РЕЛИЗ ПОДГОТОВИЛА ГРУППА "What's News" VK.COM/WSNWS

Newspaper of the Year

FINANCIAL TIMES

THURSDAY 29 MARCH 2018

WORLD BUSINESS NEWSPAPER

EUROPE

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UK corporate gender gap laid bare by disclosure rules — BIG READ, PAGE 7

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What to make of the surprise summit in Beijing — PAGE 3

We, the users
It is time for us all to demand proper data policing — ROULA KHALAF, PAGE 8

Faangs drawn
Bad month for tech stocks

After the worst one-day drop in their history on Tuesday, several so-called Faang stocks fell further in early trading yesterday as regulatory scrutiny and a more defensive investor mindset left them out of favour.

Facebook, Amazon, Apple, Netflix and Google proved a magnet for investors with an intoxicating mix of disruptive technology and near-dominant positions in their respective markets. But government scrutiny in the US and Europe comes as the global economic recovery that helped drive equities last year faces new threats, particularly a potential US-China trade battle sparked by President Donald Trump.

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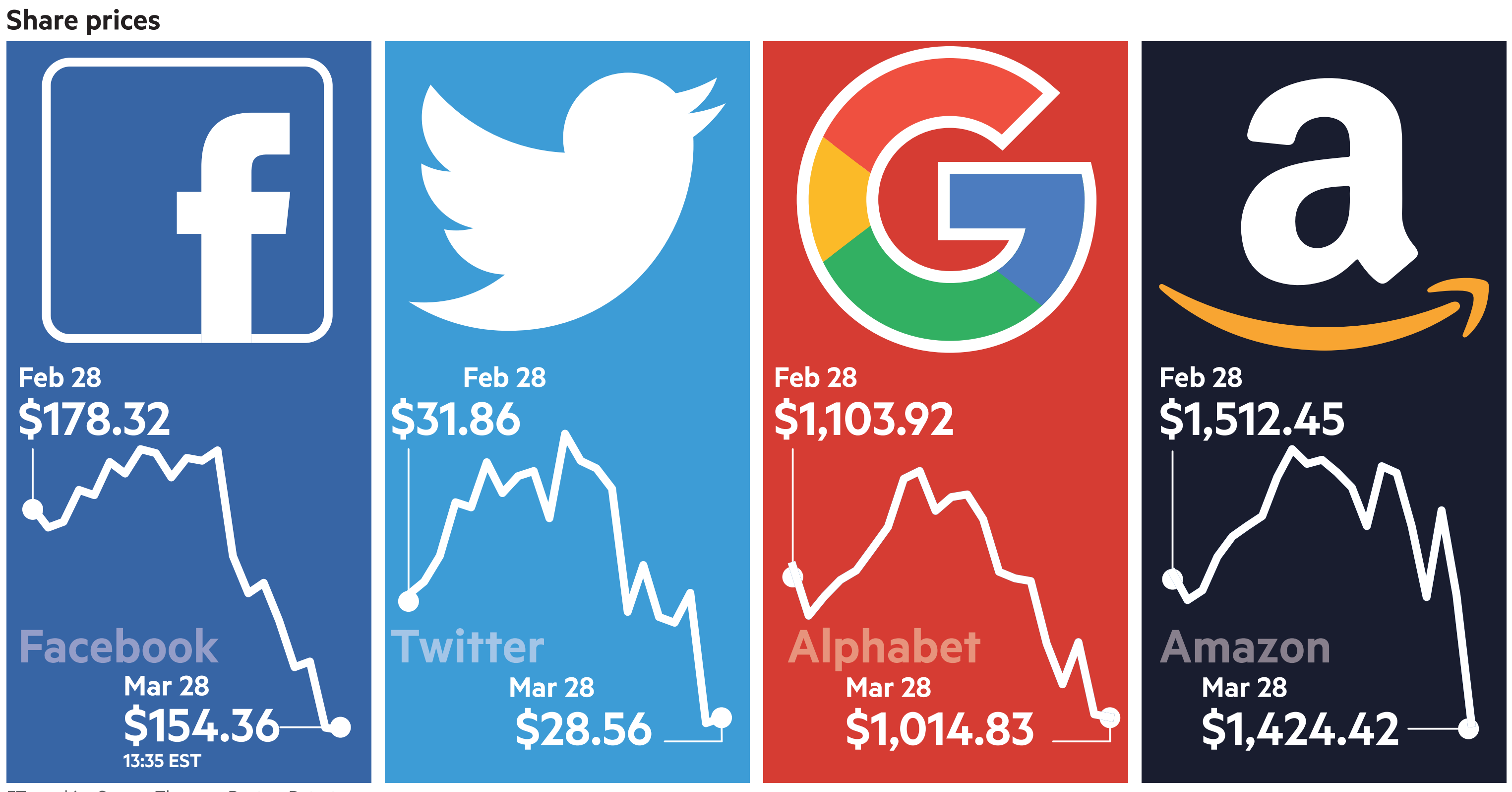
Share prices



FT graphic Source: Thomson Reuters Datastream

Briefing

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The social network has said it will set up a hub in which users can see data they are sharing, its latest bid to address a scandal that has wiped billions off its value.— PAGE 11; MODI APP, PAGE 3; NOTEBOOK, PAGE 8

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Martin Selmayr's contentious appointment as the European Commission's top civil servant has been labelled a "coup-like action" in a report by the European Parliament.— PAGE 2

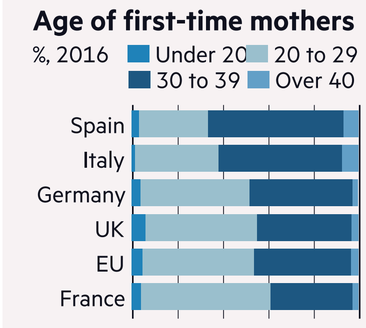
▸ Cryan committed to Deutsche Bank
Embattled Deutsche Bank chief executive John Cryan has sought to quell "widespread rumours" about his potential replacement, saying he is "absolutely committed to serving our bank".

▸ Investors blitzed in last fight for GKN
Shareholders have faced a final barrage from the engineering group and pursuer Melrose ahead of today's deadline to decide the biggest British hostile takeover in almost a decade.— PAGE 11; LEX, PAGE 10

▸ Italy's populists wrestle over premiership
Tensions have flared between the populist election winners as the leaders of the Five Star Movement and the League clashed over who should be prime minister in a coalition government.— PAGE 4

Datawatch

Age of first-time mothers



Source: Eurostat

France has the highest fertility rate in the EU, with most of its first-time mothers under 30 years old. Motherhood is delayed in Spain, where most women have their first child in their 30s; 6 per cent of them wait until their 40s

Record mega-deal surge pushes global takeovers beyond $1.2tn

● Quarterly M&A defies political uncertainty ● More than 20 moves worth at least $10bn

ERIC PLATT — NEW YORK
JAVIER ESPINOZA — LONDON
DON WEINLAND — HONG KONG

More than $50bn of takeovers were being lined up yesterday in a final flurry of dealmaking that saw global volumes exceed $1.2tn in a record-breaking quarter.

In the latest sign of how eager boardrooms are sparking a record number of mega-deals, Japan's top drugmaker Takeda revealed it was weighing a $40bn takeover of Irish rival Shire.

Concho Resources, a US oil and gas producer, agreed to buy rival RSP Permian for $9.5bn including debt and CME Group, the Chicago exchange, agreed to buy Nex Group in a deal that valued the UK group at nearly $3.8bn.

Despite a heightened level of political uncertainty, a potential US-led trade war against China and fraught Brexit negotiations, companies have embarked on an unprecedented number of big acquisitions this year. The value of $5bn-plus deals is more than triple year-ago levels, according to data provider Thomson Reuters.

More than half of the $1.2tn of acquisitions in the first quarter — the fastest start to a year ever — have been worth in excess of $5bn.

The overall level of activity is up more than 67 per cent from a year earlier and about a third ahead of 2007, the previous high-water mark for takeovers.

The surge of big transactions — with more than 20 deals worth at least $10bn — has been bolstered by a boardroom desire to head off disruptive technological threats and accelerate growth, according to bankers and lawyers who spoke to the Financial Times.

The deals have been spurred by quickening global growth and robust business confidence, as well as tax cuts passed in the US last year that have added to the firepower for marquee acquisitions.

"In an environment where growth is back, companies feel the pressure to justify the multiples they are trading on," said Alison Harding-Jones, Citigroup's Europe, Middle East and Africa M&A head.

Dealmaking in Europe has more than doubled from year-ago levels, led by accelerating activity in the UK, Germany, Spain and the Netherlands. Some bankers and lawyers expect the pace of divestitures to accelerate, opening the door for private equity groups.

Carlyle won a fight to buy the speciality chemicals arm of Dutch paint maker Akzo Nobel for €10.1bn

That was apparent in a €10.1bn deal including debt clinched this week between Carlyle and Dutch paint maker Akzo Nobel for the latter's speciality chemicals business. The acquisition is one of the largest European private equity deals agreed in recent years.

Stephen Arcano, head of M&A at Skadden, said that companies were being vigilant over potential political risks but for the time being there was no evidence that the pace of deal talks would slow down later in the year.

Additional reporting by Arash Massoudi and James Fontanella-Khan

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Decisions dodged as Brexit countdown hits one year

Analysis ▸ PAGE 4

Whiff of political punishment hangs over fraud charge for Anbang's Wu

GABRIEL WILDAU AND YIZHEN JIA
SHANGHAI

Chinese prosecutors have accused the former chairman of acquisitive conglomerate Anbang Insurance of fraud and embezzlement, offering the first detailed explanation of why authorities toppled the once high-flying tycoon.

But the charges, outlined in a Shanghai courtroom yesterday, are unlikely to allay suspicions that Wu Xiaohui has been targeted for political reasons, since his alleged crimes are largely technical.

Anbang rose from obscurity five years ago to become a formidable global dealmaker, acquiring New York's Waldorf Astoria hotel and Strategic Hotels & Resorts from private equity group Blackstone. Anbang abandoned a bid for Starwood Hotels that would have been its largest, partly for fear regulators would block the deal. Beijing seized control of Anbang last month and said it would seek investors to replace Mr Wu.

Mr Wu owned Anbang along with relatives and others from the city of Wenzhou. He has come to embody the clutch of private groups, including HNA and Dalian Wanda, that went on debt-fuelled acquisition sprees only to be brought low by a crackdown on foreign takeovers by President Xi Jinping.

Anbang financed its acquisitions mainly through the sale of high-yielding wealth management products known as "universal insurance" that bear little resemblance to traditional, protection-based insurance products.

Prosecutors accused Mr Wu of issuing false financial statements, marketing materials and regulatory filings to gain approval to sell such products. Mr Wu denied the allegations but added he "does not understand law and does not know if this behaviour constitutes a crime", according to a partial summary of proceedings published by the court.

Anbang said Mr Wu was on trial for "personal criminal behaviour" and no longer had a role with the company.

The whiff of a politically motivated prosecution persists because the business model of selling universal insurance to finance high-profile acquisitions was not limited to Anbang, although Mr Wu's group was the most aggressive.

Mr Wu's marriage to a granddaughter of Deng Xiaoping and the role of Chen Xiaolu, a "princeling", as an Anbang director fuelled the belief that Mr Wu had powerful patrons. But the arrest last April of Xiang Junbo, then chief insurance regulator, added to the impression that the political wind had shifted.

Jamil Anderlini page 11

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

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No: 39,742 ★

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

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World Markets

STOCK MARKETS

	Mar 28	prev	%chg
S&P 500	2610.14	2612.62	-0.09
Nasdaq Composite	6962.05	7008.81	-0.67
Dow Jones Ind	23882.98	23857.71	0.11
FTSEurofirst 300	1445.96	1438.35	0.53
Euro Stoxx 50	3321.30	3316.95	0.13
FTSE 100	7044.74	6999.88	0.64
FTSE All-Share	3885.16	3866.92	0.47
CAC 40	5130.44	5115.74	0.29
Xetra Dax	11940.71	11970.83	-0.25
Nikkei	21031.31	21317.32	-1.34
Hang Seng	30022.53	30790.83	-2.50
MSCI World $	2055.55	2069.13	-0.66
MSCI EM $	1185.18	1182.28	0.24
MSCI ACWI $	504.13	506.90	-0.55

CURRENCIES

	Mar 28	prev		Mar 28	prev
$ per €	1.235	1.240	€ per $	0.810	0.807
$ per £	1.410	1.414	£ per $	0.709	0.707
£ per €	0.876	0.877	€ per £	1.142	1.141
¥ per $	106.215	105.770	¥ per €	131.186	131.101
¥ per £	149.774	149.570	£ index	79.974	80.209
€ index	95.957	95.973	$ index	96.375	96.054
SFr per €	1.178	1.175	SFr per £	1.345	1.341

COMMODITIES

	Mar 28	prev	%chg
Oil WTI $	64.08	65.25	-1.79
Oil Brent $	68.39	69.46	-1.54
Gold $	1332.45	1341.45	-0.67

INTEREST RATES

	price	yield	chg
US Gov 10 yr	95.42	2.75	-0.07
UK Gov 10 yr	98.21	1.37	-0.05
Ger Gov 10 yr	100.50	0.50	0.00
Jpn Gov 10 yr	100.82	0.03	0.00
US Gov 30 yr	94.48	3.01	-0.05
Ger Gov 2 yr	101.40	-0.61	0.01

	price	prev	chg
Fed Funds Eff	1.42	1.35	0.07
US 3m Bills	1.77	1.79	-0.02
Euro Libor 3m	-0.38	-0.38	0.00
UK 3m	0.68	0.67	0.02

Prices are latest for edition Data provided by Morningstar

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Source: FAO, 2005-2015
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Trade pact overhaul

US and South Korea seek currency accord

Agreement would prevent competitive devaluations and boost transparency

SAM FLEMING — WASHINGTON

The US is moving towards an arrangement with South Korea to crack down on currency manipulation and bolster transparency in foreign exchange practices, Trump administration officials said.

However, the currency deal, which is being negotiated between the US Treasury and South Korea's Ministry of Strategy and Finance, would not form part of the nations' broader trade agreement, commonly known as Korus, and would not be subject to enforcement mechanisms.

The talks came as the two countries agreed in principle to a revised trade pact that provides relief to South Korea on steel tariffs as well as better access for the US car industry.

Donald Trump during his presidential campaign vowed a more aggressive approach to currency policies, including a pledge to name China a currency manipulator.

The administration shelved its China plan after taking office, however, while pursuing the introduction of foreign exchange mechanisms in trade negotiations with other countries.

South Korea's approach to currency has long been a bone of contention between the two sides, although the US Treasury has declined to formally label its ally a currency manipulator in its twice-yearly assessments of other nations' policies.

The proposed understanding between the two ministries would aim to prevent competitive devaluations and boost transparency in monetary operations being pursued.

However, reaching an enforcement mechanism would have entailed a protracted process of drawing up legislation, officials said.

> 'We believe these are important principles to have countries commit to'
> Senior US administration official

In the absence of enforcement rules, the US would have to revisit the final agreement between the two ministries if it determined that the South Koreans were not abiding by it.

"We believe these are important principles to have countries commit to, out in the open, publicly," said a senior US administration official. "We have no reason to believe they would enter into this particular agreement and then thumb their nose at it."

The proposed side deal and agreement in principle to an overhauled version of the trade pact follow months of negotiations after Mr Trump attacked Korus for undermining US jobs.

Critically for South Korea, the deal exempts the country from the tariffs that Mr Trump has vowed to impose on steel imports, with the two sides instead settling on quotas on sales of the product into the US.

Seoul's concessions would allow the US car industry greater access to the South Korean market, including a doubling in the cap on the number of US cars meeting American safety standards that could be sold in South Korea to 50,000 annually, as well as the easing of some environmental and customs barriers. In addition, a US tariff on imports of South Korean pick-up trucks would be extended by 20 years to 2041.

In its currency report in October, the US Treasury said a significant goal of the administration's renegotiations of the North American Free Trade Agreement was a currency mechanism to avoid the manipulation of exchange rates.

That report found that following several years of "substantial asymmetric foreign exchange intervention to limit won appreciation" at a time of substantial trade surpluses, South Korea had reduced its net foreign exchange intervention.

The US keeps South Korea on a list of countries to be monitored for any signs of currency manipulation.

Economic analysis. Pain v gain

White House shows few signs of trade war nous

In principle, the US with its deficit should benefit in battle with surplus-boasting China

GABRIEL WILDAU — SHANGHAI

Donald Trump earned ridicule for declaring on Twitter that for the US, a trade war would be "easy to win". But economists say there is some truth to the observation that in a trade war, deficit countries hold an advantage over those with trade surpluses.

China's trade surplus swells its economy each year, while net imports subtract from US growth. From this perspective, economists say the US president is correct that he has less to fear from a decrease in trade with China than President Xi Jinping.

However, White House actions have offered little reason to believe that Mr Trump and his advisers understand how to play to their own advantage.

"In principle, trade war is something that deficit countries with diversified economies should win and surplus countries always lose. So it's not really an even battle," said Michael Pettis, finance professor at Peking University's Guanghua School of Management.

"That's not to say that deficit countries can't screw up, and unfortunately, the approach that the US is taking isn't really going to address the deficit."

Understanding why surplus countries typically fare worse requires stepping back from a focus on specific products such as soyabeans or steel and understanding the macroeconomic forces that create trade surpluses and deficits.

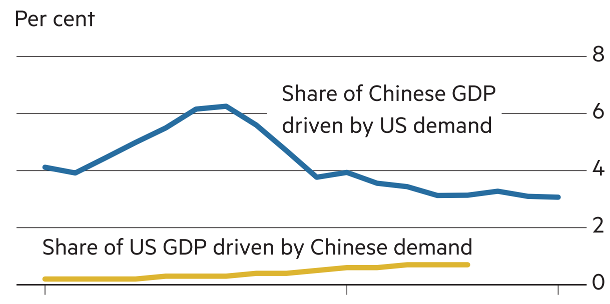
A basic economic principle states that the balance between exports and imports corresponds to the difference between national savings and investment. Economists generally see the latter balance as more significant: the savings-investment gap determines the trade balance, rather than vice versa. On this view, specific trade policy measures are mostly distractions.

For the US, closing the trade gap requires more savings relative to its level of investment. Fiscal policies designed to increase US savings would help, but recent deficit-financed tax cuts and spending increases push in the opposite direction. "Tariffs won't have much impact on a country's overall trade balance. As long as US demand is rising while the economy is near full capacity, we're going to be importing from somebody," said David Loevinger, formerly at the US Treasury and now a managing director at TCW Group, an asset manager.

Beyond fiscal policy, the US could restrict the ability of China and other surplus countries to finance American deficits through purchases of US Treasuries and other dollar assets.

On the line: a main point of leverage for China over the US is the reliance of American companies such as General Motors, above, on China's huge domestic market
Jeff Kowalsky/Bloomberg

China is more economically dependent on the US than vice versa
Per cent



Estimates for China 2014-17
Source: Standard Chartered, using the World Input-Output Database, which includes indirect effects from global supply chains as well as bilateral trade

The imposition of capital controls would be a fundamental repudiation of the US commitment to financial openness and liberalised capital flows, which underpin the dollar as a global reserve currency. Yet there are few signs Mr Trump or advisers care about such things, especially now that globalists led by Gary Cohn have been sent packing.

A trade war fought this way would inflict significant pain on China and bring some benefits to the US. Wei Li, senior China economist at Standard Chartered, estimates a broad-based trade war between the US and China would cost China 1.3 per cent to 3.2 per cent of gross domestic product. For the US, the comparable loss would be 0.2 per cent to 0.9 per cent.

For an example of how a trade war using capital controls might be fought, look no further than China in the 2000s.

Chinese foreign exchange controls are designed to restrict capital flight, while the country increasingly opens up to foreign inflows through its stock and bond markets. But when China's surpluses were at their peak a decade ago, China blocked financial inflows to domestic financial markets.

The difficulty for the US is that capital controls cannot feasibly be deployed against only "strategic competitors" such as China. Military allies Germany and South Korea are also big contributors to the US current account deficit. This is where China sees its protection from the ravages of a global trade war.

> 'The approach that the US is taking isn't really going to address the deficit'

Arthur Kroeber of Gavekal-Dragonomics, a Beijing-based research group, said China's focus was to isolate the US to prevent allies such as the EU and Japan entering the fray.

"China knows it can hold its own in a commercial conflict with any individual rival, including the US. But a concerted effort by the industrial democracies to constrain China's mercantilist development programme would cause it much more pain," he wrote last week.

China's other main point of leverage is the reliance of US companies on China's huge domestic market. Such dependence does not show up primarily in figures on goods trade but rather in services, as well as corporate earnings by local units of US companies such as Apple, General Motors and Caterpillar.

US businesses are vulnerable to myriad forms of disruption, much of which would likely occur through regulatory harassment. China Inc, by contrast, remains more domestically focused.

Europe and China must unite page 9

Diplomatic chill

Kremlin suggests UK spies involved in Skripal poisoning

KATHRIN HILLE — MOSCOW

Russia has suggested British intelligence could have played a role in the attack against former Russian double agent Sergei Skripal and his daughter Yulia with a nerve agent, in an escalation of rhetoric as Moscow assesses the damage from co-ordinated western diplomatic sanctions over the attack.

The Russian foreign ministry yesterday accused the British government of "disinterest [. . .] in finding out the true motives and establishing the perpetrators" of the attack. This behaviour "leads us to the idea of a possible involvement of the British special services. If the Russian side is not provided with convincing evidence to the contrary, we will assume that we are dealing with an attempt on the lives of our fellow citizens as a result of a huge political provocation," it said.

The harshly worded statement appeared designed to frame the poisoning of the Skripals as a broader attack on Russian interests. This is a response to western governments presenting it as something similar to an act of war — the first use of a chemical weapon in western Europe since the second world war.

> 'The British authorities demonstrate a systematic inability to guarantee the safety of Russian citizens'

While the UK says its chemical weapons experts have confirmed the Skripals were targeted with novichok, a family of nerve agents developed in the Soviet Union in the 1970s and 1980s, and that there is little doubt the Russian state was behind it, Russia denies any role.

Moscow has yet to respond to the expulsion of more than 150 Russian diplomats by more than 20 western countries and organisations over the past two days. Officials from the Kremlin, the cabinet and parliament have repeatedly said Russia would retaliate against any steps taken against it over the Skripal case with symmetric measures, but there has been no official response from Russia yet.

Dmitry Peskov, press secretary of President Vladimir Putin, said yesterday countermeasures "will be taken in due time". Maria Zakharova, foreign ministry spokeswoman, has promised a "surprise" for the UK today, the day of her regular weekly press briefing.

Some diplomats believe Russia's response might have been delayed by last weekend's shopping centre fire in the Siberian city of Kemerovo in which at least 64 people were killed. This has triggered a nationwide outpouring of grief and anger over the mis-handling of the disaster by regional authorities.

In its statement yesterday, the foreign ministry described the poisoning of the Skripals in Salisbury, southern England, as the latest attack on Russians in the UK. "The British authorities demonstrate a systematic inability to guarantee the safety of Russian citizens on their territory," it said, listing the deaths of several Russians in the UK that the British government views as murders backed by the Russian government.

Edward Luce page 9

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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.

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European Commission

MEPs criticise Selmayr's 'coup-like' rise to secretary-general

JIM BRUNSDEN — BRUSSELS

Martin Selmayr's contentious appointment as the European Commission's top civil servant has been labelled a "coup-like action" in a report by the European Parliament.

In the strongest condemnation yet of Mr Selmayr's promotion, the draft resolution says his rise to secretary-general "stretched and possibly even overstretched the limits of the law".

The parliament launched a probe into Mr Selmayr's appointment in the wake of revelations that Jean-Claude Juncker, the commission's president, arranged for his then chief of staff to be promoted twice in one day, while concealing the move from most of the commission's political leadership.

The draft resolution, prepared by a team led by Ingeborg Grässle, the German chairwoman of the parliament's budgetary control committee, warns that the affair has become a "reputational risk not only for the European Commission but for all the European Union institutions".

"The two-step nomination of the secretary-general constitutes a coup-like action," the draft report, seen by the Financial Times, said.

The tough language underlines how the manner of Mr Selmayr's appointment has raised tension between Mr Juncker and MEPs, including his traditional allies, who fear it has damaged the credibility of the commission.

Members of the European People's party (EPP), the centre-right bloc from which Mr Juncker hails, have been among those who have criticised the way the issue was handled and have called for greater transparency in how senior positions are filled.

The parliament has a formal role in holding the commission, the EU's executive arm, to account, with its budgetary control committee acting as a watchdog against maladministration.

MEPs cautioned that the text of the draft resolution was likely to be amended before parliament voted on it on next month. Lawmakers on Ms Grässle's committee have a deadline of April 5 to submit amendments, something MEPs said would be a crucial test as to how far the assembly wants to go in chastising Mr Juncker.

One MEP said that, with some national EPP parties under pressure from their leaders to drop the issue, much would depend on the position taken by the assembly's centre-left Socialists and Democrats group.

Aspects of the appointment that have drawn MEPs' criticism include the fact Mr Selmayr faced only one rival when he applied to become one of the commission's deputy secretaries-general.

The other candidate was his own deputy in Mr Juncker's cabinet, who withdrew her application. That paved the way for Mr Selmayr to secure the job on February 21 and he was promoted to secretary-general on the same day.

"Our main concern has been the transparency of the process," Syed Kamall, leader of the parliament's European Conservatives and Reformists group, told the FT. "The commission needs to start being straight with us, since they have given the impression that they stretched the rules to the limit when appointing Selmayr."

In the line of fire: Jean-Claude Juncker, left, and Martin Selmayr

While the draft text does not say rules were broken, it says Mr Selmayr's double appointment "runs against the spirit of the staff regulations".

MEPs said the parliament's goal was not to try to remove Mr Selmayr, a step that would probably lead to Mr Juncker's resignation but to create a clear understanding that a new secretary-general would be appointed when a new commission president took office next year. They are also pushing for more open recruitment procedures.

The draft resolution "calls for real change", said Sven Giegold, a Green MEP who has led calls for an investigation into Mr Selmayr's appointment.

Parliament officials said MEPs would send more written questions to the commission this week, and the answers would feed into internal discussions ahead of the vote in April.

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Reality of China-North Korea ties remains animosity and distrust

Doubts grow over Kim's commitment to disarmament despite his ticking off by Xi in Beijing

CHARLES CLOVER — BEIJING

When images emerged of Chinese president Xi Jinping meeting North Korean leader Kim Jong Un in Beijing, the dynamic was similar to a father chastising an errant son.

CCTV, China's state broadcaster, showed footage of Mr Xi, 64, lecturing Mr Kim, 34, with the latter taking notes in a demonstration of Confucian filiality. When Mr Kim spoke, Mr Xi gazed impassively, like a schoolmaster, at the portly dictator he was meeting for the first time after years of rising tension.

The two-day meeting, which began on Monday after Mr Kim's train pulled into Beijing under heavy guard, was a coup for China, which portrayed it as the prodigal son returning to the fold.

The last trip by a North Korean leader to China was in 2010 when Kim Jong Il, the current leader's father, visited.

But the reality of the relationship remains distrust and even animosity that has been the norm for the past quarter-century between the two former allies.

The formerly fraternal relations between the two countries have also deteriorated as China has backed the US in voting for UN sanctions against Pyongyang. Mr Kim has also wasted no opportunity to provoke China, purging officials close to Beijing, including his uncle whose death he ordered, and timing weapons tests to disrupt Chinese summits and holidays.

But the China visit hinted at a new relationship between obedient Mr Kim and stern, benevolent Mr Xi. The Chinese leader obliquely chastised Mr Kim, referring frequently to the wise "elder generations" of Chinese and North Korean leaders, such as Mr Kim's father and grandfather, who had the good sense to maintain cordial relations.

"The elder generations of leaders of the two countries trusted and supported each other, and wrote a fine story in the history of international relations," Mr Xi said, according to Xinhua, the official Chinese news agency.

Xinhua also quoted Mr Kim saying he was "committed to de-nuclearisation" and noted the first acknowledgment by Mr Kim of a planned meeting with Donald Trump, US president, later this year.

