty to fraud just weeks before his jury trial in London on benchmark-rigging offences.

Christian Bittar entered his guilty plea earlier this month but it can only now be reported after a judge at Southwark Crown Court lifted a restriction yesterday, according to a short statement published by the Serious Fraud Office.

Mr Bittar, a Frenchman who worked at the German bank's London and Singapore offices until 2011, pleaded guilty to conspiracy to defraud.

The SFO accused him of rigging Euribor, which is the Brussels equivalent of Libor, the interbank lending rate. The benchmark rates underpin hundreds of trillions of dollars of debt worldwide, from complex derivatives such as Mr Bittar traded to student debt.

Deutsche paid $2.5bn in fines in 2015 over the benchmark-rigging scandal, which has seen some of the biggest banks and inter-dealer brokers pay about $9bn in penalties.

That year, German regulators found that the bank had a "remarkable" relationship with Mr Bittar, with Anshu Jain, the former co-chief executive who headed the investment bank at the time, personally lobbying for bonuses totalling €130m for him and another trader.

Christian Bittar's plea is a boon to the SFO, whose director is due to step down next month

In response, the bank denied that Mr Jain had personally lobbied for a high bonus for Mr Bittar, saying he was contractually entitled to an even higher bonus, and in fact had deferred half of it.

The UK's financial regulator, meanwhile, wants to fine Mr Bittar as much as £10m over Euribor-rigging, which would be a record penalty for the Financial Conduct Authority.

It has had to put its file on hold pending the criminal case, however. Mr Bittar was in the process of challenging the FCA decision. David Savell, Mr Bittar's lawyer at Locke Lord, declined to comment before Mr Bittar's sentencing.

Mr Bittar's plea is a boon to the SFO, whose director, David Green, is due to step down next month.

Earlier this week, the Court of Appeal upheld the conviction of a former Barclays trader who was found guilty of being part of another benchmark-rigging conspiracy, but the court severely criticised the SFO's expert witness used in several of the Libor trials.

Another former Deutsche trader and four ex-Barclays traders are due to go to trial over Euribor-rigging next month. The SFO was not able to extradite their alleged co-conspirators, including a French former trader at Société Générale and four Germany-based former traders at Deutsche.

Airlines

Virgin Atlantic in the red following engine troubles

Plane repairs, hurricanes and weak pound lead to first loss in four years

TANYA POWLEY — LONDON

Virgin Atlantic has made its first loss in four years after the UK airline founded by Richard Branson was hit by problems with the Rolls-Royce engines that power its Boeing 787 Dreamliners and a weak pound that hurt UK demand.

The group yesterday reported a £28.4m loss before tax and exceptional items for 2017, compared with a £23m profit a year before.

The UK carrier, which is 49 per cent owned by US carrier Delta Air Lines, has had a tough year after all of its Boeing 787 Dreamliners, which make up a third of its fleet, were affected by faults with the Rolls-Royce Trent 1000 engine.

The problems have caused disruption and costs for Virgin Atlantic, which has been forced to ground up to four of its aircraft at a time for repairs, as well as leasing additional planes.

Craig Kreeger, chief executive, said the airline had to deal with a trio of big external issues last year. A weak sterling relative to the dollar, which impacted demand from UK travellers flying to the US, problems with the Trent 1000 engines as well as Hurricane disruption in the Caribbean and the US.

The group declined to say whether it expected to make another loss in 2018, saying only that the environment remained "challenging".

Virgin Atlantic confirmed yesterday it had leased three additional Airbus A330-200s to ensure it continued to provide a reliable service amid a shortage in the supply of the Trent 1000 engines.

Tom Mackay, chief financial officer at Virgin Atlantic, said it was in private discussions with Rolls-Royce regarding compensation and would not comment on how much the engine problems had cost the airline.

Last week, Rolls-Royce revealed that repairing problems with turbine and compressor blades on the Trent 1000 engine, and the Trent 900 engine that powers the A380 superjumbo, incurred a cash cost of £170m for the UK engineering group in 2017. This was expected to increase to about £340m this year. The problems were expected to be fully resolved by 2021-22, it said.

A third of Virgin Atlantic's fleet was affected by faults with the Rolls-Royce Trent 1000 engine in 2017 — Ian Schofield/Alamy

Virgin Atlantic is hoping the launch of its first hand baggage-only ticket will help attract more customers this year as it looks to fight back against the rise of low-cost competitors, such as Norwegian Air Shuttle, offering cheap flights across the Atlantic.

While the weak pound helped the airline see a 20 per cent rise in US-based customers, overall passenger numbers with Virgin Atlantic fell by 100,000 from 5.4m in 2016 to 5.3m last year.

The revamp of its economy seat offering comes at an important time for Virgin Atlantic. Traditional transatlantic carriers are under pressure from low-cost airlines such as WestJet.

Once a trailblazing carrier, the UK airline has struggled over the past decade. The group's fortunes were rescued by its joint venture with Delta, which helped Virgin Atlantic return to profit in 2014.

In a further shake-up in July, Virgin Atlantic announced that Air France-KLM was buying a 31 per cent stake in the airline as part of a plan to create "the most comprehensive transatlantic route network" in the world.

Technology

Billionaire backer resigns as chair of LeEco unit

EMILY FENG — BEIJING

The billionaire property tycoon who vowed to revive LeEco has resigned as chairman of its main subsidiary, hampering efforts to turn round the Chinese technology conglomerate.

Sun Hongbin, who is also chairman of Tianjin-based property company Sunac, is to step down as chairman and board member of Shenzhen-listed Leshi Internet Information & Technology, the listed arm of LeEco, for "work arrangement reasons", according to a stock market filing. Liu Shuqing, another Sunac executive, has been appointed Leshi interim chairman in his stead.

Mr Sun was once hailed as LeEco's saviour after the group ran into financial trouble. His exit has prompted concerns he was backing away from involvement in the company, which had ambitions to be the Apple, Amazon, Netflix, Tesla and Walt Disney of China rolled into one.

"I think [LeEco] is just one more of these companies that overextended themselves and suffered with the current crackdown on debt and emphasis on financial security," said Veronique Lafon-Vinais, of the school of business and management at Hong Kong University of Science and Technology. "With Sunac's Mr Sun, I would expect that he realised one can only do so much."

Sun Hongbin was once hailed as saviour of the ambitious group

Sunac and Leshi declined to comment.

Trading for Leshi shares was suspended late on Wednesday due to price volatility and would remain suspended until the company "completed the relevant verification work", according to a separate filing.

Jia Yueting, LeEco founder, persuaded Mr Sun to invest in the group. In January 2017, Sunac injected $2.2bn in LeEco's online video, smart TV, and film production affiliates. Sunac later put in an additional $271m to fund daily operations at LeEco's Shenzhen subsidiary.

Last July, LeEco named Mr Sun as chairman, replacing Mr Jia, who had been working in California on an electric car venture with start-up Faraday Future.

In the same month, Sunac purchased $6.5bn of Chinese tourism and cultural properties from developer Dalian Wanda after Chinese regulators began probing Wanda for its debt-fuelled acquisitions overseas.

Once a popular consumer technology company known for making mobile phones and televisions, LeEco expanded into industries including entertainment, film and electric cars. That expansion put LeEco on an unsustainable path, Mr Jia said in a candid letter to employees in November 2016.

Last July, Chinese courts froze Rmb1.24bn ($180m) worth of assets belonging to three LeEco subsidiaries, Mr Jia and family members following missed payments on debt owed to China Merchants Bank.

Mr Jia's wife, the actress Gan Wei, has returned to mainland China to negotiate with creditors on his behalf. Mr Jia has not been in China since last year despite an order to return in December.

LeEco reported a loss of Rmb11.6bn for 2017.

Contracts & Tenders

FERROVIE DELLO STATO ITALIANE — RFI RETE FERROVIARIA ITALIANA

As a part of the value improvement of the business related to the economic exploitation of the railway stations of Milano Porta Garibaldi, Roma Ostiense and Padova (**"CS Stations"**), which are currently managed by Centostazioni S.p.A. (**"CS"**), as well as of the stations of Torino Porta Susa and Napoli Afragola (**"RFI Stations"**), which are managed directly by Rete Ferroviaria Italiana S.p.A. (**"RFI")**, Ferrovie dello Stato Italiane S.p.A. (**"FS")** and RFI started a corporate reorganisation procedure, which involves establishing Centostazioni Retail S.p.A. (**"CS Retail")**. CS Retail, following the completion of the reorganisation procedure, will be entitled to the economic exploitation in exclusivity of the commercial and media & advertising spaces in the above-mentioned stations.

Specifically, CS Retail will be granted:

a) the activities and the contractual arrangements related to the economic exploitation in exclusivity of the commercial and media & advertising spaces in the CS Stations and RFI Stations as a result of, respectively, the partial demerger of CS (followed by the merger of the remaining CS company into RFI), and the contribution by RFI;

b) the right of the economic exploitation in exclusivity of the commercial and media & advertising spaces in the CS Stations and the RFI Stations (jointly, the **"Retail Stations"**), on the basis of a specific contract with RFI (**"Retail Contract")**.

In this context, FS and RFI intend to start the value improvement process of the company to be formed CS Retail by launching a selection procedure (the **"Procedure"**) for (i) the sale of the entire share capital of CS Retail and (ii) the grant to CS Retail of the Retail Contract, which provides the right of economic exploitation in exclusivity of the commercial and media & advertising spaces in the above-mentioned stations.

Based on the above, FS, also on behalf of RFI, seeks to assess the existence of parties interested in acquiring the entire share capital of CS Retail and in obtaining the entitlement, to the latter, of the Retail Contract and, therefore,

INVITES

interested parties to submit their expressions of interest in order to participate in the Procedure. Interested parties need to meet all the general requirements and the capacity requirements specifically indicated in the Call for expressions of interest, as published on the following websites: www.fsitaliane.it, www.rfi.it, www.centostazioni.it (the **"Call"**).

Interested parties that wish to take part in the Procedure, under penalty of exclusion, must ensure that their envelope, containing their expression of interest together with all documents and declarations specifically indicated in the Call, arrives strictly no later than 12:00 noon (Italian time) on 13th April 2018 at the headquarters of PriceWaterhouseCoopers Advisory S.p.A. located at Largo Angelo Fochetti 28, 00154, Rome.

Interested Parties will be able to have sight of the Call and the related forms for submitting the expression of interest by visiting www.fsitaliane.it, www.rfi.it, or www.centostazioni.it.

Ferrovie dello Stato Italiane S.p.A.

MARKET DATA

WORLD MARKETS AT A GLANCE

FT.COM/MARKETSDATA

Change during previous day's trading (%)

S&P 500	Nasdaq Composite	Dow Jones Ind	FTSE 100	FTSE Eurofirst 300	Nikkei	Hang Seng	FTSE All World $	$ per €	$ per £	¥ per $	£ per €	Oil Brent $ Sep	Gold $
0.21%	0.16%	0.90%	0.10%	0.53%	0.12%	0.34%	No change	-0.324%	No change	-0.113%	-0.339%	0.59%	0.06%

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

AMERICAS

Feb 16 - – Index – All World

S&P 500 New York: 2,662.94 – 2,755.29. Day 0.21% Month 2.04% Year 16.41%

Nasdaq Composite New York: 7,013.51 – 7,508.46. Day 0.16% Month 5.06% Year 28.15%

Dow Jones Industrial New York: 24,640.45 – 24,981.73. Day 0.90% Month 0.27% Year 19.79%

Feb 16 - Mar 15

S&P/TSX COMP Toronto: 15,214.47 – 15,689.25. Day 0.23% Month 1.83% Year 1.09%

IPC Mexico City: 48,400.75 – 48,085.28. Day -0.15% Month -1.50% Year 1.28%

Bovespa São Paulo: 83,542.84 – 85,307.60. Day 0.86% Month 1.19% Year 28.77%

EUROPE

Feb 16 - Mar 15

FTSE 100 London: 7,213.97 – 7,139.76. Day 0.10% Month -1.23% Year -3.03%

FTSE Eurofirst 300 Europe: 1,468.93 – 1,473.86. Day 0.53% Month -0.02% Year -0.21%

CAC 40 Paris: 5,165.26 – 5,267.26. Day 0.65% Month 1.97% Year 5.89%

Feb 16 - Mar 15

Xetra Dax Frankfurt: 12,339.16 – 12,345.56. Day 0.88% Month 0.00% Year 2.80%

Ibex 35 Madrid: 9,686.20 – 9,684.20. Day -0.04% Month -0.02% Year -2.23%

FTSE MIB Milan: 22,433.75 – 22,713.47. Day 1.16% Month 0.97% Year 14.87%

ASIA

Feb 16 - Mar 15

Nikkei 225 Tokyo: 21,154.17 – 21,803.95. Day 0.12% Month 3.07% Year 11.19%

Hang Seng Hong Kong: 29,839.53 – 31,541.10. Day 0.34% Month 3.36% Year 32.37%

Shanghai Composite Shanghai: 3,199.16 – 3,291.11. Day -0.01% Month 2.87% Year 1.60%

Feb 16 - Mar 15

Kospi Seoul: 2,421.83 – 2,492.38. Day 0.25% Month 2.91% Year 16.81%

FTSE Straits Times Singapore: 3,415.07 – 3,517.73. Day -0.61% Month 3.38% Year 11.91%

BSE Sensex Mumbai: 34,300.47 – 33,685.54. Day -0.44% Month -1.38% Year 14.41%

Country	Index	Latest	Previous
Argentina	Merval	32718.18	32824.48
Australia	All Ordinaries	6027.60	6042.60
	S&P/ASX 200	5920.80	5935.30
	S&P/ASX 200 Res	3906.40	3893.20
Austria	ATX	3421.03	3426.19
Belgium	BEL 20	3950.78	3929.30
	BEL Mid	7286.23	7298.36
Brazil	Bovespa	85307.60	86050.96
Canada	S&P/TSX 60	930.03	927.55
	S&P/TSX Comp	15689.25	15653.61
	S&P/TSX Div Met & Min	1020.72	1005.50
Chile	IGPA Gen	28087.24	28109.27
China	FTSE A200	10783.06	10711.08
	FTSE B35	9000.71	8988.96
	Shanghai A	3446.87	3447.13
	Shanghai B	333.72	334.38
	Shanghai Comp	3291.11	3291.38
	Shenzhen A	1960.15	1964.45
	Shenzhen B	1181.80	1182.74
Colombia	COLCAP	1463.78	1478.88
Croatia	CROBEX	1843.40	1850.38
Cyprus	CSE M&P Gen	70.00	69.27
Czech Republic	PX	1115.36	1116.69
Denmark	OMXC Copenhagen 20	994.24	988.79
Egypt	EGX 30	16999.10	16999.10
Estonia	OMX Tallinn	1309.14	1304.22
Finland	OMX Helsinki General	9842.68	9790.14
France	CAC 40	5267.26	5233.35
	SBF 120	4227.33	4202.95
Germany	M-DAX	25823.49	25682.60
	TecDAX	2697.51	2679.03
	XETRA Dax	12345.56	12237.74
Greece	Athens Gen	817.69	823.82
	FTSE/ASE 20	2097.97	2109.73
Hong Kong	Hang Seng	31541.10	31435.01
	HS China Enterprise	12719.84	12684.52
	HSCC Red Chip	4490.34	4503.11
Hungary	Bux	38891.24	38663.67
India	BSE Sensex	33685.54	33835.74
	Nifty 500	9133.90	9151.55
Indonesia	Jakarta Comp	6321.90	6382.62
Ireland	ISEQ Overall	6707.76	6677.25
Israel	Tel Aviv 125	1359.06	1361.85
Italy	FTSE Italia All-Share	25010.05	24728.24
	FTSE Italia Mid Cap	42515.02	42083.53
	FTSE MIB	22713.47	22452.34
Japan	2nd Section	7407.98	7388.07
	Nikkei 225	21803.95	21777.29
	S&P Topix 150	1404.09	1404.29
	Topix	1743.60	1743.21
Jordan	Amman SE	2226.02	2218.42
Kenya	NSE 20	3760.87	3745.16
Kuwait	KSX Market Index	6760.23	6749.32
Latvia	OMX Riga	1035.51	1038.71
Lithuania	OMX Vilnius	685.29	684.93
Luxembourg	LuxX	1588.12	1586.69
Malaysia	FTSE Bursa KLCI	1845.27	1857.06
Mexico	IPC	48085.28	48156.44
Morocco	MASI	13189.60	13217.60
Netherlands	AEX	533.30	530.96
	AEX All Share	795.26	792.58
New Zealand	NZX 50	8467.33	8432.63
Nigeria	SE All Share	42839.52	43073.45
Norway	Oslo All Share	904.76	908.89
Pakistan	KSE 100	43495.07	43407.72
Philippines	Manila Comp	8190.01	8348.74
Poland	Wig	61156.91	61399.90
Portugal	PSI 20	5440.80	5419.99
	PSI General	2994.71	2984.92
Romania	BET Index	8687.83	8601.51
Russia	Micex Index	2272.49	2275.24
	RTX	1247.28	1251.19
Saudi-Arabia	TADAWUL All Share Index	7744.68	7775.42
Singapore	FTSE Straits Times	3517.73	3539.41
Slovakia	SAX	335.03	339.90
Slovenia	SBI TOP	825.04	823.27
South Africa	FTSE/JSE All Share	58203.77	58423.17
	FTSE/JSE Res 20	35083.16	34988.39
	FTSE/JSE Top 40	51613.14	51769.83
South Korea	Kospi	2492.38	2486.08
	Kospi 200	322.74	321.99
Spain	IBEX 35	9684.20	9688.50
Sri Lanka	CSE All Share	6500.99	6519.48
Sweden	OMX Stockholm 30	1592.28	1585.31
	OMX Stockholm AS	577.49	575.32
Switzerland	SMI Index	8878.98	8869.33
Taiwan	Weighted Pr	11018.45	11038.80
Thailand	Bangkok SET	1816.08	1813.40
Turkey	BIST 100	116840.94	116315.98
UAE	Abu Dhabi General Index	4542.74	4519.12
UK	FT 30	3077.50	3076.20
	FTSE 100	7139.76	7132.69
	FTSE 4Good UK	6410.78	6400.62
	FTSE All Share	3947.16	3943.63
	FTSE techMARK 100	4468.94	4461.43
USA	DJ Composite	8298.11	8244.43
	DJ Industrial	24981.73	24758.12
	DJ Transport	10603.90	10573.48
	DJ Utilities	681.04	684.72
	Nasdaq 100	7058.11	7040.98
	Nasdaq Cmp	7508.46	7496.81
	NYSE Comp	12771.34	12762.67
	S&P 500	2755.29	2749.48
	Wilshire 5000	28534.75	28528.52
Venezuela	IBC	6059.47	5506.08
Vietnam	VNI	1138.76	1138.09
Cross-Border	DJ Global Titans ($)	308.31	307.53
	Euro Stoxx 50 (Eur)	3414.13	3390.98
	Euronext 100 ID	1026.42	1020.95
	FTSE 4Good Global ($)	6729.35	6724.49
	FTSE All World ($)	345.64	345.65
	FTSE E300	1473.86	1466.10
	FTSE Eurotop 100	2829.08	2815.66
	FTSE Global 100 ($)	1711.79	1709.73
	FTSE Gold Min ($)	1423.26	1420.94
	FTSE Latibex Top (Eur)	4446.70	4482.30
	FTSE Multinationals ($)	1995.42	2004.23
	FTSE World ($)	609.55	609.63
	FTSEurofirst 100 (Eur)	4131.07	4107.65
	FTSEurofirst 80 (Eur)	4811.72	4778.66
	MSCI ACWI Fr ($)	522.87	525.31
	MSCI All World ($)	2134.51	2144.60
	MSCI Europe (Eur)	1554.54	1560.01
	MSCI Pacific ($)	2892.39	2900.16
	S&P Euro (Eur)	1611.13	1600.33
	S&P Europe 350 (Eur)	1518.77	1509.89
	S&P Global 1200 ($)	2330.06	2339.13
	Stoxx 50 (Eur)	2996.40	2986.87

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

STOCK MARKET: BIGGEST MOVERS

AMERICA	LONDON	EURO MARKERS	TOKYO
[illegible]	[illegible]	[illegible]	[illegible]

Based on the constituents of the S&P500 · Based on the constituents of the FTSE 350 index · Based on the constituents of the FTSEurofirst 300 Eurozone index · Based on the constituents of the Nikkei 225 index

UK MARKET WINNERS AND LOSERS

FTSE 100	FTSE 250	FTSE SmallCap	Industry Sectors
[illegible]	[illegible]	[illegible]	[illegible]