However, questions remain over Mr Kim's commitment to disarmament amid reports that North Korea may be bringing a new nuclear power reactor online at the Yongbyon nuclear complex, according to the New York Times.

Experts say the visit to Beijing — Mr Kim's first foreign trip as ruler — is driven more by short-term politics rather than long-term loyalties, before diplomacy that could transform the Korean peninsula. The meeting with Mr Xi occurred only after Mr Trump earlier this month surprised the world by agreeing to direct talks with Mr Kim.

"The visit between Kim and Xi is a rather stunning about-face for a relationship that had been overtly frosty in recent years," said Lindsey Ford, a former top Pentagon Asia official.

"It demonstrates the degree to which both leaders felt a need to seize the tactical initiative and stack the deck as much as possible heading into meetings with President Moon [Jae-in of South Korea] and President Trump."

China still regards North Korea curiously, akin to a time capsule of a Maoist past it has long since left behind.

Pyongyang, on the other hand, sees China as a betrayer of the founding ideals of the socialist movements in both countries in the mid-20th century.

China lost hundreds of thousands of soldiers fighting on North Korea's side in the Korean war from 1950 to 1953, and both have technically been allies since a 1961 mutual defence treaty. But relations have been frosty for 25 years since China recognised South Korea — seen as a betrayal in Pyongyang — and were exacerbated by Beijing pressing North Korea over its nuclear programme.

Foreign policy experts said that China's main motivation for the meeting was to reinsert itself in the dialogue between Mr Kim and Mr Trump. Long having championed the idea of direct US-North Korea talks, China found itself an outsider when Mr Trump agreed to talks with Mr Kim without consulting Beijing in advance of the move.

North Korea is also probably using China for more Machiavellian reasons.

Yun Sun, a specialist in Chinese foreign policy at the Stimson Center in Washington, said Mr Kim made China feel marginalised by first reaching out to the US and securing a positive response from the US president.

Pyongyang then made overtures to China, creating questions in the US about the Beijing talks.

"It's typical manipulation, where North Korea creates itself as a pivotal player," said Ms Sun.

"As long as [the] US and China desire to gain strategic advantage by excluding the other, North Korea will be successful."

Additional reporting by Emily Feng and Sherry Fei Ju

Thirsty work: Kim Jong Un, second left, and his wife Ri Sol Ju, left, meet Xi Jinping and his wife Peng Liyuan in Beijing — EPA/KCNA

Supreme leader
Kim confirms summit plans and makes nuclear pledge

North Korea's Kim Jong Un has confirmed he will hold summits with the leaders of the US and South Korea and would consider abandoning his nation's nuclear weapons programme.

The supreme leader's comments, reported by China's Xinhua news agency, are the first confirmation by North Korea of the potentially historic summits, which are planned for the end of April or early May.

Donald Trump, US president, yesterday tweeted: "Now there is a good chance that Kim Jong Un will do what is right for his people. Look forward to our meeting!"

The developments come hours after Mr Kim left China following a secretive two-day tour, where he met China's President Xi Jinping and reaffirmed the two nations' longstanding relationship.

According to experts, the visit — Mr Kim's first trip abroad as supreme leader — was aimed at allaying Chinese fears that it was being excluded from the growing diplomacy on the Korean peninsula.

The two nations have long been close allies, but ties have been strained in recent years as Pyongyang shunned the influence of Beijing.

Relations also have been frayed by North Korea's testing of ballistic missiles and nuclear weapons, which have prompted China to back tough UN sanctions against the reclusive regime.

But on Monday, Mr Kim toasted the relationship, calling it "as valuable as life".

He added he was willing to meet the leaders of the US and South Korea and that de-nuclearisation was a prospect.

"If South Korea and the US respond to our efforts in good faith, build a peaceful and stable atmosphere, and adopt phased and simultaneous steps for peace, the issue of de-nuclearisation on the peninsula can be resolved," Mr Kim was quoted by Xinhua as saying.

However, for North Korea, phrases such as "simultaneous steps for peace" are likely to mean the removal of US forces from South Korea — a scenario that is highly unlikely.

The White House said: "The Chinese government contacted the White House earlier on Tuesday to brief us on Kim Jong Un's visit to Beijing."

Earlier this month, Mr Kim conveyed to South Korean envoys that he was willing to meet Mr Trump to discuss de-nuclearisation, an offer the US leader accepted.

Reporting by Bryan Harris, Seoul, Tom Mitchell, Beijing, and Edward White, Taipei

Racism claims

Australia academics split on plan to curb Beijing influence

JAMIE SMYTH — SYDNEY

Canberra's proposed crackdown on Chinese government influence in Australia has prompted a bitter split among academics, following claims the policy is driven by racism and is stigmatising Chinese Australians.

A group of 35 China scholars based in Australia signed an open letter yesterday defending the Australian government's efforts to identify and wind back Chinese Communist party (CCP) influence in the country.

Canberra is proposing to ban foreign political donations and target covert, deceptive and threatening actions by foreign groups and individuals in response to alleged interference by the CCP in the country's internal affairs and in Chinese diaspora communities.

The letter said accusations of racism were a tool used by the CCP to silence the debate over foreign influence and drive a wedge between Chinese communities and the rest of Australia.

"We firmly believe the current debate is not characterised by racism and that it is crucial for Australia to continue this debate," the letter said. "Indeed Chinese Australians are among the initiators and drivers of this debate."

The intervention follows a rival letter published last week by 30 China scholars living in Australia that aired concern the debate was putting "a sensational spin on facts and events".

The divisions among Australia-based Chinese scholars highlight the complexities western powers face when seeking to tackle CCP efforts to influence politics, society and particularly the Chinese diaspora. There are an estimated 1.2m people with Chinese ancestry in Australia, a diverse community that has experienced racism in Australia.

China, Australia's largest trading partner, has criticised the proposed crackdown on foreign influence, warning that media reports were filled with "cold war mentality and ideological bias" that reflected a "typical anti-China hysteria".

The proposed laws face opposition in parliament, where concerns have been raised about new rules that could lead to the jailing of journalists if they take possession of classified documents.

Canberra said it would redraft the legislation to provide safeguards, but some Chinese scholars feared the law would continue to criminalise academics who received information deemed harmful to the national interest.

"While exemptions have been proposed for journalists, this does nothing to assuage our concern that the freedom of scholars to fulfil their public function will not be threatened by these laws," said the open letter warning about the new foreign influence laws.

Rival academics criticised the open letter. Adam Ni, a China researcher at Australian National University, said the characterisation of the debate "as alarmist and racist" was "untrue".

Jamil Anderlini page 9

Social media. Political marketing

Modi personal app sparks India data privacy dispute

Parties turn on each other as researcher claims data were sent to US analytics group

AMY KAZMIN — NEW DELHI

Narendra Modi was early to recognise the potential of social media as a political tool.

The Indian prime minister's Twitter account was set up nearly a decade ago and has more than 40m followers. A year after his election, he launched a NaMo app to engage his supporters by promoting his activities and initiatives and allowing them to send in their own ideas and feedback.

But now the NaMo app — which has been downloaded more than 5m times from the Google Playstore and is pre-installed on cheaper phones distributed by Reliance JioPhone — is at the centre of a dispute on data privacy that has echoes of the uproar in the US and the UK over the political marketing techniques used by Cambridge Analytica.

The row broke out after a French app developer and cyber security researcher claimed on Twitter last week that the NaMo app was sending user data to a third party — a US-based analytics company called CleverTap — allegedly without users' permission — apparently violating the terms of the Google Play Store. The app's privacy policy was quickly changed. But the Indian Express newspaper then reported that the NaMo app's default permission settings gave it nearly full access to the data stored on users' phones, including photos and videos, contacts, location services and even the ability to record audio — though savvy users could opt out by disabling the permissions for those features.

The allegations have sparked a war of words between Mr Modi's Bharatiya Janata party and the opposition Congress, with each accusing the other of misusing users' data as India gears up for what are expected to be hard-fought national elections in the next year.

"Modi's NaMo app secretly records audio, video, contacts of your friends & family and even records your location via GPS," Rahul Gandhi, Congress leader, tweeted this week. "He's the Big Boss who likes to spy on Indians."

Amit Malviya, the former banker who is the BJP's head of information technology, rejected the allegations of impropriety, accusing Mr Gandhi of "techno-logical illiteracy".

"Anyone who uses a smartphone knows that mobile apps request permissions, relating to camera, microphone etc," Mr Malviya wrote in an Indian Express op-ed on Tuesday. "Do all these apps employ this for snooping?"

Mr Malviya has also criticised Congress — which lags behind the BJP in its use of social media — for the loosely worded privacy policy of its own official website. "Full marks to the [Congress] for stating upfront they'll give your data to practically anyone," he tweeted.

"In theft of all forms Congress has never been discreet."

In fact, India has no comprehensive data privacy or security laws that apply to either the government or political parties; the only legal provisions that address data protection and privacy issues are applicable to companies.

But the controversy highlights how many Indians are becoming uneasy as they wake up to the data-gathering potential of apps.

"People are outraged that there is a peephole," said Sunil Abraham, executive director of the Bangalore-based Centre for Internet and Society, a non-profit research organisation.

He added: "They are not outraged that anyone has looked into the peephole because there is no evidence of that yet."

It remains unclear how much data were collected by the NaMo app, though the French researcher, Robert Baptiste — who tweets under the pseudonym Elliot Alderson — said on Twitter that users' personal details, including photo and device details, were all sent to CleverTap once a user profile was created.

CleverTap, which was founded in 2013 and is backed by Sequoia Capital and Accel Capital, said it used behavioural analytics to help brands identify, target and engage customers, and claimed to have "the world's most powerful segmentation engine".

CleverTap, whose three co-founders previously worked at Network18, one of India's largest media houses, boasts clients such as Sony and Star TV and large Indian internet companies such as food-ordering app Zomato. CleverTap did not respond to requests for comment.

But Mr Malviya said that CleverTap was an "analytical tool" used to help the app provide the most relevant information to users, including alerting them to when Mr Modi might be making a public appearance near them.

"It is not different from what Facebook does; that is how all apps are," Mr Malviya added. "They study the user pattern; the surfing behaviour and they help in providing more contextual information to the user."

Selfie: Narendra Modi engages followers through his NaMo app

Notebook page 8

Central Europe

Poland buys US missile defence system

JAMES SHOTTER — BUDAPEST
EVON HUBER — WARSAW

Poland has struck a $4.75bn deal with the US for a Patriot missile defence system, the central European country's biggest weapons procurement.

Poland, the linchpin of Nato's eastern flank, has been accelerating a drive to modernise its armed forces since Russia annexed the Crimean peninsula in neighbouring Ukraine in 2014.

The country is one of the few members of the Nato alliance to spend 2 per cent of its gross domestic product on defence, and last year pledged to raise defence spending to 2.5 per cent by 2030.

Andrzej Duda, Poland's president, yesterday hailed the deal — which includes four radars, four combat stations, 16 launchers and 208 PAC-3 MSE missiles — as "a unique and historic moment that ushers Poland into a new world of ultra-modern technology and weaponry".

"This is a new chapter in the history of the Polish army, a huge step forward for the entire Polish army," he said.

"This is a lot of money but we know, also from our historical experience, that security has no price."

Relations between Warsaw and Washington have been hurt this year by the fallout from a law passed by Poland that would make it a crime to falsely accuse the Polish nation or state of Nazi war crimes.

The US raised concerns over the impact the law could have on freedom of speech, and took the unusual step of warning publicly of "the repercussions this . . . legislation, if enacted, could have on Poland's strategic interests and relationships — including with the US and Israel".

However, the diplomatic tension was not enough to derail the long-awaited deal, which comes as relations between Moscow and the west have hit a new low in the wake of a nerve agent attack on a former Russian double agent and his daughter in the UK this month.

The British government has said that it was highly likely the attack was ordered by the Kremlin, and this week more than 20 European and Nato countries expelled Russian officials and suspected spies in the biggest diplomatic offensive against Russia since the end of the cold war.

The Polish defence ministry said the defence system would be used to combat short-range ballistic missiles and self-propelled rockets, as well as manned and unmanned air strikes, and would be able to neutralise enemy targets "within seconds".

Most of the system is made by Raytheon, the US defence group, while the missiles are made by rival Lockheed Martin. The deal includes the provision of technical, logistical and training equipment. Poland is negotiating with the US to buy further systems as a second phase of its military overhaul.

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Countdown to Brexit

Transition gives time to defer decisions

Britain will leave the bloc next March but negotiators have until the end of 2020 to strike a deal

ALEX BARKER — BRUSSELS

There is now one year to go before Brexit day. Yet even as the countdown begins to March 29 2019, the UK and the EU know they have more time — at least the best part of two years — to negotiate precisely what comes next.

The gap between the two deadlines is a crucial factor as Brexit talks unfold. A standstill transition, agreed in principle this month, has averted a looming crunch for business. EU law will prevail until the end of 2020.

The grace period also gives politicians on both sides of the Channel the option to defer hard decisions on the future partnership and even change their minds years from now. How they exercise that freedom is the big judgment call to make during the formal talks on future relations, which start in coming weeks. The negotiators know some decisions must be set in stone in a withdrawal treaty, while others will be provisionally made, or left for later.

"I heard from the Brits that a political declaration [on future relations] with lyrics and metaphors will do," said one senior EU diplomat handling Brexit. "At some point we have to say: we cannot continue like this. We need clarity."

More precision would better reflect what comes after Brexit. But it could also destroy Theresa May's best political shield. "She glides through on ambiguity," one senior British official said of the UK prime minister. "That's her game."

Simon Fraser, former head of the UK Foreign Office, said: "If I was a Brexiter, I would say 'let's get out and do the difficult stuff when we get out'". Details of the final deal would, he added, "expose the difficulty of getting a favourable economic outcome for Britain".

Decisions to be taken before 2019

Brexit's bare necessities are enshrined in a withdrawal treaty. Roughly three-quarters of a 120-page withdrawal draft are agreed. Green ink — signifying agreement — covers a financial settlement of about €45bn, citizen rights and the terms of the 21-month transition.

"The withdrawal agreement is what we need in order to avoid disarray," said one EU official with a lead role on Brexit. "But that will not fly in parliament unless Theresa May has something else, the promise of a bright future."

This is the role of what the EU calls a "political declaration" on future relations, a non-binding framework for post-Brexit negotiations that will accompany the exit and transition agreement. As well as guiding negotiators after 2019, this document must smooth the way for the ratification of the exit treaty.

The Irish question

The future status of the province is a big feature of the withdrawal treaty, obliging both sides to take specific actions to uphold the Good Friday peace agreement and avoid a hard border with the Republic of Ireland. But the provisions also touch on customs and trade, setting precedents for the formal UK-EU trade negotiation, which can only be completed after Brexit.

"What happens at the border with the EU in Northern Ireland is an indicator of what may happen in Dover," said Jonathan Faull, a former senior European Commission official.

A "backstop" plan in the withdrawal treaty will set out arrangements to avoid a hard border until and unless alternative solutions are found after Brexit day.

The EU side says it requires a "single regulatory area" on the island, policed through customs checks along the Irish Sea. But for Mrs May that is an "unacceptable" breach of UK sovereignty. It cuts to the heart of the centuries-old Irish question. The two sides are aiming to find a fix by June.

What can be left to later?

The Northern Ireland conundrum requires clarity on a fundamental point: after Brexit will the province or all of the UK be in a customs union with the EU?

Without such a decision it is impossible to draft the Irish "backstop" in the withdrawal treaty, or provide a basic framework on future UK-EU relations.

But all decisions outside the withdrawal agreement are, to some extent, provisional. While the statement on future relations will set the ambition for talks, it is non-binding. Some EU leaders want to allow the UK to adjust its position to allow closer ties, even after Brexit. They see the transition as suspending Brexit's economic consequences, while providing negotiating time. Detailed compromises need not be addressed head on. The EU senses its leverage will be greater as Britain approaches a new cliff-edge at the end of transition.

David Davis, UK Brexit secretary, wants a fully formed partnership deal before the UK leaves. "It would be unwise . . . to get sucked into doing a negotiation that is substantive . . . during the transition period itself . . . The balance of power in the negotiation [changes]," he said in January.

But the incentive to fudge issues may be strong. On tours of EU capitals, Mrs May's aides have compared the process to a box with "Brexit" on the side. What is inside the box, they say, is less important than ensuring it happens.

FT Interactive
As the UK enters the final year before Brexit, we look at the negotiations to come and the deadlines needed to be met
ft.com/interactive

Heading for the exit The next phases in the process

Theresa May, UK premier, and Michel Barnier, the EU's chief Brexit negotiator

FT montage: Getty/AP/Dreamstime

Negotiating phase

The main areas up for discussion:

- Terms of the transition
- Separation terms
- Future status of Northern Ireland
- Framework for future UK-EU relationship

Deadline Autumn 2018

Ratification phase

- Approval by 72 per cent of member states
- Consent vote by European Parliament
- UK parliament passes bill implementing withdrawal treaty
- Both sides notify that UK remains part of 750 EU international agreements

Deadline UK's exit from EU on March 29 2019

Transition phase

- Formal trade talks begin
- UK seeks to replace 750 EU international deals
- Both sides prepare new immigration/customs/regulatory systems
- Political accord on partnership agreement and EU parliament approval
- European elections in May 2019

Deadline End of transition period, Dec 31 2020

Beyond

- Provisional application of trade agreement
- Regulatory assessments for equivalence/mutual recognition
- Implementation of phase-in provisions in new partnership
- Ratification of agreement in up to 40 national parliaments
- UK elections by May 5 2022

Political danger

May heads for autumn showdown as rebels keep powder dry

GEORGE PARKER AND LAURA HUGHES
LONDON

Theresa May's 12-month journey to Brexit is strewn with political danger, but the rebels who could alter the course of events have one main opportunity: a parliamentary showdown in the autumn over what the UK prime minister's team calls simply "the deal".

The rebels within the governing Conservatives — whose votes the minority government badly needs — are quietly scaling back plans for guerrilla attacks in the coming months.

Instead, they are saving their political capital for a final autumn push, when Mrs May is due to present the details of Britain's EU withdrawal deal and outline the plans for future ties with the bloc.

"That's the moment of truth," said Jacob Rees-Mogg, a leading Brexiter and Conservative MP. The biggest battle is likely to be over whether Britain stays in a customs union with the EU, rather than any attempt to overturn the country's scheduled exit on March 29 2019.

Mrs May's government claims it has momentum in the EU talks, having secured agreement on divorce and a transition deal until the end of 2020.

One leading pro-European MP now expects rebels to "flake away" from efforts to defy the government on trade legislation next month. The rebels contend that, at present, their pressure is working better behind the scenes as ministers seek to soften Mrs May's line.

"There are those in government who say that the pressure from outside helps them to keep the heat on," said one.

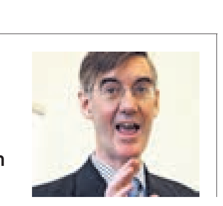
The fragile Conservative truce is also partly founded on the expectation that the party will be trounced in London, a pro-EU bastion, in May 3 local elections.

Pro-Remain Conservatives do not want to be blamed for any electoral setbacks but will argue after the event that voters were punishing Mrs May for flirting with a hard Brexit. "It's a case we will make," said one. Another added: "We are waiting to be trashed."

Most Conservative MPs are willing to let Mrs May negotiate until the autumn: the key moment would come when she returns with an agreement, possibly after the EU summit on October 19.

Mrs May has promised MPs a "meaningful vote" on the deal followed by scrutiny of primary legislation — a "withdrawal agreement implementation bill" — both of which will be politically testing.

Jacob Rees-Mogg: says staying in a customs union would be 'the biggest humiliation since Suez'



Labour's shadow foreign secretary Emily Thornberry suggested on Wednesday her party might support a "blah, blah, blah" divorce deal because it would be so vague as to be virtually meaningless.

Later a senior party official said Ms Thornberry was being "sarcastic".

Mrs May herself expects the opposition parties in Britain's hung parliament to reject the deal she comes back with. That means she needs the backing of all her MPs along with Northern Ireland's Democratic Unionist party to squeak home with a majority of just 13.

Although Remainers insist they respect the 2016 vote to leave the EU, they are preparing to demand that Mrs May go back to Brussels to negotiate to keep Britain in a customs union.

That would protect British trade with the EU and help the government fulfil its promise to avoid a hard border with Ireland. Because Jeremy Corbyn, the Labour leader, now backs a customs union, such a plan is within touching distance of a parliamentary majority.

Mrs May has rejected a customs union because it would prevent Britain from striking trade deals with third countries. Cabinet resignations and a Tory civil war could follow.

Italy coalition talks

Five Star and League at odds over choice of premier

JAMES POLITI — ROME

Tensions flared between the two populist winners of this month's Italian general election as the Five Star Movement and the League clashed over who would be prime minister in a coalition government.

The spat, which burst into the open late on Tuesday, suggests that the talks to form a government between the League and Five Star, which are due to formally start next week under the stewardship of Italian president Sergio Mattarella, could be long, complicated and possibly fruitless.

Luigi Di Maio, the 31-year-old head of the Five Star Movement, and 45-year-old Matteo Salvini, who leads the League, were opponents during the campaign but have grown closer following the March 4 general election. Each side made gains on the back of discontent with a sluggish economy, the migration crisis and distrust of Italy's political establishment.

Since neither party won enough seats to govern alone, they are now considering a tie-up to break the political logjam. But one big sticking point came to the fore when both Mr Di Maio and Mr Salvini laid claim to the premiership for their side in any coalition government.

"The prime minister has to be the expression of the popular will," Mr Di Maio wrote in a blog post yesterday.

> 'The prime minister has to be the expression of the popular will'
> Luigi Di Maio

"More than 32 per cent of Italians voted for Five Star and for me as premier. It's a matter of the credibility of democracy. I'm not digging in my heels for personal reasons," Mr Di Maio said.

Mr Salvini, whose far-right League won 17 per cent of the national vote, but within a rightwing coalition that garnered 37 per cent of the vote, believes his party should be entitled to the role of prime minister and was scathing about Mr Di Maio's stance.

"Di Maio is saying 'It's me or nothing?' That's an obstacle, it's not the best way to talk," Mr Salvini said yesterday. "And in any case 50 votes are a lot fewer than 90," he said, referring to the fact that Five Star would need about 90 additional MPs to gain a majority in the lower house while the entire rightwing coalition would need just 50.

His comment elicited a riposte from Mr Di Maio on Twitter. "Salvini says all he needs is 50 votes. Does he want to make a government with 50 votes from [Matteo] Renzi [the former PD leader] in a deal with Berlusconi? Good luck!"

The chances of a coalition between Five Star and the League rose at the weekend after the two parties joined forces to elect new speakers for Italy's bicameral legislature — with Mr Di Maio and Mr Salvini developing a good personal rapport during the negotiations. There have also been lower-level contacts between staff about how to reconcile the parties' platforms.

But the risks involved in compromising to form a new government are much greater for Five Star and the League than they were in making a deal on the top positions in parliament. Mr Di Maio, in particular, is facing a backlash from Five Star activists who would rather see their party try to form an alliance with the defeated centre-left Democratic party. They bristle at the thought of any pact that might involve Silvio Berlusconi, the former prime minister and Mr Salvini's one-time coalition partner.

Mr Salvini is not claiming that he personally should become prime minister, but insists that the position should go to his side, since the rightwing coalition won more votes than Five Star.

Ethnic breakthrough

Ethiopia lines up reformer as prime minister and raises hopes of end to fatal protests

JOHN AGLIONBY — NAIROBI

Ethiopia's ruling coalition has elected Abiy Ahmed, a young reformer, as its leader, paving the way for him to become prime minister as the government grapples with its biggest crisis in decades.

The announcement ends weeks of uncertainty after Hailemariam Desalegn resigned as premier and chairman of the Ethiopian People's Revolutionary Democratic Front, which has struggled to quell almost three years of deadly anti-government protests.

Mr Abiy, 41, is chairman of the Oromo People's Democratic Organisation, one of the front's four member parties. He won about 60 per cent of the vote in the front's 180-member council, its highest decision-making body, to take over as chairman, state media reported.

The parliament, in which the front controls all the seats, has always elected the ruling coalition's chairman as prime minister of Africa's second-most populous country. The parliamentary vote to choose a premier is expected to take place this week.

The change in leadership comes after the front, which has ruled since 1991, has been rattled by a wave of unrest and divided over how to respond to the biggest threat to its hold on power.

Mr Abiy's Oromo party has become increasingly sympathetic to the protesters' demands for greater democracy and an end to the front's autocratic grip.

The protests began in 2015 in Ethiopia's Oromia region and spread to much of the country. At least 1,000 people have been killed and tens of thousands detained. The government said in January that it would release political prisoners and begin a dialogue of national reconciliation. Mr Hailemariam abruptly resigned last month and the government imposed a state of emergency as protests continued after the prisoner release, raising questions about its commitment to its promises of reform.

Almost 90 MPs voted against the emergency legislation, underlining the deep rifts in the coalition, and demonstrations have continued despite a crackdown by security forces.

The protests and two periods of emergency rule have hit business confidence in what was for most of the last decade one of Africa's fastest growing economies as it enjoyed close to double-digit annual growth. Some investors have put projects on hold and the supply of foreign exchange has become scarce.

Many analysts have said that unless a member of the Oromo people is appointed premier, the unrest will escalate. The Oromo account for about a third of Ethiopia's 105m population and have been central to the protests.

Awol Allo, an Ethiopia analyst at Keele University in the UK, said the elevation of an Oromo after 26 years of domination by the Tigrayan ethnic group — which accounts for 6 per cent of the population — underlined that "moves of tectonic proportions" were taking place in the country.

"Abiy offers the best chance for the kind of change that people are calling for," Mr Allo said. "But the expectations are huge and it will be very hard to deliver on those expectations with the institutional constraints that still exist."

Mr Abiy was a lieutenant-colonel in the military and holds a doctorate in peace and security from Addis Ababa University. He briefly served as science and technology minister under Mr Hailemariam.

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Fair deals

Solid sales and more Chinese collectors this year as Art Basel Hong Kong got under way. Jan Dalley reports

It's not exactly raining diamonds," said one gallerist, "but we've had a solid couple of days." Art Basel's decision to have two preview days for its 2018 Hong Kong fair, before the public opening today, made for quiet, uncrowded aisles, space and room to breathe. And to look at art. Several dealers said that this event has a pace of its own: unlike the frenzied opening rush of some fairs, here buyers might come, look, leave, come back later to put their money on the line. Sales are made right to the end.

Kati Heck's 'Ein Innen!' (2018)
Sadie Coles HQ/Andrea Rossetti

This is unlike Art Basel in Miami — with its infamous, indecorous early-hours stampede — or in its home city. "In Basel," Ivan Wirth of Hauser & Wirth says, "if you haven't sold a masterpiece in the first two days, people think there's something wrong with it."

He has little to worry about, having made a number of important sales very early on. At the other end of the scale, Hong Kong's own Galerie Du Monde, a newcomer in the Insight section, which is for galleries based in Asia and the Asia-Pacific region showing artists from the region, made a clean sweep of new works in the "Cyano-Collage" series by artist Wu Chi-Tsung, at prices from US$5,000-US$50,000.

The smash-hit sale of the fair so far is Lévy Gorvy's Willem de Kooning, "Untitled XII" (1975), which went to an unnamed private collection for a reported US$35m. At this price, though, the gallery would have had a buyer carefully lined up: there is no one for whom that's just shopping.

Such star sales reveal that behind the apparent ease of art fairs, where wealthy clients seem to stroll the aisles buying on a whim, in fact most good galleries have put in detailed, strategic legwork in the run-up to the event.

The serendipity that is the supposed strength of the art fair model does operate, but it is hugely helped by historic relationships and planning. So when Sadie Coles sold a painting, ("Ein Innen!", €52,000), by German Kati Heck, one of its newest artists, it was to a prominent Hong Kong collection known to the gallery. But the same gallery's £150,000 commission for Scottish artist Jim Lambie — rather than a purchase of the thrusting, multicoloured metallic work on display at the booth — could hardly have been foreseen.

Heck's work is figurative, neorealist with a slightly surreal, drug-fuelled twist: once a risky prospect for this market, but no more. Most gallerists agree that not only are there far more Chinese collectors this year — and Japanese, too — but that the confidence and sophistication of this market increases steadily. The story is all about the burgeoning of the local market, and artists from the region, but the almost baffling internationalism of a fair such as this continues: at Pilar Corrias, for instance, a London-based Spanish gallerist sold a spectacular pair of lamps ("Large Happy Ending", 2017, £150,000) by the French artist Philippe Parreno to a South American collector for his Swiss home. And they all crossed the globe to do that.

As well as Art Basel other fine shows around the city include those of Sean Scully, presented by Timothy Taylor at the Hong Kong Arts Centre, Antony Gormley at White Cube, and Para Site art space's group show *A Beast, a God and a Line*. In the brand-new H Queen's building — whose inadequate lifts caused queues down the street — undaunted collectors made a sellout of Hauser & Wirth's opening show, the first Asian presentation of American superstar abstractionist Mark Bradford (prices sadly secret). All but one work, the gallery proudly says, went to Asian clients. Serendipity? The lure of the new? No way. As Wirth explains, "This was the result of several years of nurturing relationships, even before we had a physical space here."

The moral of the art fair story seems to be about making your own luck.

To March 31, artbasel.com

The shape of things to come

On Hong Kong's waterfront, the Harbour Arts Sculpture Park aims to appeal to the widest audience. By Jan Dalley

A white horse stands quietly on its own patch of newly laid grass in the middle of Hong Kong. A group of children, cross-legged on the ground, are intent on their Play-Doh modelling of the large teddy bear in front of them, apparently created from black rubbish bags. A set of delicate birds perch on high poles, vainly stretching towards the skyscrapers around them. A giant multicoloured pumpkin settles flatly into its grassy bed, in prime position against the dramatic harbour view.

These are just some of the pieces — respectively, by Mark Wallinger, Gimhongsok, Tracey Emin, Yayoi Kusama — in Hong Kong's first public open-air sculpture show, which stretches along the prime waterfront of Tamar Park. In this narrow, grassy stretch between the water and the mountain range of shiny modern towers some 19 artists are represented, from seven nations; the aim of co-curators Fumio Nanjo, director of Mori Art Museum and director of the international programme at Hong Kong Art School, and Tim Marlow, artistic director at the Royal Academy of Arts, is to use the powerful site to bring top-flight but accessible contemporary work to the widest audiences.

> Partly because of sensitivities about the famous harbour view, the works are on a very human scale

Partly for this reason, and partly because of sensitivities about the famous harbour view, the works are on a very human scale: Antony Gormley's moody 6ft steel-block figure, "Daze VI" gazes out at the passing boats; Kacey Wong's "Asteroids and Comets" invites people to nestle into its abstracted body shapes; Gimhongsok's black bronze teddy, "Bearlike Construction", is a child-magnet; and families picnic under the elegant bronze angles of Conrad Shawcross's "Paradigm Study (solid)". Their enjoyment and ease with the works is evidence of the park's success.

Marlow explains, as we wander around watching eager bands of schoolkids cluster around some of the sculptures, that he was especially keen to ensure that Hong Kong artists such as Wong were well represented. "It's a growing scene here," he says, "and getting more interesting all the time. It's important to give the artists from here a showcase." His only regret, he adds, about the five local sculptors included is that none of them is a woman — "but we aim to change that next year."

From top: Conrad Shawcross's 'Paradigm Study (solid)' (2014); Gimhongsok's 'Bearlike Construction' (2012)

He is determined that there will be a next year. The project — created under the auspices of Hong Kong Arts Centre and supported by a wide range of the city's institutions — is one that he hopes will change public perceptions of art and its accessibility to a wider audience.

Public art is a powerful issue in Hong Kong. As the city's commercial art scene revs into an even higher gear with the opening of giant new galleries, and recent art market reports suggest that the Asian market has moved into second place in the world (behind the US but topping the UK), Hong Kong's public arts are in danger of lagging behind. The mighty M+ museum, a huge public project whose jutting construction site is visible across the harbour in Kowloon, is not due to open until next year.

So the Harbour Arts Sculpture Park is a significant gesture, especially in this week of frenzied buying and selling of art, sitting as it does neatly between the gleaming white marquees of Art Central, a substantial fair in its own right, and the swooping roof of the Convention Centre that houses the larger Art Basel Hong Kong. It is, as Marlow says, an important beginning.

Art at its most Instagram-friendly

Hong Kong's Encounters programme aims for impact with large-scale works by Asian and western artists. By Melanie Gerlis

A slow-moving sushi belt, supersize angel wings made of sickles and brightly coloured stage curtains are just three of the large-scale projects that greet visitors to Art Basel Hong Kong this week. Courtesy of the artists Subodh Gupta (Arario Gallery), duo Isabel and Alfredo Aquilizan (Yavuz Gallery) and Ulla von Brandenburg (Pilar Corrias and Meyer Riegger) respectively, the works are part of the Encounters section, supported by MGM Resorts. This year the section fields just 12 works — but they are some of the most Instagram-ready features of the fair.

In charge of the theatricals, for the fourth year, is Alexie Glass-Kantor (pictured), the intense and eloquent director of Artspace, a contemporary art institution in Sydney, who chooses and places the works among the booths across the fair's two huge halls. "It's a challenge. We get 60 to 80 proposals from the galleries. I like half of the artists to come from this vast Asia-Pacific region, and the works should have some sort of conceptual connection to each other," Glass-Kantor says. Plus, she adds, "They mustn't obstruct sightlines or disrupt business — and they also have to be landmark works."

This year, the pieces chosen hang loosely around the themes of what it is to be human, often homing in on the repetitive and banal. The sickles in the Aquilizans' angel wings highlight the realities of agrarian societies in Asia; Gupta's sushi belt reflects daily urban life. Another project, by the Taiwanese conceptual artist Chou Yu-Cheng (Edouard Malingue gallery), features larger-than-life crockery and chopsticks: these start the day dirty and paid workers come in to do the dishes. In an excruciating Sisyphean loop, the set starts off dirty again the next day.

Glass-Kantor says the messages aren't necessarily negative. "We live in precarious times, so it's as much about how to find connections through rituals of social exchange."

Such thought-provoking statements trip frequently from Glass-Kantor's lips. In a world where "curating" has become an over-used word, she seems willing to reflect on her role, its ethics and social possibilities.

"Alexie's ability to articulate her vision and to explain art to a broad range of audiences is impressive," says Magnus Renfrew, who brought her on board in 2014, while he was director of the fair. Renfrew first met Glass-Kantor at Melbourne's Gertrude Contemporary gallery, where she was a director and curator for seven years before heading up Artspace. "I contacted her the very next week," Renfrew says.

One of the peculiarities of art fairs is that even the so-called public works are for sale. Glass-Kantor says that within Asia, such demarcations are even less pronounced than they are elsewhere. "Asia is hashtag 'it's complicated'. Every element of cultural production is shape-shifting and accelerating, but there's a huge amount of passion. We're all in it together."

The section doesn't work for everyone. At an Intelligence Squared debate held during the Hong Kong fair last year, Glass-Kantor came in for some lively criticism from art adviser Lisa Schiff. Schiff said, "You put a sculpture show out and I'm supposed to feel something. You know what I feel . . . depressed . . . Because I can't get context at all from anything."

Glass-Kantor welcomes the feedback. "Not everyone should like everything. It's fine, [Schiff] was asking who are these artists, dumped in the middle of Art Basel? But I include [lesser-known] artists from Taiwan or Sri Lanka, for example, to make sure we're not just recycling familiar names. Curating happens in different ways in different contexts. You can still achieve something ambitious," she says.

Participating galleries certainly appreciate her efforts. Tim Neuger, co-founder of Neugerriemschneider, describes Encounters as "an intimate experience of large-scale work". He is "thrilled" to bring an installation by Cuban-American artist Jorge Pardo in which suspended figures made of lightweight polycarbonate are lit from within, producing silhouettes of the people who work in Pardo's studio. Ossian Ward, head of content at Lisson Gallery, describes Encounters as a "great platform to build on [Ryan Gander's] presence in Asia". Gander, who is represented by Lisson, had his first solo exhibition in China last year and this week brings an installation of stickman-like armatures (normally used by animators) to Encounters.

Glass-Kantor started out with 25 works in Encounters for the 2015 edition, gradually reducing this to the 12 distributed around the fair this year. It's a very different experience to Art Basel's fair in its home town, where the separate Unlimited section of large-scale works filled a hall with 76 pieces last June and merited its own VIP opening.

"This way the works have more oxygen, more space," Glass-Kantor says. "It's a risk because there's no place to hide — there's a bit of a buffer in numbers — but I don't mind risk."

Head of Jake, 2017, oil on board, 55.9 x 55.9 cm

Frank Auerbach
Here & Now

Art Basel
Hong Kong

Stand 3E20
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FILM

Nigel Andrews

There's life in these old dogs yet

Discarded, rejected and sent to Trash Island. It's not just the canine dumb chums who meet this fate in Wes Anderson's joyously screwball model-animation movie **Isle of Dogs**. It's the rules of cinema. The adage "Don't act with animals or children" is rubbished by a cast of characters in which a few human adults — led by Mayor Kobayashi, the evil lord of Megasaki City — are outnumbered by an army of mutts and minors. Another movieland injunction, "Don't look at the camera", is flamboyantly ignored. Nearly everyone here, human or animal, talks straight to the lens or emotes to it. *Faux naif*? With bells on.

Anderson, we know, can get lost in his own invented worlds, whether it's Belle Époque whimsy (*The Grand Budapest Hotel*) or watery homage-making to Verne and Cousteau (*The Life Aquatic with Steve Zissou*). This time his film is all fizz and no fizzle. The stop-motion techniques of this director's *Fantastic Mr Fox* graduate to a new charm, wit and zany inventiveness.

The film's crazied-up version of Japan is formed from Yakuza menace, old movies and Yellow Peril hokum. Anderson's co-writers include Roman Coppola, perhaps sharing some of his ancestral DNA — *Apocalypse Now*'s love-hate for the weird east. When the tyrannical mayor banishes his town's dogs, hit by "snout flu", to a garbage-disposal island, his young ward Atari pilots a plane to help the hounds and search for his own banished pup, Spot. Soon there is an alpha pack of feral canine heroes, plus the boy, ready to fight back against despotism.

They are mirthfully adorable, these dogs, even while snarling their calls to action. Restlessly twitching fur; goo-goo eyes of animated glass. One dog, Chief (Bryan Cranston), skitters into a brief romantic encounter, Scarlett Johansson voicing the comely mongrel Nutmeg.

Even at its most violent the film doesn't stray far from a madcap innocence of vision. Battles are cartoonish, kinetic dust clouds from which stray objects — an arm, a leg, an improvised weapon — momentarily jut forth like lightning strokes. The island itself is a wonderland of picturesque detritus: caverns of coloured bottles, hayricks of trussed newspapers with poetically paling headlines. Alexandre Desplat's music has a perfect minimalism: a variegated tattoo of percussion, sometimes loud as doomsday, at others as delicate as an orchestra of chopsticks.

What's the film about? Perhaps it's about life's defiant talent for rescuing itself from the direst dystopias, the grimmest existential endgames. Anderson isn't afraid of simple-hearted optimism — nor, some have criticised, of simple-minded caricature. His Japan at times is one from a comic-book. But a little racial spoofery is OK, *Isle of Dogs* suggests, so long as that race is allowed heroes as well as villains, sages as well as fools, and wise and heroic dogs as well as those disadvantaged dunderheads we call human beings.

Above: the largely canine cast of 'Isle of Dogs'. Below: Mark Rylance and Tye Sheridan in 'Ready Player One'

Ready Player One is spectacularly, pyrotechnically dull. It is boring with an almost nuclear boringness. It is, director Steven Spielberg has said, the most challenging film he has made since *Saving Private Ryan*. God help us. If *Ryan* reduced the second world war to a piece of Pyrrhic sentimentality about multiple lives sacrificed to save one endangered sibling, the new film, co-scripted by Ernest Cline from his bestselling novel about a virtual reality future, is about the human spirit squandered, or squandering itself, to save and sustain a "utopia" of trashy, volitional wish projection.

It's hard to decide which of the 140 minutes of this movie stuffed with impoverished plenitude is the silliest and most depressing. It's probably the moment when someone says "Is there any reason we're meeting here?" and the answer comes, "Yes . . . the orb of Osuvox." Most of the script is like that. You feel you're being read to by an optician's sight-test card. The plot is as bad as the dialogue. The young hero (Tye Sheridan) gets into his avatar gear to join a video-game-style quest to solve a riddle of four eggs, the key to winning control of Oasis, the magical VR kingdom where human beings, or their living simulacra, escape the woes of decaying Earth to enjoy R&R in a heightened sensory environment.

The film seems to last for ever. The only spark of character life is in the baddies, led by Ben Mendelsohn, snarling suavely as Nolan Sorrento, the barking mad boss of the evil industry that also wants ownership of Oasis. The CGI images and visual effects crash, career, blaze and explode, as if we all have ADHD and cannot bear a moment of dramatic repose. This designer conflagration of mayhem and make-believe needs so much fuel that any old rubbish will do to keep it going. When the plot paraffin runs out, Cline and Spielberg go around sweeping up other art leavings. That's why we get the *ignis fatuus* of quotations from famous movies: *Alien*, *Saturday Night Fever*, *The Shining* (a whole sequence)....

It may be part of the story's satiric message, or may once have been, that emotion in the future is something people will programme rather than feel; or in some cases will use synthetic means to control and contain. (Says someone: "I can see you're using emotion-suppressing software.") But feeling, human feeling, is genuinely extinct in this movie. It's a machine for administering adrenalin and for hoping the viewer mistakes that for drama. It's a long, empty, overbearing pageant of technological can-do. Someone needs to start giving "can do" a shake and addressing future braggart essays in action-fantasy cinema, case by case, with the question "*why* do"?

Isle of Dogs
Wes Anderson
★★★★☆

Ready Player One
Steven Spielberg
★☆☆☆☆

Blockers
Kay Cannon
★★★★☆

Midnight Sun
Scott Speer
★★★☆☆

Journeyman
Paddy Considine
★★☆☆☆

If you laid all Hollywood's prom night comedies end to end, they'd circle the globe with enough length left over to trail loose and ensnare passing spaceships. The comic potential of this subject can't be inexhaustible, can it? Yes, it can, answers **Blockers**. And it *is* pretty funny, this tale of three fretful, het-up parents (Leslie Mann, John Cena, Ike Barinholtz) who, catching rumours of a "sex pact", try to stop their daughters losing their virginity with their prom dates. One girl's crush is another girl; so that's progress for popcorn cinema. So are the good timing, the manic but skilful physical comedy and the snappy calibre of the one-liners.

In a "blind viewing" of **Midnight Sun** — no names, no credits — this Hollywood remake of a Japanese weepie could be mistaken for a Nicholas Sparks tearjerker. We all know what that means: young love; life-threatening illness; and a tissue of plot contrivances to ensure the viewer's own use of tissues before the end credits. The illness here is so rare you may never have heard of it. XP: not as in yesterday's Microsoft programme but in a present-day condition requiring the sufferer to avoid sunlight. It's a reality spin on *Twilight* and not badly done. Bella Thorne and Patrick Schwarzenegger (son of Arnold) act sweetly as the fated lovers. Rob Riggle is better still as the girl's stoically anguished dad.

Journeyman is a virtual one-man show written, directed and acted, on virtually one note, by Paddy Considine. He plays a middle-aged boxer who gets concussion and turns childlike and mentally arrested, with spasms of anger and cruelty. Set in a semi-upscale English suburbia, it's *Raging Bull* in a china shop. Jodie Whittaker plays the suffering wife. Considine is good, if good is the right word for several dozen variations on the same tiny, circular pattern of emotional crisis. No third character gets a significant look-in.

From left: Ike Barinholtz, John Cena and Leslie Mann in 'Blockers'

Bel Canto intimacy, Baroque magic

OPERA

Donizetti's Il Pigmalione/ Rameau's Pigmalion
Gerald W. Lynch Theater, New York
★★★☆☆

George Loomis

The New York City Opera, relaunched two years ago, this week juxtaposed Italian Bel Canto and French Baroque styles in a Donizetti-Rameau double bill about Pygmalion, the legendary sculptor who creates a statue that comes to life.

Donizetti's *Il Pigmalione*, seen in its US premiere, stands as the very first of the composer's 60-plus operas. Incipient signs of his mature melodic voice are detectable more than once in this student work, which for most of its 35 minutes operates as a tenor monodrama. Pygmalion here suffers from an artistic crisis that is part of a larger breakdown and embraces the beauty of his work for solace. In contrast to this intimate work, Rameau's 50-minute *Pigmalion* has all the trappings of its genre: arias, dances, choruses — and magic. Rameau's hero, though also buffeted by love, is less troubled and has an ally in Cupid, who effectuates his statue's transformation. In Donizetti's version the transformation simply happens as an antidote to Pygmalion's distress.

Richard Stafford's staging recognised this distinction at the point when the respective statues were unveiled. In Donizetti's opera the cloak lifted to reveal a statue, to which Pygmalion directed his elation, ignoring its womanly personification (Jessica Sandidge, in appealing voice) standing to the side: the transformation had occurred purely in Pygmalion's mind. In the Rameau a woman (Samarie Alicea) was revealed: Cupid's magic had worked, otherwise the ensuing divertissement wouldn't have made sense. Here the company's dance troupe, traditionally choreographed by Stafford, made a strong contribution while choristers dressed in Victorian attire looked on and sometimes danced themselves.

In the Donizetti, Piotr Buszewski deployed his Italianate tenor resourcefully and held the audience's attention during his long solo stretch on stage. His Rameau counterpart, Thor Arbjornsson, sang accurately but not always comfortably in the role's upper reaches. Julia Snowden did well as the French Pygmalion's jilted girlfriend Céphise, but Melanie Long's tremulous sound was no match for Cupid's sparkling ariette. Conductor Gil Rose held things together capably, but the Rameau, played on modern instruments, fell well short of what we'd expect from a crack French period-instrument ensemble.

Piotr Buszewski plays the lead role in Donizetti's 'Il Pigmalione' — Sarah Shatz

nycopera.com

РЕЛИЗ ПОДГОТОВИЛА ГРУППА "What's News" VK.COM/WSNWS

With the deadline to submit salary details for male and female staff in the UK just days away, early findings show that almost 90 per cent of women work for companies that pay them less than their male colleagues.

By Aleksandra Wisniewska, Billy Ehrenberg-Shannon and Sarah Gordon

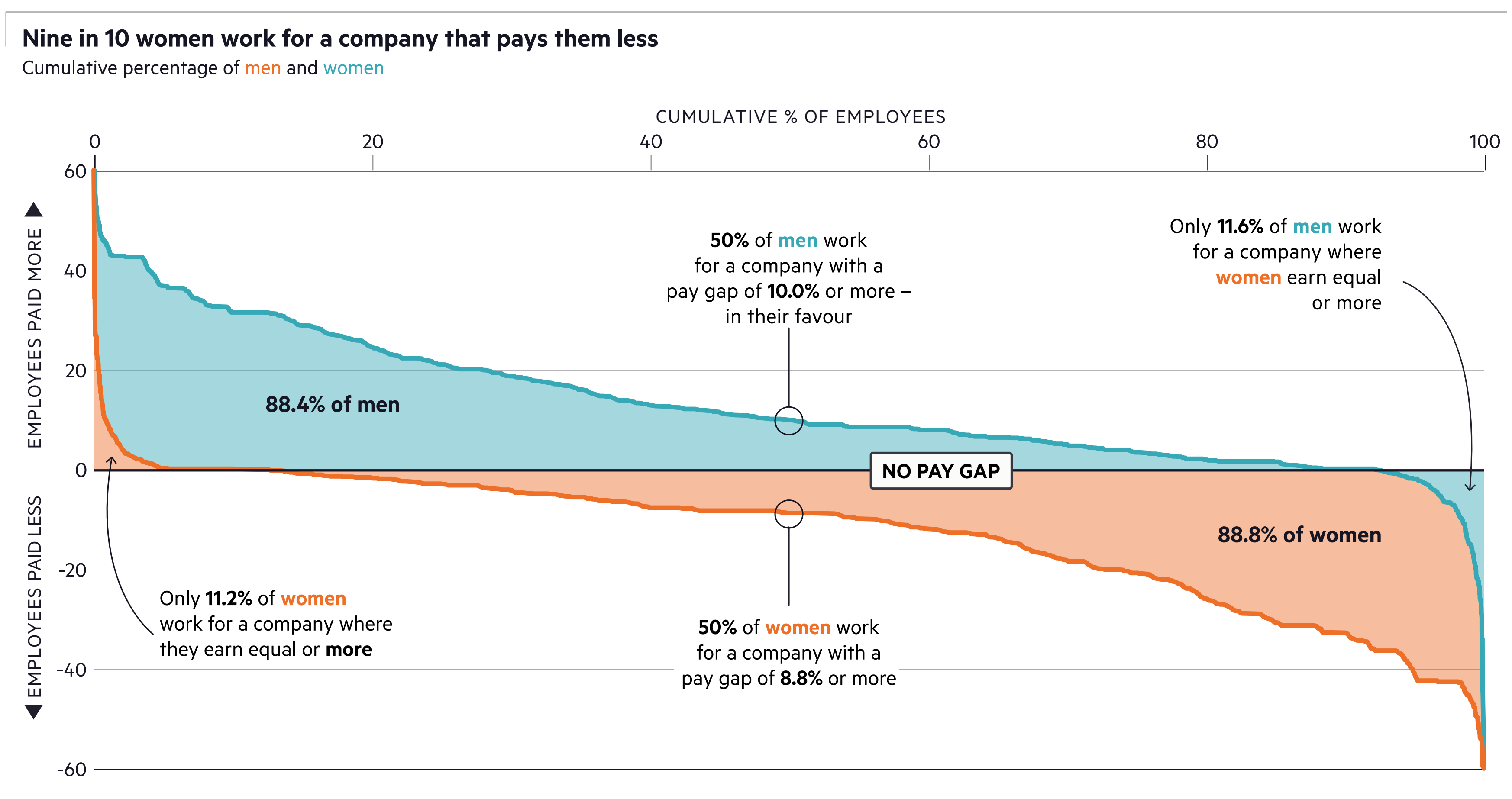
Time to narrow the gap

More than three out of four UK companies pay their male staff more than their female staff, and in seven out of 18 sectors in the economy, men earn 10 per cent or more on average than women.

With just days to go before the deadline for all employers in Britain with at least 250 staff to report the difference between what they pay their male and female employees, the numbers published so far provide big lessons for both companies and the government.

The data, the most comprehensive ever collected in any country, do not just reveal the UK's worst and best-performing employers in the public and private sector, but also the main explanations behind the gender pay gap and some of the most effective ways of closing it.

The year-long mandatory reporting exercise has also revealed major flaws in the way the process was designed by the government, serious anomalies in the data reported by some companies and question marks over the ability of the regulator, the Equality and Human Rights Commission, to enforce compliance with the law in this area.



FT graphic Sources: DueDil; Gov.uk

Older men syndrome

The clearest finding from the data is that women are overwhelmingly likely to work for an employer where, overall, men are paid more, and that the main explanation for the gap is the presence of more senior men than women.

Public sector employers must report by Saturday, while those in the private sector and charities have until Wednesday April 4 to file. But of the 4,978 employers — out of an estimated 9,000 — that had reported by 11am GMT yesterday, three out of every four pay men more on average, while only just over one in 10 pays women more, based on the median hourly pay gap. One per cent report no pay gap at all. The average, measured by the median, is 10 per cent.

The highest gender pay gap recorded so far is 88 per cent, reported by the textiles group Rectella.

The gender pay gap nationally stands at 18.4 per cent for full-time and part-time workers, according to the UK's Office for National Statistics. But this number is not directly comparable since ONS data are taken from the annual survey of hours and earnings that covers all

> 'Women are being bombarded with misinformation about their standing in the workplace'

employers — a larger group than has to report on the government's gender pay gap portal.

It is likely these figures underestimate the gap, due to choices the government made at the outset about what to exclude from the calculations.

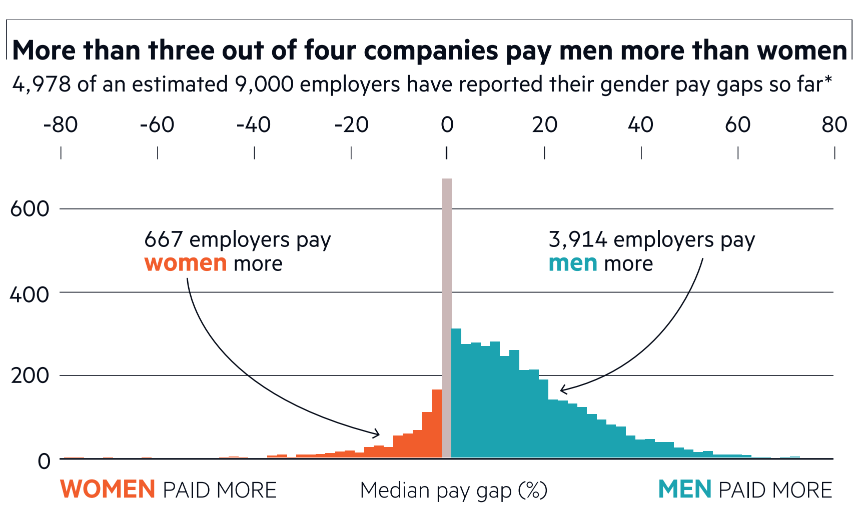
Professional services employers such as lawyers and management consultants, for instance, do not have to include equity partners in their calculations because they are not classified as employees. Although some, like EY and Deloitte, have voluntarily disclosed more comprehensive figures including partners, only one of the five "magic circle" law firms has done so. Partners tend to be highly paid and are disproportionately male.

Financial Times analysis of the government data, combined with employee numbers provided by business information provider DueDil, which cover two-thirds of employers, suggests that 88 per cent of women work for a company with a pay gap that favours men, and half work for a company that pays men at least 9 per cent more. Only 11.2 per cent of women work for companies that pays them equally or better. By comparison, 93 per cent of men work for a company that pays them equally or better than women.

The shortfall in those yet to file reflects, in part, the difficulties that employers have found in tracking down the data — often for the first time — and organising it according to the government's demands, which require the information to be broken down into 14 separate data points, including the mean and median hourly pay gaps, the proportion of men and women in four pay quartiles, the bonus gap and the proportion of men and women receiving a bonus.

Yet Peter Cheese, chief executive of the Chartered Institute of Personnel and Development, the professional body for human resources, warned in February of a different reason for late filing: companies were waiting until the last minute in the hope of hiding their results in a flood of disclosures.

"They're thinking, 'maybe I should hold off and when there's the tsunami of companies reporting I'll bury it into that'," he said, adding there is "trepidation in businesses about what the numbers will reveal".



Source: Gov.uk *As of 11am Wednesday March 28

Design faults

There are also questions over the quality of the data, and how its provision was designed by the government. To prepare the figures, base pay is calculated by hour, whereas bonus data are not prorated to account for part-time workers, who are in effect considered full-time. Since more women than men work part-time, employers' bonus numbers may overstate the gender pay gap.

The government also does not have a finalised list of those companies that must report. Its original estimate of 9,000 employers captured within the legislation requirements was based on outdated data, which also combine some businesses that are linked within group structures.

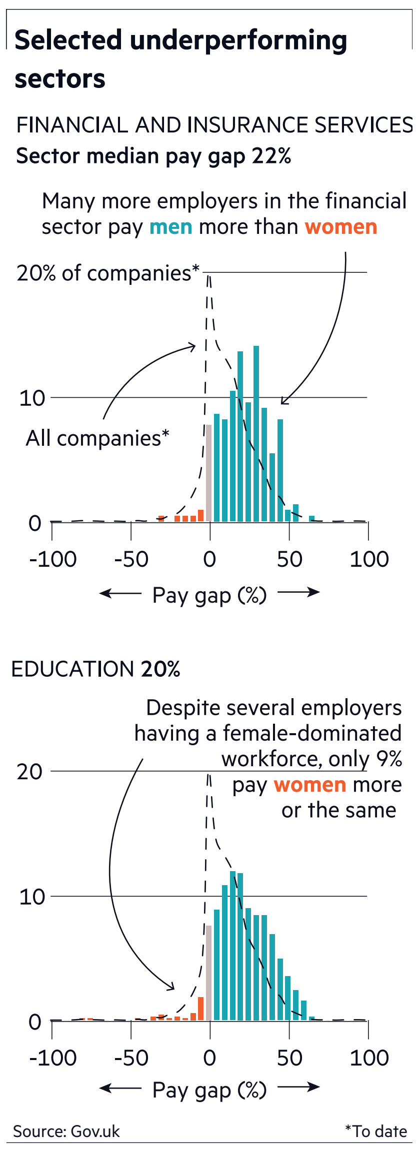
On the government's gender pay gap portal, employers have to report by business unit, meaning that some companies such as BAE Systems have reported up to seven separate numbers. FT calculations suggest that the number of employers covered by the legislation could, in fact, be closer to 13,500.