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

CURRENCIES

Mar 15	Currency	DOLLAR Closing Mid	Day's Change	EURO Closing Mid	Day's Change	POUND Closing Mid	Day's Change
Argentina	Argentine Peso	20.2725	0.0825	24.9766	0.0226	28.2741	0.1182
Australia	Australian Dollar	1.2797	0.0099	1.5766	0.0072	1.7848	0.0140
Bahrain	Bahrainin Dinar	0.3770	0.0000	0.4645	-0.0015	0.5258	0.0011
Bolivia	Bolivian Boliviano	6.9100	-	8.5134	-0.0270	9.6374	0.0011
Brazil	Brazilian Real	3.2849	0.0210	4.0471	0.0132	4.5815	0.0299
Canada	Canadian Dollar	1.3057	0.0111	1.6087	0.0086	1.8211	0.0157
Chile	Chilean Peso	605.6150	4.2950	746.1438	2.9384	844.6514	6.0838
China	Chinese Yuan	6.3217	0.0058	7.7886	-0.0176	8.8169	0.0091
Colombia	Colombian Peso	2847.1450	2.9250	3507.8057	-7.5269	3970.9139	4.5219
Costa Rica	Costa Rican Colon	567.3450	-1.1050	698.9934	-3.5860	791.2762	-1.4527
Czech Republic	Czech Koruna	20.6266	0.0417	25.4129	-0.0292	28.7679	0.0613
Denmark	Danish Krone	6.0456	0.0180	7.4484	-0.0015	8.4318	0.0260
Egypt	Egyptian Pound	17.5810	-0.0270	21.6605	-0.1022	24.5202	-0.0349
Hong Kong	Hong Kong Dollar	7.8416	0.0011	9.6612	-0.0293	10.9368	0.0028
Hungary	Hungarian Forint	252.6278	0.8052	311.2482	0.0066	352.3400	1.1623
India	Indian Rupee	64.9150	0.0700	79.9781	-0.1675	90.5370	0.1077
Indonesia	Indonesian Rupiah	13748.5000	12.5000	16938.7596	-38.3620	19175.0510	19.5775
Israel	Israeli Shekel	3.4451	0.0106	4.2444	-0.0004	4.8048	0.0152
Japan	Japanese Yen	106.0650	-0.1200	130.6766	-0.5634	147.9289	-0.1508
..One Month		106.0647	-0.1205	130.6767	-0.5633	147.9288	-0.1511
..Three Month		106.0643	-0.1214	130.6767	-0.5632	147.9285	-0.1515
..One Year		106.0620	-0.1259	130.6769	-0.5629	147.9288	-0.1527
Kenya	Kenyan Shilling	101.3000	-	124.8060	-0.3964	141.2831	0.0158
Kuwait	Kuwaiti Dinar	0.2999	-0.0002	0.3695	-0.0014	0.4183	-0.0002
Malaysia	Malaysian Ringgit	3.9180	0.0140	4.8271	0.0020	5.4644	0.0201
Mexico	Mexican Peson	18.7003	0.0940	23.0395	0.0430	26.0812	0.1340
New Zealand	New Zealand Dollar	1.3721	0.0072	1.6905	0.0035	1.9137	0.0103
Nigeria	Nigerian Naira	360.0500	0.0500	443.5971	-1.3472	502.1618	0.1257
Norway	Norwegian Krone	7.7082	-0.0306	9.4969	-0.0679	10.7507	-0.0414
Pakistan	Pakistani Rupee	110.5450	-	136.1962	-0.4326	154.1771	0.0172
Peru	Peruvian Nuevo Sol	3.2630	0.0025	4.0202	-0.0097	4.5509	0.0040
Philippines	Philippine Peso	52.0400	-0.0295	64.1155	-0.2401	72.5802	-0.0330
Poland	Polish Zloty	3.4190	0.0222	4.2124	0.0141	4.7685	0.0315
Romania	Romanian Leu	3.7881	0.0169	4.6671	0.0061	5.2833	0.0242
Russia	Russian Ruble	57.3862	0.1016	70.7146	-0.0500	80.0506	0.2059
Saudi Arabia	Saudi Riyal	3.7503	-	4.6205	-0.0147	5.2305	0.0006
Singapore	Singapore Dollar	1.3120	0.0030	1.6164	-0.0015	1.8298	0.0043
South Africa	South African Rand	11.8813	0.1019	14.6382	0.0794	16.5708	0.1439
South Korea	South Korean Won	1065.5000	1.0000	1312.7418	-2.9339	1486.0530	1.5603
Sweden	Swedish Krona	8.1781	-0.0177	10.0758	-0.0539	11.4061	-0.0235
Switzerland	Swiss Franc	0.9504	0.0040	1.1709	0.0012	1.3255	0.0057
Taiwan	New Taiwan Dollar	29.1890	-0.0590	35.9621	-0.1872	40.7099	-0.0777
Thailand	Thai Baht	31.1550	0.0360	38.3843	-0.0774	43.4519	0.0551
Tunisia	Tunisian Dinar	2.3956	0.0066	2.9514	-0.0012	3.3411	0.0096
Turkey	Turkish Lira	3.9030	0.0199	4.8086	0.0094	5.4434	0.0284
United Arab Emirates	UAE Dirham	3.6730	0.0001	4.5253	-0.0143	5.1227	0.0007
United Kingdom	Pound Sterling	0.7170	-0.0001	0.8834	-0.0029	-	-
..One Month		0.7173	-0.0001	0.8833	-0.0029	-	-
..Three Month		0.7176	-0.0001	0.8831	-0.0029	-	-
..One Year		0.7193	-0.0001	0.8822	-0.0029	-	-
United States	United States Dollar	-	-	0.8117	-0.0029	1.3947	0.0002
..One Month		-	-	1.2317	-0.1625	1.3950	0.0002
..Three Month		-	-	1.2312	-0.1625	1.3953	0.0002
..One Year		-	-	1.2283	-0.1625	1.3970	0.0002
Venezuela	Venezuelan Bolivar Fuerte	36650.0000	150.0000	45154.3750	41.9647	51115.7601	214.8843
Vietnam	Vietnamese Dong	22767.5000	1.0000	28050.5696	-87.8489	31753.8946	4.9399
European Union	Euro	0.8117	0.0026	-	-	1.1320	0.0037
..One Month		0.8113	0.0026	-	-	1.1319	0.0037
..Three Month		0.8108	0.0026	-	-	1.1318	0.0037
..One Year		0.8079	0.0026	-	-	1.1308	0.0037

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

FTSE ACTUARIES SHARE INDICES

UK SERIES www.ft.com/equities

Produced in conjunction with the Institute and Faculty of Actuaries

	£ Strlg Mar 15	Day's chge%	Euro Index	£ Strlg Mar 14	£ Strlg Mar 13	Year ago	Div yield%	Cover	P/E ratio	X/D adj	Total Return
FTSE 100 (100)	7139.76	0.10	6297.20	7132.69	7138.78	7415.95	4.14	1.83	13.23	68.12	6112.30
FTSE 250 (250)	19828.41	0.04	17488.46	19820.12	19863.23	19027.02	2.77	2.34	15.43	56.49	14620.47
FTSE 250 ex Inv Co (201)	21255.24	0.04	18746.91	21247.28	21298.37	20357.50	2.86	1.85	18.86	56.11	15989.78
FTSE 350 (350)	3992.45	0.09	3521.30	3988.89	3993.21	4091.33	3.90	1.89	13.57	33.43	6852.95
FTSE 350 ex Investment Trusts (300)	3953.11	0.09	3486.61	3949.55	3953.84	4059.75	3.95	1.82	13.93	33.67	3496.59
FTSE 350 Higher Yield (111)	3590.37	0.02	3166.67	3589.74	3603.28	3841.23	5.46	1.55	11.82	44.62	6521.92
FTSE 350 Lower Yield (239)	4033.28	0.16	3557.32	4026.68	4019.71	3940.61	2.27	2.74	16.03	16.72	4478.11
FTSE SmallCap (282)	5755.88	0.10	5076.63	5750.13	5782.14	5392.05	3.11	3.15	10.22	28.65	8394.69
FTSE SmallCap ex Inv Co (152)	4984.06	0.14	4395.89	4977.33	5009.24	4758.42	3.18	1.83	17.19	17.44	7631.23
FTSE All-Share (632)	3947.16	0.09	3481.36	3943.63	3948.56	4031.53	3.87	1.93	13.40	32.54	6848.56
FTSE All-Share ex Inv Co (452)	3882.36	0.09	3424.20	3878.83	3883.47	3981.29	3.94	1.82	13.98	32.66	3489.33
FTSE All-Share ex Multinationals (566)	1227.56	0.05	897.36	1226.90	1230.27	1202.64	3.35	1.90	15.68	4.78	2238.54
FTSE Fledgling (94)	11026.19	-0.21	9724.99	11049.48	11058.97	9671.37	2.70	2.69	13.77	55.79	21047.28
FTSE Fledgling ex Inv Co (45)	16122.35	-0.56	14219.75	16213.14	16205.43	13258.14	3.24	0.15	209.98	72.22	30069.71
FTSE All-Small (376)	4018.41	0.08	3544.20	4015.04	4036.41	3752.24	3.09	3.12	10.36	20.02	7523.34
FTSE All-Small ex Inv Co (197)	3755.09	0.11	3311.95	3751.05	3774.07	3565.25	3.18	1.76	17.84	13.29	7284.97
FTSE AIM All-Share (812)	1055.45	0.17	930.89	1053.63	1042.98	925.26	1.37	1.14	63.92	2.29	1171.65
FTSE Sector Indices											
Oil & Gas (14)	**8356.36**	**-0.43**	**7370.23**	**8392.38**	**8501.99**	**8291.92**	**5.95**	**0.75**	**22.30**	**115.89**	**8071.02**
Oil & Gas Producers (9)	8030.92	-0.45	7083.19	8067.05	8171.47	7923.91	5.99	0.77	21.81	114.02	8035.90
Oil Equipment Services & Distribution (5)	13412.32	0.37	11829.53	13363.36	13604.07	16216.62	4.46	0.06	357.98	0.00	10566.58
Basic Materials (30)	**6159.69**	**-0.40**	**5432.78**	**6184.34**	**6127.69**	**5629.06**	**3.61**	**2.40**	**11.52**	**96.68**	**6502.44**
Chemicals (9)	15627.97	0.65	13783.71	15527.05	15639.02	13509.87	1.92	2.23	23.29	30.24	14159.33
Forestry & Paper (1)	22942.89	-0.10	20235.40	22966.40	22931.14	22672.56	2.54	3.48	11.31	0.00	25239.44
Industrial Metals & Mining (2)	5032.16	0.01	4438.31	5031.59	5005.93	2519.22	7.67	1.76	7.39	173.38	4845.84
Mining (18)	17237.13	-0.54	15202.97	17331.18	17131.85	15928.04	3.78	2.41	11.00	304.71	9548.64
Industrials (108)	**5374.86**	**0.61**	**4740.57**	**5342.34**	**5352.95**	**5253.27**	**2.42**	**2.35**	**17.61**	**12.81**	**5619.43**
Construction & Materials (15)	6589.77	0.70	5812.11	6543.99	6468.57	7093.32	2.42	0.82	50.72	69.98	7140.67
Aerospace & Defense (9)	5244.29	0.66	4625.41	5209.82	5224.49	5194.33	2.33	5.51	7.79	1.64	5678.20
General Industrials (7)	5482.02	0.37	4835.09	5461.98	5498.76	4933.81	2.63	1.43	26.57	0.00	6336.76
Electronic & Electrical Equipment (11)	7867.45	0.70	6939.01	7813.08	7883.54	6797.32	1.69	2.14	27.58	7.09	7251.38
Industrial Engineering (13)	13597.64	1.98	11992.98	13333.48	13349.28	12524.63	1.91	1.97	26.63	4.58	16743.04
Industrial Transportation (6)	5548.09	-1.87	4893.36	5653.96	5715.39	4699.65	3.79	1.15	22.93	0.00	5083.77
Support Services (47)	7396.61	0.61	6523.73	7352.05	7376.23	7377.95	2.45	2.06	19.78	14.14	7781.82
Consumer Goods (43)	**19457.40**	**-0.43**	**17161.23**	**19541.73**	**19416.44**	**21930.10**	**4.06**	**4.10**	**6.02**	**123.06**	**14722.97**
Automobiles & Parts (2)	9899.94	-1.71	8731.64	10071.78	9912.24	8786.82	1.98	4.08	12.38	0.00	9635.53
Beverages (5)	19710.18	0.35	17384.18	19641.99	19580.45	18284.03	2.55	1.90	20.59	178.29	14232.73
Food Producers (11)	7142.11	-0.26	6299.27	7160.55	7209.47	8006.45	2.42	2.38	17.36	3.76	6236.12
Household Goods & Home Construction (16)	13322.78	0.00	11750.55	13322.22	13328.87	14824.04	4.30	2.25	10.36	104.08	9666.96
Leisure Goods (2)	8851.90	2.50	7807.28	8635.61	8859.51	5714.46	5.51	1.17	15.56	84.08	8364.86
Personal Goods (5)	28891.11	-1.54	25481.66	29343.14	29238.50	31010.56	3.16	3.28	9.64	205.48	19934.35
Tobacco (2)	45169.70	-0.60	39839.22	45442.54	44759.35	58538.20	5.51	5.86	3.10	213.54	30002.65
Health Care (22)	**8985.54**	**0.57**	**7925.15**	**8934.42**	**8961.66**	**10593.41**	**3.79**	**0.81**	**32.70**	**145.10**	**7157.35**
Health Care Equipment & Services (10)	7846.77	0.30	6920.77	7823.08	7868.88	7655.57	1.35	2.82	26.30	7.29	6854.32
Pharmaceuticals & Biotechnology (12)	11930.63	0.61	10522.70	11858.29	11889.75	14396.32	4.13	0.72	33.86	218.17	8501.76
Consumer Services (94)	**5027.97**	**-0.04**	**4434.62**	**5030.13**	**5050.20**	**4907.75**	**2.80**	**2.03**	**17.59**	**18.49**	**4801.17**
Food & Drug Retailers (6)	3500.37	0.94	3087.29	3467.77	3514.13	3129.47	1.25	2.71	29.57	0.00	4129.45
General Retailers (28)	2370.25	0.23	2090.54	2364.82	2368.87	2450.38	3.35	1.94	15.41	2.06	2764.49
Media (22)	7496.10	-0.43	6611.48	7528.47	7527.08	7770.99	3.22	2.05	15.11	2.25	4686.42
Travel & Leisure (38)	9543.38	-0.15	8417.16	9558.11	9607.21	8917.13	2.73	1.97	18.57	79.22	9236.26
Telecommunications (6)	**2876.04**	**-0.38**	**2536.64**	**2886.90**	**2896.48**	**3366.35**	**6.63**	**0.17**	**86.34**	**0.00**	**3345.74**
Fixed Line Telecommunications (4)	2675.75	-0.12	2359.99	2678.89	2702.22	3849.47	6.73	1.05	14.16	0.00	2541.06
Mobile Telecommunications (2)	4419.16	-0.47	3897.66	4440.12	4445.99	4730.86	6.60	-0.16	-96.55	0.00	4624.66
Utilities (7)	**6563.10**	**-0.72**	**5788.59**	**6610.71**	**6595.92**	**8709.24**	**6.38**	**1.29**	**12.18**	**37.78**	**7736.97**
Electricity (2)	7254.59	0.14	6398.47	7244.49	7222.77	8840.91	7.04	1.42	10.01	153.59	11028.75
Gas Water & Multiutilities (5)	6031.06	-0.98	5319.34	6090.57	6078.32	8200.48	6.18	1.24	13.04	6.62	7077.69
Financials (293)	**5231.99**	**0.62**	**4614.56**	**5199.90**	**5205.49**	**5004.75**	**3.46**	**2.09**	**13.82**	**40.37**	**4972.82**
Banks (11)	4319.63	0.74	3809.87	4287.99	4330.16	4266.94	3.96	1.29	19.62	58.58	3303.08
Nonlife Insurance (9)	3637.44	0.95	3208.18	3603.18	3606.63	3208.98	2.98	1.75	19.19	24.98	6546.15
Life Insurance/Assurance (9)	9203.13	1.32	8117.07	9083.21	8899.79	8552.55	3.45	1.75	16.56	0.11	9159.04
Real Estate Investment & Services (19)	2740.78	0.47	2417.34	2727.85	2738.52	2596.76	2.49	2.19	18.32	9.22	7444.50
Real Estate Investment Trusts (34)	2686.75	-0.72	2369.68	2706.10	2703.07	2637.36	3.66	2.59	10.55	23.11	3450.39
General Financial (31)	9157.49	0.76	8076.81	9088.10	9091.19	8444.22	3.34	1.94	15.40	24.82	10697.98
Equity Investment Instruments (180)	9895.26	0.06	8727.52	9889.37	9912.79	9263.55	2.47	5.59	7.25	47.32	5506.46
Non Financials (339)	**4556.78**	**-0.11**	**4019.04**	**4561.79**	**4567.80**	**4766.86**	**4.03**	**1.88**	**13.25**	**38.48**	**6927.41**
Technology (15)	**2068.34**	**-0.74**	**1824.25**	**2083.78**	**2090.41**	**1884.23**	**2.45**	**0.98**	**41.80**	**18.51**	**2708.02**
Software & Computer Services (12)	2328.47	-0.75	2053.68	2345.95	2351.67	2098.60	2.48	0.90	45.06	21.37	3221.63
Technology Hardware & Equipment (3)	2504.76	-0.69	2209.18	2522.11	2554.73	2198.77	2.00	2.34	21.34	14.60	2974.90

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	7144.72	7141.58	7152.00	7140.35	7138.81	7131.62	7134.92	7140.62	7154.25	7162.26	7127.21
FTSE 250	19841.05	19787.42	19818.57	19744.01	19767.24	19793.02	19818.72	19816.55	19860.77	19866.25	19736.28
FTSE SmallCap	5754.01	5750.20	5750.09	5746.74	5752.37	5753.79	5756.15	5756.24	5753.83	5760.18	5743.57
FTSE All-Share	3949.72	3946.46	3952.07	3944.39	3944.67	3942.36	3944.72	3947.19	3954.56	3957.64	3940.55

Time of FTSE 100 Day's high:15:36:15 Day's Low13:05:00 FTSE 100 2010/11 High: 7778.64(12/01/2018) Low: 7069.90(02/03/2018)
Time of FTSE All-Share Day's high:15:36:00 Day's Low13:05:00 FTSE 100 2010/11 High: 4268.89(12/01/2018) Low: 3899.70(02/03/2018)

Further information is available on http://www.ftse.com © FTSE International Limited. 2013. All Rights reserved. "FTSE®" is a trade mark of the London Stock Exchange Group companies and is used by FTSE International Limited under licence. † Sector P/E ratios greater than 80 are not shown. For changes to FTSE Fledgling Index constituents please refer to www.ftse.com/indexchanges. ‡ Values are negative.

FT 30 INDEX

	Mar 15	Mar 14	Mar 13	Mar 12	Mar 09	Yr Ago	High	Low
FT 30	3077.50	3076.20	3114.00	3119.60	3110.20	0.00	3377.70	3048.00
FT 30 Div Yield	1.99	2.00	1.97	1.97	1.97	0.00	3.93	2.74
P/E Ratio net	22.39	22.30	22.60	22.69	22.62	0.00	19.44	14.26

FT 30 since compilation: 4198.4 high: 19/07/1999; low49.4 26/06/1940Base Date: 1/7/35

FT 30 hourly changes

8	9	10	11	12	13	14	15	16	High	Low
3076.2	3082	3085.2	3083.2	3089.1	3089.5	3087.4	3080.2	3079.2	3096.8	3067.8

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

FX: EFFECTIVE INDICES

	Mar 14	Mar 13	Mnth Ago		Mar 15	Mar 14	Mnth Ago
Australia	93.32	93.42	93.51	Sweden	75.63	75.39	77.19
Canada	89.37	89.50	91.91	Switzerland	152.05	152.18	154.30
Denmark	110.77	110.90	110.64	UK	78.94	79.05	78.53
Japan	139.50	138.72	137.67	USA	96.79	96.76	96.47
New Zealand	116.20	116.50	115.99	Euro	96.14	96.35	96.11
Norway	88.08	88.11	86.17				

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

FTSE SECTORS: LEADERS & LAGGARDS

Year to date percentage changes

Tech Hardware & Eq	35.72	Electronic & Elec Eq	-1.90	Pharmace & Biotech	-5.94
Automobiles & Parts	33.93	FTSE SmallCap Index	-2.30	FTSE 100 Index	-6.03
Industrial Metals &	18.77	Financial Services	-2.76	NON FINANCIALS Index	-6.27
Industrial Transport	9.16	Financials	-3.05	Technology	-7.89
Aerospace & Defense	5.63	FTSE 250 Index	-3.09	Oil & Gas	-8.47
Chemicals	5.55	Basic Materials	-3.14	Utilities	-8.64
Food & Drug Retailer	3.72	Travel & Leisure	-3.34	Oil & Gas Producers	-8.70
Health Care Eq & Srv	3.32	General Retailers	-3.89	Beverages	-9.29
Forestry & Paper	2.77	Electricity	-4.06	Leisure Goods	-9.41
Oil Equipment & Serv	2.04	Banks	-4.22	Gas Water & Multi	-9.94
Media	-0.73	Mining	-4.69	Software & Comp Serv	-10.05
Nonlife Insurance	-0.77	Health Care	-4.88	Food Producers	-10.86
Life Insurance	-0.87	Real Est Invest & Se	-5.11	Consumer Goods	-11.28
Industrial Eng	-1.24	Construct & Material	-5.37	Fixed Line Telecomms	-11.37
Industrials	-1.49	FTSE All{HY-}Share Index	-5.41	Telecommunications	-11.76
Equity Invest Instr	-1.63	Real Est Invest & Tr	-5.55	Mobile Telecomms	-11.91
Consumer Services	-1.82	Personal Goods	-5.59	Household Goods & Ho	-12.97
		Support Services	-5.81	Tobacco	-15.52