The data reveal that the sectors in the UK economy with the worst gender pay gap, excluding those where fewer than 25 employers have reported, are construction, financial and insurance services and education.

Construction employers pay their male staff 23 per cent more, finance and insurance employers 22 per cent more, while education employers — predominantly trusts and universities — have a gap of 20 per cent.

Financial services companies have been under intense scrutiny since they began to report their figures. Goldman Sachs International reported a 36.4 per cent median pay gap, while banks such as Barclays, Lloyds, RBS and HSBC have gaps ranging from 14.2 per cent to 43.5 per cent.

Jayne-Anne Gadhia, chief executive of Virgin Money, has spearheaded a Treasury-backed initiative to urge banks and financial services employers to address the lack of diversity in their ranks.



Source: Gov.uk *To date

Earlier this month the government announced that the resulting charter had more than 200 signatories, covering 650,000 employees, and including Goldman and UBS. Both groups, along with JPMorgan, had been criticised by Nicky Morgan, the chair of the House of Commons Treasury select committee, for their slow progress in backing the initiative.

Although no sector pays women more than men on average, female employees in accommodation and food services earn just 1 per cent less than their male counterparts, while those working in health and social care earn 1.5 per cent less. Many companies in these sectors use flat pay rates, which may explain why the gender pay gap is so small.

Errors and omissions

The data show clearly which companies and sectors need to do most to address their gender pay gaps. But the process has also revealed that a significant number of employers have reported inaccurate information. This, in turn, has led to questions about the way the process was designed and whether the regulator, tasked with enforcing the legislation, will be up to the job.

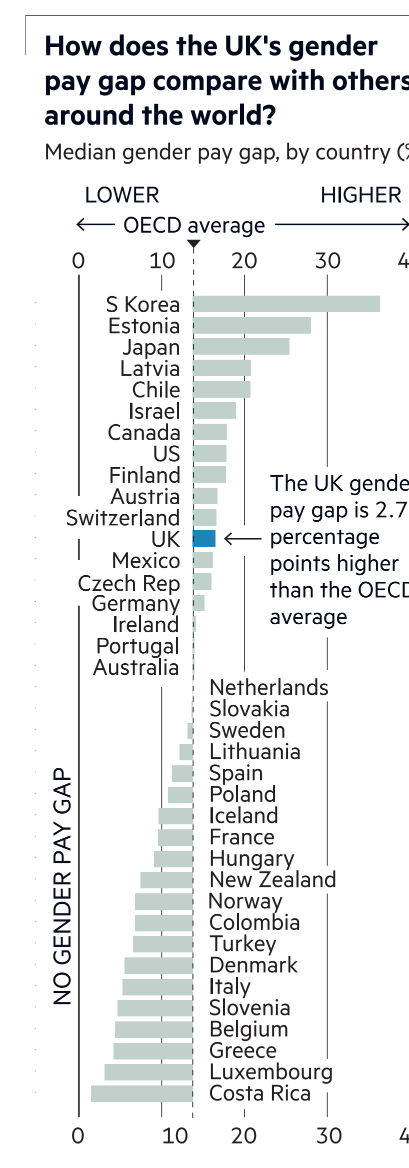
Of the 4,978 employers who had reported by 11am yesterday, 39 have reported having an exactly zero gender pay gap by both mean and median measures, which is statistically implausible given that the two statistics measure different things. At least 223 employers have altered the data since it was first submitted.

One company, Rainham Industrial Services, has reported a mean gender pay gap of 106.4 per cent — implying that, for every £100 earned by a man, a woman would be "fined" £6.40.

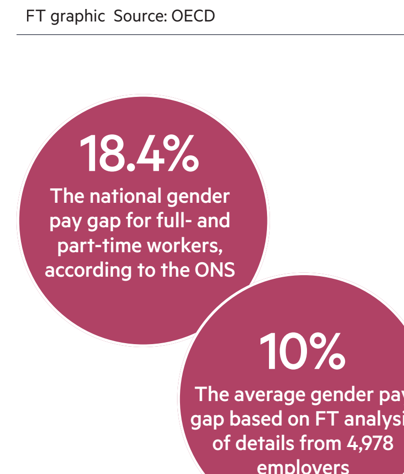
Two companies have reported that they employ no women, despite the person reporting one of the companies' data being female.

Even serious errors or omissions will prove difficult for ministers to question, FT analysis suggests, because the Government Equalities Office, which is responsible for the portal, did not ask for the data to be submitted in a format that allows it to be checked, and does not have a list of all the companies it expects to report.

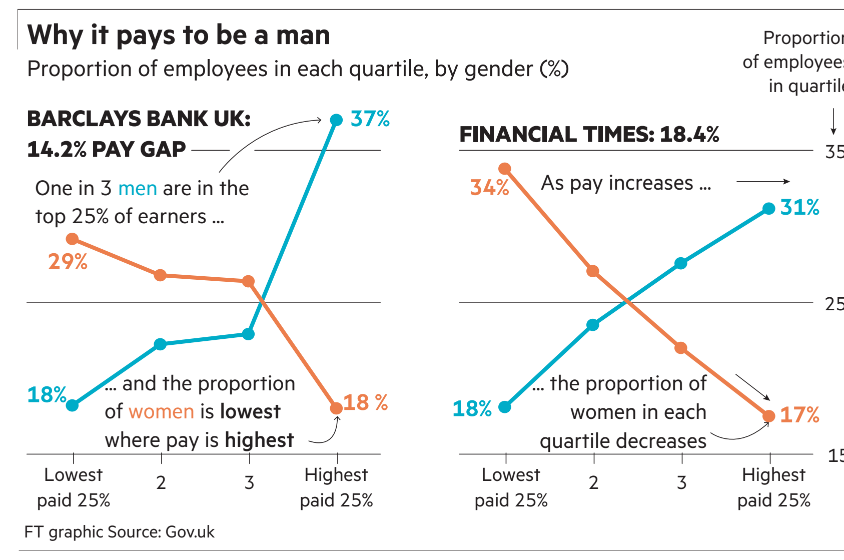
Moreover, the Equality and Human Rights Commission, which is responsible for enforcing the regulations, has been criticised for being "toothless" according to Maria Miller, the MP tasked with its oversight.



FT graphic Source: OECD



Graphics by Billy Ehrenberg-Shannon, Caroline Nevitt, Cale Tilford and Aleksandra Wisniewska



FT graphic Source: Gov.uk

Employers face "unlimited" fines for breaching the regulations, the EHRC said in December. And Rebecca Hilsenrath, its chief executive, says it will be "fully enforcing" against any companies that fail to report.

"This legislation is in place to bring about better gender equality in the workplace and any employer not complying needs to ask themselves tough questions, rethink their priorities, be prepared for serious reputational damage and be ready to face a very unhappy workforce," she says.

'Shoddy statistics'

Some employers, and public policy experts, question the significance of the data.

Kate Andrews, news editor at the Institute of Economic Affairs, says the disclosures have led to a "mass influx of shoddy statistics" around women's pay. "As far as meddling goes, the government's pay gap reporting measures are particularly bad," she says.

Ms Andrews argues that forcing companies to publish the mean and median pay gap statistics, even factoring in hourly rates, overlooks the "myriad" of factors that determine a person's pay, such as age and job comparison, and renders the statistics "next-to-useless".

"This is not good for well-meaning companies, which are having their brand name smeared, but it is particularly bad for working women, who are being bombarded with misinformation about their standing in the workplace."

The hourly average pay gap on the government's portal does not compare the earnings of a man and a woman doing the same job. Here, the gap has narrowed significantly in recent years, particularly for younger workers. Women between the ages of 22 and 29, in fact, out-earn their male counterparts, and it is only in later decades that the traditional gap starts to widen.

The numbers themselves also give only a relatively superficial insight into the reasons why women continue to earn less than men.

Recent analysis by the ONS suggests that two-thirds of the gender pay gap cannot be explained by observed differences between men and women in terms of age, the types of jobs they do and the companies they work for.

FT How does your company rate? Use our interactive tool to find out just how large the gender pay gap is in your workplace ft.com/gpg

Campaigners argue, however, that despite the shortcomings, the data provide a salutary snapshot of the relative lack of diversity in most employers' workforces, and one that will provide a spur to action.

Ms Gadhia says gender pay gap reporting will drive transparency, accountability, action and improvements. "I believe that we will look back on the start of gender pay gap reporting as a watershed moment," she says.

Employers in many other countries must also report their gender pay gap. In France, the government recently announced measures to force companies to close the gap within three years.

The UK's national gender pay gap is higher than both the OECD and EU average and, now that the first year of gender pay gap reporting is nearly complete, the most important question is what the government does with the findings.

Employers want to avoid possible sanctions if they fail to close the gap, and would also like the opportunity to showcase progress on the government portal. Some, after years of failing to make the progress they want in diversifying their workplace, want the government to use the exercise as a way to disseminate best practice.

The Government Equalities Office says it will use the results to "target our efforts effectively as we continue to work closely with employers towards eliminating the gender pay gap".

Workforce diversity activists such as the 30% Club, which campaigns for more women in corporate leadership, say now is the time to knit together a range of initiatives across government, including the Women in Finance charter, the Hampton-Alexander review of women on boards and the gender pay gap reporting requirements.

"Change won't come from beating up business leaders," says Brenda Trenowden, chair of the 30% Club. "It has to be about finding ways to all come together to improve gender imbalance in the workplace."

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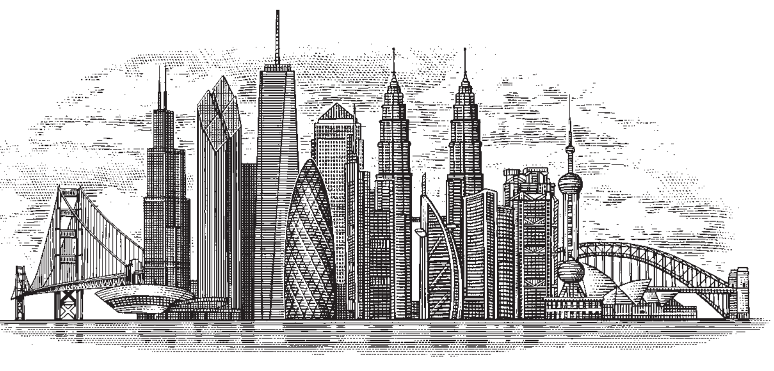

FINANCIAL TIMES
'Without fear and without favour'
THURSDAY 29 MARCH 2018

The art of dealing with Trump's tariffs

Countries must not create permanent distortions for temporary relief

After more than a year of what has largely been a phoney war over trade, the Trump administration has got down to business. An announcement of global tariffs against steel and aluminium exports, ostensibly on national security grounds, was followed by threats of action against China for violations of intellectual property rights.

For the other big economies — most obviously China and the EU, but also key trading countries and allies like South Korea — this has set a high-stakes exercise in economic diplomacy. When dealing with an administration run by someone as mercurial as Mr Trump, the temptation is to give him what he wants, or at least something he can sell as a victory, in return for relief from the tariffs, and hope he moves on.

There is much to be said for such a tactical approach. But making permanent concessions for temporary respite is not only a dangerous route to go down; a managerial short-term view of the situation in fact makes it more likely to recur.

South Korea, the US's third-biggest source of steel imports, has perhaps gone the furthest in bargaining for relief from Mr Trump. Seoul has agreed to rewrite part of the bilateral trade deal with the US that came into force in 2012 by expanding an import quota for American cars and giving the US an extra 20 years to phase-in cuts in truck tariffs. Separately, it has promised to restrain its steel exports to 70 per cent of their recent levels.

The first two concessions are relatively harmless: the US does not even fill its existing car quotas. But the steel provision, which takes the world back to the "voluntary export restraints" of the 1980s, could have more damaging repercussions. For one, such restrictions are illegal under World Trade Organization rules agreed in the 1990s, and threaten to set off a broader trade conflict. Second, for a big steel exporter voluntarily to eschew one of its main markets simply means there will be more cheap Korean steel washing round, creating tension elsewhere.

In other words, when countries are trying to escape Mr Trump's tariffs, they should be careful not to do anything that is likely to undermine what remains of the global trading order. They should also be aware that concessions made in a binding trade deal are hard to undo. South Korea may have bought itself a permanent exemption from the current set of steel and aluminium tariffs, but there is no guarantee Mr Trump will not simply come back in a few months' time with a fresh excuse and new restrictions.

It would be very short-sighted for Canada and Mexico to give in to US demands and significantly weaken Nafta, particularly provisions relating to the bloc's world-class auto supply chain, just to win exemptions on tariffs on basic commodities like steel. Similarly, while the EU should always be ready to talk trade with the US, the likelihood that a constructive transatlantic dialogue can restart under these circumstances is minimal.

For economies the size of the EU and China, whatever symbolic individual concessions they feel necessary to make, their main response should be global. If they act among themselves on steel or wider trade liberalisation, the US could be encouraged to join in. The decision of the remaining nations in the Trans-Pacific Partnership to push ahead with the pact even after Mr Trump pulled out has shown the way.

No one should pretend that dealing with such irrational threats made on illogical bases is easy. But governments need to be careful not to make damaging and distorting concessions for the long term simply to get the immediate problem off the table.

A moment of weakness for tech's oligopolists

The 'Faang' stocks were hammered. What, if anything, does it mean?

On Tuesday, the first became last. The big US tech companies that have long led the market higher led it sharply downward. Facebook, Amazon, Apple, Netflix and Google — the so-called Faangs — as well as a handful of others all took a beating. Yesterday morning, some of the shares kept falling, in a choppy market.

Markets do not need good reasons to fluctuate. Any analysis is a hostage to the next day's trading. Still, the rise in these huge companies' share prices was underwritten by widespread confidence in their future prospects. If that sentiment is beginning to change, that matters.

The big US tech stocks can be divided according to valuation. Some have prices that are anchored by current profits and growth: Facebook, Google, Apple and Microsoft are presently in this class. The share prices of Amazon, Netflix and Tesla, on the other hand, have barely any relationship to current profit. Buying them is a bet that in the future their profits will be much, much higher than they are now.

Among the "anchored" tech stocks, two stand out: Facebook and Google have become very cheap relative to recent profit growth. It is perhaps not coincidental that they are also in the same business: selling targeted advertisements based on close observation of how people behave on the internet.

This business has been, up until now, a great one and together the two companies dominate it. In the US, they have over 60 per cent of the market, according to eMarketer. The fact that their shares look cheap indicates that the market thinks — to the degree that it does think — that something may well happen to knock these companies out of their comfortable positions.

For Facebook, it is clear where this idea comes from, and it is not hard to see similar problems arising for Google. A data breach, handled badly both when it happened and when it became public, has put the company's business model in a terrible light. This raises a range of possibilities. New regulations might restrict the collection of data, upsetting the advertising business. Antitrust regulators and tax authorities may start to get ideas, too — this is already happening in Europe. Users, finally, may start to consider what they are giving away in return for a "free" service.

None of these worries can be quantified, and it is perfectly possible that none of them will be realised (that the market is proving so sensitive to such amorphous risks is notable). The relevant point is how quickly the perception of a company's value can change. Facebook, like Microsoft before it, often looks to have an unbreakable hold on its chosen market. In the past week, that grip seemed to loosen.

This has powerful implications for the tech stocks with "unanchored" valuations — Amazon, Netflix and Tesla. The consensus is that all three are building strong oligopoly positions in huge markets. If that is true, almost any price is worth paying for the shares. And both companies have dominated all rivals for years. If, however, doubt arises about their future dominance, the resulting share price move will make Tuesday look like a little hiccup.

Stock prices are usually explained in terms of expected future profit growth. In tech, it may be more useful to talk of expected future dominance — of stock valuations varying according to how ironclad tomorrow's oligopolies will be. The way that some tech stocks have been valued suggests a future where a few companies tower over all the rest. This week's wobble in the markets could, then, be an indication of a more competitive, and exciting, future.

Letters

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Brexit unlikely to transform food production

Sir, While I agree completely with Kim Wilkie regarding the importance and care of farming soils and landscapes, his suggestion that Brexit could herald an opportunity for a more caring approach to food production is unfortunately naive ("Why Brexit could boost farming", House & Home, March 24).

The constraints on funding through the European Common Agricultural Policy have, in the past, not been so tight as to have prevented funding for a better system of farming support that Mr Wilkie advocates. But pressure from the National Farmers' Union, and in our case NFU Scotland, who respond mostly to the larger and frequently industrial farmers, has meant that money follows those who are able to shout loudest.

Large supermarket chains rely on the abundance of cheap food and so tend to support the maintenance of the status quo. Hilary Benn and John Gummer might have had a good understanding of agriculture and rural affairs but they were able to do little to change direction in the face of large agricultural and retail interests.

These pressures will not change under Brexit. More good agricultural land will be built on to provide houses for the growing population. More low cost food will need to be produced to improve the balance of payments and compete with cheap imports. Funding may be available to support the appearance of rural landscapes and through that a visual appeal to the vital tourist market; however, competition for taxpayers' money will, I suspect, mean that environment secretary Michael Gove — or in Scotland, Fergus Ewing — will not have the freedom to make any of the significant changes that Mr Wilkie would like to see. His beautiful beef and downland will remain niche rather than mainstream. The grass may look greener, but . . .

Alan Sillence
Waternish, Isle of Skye, UK

UK still has the right to take part in Galileo

Sir, The UK surely has acquired rights to participation in the Galileo programme, having already contributed about €1bn, or 12 per cent, of the costs ("Ministers and industry cry foul over EU plan to exclude UK from Galileo", March 27). While the EU owns the system, the "deployment, design and development of the new generation of systems and technical development of infrastructure" are entrusted to the European Space Agency (ESA), of which the UK is a member and which is not part of the EU. We can assume the UK will remain a full member of ESA.

Interestingly, China, Israel, Ukraine, Mexico and Canada, as well as Norway and Switzerland, participated at various stages in the Galileo project. Indeed, it is suspected that China took advantage of its participation in Galileo to advance its own Beidou Navigation System.

Unfortunately, the UK gave up development of its own launch system and space programme in the late 1950s, and helped pay France to acquire the infrastructure of the European space systems. However, we have developed expertise in many aspects of space technology including the design and manufacture of satellites and satellite communications systems. We have ambitions to grow the UK space industry to £40bn by 2030 but to do that we shall need to match our competitors and invest even more in our own space industries.

Given the vital and growing importance of the space sector, we should also be creating ambitious new space partnerships beyond the EU, not least with countries such as India, which has proven launch capabilities and with whom, in any case, we should be developing a substantive strategic partnership.

Geoffrey Van Orden MEP
Conservative Defence Spokesman

'I can almost taste the sovereignty'

Naive Zuckerberg ought to grow up

Sir, In his CNN interview, Mark Zuckerberg admitted to some naivety and lack of understanding about Facebook user preferences on "data portability". Apart from the obvious retort "Why didn't you ask them?" (a survey maybe?), it suggests that Mr Zuckerberg still sees his creation not as a business but primarily as a tool for connecting people. This view is reinforced with his liberal use of the term "community" in describing Facebook users. In a 19-year-old, some naivety can be understood but in a 33-year-old with 14 years' experience as chief executive of one of the world's biggest businesses it is a little troubling.

Community organisations are built on shared interests and values. They are democratic, not-for-profit and intended to be a force for good. How does Facebook meet any of these criteria? It may be time for Mr Zuckerberg to put his mouth where his money is and, painful though it may be for him, start calling his users "customers".

Gerry Loughrey
Goatstown, Dublin 14, Ireland

Data consent management need not be decentralised

Sir, Julia Apostle suggests we should each possess a digital equivalent of a wallet leading to a "self-sovereign identity system" and that these systems are "decentralised" ("We have the technology to take back control of our data", March 21).

While I agree wholeheartedly that a digital identity would be a fantastic step forward in consent management, these systems need not be decentralised, as they are only useful if those who have the ability to create profiles legitimately are honest and have stringent identity-proof systems ("know your customer") in place. These systems are based on government-issued documents that are verified by trusted methods/parties so are in effect digitised versions of existing credentials.

To achieve the desired effect, centralised government systems need to be established and then distributed to individuals. As such it could be viewed as a centralised decentralised system, similar to the model suggested by Bank of England governor Mark Carney for a central bank digital currency to rival cryptoassets such as bitcoin.

Dave Cunningham
Chief Executive,
Priviti Group,
Galway, Ireland

Deutsche Bank can take a long-term view

Sir, In your report "Deutsche Bank starts process to find John Cryan's successor" (FT.com, March 27) you quote a source as saying that the current chief executive is "not the person who will lead the bank into the next millennium".

It seems to me that Deutsche Bank has plenty of time — 982 years to be exact — to worry about the next millennium, and should instead focus on its more immediate problems.

François Villeneuve
Ottawa, ON, Canada

The US's 'oldest ally' is France, not Britain

Sir, You say that President Donald Trump's aides "saw the need to support the UK, the oldest US ally" ("Trump baffles experts with hot-cold approach to Russia", March 27). France supported the US in 1776 and has never been to war against the US. Contrariwise, the UK fought the USA in the War of Independence and again in the War of 1812.

Terry Leary
Rugby, Warwicks, UK

The laptop bombardiers

Sir, Edward Luce tells a good joke about John Bolton never having met a war he didn't like ("Bolton arrival completes an America First team for Trump", March 24). The exception to this — as for many laptop bombardiers — is the one he was asked to fight in. To explain why he opted for the National Guard rather than combat service in Vietnam, he wrote in his Yale 25th reunion book: "I confess I had no desire to die in a Southeast Asian rice paddy."

Colin Belshaw
Stockport, UK

Bolton in three lines

Sir, A haiku for John Bolton:

Why is it always
The one who never bore arms
Calling for attack?

Theresa Taylor
Chicago, IL, US

Help companies protect themselves from takeover

Sir, You rightly describe the UK's takeover regime as flexible and ambiguous and note that the machinery is in place to stop almost any major deal "if the political mood is right" ("GKN debate reflects UK takeover regime's flaws", editorial, March 28). Yet this approach fosters uncertainty, puts a premium on effective lobbying of politicians, and may now be leading some companies to look towards jurisdictions where the chance of a hostile takeover succeeding is less likely.

I wonder if there is an approach which would help to remove this gaming and lobbying and allow companies to determine themselves the degree of protection against bids which they wish to secure?

Of course there would be a trade-off. Companies that have differential voting share structures or "poison pills" may pay a price for locking in existing managers — in the form of a lower share price or reduced investor interest. But recognising the price that may be paid, why not make it easier for them to choose this approach if they so wish?

A current impediment appears to be UK listing rules which discourage or penalise such differential voting structures. This may have worked for London in the past and brought deals and fees. But in the context of a perceived need to attract more global businesses to list in London, giving companies more opportunity to calibrate their own level of takeover protection might be good for the City. It might also depoliticise contested takeovers and reduce the uncertainty and lobbying that surround them.

It is an option that might usefully be added to those more frequently raised in the current debate.

Graham Mather
President,
European Policy Forum,
London SW1, UK

Tunisia deserves international support

Sir, Gideon Rachman rightly talks up Tunisia's steady progress since 2011 ("Democracy's faint pulse in the Middle East", March 27). In an otherwise ghastly neighbourhood stretching from Morocco to Syria, Tunisia has stuck to the task. The international community (rather than donors) has the task of rallying round to protect and support Tunisia. Leadership must come from the government of Tunisia, which must demonstrate its commitment to reform and strengthen its governance, with external support as a supplement to core government responsibilities, not a substitute for them. Otherwise progress is superficial and shortlived, leading to further uncertainty.

As ever the EU is superbly placed by geography to play a role, but given its record (the Barcelona Process, the European Neighbourhood Policy), it would seem that the European Investment Bank is the best bet. Tunisia deserves more and better.

John Gibb
West Wickham, Kent, UK

COMMENT ON FT.COM
Free Lunch
The eurozone can cut through its Gordian knots, writes Martin Sandbu
www.ft.com/free-lunch

Decoding our digital footprints is a flawed science

Notebook
by Roula Khalaf

What does your digital footprint say about you? Not much in my case. When the Facebook scandal broke, a colleague sent me a link to an algorithm created by Cambridge university's Psychometrics Centre that claims to create psycho-demographic profiles from behaviour on Facebook.

The tool, given the mysterious name Apply Magic Sauce, was the original inspiration for the work of Cambridge Analytica, the UK company alleged to have misused data from 50m Facebook users and helped Donald Trump win the US election.

Using tens of thousands of volunteers who provided their Facebook likes, demographic profiles and results of psychometric tests, the creators of Apply Magic Sauce developed a model that they say can accurately predict personal attributes, including sexual orientation, ethnicity and levels of intelligence and happiness. Everything I have read about the model applauds its precision; the authors themselves claim it shows that "people's personalities can be predicted automatically and without involving human social-cognitive skills".

And yet, when I used it, it returned a profile of someone I did not recognise. For starters, the test suggests that I have the profile of a 37-year-old, which is wrong, if rather pleasing. It also suggests that I have a 99 per cent probability of being a man, which is wrong and depressing.

I use Facebook to keep in touch with friends and remind myself of their birthdays, which the social network helpfully flags. I use Twitter for work and to comment on events or articles that I read. None of that should say very much about my personality.

Apply Magic Sauce throws up five big personality traits, some right, others not quite. I am, according to the test, something of a robot who thrives on organisation, and an earnest traditionalist who works steadily towards my goals.

The mess on my desk suggests otherwise. So it strikes me that my digital personality may be an exaggeration of my real personality, more what I would like to be (with the exception of the gender prediction) than what I am.

Maybe I am an aberration. But it could also be the case that these tools that have spurred a lucrative niche industry are more hype than substance. When a friend whose intelligence I consider to be well above average took the test, she fared no better than I did. She was treated to an offensive message: "People with a similar digital footprint to you tend to have an average level of intelligence. Of course there's still a chance you are smarter than the average person, but merely thinking that you are will unfortunately not change our prediction." What I am thinking is that these models are not as accurate judges as they pretend to be.

•

Over the past week, I have been considering breaking up with Facebook, notwithstanding the fact that I doubt its effectiveness in helping Mr Trump's election. The social network clearly has little respect for its users' data and its delayed apology for the Cambridge Analytica controversy rings hollow.

I am in good company: #deleteFacebook is gaining traction on Twitter, and tech personalities like Elon Musk are joining the protest. Still, I suspect that I will end up sticking with Facebook and that most of its other 2.2bn users will too, either because they are not as aware of privacy concerns or because privacy is less important to them than the usefulness of the social network.

Outside the western world, social media platforms can be the only public space where free expression and organisation can take place. As for me, I can live without Facebook but not without WhatsApp or Instagram, both of which are unfortunately also owned by the social network.

In any case, the choice should not be between deleting Facebook or sticking with it. As my colleagues have written, there are ways to protect our data, by opting out of targeted marketing and editing linked apps. Facebook users should mobilise — but to improve rather than destroy the site. Instead of #deleteFacebook, let us go for #regulateFacebook. Tech companies have been operating in a Wild West for too long, minting money and growing increasingly arrogant. It is time we, the users, demand policing.

roula.khalaf@ft.com

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Comment

Western complicity keeps Russia's kleptocracy afloat

AMERICA
Edward Luce

It is often said that Russia is a competitor to western democracy. But that is misleading. The country is run for the benefit of Vladimir Putin and his oligarchic circle. Its regime is a model only to other budding kleptocrats.

Most of the world aspires neither to Russia's politics nor its living standards. Alas, the west's chief ideological threat comes from within. Mr Putin's wealth extraction machine reveals the west's moral failings. His abettors could not do it without our connivance.

This is especially true of the US and Britain. In contrast to most western democracies, the US and UK permit anonymous ownership. Most democracies legally require the beneficial owner of an asset, such a company or property, to be made known. Not so in the largest English-speaking democracies. Roughly $300bn is laundered in the US every year, according to the US Treasury. Britain and its offshore financial centres take in about $125bn. Most of it goes undetected. The largest foreign share of it is Russian, according to Anders Aslund, a leading specialist on Russia's economy. Estimates of Mr Putin's personal wealth range from $50bn to $200bn. Even the lower figure would exceed the gross domestic product of most UN member states. Yet we have taken few steps to disrupt it.

Western expulsion of 130 Russian diplomats certainly looks like action — and is far better than doing nothing. Alone, however, it will do little to disrupt the merry-go-round. Indeed, traditional tit-for-tat expulsions offer an illusion of crisis that suits Mr Putin. It is *kabuki* theatre Russian-style. Why else would Donald Trump or Theresa May agree to it?

The motivations of the US president and British prime minister deserve scrutiny. The brazenness of the nerve agent poisonings in the UK this month made them impossible to ignore.

It was as though Mr Putin left his signature. Perhaps that was because the UK had done so little to investigate at least 14 suspicious Russian deaths on its soil in the previous decade. Many, such as that of the exiled oligarch Boris Berezovsky in 2013, were written off as suicide. Others were ruled to be from natural causes, such as the 2012 death of whistleblower Alexander Perepilichny.

> Expelling 130 diplomats looks like action, but it will do little to disrupt the merry-go-round

In many cases, the UK's Home Office, which was run by Mrs May for six years, dragged its feet. Mrs May refused on national security grounds to release government files to the Perepilichny inquest. This was in spite of the fact that traces of gelsemium, a toxic plant that induces cardiac arrest, had been found in his body. Those seeking insight into the UK police's insouciance should read Buzzfeed's exemplary investigations.

Britain has now been jolted into a display of resolve. Having corralled a show of western unity, Mrs May is looking good. Compared with Jeremy Corbyn, the Labour leader and an habitual Russophile, she looks positively Thatcherite. Yet the expulsions will alter little. A large chunk of the value of London property transactions is estimated to be Russian. Too many London banks, real estate agents and luxury service providers thrive on Russian money.

The US, like Britain, is hospitable to ill-gotten money. But in one key respect America is more deeply compromised.

It is often forgotten that Mr Putin blamed Hillary Clinton for the 2015 leak of the Panama Papers, which exposed the network of shell companies, associates and methods by which he and his friends salted away their money. To give one example, the leaks showed the net worth of Mr Putin's closest friend, Sergei Roldugin, to be about $130m. Mr Roldugin plays the cello for a living.

Another associate was Mikhail Lesin, Mr Putin's former senior adviser, and a founder of the television network RT (formerly Russia Today). Mr Lesin fell out with Mr Putin. He was found dead in a Washington DC hotel in 2015. Though his body was severely battered, the US authorities took months to rule the death accidental. Mr Lessin was meant to give evidence to federal investigators the next day.

Is it any surprise Mr Putin has grown so bold? Russia's attempts to sway the 2016 US election were partly payback for the Panama Papers.

Most of the west has the Russia threat back to front. Russia's economy is no larger than Italy's and its military is in disrepair. It is run by an autocrat who dares not release his grip for fear of losing everything. The weapon Mr Putin fears most is transparent accountancy. Tellingly, he stores his wealth in jurisdictions where property rights are secure and the rule of law still holds.

On top of that the west offers a dictator's bargain: the greed of a system that has lost its moral compass. All that was true before the gift of Mr Trump's election. How much juicier is it now?

edward.luce@ft.com

The best flight is straight and does not stop

BUSINESS
John Gapper

When the tired passengers climbed off the inaugural Qantas direct flight from Australia to London on Sunday, 17 hours in the air had earned them one distinction. Their Boeing 787 had flown further than a Gulfstream G650, the fanciest of private jets, can reach.

Among the privileges of owning a private jet is the freedom to bypass large airport hubs and fly directly to your destination. For this brief period in history, before the aviation elite obtain bigger engines for their Cessnas and Gulfstreams, the economy class has the ultra long distance edge.

So it was puzzling to see the Qantas passengers being treated as if they were climbing Everest or travelling to the moon, needing to be served special hot chocolate on board to boost their melatonin levels and lull them to sleep. Yes, it is uncomfortable to be stuck in an economy seat for that long, but have you hung around an airport recently? It is preferable to get the journey over with as soon as possible.

Ultra long distance trips such as Perth to London, or Singapore Airlines' planned 19-hour flight from Singapore to New York on an Airbus A350-900, may turn out to be failures, but I doubt it. History teaches us that it is airlines which prefer to route passengers through airport hubs, not the passengers themselves. If the choices are similarly priced, the latter would travel point to point every time.

This was the original allure of human flight and futurists who attempt to disrupt the industry tend to favour air taxis. "It travels in a straight line and it will never have to stop at a traffic light," marvels one executive about the autonomous electric aircraft being tested in New Zealand by Kitty Hawk, a start-up backed by Larry Page, co-founder of Google. Nor will it have to detour through Schiphol or Dubai.

There are few examples of incumbents making such contrasting bets on the future as Airbus's investment in the double-decker A380 while Boeing developed the 787. The first was a wager on airlines continuing to channel passengers through their favoured hubs in large aircraft; the other on direct flights between cities. The outcome was clear: Airbus faced weak demand for its A380 and has cut production.

The industry's difficulty is that flying commercially is not much fun, wherever you are sitting. I have flown first class on a couple of legs and it was a lot better than being in the back, but no matter how much lobster and champagne you are served, it is inferior to being in an armchair at home.

You may be reclining in a flat bed or have your knees crammed against a seat back, but the essence of commercial flights is ineluctable. Everyone is packed into a long, cramped tube, drying out at the air pressure equivalent of 8,000 feet, and there is no escape.

The 787's appeal is that it improves conditions for everybody, not just those in front. It has higher cabin air pressure, better lighting and larger windows. Having regrouped from its A380 mistake, Airbus has followed Boeing's lead with the new A350, which is smaller than the A380 and has a composite fuselage that permits moister air.

The wonder is that airlines fought against the obvious for so long. Instead of point to point flying, the first two decades of US air transport following the 1978 Airline Deregulation Act were dominated by the legacy airlines' attachment to hub and spoke. Passengers routinely had to take short flights on regional jets to hubs such as Chicago O'Hare, connecting through to destinations on larger aircraft.

> The hub-and-spoke era is an example of companies doing what suited them, rather than customers

The hub and spoke era was a fine example of companies adopting the approach that suited them rather than customers. The theory was that by routing more passengers via hubs, they could reduce their costs and lower fares, thus exploiting a network effect to ward off competition. In practice, low cost airlines such as Southwest beat them on simplicity and price.

Low cost carriers have steadily raised their share of the market by flying point to point between cities — they now provide 30 per cent of capacity in North America and Europe. The approach is being extended to long-distance international flights on fuel efficient twin engine aircraft such as the A350 and Boeing 777-200. Norwegian Air Shuttle is flying 787s across the Atlantic and defying heavy losses.

Given the choice, people save time. A study by economists at the University of Barcelona found that the introduction of nonstop connections such as Berlin to Miami and Milan to Delhi can more than double traffic. The fact that many non-hub cities are not linked by direct flights "suggests that the interests of airlines may not be coincident with those of cities", they tactfully note.

Ultra long haul to the far side of the earth could be a flight too far: passengers may opt to land at hubs and stretch their legs after 10 hours before boarding another plane to their destination. But if Boeing and Airbus keep on improving the comfort of cabins, the direction of travel is unmistakable.

It took seven stops to fly from Sydney to London on the Qantas Kangaroo route in 1947 and it may soon require no stops at all. Whatever the in-flight service, that is progress.

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In Beijing tycoons play the connections game

ASIA
Jamil Anderlini

Foreign executives in China are often told to befriend the relatives of Communist party officials and to study the concept of *guanxi*, the informal system of reciprocal favours and relationships that underpins Chinese society.

Proximity to political power is helpful anywhere. Where China differs is in the degree of informality and the opacity of a system in which power is so concentrated in the hands of a few top leaders.

Blood relatives are best, but among the people who offer introductions to the powerful in Beijing there are also numerous former maids, chauffeurs, butlers and mistresses. I once dined with a man who had parlayed his position as a lowly driver for one senior official into a large real estate fortune.

Now that Chinese President Xi Jinping has removed his own term limits, allowing him to rule for life if he chooses, the number of people worth influencing in China has shrunk dramatically. The importance of even the most tenuous connection to the emperor has increased commensurately. Western fixers in China say in recent months they have been offered introductions to such well-connected luminaries as the personal trainer of Mr Xi's daughter.

But playing the *guanxi* game can be very dangerous. Just ask Ye Jianming, the 40-year-old oil tycoon who was reportedly detained by Chinese authorities in late February after a frenetic period of global dealmaking that culminated in a $9bn agreement for the purchase of 14 per cent of Russian state-controlled oil company Rosneft.

Assisted by a common surname, Mr Ye encouraged people to think he was related to Marshal Ye Jianying — the late revolutionary general and comrade of Mao Zedong who was one of the most important figures in modern China.

This association helped him at home and abroad, but Mr Ye was eventually forced to admit he was not related to the military hero. Not long after that he disappeared, and now a crucial Sino-Russian oil deal that previously seemed to enjoy support from China's "princeling" elite appears to hang in the balance.

By far the most intriguing example of apparent *guanxi*-leverage is that of Li Shufu, the highly acquisitive founder of Chinese automobile champion Geely,

> Since Xi removed his own term limits, the number of people worth influencing has shrunk dramatically

which owns Volvo Cars and the company that produces London's black cabs.

In the past couple of months alone, Mr Li has become the largest shareholder in both Volvo Trucks and Mercedes-Benz owner Daimler. Last year, he also bought majority stakes in Malaysian car producer Proton, British sports car brand Lotus, Denmark's Saxo Bank and a US-based flying car company. His ability to pull off a string of highly sensitive overseas deals at a time when Beijing has been reining in outbound investment, and trying to avoid a trade war, has left many scratching their heads.

Some observers have suggested Mr Li is making the investments on behalf of the state, a theory backed up by his claim the Daimler purchase was meant to "support the growth of the Chinese auto industry".

But an alternative theory has focused on the identity of Mr Li's wife, Peng Lijuan. She shares a name with the younger sister of China's first lady, leading many in China to assume that Mr Li is married to President Xi's sister-in-law. The assumption is supported by the fact that Chinese internet searches on the matter yield no results and it is impossible to find a single photo of Mr Li's wife anywhere in the public record.

All private details of top leaders, including the identities of family members, are regarded as state secrets in China and carefully purged by censors. When contacted by the FT, several well-placed sources at Geely were adamant that Mr Li's wife is indeed the president's sister-in-law, while several other, equally well-placed sources were just as adamant that the two women are unrelated.

Perhaps the best explanation came from one former senior executive at Geely. This person said it was pure coincidence that Mr Li's wife had the same name as the president's sister-in-law but that Mr Li has never denied the rumour since it provided him with enormous political capital in China and abroad.

But given the scrutiny he has attracted with his dealmaking, Mr Li's ambiguity now leaves him in a difficult position. Either he will soon have to publicly deny his wife's relationship with Mr Xi, thereby removing his aura of invincibility in the eyes of foreign investors and Chinese bureaucrats. Or he will remain silent, which could expose the president to criticism for nepotism, something he has railed against since he came to power five years ago.

All students of the concept of *guanxi* would do well to heed this dilemma.

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Europe and China must unite against protectionism

OPINION
Liu Xiaoming

The recent protectionist measures by the US administration are dangerous and risk triggering a trade war and hampering global growth. The world is at a crossroads between co-operation and confrontation. This is a critical time when the international community should be upholding the global trading system.

At the centre of this system is the World Trade Organization, which was established in 1995 by the international community in pursuit of open, fair and equitable trade following nine rounds of multilateral trade negotiation to reduce trade barriers.

With 164 members that account for over 95 per cent of global trade, the WTO has become a major platform for trade issues. There has been a dramatic reduction in average tariffs applied by WTO members, and global trade in goods has quadrupled over the past 20 years. Trade has become a driving force for global growth and trade liberalisation is now an international consensus.

Despite new challenges, this body is capable of reform and overhauling itself in order to cement its position as the centrepiece of the multilateral trading system. This will be key to warding off the potential disaster of trade protectionism.

Throughout the history of international trade, protectionism has been a spectre stalking the world. The Smoot-Hawley Act of 1930 was adopted to protect US businesses and jobs and to

> History need not repeat itself for us to learn the lesson that there is no winner in a trade war

increase government revenue by raising tariffs on imported goods. It led to a wave of international retaliation and an exacerbation of the Great Depression. In 1933, US gross domestic product plunged by 45 per cent compared with 1929, and the contribution of trade to GDP dropped from 11 per cent to 6.6 per cent. History is a mirror.

Last week the US government announced new protectionist measures against China, resulting in the S&P 500 losing well over $1tn in market value. The impact was also felt by the European and Asian markets. There is no need for history to repeat itself only for us to learn the straightforward lesson that there is no winner in a trade war.

China has been the powerhouse for global growth and a main contributor to an open world economy in recent years. Since becoming a WTO member in 2001, China has cut average tariffs from 15.3 per cent to 9.8 per cent, removed over 50 access restrictions on the manufacturing sector and opened about 120 sectors of the service industry to different degrees. It is now the largest trading partner of 124 countries and one of the top three markets for goods from 54 WTO members.

At the 19th Communist Party Congress, China reiterated its commitment to opening up on all fronts and building a community with a shared future for mankind. It has undergone four decades of effective reform and opening up and will continue to do so in the next 40 years. As President Xi Jinping said, "China will not close its doors to the world; we will only become more and more open." This determination arises from China's strong belief that openness brings progress, while seclusion leaves a country behind.

The UK and Europe have been advocates of trade liberalisation and firm supporters of the multilateral system of trade. The leaders of the UK, France and Germany have expressed their concerns over US protectionism and stressed that WTO rules should be the basis for solving trade disputes.

This clearly points to shared interests for China and Europe in safeguarding the multilateral trade regime.

There is a saying in Europe that "a single tree cannot block the chilly wind". Only if the UK, Europe and China stand shoulder to shoulder will they be able to uphold openness and co-operation, and safeguard the international trade regime from the dangers of protectionism.

The writer is China's ambassador to the UK

РЕЛИЗ ПОДГОТОВИЛА ГРУППА "What's News" VK.COM/WSNWS

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Shire/Takeda: stretch exercise

Bid talk is a tonic in a jittery market. Shire's shares soared 19 per cent on news of a potential deal. It is the nerves of investors in the would-be buyer — Takeda of Japan — that need soothing.

Japan's largest drugs company has been aggressively seeking growth outside its slowing home market since Frenchman Christophe Weber, a former GlaxoSmithKline executive, became its first foreign boss in 2014.

Takeda described its approach as exploratory. But it sounds keen. It listed six advantages of a deal, including beefing up its position in the US and replenishing its drug pipeline.

Buying Shire would be a big stretch. At about £30bn (¥4.4tn), Takeda's market capitalisation is only £2bn more than that of Shire before reports of the deal broke. Including a bid premium of, say, 30 per cent, and Shire's hefty net debt of £13.5bn, a deal might be valued at about £50bn.

No wonder Takeda took pains to say it would take a disciplined approach, mindful of its dividends and credit rating. Investors might be unconvinced. When Takeda bought US oncology group Ariad Pharmaceuticals in Mr Weber's first big deal for $5.2bn, it paid a premium of 75 per cent. The deal increased Takeda's ratio of net debt to operating earnings before standard deductions to 2.6 times, resulting in a cut to its credit rating.

If a Shire takeover resulted in a ratio of around 3 times, the groups — with forecast 2018 operating earnings of roughly £7.6bn — would have net debt of almost £23bn. To make this work, Shire holders would have to accept a big wodge of Takeda paper.

Justifying that bid premium would be tricky. Takeda is likely to struggle to extract big operational savings, although some parts of Shire's business — particularly gastrointestinal and neuroscience — might be a good strategic match. Having seen its shares fall by nearly a third over the past year, Shire investors will be in a receptive mood. Greater competition and the debt acquired with the $32bn Baxalta deal in 2016 had left the stock trading at just 8.5 times this year's earnings.

Takeda's approach is likely to inspire other potential buyers. Good. There are better potential matches. Novartis and Pfizer spring to mind. AbbVie might have another go. Its 2014 bid was nixed by a US tax crackdown. Shire investors will hope any bidder is more successful this time round.

GKN/Melrose: Goldman's gadflies

Melrose's £7.8bn bid for GKN is already divisive. Add Goldman Sachs to the mix and it becomes doubly so. The bank is a symbol of modern market capitalism to those who resent it. A filing on Thursday showed it spoke for 11.8 per cent of the stock in the UK engineer.

Goldman is acting on behalf of investors that include hedge funds, a breed lambasted as vultures by their critics. Anything else? Yes: tax practices associated with such set-ups are liable to raise eyebrows.

The signifier of all this is a spike in GKN holdings among big investment banks. These are hard to measure accurately — investors are constantly buying and selling. But filings and S&P Global data suggest that, in addition to Goldman's position, Bank of America Merrill Lynch has about 9.8 per cent. Deutsche briefly had 5.5 per cent.

Investment banks have no appetite for playing kingmaker with stakes of their own. Instead, the holdings would mostly be collateral against derivatives positions held by hedge funds. They are willing to bear the risk of a bid failing in return for a payout if it succeeds.

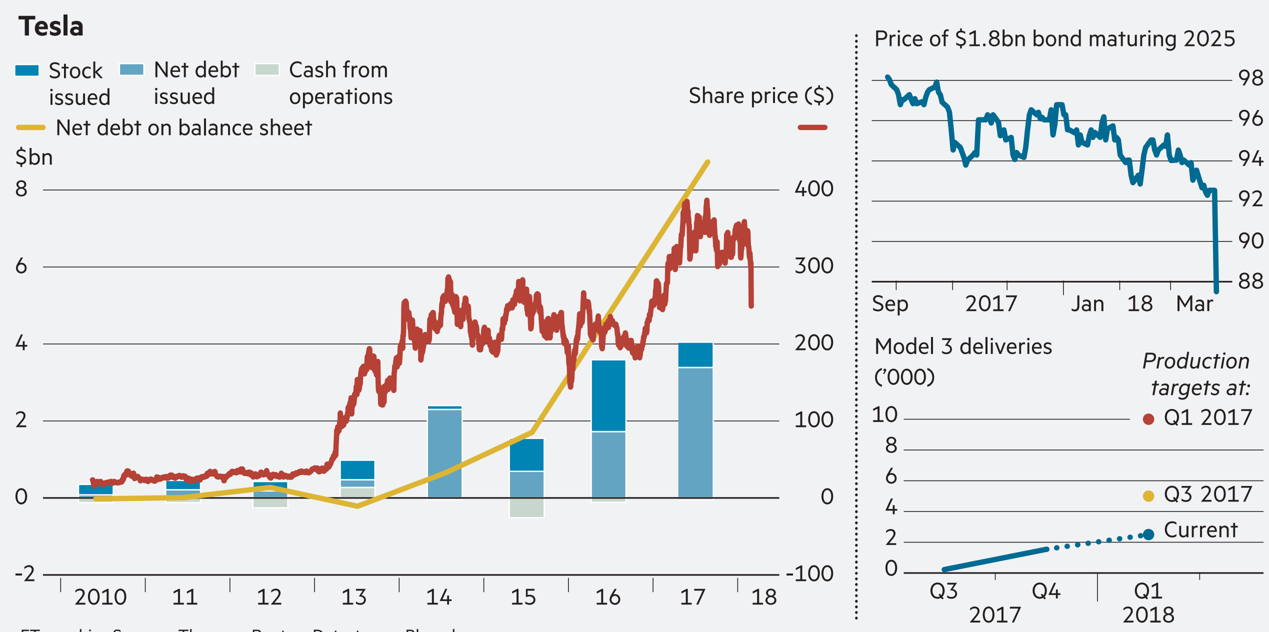
These "merger arbs", have converged on Goldman, BofA and Deutsche because they are not advising GKN or quoted private equity group Melrose. In theory, neutral "prime brokers" can tender shares held on clients' behalf with fewer conflicts. The broader advantage of prime brokers is they are exempt from stamp duty.

This means clients can deal in shares tax-free at arm's length. If they vote the shares, they could crystallise a liability. Experts say that danger is lower in a hostile bid, where investors show support by tendering shares.

The stakes of investment banks and independent hedge funds total just under 30 per cent of GKN's shares. But critics of this bloc should remember who sold them the stock. This mostly came from conventional fund managers whose time horizons are meant to be as long as their positions in big UK companies. These too sold out for a quick return.

Tesla: airbag

Investors have been happy to throw money at the electric car maker in recent years; it has raised funds through numerous stock and bond offerings. Future investors may not be so indulgent unless Tesla sorts out its Model 3 production problems



FT graphic Sources: Thomson Reuters Datastream; Bloomberg; company

Of all Tesla's safety features, the most important is the equity cushion. As the electric carmaker hits the skids, there are new questions about its reliability.

Traditional credit investors have always looked askance at a company with negative free cash flow, frequently missed production targets and heightened key person risk in the form of chief executive Elon Musk.

That has not stopped Tesla selling debt, including a $1.8bn junk bond last August. As CreditSights points out, though the fundamentals look weak, investors have been willing to gamble on Tesla's ability to refinance. Their biggest excuse: equity worth more than $60bn as recently as last month. That fat cushion of shareholders' funds ranking lower in the capital structure affords some comfort to bondholders.

Certainly, a higher proportion of debt in the enterprise value can be a warning sign. But in Tesla's case, the outsized dollop of equity has never been supported by the company's results; its fragility is underscored by the fact that it is the second-largest US equity short (behind Apple), according to S3 Analytics.

Its market capitalisation has been higher than General Motors for much of the past 12 months. Though GM's enterprise value is twice as high, the established carmaker's debt remains a much safer proposition.

Now both equity and debt are looking shakier. Tesla's shares have fallen 15 per cent since Monday. The company's junk bonds now trade at 87 cents on the dollar from 95 cents a month ago. The spread over Treasuries jumped to 400 basis points even before a downgrade from Moody's late on Tuesday.

Souring sentiment was news of an investigation into a fatal Tesla crash by US officials. But the most important factor is the new Model 3.

If deliveries are strong when Tesla releases numbers next week, the company can avert an immediate cash call. If they are weak, Tesla will find itself tapping investors at an inopportune time.

Bond investors, in particular, will take less comfort from that equity cushion.

BYD: save your energy

Buying shares in companies set to profit from Beijing's industrial policy sounds like a rational strategy. The main problem with it: what happens when industrial policy changes? BYD shareholders, such as Warren Buffett, are finding this out the hard way.

BYD produces cars, batteries and mobile phone handsets. But most investors buy its Hong Kong-listed stock because of its exposure to electric vehicles, whose adoption is being encouraged by the government. Its shares had rallied a third since September. They dropped 7.5 per cent yesterday after BYD projected first-quarter profits at least 75 per cent lower than last year.

The sharp fall is a result of the same industrial strategy that turbocharged the stock in the first place. Beijing is in the process of winding down credits for "new energy vehicles", while requiring increased production from anyone selling cars in China. This "make more, get paid less" policy hurts BYD most because a third of its revenue derives from electric vehicles.

Moreover, the government has encouraged other businesses to go into battery making. Macquarie estimates production capacity in 2016 was more than double actual demand. It is set to grow two-fifths every year until 2020.

BYD sells batteries to carmakers whose vehicles compete with its own. Pure battery group CATL does not have this conflict, and so should be better placed. The company's mobile phone handset business helps offset the weakness of the car unit. Successful clients such as Huawei and Xiaomi have boosted this division. But it is not why most investors have bought the stock.

China's electric vehicle push will continue and BYD is likely to remain at its core. Subsidy cuts will take a while to play out, as new vehicle models enter an increasingly competitive market and manufacturers scramble to fulfil their quotas. For all these reasons, investors should consider taking profits now.

Permian M&A: horizontal merger

The uncharacteristic self-discipline recently talked up among US shale oil and gas drillers has turned out to be real. The proof, ironically enough, is in an M&A deal. Concho Resources, one of the more successful frackers, yesterday announced its acquisition of Permian Basin rival RSP Permian, at an enterprise value of nearly $10bn.

Concho shares have almost doubled since the beginning of 2016. Its production boomed nearly 30 per cent last year but, more importantly, its capital spending can be fully funded from its operating cash flow.

This is an all-share deal. Concho is offering RSP's investors a quarter of the new group. With no new debt issued, Concho's superior valuation multiples — both on profit and cash flow — mean the deal will lift earnings cost efficiently. But Concho stock fell nearly a tenth yesterday, demonstrating that investors remain reluctant to give the sector the benefit of the doubt.

The most recent explosion in US oil production has been driven by the high-output Permian basin, where "horizontal" drilling has allowed Concho and others to keep down spending. The companies in the area remain fragmented. They range from wildcatters backed by private equity to oil majors trying to buy their way in and independents such as Concho.

Credit Suisse estimates Concho is paying a 50 per cent premium to the average trading price per drilling location in the Permian. But by staying within this region, Concho estimates there are $2bn of combination benefits, which compares with an initial gross premium value of $1.8bn.

It is likely the Concho stock reaction reflects action among hedge funds that automatically short acquirer stocks. Long-term shareholders probably wanted to take money off the table after a sustained run-up. But if Concho can keep delivering profit growth and oil prices remain steady, it will keep building firepower to snap up even more Permian assets. Cash profitability is great and looks even better at scale.