FTSE GLOBAL EQUITY INDEX SERIES

Mar 14 Regions & countries	No of stocks	US $ indices	Day %	Mth %	YTD %	Total retn	YTD %	Gr Div Yield
FTSE Global All Cap	7762	592.69	-0.5	1.7	1.9	854.96	2.2	2.3
FTSE Global Large Cap	1445	521.56	-0.5	1.5	2.0	772.44	2.4	2.4
FTSE Global Mid Cap	1701	796.19	-0.4	1.8	1.4	1087.40	1.7	2.0
FTSE Global Small Cap	4616	841.59	-0.4	2.9	1.8	1111.83	2.0	1.8
FTSE All-World	3146	345.65	-0.5	1.5	1.9	526.89	2.2	2.3
FTSE World	2571	609.63	-0.5	1.5	1.7	1247.72	2.1	2.3
FTSE Global All Cap ex UNITED KINGDOM In	7443	617.21	-0.5	1.8	2.2	876.18	2.6	2.2
FTSE Global All Cap ex USA	5905	531.02	-0.4	1.2	0.7	820.96	1.0	2.8
FTSE Global All Cap ex JAPAN	6456	604.94	-0.5	1.6	1.9	881.13	2.3	2.3
FTSE Global All Cap ex Eurozone	7104	612.27	-0.5	1.9	1.9	866.72	2.3	2.2
FTSE Developed	2116	551.94	-0.5	1.5	1.5	802.89	1.9	2.3
FTSE Developed All Cap	5641	580.96	-0.5	1.6	1.5	834.58	1.9	2.2
FTSE Developed Large Cap	908	508.95	-0.5	1.3	1.5	752.09	1.9	2.4
FTSE Developed Europe Large Cap	231	380.22	-0.4	-0.7	-1.5	646.43	-1.0	3.5
FTSE Developed Europe Mid Cap	319	643.10	-0.5	0.8	0.8	974.31	1.0	2.6
FTSE Dev Europe Small Cap	710	922.11	-0.6	1.3	1.5	1351.76	1.7	2.3
FTSE North America Large Cap	283	588.85	-0.5	1.8	2.7	813.29	3.1	2.0
FTSE North America Mid Cap	389	852.56	-0.5	2.0	1.6	1093.58	1.9	1.6
FTSE North America Small Cap	1395	874.09	-0.4	2.9	1.7	1087.49	1.9	1.5
FTSE North America	672	392.16	-0.5	1.8	2.5	554.14	2.9	1.9
FTSE Developed ex North America	1444	276.00	-0.4	0.9	0.0	458.80	0.3	2.9
FTSE Japan Large Cap	186	402.75	-0.1	2.2	1.9	526.69	1.9	2.0
FTSE Japan Mid Cap	316	672.48	0.1	4.1	1.6	842.23	1.6	1.5
FTSE Global wi JAPAN Small Cap	804	758.58	0.1	5.6	1.9	983.51	2.0	1.6
FTSE Japan	502	171.46	-0.1	2.6	1.8	251.49	1.8	1.9
FTSE Asia Pacific Large Cap ex Japan	543	769.47	-0.4	3.1	3.3	1229.43	3.6	2.6
FTSE Asia Pacific Mid Cap ex Japan	454	984.21	-0.3	1.8	0.9	1507.81	1.3	2.8
FTSE Asia Pacific Small Cap ex Japan	1460	628.85	0.1	3.6	2.0	946.35	2.3	2.4
FTSE Asia Pacific Ex Japan	997	605.67	-0.4	2.9	3.0	1027.92	3.4	2.6
FTSE Emerging All Cap	2121	847.17	-0.5	2.3	5.0	1283.62	5.3	2.5
FTSE Emerging Large Cap	537	810.14	-0.6	2.5	5.7	1236.56	6.0	2.5
FTSE Emerging Mid Cap	493	1020.42	-0.4	0.7	2.9	1534.55	3.2	2.9
FTSE Emerging Small Cap	1091	852.98	-0.1	2.7	1.8	1239.13	1.9	2.4
FTSE Emerging Europe	121	407.41	-1.9	-0.7	4.6	650.48	4.6	4.1
FTSE Latin America All Cap	240	1010.46	-0.8	1.1	8.9	1586.20	9.7	2.7
FTSE Middle East and Africa All Cap	239	808.83	-1.1	2.4	3.1	1284.68	3.7	3.0
FTSE Global wi UNITED KINGDOM All Cap In	319	355.00	-0.4	-0.8	-4.0	610.12	-3.2	3.9
FTSE Global wi USA All Cap	1857	677.72	-0.5	2.1	2.9	907.40	3.3	1.8
FTSE Europe All Cap	1453	453.50	-0.5	-0.2	-0.6	743.50	-0.2	3.2
FTSE Eurozone All Cap	658	453.57	-0.6	0.3	1.0	746.58	1.2	2.9
FTSE RAFI All World 3000	2992	7091.00	-0.6	0.6	0.2	9523.71	0.6	2.9
FTSE RAFI US 1000	980	11538.28	-0.7	0.7	0.0	15377.41	0.5	2.3
FTSE EDHEC-Risk Efficient All-World	3146	411.01	-0.5	1.6	1.3	579.51	1.7	2.2
FTSE EDHEC-Risk Efficient Developed Europe	550	340.36	-0.5	0.6	0.6	524.66	0.8	2.7
Oil & Gas	145	372.49	-0.7	-0.8	-4.8	615.51	-4.1	3.7

Mar 14 Sectors	No of stocks	US $ indices	Day %	Mth %	YTD %	Total retn	YTD %	Gr Div Yield
Oil & Gas Producers	109	358.39	-0.8	-0.8	-4.8	605.43	-4.1	3.7
Oil Equipment & Services	27	295.74	-0.3	-0.3	-6.0	437.64	-5.4	3.4
Basic Materials	255	541.31	-0.6	-0.6	-0.7	839.46	-0.2	2.6
Chemicals	119	800.69	-1.2	-1.2	-0.6	1243.31	-0.4	2.3
Forestry & Paper	16	326.77	0.4	0.4	6.0	562.23	6.4	3.0
Industrial Metals & Mining	68	480.10	-0.6	-0.6	-1.5	740.83	-1.3	2.6
Mining	52	646.41	0.5	0.5	-1.6	1009.47	-0.3	3.2
Industrials	557	419.81	-0.6	-0.6	1.1	611.59	1.4	1.9
Construction & Materials	115	545.76	-0.2	-0.2	-1.9	828.76	-1.7	2.0
Aerospace & Defense	26	828.73	-1.1	-1.1	7.8	1196.29	8.1	1.8
General Industrials	58	232.90	-0.8	-0.8	-3.0	368.81	-2.2	2.4
Electronic & Electrical Equipment	73	482.70	-0.5	-0.5	4.7	642.60	4.8	1.5
Industrial Engineering	103	859.86	-0.4	-0.4	-0.5	1233.63	-0.3	1.9
Industrial Transportation	102	700.06	-1.1	-1.1	-2.4	1021.45	-2.1	2.2
Support Services	80	398.40	-0.2	-0.2	4.0	554.00	4.1	1.6
Consumer Goods	437	500.58	-0.4	-0.4	-1.8	750.73	-1.5	2.4
Automobiles & Parts	108	447.15	-0.3	-0.3	-0.7	647.59	-0.6	2.6
Beverages	45	664.95	-0.6	-0.6	-1.3	1014.63	-0.8	2.5
Food Producers	110	612.88	-0.5	-0.5	-3.2	940.63	-3.0	2.4
Household Goods & Home Construction	49	428.88	-0.8	-0.8	-8.9	639.33	-8.5	2.8
Leisure Goods	33	256.58	-0.2	-0.2	7.2	340.17	7.1	1.2
Personal Goods	81	764.32	0.1	0.1	1.3	1082.78	1.5	1.9
Tobacco	11	1289.55	-1.0	-1.0	-8.4	2728.71	-8.1	4.5
Health Care	188	514.49	-0.5	-0.5	2.3	750.36	2.8	2.0
Health Care Equipment & Services	72	918.20	-0.5	-0.5	4.4	1076.80	4.6	1.0
Pharmaceuticals & Biotechnology	116	357.83	-0.5	-0.5	1.4	547.19	2.0	2.4
Consumer Services	401	492.89	-0.4	-0.4	4.1	664.99	4.4	1.6
Food & Drug Retailers	59	286.60	-1.3	-1.3	-2.0	404.94	-1.6	2.3
General Retailers	132	758.42	-0.1	-0.1	9.6	994.83	9.8	1.2
Media	80	339.35	-0.6	-0.6	-1.1	458.50	-0.9	1.7
Travel & Leisure	130	489.49	-0.2	-0.2	2.2	668.95	2.6	1.8
Telecommunication	92	160.27	-0.6	-0.6	-3.5	307.30	-3.0	4.4
Fixed Line Telecommuniations	40	129.13	-0.7	-0.7	-4.4	273.81	-3.5	5.0
Mobile Telecommunications	52	177.59	-0.4	-0.4	-2.5	303.95	-2.4	3.7
Utilities	167	267.47	0.3	0.3	-3.1	531.51	-2.4	3.9
Electricity	109	292.38	0.4	0.4	-3.3	574.55	-2.6	3.8
Gas Water & Multiutilities	58	282.94	0.2	0.2	-2.7	577.06	-2.1	4.0
Financials	710	263.69	-0.8	-0.8	2.1	437.79	2.5	2.8
Banks	247	238.03	-1.0	-1.0	2.6	425.53	3.1	3.2
Nonlife Insurance	72	278.11	-0.7	-0.7	2.1	407.42	2.4	2.2
Life Insurance	53	250.11	-0.2	-0.2	-0.9	405.85	-0.6	2.8
Financial Services	154	325.27	-0.9	-0.9	5.8	453.11	6.1	1.8
Technology	194	295.05	0.0	0.0	10.0	364.83	10.3	1.3
Software & Computer Services	96	509.51	0.2	0.2	10.0	597.98	10.2	0.8
Technology Hardware & Equipment	98	221.83	-0.4	-0.4	9.9	286.62	10.3	1.8
Alternative Energy	9	104.23	1.8	1.8	8.2	141.48	8.2	1.8
Real Estate Investment & Services	107	371.52	0.1	0.1	0.9	627.08	1.1	2.4

The FTSE Global Equity Series, launched in 2003, contains the FTSE Global Small Cap Indices and broader FTSE Global All Cap Indices (large/mid/small cap) as well as the enhanced FTSE All-World index Series (large/mid cap) - please see www.ftse.com/geis. The trade names Fundamental Index® and RAFI® are registered trademarks and the patented and patent-pending proprietary intellectual property of Research Affiliates, LLC (US Patent Nos. 7,620,577; 7,747,502; 7,778,905; 7,792,719; Patent Pending Publ. Nos. US-2006-0149645-A1, US-2007-0055598-A1, US-2008-0288416-A1, US-2010- 0063942-A1, WO 2005/076812, WO 2007/078399 A2, WO 2008/118372, EPN 1733352, and HK1099110). "EDHEC™" is a trade mark of EDHEC Business School As of January 2nd 2006, FTSE is basing its sector indices on the Industrial Classification Benchmark - please see www.ftse.com/icb. For constituent changes and other information about FTSE, please see www.ftse.com. © FTSE International Limited. 2013. All Rights reserved. "FTSE®" is a trade mark of the London Stock Exchange Group companies and is used by FTSE International Limited under licence.

FTSE 100 SUMMARY

FTSE 100	Closing Price	Day's Change	FTSE 100	Closing Price	Day's Change
3I Group PLC	916.80	11.20	Legal & General Group PLC	262.10	3.90
Admiral Group PLC	1903.5	2.00	Lloyds Banking Group PLC	66.80	0.11
Anglo American PLC	1766.8	-22.60	London Stock Exchange Group PLC	4019	53.00
Antofagasta PLC	960.00	13.80	Marks And Spencer Group PLC	280.30	-0.40
Ashtead Group PLC	2007	22.00	Mediclinic International PLC	599.40	1.20
Associated British Foods PLC	2542	-18.00	Micro Focus International PLC	1921.5	-52.00
Astrazeneca PLC	4799	34.00	Mondi PLC	1952	-2.00
Aviva PLC	521.00	7.60	Morrison (Wm) Supermarkets PLC	211.40	-3.90
Bae Systems PLC	583.40	4.40	National Grid PLC	770.00	-8.50
Barclays PLC	207.00	-0.40	Next PLC	4829	-11.00
Barratt Developments PLC	536.40	-1.40	Nmc Health PLC	3400	48.00
Berkeley Group Holdings (The) PLC	3923	42.00	Old Mutual PLC	253.00	2.10
Bhp Billiton PLC	1437.6	-7.00	Paddy Power Betfair PLC	7685	-95.00
BP PLC	464.55	-0.20	Pearson PLC	764.20	-1.80
British American Tobacco PLC	4220	-14.00	Persimmon PLC	2560	10.00
British Land Company PLC	637.40	0.20	Prudential PLC	1943.5	25.50
Bt Group PLC	224.95	-0.55	Randgold Resources LD	5958	-130.00
Bunzl PLC	2045	-5.00	Reckitt Benckiser Group PLC	5646	-3.00
Burberry Group PLC	1657	3.00	Relx PLC	1491	0.50
Carnival PLC	4700	-11.00	Rentokil Initial PLC	276.20	4.00
Centrica PLC	138.70	0.05	Rio Tinto PLC	3737	20.00
Coca-Cola Hbc AG	2548	20.00	Rolls-Royce Holdings PLC	909.60	6.60
Compass Group PLC	1523.5	2.00	Royal Bank Of Scotland Group PLC	257.50	-0.20
Crh PLC	2493	27.00	Royal Dutch Shell PLC	2220.5	-9.50
Croda International PLC	4558	31.00	Royal Dutch Shell PLC	2193	-18.50
Dcc PLC	6900	55.00	Rsa Insurance Group PLC	633.80	4.20
Diageo PLC	2436.5	8.50	Sage Group PLC	689.60	0.60
Direct Line Insurance Group PLC	390.20	5.90	Sainsbury (J) PLC	239.20	0.60
Easyjet PLC	1625	-8.50	Schroders PLC	3410	16.00
Evraz PLC	438.50	-3.60	Scottish Mortgage Investment Trust PLC	472.00	-
Experian PLC	1610.5	26.50	Segro PLC	609.40	2.00
Ferguson PLC	5300	52.00	Severn Trent PLC	1766.5	-23.00
Fresnillo PLC	1192.5	-23.50	Shire PLC	3159	14.00
G4S PLC	251.00	-4.00	Sky PLC	1320	-2.00
Gkn PLC	430.20	-7.50	Smith & Nephew PLC	1326.5	5.50
Glaxosmithkline PLC	1311.2	2.20	Smith (Ds) PLC	496.70	-0.30
Glencore PLC	379.15	-4.40	Smiths Group PLC	1597.5	27.50
Halma PLC	1199	12.00	Smurfit Kappa Group PLC	3130	-4.00
Hammerson PLC	434.40	-22.20	Sse PLC	1229.5	4.50
Hargreaves Lansdown PLC	1729	29.00	St. James's Place PLC	1140.5	18.50
HSBC Holdings PLC	699.20	8.90	Standard Chartered PLC	769.30	5.40
Imperial Brands PLC	2479	-42.50	Standard Life Aberdeen PLC	372.60	6.70
Informa PLC	719.60	3.00	Taylor Wimpey PLC	186.70	1.70
Intercontinental Hotels Group PLC	4529	2.00	Tesco PLC	214.00	3.70
International Consolidated Airlines Group S.A.	628.80	-3.60	Tui AG	1541.5	13.00
Intertek Group PLC	4964	49.00	Unilever PLC	3756	-64.50
Itv PLC	148.00	-1.50	United Utilities Group PLC	694.20	-6.60
Johnson Matthey PLC	3185	45.00	Vodafone Group PLC	201.40	-1.00
Just Eat PLC	754.20	-9.00	Whitbread PLC	3830	4.00
Kingfisher PLC	350.30	2.40	Wpp PLC	1155.5	-0.50
Land Securities Group PLC	909.10	-8.20			

UK STOCK MARKET TRADING DATA

	Mar 15	Mar 14	Mar 13	Mar 12	Mar 09	Yr Ago
	-	-	-	-	-	-
Order Book Turnover (m)	77.25	157.55	356.50	433.69	433.69	433.69
Order Book Bargains	1044766.00	1081909.00	989272.00	1036902.00	1036902.00	1036902.00
Order Book Shares Traded (m)	1855.00	1858.00	1756.00	1671.00	1671.00	1671.00
Total Equity Turnover (£m)	5974.40	7355.68	5614.27	5531.19	5531.19	5531.19
Total Mkt Bargains	1176504.00	1199709.00	1104248.00	1137781.00	1137781.00	1137781.00
Total Shares Traded (m)	4147.00	4128.00	3687.00	3763.00	3763.00	3763.00

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

All data provided by Morningstar unless otherwise noted. All elements listed are indicative and believed accurate at the time of publication. No offer is made by Morningstar or the FT. The FT does not warrant nor guarantee that the information is reliable or complete. The FT does not accept responsibility and will not be liable for any loss arising from the reliance on or use of the listed information.
For all queries e-mail ft.reader.enquiries@morningstar.com

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

POWERED BY MORNINGSTAR

UK RIGHTS OFFERS

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

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

UK COMPANY RESULTS

Company		Turnover		Pre-tax		EPS(p)		Div(p)		Pay day	Total	
African Battery Metals	Pre	**0.000**	0.000	**3.945L**	1.778L	**0.180L**	0.240L	**0.00000**	0.00000	-	**0.000**	0.000
Cineworld Group	Pre	**890.700**	797.800	**120.500**	98.200	**37.100**	30.800	**15.40000**	6.10287	Jul 6	**18.053**	8.403
CPPGroup	Pre	**91.435**	73.649	**3.425**	1.875L	**0.540**	0.010	**0.00000**	0.00000	-	**0.000**	0.000
Curtis Banks Group	Pre	**386.582**	291.370	**5.857**	4.490	**9.750**	7.230	**4.75000**	3.00000	May 18	**6.250**	4.000
EP Global Opportunities Trust	Pre			**19.423**	30.789	**41.600**	62.700	**5.30000**	4.30000	May 25	**5.300**	4.300
Fidelity European Values	Pre			**174.150**	131.830	**41.500**	31.440	**4.35000**	4.17000	May 18	**4.350**	4.170
Forbidden Technologies	Pre	**0.759**	0.775	**2.361L**	2.364L	**1.290L**	1.630L	**0.00000**	0.00000	-	**0.000**	0.000
InterQuest Group	Pre	**135.972**	143.610	**0.748**	0.739L	**1.500**	3.400L	**0.00000**	1.00000	-	**0.000**	1.500
Just Group	Pre	**2970.700**	3940.900	**181.300**	198.800	**16.680**	20.160	**0.00000**	2.40000	-	**1.170**	4.600
Kier Group	Int	**2011.400**	1995.600	**33.700**	35.700	**28.600**	40.100	**23.00000**	22.50000	May 18	**68.000**	65.264
Onesavings Bank	Pre	**233.700**	192.400	**167.700**	163.100	**51.100**	49.400	**0.00000**	7.60000	-	**3.500**	10.500
Phoenix Group Holdings	Pre	**5127.000**	6564.000	**28.000L**	128.000L	**7.000L**	34.300L	**25.10000**	23.90000	May 4	**50.200**	46.608
Savills	Pre	**1600.000**	1445.900	**112.400**	99.800	**58.800**	48.800	**0.00000**	10.10000	-	**4.650**	14.500
Spirax-Sarco Engineering	Pre	**998.700**	757.400	**192.500**	171.400	**214.400**	165.000	**62.00000**	53.50000	May 25	**87.500**	76.000

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)
03/14	290.00			JTC PLC	316.00	-2.00	320.00	312.00	33779.3
03/12	10.00	AIM	VRE	VR Education Holdings PLC	12.00	0.25	12.50	10.90	2317.6
03/05	70.00	AIM	GRC	GRC International Group PLC	130.00	5.00	130.00	85.00	7470.2
03/02	100.00		MATE	JPMorgan Multi-Asset Trust PLC	97.50	1.05	103.56	91.00	9054.3
02/27	196.00		IHP	IntegraFin Holdings PLC	270.00	-4.00	285.00	230.00	89456.9

§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

	Close	Prev	52 Week High	52 Week Low	Yld	P/E	MCap m
PingAnIns	88.95	2.95	98.85	41.55	1.43	17.94	84479.95
PngAnBnk RMB	11.71	-0.21	15.24	8.54	1.33	9.18	31338.04
Pwr Cons Corp RMB	7.10	-0.01	9.00	6.62	1.19	15.19	10781.95
SaicMtr RMB	36.77	-0.10	37.66	24.04	4.44	12.68	66909.37
ShenwanHong	0.20	0.01	0.35	0.19	-	-2.32	227.22
ShgPdgBk RMB	12.39	-	14.02	11.16	1.23	6.74	55081.13
Sinopec Corp	6.47	-	7.16	5.40	5.08	11.49	21050.63
Sinopec Oil RMB	2.30	-0.01	4.09	2.14	-	-3.11	4381.48
Denmark (kr)							
DanskeBk	244.20	0.10	259.50	223.00	-	-	-
MollerMrsk	9440	54.00	14260	9226	-	-	-
NovoB	305.40	3.30	354.80	230.40	-	-	-
Indonesia (Rp)							
Bk Cent Asia	23375	-25.00	24700	15525	0.91	24.34	41499.02
Israel (ILS)							
TevaPha	64.49	-2.21	125.50	38.20	4.67	-1.12	19062.73
Italy (€)							
Enel	4.88	0.03	5.59	4.15	3.68	20.40	61175.96
ENI	13.82	0.11	15.45	12.94	5.77	29.49	61896.57
Generali	15.70	0.39	16.48	13.65	5.06	11.79	30210.17
IntSPaolo	3.02	0.02	3.23	2.39	5.88	8.65	58971.6
Luxottica	51.48	0.36	55.60	45.32	1.78	26.56	30764.19
Unicred	17.00	0.39	18.34	12.79	-	-	-
South Korea (KRW)							
HyundMobis♦	229000	-	289500	212000	1.57	13.48	20921.39
KoreaElePwr	32350	-350.00	49000	31500	5.92	7.25	19490.88
SK Hynix	89600	-1100.00	90900	46550	1.15	5.79	61219.16
SmsungEl	2577000	-11000.00	2876000	2004000	1.82	10.20	310513.37
Spain (€)							
BBVA	6.53	-0.04	7.93	6.51	4.60	11.09	53628.34
BcoSantdr	5.34	-0.02	6.25	5.27	3.97	12.44	106062.13
CaixaBnk	3.82	-0.02	4.51	3.68	3.42	13.56	28114.19
Iberdrola	6.04	0.03	7.30	5.87	2.95	12.57	47879.68
Inditex	25.45	0.26	36.90	23.00	1.95	24.37	97724.15
Repsol	13.96	-0.04	16.30	13.28	5.86	10.16	26770.14
Telefonica	8.05	-0.01	10.63	7.45	4.99	14.31	51520.85

FT 500: TOP 20

	Close price	Prev price	Day change	Day change %	Week change	Week change %	Month change %
ValeantPh	21.88	21.98	-0.10	-0.45	2.15	10.9	-6.17
AgricBkCh	4.72	4.74	-0.02	-0.42	0.42	9.8	10.28
Alexion	129.86	122.68	7.18	5.85	11.48	9.7	6.13
PingAnIns	88.95	86.00	2.95	3.43	7.20	8.8	5.70
Keyence	67360.00	66410.00	950.00	1.43	5280.00	8.5	6.72
Avago Tech	267.90	260.59	7.31	2.81	20.85	8.4	6.08
SK Hynix	89600.00	90700.00	-1100.00	-1.21	6900.00	8.3	15.46
Allegran	165.91	167.06	-1.15	-0.69	12.69	8.3	1.12
Tencent	468.60	463.60	5.00	1.08	34.40	7.9	8.07
MTR	43.95	44.00	-0.05	-0.11	3.20	7.9	8.25
E.ON	9.14	9.23	-0.09	-0.94	0.63	7.5	7.45
AIA	67.15	67.00	0.15	0.22	4.35	6.9	7.61
HyundMobis	229000.00	229000.00	0.00	0.00	14500.00	6.8	2.00
ChinaPcIns	40.10	38.90	1.20	3.08	2.40	6.4	8.97
Inditex	25.45	25.19	0.26	1.03	1.50	6.3	-4.43
SmsungEl	2577000.00	2588000.00	-11000.00	-0.43	146000.00	6.0	5.18
MediaTek	318.00	313.50	4.50	1.44	18.00	6.0	11.58
ShnEtsuCh	11270.00	11300.00	-30.00	-0.27	635.00	6.0	1.24
McDonald's	161.46	158.24	3.22	2.03	9.08	6.0	0.34
SandsCh	45.00	45.15	-0.15	-0.33	2.50	5.9	2.51

Based on the FT Global 500 companies in local currency

FT 500: BOTTOM 20

	Close price	Prev price	Day change	Day change %	Week change	Week change %	Month change %
Cigna	168.22	166.88	1.34	0.80	-26.03	-13.4	-12.42
Kroger	23.76	23.44	0.32	1.37	-2.47	-9.4	-17.44
Williams Cos	25.23	28.14	-2.91	-10.34	-2.23	-8.1	-16.41
MTN Grp	125.04	127.45	-2.41	-1.89	-9.96	-7.4	-3.07
Cielo	22.12	22.95	-0.83	-3.62	-1.73	-7.3	-11.03
Sberbank	254.51	262.50	-7.99	-3.04	-19.49	-7.1	-3.81
BT	224.95	225.50	-0.55	-0.24	-15.60	-6.5	-99.00
Midea	1.60	1.65	-0.05	-3.03	-0.11	-6.4	-8.05
L Brands	41.28	41.30	-0.02	-0.05	-2.69	-6.1	-16.52
WPP	1155.50	1156.00	-0.50	-0.04	-75.00	-6.1	-99.19
Monsanto	117.02	123.15	-6.13	-4.98	-5.93	-4.8	-3.32
Boeing	331.43	330.26	1.17	0.35	-15.61	-4.5	-7.35
Imperial Brands	2479.00	2521.50	-42.50	-1.69	-116.50	-4.5	-99.06
Tata Cons	2869.70	2886.90	-17.20	-0.60	-134.25	-4.5	-1.45
KinderM	15.37	16.42	-1.06	-6.43	-0.69	-4.3	-12.16
AmerIntGrp	54.97	54.93	0.04	0.07	-2.34	-4.1	-7.23
Qualcomm	60.00	60.12	-0.12	-0.20	-2.49	-4.0	-8.00
H & M	131.82	136.34	-4.52	-3.32	-5.16	-3.8	-5.17
BkNYMeln	54.87	54.87	0.00	0.00	-2.03	-3.6	-2.30
Roche	220.80	228.25	-7.45	-3.26	-7.95	-3.5	-1.16

Based on the FT Global 500 companies in local currency

BONDS: HIGH YIELD & EMERGING MARKET

	Red date	Coupon	S*	M*	F*	Bid price	Bid yield	Day's chge yield	Mth's chge yield	Spread vs US
Colombia	03/23	2.63	BBB-	Baa2	BBB	95.75	3.56	-0.02	-0.15	0.97
Poland	03/23	3.00	BBB+	A2	A-	98.96	3.23	0.00	-0.06	0.64
Turkey	03/23	3.25	-	Ba2	BB+	93.00	4.84	-0.03	-0.03	2.25
Turkey	03/27	6.00	-	Ba2	BB+	101.74	5.75	-0.03	0.00	2.92
Peru	08/27	4.13	BBB+	A3	BBB+	104.50	3.56	-0.05	-0.15	0.73
Russia	06/28	12.75	BBB-	Ba1	BBB-	167.00	4.52	0.05	0.15	1.69
Brazil	02/47	5.63	BB-	Ba2	BB-	95.85	5.93	0.00	-0.16	-
Emerging Euro										
Mexico	02/20	5.50	BBB+	A3	BBB+	110.46	0.06	-0.03	-0.14	-2.19
Brazil	04/21	2.88	BB-	Ba2	BB-	105.94	0.89	0.01	0.00	-
Mexico	04/23	2.75	BBB+	A3	BBB+	107.61	1.20	-0.01	0.03	-1.39
Bulgaria	03/28	3.00	BBB-	Baa2	BBB	111.87	1.70	0.00	0.03	-1.13

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

INTEREST RATES: OFFICIAL

Mar 15	Rate	Current	Since	Last	Mnth Ago	Year Ago
US	Fed Funds	1.25-1.50	15-06-2017	1.00	1.25-1.50	0.50-0.75
US	Prime	4.50	15-06-2017	4.50	4.25	3.50
US	Discount	0.75	15-06-2017	0.75	1.75	1.00
Euro	Repo	0.00	16-03-2016	0.05	0.00	0.00
UK	Repo	0.50	04-08-2016	0.25	0.25	0.25
Japan	O'night Call	0.00-0.00	01-02-2016	0.00	0.00--0.10	0.00--0.10
Switzerland	Libor Target	0.00-0.25	15-01-2015	0.00-0.75	-1.25--0.25	-1.25--0.25

INTEREST RATES: MARKET

BOND INDICES

	Index	Day's change	Month's change	Year change	Return 1 month	Return 1 year
Markit IBoxx						
ABF Pan-Asia unhedged	192.98	0.31	0.67	1.34	0.44	9.44
Corporates(£)	341.65	0.34	0.43	-1.45	1.22	2.37
Corporates($)	272.20	0.03	-0.23	-2.66	-0.23	-2.66
Corporates(€)	226.04	0.00	0.07	-0.22	0.50	2.45
Eurozone Sov(€)	233.67	0.10	0.52	0.34	0.99	3.02
Gilts(£)	320.44	0.74	0.92	-0.90	2.22	0.65
Global Inflation-Lkd	269.37	0.39	0.72	0.21	1.06	9.49
Markit iBoxx £ Non-Gilts	336.09	0.37	0.44	-1.29	1.17	1.93
Overall ($)	234.73	0.08	0.07	-2.14	0.07	-2.14
Overall(£)	322.03	0.63	0.78	-1.02	1.91	1.02
Overall(€)	229.47	0.09	0.39	0.05	0.81	2.46
Treasuries ($)	220.29	0.13	0.25	-1.95	0.25	-1.95
FTSE						
Sterling Corporate (£)	113.84	0.04	-	-	0.63	-2.80
Euro Corporate (€)	106.25	-0.11	-	-	0.28	-0.51
Euro Emerging Mkts (€)	631.56	-5.53	-	-	-0.33	-21.08
Eurozone Govt Bond	111.40	0.17	-	-	1.03	0.63

CREDIT INDICES	Index	Day's change	Week's change	Month's change	Series high	Series low
Markit iTraxx						
Crossover 5Y	255.34	-0.63	-3.41	-26.67	282.02	221.09
Europe 5Y	50.20	-0.21	-1.70	-6.74	59.12	42.77

VOLATILITY INDICES

	Mar 15	Day Chng	Prev	52 wk high	52 wk low
VIX	16.30	-0.93	17.23	50.30	8.56
VXD	15.81	-0.43	16.24	40.09	3.93
VXN	19.03	-0.49	19.52	38.11	9.75
VDAX	-	-	-	-	-

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

BONDS: BENCHMARK GOVERNMENT

	Red Date	Coupon	Bid Price	Bid Yield	Day chg yield	Wk chg yield	Month chg yld	Year chg yld
Australia	10/19	2.75	101.27	1.94	-0.02	0.02	0.04	-0.07
	11/28	2.75	99.80	2.77	-0.06	-0.05	-0.11	-0.31
Austria	10/19	0.25	101.29	-0.56	0.00	-0.03	-0.05	0.07
	04/27	0.50	98.20	0.71	-0.03	-0.06	-0.15	-
Belgium	09/20	2.10	106.08	-0.34	-0.01	-0.03	-0.06	-0.02
	06/27	0.80	100.53	0.74	-0.03	-0.06	-0.14	-0.22

BONDS: GLOBAL INVESTMENT GRADE

COMMODITIES

BONDS: INDEX-LINKED

BONDS: TEN YEAR GOVT SPREADS

GILTS: UK CASH MARKET

GILTS: UK FTSE ACTUARIES INDICES

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

MANAGED FUNDS SERVICE

Algebris Investments (IRL)

Fund	Bid	Offer	D+/-	Yield
Regulated				
Algebris Financial Credit Fund - Class I EUR	€ 157.92	-	-0.42	0.00
Algebris Financial Income Fund - Class I EUR	€ 147.85	-	-1.02	0.00
Algebris Financial Equity Fund - Class B EUR	€ 136.62	-	-2.29	0.00
Algebris Asset Allocation Fund - Class B EUR	€ 98.18	-	-0.05	0.00
Algebris Macro Credit B EUR Acc	€ 110.49	-	-0.49	0.00
Algebris Core Italy Fund - Class R EUR	€ 97.94	-	-0.28	-

The Antares European Fund Limited

Fund	Bid	Offer	D+/-	Yield
Other International				
AEF Ltd Usd (Est)	$ 743.47	-	36.53	-
AEF Ltd Eur (Est)	€ 731.57	-	35.06	0.00

Arisaig Partners

Fund	Bid	Offer	D+/-	Yield
Other International Funds				
Arisaig Africa Consumer Fund Limited	$ 14.62	-	-0.15	0.00
Arisaig Asia Consumer Fund Limited	$ 93.22	-	-0.27	0.00
Arisaig Global Emerging Markets Consumer Fund	$ 11.99	-	-0.08	0.00
Arisaig Global Emerging Markets Consumer UCITS STG	£ 12.56	-	-0.05	0.00
Arisaig Global Emerging Markets Consumer UCITS USD	$ 14.13	-	-0.06	0.00
Arisaig Latin America Consumer Fund	$ 28.50	-	-0.20	0.00

Artisan Partners Global Funds PLC (IRL)
Beaux Lane House, Mercer Street Lower, Dublin 2, Ireland
Tel: 44 (0) 207 766 7130

Fund	Bid	Offer	D+/-	Yield
FCA Recognised				
Artisan Partners Global Funds plc				
Artisan Global Equity Fund Class I USD Acc	$ 19.90	-	-0.06	0.00
Artisan Global Opportunities Fund Class I USD Acc	$ 17.99	-	-0.02	0.00
Artisan Global Value Fund Class I USD Acc	$ 21.22	-	-0.11	0.00
Artisan US Value Equity Fund Class I USD Acc	$ 15.29	-	-0.07	0.00
Artisan Global Opportunities Class I EUR Acc	€ 21.86	-	0.00	0.00

Ashmore Investment Management Limited (LUX)
2 rue Albert Borschette L-1246 Luxembourg

Fund	Bid	Offer	D+/-	Yield
FCA Recognised				
Ashmore SICAV Emerging Market Debt Fund	$ 99.84	-	0.19	5.94
Ashmore SICAV Emerging Market Frontier Equity Fund	$ 120.10	-	0.07	0.64
Ashmore SICAV Emerging Market Total Return Fund	$ 91.08	-	0.05	5.46
Ashmore SICAV Global Small Cap Equity Fund	$ 181.77	-	-1.37	0.57
EM Mkts Corp.Debt USD F	$ 98.37	-	-0.06	6.62
EM Mkts Loc.Ccy Bd USD F	$ 91.16	-	-0.07	5.09
EM Short Duration Fund Acc USD	$ 136.78	-	-0.01	0.00

Aspect Capital Ltd (UK)

Fund	Bid	Offer	D+/-	Yield
Other International Funds				
Aspect Diversified USD	$ 401.96	-	-2.50	0.00
Aspect Diversified EUR	€ 232.21	-	-1.44	0.00
Aspect Diversified GBP	£ 121.55	-	-0.76	0.00
Aspect Diversified CHF	SFr 109.29	-	-0.73	0.00
Aspect Diversified Trends USD	$ 119.53	-	-0.78	0.00
Aspect Diversified Trends EUR	€ 115.28	-	-0.76	0.00
Aspect Diversified Trends GBP	£ 122.31	-	-0.81	0.00

Atlantas Sicav (LUX)

Fund	Bid	Offer	D+/-	Yield
Regulated				
American Dynamic	$ 4845.54	-	195.01	0.00
American One	$ 4432.48	-	118.78	0.00
Bond Global	€ 1360.84	-	1.26	0.00
Eurocroissance	€ 1014.33	-	35.75	0.00
Far East	$ 1039.56	-	31.30	0.00

Bank of America Cap Mgmt (Ireland) Ltd (IRL)

Fund	Bid	Offer	D+/-	Yield
Regulated				
Global Liquidity USD	$ 1.00	-	0.00	0.61

Barclays Investment Funds (CI) Ltd (JER)
39/41 Broad Street, St Helier, Jersey, JE2 3RR Channel Islands 01534 812800

Fund	Bid	Offer	D+/-	Yield
FCA Recognised				
Bond Funds				
Sterling Bond F	£ 0.47	-	0.00	2.75

BlackRock (JER)

Fund	Bid	Offer	D+/-	Yield
Regulated				
BlackRock UK Property	£ 44.11	-	0.05	2.47
BLK Intl Gold & General	£ 5.42	5.72	0.01	0.00

CCLA Investment Management Ltd (UK)
Senator House 85 Queen Victoria Street London EC4V 4ET

Fund	Bid	Offer	D+/-	Yield
Authorised Inv Funds				
Diversified Income 1 Units GBP Inc	£ 1.54	1.54	0.00	3.33
Diversified Income 2 Units GBP Inc	£ 1.48	1.48	0.00	-
Diversified Income 3 Units GBP Inc	£ 1.49	1.49	0.00	-

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

Fund	Bid	Offer	D+/-	Yield
FCA Recognised				
Capital Gearing Portfolio Inc	£ 31235.30	31235.30	69.61	0.53
CG Portfolio Fund Plc				
Absolute Return Cls M Inc	£ 113.95	113.95	0.14	1.30
Capital Value Cls V Inc	£ 150.67	150.67	0.37	0.45
Dollar Fund Cls D Inc	£ 141.86	141.86	0.66	1.73
Dollar Hedged GBP Inc	£ 96.47	96.47	0.19	1.75
Real Return Cls A Inc	£ 183.97	183.97	0.75	2.28

Cedar Rock Capital Limited (IRL)

Fund	Bid	Offer	D+/-	Yield
Regulated				
Cedar Rock Capital Fd Plc	$ 439.36	-	-6.83	1.55
Cedar Rock Capital Fd Plc	£ 500.38	-	-1.02	1.60
Cedar Rock Capital Fd Plc	€ 374.77	-	0.62	1.59

Charles Schwab Worldwide Funds Plc (IRL)

Fund	Bid	Offer	D+/-	Yield
Regulated				
Schwab USD Liquid Assets Fd	$ 1.00	-	0.00	0.29

Chartered Asset Management Pte Ltd

Fund	Bid	Offer	D+/-	Yield
Other International Funds				
CAM-GTF Limited	$ 327820.56	327820.56	4522.15	0.00
CAM GTi Limited	$ 708.54	-	14.77	0.00
Raffles-Asia Investment Company	$ 1.68	1.68	-0.02	1.18

Cheyne Capital Management (UK) LLP

Fund	Bid	Offer	D+/-	Yield
Other International Funds				
Cheyne European Event Driven Fund (M)	€ 149.98	-	2.23	-

price updated (D) daily, (W) weekly, (M) monthly

DAVIS Funds SICAV (LUX)

Fund	Bid	Offer	D+/-	Yield
Regulated				
Davis Value A	$ 54.03	-	-0.30	0.00
Davis Global A	$ 42.54	-	-0.06	0.00

Dodge & Cox Worldwide Funds (IRL)
6 Duke Street,St.James,London SW1Y 6BN
www.dodgeandcox.worldwide.com 020 3713 7664

Fund	Bid	Offer	D+/-	Yield
FCA Recognised				
Dodge & Cox Worldwide Funds plc - Global Bond Fund				
EUR Accumulating Class	€ 12.11	-	0.02	0.00
EUR Accumulating Class (H)	€ 10.31	-	0.00	0.00
EUR Distributing Class	€ 10.63	-	0.01	3.93
EUR Distributing Class (H)	€ 9.05	-	0.00	3.67
GBP Distributing Class	£ 11.47	-	0.00	3.85
GBP Distributing Class (H)	£ 9.32	-	0.00	3.28
USD Accumulating Class	$ 10.80	-	0.00	0.00
Dodge & Cox Worldwide Funds plc-Global Stock Fund				
USD Accumulating Share Class	$ 22.39	-	-0.11	0.00
GBP Accumulating Share Class	£ 26.37	-	-0.15	0.00
GBP Distributing Share class	£ 18.89	-	-0.11	0.47
EUR Accumulating Share Class	€ 27.19	-	-0.10	0.00
GBP Distributing Class (H)	£ 12.08	-	-0.06	0.36
Dodge & Cox Worldwide Funds plc-International Stock Fund				
USD Accumulating Share Class	$ 18.08	-	-0.05	0.00
EUR Accumulating Share Class	€ 17.20	-	-0.04	0.00
Dodge & Cox Worldwide Funds plc-U.S. Stock Fund				
USD Accumulating Share Class	$ 26.21	-	-0.18	0.00
GBP Accumulating Share Class	£ 29.19	-	-0.22	0.00
GBP Distributing Share Class	£ 18.26	-	-0.14	0.75
EUR Accumulating Share Class	€ 27.47	-	-0.16	0.00
GBP Distributing Class (H)	£ 11.83	-	-0.08	0.38

Dragon Capital Group
1501 Me Linh Point, 2 Ngo Duc Ke, District 1, Ho Chi Minh City, Vietnam
Fund information, dealing and administration: funds@dragoncapital.com

Fund	Bid	Offer	D+/-	Yield
Other International Funds				
Vietnam Property Fund (VPF) NAV	$ 0.80	-	0.03	0.00

DSM Capital Partners Funds (LUX)
www.dsmsicav.com

Fund	Bid	Offer	D+/-	Yield
Regulated				
DSM Global Growth I2 Acc	€ 191.14	-	1.12	0.00
DSM Global Growth I2 Dst	A$ 109.11	-	0.37	-
DSM Global Growth I1 Acc	€ 122.20	-	0.19	0.00
DSM US Large Cap Growth A	$ 155.66	-	0.38	0.00
DSM US Large Cap Growth I2	€ 126.12	-	0.70	0.00

Edinburgh Partners Limited (IRL)
27-31 Melville Street, Edinburgh EH3 7JF
Tel: +353 1 434 5143 Dealing - Fax +353 1 434 5230

Fund	Bid	Offer	D+/-	Yield
FCA Recognised				
Edinburgh Partners Opportunities Fund PLC				
Emerging Opportunities I USD $	$ 1.46	-	0.00	1.33
European Opportunities I EUR	€ 2.73	-	-0.01	1.85
European Opportunities I GBP	£ 2.41	-	-0.01	1.63
European Opportunities A EUR	€ 2.68	-	-0.01	0.92
Global Opportunities I USD	$ 2.03	-	-0.01	1.33
Global Opportunities I GBP	£ 1.46	-	0.00	1.14
Pan European Opportunities I EUR	€ 1.82	-	0.00	-

Ennismore Smaller Cos Plc (IRL)
5 Kensington Church St, London W8 4LD 020 7368 4220

Fund	Bid	Offer	D+/-	Yield
FCA Recognised				
Ennismore European Smlr Cos NAV	£ 123.29	-	0.37	0.00
Ennismore European Smlr Cos NAV	€ 139.11	-	0.43	0.00

Ennismore European Smlr Cos Hedge Fd

Fund	Bid	Offer	D+/-	Yield
Other International Funds				
NAV	€ 510.46	-	-5.33	0.00

Equinox Fund Mgmt (Guernsey) Limited (GSY)

Fund	Bid	Offer	D+/-	Yield
Regulated				
Equinox Russian Opportunities Fund Limited	$ 202.09	-	1.73	0.00

Euronova Asset Management UK LLP (CYM)

Fund	Bid	Offer	D+/-	Yield
Regulated				
Smaller Cos Cls One Shares	€ 43.44	-	0.03	0.00
Smaller Cos Cls Two Shares	€ 29.39	-	0.02	0.00
Smaller Cos Cls Three Shares	€ 14.83	-	0.01	0.00
Smaller Cos Cls Four Shares	€ 19.05	-	0.01	0.00

Eurobank Fund Management Company (Luxembourg) S.A.