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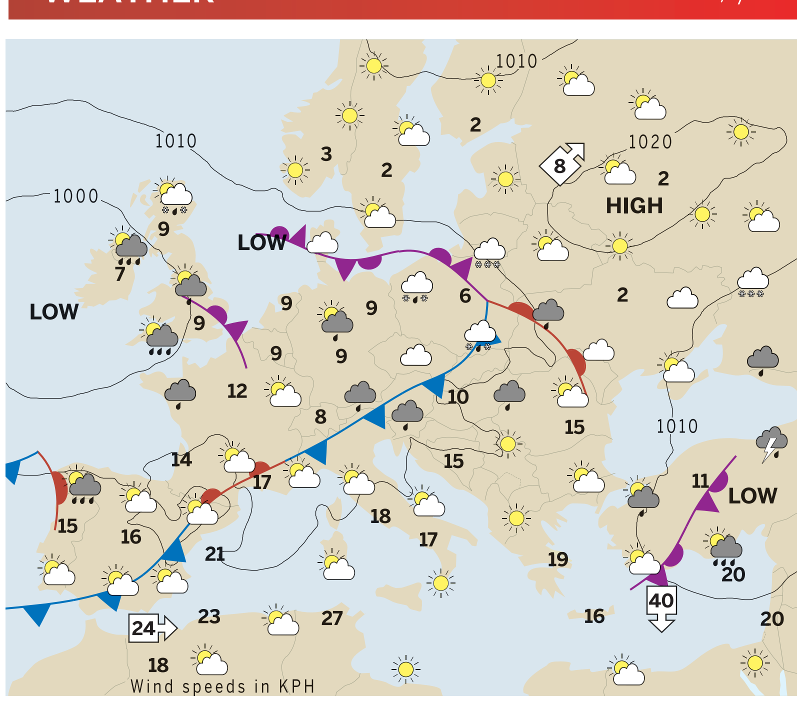
WEATHER

Your trust, your future, our commitment MUFG



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

Today's temperatures Maximum for day °C

Amsterdam	Fair	9	Malta	Sun	21
Ankara	Shower	12	Manila	Fair	32
Athens	Sun	19	Miami	Cloudy	26
Bahrain	Sun	33	Milan	Shower	15
Barcelona	Fair	17	Montreal	Rain	12
Beijing	Sun	19	Moscow	Sun	2
Belfast	Shower	8	Mumbai	Sun	32
Belgrade	Fair	18	Munich	Cloudy	9
Berlin	Cloudy	9	Naples	Cloudy	17
Brussels	Fair	11	New York	Drizzle	12
Budapest	Shower	10	Nice	Fair	17
Cairo	Sun	21	Nicosia	Shower	20
Cardiff	Shower	9	Oslo	Sun	3
Chicago	Rain	8	Paris	Shower	12
Cologne	Cloudy	10	Prague	Cloudy	8
Copenhagen	Snow	2	Reykjavik	Fair	8
Delhi	Sun	36	Riga	Fair	5
Doha	Sun	34	Rio	Sun	31
Dubai	Sun	33	Rome	Fair	18
Dublin	Shower	7	San Francisco	Sun	23
Edinburgh	Fair	7	Singapore	Thunder	32
Frankfurt	Fair	11	Stockholm	Fair	3
Geneva	Fair	12	Strasbourg	Fair	11
Hamburg	Rain	7	Sydney	Sun	27
Helsinki	Sun	2	Tokyo	Sun	24
Hong Kong	Fair	25	Toronto	Rain	9
Istanbul	Rain	10	Vancouver	Rain	10
Lisbon	Cloudy	15	Vienna	Rain	11
London	Shower	9	Warsaw	Sleet	6
Los Angeles	Sun	23	Washington	Cloudy	26
Luxembourg	Fair	9	Zagreb	Shower	14
Madrid	Fair	16	Zurich	Rain	8

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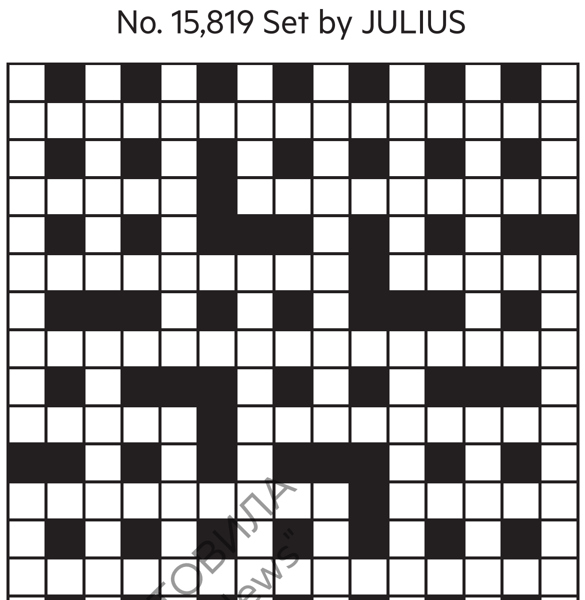
CROSSWORD
No. 15,819 Set by JULIUS

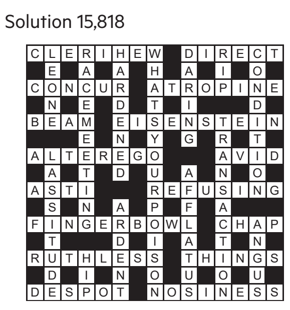


JOTTER PAD

Alphabetical jigsaw
Solve the clues and fit the answers into the grid. Each letter of the alphabet is used at least once at the beginning of the grid entries

Professor Calculus turned up to take in a game (8)
Better-looking sailors over the sea in France (9)
Oddly, Joan Baez "friendless", an unknown in this musical genre (4)
The old sultanate's royal servant (6)
Tutus, then burqas, tailored for one with yellowy skin (9,6)
Ms Lupino returned to Brussels to say farewell (5)
Potentially dangerous parcel leads to central York street being evacuated (4)
Do its passengers wear platform shoes? (8,7)
Virginia sends guacamole back; perhaps it's lacking in flavour (5)
Material Girl finally visits northern Canadian province having left UK (5)
Mostly bizarre water feature (4)
Insecure leaders of United need Sir Alex Ferguson's energy (6)
To strip away her dignity, I shame nude model (10)
Like Aegean lamb served in bite-sized pieces? (10)
An element of Cologne university I'm taking over (9)
She's beginning to cry, taking time over each flower (5,3)
Bring to mind prayer following scripture lesson (9)
A month to snog one special Levi endlessly? (6)
Taunt diva, a fan of The Eagles? (8)
Old boy in Phoenix going crazy over a fear of outsiders (10)
I use rude words about flipping Scottish region (4)
Tory content to support a corrupt, dodgy financial agent (10)
I flog Led Zeppelin's first selfie, shot in revue on Broadway (8,7)
Pole on board ship winches overboard fat fellow (4-5)
In a strangely old-fashioned way, queen isn't commonly leisurely on vacation (8)
Fashionable clock face turned, decorated with marquetry (6)
France spurned earlier alternative name for abalone (5)

Solution 15,818



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Companies & Markets
FINANCIAL TIMES

Proxy war Vivendi and Elliott face off in battle to control Telecom Italia — ANALYSIS, PAGE 14

Food poisoning The UK restaurant bets serving up private equity pain — MARKETS, PAGE 19

Facebook boosts users' data control

- Tech group to make privacy settings clearer
- Move follows Cambridge Analytica scandal

HANNAH KUCHLER — BOSTON
ALIYA RAM — LONDON

Facebook is to try to make privacy settings clearer by creating a hub where users can examine the data they are sharing, in its latest move to address the scandal that has wiped billions of dollars off its market value.

The world's largest social network said the settings — including which third-party developers were permitted to access a users' data — would be centralised, pulling together information that was at present distributed around 20 pages within the platform.

Rob Sherman, deputy chief privacy officer for Facebook, said the changes to make privacy controls "more prominent" were being worked on before the revelations that the data of up to 50m users were leaked to Cambridge Analytica, a data analysis firm that worked for Donald Trump's presidential campaign. He added: "The thing that has been very clear over the past week is that we've lost trust and need to work on regaining it."

Facebook will also make it easier for users to see all the data that the company holds on them, allowing individuals to explore them by category rather than via a data dump using its old download tool. The new tool could make it easier for users to take their data to a rival, a process that will be required under the EU's General Data Protection Rules that come into force in May.

"It is one thing to read a data policy that explains general practices," Mr Sherman said. "It is very different seeing your own data and being able to control it."

Facebook is under pressure from politicians and regulators over data privacy. John Edwards, the New Zealand privacy commissioner, yesterday became the latest to criticise the company, saying it had breached the country's privacy laws. Facebook has denied the claim.

The crisis has pushed some Facebook users, including Mr Edwards, to delete their accounts. Others have downloaded their data to understand exactly what the company knows about them.

Yesterday's announcement follows changes announced by Mark Zuckerberg, chief executive, which largely focused on reducing the amount of data that third-party apps could collect.

Some privacy experts said Facebook would need to go much further.

Jonathan Kewley of law firm Clifford Chance's technology group said: "There will need to be further steps and more radical steps. New ways will have to be considered beyond a platform which aggregates all the information they control."

It 'has been very clear . . . that we've lost trust and need to work on regaining it'
Rob Sherman, Facebook

Editorial Comment page 8

Smart Money

Leo Lewis

Like *The Picture of Dorian Gray*, the Japanese Cabinet Office's 2017 survey of corporate behaviour sits in an attic turning more hideous as events unfold in the outside world.

When the survey was taken, the yen had spent the previous 12 months hovering around the ¥112 mark against the dollar. So nobody much noticed when, as analysts at Goldman Sachs have now nervously spotted, the report showed that the average small- or medium-sized Japanese company "is struggling hard to turn a profit" at a rate of ¥105 to ¥106. Which is where the yen is right now.

When the yen surged into the ¥104 zone last week, it unleashed a flurry of speculation that there were not many natural barriers standing in the way of a test of ¥100, and that global political and trade tension would give the yen an extra "haven" boost and hit Japanese equities harder.

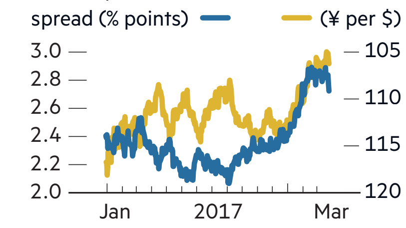
But the sight of the dollar back above ¥105 has given Japanese exporters and all those SMEs a glimmer of hope in an increasingly nerve-racking world of trade war rumbles and risk-off spasms from global investment funds.

The US dollar's slide from ¥113 last December has felt relentless. There are analysts who suspect the risk is still on the downside, but a turning point, say others, may have been reached. Shusuke Yamada, Bank of America Merrill Lynch's Japan FX strategist, suggests that the start of the new financial year on April 1 may see a fall in the exporter hedging that intensified into the end of the fiscal year.

But the change in dynamics may be more fundamental. Scary geopolitics and domestic scandal aside, the yen has behaved oddly since the start of the year. In the past, give or take the usual onslaughts of short-term froth and volatility, there was a decent correlation between the US-Japan interest rate differential and the dollar-yen cross rate.

In January and February, rising US bond yields versus those of Japan failed to boost the US dollar against the yen. This was a knock-on effect, argues Nomura FX strategist Yunosuke Ikeda, of global central banks reducing exposure to US Treasury securities — an effect amplified by a relative absence of global macro funds. Those funds are now back, however, with a more traditional sensitivity to yield differentials — a return that has begun to restore that differential as a driving factor in the dollar-yen rate.

Yen's correlation to yield spread falters



Source: Thomson Reuters Datastream

In the past, there has been a clear link between US-Japan interest rates and the yen's position against the dollar

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Must try harder UK-listed stocks receive low marks in first quarter report

Large UK-listed stocks were the worst place to invest in during the first quarter of the year as volatile trading sent developed market equities lower while emerging market assets rallied.

The FTSE 100, the UK's benchmark share index, has been the worst performing index in the world, down more than 8 per cent with the country's largest quoted equities buffeted by a rising pound and deep pessimism among institutional investors towards UK assets.

The weaker US dollar, down by 3 per cent on a trade-weighted basis over the first quarter, helped boost commodities such as oil and gold alongside some emerging market assets, with Brazil's Bovespa the best performing stock index over the quarter.

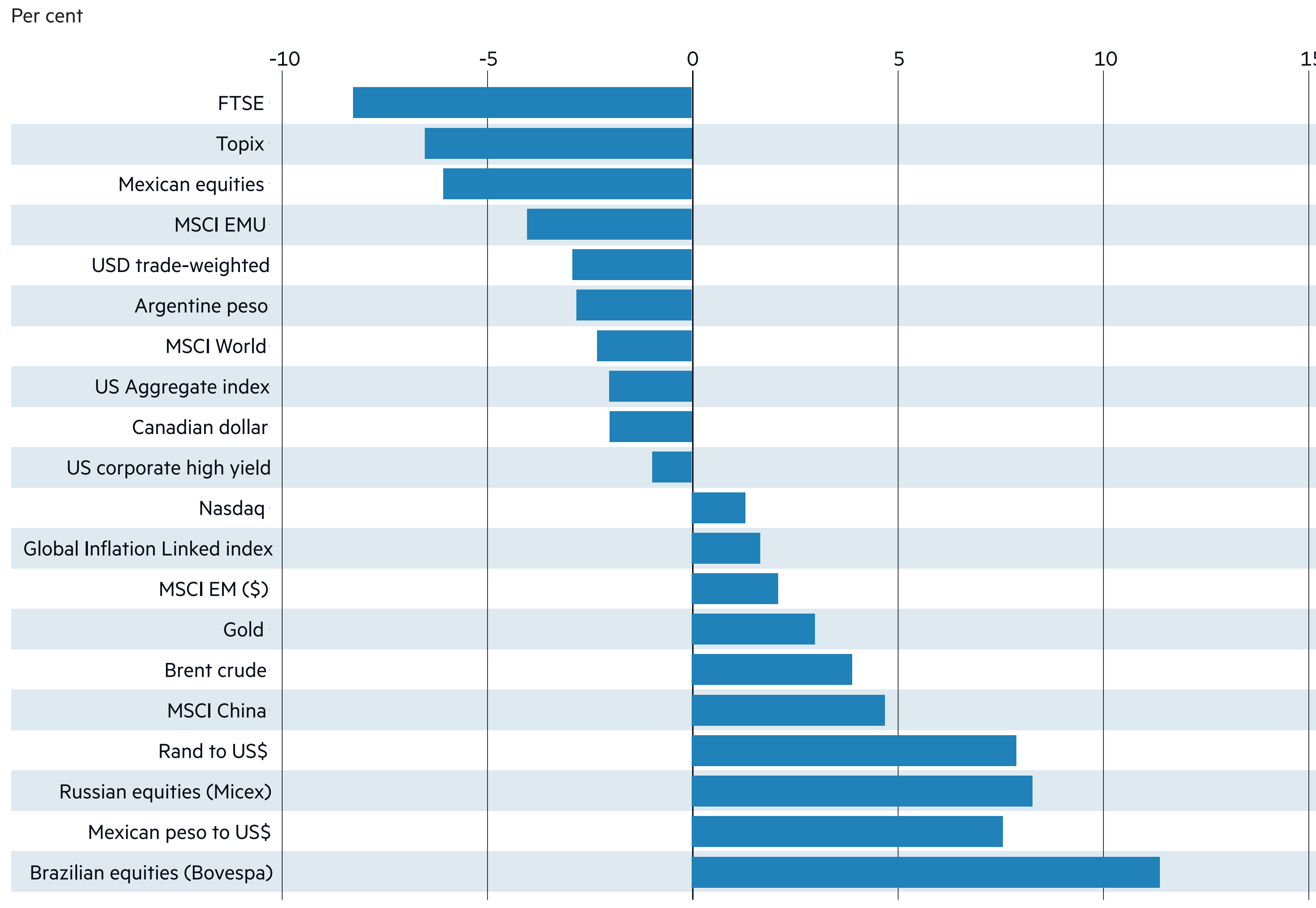
Other EM assets that have performed strongly since 2018 began include the Russian Micex stock index and MSCI China. The Mexican peso has appreciated 7.5 per cent against the US dollar, while Mexico's main equity market is down 6.3 per cent in local currency terms.

In a volatile quarter for stock markets, the S&P 500 was on track to finish in the red for the first quarter in nine.

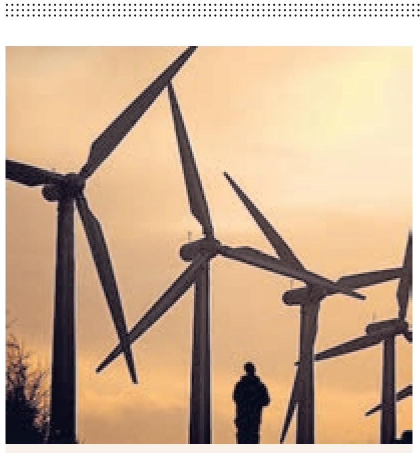
Large US technology shares, which surged in value over 2017, have suffered a far choppier start to 2018 as investors fret over the fallout from a controversy over Facebook's treatment of its users' data.

Other assets to record a positive performance include inflation linked bonds, the South African rand against the US dollar. *Miles Johnson*

First quarter delivers big dispersion in asset class returns
Per cent



Sources: Bloomberg; JPMorgan



Subsidy-free wind farm has green energy going Dutch

Come 2022, a Netherlands wind farm will be able to call itself Europe's first built without state subsidy. Similar subsidy-free projects are planned for Germany and on the horizon in the UK. But challenges remain before time can be called on support for green energy.
Analysis ► PAGE 16

GKN shareholders face blitz before lunchtime deadline on hostile bid

CAT RUTTER POOLEY AND KATIE MARTIN
LONDON

Shareholders caught in the battle for GKN faced a final barrage from the engineer and turnround specialist Melrose ahead of today's lunchtime deadline on a vote to decide the largest UK hostile takeover in almost a decade.

Melrose on Tuesday professed its long-term commitment to the UK by pledging to keep a London listing, maintain research and development spending and avoid a quick sell-off of its assets.

The turnround specialist's undertakings followed eleventh hour demands from Greg Clark, the UK business secretary, for binding commitments should it win its bid for GKN. The rare intervention, including demands for a veto over the disposal of any defence assets, is a sign that Theresa May's Conservative government is increasingly willing to step in over takeovers.

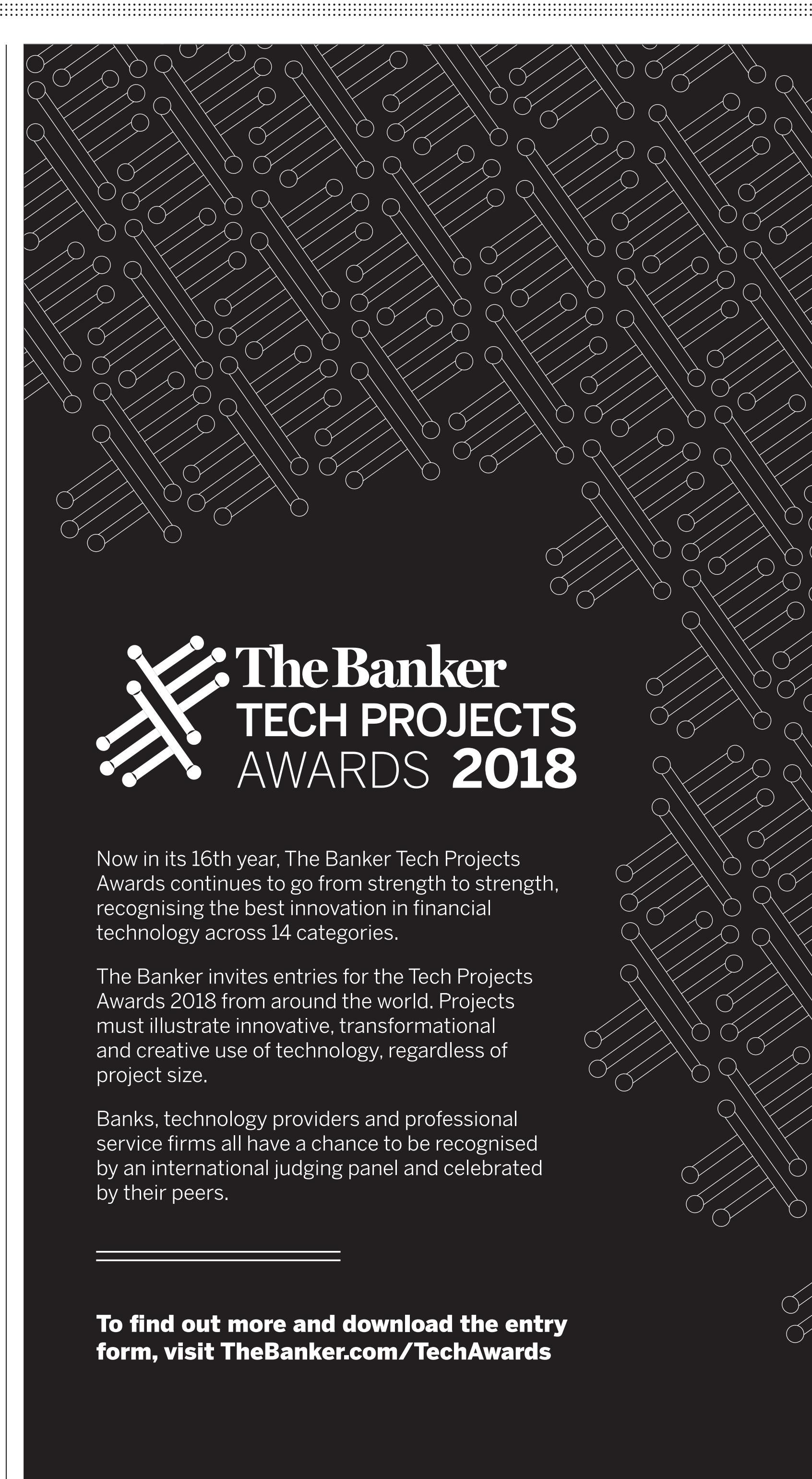
In response to the Melrose pledges, GKN yesterday pressed its own plans, emphasising the need for flexibility — including on its aerospace assets — on top of a deal already agreed for its Driveline unit with Dana of the US.

Having previously criticised Melrose for favouring a strategy to overhaul the group with a "short-term business model", GKN hit out at Melrose's pledge not to sell the aerospace business for five years. That pledge, designed to allay national security concerns, had "significantly limited its strategic flexibility and implicitly reduced the value of GKN Aerospace", GKN said.

It added: "GKN strongly believes that GKN Aerospace would be worth less in Melrose's hands than it is today."

The engineer pointed to "significant recent consolidation" among aerospace suppliers, indicating that a deal for the division might be on the cards. "Now is not the time to have significant strategic constraints placed on the ability to develop GKN Aerospace," it said.

People close to the bid suggested that GKN was likely to lose given that more than 20 per cent of its stock was controlled by short-term investors. Shareholders have until 1pm to accept Melrose's offer. It requires 50.1 per cent approval.
Lex page 10



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Financials

CME Group on target to snap up Nex

Deal comes after months of negotiations and values fintech company at £3.8bn

PHILIP STAFFORD — LONDON

CME Group has agreed to pay £10 a share to buy Michael Spencer's Nex Group, with the $56bn Chicago exchange ready to pay a premium for the UK financial technology group to knock out potential counterbids from rivals.

The US futures exchange, headed by Terry Duffy, finalised a deal with Mr Spencer, one of the City of London's best known entrepreneurs, yesterday after several months of negotiations.

A formal announcement could come as soon as today, according to two people close to the talks. The two companies declined to comment.

The price is at the high end of analysts' forecasts and would value Nex, which runs some of the world's biggest fixed income securities markets, at nearly £3.8bn. Mr Spencer, whose near 18 per cent stake makes him Nex's biggest shareholder, stands to make around £670m from the deal.

A combination would put CME in pole position to potentially shake up trading on the $500bn-a-day US Treasuries market — the main market for US government debt. Nex operates the biggest venue for trading securities between banks and high-frequency traders.

The CME owns the biggest market for Treasury futures, which has for decades catered to a broader spectrum of traders and institutional investors who use futures to hedge and take advantage of price swings in bonds.

Banks have long favoured keeping the two pools of trading separate but are increasingly being forced to recognise that post-crisis banking and markets regulations have raised overall trading costs.

In recent years, volumes in the Treasury securities market have been flat while volumes on the CME's Treasury futures markets, which offer a cheap alternative, have surged. Market participants are hoping the combination will allow them to save on the amount of capital they must use to back their deals.

Nex shares rose 9.7 per cent to close at 972p in London yesterday as investors anticipated that a deal was imminent.

CME shares were trading up 0.4 per cent at $159 in morning trade in New York. Nex confirmed the £10 offer price.

> The move would put CME in pole position to potentially shake up trading on the $500bn a day US Treasuries market

After the CME's approach was confirmed two weeks ago, Nex shares soared more than 35 per cent, partly on expectations that a rival such as Intercontinental Exchange, the London Stock Exchange Group or Deutsche Börse would make a counter offer.

Analysts had forecast bidders could pay around 850p-£10 a share for Nex, and make savings of 30 per cent to 50 per cent from Nex's cost base.

Nex was formed at the end of 2016 in a split from ICAP, a start-up voice broker that Mr Spencer founded in the nascent swaps markets in the 1980s. He sold the global broking assets to rival Tullett Prebon in 2016 and earned more than £200m from a subsequent share sale.

Technology

Google weighs appeal after court setback in Oracle feud

RICHARD WATERS — SAN FRANCISCO

Google has indicated it is planning an appeal to the Supreme Court, after losing the latest round of a long-running intellectual property battle against Oracle that could have far-reaching implications for the software industry.

The appeals court for the federal circuit, which hears patent cases, ruled on Tuesday that Google was not covered by the "fair use" protections under copyright law when it used some of Oracle's IP as the foundation for its Android operating system.

Fair use is designed to allow use of protected material under limited conditions. But the judges decided that Google did not meet all of the requirements, such as coming up with a "transformative" use for the technology. The case was also referred back to a lower court to consider Oracle's request for $8.8bn in damages.

The importance of the case and the unusualness of the rulings raise the chance that the highest US court will take it up, according to legal experts. That would set up a showdown in one of Silicon Valley's most bitter corporate feuds, which has run since 2010.

Tyler Ochoa, a law professor at Santa Clara University, said the judges' decision to reverse a lower court was an "extraordinary" intervention after they had earlier sent the case back to the same court for consideration of the fair use issue.

Google said it was "disappointed" by the decision and warned that it could make "apps and online services more expensive for users".

It added: "We are considering our options."

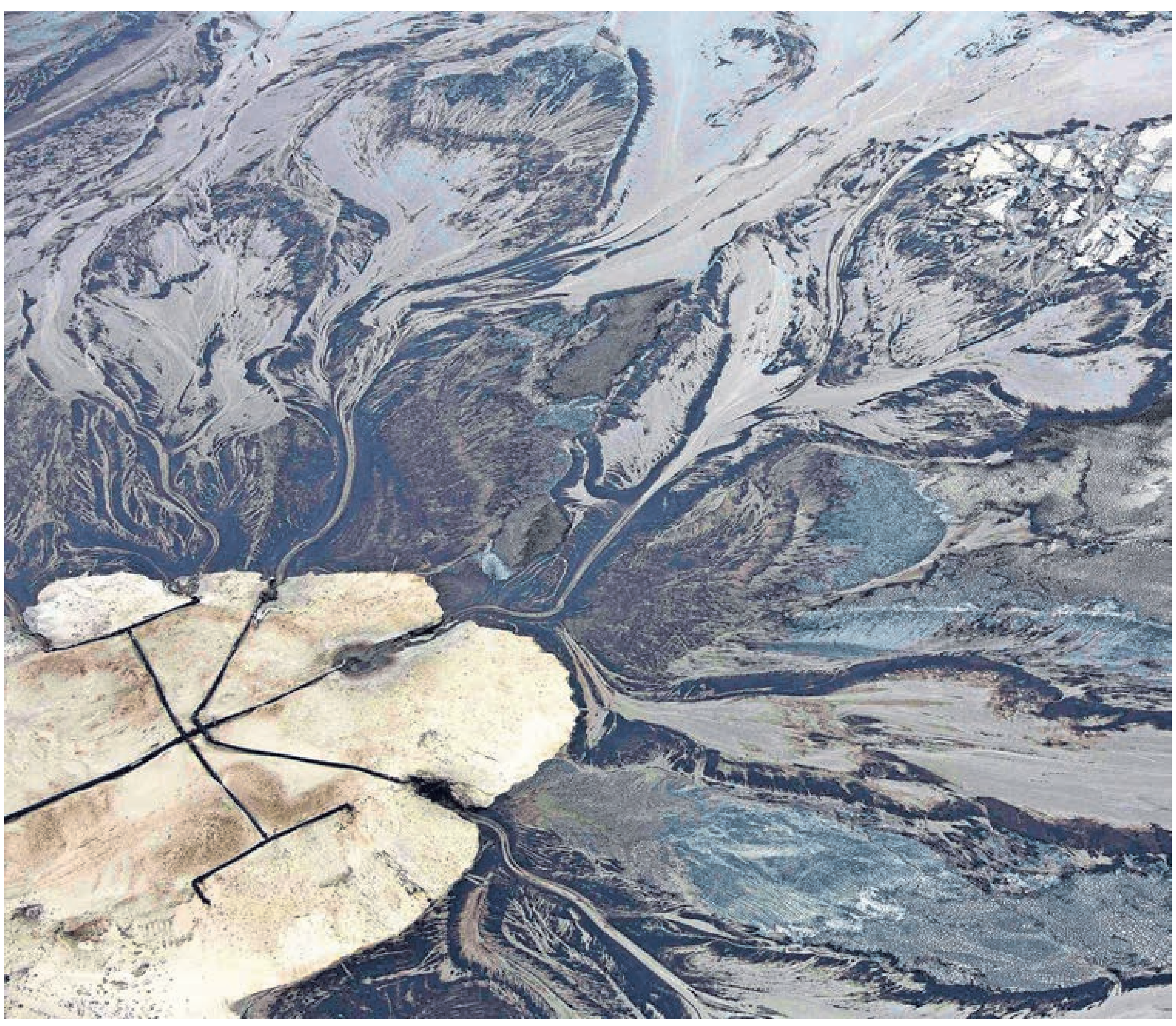
Many in the software industry have warned that victory for Oracle could upset a delicate balance under which companies are able to write applications for dominant software platforms without needing permission from the companies that control them. That could give platform owners more power to charge for access.

However, Dorian Daley, Oracle's general counsel, rejected that claim, and said open source licence agreements had been widely used to support software ecosystems that were open to small developers.

"I fundamentally disagree with it," Ms Daley said.

"The fact of the matter is, for a very, very long time, independent software developers have been able to license their software to run on a number of software platforms."