Fund	Bid	Offer	D+/-	Yield
Regulated				
(LF) Absolute Return	€ 1.37	-	0.00	0.00
(LF) Eq Emerging Europe	€ 0.91	-	-0.01	0.00
(LF) Eq Mena Fund	€ 12.78	-	0.15	0.00
(LF) Greek Government Bond	€ 28.67	-	-0.04	0.00
(LF) Greek Corporate Bond	€ 14.75	-	-0.02	0.00
(LF) FOF Dynamic Fixed Inc	€ 11.77	-	0.01	0.00
(LF) FOF Real Estate	€ 14.84	-	0.00	0.00

FIL Investment Services (UK) Limited (1200)F (UK)
130, Tonbridge Rd, Tonbridge TN11 9DZ
Callfree: Private Clients 0800 414161
Broker Dealings: 0800 414 181

Fund	Bid	Offer	D+/-	Yield
OEIC Funds				
Cash Fund Y-Acc-GBP	£ 1.00	-	0.00	0.08
Cash Fund Y-Inc-GBP	£ 1.00	-	0.00	0.19
Fidelity Select 50 Balanced Fund PI-ACC-GBP	£ 1.01	-	0.00	-
Fidelity Short Dated Corporate Bond Fund Y - Acc	£ 9.75	-	0.00	4.23
Fidelity Short Dated Corporate Bond Fund Y - Gross Acc	£ 10.27	-	0.00	1.17
Target 2020 A-ACC-GBP	£ 0.66	-	0.01	0.45
Target 2025 A-ACC-GBP	£ 1.61	-	0.00	0.52
Target 2030 A-ACC-GBP	£ 1.82	-	0.00	0.57
Institutional OEIC Funds				
Europe (ex-UK) Fund ACC-GBP	£ 5.17	-	-0.01	1.14
UK Gilt Fund Inc	£ 1.36	-	0.01	1.65
UK Long Corporate Bond - Gross Inc	£ 1.23	-	0.06	3.01

Findlay Park Funds Plc (IRL)
30 Herbert Street, Dublin 2, Ireland Tel: 020 7968 4900

Fund	Bid	Offer	D+/-	Yield
FCA Recognised				
American Fund USD Class	$ 111.78	-	-0.65	0.00
American Fund GBP Hedged	£ 59.47	-	-0.35	0.00
American Fund GBP Unhedged	£ 80.14	-	-0.23	0.00
Latin American Fund USD Class	$ 17.46	-	-0.07	0.00
Latin American Fund GBP Unhedged	£ 12.76	-	-0.01	0.00

The First Investor QSCC
5th Floor, Barwa Bank Building, Grand Hamad Street, P.O. Box 16034, Doha, State of Qatar
+974 4459 6111
http://www.tfi.com.qa/

Fund	Bid	Offer	D+/-	Yield
Other International Funds				
TFI GCC Equity Opportunities Fund (Q)	QAR 1280.10	-	0.04	0.00

Foord Asset Management
Website: www.foord.com - Email: info@foord.com

Fund	Bid	Offer	D+/-	Yield
FCA Recognised - Luxembourg UCITS				
Foord International Fund | R	$ 41.08	-	-0.21	-
Foord Global Equity Fund (Lux) | R	$ 13.66	-	-0.06	-
Regulated				
Foord Global Equity Fund (Sing) | B	$ 16.48	-	-0.08	0.00
Foord International Trust (Gsy)	$ 40.76	-	-0.21	0.00

Franklin Templeton International Services Sarl (IRL)
JPMorgan House - International Financial Services Centre,Dublin 1, Ireland

Fund	Bid	Offer	D+/-	Yield
Other International Funds				
Franklin Emerging Market Debt Opportunities Fund Plc				
Franklin Emg Mkts Debt Opp CHF	SFr 17.88	-	0.03	8.00
Franklin Emg Mkts Debt Opp GBP	£ 11.17	-	0.07	5.90
Franklin Emg Mkts Debt Opp SGD	S$ 24.00	-	0.03	4.57
Franklin Emg Mkts Debt Opp USD	$ 18.74	-	-0.01	5.89

GAM
funds@gam.com, www.funds.gam.com

Fund	Bid	Offer	D+/-	Yield
Regulated				
LAPIS TOP 25 DIV.YLD-D	£ 102.41	-	-0.02	1.95

GYS Investment Management Ltd (GSY)

Fund	Bid	Offer	D+/-	Yield
Regulated				
Taurus Emerging Fund Ltd	$ 240.27	245.17	3.97	0.00

Genesis Asset Managers LLP

Fund	Bid	Offer	D+/-	Yield
Other International Funds				
Emerging Mkts NAV	£ 8.25	-	-0.02	1.29

www.globalinv.net

Global Investment House

Fund	Bid	Offer	D+/-	Yield
Global GCC Islamic Fund	$ 99.04	-	-0.49	0.00
Global GCC Large Cap Fund	$ 148.53	-	-0.83	0.00
Global Saudi Equity Fund	SR 230.93	-	-0.61	0.00

HPB Assurance Ltd
Anglo Intl House, Bank Hill, Douglas, Isle of Man, IM1 4LN 01638 563490

Fund	Bid	Offer	D+/-	Yield
International Insurances				
Holiday Property Bond Ser 1	£ 0.54	-	0.00	0.00
Holiday Property Bond Ser 2	£ 0.65	-	0.00	0.00

Haussmann

Fund	Bid	Offer	D+/-	Yield
Other International Funds				
Haussmann Cls A	$ 2944.46	-	28.23	-
Haussmann Cls C	€ 2468.28	-	21.53	-
Haussmann Cls D	SFr 1290.86	-	11.22	-

Hermes Investment Funds Plc (IRL)
Hermes Investment Management Limited, 1 Portsoken Street, London E1 8HZ +44 (0) 207 680 2121

Fund	Bid	Offer	D+/-	Yield
FCA Recognised				
Hermes Abs Return Credit Fund Class F Acc	£ 1.15	1.15	0.00	0.00
Hermes Abs Return Credit Fund Class F Acc USD	€ 1.92	1.92	-0.01	0.00
Hermes Asia Ex-Japan Equity Fund Class C Acc GBP	£ 2.68	2.68	0.01	0.00
Hermes Asia Ex-Japan Equity Fund Class C Acc USD	€ 4.72	4.72	0.02	0.00
Hermes Europe Ex-UK Equity Fund Class F Acc	£ 2.09	2.09	0.00	0.00
Hermes Europe Ex-UK Equity Fund Class F Acc EUR	€ 3.98	3.98	-0.01	0.00
Hermes European Alpha Equity Fund Class F Acc	£ 1.73	1.73	0.00	0.00
Hermes European Alpha Equity Fund Class F Dis	£ 1.63	1.63	0.00	1.16
Hermes European Alpha Equity Fund Class F Acc EUR	€ 3.39	3.39	-0.01	0.00
Hermes Global Emerging Markets Fund Class F Acc	£ 2.09	2.09	0.00	0.00
Hermes Global Emerging Markets Fund Class F Acc USD	€ 4.30	4.30	-0.02	0.00
Hermes Global Equity Fund Class F Acc	£ 2.21	2.21	0.00	0.00
Hermes Global Equity Fund Class R Acc USD	€ 4.72	4.72	0.00	0.00
Hermes Global ESG Equity Fund Class F Acc	£ 1.69	1.69	0.01	0.00
Hermes Global High Yield Credit Fund Class F Acc	£ 1.49	1.49	0.00	0.00
Hermes Global High Yield Credit Fund Class F Acc EUR	€ 3.15	3.15	-0.01	0.00
Hermes Global Small Cap Fund Class F Acc	£ 1.51	1.51	0.00	0.00
Hermes Global Small Cap Fund Class F Acc USD	€ 2.17	2.17	-0.01	0.00
Hermes Impact Opportunities Equity Fund F	$ 2.00	-	-0.02	-
Hermes Impact Opportunities Equity Fund F	£ 0.97	-	-0.01	-
Hermes Multi Asset Inflation Fund Class F GBP Acc	£ 1.04	1.04	0.00	0.00
Hermes Multi Strategy Credit Fund Class F Acc Hed	£ 1.14	1.14	0.00	0.00
Hermes SDG Engagement Equity Fund F	$ 2.14	-	0.00	-
Hermes SDG Engagement Equity Fund F	£ 1.03	-	0.00	-
Hermes US All Cap Equity Class F Stg £ Acc	£ 1.43	1.43	0.00	0.00
Hermes US All Cap Equity Class F Acc USD	€ 2.18	2.18	0.00	0.00
Hermes US SMID Equity Fund Class F Acc	£ 2.34	2.34	0.00	0.00
Hermes US SMID Equity Fund Class F Acc USD	€ 4.05	4.05	-0.01	0.00

INDIA VALUE INVESTMENTS LIMITED (INVIL)
www.invil.mu

Fund	Bid	Offer	D+/-	Yield
Other International Funds				
NAV	£ 8.36	-	-0.06	0.00

Intrinsic Value Investors (IVI) LLP (IRL)
1 Hat & Mitre Court, 88 St John Street, London EC1M 4EL +44 (0)20 7566 1210

Fund	Bid	Offer	D+/-	Yield
FCA Recognised				
IVI European Fund EUR	€ 21.91	-	-0.01	0.00
IVI European Fund GBP	£ 25.98	-	-0.05	0.00

Invesco Fund Managers Ltd (UK)
Perptual Park, Henley-On-Thames, Oxon, RG9 1HH
Dealing: 0800 085 8571
Investor Services: 0800 085 8677
www.invescoperpetual.co.uk

Fund	Bid	Offer	D+/-	Yield
Authorised Inv Funds				
Invesco Perpetual Funds (No Trail)				
Global Targeted Income Fund Acc (No Trail)	100.62	-	-0.01	3.40
Global Targeted Income Fund Inc (No Trail)	104.93	-	-0.02	3.34
Invesco Global Emerging Mkts Bond Acc (No Trail)	95.98	-	0.13	4.26
Invesco Global Emerging Mkts Bond Inc (No Trail)	91.68	-	0.12	4.36

Invesco (LUX)
Dublin 00 353 1 439 8100 Hong Kong 00852 3191 8282

Fund	Bid	Offer	D+/-	Yield
FCA Recognised				
Invesco Management SA				
Invesco Active Multi-Sector Credit Fund A	€ 3.14	-	0.00	0.00
Invesco Asia Balanced A dist	$ 14.96	-	-0.01	2.91
Invesco Asia Consumer Demand Fund A income	$ 18.87	-	0.05	0.06
Invesco Asia Infrastructure (A)	$ 15.68	-	-0.01	0.75
Invesco Asia Opportunities Equity A	$ 149.27	-	-0.14	0.00
Invesco Balanced Risk Allocation Fund A	€ 16.84	-	-0.01	0.00
Invesco Emerging Europe Equity Fund A	$ 12.64	-	-0.09	0.00
Invesco Emerging Local Currencies Debt A Inc	$ 7.22	-	-0.03	5.83
Invesco Emerging Market Structured Equity Fund A	$ 13.15	-	-0.01	0.00
Invesco Energy A	$ 16.54	-	-0.10	0.00
Invesco Euro Corporate Bond Fund (A)	€ 17.90	-	-0.01	0.00
Invesco Euro Reserve A	€ 320.12	-	0.00	0.00
Invesco Euro Bond A	€ 7.52	-	0.00	0.00
Invesco European Growth Equity A	€ 26.82	-	-0.21	0.00
Invesco Global Absolute Return Fund A Class	€ 10.96	-	-0.02	0.00
Invesco Global Bond A Inc	$ 5.86	-	0.00	0.79
Invesco Global Conservative Fund 90 (EUR) A	€ 11.74	-	0.00	0.00
Invesco Global Equity Income Fund A	$ 73.23	-	-0.38	0.00
Invesco Global Inc Real Estate Sec A dist	$ 9.42	-	0.01	2.08
Invesco Global Inv Grd Corp Bond A Dist	$ 12.09	-	0.00	2.81
Invesco Global Leisure A	$ 57.54	-	-0.03	0.00
Invesco Global Smaller Comp Eq Fd A	$ 78.38	-	-0.46	0.00
Invesco Global Structured Equity A	$ 51.37	-	-0.18	0.74
Invesco Global Total Ret.(EUR) Bond Fund A	€ 13.73	-	0.00	0.00
Invesco Gold & Precious Metals A	$ 4.95	-	-0.01	0.00
Invesco Greater China Equity A	$ 68.07	-	-0.11	0.00
Invesco India Equity A	$ 72.27	-	0.17	0.00
Invesco Japanese Equity Adv Fd A	¥ 4789.00	-	9.00	0.00
Invesco Japanese Value Eq Fd A	¥ 1656.00	-	7.00	0.00
Invesco Latin American Equity A	$ 8.37	-	-0.05	0.00
Invesco Nippon Small/Mid Cap Equity A	¥ 1785.00	-	10.00	0.00
Invesco Pan European Equity A EUR Cap NAV	€ 20.38	-	-0.08	0.00
Invesco Pan European High Income Fd A	€ 14.41	-	-0.02	1.91
Invesco Pan European Small Cap Equity A	€ 25.05	-	-0.13	0.00
Invesco Pan European Structured Equity A	€ 18.60	-	-0.11	0.00
Invesco Real Return (EUR) Bond Fund A	€ 15.90	-	0.00	-
Invesco UK Eqty Income A	£ 31.76	-	-0.25	0.00
Invesco UK Investment Grade Bond A	£ 1.06	-	0.01	1.96
Invesco US Structured Equity A	$ 27.05	-	-0.12	0.00
Invesco US Value Eq Fd A	$ 41.81	-	-0.32	0.00
Invesco USD Reserve A	$ 88.09	-	0.00	0.00

Invesco Global Asset Management Ltd (IRL)
Dublin 00 353 1 439 8100 Hong Kong 00 852 2842 7200

Fund	Bid	Offer	D+/-	Yield
FCA Recognised				
Invesco Stlg Bd A QD F	£ 2.67	-	0.00	3.23
Invesco Asian Equity A	$ 9.64	-	-0.02	0.00
Invesco ASEAN Equity A	$ 112.67	-	-1.54	0.29
Invesco Bond A	$ 28.25	-	0.00	2.25
Invesco Continental Eurp Small Cap Eqty A	$ 298.09	-	-2.28	0.00
Invesco Emerging Markets Equity A	$ 52.54	-	-0.19	0.00
Invesco Emerging Markets Bond A	$ 22.01	-	0.01	5.11
Invesco Continental European Equity A	€ 9.19	-	-0.03	0.83
Invesco Gilt A	£ 15.99	-	0.12	0.91
Invesco Global Small Cap Equity A NAV	$ 167.26	-	-0.75	0.00
Invesco Global High Income A NAV	$ 12.20	-	-0.01	5.06
Invesco Gbl R/Est Secs A GBP F F	£ 8.70	-	0.03	1.22
Invesco Global Health Care A	$ 128.54	-	-0.60	0.00
Invesco Global Select Equity A	$ 16.76	-	-0.07	0.15
Invesco Jap Eqty Core A	$ 23.12	-	0.08	0.14
Invesco Japanese Equity A	$ 27.63	-	0.23	0.00
Invesco Korean Equity A	$ 28.60	-	0.24	0.00
Invesco PRC Equity A	$ 85.58	-	0.26	0.00
Invesco Pacific Equity A	$ 70.46	-	-0.01	0.07
Invesco Global Technology A	$ 23.76	-	0.04	0.00
Invesco UK Eqty A	£ 8.87	-	-0.06	1.77

Kames Capital VCIC (IRL)
1 North Wall Quay, Dublin 1, Ireland +35 3162 24493

Fund	Bid	Offer	D+/-	Yield
FCA Recognised				
Absolute Return Bond B GBP Acc	1109.80	-	-0.16	1.18
Eq Market Neutral B Acc	934.30	-	-0.22	0.00
High Yield Global Bond A GBP Inc	518.88	-	-0.58	3.31
High Yield Global Bond B GBP Inc	1090.10	-	-1.18	3.97
Investment Grade Global Bd A GBP Inc	570.21	-	-0.61	1.98
Kames Emerging Market Bond Fund - B Acc USD	$ 11.26	-	-0.03	0.00
Kames Global Equity Income B GBP Acc	1667.56	-	-3.71	0.00
Kames Global Equity Income B GBP Inc	1455.44	-	-8.32	3.19
Kames Global Diversified Growth Fund - B Acc EUR	€ 11.37	-	-0.02	0.00
Kames Global Equity Market Neutral Fund - B Acc GBP	£ 10.37	-	-0.03	0.00
Global Sustainable Equity B Acc GBP	£ 14.34	-	0.01	0.00
Global Sustainable Equity C Acc GBP	£ 14.39	-	0.01	0.00
Kames Absolute Return Bond Global Fund - B Acc GBP	£ 10.30	-	0.00	0.00
Short Dated High Yld Bd B Acc GBP	£ 10.05	-	0.00	-
Short Dated High Yld Bd C Acc GBP (Hdg)	£ 10.07	-	0.00	-
Strategic Global Bond A GBP Inc	1123.48	-	-0.96	0.91
Strategic Global Bond B GBP Inc	637.58	-	-0.52	1.57

Link Asset Services (UK)
65 Gresham Street, London, EC2V 7NQ
Order Desk and Enquiries: 0345 922 0044

Fund	Bid	Offer	D+/-	Yield
Authorised Inv Funds				
LF Heartwood Balanced MA B Acc ✠	144.33	-	-0.37	0.35
LF Heartwood Cautious MA B Acc ✠	140.25	-	-0.16	0.43
LF Heartwood Defensive MA B Acc	115.03	-	-0.07	0.07
LF Heartwood Growth MA B Acc ✠	175.48	-	-0.63	0.09
LF Heartwood Income MA B Inc ✠	111.71	-	-0.23	3.04
LF Heartwood Income Plus MA B Inc ✠	117.21	-	-0.35	3.65
LF Seneca Diversified Growth A Acc	269.75	-	-1.24	2.08
LF Seneca Diversified Growth B Acc	161.98	-	-0.74	2.67
LF Seneca Diversified Growth N Acc	159.48	-	-0.74	2.44
LF Seneca Diversified Income A Inc	93.29	-	-0.43	4.87
LF Seneca Diversified Income B Inc	112.01	-	-0.52	4.86
LF Seneca Diversified Income N Inc	110.42	-	-0.51	4.86
Investment Adviser - Morant Wright Management Limited				
LF Morant Wright Japan A Acc ✠	402.04	-	1.83	0.00
LF Morant Wright Japan A Inc ✠	393.62	-	1.80	0.42
LF Morant Wright Japan B Acc ✠	432.73	-	1.98	0.90
LF Morant Wright Japan B Inc ✠	400.98	-	1.84	0.91
LF Morant Wright Nippon Yield A Acc ✠	427.85	-	1.17	2.12
LF Morant Wright Nippon Yield A Inc ✠	353.42	-	0.96	2.15
LF Morant Wright Nippon Yield B Acc ✠	448.74	-	1.23	2.11
LF Morant Wright Nippon Yield B Inc ✠	370.77	-	1.02	2.16

Lloyds Investment Fund Managers Limited (1000)F (JER)
PO Box 311, 11-12 Esplanade, St Helier, Jersey, JE4 8ZU 01534 845555

Fund	Bid	Offer	D+/-	Yield
Other International Funds				
Lloydstrust Gilt	£ 12.4900	-	0.0500	1.90
Lloyds Investment Funds Limited				
Euro High Income	€ 1.5920	-	-0.0010	3.05
European	£ 10.2200	-	-0.0300	0.44
High Income	£ 0.8637xd	-	0.0004	4.32
International	£ 5.5410	-	-0.0130	0.09
North American	£ 22.2500	-	-0.1300	0.00
Sterling Bond	£ 1.5280	-	0.0020	2.72
UK	£ 7.5260	-	-0.0010	0.55
Lloyds Gilt Fund Limited				
Lloyds Gilt Fund Quarterly Share	£ 1.3120	-	0.0060	1.59
Monthly Share	£ 1.2580xd	-	0.0050	1.59
Lloyds Money Fund Limited				
Sterling Class	£ 52.5230	-	-0.0010	-0.20
Lloyds Multi Strategy Fund Limited				
Conservative Strategy	£ 1.2220	-	-0.0020	0.86
Growth Strategy	£ 1.7790	-	-0.0030	0.67
Aggressive Strategy	£ 2.4020	-	-0.0040	0.00
Global USD Growth Strategy	$ 1.6630	-	-0.0050	0.00

Dealing Daily

MMIP Investment Management Limited (GSY)

Fund	Bid	Offer	D+/-	Yield
Regulated				
Multi-Manager Investment Programmes PCC Limited				
UK Equity Fd Cl A Series 01	£ 2827.36	2852.51	-26.45	0.00
Diversified Absolute Rtn Fd USD Cl AF2	$ 1685.49	-	19.51	0.00
Diversified Absolute Return Stlg Cell AF2	£ 1670.05	-	17.49	0.00
Global Equity Fund A Lead Series	£ 1437.31	1443.06	-6.20	0.00

Marwyn Asset Management Limited (CYM)

Fund	Bid	Offer	D+/-	Yield
Regulated				
Marwyn Value Investors	£ 412.12	-	-19.95	0.00

Emerging Markets Managed Accounts PLC (IRL)
emma@milltrust.com, +44(0)20 8123 8369, www.milltrust.com

Fund	Bid	Offer	D+/-	Yield
Regulated				
Milltrust ASEAN A	$ 122.34	-	0.03	0.00
Milltrust India A	$ 175.33	-	0.95	0.00
Milltrust Latin America A	$ 114.97	-	-0.01	0.00
Milltrust Keywise China Fund	$ 168.48	-	-0.85	0.00
Milltrust SEDCO MENA Fund (Class A) *	$ 103.55	-	-0.13	0.00

Milltrust International Managed Investments ICAV (IRL)
mimi@milltrust.com, +44(0)20 8123 8369 www.milltrust.com