Financials



Funding for tar sands extraction and pipeline projects by leading banks more than doubled last year to $47bn — Todd Korol/Reuters

Banks lift lending to 'extreme' energy projects

MARTIN ARNOLD — LONDON

The world's biggest banks increased their financing of "extreme fossil fuels" by 11 per cent last year, committing $115bn to fund projects in tar sands, Arctic and ultra-deepwater oil extraction, liquefied natural gas export, coal mining and power.

Royal Bank of Canada, Toronto-Dominion Bank and JPMorgan Chase were the three leading banks for financing extreme fossil fuels last year, according to a report produced by a group of environmental pressure organisations.

The financing of extreme fossil fuels declined in 2016, when the Paris climate accord was signed by more than 190 countries promising to slow climate change, but picked up again last year. The research found that the main US and Canadian banks increased their financing in this area while European, Chinese, Australian and Japanese banks decreased it.

It also found that the main driver of the increase was higher funding for tar sands extraction and pipeline projects, which more than doubled last year to $47bn. JPMorgan, the biggest US bank by assets, more than quadrupled its financing for tar sands projects, according to the research.

"It is environmentally, reputationally and often financially risky for banks to back these fossil fuel projects and companies," the report said. "More and more, the public is tying the impacts of fossil fuels to the financial institutions backing the sector."

Many of the world's biggest banks, including BNP Paribas, HSBC, ING and BBVA, have set targets recently to increase their financing of environmentally or socially sustainable projects, while reducing it for some areas of extreme fossil fuels. TD Bank said it announced in December "a set of initiatives to advance the low-carbon economy of the future," including a target to provide C$100bn ($78bn) of low-carbon lending, financing, asset management and other initiatives by 2030. RBC and JPMorgan declined to comment.

> 'More and more, the public is tying the impacts of fossil fuels to the financial institutions backing the sector'

Alison Kirsch at Rainforest Action Network said: "At a time when some European banks like BNP Paribas and ING are adopting policies that sharply restrict their lending to some of the worst fossil fuels, US and Canadian banks like JPMorgan Chase and TD are moving backwards in lockstep with their wrong-headed political leaders."

The report assessed the activities of 36 banks from Australia, Canada, China, Europe, Japan and the US in financing the top 30 companies in each of the "extreme fossil fuel" sectors and applied a weighting to each based on borrowers' activities in each sector.

It was produced by BankTrack, Honor the Earth, Indigenous Environmental Network, Oil Change International, Rainforest Action Network and the Sierra Club.

INSIDE BUSINESS
EUROPE

Rachel Sanderson

Tax-dodging, real or alleged, is not a good look in era of mistrust

In the past 18 months, Italian fashion house Gucci has undergone a turnround. Operating profits have quadrupled at the Kering-owned label under chief executive Marco Bizzarri and designer Alessandro Michele.

But allegations of tax evasion levelled by Italian authorities threaten to blot its carefully cultivated image.

Swiss authorities confirmed last week that they had opened a criminal probe in a tax case involving a former employee of French luxury group Kering, which alongside Gucci owns French house Yves Saint Laurent and Italian brands Bottega Veneta, Brioni and Pomellato.

The attorney-general's office said it was helping with an Italian probe launched in November that is seeking to determine whether Gucci booked Italian sales in Switzerland for several years to benefit from a more favourable tax regime.

The Swiss probe follows a report last week by French investigative outlet Mediapart that claimed Kering used its Swiss logistics subsidiary LGI to cut the tax bill for the group's other luxury brands, such as Gucci in Italy and Yves Saint Laurent in France. Mediapart estimated that since 2002, Kering saved €2.5bn in tax in this manner. In response, Kering said it "aspires to ensure full compliance with tax regulations in the countries where it operates".

Milan's chief prosecutor did not reply to an emailed request for comment.

The nub of the investigation lies in what Italian tax authorities consider to be a disconnect between the material amount of income tax paid in Switzerland compared with the material amount of value added activity carried out in Italy, according to people with knowledge of the inquiry. The Italians consider Gucci's operations in Switzerland to be mostly a logistics hub, with the key functions carried out in Italy.

Italy has a volatile tax regime and, alarmingly for investors, a new government can retroactively change tax laws.

Finding companies which seek tax arrangements outside Italian jurisdiction is not new. Nor is it the first time tax authorities have challenged luxury goods groups with significant operations in Italy. Milan's chief prosecutor, Francesco Greco, is a white-collar crime expert. He and his team have pursued Dolce & Gabbana and Prada, among others. Apple has also been a target of Mr Greco's public prosecutors.

> Millennials are susceptible to a reputation for do-gooding, studies show

Prada's owners Miuccia Prada and Patrizio Bertelli struck a deal with the authorities on a voluntary basis and agreed to pay an undisclosed sum and repatriate Prada's holding company from Luxembourg to Italy.

D&G refused to settle after Italian tax authorities accused it of evading €200m in taxes. After a three-year court battle, Italy's Supreme Court in 2014 overturned fraud convictions and issued 18-month jail sentences against the fashion duo Domenico Dolce and Stefano Gabbana. Apple agreed to pay a $318m fine in 2015 after Italy's tax office said its subsidiary in the country had failed properly to declare earnings between 2008 and 2013.

But regardless of the outcome of the Kering inquiry, there are implications for the French group.

For one, it has highlighted Kering's lighter tax load compared with peers. Luca Solca, analyst at brokerage Exane BNP Paribas, says that while LVMH's tax rate has averaged 30.8 per cent in the past seven years, Kering's has averaged 21.2 per cent.

Italian tax authorities want to try to fine Kering about €1.2bn, according to Italy's La Stampa newspaper. Kering declined to comment. That amount is relatively small compared with Kering's €48bn market value. A bigger problem, argues Mr Solca, would be if Kering had to pay tax at a similar rate to LVMH, as it would have a more substantial impact on its earnings.

Another implication is more difficult to quantify: the reaction of consumers.

A vital ingredient of the success of Gucci's turnround has been Mr Bizzarri and Mr Michele's solicitous nurturing of millennial shoppers. Today they account for more than half its customer base. But millennials are susceptible to a reputation for social do-gooding, according to numerous studies. One report last year by PwC said consumers were increasingly hostile to companies and individuals perceived to be failing to pay their fair share of tax.

"In an era of mistrust of financial services, especially among the millennial generation, tax will become important for the brand," the report said.

Tax-dodging, real or alleged, threatens to look bad in the image business.

rachel.sanderson@ft.com

Automobiles

Hyundai simplifies conglomerate's ownership

SONG JUNG-A — SEOUL

Hyundai Motor's founding family is simplifying the South Korean conglomerate's complex ownership while consolidating their control over the group's key units.

The group said yesterday it would spin off the module manufacturing and after-sales parts business of Hyundai Mobis and then merge the spun-off business into Hyundai Glovis, its logistics unit. Afterwards the controlling family will sell its stake in Hyundai Glovis and use the proceeds to buy more shares of Hyundai Mobis, the parts-making unit at the heart of the group's complex ownership structure.

The group-wide restructuring comes amid growing regulatory pressure on Hyundai to improve its governance.

The reorganisation is expected to help the Chung family avoid any potential fines under strengthened antitrust regulations rolled out in 2014, and ensure a smooth transition from 80-year-old chairman Chung Mong-koo to his son and vice-chairman, Chung Eui-sun.

The family is cutting its 29.9 per cent stake in Hyundai Glovis, the group's car shipping and logistics arm, which has been in the sights of antitrust regulators. Founded in 2001, Hyundai Glovis has expanded rapidly on the back of its logistics and distribution services to Hyundai Motor and other affiliates. But it has been at the centre of controversy, with critics alleging that its structuring and position in the group was meant to advantage the controlling Chung family at the expense of other shareholders.

The group said Hyundai Mobis shareholders would receive 0.61 new Glovis shares for each share of Mobis. The plan, approved by each company's board yesterday, will help end the group's circular shareholdings and strengthen the companies' competitiveness, the group said.

Pending shareholder approval of the plan — with a vote set for May 29 — the Chung family will sell its stake in Hyundai Glovis to buy shares of Hyundai Mobis from group units such as Kia Motors and Hyundai Steel.

Automobiles

Datsun brand set for Pakistan debut next year

KANA INAGAKI — TOKYO
KIRAN STACEY — ISLAMABAD

Nissan has announced plans to bring its Datsun brand to Pakistan in 2019, becoming the latest carmaker aiming to boost sales in one of the fastest-growing car markets.

Japan's second-largest carmaker revived the Datsun, the low-budget hatchback, in 2014 after more than 30 years to help expand sales in India and other emerging markets, where it had previously struggled.

Nissan is counting on the Datsun to help crack the dominance of Suzuki, Honda and Toyota, which produce almost all cars made in Pakistan.

Peyman Kargar, senior vice-president, said: "Nissan should be there. It is an important market for us. It's good timing for us."

Lower interest rates have made it easier for Pakistanis to borrow, while ministers have allowed carmakers to bring in equipment duty-free to encourage them to set up plants.

In 2016-17, carmakers sold 185,781 vehicles in the country — up 18 per cent from five years ago. Nissan expects the market to expand to 330,000 vehicles by 2024-25.

Nissan will produce the Datsun brand with partner Ghandhara, which will invest $41m over the first four years in a project that will create 1,800 jobs.

The group began local production in 1996. It halted sales of its Sunny saloon from 2004 amid efficiency and quality challenges; an attempt to restart production in 2009 ended a year later.

Hyundai recently broke ground on a plant in Faisalabad, with the first cars due to roll off in December next year. Renault, which has an alliance with Nissan, and Volkswagen are planning factories in Pakistan.

Some warn of the risks. Ministers failed to cut customs duties on cars last July as they had promised. And partnerships can cause problems: Hyundai stopped making cars in 2004 because of financial difficulties at Dewan Farooque Motors.

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Global dealmaking surges to record levels

Europe and US drive rally as economies pick up and boards take advantage of cheap credit and rising valuations

JAMES FONTANELLA-KHAN AND ARASH MASSOUDI

A boom in cross-border and "megadeals" on the back of a resurgent appetite for transformational transactions amid a benign economic environment has contributed to the fastest start for global mergers and acquisitions.

Overall dealmaking crossed the $1.2tn mark in the first three months of the year, up more than 60 per cent compared with a year ago, according to Thomson Reuters data, partly propelled by a burst of transactions in Europe and the US.

FT
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Easy access to credit as well as high share prices have also played a key role in energising boardrooms across the world to consider approaching a rival for a combination that could better equip them to face new disruptive competitors. "When you put those two things together the ability to do large deals . . . is attractive," said Bobby Tudor, co-head of Perella Weinberg Partners' advisory business.

Tax reform in the US has also been an inducer to dealmaking. "Deals previously on pause, while companies waited for more certainty around the tax overhaul, are now moving forward at full speed," said David Gibbons, global head of Hogan Lovells corporate practice.

Although there are some concerns that the wave in consolidation could be derailed by the Trump administration's protectionist policies, dealmakers believe that activity will remain robust as companies have to manage other revenue growth threats.

For example, the growing dominance


Amazon has spurred some M&A activity — Simon Dawson/Bloomberg

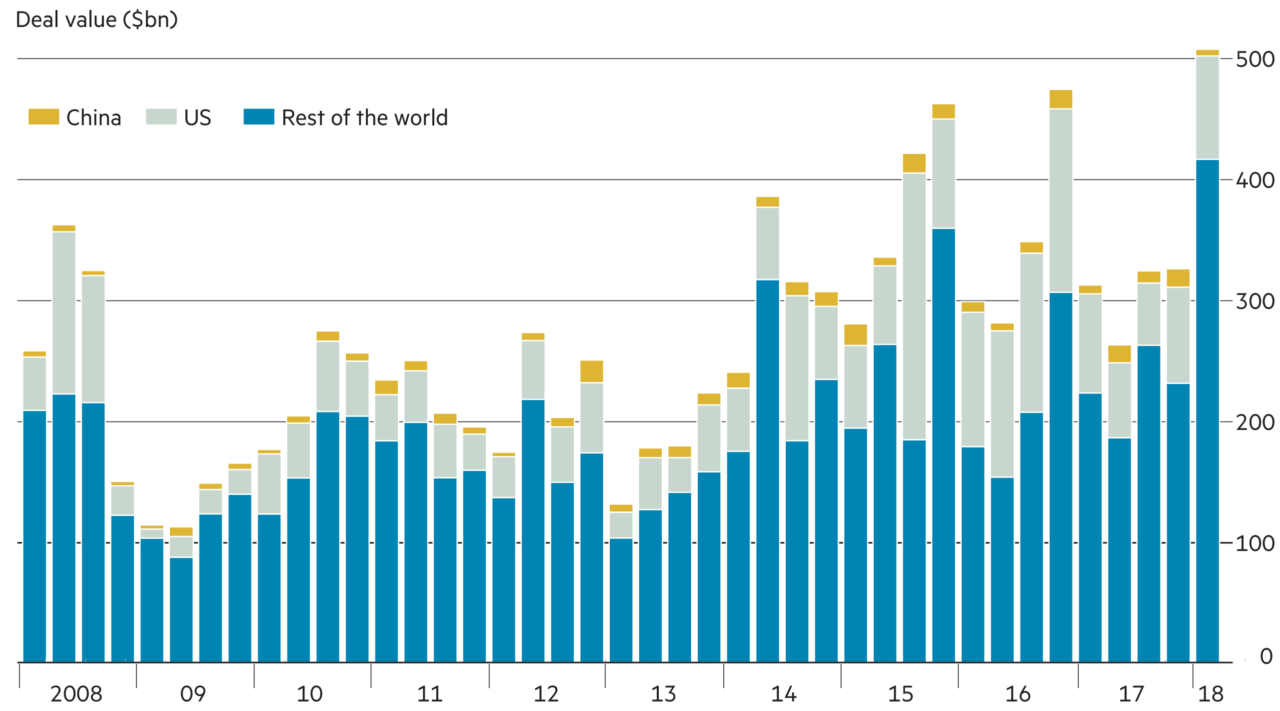
of ecommerce group Amazon has also forced companies from retail to healthcare insurance to make more unconventional acquisitions, such as the $69bn takeover of health insurer Aetna by pharmacy group CVS.

The only part of the world where deal activity was subdued was Asia in part because of the retreat of Chinese companies from the deal making table.

Below, the FT's corporate finance and deals team selected some of the significant themes that emerged in the first quarter of dealmaking in 2018.

Cross-border clouds
US crackdown threatens bullish mood

Global cross-border M&A on the rise
Deal value ($bn)



Source: Thomson Reuters

ARASH MASSOUDI — LONDON

The crackdown was swift, just as much as it was unexpected.

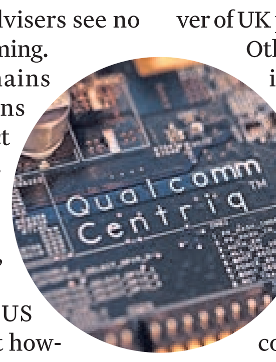
In short order earlier this month, the US government acted to effectively block the prospects of the largest technology acquisition of all time: the $142bn takeover of chipmaker Qualcomm by Singapore-based Broadcom.

The use of national security concerns by Donald Trump to block a takeover that had yet to be agreed was unprecedented, and spooked dealmakers at a time when the US government pursues more protectionist policies.

It is uncertain whether a further freeze in dealmaking will take a hold, but for now, cross-border mergers and acquisitions account for more than $511.7bn in activity in the first quarter of this year.

That is up 76 per cent from the same period a year ago, and advisers see no sign that a slowdown is coming.

"M&A dialogue remains robust despite concerns about the potential impact of changes in America's trade and national security policies on deal activity," said Stephen Arcano, head of M&A at Skadden.



One area where the US actions did have an effect however was in deals from China, with companies from the country registering just 4 per cent of the activity so far in 2018.

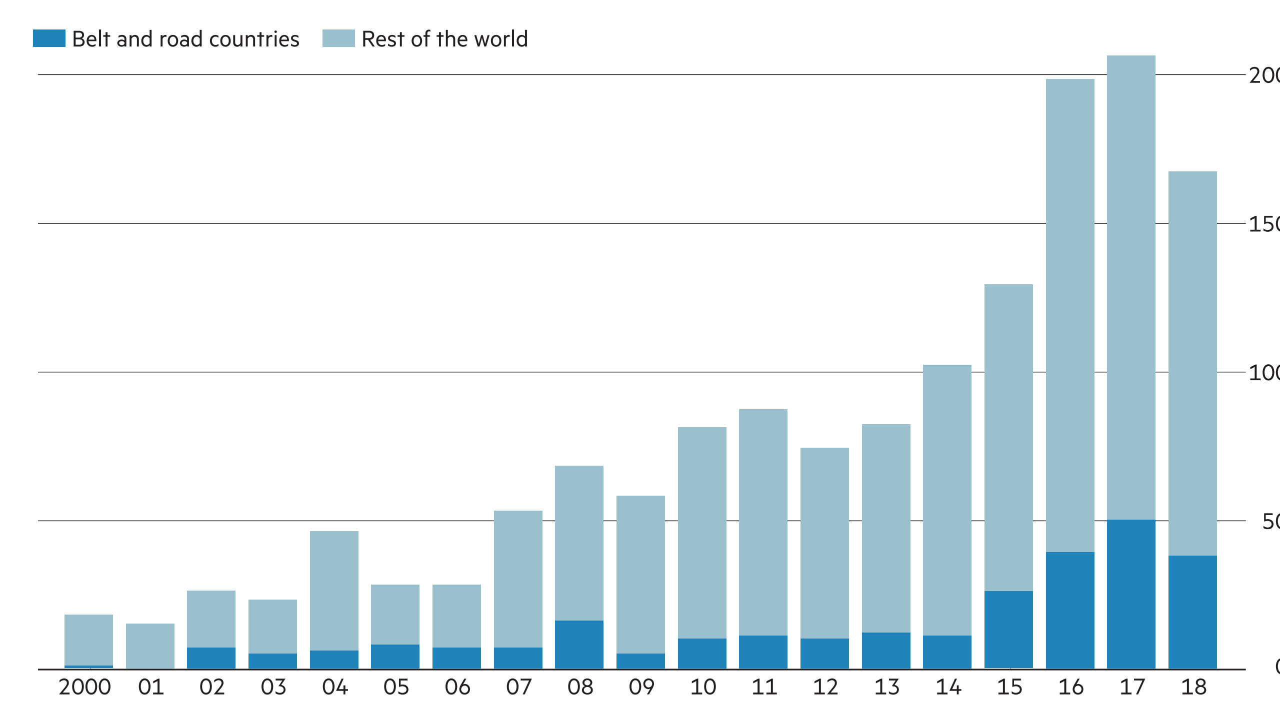
US companies launched more than $101bn worth of overseas deals, with the largest move coming from cable group Comcast as it tries to break up a takeover of UK pay-TV broadcaster Sky.

Other cross-border transactions in the period include Italy's Atlantia and Spain's ACS teaming up to jointly take over Abertis, the Spanish highway concessions group.

The largest European deal into the US came in January when privately held consumer group JAB Holding agreed to pay $18.7bn in cash to acquire soft drinks maker Dr Pepper Snapple and combine it with its Keurig Green Mountain coffee business.

China bucks trend
Regulatory uncertainty subdues appetite

China outbound M&A slumps on government restrictions
Number of cross-border deals



Source: Thomson Reuters

DON WEINLAND — HONG KONG

Bankers and lawyers are blaming regulatory uncertainty and jittery relations between the US and China for a 15 per cent decline in Chinese cross-border dealmaking so far this year.

Chinese companies spent just $25.2bn on overseas assets in the first quarter, while the number of deals fell to the lowest mark since 2005, according to data from Thomson Reuters.

The only sizeable negotiation so far in 2018 was Geely's unsolicited $9bn investment in Germany's Daimler, the owner of Mercedes-Benz.

Behind the low deal count is a deterioration of relations between China and the US and more resistance against China's acquisitions of US technology.

"For me the biggest challenge is the regulatory uncertainty in the US and the future of US-China relations," said Miranda So, a Hong Kong-based partner at law firm Davis Polk. "It's this risk that has subdued some of the appetite for overseas deals."

In a report for new tariffs on Chinese exports last week, the US named several companies that have repeatedly bought US businesses and technologies. The accusation from the US administration is that Chinese policy and cheap loans from state banks were behind the flurry of deals over the past three years.

But M&A activity is expected to pick up in coming months as China's political situation firms up, although the focus could fall outside of the US.

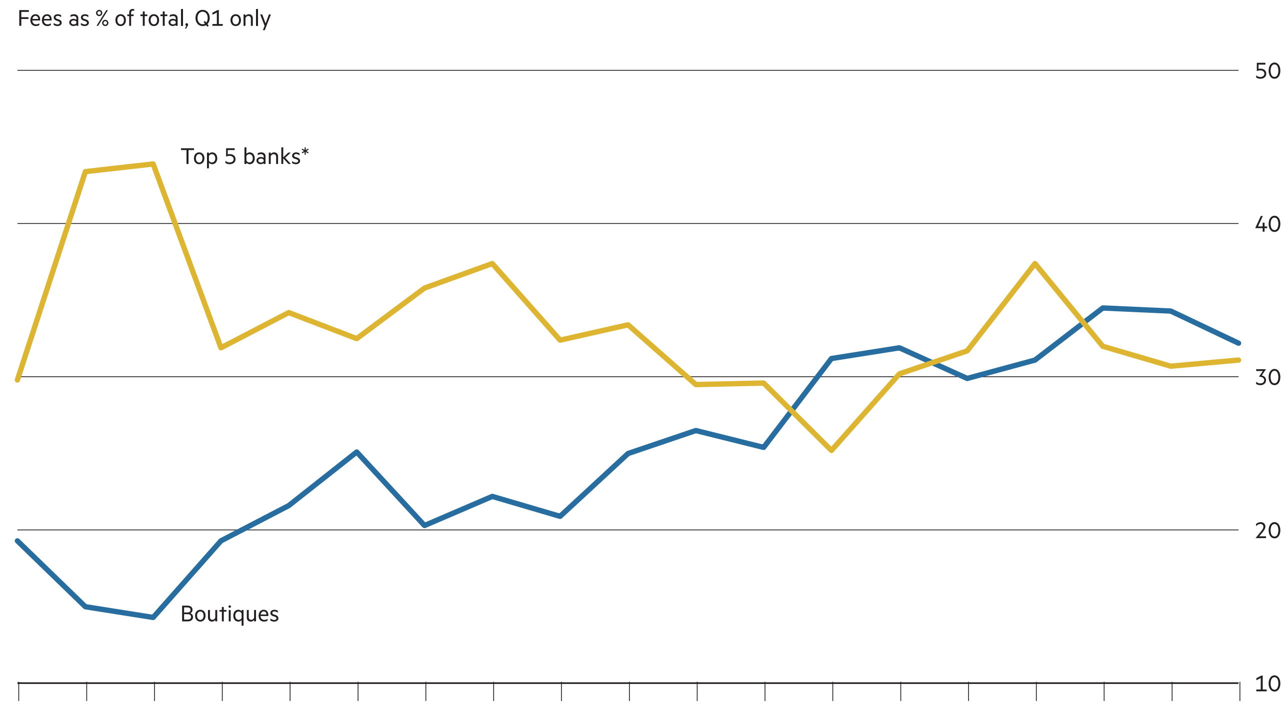
"The government's new economic team is in place in Beijing and everything has settled down," said Tang Zhenyi, chairman of Hong Kong-based investment bank CLSA.

"Now the corporations can focus on going out, on going global. I think that means it will be a big year for Chinese companies doing overseas deals."

A series of sensitive political meetings kicking off in October of last year had disrupted deal flows in 2017, with companies such as the HNA Group waiting for clarity on what types of outbound investment would be allowed.

Advisory rankings rivalry
Morgan Stanley leaps to top spot

Top-tier banks close gap on investment bank earnings
Fees as % of total, Q1 only



Source: Thomson Reuters

*JPMorgan, Morgan Stanley, Goldman Sachs, Bank of America and Citigroup

JAMES FONTANELLA-KHAN — NEW YORK

Morgan Stanley dethroned its rival Goldman Sachs from the top of the world's M&A rankings in the first quarter of 2018, thanks to a consistent pipeline of megadeals in the first three months of the year.

Morgan Stanley advised buyers and sellers for a total of $385bn worth of deals, about a third more than the $264bn worth of transactions Goldman advised on during the first quarter, according to Thomson Reuters.

The advisory division led by Robert Kindler, Morgan Stanley's vice-chairman and global head of M&A, worked on fewer deals than Goldman during the same period — 65 compared with 85 — but on significantly more big-ticket transactions.

Morgan Stanley advised on six out of the 10 largest deals, including US health insurer Cigna's $68.5bn acquisition of pharmacy benefits manager Express Scripts and European media group Sky, which was approached by US cable company Comcast in a deal worth $39.8bn.

Although the data for Morgan Stanley were fully skewed by the inclusion of Unilever choosing Rotterdam over London for its single legal base — which Thomson Reuters valued as a $90.5bn transaction — the New York investment bank would have still ended the quarter at the top.

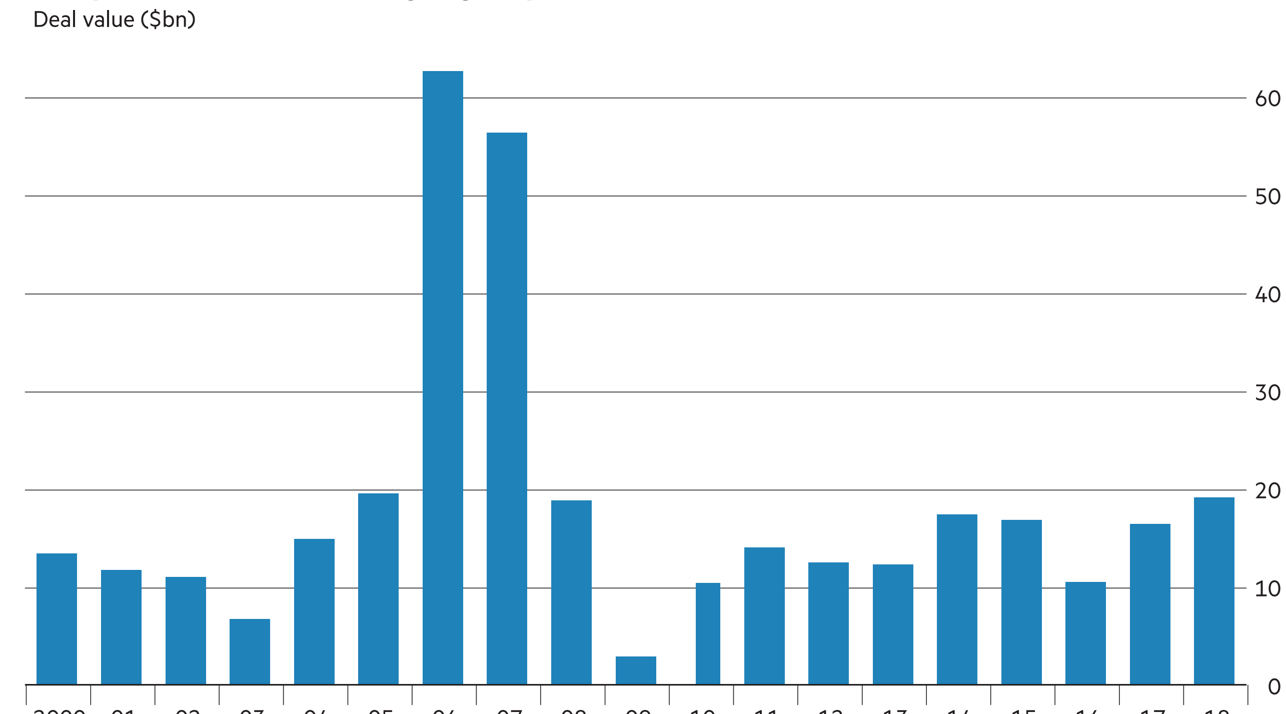
JPMorgan Chase and Citibank followed the two investment banks in third and fourth position in the rankings, respectively.

Centerview Partners, which jumped from 21st to fifth in the rankings, was the only boutique investment bank to make it into the top 10.