Fund	Bid	Offer	D+/-	Yield
Regulated				
MAI - Buy & Lease (Australia)	A$ 99.42	-	-0.58	-
MAI - Buy & Lease (New Zealand)	NZ$ 99.44	-	-0.56	0.00
British Innovation Fund	£ 98.71	-	-1.03	-
EICM South Asia Hospitality 1	$ 101.98	-	4.50	-

Mirabaud Asset Management (LUX)
www.mirabaud.com, marketing@mirabaud-am.com
Conviction based investment vehicles details available here www.mirabaud-am.com

Fund	Bid	Offer	D+/-	Yield
Regulated				
Mir. - Glb Strat. Bd I USD	$ 109.51	-	-0.05	0.00
Mir. - EqPanEuropeSm&Mid	£ 156.83	-	-0.28	0.00
Mir. - Eq UK High Income I GBP	£ 122.70	-	0.87	0.00

Morgan Stanley Investment Funds (LUX)
6b Route de Trèves L-2633 Senningerberg Luxembourg (352) 34 64 61
www.morganstanleyinvestmentfunds.com

Fund	Bid	Offer	D+/-	Yield
FCA Recognised				
US Advantage A F	$ 85.80	-	-0.19	0.00
Asian Equity A F	$ 57.43	-	-0.01	0.00
Asian Property A F	$ 20.95	-	0.11	0.00
Emerg Europ, Mid-East & Africa Eq A F	€ 82.67	-	-0.43	0.00
Emerging Markets Debt A F	$ 87.26	-	-0.01	0.00
Emerging Markets Domestic Debt AX F	£ 12.32	12.32	-0.06	5.27
Emerging Markets Equity A F	$ 47.95	47.95	-0.19	0.00
Euro Bond A F	€ 16.24	16.24	0.01	0.00
Euro Corporate Bond AX F	£ 27.66	27.66	-0.14	1.30
Euro Strategic Bond A F	€ 46.60	46.60	0.03	0.00
European Currencies High Yield Bd A F	€ 24.65	24.65	-0.05	0.00
European Equity Alpha A F	€ 43.58	-	0.12	0.00
European Property A F	€ 34.82	34.82	0.16	0.00
Eurozone Equity Alpha A F	€ 12.64	12.64	0.06	0.00
Global Bond A F	$ 43.08	43.08	0.01	0.00
Global Brands A F	$ 128.18	-	-0.11	0.00
Global Convertible Bond A F	$ 45.76	-	-0.03	0.00
Global Property A F	$ 30.14	-	0.11	0.00
Indian Equity A F	$ 46.97	-	-0.10	0.00
Latin American Equity A F	$ 59.95	-	-0.70	0.00
Short Maturity Euro Bond A F	€ 20.39	20.39	-0.01	0.00
US Dollar Liquidity A F	$ 13.16	-	0.00	0.00
US Growth A F	$ 112.17	-	-0.04	0.00
US Growth AH F	€ 74.91	74.91	-0.04	0.00
US Growth AX F	£ 80.22	80.22	-0.15	0.00
US Property A F	$ 67.24	-	0.24	0.00

Morgens Waterfall Vintiadis.co Inc

Fund	Bid	Offer	D+/-	Yield
Other International Funds				
Phaeton Intl (BVI) Ltd (Est)	$ 521.52	-	22.12	0.00

Natixis International Funds (LUX) I SICAV (LUX)

Fund	Bid	Offer	D+/-	Yield
FCA Recognised				
ASG Managed Futures Fund I/A (USD)	$ 101.06	101.06	-0.27	0.00
Harris Global Equity Fund R/A (USD)	$ 335.20	335.20	-2.20	0.00
Loomis Sayles Global Growth Equity Fund I/A (USD)	$ 138.61	138.61	-0.20	0.00
Loomis Sayles U.S. Growth Equity Fund I/A (USD)	$ 142.13	142.13	0.10	0.00

Natixis Investment Funds (UK)

Fund	Bid	Offer	D+/-	Yield
Authorised Funds				
DNCA European Select Equity Fund	£ 1.04	-	0.00	-
Harris Global Concentrated Equity Fund	£ 1.67	-	-0.01	1.29
H2O MultiReturns Fund N/A (GBP)	£ 1.54	-	0.00	0.71
Loomis Sayles U.S. Equity Leaders N/A (GBP)	£ 2.40	-	0.00	0.13

New Capital Fund Management Ltd (IRL)

Fund	Bid	Offer	D+/-	Yield
Regulated				
New Capital Euro Value Credit Fund - EUR Inst Acc	€ 100.42	-	0.01	-

funds by EFG Asset Management

New Capital UCITS Fund PLC (IRL)
Leconfield House, Curzon Street, London, W1J 5JB
www.newcapitalfunds.com

Fund	Bid	Offer	D+/-	Yield
FCA Recognised				
New Capital Asia Value Credit Fund - USD Ord Inc	$ 94.16	-	0.11	3.90
New Capital Asia Pacific Equity Income Fund - USD Ord Inc.	$ 114.49	-	-0.22	2.44
New Capital Dynamic European Equity Fund - EUR Ord Inc.	€ 183.65	-	-0.34	2.69
New Capital China Equity Fund - USD Ord Acc.	$ 185.76	-	0.47	0.00
New Capital Global Value Credit Fund - USD Ord Acc.	$ 183.89	-	-0.12	0.00
New Capital Global Equity Conviction Fund - USD Ord Acc.	$ 126.86	-	-0.61	0.00
New Capital Strategic Portfolio UCITS Fund - USD Inst Acc.	$ 122.64	-	-0.16	0.00
New Capital Wealthy Nations Bond Fund - USD Inst Inc.	$ 115.75	-	0.05	4.38
New Capital Swiss Select Equity Fund - CHF Ord Acc.	SFr 167.81	-	-0.62	0.00
New Capital US Growth Fund - USD Ord Acc.	$ 285.50	-	-0.96	0.00
New Capital All Weather Fund - EUR Inst Acc	€ 101.22	-	-0.25	0.00
New Capital Dynamic UK Equity Fund - GBP Inst Acc.	£ 107.27	-	-0.15	0.00
New Capital US Small Cap Growth Fund - USD Inst Acc	$ 136.80	-	0.07	0.00
New Capital Global Alpha Fund - USD Ord Inc	$ 106.54	-	-0.18	0.31

Northwest Investment Management (HK) Ltd
11th Floor, Kinwick Centre, 32, Hollywood Road, Central Hong Kong +852 9084 4373

Fund	Bid	Offer	D+/-	Yield
Other International Funds				
Northwest China Opps $ Class	$ 3329.90	-	203.41	0.00
Northwest $ Class	$ 2484.38	-	98.69	0.00

Oasis Crescent Management Company Ltd

Fund	Bid	Offer	D+/-	Yield
Other International Funds				
Oasis Crescent Equity Fund	R 10.34	-	0.12	0.00

Oasis Global Mgmt Co (Ireland) Ltd (IRL)

Fund	Bid	Offer	D+/-	Yield
Regulated				
Oasis Global Investment (Ireland) Plc				
Oasis Crescent Global Short Term Income Fund	$ 0.98	-	0.00	1.62
Oasis Global Equity	$ 30.07	-	-0.40	0.51
Oasis Crescent Global Investment Fund (Ireland) plc				
Oasis Crescent Global Equity Fund	$ 31.56	-	-0.13	0.42
Oasis Crescent Variable Balanced Fund	£ 10.35	-	0.00	0.00
OasisCresGl Income Class A	$ 10.63	-	0.00	2.67
OasisCresGl LowBal D ($) Dist	$ 12.32	-	-0.03	0.00
OasisCresGl Med Eq Bal A ($) Dist	$ 13.03	-	-0.03	0.39
Oasis Crescent Gbl Property Eqty	$ 9.47	-	0.01	1.95

Odey Asset Management LLP (CYM)

Fund	Bid	Offer	D+/-	Yield
Regulated				
OEI Mac Inc GBP A	£ 156.90	-	3.74	0.00
OEI Mac Inc GBP B	£ 90.88	-	2.70	0.00
OEI MAC Inc USD	$ 834.58	-	19.78	0.00
Odey European Inc EUR	€ 361.44	-	7.00	0.00
Odey European Inc GBP A	£ 144.61	-	2.80	0.00
Odey European Inc GBP B	£ 81.98	-	1.59	0.00
Odey European Inc USD	$ 172.87	-	3.33	0.00
Giano Capital EUR Inc	€ 4841.83	-	217.37	0.00

Odey Asset Management LLP (IRL)

Fund	Bid	Offer	D+/-	Yield
FCA Recognised				
Odey Pan European EUR R	€ 313.51	-	0.00	0.00
Odey Allegra International EUR O	€ 167.40	-	0.22	0.00
Odey Allegra Developed Markets USD I	$ 161.93	-	-1.07	0.00
Odey European Focus Fund	€ 18.95	-	-0.02	0.00
Odey Giano European Fund EUR R	€ 123.19	-	-0.43	0.00
Odey Odyssey USD I	$ 91.81	-	0.47	0.00
Odey Swan Fund EUR I	€ 41.84	-	0.09	0.00
Odey Absolute Return Focus Fund	$ 86.78	-	0.63	0.00

Odey Wealth Management (CI) Ltd (IRL)
www.odey.com/prices

Fund	Bid	Offer	D+/-	Yield
FCA Recognised				
Odey Opportunity EUR I	€ 239.88	-	-0.06	0.00

Omnia Fund Ltd

Fund	Bid	Offer	D+/-	Yield
Other International Funds				
Estimated NAV	$ 1002.33	-	-46.69	0.00

Optima Fund Management

Fund	Bid	Offer	D+/-	Yield
Other International Funds				
Cuttyhunk Fund II Limited	$ 1551.03	-	-29.43	0.00
JENOP Global Healthcare Fund Ltd	$ 16.73	-	-0.02	0.00
OPTIKA Fund Limited - Cl A	$ 134.05	-	0.61	0.00
Optima Fd NAV	$ 97.99	-	-0.52	0.00
Optima Discretionary Macro Fund Limited	$ 86.02	-	-0.59	0.00
The Dorset Energy Fd Ltd NAV	$ 21.20	-	1.28	0.00
Platinum Fd Ltd	$ 113.71	-	0.12	0.00
Platinum Fd Ltd EUR	€ 21.03	-	0.02	0.00
Platinum Japan Fd Ltd	$ 70.67	-	-2.42	0.00
Optima Partners Global Fd	$ 16.99	-	-0.12	0.00
Optima Partners Focus Fund A	$ 17.67	-	-0.32	0.00
Optima STAR Fund (hedged)	$ 108.21	-	0.63	0.00
Optima STAR Long Fund	$ 147.18	-	-0.04	0.00

Oryx International Growth Fund Ltd

Fund	Bid	Offer	D+/-	Yield
Other International Funds				
NAV (Fully Diluted)	£ 9.30	-	0.32	0.00

Pictet Asset Management (Europe) SA (LUX)
15, Avenue J.F. Kennedy L-1855 Luxembourg
Tel: 0041 58 323 3000

Fund	Bid	Offer	D+/-	Yield
FCA Recognised				
Pictet-Absl Rtn Fix Inc-HI EUR	€ 106.82	-	-0.03	0.00
Pictet-Asian Equities Ex Japan-I USD F	$ 339.58	-	0.81	0.00
Pictet-Asian Local Currency Debt-I USD F	$ 170.85	-	-0.07	0.00
Pictet-Biotech-I USD F	$ 870.08	-	-6.64	0.00
Pictet-CHF Bonds I CHF	SFr 505.52	-	-0.03	0.00
Pictet-China Index I USD	$ 174.85	-	0.18	0.00
Pictet-Clean Energy-I USD F	$ 103.93	-	0.08	0.00
Pictet-Digital-I USD F	$ 428.19	-	3.33	0.00
Pictet-Em Lcl Ccy Dbt-I USD F	$ 189.58	-	-0.27	0.00
Pictet-Emerging Europe-I EUR F	€ 402.10	-	-5.52	0.00
Pictet-Emerging Markets-I USD F	$ 746.01	-	-5.10	0.00
Pictet-Emerging Markets Index-I USD F	$ 329.80	-	-1.36	0.00
Pictet-Emerging Corporate Bonds I USD	$ 125.45	-	-0.02	0.00
Pictet-Emerging Markets High Dividend I USD	$ 137.17	-	-0.84	0.00
Pictet-Emerging Markets Sust Eq I USD	$ 118.94	-	0.76	0.00
Pictet-EUR Bonds-I F	€ 582.53	-	0.33	0.00
Pictet-EUR Corporate Bonds-I F	€ 211.88	-	0.01	0.00
Pictet-EUR Government Bonds I EUR	€ 163.06	-	0.09	0.00
Pictet-EUR High Yield-I F	€ 273.48	-	0.52	0.00
Pictet-EUR Short Mid-Term Bonds-I F	€ 137.62	-	0.09	0.00
Pictet-EUR Short Term HY I EUR	€ 126.88	-	0.36	0.00
Pictet-EUR Sov.Sht.Mon.Mkt EUR I	€ 101.60	-	0.00	0.00
Pictet-Euroland Index IS EUR	€ 152.55	-	-0.36	0.00
Pictet-Europe Index-I EUR F	€ 184.98	-	-0.26	0.00
Pictet-European Equity Selection-I EUR F	€ 753.54	-	-7.80	0.00
Pictet-European Sust Eq-I EUR F	€ 262.26	-	-2.87	0.00
Pictet-Global Bds Fundamental I USD	$ 130.27	-	0.09	0.00
Pictet-Global Bonds-I EUR	€ 162.44	-	0.69	0.00
Pictet-Global Defensive Equities I USD	$ 176.20	-	-0.96	0.00
Pictet-Global Emerging Debt-I USD F	$ 404.33	-	0.76	0.00
Pictet-Global Env.Opport-I EUR	€ 202.82	-	-0.39	0.00
Pictet-Global Megatrend Selection-I USD F	$ 303.08	-	-0.31	0.00
Pictet-Global Sust.Credit HI EUR	€ 149.22	-	0.03	0.00
Pictet-Greater China-I USD F	$ 726.20	-	4.55	0.00
Pictet-Health-I USD	$ 287.25	-	-1.05	0.00
Pictet-High Dividend Sel I EUR F	€ 163.73	-	-0.12	0.00
Pictet-India Index I USD	$ 126.00	-	-0.08	0.00
Pictet-Indian Equities-I USD F	$ 613.39	-	-1.88	0.00
Pictet-Japan Index-I JPY F	¥ 18558.64	-	9.20	0.00
Pictet-Japanese Equities Opp-I JPY F	¥ 11937.68	-	-61.55	0.00
Pictet-Japanese Equity Selection-I JPY F	¥ 16819.74	-	23.89	0.00
Pictet-LATAM Lc Ccy Dbt-I USD F	$ 144.00	-	-0.93	0.00
Pictet-Multi Asset Global Opportunities-I EUR	€ 121.51	-	-0.01	0.00
Pictet-Nutrition-I EUR	€ 211.28	-	-1.27	0.00
Pictet-Pacific Ex Japan Index-I USD F	$ 453.00	-	-0.20	0.00
Pictet-Premium Brands-I EUR F	€ 172.39	-	0.47	0.00
Pictet-Russia Index I USD	$ 80.39	-	-2.33	0.00
Pictet-Russian Equities-I USD F	$ 81.67	-	0.11	0.00
Pictet-Security-I USD F	$ 264.32	-	-0.33	0.00
Pictet-Select-Callisto I EUR	€ 104.05	-	0.57	0.00
Pictet-Small Cap Europe-I EUR F	€ 1367.68	-	-6.24	0.00
Pictet-ST Emerg Local Currency Debt-I USD F	$ 111.47	-	-0.23	0.00
Pictet-ST.MoneyMkt-I	$ 139.39	-	0.00	0.00
Pictet-ST.MoneyMkt JPY I USD	¥ 101107.75	-	-6.65	0.00
Pictet-ST.MoneyMkt-ICHF	SFr 121.94	-	0.00	0.00
Pictet-ST.MoneyMkt-IUSD	$ 138.81	-	-0.01	0.00
Pictet-Timber-I USD F	$ 211.06	-	-0.24	0.00
Pictet TR-Agora I EUR	€ 124.99	-	0.73	0.00
Pictet TR-Corto Europe I EUR	€ 144.52	-	-0.32	0.00
Pictet TR-Divers Alpha I EUR	€ 112.54	-	-0.03	0.00
Pictet TR-Kosmos I EUR	€ 110.17	-	-0.09	0.00
Pictet TR-Mandarin I USD	$ 164.04	-	-0.23	0.00
Pictet-US Equity Selection-I USD	$ 247.25	-	-2.30	0.00
Pictet-US High Yield-I USD F	$ 164.10	-	-0.09	0.00
Pictet-USA Index-I USD F	$ 251.04	-	-1.59	0.00
Pictet-USD Government Bonds-I F	$ 640.30	-	0.83	0.00
Pictet-USD Short Mid-Term Bonds-I F	$ 131.21	-	0.00	0.00
Pictet-USD Sov.ST.Mon.Mkt-I	$ 104.74	-	-0.01	0.00
Pictet-Water-I EUR F	€ 327.08	-	-0.14	0.00

Platinum Capital Management Ltd

Fund	Bid	Offer	D+/-	Yield
Other International Funds				
Platinum All Star Fund - A (Est)	$ 131.08	-	-	-
Platinum Global Dividend Fund - A (Est)	$ 47.82	-	-	-
Platinum Global Growth UCITS Fund	$ 10.00	-	-	-

Polar Capital Funds Plc (IRL)

Fund	Bid	Offer	D+/-	Yield
Regulated				
Automation & Artificial Intelligence CL I USD Acc	$ 10.92	10.92	-0.04	-
Asian Financials I USD	$ 405.40	405.40	0.14	0.00
Biotechnology I USD	$ 24.40	24.40	-0.07	0.00
European Income Acc EUR	€ 11.87	11.87	-0.01	0.00
European Ex UK Inc EUR Acc	€ 10.93	10.93	-0.03	0.00
Financial Opps I USD	$ 15.16	-	-0.13	1.79
GEM Income I USD	$ 13.01	-	-0.07	0.00
Global Convertible I USD	$ 13.17	13.17	-0.01	0.00
Global Insurance I GBP	£ 5.92	-	-0.02	0.00
Global Technology I USD	$ 44.17	-	0.16	0.00
Healthcare Blue Chip Fund I USD Acc	$ 12.25	12.25	-0.06	0.00
Healthcare Opps I USD	$ 44.47	-	-0.24	0.00
Income Opportunities B2 I GBP Acc	£ 2.25	2.25	-0.01	0.00
Japan Alpha I JPY	¥ 252.65	252.65	0.30	0.00
Japan I JPY	¥ 2575.78	-	-4.53	0.00
North American I USD	$ 25.12	25.12	-0.11	0.00
UK Absolute Equity I GBP	£ 20.89	20.89	0.12	0.00
UK Val Opp I GBP Acc	£ 11.85	11.85	-0.05	0.00

Polar Capital LLP (CYM)

Fund	Bid	Offer	D+/-	Yield
Regulated				
European Forager A EUR	€ 185.30	-	0.49	0.00

Private Fund Mgrs (Guernsey) Ltd (GSY)

Fund	Bid	Offer	D+/-	Yield
Regulated				
Monument Growth 13/03/2018	£ 491.72	497.45	4.15	3.29

Prusik Investment Management LLP (IRL)
Enquiries - 0207 493 1331

Fund	Bid	Offer	D+/-	Yield
Regulated				
Prusik Asian Equity Income B Dist	$ 210.24	-	-0.51	3.35
Prusik Asia A	$ 295.70	-	0.68	0.00
Prusik Asian Smaller Cos A	$ 170.45	-	-1.37	0.00

Purisima Investment Fds (CI) Ltd (JER)

Fund	Bid	Offer	D+/-	Yield
Regulated				
PCG B ✠	215.33	-	-3.03	0.00
PCG C ✠	211.50	-	-2.98	0.00

Ram Active Investments SA
www.ram-ai.com

Fund	Bid	Offer	D+/-	Yield
Other International Funds				
RAM Systematic Emerg Markets Core Eq	$ 112.68	-	-0.43	-
RAM Systematic Emerg Markets Eq	$ 197.34	-	-0.31	-
RAM Systematic European Eq	€ 448.62	-	-1.02	-
RAM Systematic Global Shareholder Yield Eq	$ 133.33	-	-0.55	0.00
RAM Systematic Long/Short Emerg Markets Eq	$ 121.21	-	0.17	-
RAM Systematic Long/Short European Eq	€ 153.65	-	-0.42	-
RAM Systematic North American Eq	$ 306.43	-	-1.96	-
RAM Tactical Convertibles Europe	€ 147.69	-	-0.27	-
RAM Tactical Global Bond Total Return	€ 144.55	-	-0.05	-
RAM Tactical II Asia Bond Total Return	$ 141.22	-	-0.11	-

Robeco Asset Management (LUX)
Weena 850, 3014 DA Rotterdam, The Netherlands
www.robeco.com/contact

Fund	Bid	Offer	D+/-	Yield
FCA Recognised				
Asia-Pacific Equities (EUR)	€ 163.10	-	0.93	0.00
BP US Premium Equities (EUR)	€ 236.26	-	-1.77	0.00
BP US Premium Equities (USD)	$ 274.29	-	-2.02	0.00
Chinese Equities (EUR)	€ 103.61	-	1.36	0.00
Em Stars Equities (EUR)	€ 231.78	-	0.56	0.00
Emerging Markets Equities (EUR)	€ 202.36	-	1.37	0.00
Glob.Consumer Trends Equities (EUR)	€ 199.34	-	1.21	0.00
High Yield Bonds (EUR)	€ 144.44	-	-0.19	0.00
New World Financials (EUR)	€ 68.12	-	0.04	0.00

Ruffer LLP (1000)F (UK)
65 Gresham Street, London, EC2V 7NQ
Order Desk and Enquiries: 0345 601 9610

Fund	Bid	Offer	D+/-	Yield
Authorised Inv Funds				
Authorised Corporate Director - Link Fund Solutions				
LF Ruffer European C Acc	574.05	-	0.74	0.31
LF Ruffer European C Inc	105.89	-	0.13	0.61
LF Ruffer European O Acc	564.47	-	0.70	0.00
LF Ruffer Equity & General C Acc	447.63	-	-0.36	0.04
LF Ruffer Equity & General C Inc	412.69	-	-0.33	0.04
LF Ruffer Equity & General O Acc	440.19	-	-0.38	0.00
LF Ruffer Equity & General O Inc	408.42	-	-0.35	0.00
LF Ruffer Gold C Acc	144.12	-	-2.16	0.61
LF Ruffer Gold C Inc	87.23	-	-1.30	0.55
LF Ruffer Gold O Acc	141.67	-	-2.13	0.36
LF Ruffer Japanese C Inc	117.34	-	1.14	0.21
LF Ruffer Japanese C Acc	249.67	-	2.42	0.23
LF Ruffer Pacific C Acc	381.48	-	7.53	0.91
LF Ruffer Pacific C Inc	107.27	-	2.12	1.18
LF Ruffer Pacific O Acc	374.80	-	7.39	0.62
LF Ruffer Total Return C Acc	438.29	-	0.68	1.55
LF Ruffer Total Return C Inc	294.96	-	0.46	1.56
LF Ruffer Total Return O Acc	430.97	-	0.65	1.55
LF Ruffer Total Return O Inc	289.89	-	0.43	1.57

S W Mitchell Capital LLP (IRL)

Fund	Bid	Offer	D+/-	Yield
Regulated				
SWMC European Fund B EUR	€ 17801.22	-	-167.74	0.00
SWMC Small Cap European Fund B EUR	€ 15523.88	-	-157.16	0.00

We are Sustainability Investing.

RobecoSAM (LUX)
Tel. +41 44 653 10 10 http://www.robecosam.com/

Fund	Bid	Offer	D+/-	Yield
Regulated				
RobecoSAM Sm.Energy/A	£ 18.02	-	0.03	1.20
RobecoSAM Sm.Energy/N	€ 16.10	-	0.03	0.00
RobecoSAM Sm.Materials/A	£ 206.62	-	-1.53	1.28
RobecoSAM Sm.Materials/N	€ 209.66	-	-1.53	0.00
RobecoSAM Sm.Materials/Na	£ 140.97	-	-1.02	1.27
RobecoSAM Gl.Small Cap Eq/A	£ 113.49	-	-0.29	1.10
RobecoSAM Gl.Small Cap Eq/N	€ 198.50	-	-0.49	0.00
RobecoSAM Sustainable Gl.Eq/B	€ 213.23	-	-0.51	0.00
RobecoSAM Sustainable Gl.Eq/N	€ 186.93	-	-0.45	0.00
RobecoSAM S.HealthyLiv/B	€ 184.22	-	-0.18	0.00
RobecoSAM S.HealthyLiv/N	€ 174.58	-	-0.17	0.00
RobecoSAM S.HealthyLiv/Na	£ 131.70	-	-0.14	1.39
RobecoSAM S.Water/A	£ 237.00	-	-0.15	1.44
RobecoSAM S.Water/N	€ 201.50	-	-0.10	0.00

Rubrics Global UCITS Funds Plc (IRL)
www.rubricsam.com

Fund	Bid	Offer	D+/-	Yield
Regulated				
Rubrics Emerging Markets Fixed Income UCITS Fund	$ 137.28	-	-0.06	0.00
Rubrics Global Credit UCITS Fund	$ 15.83	-	0.00	0.00
Rubrics Global Fixed Income UCITS Fund	$ 161.88	-	0.06	0.00
Q Rubrics India Fixed Income UCITS Fund	$ 11.26	-	0.00	0.00
Rubrics India Fixed Income UCITS Fund	$ 96.70	-	0.00	0.00

Schroder Property Managers (Jersey) Ltd

Fund	Bid	Offer	D+/-	Yield
Other International Funds				
Indirect Real Estate SIRE	£ 141.20	147.68	-0.03	2.82

Slater Investments Ltd (UK)
www.slaterinvestments.com; Tel: 0207 220 9460

Fund	Bid	Offer	D+/-	Yield
FCA Recognised				
Slater Growth	509.32	540.39	-0.84	0.00
Slater Income A Inc	160.40	160.40	-0.71	0.00
Slater Recovery	232.54	246.73	-0.46	0.00
Slater Artorius	198.88	198.88	-0.14	0.24

Standard Life Wealth (JER)
PO Box 189, St Helier, Jersey, JE4 9RU 01534 709130

Fund	Bid	Offer	D+/-	Yield
FCA Recognised				
Standard Life Offshore Strategy Fund Limited				
Bridge Fund	£ 1.8552	-	-0.0027	1.97
Global Equity Fund	£ 2.3586	-	-0.0045	0.85
Global Fixed Interest Fund	£ 0.9961	-	0.0004	4.14
Income Fund	£ 0.5577	-	-0.0013	3.38
Sterling Fixed Interest Fund	£ 0.8685	-	0.0016	3.45
UK Equity Fund	£ 2.1306	-	-0.0035	3.11

Stenham Asset Management Inc
www.stenhamassetmanagement.com

Fund	Bid	Offer	D+/-	Yield
Other International Funds				
Stenham Credit Opportunities A Class USD	$ 116.82	-	1.94	0.00
Stenham Equity UCITS USD	$ 186.66	-	0.88	0.00
Stenham Growth USD	$ 230.12	-	6.28	-
Stenham Healthcare USD	$ 216.52	-	12.52	0.00
Stenham Managed Fund USD	$ 122.37	-	3.22	0.00
Stenham Quadrant USD A	$ 427.17	-	8.78	-
Stenham Trading Inc USD	$ 122.92	-	2.37	-
Stenham Universal USD	$ 456.00	-	7.64	-
Stenham Universal II USD	$ 167.11	-	2.73	0.00

E.I. Sturdza Strategic Management Limited (GSY)

Fund	Bid	Offer	D+/-	Yield
Regulated				
Strat Evarich Japan Fd Ltd JPY	¥ 88478.00	-	170.00	0.00
Strat Evarich Japan Fd Ltd USD	$ 875.78	-	1.79	0.00

E.I. Sturdza Funds PLC (IRL)

Fund	Bid	Offer	D+/-	Yield
Regulated				
Nippon Growth (UCITS) Fd - B	¥ 93766.00	-	-398.00	0.00
Strategic China Panda Fd - USD	$ 3850.00	-	-23.97	0.00
Strategic Euro Bond Fd - Acc	€ 1124.33	-	-0.48	0.00
Strategic Europe Value Fd - EUR	€ 208.55	-	-0.48	0.00
Strategic European Smaller Companies Fd - EUR	€ 1345.89	-	-4.89	0.00
Strategic Global Bond Fd - USD	$ 1046.39	-	1.37	0.00
Strategic Global Quality Fd - USD Inst	$ 138.15	-	-0.86	0.00
Strategic Quality Emerging Bond Fd - USD	$ 1057.20	-	-0.31	0.00
Strategic US Momentum and Value Fd - USD Class	$ 869.92	-	-5.05	0.00
Strategic Japan Opportunities Fund	¥ 63022.00	-	-155.00	-
Strategic Beta Flex Fund	€ 1018.59	-	-2.80	0.00

Superfund Asset Management GmbH
www.superfund.com, +43 (1) 247 00

Fund	Bid	Offer	D+/-	Yield
Regulated				
Superfund Green EUR SICAV	€ 963.12	-	1.89	0.00
Superfund Red EUR SICAV	€ 796.10	-	1.44	0.00
Superfund Blue EUR	€ 788.36	-	-0.31	0.00
Other International Funds				
Superfund Green Gold SICAV	$ 1054.41	-	-0.37	0.00
Superfund Red Silver SICAV	$ 413.27	-	-2.07	0.00

Toscafund Asset Management LLP (UK)
www.toscafund.com

Fund	Bid	Offer	D+/-	Yield
Authorised Funds				
Aptus Global Financials B Acc	£ 4.44	-	-0.05	4.28
Aptus Global Financials B Inc	£ 3.49	-	-0.03	4.44

Toscafund Asset Management LLP
www.toscafund.com

Fund	Bid	Offer	D+/-	Yield
Other International Funds				
Tosca A USD	$ 387.31	-	27.36	-
Tosca Mid Cap GBP	£ 274.92	-	-12.94	-
Tosca Opportunity B USD	$ 420.58	-	-9.31	-
Pegasus Fund Ltd A-1 GBP	£ 65.33	-	-0.56	0.00

TreeTop Asset Management S.A. (LUX)

Fund	Bid	Offer	D+/-	Yield
Regulated				
TreeTop Convertible Sicav				
International A	€ 330.56	-	-1.10	0.00
International B	$ 442.72	-	-1.58	0.00
International C	£ 139.33	-	-0.38	2.50
International D	€ 289.63	-	-0.96	2.40
TreeTop Global Sicav				
Global Opp.A	€ 176.13	-	-0.58	0.00
Global Opp.B	$ 187.77	-	-0.65	0.00
Global Opp.C	£ 247.50	-	-0.18	0.00
Sequoia Equity A	€ 167.74	-	-0.23	0.00
Sequoia Equity B	$ 187.66	-	-0.37	0.00
Sequoia Equity C	£ 215.49	-	0.20	2.76

Troy Asset Mgt (1200) (UK)
65 Gresham Street, London, EC2V 7NQ
Order Desk and Enquiries: 0345 608 0950

Fund	Bid	Offer	D+/-	Yield
Authorised Inv Funds				
Authorised Corporate Director - Link Fund Solutions				
Trojan Investment Funds				
Trojan Global Income O Acc	102.33	-	-0.58	2.99
Trojan Global Income O Inc	98.79	-	-0.56	3.05

UBS Asset Management (UK)
5 Broadgate, London, EC2M 2QS
Client Services 0800 358 3012, Client Dealing 0800 358 3012
www.ubs.com/retailfunds

Fund	Bid	Offer	D+/-	Yield
Authorised Inv Funds				
OEIC				
UBS Global Emerging Markets Equity C Acc	£ 0.85	-	0.00	1.10
UBS Global Optimal C Acc	£ 1.00	-	0.00	0.70
UBS UK Opportunities C Acc	£ 0.86	-	0.00	2.97
UBS US Equity C Acc	£ 1.22	-	0.00	0.26
UBS S&P 500 Index C Acc	£ 0.81	-	0.00	1.48
UBS Targeted Return C Acc	£ 13.74	-	0.02	1.27
UBS Sterling Corporate Bond Indexed C Acc	£ 0.60	-	0.00	2.86
UBS Multi Asset Income C Inc Net	£ 0.49	-	0.00	3.94
UBS UK Equity Income C Inc Net	£ 0.69	-	0.00	4.01
UBS Corporate Bond UK Plus C Inc Net	£ 0.53	-	0.00	4.16
UBS Global Allocation (UK) C Acc	£ 0.80	-	0.01	1.64
UBS Global Enhanced Equity Income C Inc	£ 0.45	-	0.00	6.48
UBS US Growth C Acc	£ 1.30	-	0.00	0.00
UBS Emerging Markets Equity Income C Inc	£ 0.53	-	0.00	3.96
UBS FTSE RAFI Dev 1000 Index J Acc	£ 142.11	-	-0.49	2.42
UBS MSCI World Min Vol Index J Acc	£ 146.79	-	-0.42	2.25

Unicapital Investments (LUX)

Fund	Bid	Offer	D+/-	Yield
Regulated				
Investments IV - European Private Eq.	€ 120.08	-	-10.04	0.00
Investments IV - Global Private Eq.	€ 171.84	-	-15.19	0.00

Value Partners Hong Kong Limited (IRL)
www.valuepartners-group.com, fis@vp.com.hk

Fund	Bid	Offer	D+/-	Yield
Regulated				
Value Partners Asia Dividend Stocks Fund A USD	$ 7.86	-	0.05	0.00
Value Partners Classic Equity Fund USD Z Unhedged	$ 16.01	-	0.09	0.00
Value Partners Classic Equity Fund CHF Hedged	SFr 15.86	-	0.09	0.00
Value Partners Classic Equity Fund EUR Hedged	€ 16.13	-	0.08	0.00
Value Partners Classic Equity Fund GBP Hedged	£ 16.77	-	0.09	0.00
Value Partners Classic Equity Fund GBP Unhedged	£ 19.12	-	0.16	0.00
Value Partners Classic Equity USD Unhedged	$ 19.89	-	0.11	0.00
Value Partners Global Emerging Market Bond Fund	$ 10.59	-	-0.01	0.00
Value Partners Global Emerging Market Equity Fund	$ 11.26	-	0.00	-
Value Partners Greater China Equity Fund	$ 12.59	-	0.08	0.00
Value Partners Health Care Fund HKD Class A Unhedged	HK$ 12.44	-	0.03	0.00
Value Partners Health Care Fund USD Class A Unhedged	$ 12.55	-	0.03	0.00

Waverton Investment Funds Plc (1600)F (IRL)
waverton.investments@citi.com

Fund	Bid	Offer	D+/-	Yield
FCA Recognised				
Waverton Asia Pacific A USD	$ 24.27	-	0.06	0.64
Waverton Global Equity Fund A GBP	£ 19.60	-	0.04	0.25
Waverton Global Strategic Bond Fund A USD	$ 8.62	-	-0.01	4.96
Waverton UK Fund A GBP	£ 13.31	-	-0.03	1.89
Waverton Equity Fund A GBP	£ 19.15	-	-0.06	0.00
Waverton Sterling Bond Fund A GBP	£ 9.46	-	0.02	4.44

WA Fixed Income Fund Plc (IRL)

Fund	Bid	Offer	D+/-	Yield
Regulated				
European Multi-Sector	€ 117.37	-	0.09	3.91

Yapi Kredi Asset Management (TUR)
www.yapikrediportfoy.com.tr Tel: + 90 (212) 385 48 48

Fund	Bid	Offer	D+/-	Yield
Other International Funds				
Eurobond Fund	TRY 0.106134	-	0.000186	-
Koc Affiliate and Equity Fund	TRY 0.975570	-	0.869622	-
DPM Bonds and Bills Fund (FX)	$ 1.052548	-	0.946600	0.00

Yuki International Limited (IRL)
Tel +44-20-7269-0207 www.yukifunds.com

Fund	Bid	Offer	D+/-	Yield
Regulated				
Yuki Mizuho Umbrella Fund				
Yuki Mizuho Japan Dynamic Growth	¥ 10556.00	-	71.00	0.00
Yuki Japan Low Price	¥ 50088.00	-	-133.00	0.00
Yuki Japan Value Select	¥ 21858.00	-	61.00	0.00
Yuki Asia Umbrella Fund				
Yuki Japan Rebounding Growth Fund JPY Class	¥ 41152.00	-	104.00	0.00
Yuki Japan Rebounding Growth Fund USD Hedged Class	$ 1610.52	-	4.61	0.00

Zadig Gestion (Memnon Fund) (LUX)

Fund	Bid	Offer	D+/-	Yield
FCA Recognised				
Memnon European Fund I GBP	£ 168.74	-	-1.03	0.00

Data Provided by

MORNINGSTAR®

www.morningstar.co.uk

Data as shown is for information purposes only. No offer is made by Morningstar or this publication.

Guide to Data

The fund prices quoted on these pages are supplied by the operator of the relevant fund. Details of funds published on these pages, including prices, are for the purpose of information only and should only be used as a guide. The Financial Times Limited makes no representation as to their accuracy or completeness and they should not be relied upon when making an investment decision.

The sale of interests in the funds listed on these pages may, in certain jurisdictions, be restricted by law and the funds will not necessarily be available to persons in all jurisdictions in which the publication circulates. Persons in any doubt should take appropriate professional advice. Data collated by **Morningstar**. For other queries contact **reader.enquiries@ft.com +44 (0)207 873 4211**.

The fund prices published in this edition along with additional information are also available on the Financial Times website, **www.ft.com/funds**. The funds published on these pages are grouped together by fund management company.

Prices are in pence unless otherwise indicated. The change, if shown, is the change on the previously quoted figure (not all funds update prices daily). Those designated $ with no prefix refer to US dollars. Yield percentage figures (in Tuesday to Saturday papers) allow for buying expenses. Prices of certain older insurance linked plans might be subject to capital gains tax on sales.

Guide to pricing of Authorised Investment Funds: (compiled with the assistance of the IMA. The Investment Management Association, 65 Kingsway, London WC2B 6TD. Tel: +44 (0)20 7831 0898.)

OEIC: Open-Ended Investment Company. Similar to a unit trust but using a company rather than a trust structure.

Different share classes are issued to reflect a different currency, charging structure or type of holder.

Selling price: Also called bid price. The price at which units in a unit trust are sold by investors.

Buying price: Also called offer price. The price at which units in a unit trust are bought by investors. Includes manager's initial charge.

Single price: Based on a mid-market valuation of the underlying investments. The buying and selling price for shares of an OEIC and units of a single priced unit trust are the same.

Treatment of manager's periodic capital charge: The letter C denotes that the trust deducts all or part of the manager's/operator's periodic charge from capital, contact the manager/operator for full details of the effect of this course of action.

Exit Charges: The letter E denotes that an exit charge may be made when you sell units, contact the manager/operator for full details.

Time: Some funds give information about the timing of price quotes. The time shown alongside the fund manager's/operator's name is the valuation point for their unit trusts/OEICs, unless another time is indicated by the symbol alongside the individual unit trust/OEIC name.

The symbols are as follows: ✠ 0001 to 1100 hours; ♦ 1101 to 1400 hours; ▲ 1401 to 1700 hours; # 1701 to midnight. Daily dealing prices are set on the basis of the valuation point, a short period of time may elapse before prices become available. Historic pricing: The letter H denotes that the managers/operators will normally deal on the price set at the most recent valuation. The prices shown are the latest available before publication and may not be the current dealing levels because of an intervening portfolio revaluation or a switch to a forward pricing basis. The managers/operators must deal at a forward price on request, and may move to forward pricing at any time. Forward pricing: The letter F denotes that that managers/operators deal at the price to be set at the next valuation.

Investors can be given no definite price in advance of the purchase or sale being carried out. The prices appearing in the newspaper are the most recent provided by the managers/operators. Scheme particulars, prospectus, key features and reports: The most recent particulars and documents may be obtained free of charge from fund managers/operators. * Indicates funds which do not price on Fridays.

Charges for this advertising service are based on the number of lines published and the classification of the fund. Please contact **data@ft.com or call +44 (0)20 7873 3132** for further information.

Analysis. Equities

BHP and activist Elliott eye Unilever's progress in battle over dual structure

BHP Billiton could create $22bn in value through a Unilever-style unification at a cost of just under $400m, according to Elliott Advisors
Ivan Alvarado/Reuters

World's biggest miner faces pressure from investor to abandon its London listing

NEIL HUME
COMMODITIES AND MINING EDITOR

The decision by Unilever to unify its parent companies in the UK and the Netherlands will be keenly followed not just in the City of London, but 10,000 miles away in Australia.

BHP Billiton, the world's biggest miner, is under pressure from a leading activist investor to end its dual-listed company structure by dropping a main market listing in London while keeping one in Sydney.

Elliott Advisors, run by billionaire Paul Singer, claims that the company, headquartered in Melbourne, could create more than $22bn in value through a Unilever-style unification at a cost of just under $400m. BHP disputes this, saying the New York-based fund is taking a "particularly optimistic view" on the benefits of unification while underestimating the risks.

Long dubbed the "Big Australian", BHP calculates the costs of collapsing its DLC structure at more than $1bn because of the loss of tax shields and higher taxes in Singapore, from where it sells most of its commodities. Both sides seem certain to seize on Unilever's decision to bolster their respective arguments in a dispute that has been rumbling since Elliott revealed a stake in BHP nearly a year ago.

DLCs are the structure by which two companies with separate legal identities — and stock market listings — agree to operate their businesses as if they were a single economic enterprise. The London market is home to seven listed DLCs, including Rio Tinto and Carnival.

They are usually the result of a cross-border mergers. In BHP's case, its 2001 tie-up with Billiton, which left it with a London-listed Plc and a Sydney-listed Ltd company.

Based on an analysis of eight unifications, Elliott says BHP's market value would rise by $14.1bn on unification, which would also allow the company to release $8.8bn of value from franking credits, or Australian tax refunds.

"It is beyond serious doubt that unifying BHP's current, inefficient DLC structure would create significant value for shareholders," Elliott, which owns 5 per cent of BHP, said in February.

BHP says trying to estimate how much value could be released by unification based on past deals is difficult. Speaking after results last month, its chief executive, Andrew Mackenzie, highlighted Relx, the Anglo-Dutch information group that has just announced plans to unify and make London the home for its primary listing. "They didn't get any uplift in the value of the company as far as I could see," Mr Mackenzie said.

In Unilever's case, its shares fell more than 1.5 per cent yesterday after its unification announcement, which the company said would "provide greater flexibility for strategic portfolio change and help drive long-term performance".

Another objection raised by BHP is that it could be removed from the FTSE 100 index on unification, a risk that Unilever is also running. Such an outcome means index-tracking funds would be forced to sell their shares and the companies would lose membership of an index widely respected by investors.

"The big issue is our ability to achieve indexation — how do you keep your index listing up without being a Plc?," said Mr Mackenzie. "Both sets of shareholders would have to vote on it. How would UK investors feel?"

The claim that ending a dual-listed company structure automatically jeopardises membership of the FTSE 100 has been questioned. The Institute for Economic Affairs, a London-based think-tank, recently highlighted companies such as International Airlines Group and Germany-owned travel company Tui that have managed to retain membership of the FTSE 100 even though they are incorporated overseas.

The value that could be created by unifying BHP's DLC depends on the make-up of its share register post deal, according to analysts. This is because of franking credits, a system used in Australia to prevent double taxation.

'It is beyond serious doubt that unifying BHP's inefficient DLC structure would create significant value'

Australian companies can record the tax they pay as franking credits and attach them to dividends or share buybacks. Elliott says a lot of credits are building up because BHP Ltd has to transfer cash to BHP Plc so that it can pay a matching dividend.

Since the demerger of South32, there are only four substantive assets in BHP Plc. Together they generate only around 9 per cent of group profits — not enough to cover payments to Plc shareholders, which make up 40 per cent of BHP's shareholder base.

Post unification, the transfers would stop and BHP would be able to realise significant value from its $11bn pile of franking credits, says Elliott. Just how much would depend on the composition of its share register post unification because only Australian tax residents can make use of the refunds.

The two sides are at loggerheads on this key issue. "They [Elliott] have chosen one outcome, where a very large proportion of the shares end up in the hands of Australian residents so the franking credits become more valuable," Mr Mackenzie said.

"But there are plenty of people [outside advisers] who would advise us that we would end up with a smaller proportion in the hands of Australian residents. So you could end up in situation where unification destroys value."

Tail risk

Norway's central bank hints at a summer rate rise

KATIE MARTIN

What is the weather like in Norway? It's a surprisingly valid question in European markets.

Norway's central bank shook up the krone yesterday, propelling the currency to the highest point of the year after it left rates on hold for now but also said it would probably need to raise rates sooner than it had indicated in its monetary policy report back in December.

Governor Oystein Olsen said in a statement that the rate would "most likely be raised after summer 2018".

One hitch: Norway is not exactly known for its summers. Average temperatures in Oslo in August average out at around 16C. Hardly balmy, and some would say even borderline headscarf weather.

Naturally, it depends where you are. Head up to Norway's North Cape and you're lucky if you break into double figures.

At a press conference, Mr Olsen said it "remains to be seen whether August is a summer month".

Bulls reckon the Norges Bank is in the mood for raising rates, whatever the weather. As such, the currency is "massively undervalued", notes UniCredit.

Last month, Mr Olsen gave further fuel to the idea that he's looking to raise interest rates for the first time in seven years.

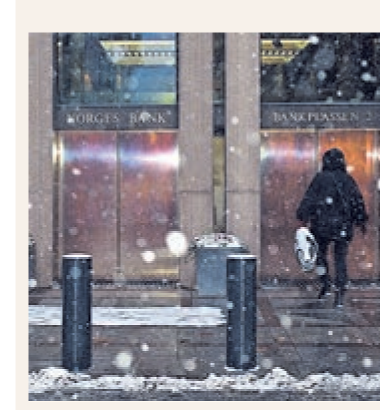
He was showing none of the reticence of his Swedish peers, who rarely skip an opportunity to indicate it is still just too soon.

"All things will pass, even a crisis," Mr Olsen said in an address in mid-February. "After the darkness comes the dawn," he added, quoting a predecessor who was summarising a similar turning point in the 1930s.

Mr Olsen also appears willing to disregard soggy inflation readings. "We would be less worried about low inflation than if real economic prospects were also weak," he said in that February speech.

With those comments coming just weeks after the country had cut its inflation target to 2 per cent from 2.5 per cent, the direction of travel seems clear. Local bank Nordea, for one, is not ruling out a rate rise in August. Others think the central bank will hold fire until September.

But Nordic central banks are no strangers to surprises. As Dutch bank ING warns: "Summers are pretty short in Scandinavia."



The last time Norges Bank raised interest rates was seven years ago

Capital markets

Britain seeks to cut back on its heavy use of inflation-linked sovereign debt

KATE ALLEN — LONDON

The UK Treasury's announcement this week that it is scaling back its sale of inflation-linked gilts runs counter to the prevailing European trend of expanding issuance.

Index-linked bonds pay an interest rate based on the level of inflation, offering investors protection against rising prices but potentially costing the issuer more over time. Pension funds and insurance companies are particularly keen on index-linked debt because it matches their liabilities, which are also often tied to inflation.

The UK sold £28.4bn of index-linked debt in the financial year 2017-18, representing 25 per cent of the total gilts sold. Overall, the UK has more than £400bn of outstanding so-called linkers, with an average maturity of 21.15 years.

Sales of UK linkers would fall to £21.7bn this year, the Treasury said on Tuesday, or 21 per cent of gilts sold.

Robert Stheeman, chief executive of the UK's Debt Management Office, said that "no other country regularly issues a quarter of its debt in inflation-linked bonds". That, he said, "gives us pause for thought".

In contrast Italy — the continent's next largest issuer of inflation-linked bonds — raises just 13 per cent of its debt in this way, according to figures from the UK's Debt Management Office.

But there are signs that this is changing. The first two months of 2018 saw the largest volume of inflation-linked supply in the euro area since at least 2005, according to Citi analysts. Euro area countries sold €11.7bn of index-linked debt in January and February.

European sovereigns that have tended to make much less use of linkers have responded to signs of firmer price pressures and stronger growth by stepping up their sales of inflation-protected debt.

The UK's relatively high issuance of linkers gives it 'pause for thought'

Amal Bansal, an economist at Citi, said the increase in euro-area linker supply came "across the board", with France, Spain and Italy all increasing volumes. Germany was an exception, with its €1.5bn of issuance in the first two months of 2018 being comparable with previous years.

The boost in sales comes as European break-even rates, or the difference between nominal and inflation-linked yields "have remained resilient to the recent weakness in oil prices and the volatility in risky assets", Mr Bansal said. "Both these factors are traditionally drivers of euro break-evens" and therefore demand for linkers, he said.

But he added that "there are signs that the market might be finding a balance now. Euro break-evens have stalled near the local highs over recent weeks."

As examples Mr Bansal cited the break-even levels on 2024 French inflation-linked debt, and 2021 Italian inflation-linked paper, in comparison with equivalent-maturity conventional bonds. He added this may be a result of the increased supply of linkers.

Peter Schaffrik, global macro strategist at RBC Capital Markets, said that market indicators such as break-evens suggest that "the market doesn't seem to believe in the return of inflation".

Currencies

Treasury must fill regulatory 'vacuum' on crypto assets, says top CFTC official

JOE RENNISON — BOCA RATON

The US Treasury needs to intensify efforts to fill the regulatory "vacuum" for the cryptocurrency industry, according to a top US regulator.

The explosion in cryptocurrencies — the total value of bitcoin and other digital currencies stands at more than $354bn despite a fall in recent months — has attracted the interest of regulators.

They have had to balance the desire not to stymie the technology with weeding out fraudulent ventures.

Steven Mnuchin, Treasury secretary, said in January that the Financial Stability Oversight Council, which was set up after the 2008 financial crisis to identify threats to the US economy, had formed a working group to look at cryptocurrencies.

But Rostin Behnam, a commissioner at the Commodity Futures Trading Commission, said much more had to be done, emphasising the need to go beyond the currencies themselves and focus on issues related to the underlying "distributed ledgers" and initial coin offerings.

"I think they really need to step in, gather all the regulators, take in ideas, talk to stakeholders, and then, if legislation is needed, propose that to Congress," he said. "There is a regulatory vacuum right now in this space."

Mr Behnam, the sole Democratic commissioner at the CFTC, also spoke against fellow commissioner Brian Quintenz, who this week reiterated his support for "self-regulatory organisations" to oversee the emerging cryptocurrency industry.

Mr Quintenz applauded proposals from Cameron and Tyler Winklevoss to set up a self-regulatory organisation for cryptocurrencies called the Virtual Commodity Association, funded by membership fees.

'They really need to step in, gather all the regulators, take in ideas, talk to stakeholders'

"Ultimately, a virtual commodity SRO that has the most independence from its membership, the most diversity of views, and the strongest ability to discover, reveal and punish wrongdoing, will add the most integrity to these markets," Mr Quintenz said.

SROs are widely used in US financial markets, such as the Financial Industry Regulatory Authority and National Futures Association. But Mr Behnam argued that setting up a cryptocurrency SRO would be unsuitable for such an embryonic industry.

"We need ideas, but I am a little sceptical of an SRO model given the nascent stage of the industry . . . SRO models, whether its Finra or NFA, were born as products of congressional mandates," Mr Behnam said. "I am not suggesting Congress has to act or is going to act anytime soon, but I do think there needs to be movement together."

Christine Lagarde, IMF managing director, argued this week that "we should take a step back and understand the peril that comes along with the promise".

In a blog she wrote: "We can begin by focusing on policies that ensure financial integrity and protect consumers in the crypto world just as we have for the traditional financial sector.

"Indeed, the same innovations that power crypto assets can also help us regulate them. To put it another way, we can fight fire with fire."

In February Chris Giancarlo, chairman of the CFTC, told a Senate hearing that "a rationalised federal framework may be more effective and efficient in ensuring the integrity of the underlying market" in virtual currencies.

Markets & Investing
FINANCIAL TIMES

The day in the markets

What you need to know

- S&P 500 on track to snap three-day run of losses
- Dollar higher versus euro and sterling
- Markets digest Kudlow appointment
- Oil prices edge up, gold falls

Turkish lira falls to 2018 low versus dollar amid worries over economy

Lira per $

Source: Thomson Reuters Datastream

The S&P 500 was heading for its first daily advance this week as recent worries about a global trade war appeared to ease, as participants digested news of Larry Kudlow's appointment as President Trump's chief economic adviser.

Bas van Geffen, quantitative analyst at Rabobank, noted that Mr Kudlow's views should rhyme more with those of the President, after Gary Cohn resigned from the post in protest at tariffs imposed on imports of steel and aluminium

"However, even though he has generally been supportive of the president's policies, Mr Kudlow isn't a big fan of tariffs either," Mr van Geffen said.

"This could lead to Mr Kudlow perhaps toning down some of Mr Trump's ideas on global trade — although Mr. Kudlow has expressed his support for tariffs aimed at China specifically."

Indeed, lingering uncertainty about the possibility of further tariffs — and the risk of retaliatory measures by China — lent early support to **US Treasuries**, while the yen maintained its firm tone.

But the **dollar** gained ground elsewhere as the focus began to turn towards next week's Federal Reserve policy meeting.

With a 25 basis point rise in borrowing costs deemed virtually certain by the markets, the focus will be on any signs of a shift in the central bank's view of the appropriate pace of rate rises going forward, said Victoria Clarke, economist at Investec.

"Note that markets will not only be jumpy about rate prospects over the next couple of years, but also about any steer on where the Fed's end point for [policy] normalisation lies," she said.

A hawkish statement from Norway's central bank yesterday pushed the krone up sharply as the markets positioned for an earlier than expected rate rise. The Swiss National Bank, meanwhile, said the franc remained "highly valued", and that interest rates needed to be kept at rock-bottom levels.

Oil prices moved modestly higher in tandem with equities, but gains were limited by worries that crude supply would outstrip demand this year. The International Energy Agency warned yesterday that a global trade war could threaten oil demand growth.

Gold retreated as the dollar rose.

Dave Shellock

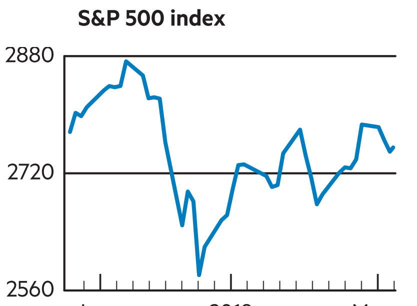
Markets update

	US	Eurozone	Japan	UK	China	Brazil
Stocks	**S&P 500**	**Eurofirst 300**	**Nikkei 225**	**FTSE100**	**Shanghai Comp**	**Bovespa**
Level	2755.29	1473.86	21803.95	7139.76	3291.11	85307.60
% change on day	0.21	0.53	0.12	0.10	-0.01	-0.86
Currency	**$ index (DXY)**	**$ per €**	**Yen per $**	**$ per £**	**Rmb per $**	**Real per $**
Level	89.844	1.232	106.065	1.395	6.322	3.285
% change on day	0.156	-0.324	-0.113	0.000	0.092	0.645
Govt. bonds	**10-year Treasury**	**10-year Bund**	**10-year JGB**	**10-year Gilt**	**10-year bond**	**10-year bond**
Yield	2.831	0.574	0.040	1.437	3.840	9.484
Basis point change on day	1.910	-1.700	-0.570	-0.300	-1.200	0.300
World index, Commods	**FTSE All-World**	**Oil - Brent**	**Oil - WTI**	**Gold**	**Silver**	**Metals (LMEX)**
Level	345.64	65.18	61.27	1323.55	16.61	3299.00
% change on day	0.00	0.52	0.54	0.06	0.58	-0.07

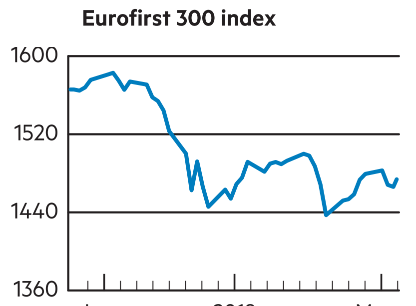
Yesterday's close apart from: Currencies = 16:00 GMT; S&P, Bovespa, All World, Oil = 17:00 GMT; Gold, Silver = London pm fix. Bond data supplied by Tullett Prebon.

Main equity markets

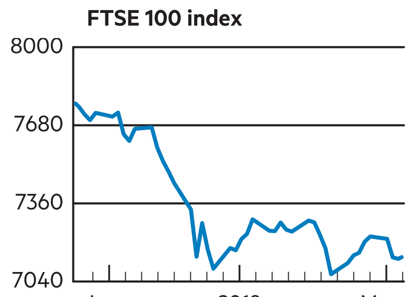
S&P 500 index



Eurofirst 300 index



FTSE 100 index



Biggest movers

%	US		Eurozone		UK	
Ups	Dollar General	6.38	Cnh Industrial	2.97	Standard Life Aberdeen	1.83
	Alexion Pharmaceuticals	5.85	Telecom Italia	2.83	Tesco	1.76
	Broadcom	2.81	Muench Rueckvers	2.78	Smiths	1.75
	Pentair .	2.63	Adidas	2.71	Hargreaves Lansdown	1.71
	Scana	2.56	Vivendi	2.69	Experian	1.67
Downs	Williams Companies	-10.34	Hennes & Mauritz	-3.32	Hammerson	-4.86
	Kinder Morgan	-6.43	Roche	-3.26	Micro Focus Int	-2.63
	Qorvo	-6.14	Raiffeisen Bank Internat	-2.44	Randgold Resources Ld	-2.14
	Monsanto	-4.98	Atlantia	-2.33	Fresnillo	-1.93
	Eqt	-4.44	Norsk Hydro	-1.59	Morrison (wm) Supermarkets	-1.81

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

The S&P 500 was flat in early trade, having been buffeted in the previous three sessions by continued jitters about a global trade war, a technology-led sell-off, and economic data that have damped expectations for a quicker pace of rate rises this year from the Federal Reserve.

The best sectors by mid-session were energy and utilities, each up 0.7 per cent, and healthcare, 0.3 per cent higher. Technology was weakest, down 0.2 per cent, while industrials were lower 0.1 per cent.

ExxonMobil was up 1.15 per cent at mid-session to $74.45 a share, while **Chevron** was 0.43 per cent higher at $115.63.

Alibaba bucked the tech trend, climbing 3.48 per cent at $199.25 by mid-session, after it was reported that the online retailer was looking at taking a secondary listing in China, potentially as early as midyear.

Elsewhere, shares in **Monsanto** dropped sharply in early trade following a media report that Bayer's bid to secure US regulatory approval for its $66bn deal to take over the US seed giant had not adequately allayed competition concerns. Monsanto shares fell 5.1 per cent to $116.88, their lowest level this year.

Peter Wells and Bryce Elder

Eurozone

Dufry, the Swiss airports newsagent operator being stalked by activist investor Elliott Management, slid 6 per cent yesterday, following full-year results that were broadly in line with expectations. But the company gave no explicit guidance on paying its first dividend, which had been flagged up last year. Dufry's annual report released yesterday clarified that management intends to propose a dividend for 2017 at its annual meeting in May.

Société Générale's shares fell in Paris after the bank's deputy chief executive resigned in a sudden move linked with the Libor rate-rigging scandal. The French lender fell as much as 3 per cent after Didier Valet quit on Wednesday evening, but the bank later recovered to close down 0.7 per cent.

Unilever's Dutch listing lagged behind the blue-chip Euro Stoxx 50, falling 1 per cent after announcing it had chosen Rotterdam over London to be its legal base. Paul Polman, its chief executive, said the move was unrelated to Brexit.

The group had previously had two headquarters, but last year moved 140 jobs from the UK as it centralised its food division in the Netherlands. Unilever will continue to be listed in both countries.

Bryce Elder and David Keohane

London

Tesco was in demand after JPMorgan Cazenove turned positive on the stock for the first time in five years, largely based on its takeover of Booker. Entering the £30bn wholesale grocery sector widens Tesco's available market and improves its ability to navigate the structural shift to online and convenience shopping, while the recruitment of Booker boss Charles Wilson reduces execution risks, it said.

Hammerson (trading ex dividend) and **Intu Properties** retreated on downgrades from Credit Suisse, which argued that the portfolios of both shopping centre developers are overvalued. Merging with Intu will dilute Hammerson's exposure to higher growth areas such as Ireland and designer outlets, the broker added.

Hikma Pharmaceuticals led the FTSE 250 gainers as broker upgrades followed results the day before. Citigroup said new management looks to have set guidance conservatively and saw potential for the stock to double if things go well.

A revival of bid speculation helped lift Michael Spencer's **Nex Group**, the electronic trading technology company carved out of ICAP in 2016.

TalkTalk advanced on the back of an upgrade from Macquarie, whose team was encouraged by subscriber growth.

Bryce Elder

Value investors look set to reap the benefits of steady EM growth

Steve Johnson
Markets Insight

Last year was a successful one for emerging market equities, with earnings growth of 22 per cent helping to propel a 35 per cent leap in the flagship MSCI index, its best showing since 2009.

Most analysts expect something of a pause for breath in 2018: a more modest consensus earnings growth forecast of 14 per cent is suggestive of a becalmed backdrop. Life, though, can change fast in EMs. UBS, whose forecasts were a little below consensus, has sharply revised up its estimate for earnings growth this year to 18.8 per cent, based on aggregating the bottom-up predictions of its army of EM analysts. This would represent a minimal slowdown from 2017.

And if UBS is correct, among the biggest winners could be downtrodden value investors. Value stocks, typically defined as those with a low price/book or price/earnings multiple, have underperformed the broader EM index for each of the past six years, being trounced by flashy growth stocks by 19 percentage points in 2017 alone.

Yet, while it is far too soon to call a definitive changing of the guard, there are tentative signs of a style rotation. Since late November, the MSCI EM Value index has risen 7.2 per cent, outstripping the 4.8 per cent return of its Growth equivalent.

This is in stark contrast to the US, where the S&P 500 Pure Growth index has outshone its Value sibling, beating it by more than 3 percentage points.

The UBS numbers, though, hold out hope for value investors that the recent pick-up may be a sign of things to come. One of its biggest calls is that EM banks, which eked out modest earnings growth of 6.1 per cent last year, after two years of declining earnings, will see growth jump to 19 per cent in 2018. Financial stocks have not always been seen as a classic value play but, as a result of their woeful showing in recent years, five — China Construction Bank, ICBC, Ping An Insurance, Bank of China and Banco Bradesco — are among the 10 largest stocks in the MSCI EM Value index.

Geoffrey Dennis, head of global emerging markets equity strategy at UBS, believes we are approaching a sweet spot for financials, an important sector that accounts for 24.3 per cent of the EM index, after a disappointing 2017.

Some countries, particularly those in the Gulf that run dollar currency pegs, will have to raise interest rates as the US tightens, allowing banks to lift their net interest margins, Mr Dennis says. Moreover, credit cycles are beginning or about to begin in Brazil, Russia, central Europe, India and parts of south-east Asia, he says, with the improving global economy providing a further tailwind.

> One of UBS's biggest calls is that EM banks will see earnings growth jump to 19% in 2018

Daniel Salter, head of emerging market equity strategy at Renaissance Capital, also expects "quite a decent rebound" in banks' earnings, arguing that bad debt levels should fall as a result of the global economic recovery, even as margins are no longer "crushed".

Moreover, widespread EM growth could encourage investors to favour broad exposure, potentially via banks, rather than having to seek out isolated, and expensive, fast-growing areas, such as technology or Russian retailers.

With 2017's all-conquering IT sector unlikely to repeat last year's heroics (UBS forecasts earnings growth will slow from 48.1 per cent to 19.3 per cent), some other value plays can come to the fore. UBS's most bullish forecast for this year is for the beaten-up utilities sector, where predicted earnings growth of 32.5 per cent is a far cry from the 5.7 per cent contraction witnessed in 2017.

A style rotation is more than overdue. In December, the valuation gap between growth and value stocks, whether measured in terms of the gulf in price/book or p/e ratios, hit the highest since comparable data began in 2006, although it has since narrowed a fraction.

The past 12 months also threw up another anomaly. During the four previous bouts of dollar weakness since 2002, EM value stocks comfortably outperformed growth ones, but that relationship broke down in 2017. With many expecting the greenback to fall again this year, the previous pattern could reassert itself.

Valuation-wise, modestly higher rates would be expected to favour value stocks. As Mr Salter points out, fast-growing companies are largely prized for anticipated future earnings streams, which are subjected to a steeper discount rate in a higher rate environment.

Mr Dennis believes that if financial stocks are in better shape, we will get rotation from growth to value "almost by definition".

"There is something of a rotation in terms of where the earnings growth is going to come from and value has beaten growth since late November, when it became clear that the US tax reform was going to pass," Mr Dennis says. "We are in a sweet spot of value beating growth."

steve.johnson@ft.com