The firm co-founded by Blair Effron and Robert Pruzan advised Express Scripts in its sale to Cigna and Thomson Reuters in the $17bn sale of the majority of its financial and risk assets to Blackstone.

Private equity activity
Strong demand powers buyout funds

Europe PE-backed dealmaking edges up
Deal value ($bn)



Source: Thomson Reuters

JAVIER ESPINOZA — LONDON

Global private equity deals have enjoyed their strongest start in five years, buoyed by the record amounts of cash flowing into the sector as institutional investors look for ways to boost their returns.

Buyout-backed transactions totalled $79.7bn in the first quarter, a 30 per cent rise from a year earlier. The figure represents 7 per cent of overall global dealmaking activity, according to figures from data provider Thomson Reuters.

The US saw the biggest increase in private equity transactions with a 52 per cent rise in deals led by buyout funds, accounting for a total of $46.4bn so far this year. In Europe dealmaking jumped 27 per cent, totalling $19bn and the most active year since 2007. Asian deal flow shrank slightly.

The two largest transactions for the first quarter were Blackstone's $17bn acquisition of the financial terminals and data unit of Thomson Reuters and Carlyle's €10.1bn acquisition of Akzo Nobel's specialty chemicals unit.

Rob Pulford, head of financial sponsors for Europe, the Middle East and Africa at Goldman Sachs, said he expected activity levels to surpass those of 2017. He said: "This year is as good as last year and I think 2018 will be even more active. We are seeing the biggest deals in a long time."

Mr Pulford expects the bulk of deals to come from private equity groups acquiring listed companies following a doubling in the value of such deals last year. He said: "The level of dialogue and conversation around public to private transactions has accelerated from last year. Boards of companies have decided that what's on offer is compelling."

But as the pace of dealmaking speeds up, advisers to buyout funds have warned that there is a risk of overpaying for assets as multiples have already surpassed the record highs of before the financial crisis.

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Automobiles

BMW and Daimler join forces to bolster tech prowess

Carmakers seek to gain scale in emerging fields such as digital ride hailing

PATRICK MCGEE — FRANKFURT

BMW and Daimler, arch rivals in global luxury car sales, are joining forces to gain scale in technology and services including digital ride hailing and electric vehicle charging, underscoring the transformation that is shaking up the auto industry.

The two groups — each more than a century old — will form an alliance in five areas to flesh out new concepts for future mobility, they said yesterday after more than a year of speculation.

Central to the effort are car-sharing services and ride hailing, in an effort to strike back against new start-ups.

Analysts have worried that in an age of shared mobility, in which fewer people own vehicles and instead opt to use Uber, Lyft and Didi, carmakers could lose their customer-facing brand value and become more like Boeing or Airbus.

"We will not leave the task of shaping future urban mobility to others," said Dieter Zetsche, chief executive of Mercedes-Benz parent Daimler. "There will be more people than ever before without a car who still want to be extremely mobile."

The alliance also includes on-demand mobility, parking services and electric car charging. Each company will own 50 per cent of the venture, but they will remain rivals in their respective core businesses. The carmakers declined to discuss deal value details but Patrick Hummel, head of auto research at UBS, estimates the value of assets involved at between €3bn and €9bn.

He said BMW was likely to have paid Daimler for having an equal stake, given that Daimler's car-sharing business, car2go, is three times the size of BMW's DriveNow and ReachNow ventures.

The agreement follows other partnerships including last year's joint venture between BMW, Daimler, Volkswagen and Ford to create Ionity, a charging network in Europe, and the joint purchase of mapping service HERE in 2015 by Audi, Daimler and BMW.

In recent years BMW has used the term "frenemies" to describe the growing number of partnerships it is pursuing to ensure it is not left out of emerging fields such as autonomous driving.

Harald Krüger, BMW chief executive, said: "Combining our mobility services as planned will create a unique digital ecosystem. This alliance will make it easier for our customers to discover the emission-free mobility of the future."

Arndt Ellinghorst, analyst at Evercore, said the effort made sense because consumers wanted simple, "one-app" solutions. It was so sensible, he added, that he wondered why they did not merge more operations. "Why not combine combustion engine manufacturing?" he asked. "Why not share an [electric vehicle] platform? What about the electronic infrastructure?"

He added: "When we consider the fact that the batteries will be externally sourced in any case, the question then becomes whether Daimler and BMW would be better off to fully merge?

"More than €260bn of revenues, €25bn of [operating profit] and €5m premium vehicle unit sales — a combined entity would be an incredibly attractive, valuable and future-proof German Auto Powerhouse to compete globally alongside the VW Group."

Telecoms. Board exodus

Vivendi and Elliott head for showdown over Telecom Italia

Wrong signal: the proxy war between Elliott and Vivendi has distracted Telecom Italia's management from pushing its growth strategy — Alessia Pierdomenico/Bloomberg

Fund builds up stake in Italian operator and calls for overhaul to curb media group's influence

NIC FILDES — TELECOMS CORRESPONDENT

An exodus of board members at a country's largest telecoms company would normally spook the market. Yet at Telecom Italia, where eight board members of the former monopoly resigned last week, its share price hardly moved.

The board shake-up was instigated by Vivendi, the French media company controlled by billionaire Vincent Bolloré, which muscled its way to a position of de facto control at Telecom Italia.

Among those who resigned are Arnaud de Puyfontaine, the executive chairman who is also chief executive of Vivendi, Hervé Philippe, the French company's finance director, and Frédéric Crépin, general counsel, who joined the board last year.

The resignations came after Elliott Management, the activist hedge fund run by billionaire Paul Singer, revealed that it had built a position of almost 6 per cent in Telecom Italia three weeks ago and had trained its guns on Vivendi's creeping influence. It called for a board overhaul and nominated a slate of directors to replace those with links to Vivendi, including Mr de Puyfontaine.

The showdown was due to have taken place on April 24, but the board exodus means the two sides will now go head-to-head at a shareholder meeting on May 4. Vivendi wants to frame the debate around the vote to one where investors back management's three-year growth strategy, or what it calls Elliott's "short-termist initiatives to dismantle Telecom Italia".

Elliott has taken a dim view of Vivendi's brinkmanship, saying in a statement: "The board has simply abandoned their posts to stall for time. Elliott regards this action as cynical and self-serving."

Analysts say Vivendi's decision to act suggests that Elliott's demands were likely to be carried. That would have represented a setback for Mr Bolloré only weeks after he sold its stake in video games publisher Ubisoft in what was seen as a blow for the billionaire.

The May 4 vote will pit the growth strategy, designed by Amos Genish, Telecom Italia's chief executive and a close confidante of Mr Bolloré and a seasoned telecoms veteran, against Elliott's proposal to hand control of the board to a clutch of Italian establishment figures.

Vivendi says it has made rapid progress in turning round one of Europe's worst-performing telecoms businesses despite public battles with regulators, the Italian government and a legal stand-off with Fininvest and Mediaset, the holding company and media group controlled by Silvio Berlusconi.

The French group has laid out a plan to spin off the company's fixed-line network unit, and is open to the sale of its Sparkle subsea cable unit and a sell-down of its stake in Inwit, the towers company, to reduce debt.

"This company has disappointed the market for too long. We needed to show things could be done," Mr de Puyfontaine said. "We could have done short-term moves and had a lame duck left, or a long-term plan to benefit Telecom Italia, Italy and the health of the market."

Mr Genish told the FT that his three-year plan would radically improve free cash flow, reduce the company's €24bn of debt and reintroduce dividend payments for the first time since 2013 within the next two years.

Elliott's move to overhaul the board was an "irresponsible step", he said, adding that there was no divergence in the interests of Vivendi and Telecom Italia as the fund has claimed.

"If someone puts €4.2bn in then I think you expect some influence on things, but I am fully convinced there is no conflict," Mr Genish said. Investors had to choose between "the American hedge fund view — the sausage factory — or to take a serious industrial approach".

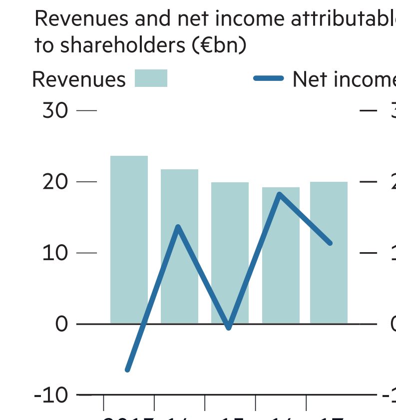
The proxy war between Vivendi and Elliott has distracted Telecom Italia's management team as it has moved to get investors behind the new growth plan.

Mr Genish had to meet investors during a roadshow in London this month without knowing Elliott's intentions. He argued vehemently against any move to force Telecom Italia to merge its Brazilian business with Oi, the bankrupt local operator, a move he described as "suicide", after guessing that was the fund's plan.

'The board has simply abandoned their posts to stall for time. Elliott regards this as cynical'

Telecom Italia's performance

Revenues and net income attributable to shareholders (€bn)



Source: company

Yet Elliott's message that there is a "Vivendi discount" built into the share price has resonated. The stock surged when the fund's investment was revealed and is now trading at two-year highs relative to the European telecoms sector, according to Redburn. The shares have outperformed their peers by 18 per cent since the start of the year, with most of that coming after Elliott had showed its hand.

Vivendi and Elliott have until April 9 to put forward their board nominees ahead of the May showdown, which also gives them time to settle their differences.

Stephane Beyazian, an analyst with Raymond James, said: "We cannot rule out the possibility that Elliott might have other motives. For instance, Mediaset has initiated a litigation process against Telecom Italia."

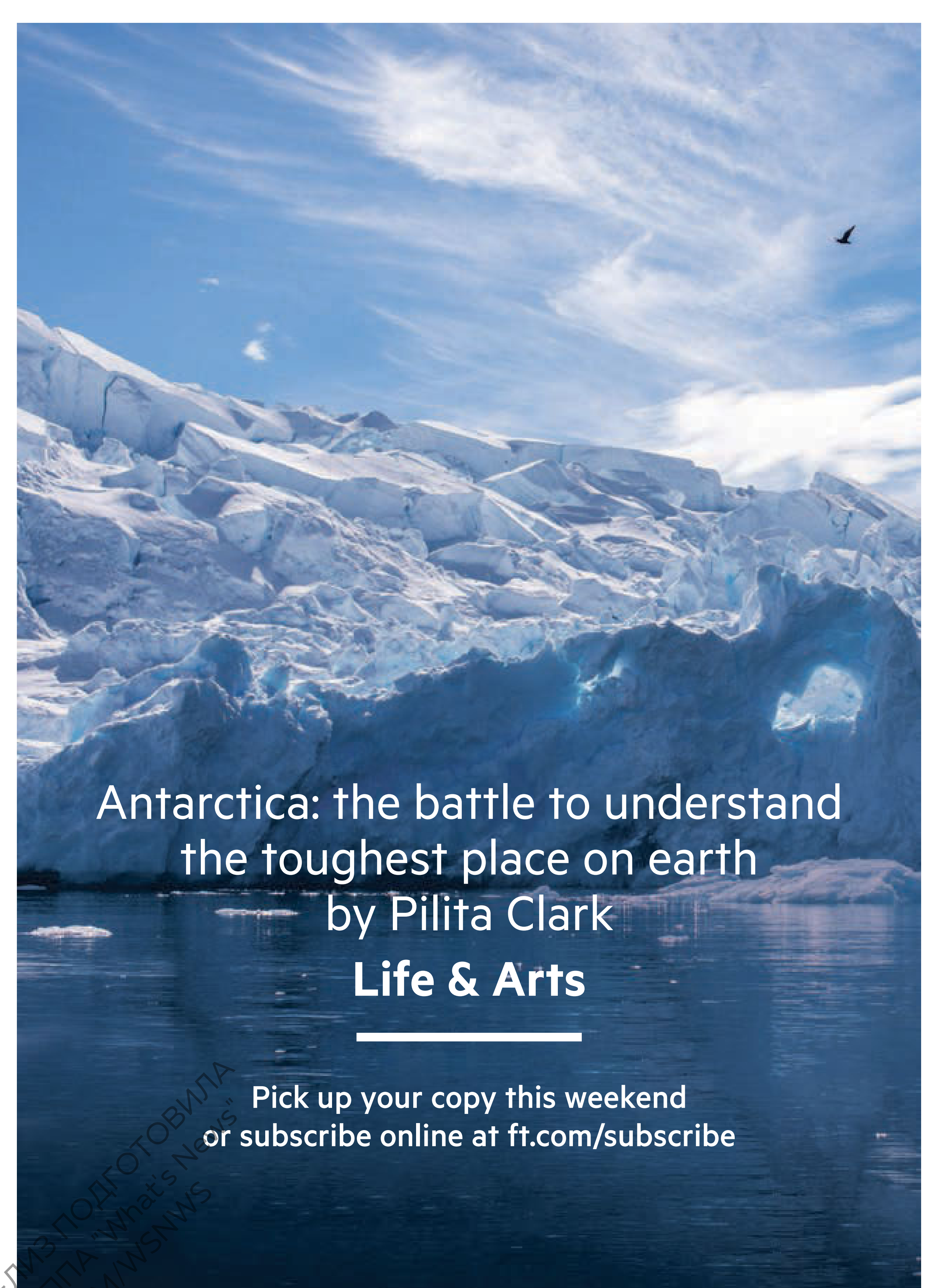
The analyst noted that Mr Berlusconi has worked with Elliott in the past, including on the sale of AC Milan, and that the fund could see a way to create value by acting quickly to resolve the dispute between Vivendi and Mediaset by exerting pressure on the French company via Telecom Italia.

Others warn that the saga of trying to restore Telecom Italia to its former glory is far from over.

Georgios Ierodiaconou, an analyst with Citi, said the proxy battle threatened a case of "too many cooks" at Telecom Italia and it should not be assumed that Elliott would drive a recovery.

"The idea that we could see a frictionless change of strategy that would deliver a silver bullet and create a lot of value for TI shareholders . . . is reminiscent of similar false dawns in the past," he said.

FT Weekend



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Energy

Saudis seal SoftBank deal for largest solar project

Spending of $200bn eyed with big-scale job creation and $40bn cost savings

ANJLI RAVAL — NEW YORK
KANA INAGAKI — TOKYO

Riyadh is joining forces with Japanese investment group SoftBank to create in Saudi Arabia the largest solar power generation project, aiming to spend $200bn by 2030.

Crown Prince Mohammed bin Salman and SoftBank chief executive Masayoshi Son signed a preliminary deal for a series of solar parks with a capacity of 200GW, enough to power 150m homes.

Prince Mohammed said in New York: "It's a huge step in human history. It's bold, risky and we hope we succeed."

Mr Son said: "You have never seen something of this scale." The aim was to create 100,000 jobs and generate $40bn in cost savings by substituting solar for oil to produce electricity. "The kingdom has great sunshine, [lots of] available land, and great engineers."

The first phase will cost $5bn and begin this year, with 7.2GW of power in 2019. Around $1bn will be put up initially by both sides, with the rest made up through debt financing.

Prince Mohammed is on a US tour to lure investment as he seeks to transform the biggest oil exporter into a technologically sharp, private-sector-driven economy.

SoftBank is seeking to bolster ties with Riyadh, having raised $45bn from Saudi Arabia's Public Investment Fund for an almost $100bn vehicle to invest in tech companies, called the Vision Fund.

The project aims to create a domestic industry, spanning manufacturing of photovoltaic panels, development of power storage systems, and research.

Officials courted US executives in New York, touting Saudi Arabia as an investment destination even as a more aggressive foreign policy and a crackdown on tycoons causes wariness.

The crown prince met Mr Son ahead of the signing and attended a dinner with US and Saudi business leaders. Officials were expected to hold private meetings with companies, including Wall Street banks.

The Public Investment Fund and the SoftBank Vision Fund will put up 10-20 per cent equity investment, the rest being raised using project financing.

Majid al-Qasabi, minister of commerce and investment, said foreign investors should play a part in "unlocking" the Saudi economy, which could be "a platform for international companies".

Mr Son became one of the most outspoken advocates for renewable energy after the Fukushima disaster.

SoftBank is a heavy investor in solar power farms across Japan, and has pledged to invest $20bn in the Indian solar power industry.

Renewables. Power supply

Dutch wind farm plan strikes a blow for subsidy-free green energy

Sector in rapid change as tech costs fall but volatile prices spell uncertainty

SYLVIA PFEIFER
ENERGY CORRESPONDENT

In a few months' time, if all goes to plan, designs will be drawn up for a wind farm to be built 22km off the coast of the Netherlands.

Once up and running in 2022, Hollandse Kust Zuid will be able to call itself Europe's first offshore wind farm built without government subsidies.

The wind farm, expected to be fully operational in 2023, will boast about 90 turbines that will deliver up to 750MW — enough to produce renewable electricity for up to 2m homes.

The auction last week, won by Swedish energy group Vattenfall, is being called a milestone for the renewable industry. Already last year, Denmark's Orsted and Germany's Energie Baden-Wuerttemberg became the first companies to offer to build schemes by 2024 in Germany that will rely on market power prices alone.

Momentum behind subsidy-free renewables is growing and technology costs have fallen.

Subsidy-free renewables were also on the cusp in Britain, according to Aurora Energy Research, the Oxford-based consultancy. It said onshore wind and solar projects in the UK could be viable without subsidies by the early 2020s, while offshore wind could reach "grid parity" by the 2030s.

The industry has changed rapidly as the economics of renewables have improved.

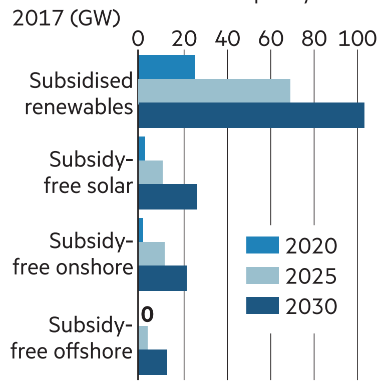
However, executives and investors said that challenges remained before time could be called on subsidised green energy.

"The [Dutch auction] result is a second or third data point to prove that offshore wind can operate on a subsidy-free basis, but whether this will be the new norm remains to be seen," said Joost Bergsma, managing partner of Glennmont Partners, which invests in clean energy infrastructure projects.

Turbines at the London Array, the largest offshore wind farm. In the UK, renewables companies enjoy guarantees on long-term power prices — Chris Ratcliffe/Bloomberg

Estimated growth of subsidy-free renewables

Additional renewables capacity since 2017 (GW)



Source: Aurora Energy Research

Subsidy-free does not mean the same in every country because regulatory frameworks differ. In the Netherlands, for instance, unlike in the UK, the state pays for the grid connection.

Advances in technology — notably the development of larger, more powerful turbines with a capacity of 13-15MW compared with today's 9MW — are also critical if some of these projects are to make a profit.

One uncertainty is the volatility of wholesale power prices.

Jamie Stewart, Power Markets Editor at ICIS, an energy market information provider, said companies bidding in the auctions "are taking a gamble, as they will almost certainly need higher wholesale prices compared with today's power prices to make a profit".

Nevertheless, it was "a calculated gamble" given expected advances in turbine power. There was "an assumption that power prices will be higher by the early 2020s as coal plants come offline and Germany's nuclear power plants stop operating".

Vattenfall said the proposed investment "is profitable with our view on market prices and market price development".

It would "explore further opportunities like power purchase agreements".

PPAs are long-term power supply contracts that developers strike with corporate and industrial customers, and are regarded by many as one of the best options to give investors some certainty.

Mateusz Wronski, head of product development at Aurora, said if the consultancy's projection of a potential 60GW of renewables across Northwest Europe by 2030 was to happen, investors had to understand the risks.

Until now, "investors have been insulated against price shocks through different mechanisms, so an understanding of the market risks involved is key".

Corporate and industrial PPAs might be part of the answer. But pension funds — which have a lower risk appetite — might take longer to take the plunge, investors said.

Mr Bergsma said: "It is more difficult for financial investors to take on wholesale price risk in these big projects. They may need to be offered a floor price to give them some sort of protection."

In markets such as the UK, the consensus is that subsidy-free renewables will happen later than elsewhere, because developers have to pay additional costs even though prices have come down.

"The conversation today is very different to just five years ago as the economics of renewables have changed so much," said Emma Pinchbeck, executive director of Renewable UK, but "the job is not completely done".

Keith Anderson, chief executive of ScottishPower, warned about using the description "subsidy-free".

Everything built in the UK energy industry "has had some kind of support . . . whether gas plant, nuclear, the networks business, interconnectors" even if the terminology differed. "If you think I'm building a £2.5bn wind farm at merchant risk on wholesale power prices, you're bonkers."

'If you think I'm building a £2.5bn wind farm at merchant risk on wholesale prices, you're bonkers'

The UK government's use of contracts for differences — guaranteeing renewable companies long-term power prices — had been successful, Mr Anderson said. But that did not mean CFDs should be scrapped.

"They are doing exactly what you wanted them to do. They are delivering lower-cost energy, huge investment in the supply chain . . . and driving down the cost of energy.

"You can call subsidies whatever you want. I'm not a subsidy junkie in any way. But the investment risk has to be underpinned."

Contracts & Tenders

PUBLIC POWER CORPORATION S.A.
MATERIAL & PURCHASING DEPARTMENT
ANNOUNCEMENT

" Public Power Corporation S.A. of Greece announces that following the previous International, Open, Electronic Request For Proposals DYP-611722 for **Concluding Three-Year-Term "MASTER DES LNG SALE AGREEMENTS (MSAs)"** intends to reopen the electronic platform of Cosmo-One for giving a second chance to additional tenders to participate. We mention that participants who have already participated in the previous opening will have to submit additional documentation only if they have been informed to do so by email.
The full updated text of Invitation for **Tenders DYP-611722 shall be available on 30.03.2018** at PPC's website:
http://www.dei.gr/el/i-dei/anakoinwseis-diakiruksewn.
The tender shall take place through the electronic platform of Cosmo-One. For registration to the platform please contact:
• Mr. Christos Karakasidis, Tel.: +30-210-2723810 / Mob.: +30-6972217135.
• The Cosmo-One Helpdesk, Tel.: +30-210-2723810.
The electronic platform shall be open for the submission of Documentation pertaining to Stage 1a of the Request from Monday, 16.04.2018, 09:00 a.m Athens local time (GMT+3) to Friday, 20.04.2018 17:00 Athens local time (GMT+3).
For further information, please contact:
• Mr. I. Lysaridis, Tel. +30-210-5270942, i.lysaridis@dei.com.gr
• Mr. S. Kopelias Tel. +30-210-5270895, s.kopelias@dei.com.gr
• Mrs. Aik. Manousaka, Tel. +30-210-5270917, a.manousaka@dei.com.gr"

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NOTICE INVITING TENDER

Bids are invited from manufacturers for supply of the following materials:

1) NIT_37708 (8271785E) - Hot Rolled Carbon Steel Sheets and Plates to specn SA/IS 2062 E250A/BR & SA/IS 2062 E350A/BR or its equivalent, Requirement – 23990.00 MT Bid submission due date / time – 14.04.2018 / 1400 hrs

Contact Person: Senior Manager/Purchase (Steel) Ph: 04172-284255/284654/284343, E-mail: pandian@bhel.in & ssankar@bhel.in

Visit: www.bhel.com, http://tenders.gov.in & http://eprocure.gov.in/cppp/ for details

Note: All corrigenda, addenda, amendments, time extensions, clarifications etc., to the tender will be hosted on BHEL website (**www.bhel.com**) only. Bidders should regularly visit website www.bhel.com to keep themselves updated.

Registration process for items required by BHEL is always open at https://supplier.bhel.in. Prospective suppliers (including MSEs & Owned by SCs/STs) may visit this site and apply for registration in the respective unit.

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Fax no.: +91 755 – 2500023
Email: vineetsuman@bhel.in, dollygera@bhel.in

Tender Notice no. :
CMM / STEEL (CRGO laminations finished & stacked basis) / 18 - 19 / P / 08

Online bids in Two Part Bid System on e - procurement portal are invited for Supply of the following items:
Enquiry no. : E1473107 **Item Description :** Various grades of CRGO laminations on finished and stacked basis as per enquiry items 1 to 11.
Qty. (in Metric Tons - MT) : 8900 ± 30% MT.
Due date : 1100 hrs IST- 13.04. 2018.
Complete tender document can be downloaded from BHEL e-Tendering website **https://bheleps.buyjunction.in** and the tender to be submitted only online by 1100 hrs IST (Indian Standard Time) on 13.04.2018. Late tenders will not be considered. **Note:** Tender should be submitted online on BHEL e-Tendering website **https://bheleps.buyjunction.in only.**
All corrigenda, addenda, amendments, time extensions, clarifications, etc., to the tender will be hosted on BHEL websites (**www.bhelbpl.co.in** & **www.bhel.com**) only. Bidders should regularly visit websites to keep themselves updated.
Dy. MANAGER (CMM- STEEL)
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TENDER NOTICE No. MSTC/SRO/PSC LTD/Nandanam/17-18

Global Notice to participate in E-Auction for buying the M.V. Tamil Periyar with D.W.T.45232 of Poompuhar Shipping Corporation Limited through MSTC Ltd for sale.
EMD of Rs.25,00,000/- by e-payment can be made on **10.04.2018** upto **18:00 hours.**
E-auction is on **11.04.2018** at **12:00 hours**
Inspection : at Nagapattinam port, Tamil Nadu.
28.03.2018 to **09.04.2018**
08:00 hours to **15:00** hours with prior permission of PSC
Have details from : www.mstcecommerce.com or www.mstcindia.co.in with your login credentials as a buyer.
DIPR/1267/TENDER/2018 **CHAIRMAN AND MANAGING DIRECTOR**

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MAKE IN INDIA

NOTICE INVITING TENDER (ID No. 2018_AAI_9287)
(4 BOT - 4 envelope Global tender) Tender No.: (CNS-P)-15/2017-18

Tenders are invited through e-tendering portal by Executive Director (CNS-Planning) on behalf of Chairman, Airports Authority of India (AAI) for **"Supply of (a) Doppler Very high frequency Omni Range (DVOR-27 Nos.) and (b) DVOR Repair Facility / Test Jig - 01 No."**. **Estimated Cost:** ₹84.53 crore. **Earnest money deposit:** ₹1.1 Crores or USD 1,69,231. Tender will be decided on the basis of online reverse auctioning. **Last date** of submission of tender: **24.04.2018, 14:00 Hrs**. The tendering process is online at CPP Portal: **https://etenders.gov.in/eprocure/app** or **www.aai.aero - E-Tender - NIC-CPP PORTAL**.
(NIT No. N-211/2017-18) **Executive Director, (CNS-Planning)**

2i Rete Gas S.p.a.
CALL FOR EXPRESSIONS OF INTEREST - EXTRACT

Provision No. 26957 issued by the Italian Competition Authority on 25 January 2018, upon the conclusion of procedure no. C12125, authorized the concentration operation consisting in the acquisition of exclusive control over Nedgia S.p.A. by 2i Rete Gas S.p.A., subject to the full and effective execution of disposal measures pursuant to Article 6, Paragraph 2, of Law 287/1990. In fulfilment of said provision, 2i Rete Gas S.p.A.
announces
two distinct tenders for the sale of all assets in the newly-established companies to which the business units operating in methane gas distribution will be transferred, to be carried out: 1) In the municipalities of Chieuti, Lesina, San Severo, Serracapriola and Torremaggiore, in the ATEM [Minimum Territorial Area] Foggia 1 – North, 2) In the municipalities of Conversano, Putignano, Rutigliano, Triggiano and Valenzano, in the ATEM Bari 2 – South area. In both cases, the business unit will consist mainly of the distribution licenses, the methane gas distribution plants and the personnel assigned to the plants. This notice is an invitation to tender and not a public offering pursuant to Article 1336 of the Italian Civil Code. The complete rules governing the two tenders are contained in the notices respectively entitled: - "Avviso per la cessione delle attività aventi ad oggetto la distribuzione del gas naturale all'interno dell'ATEM Foggia 1 – Nord" - "Avviso per la cessione delle attività aventi ad oggetto la distribuzione del gas naturale all'interno dell'ATEM Bari 2 – Sud" which may be consulted on the following site: www.2iretegas.it. Interested parties may participate in one or both tenders. The main phases of the two tenders are shown below: - submission of a non-binding expression of interest, including a declaration of possession of the participation requirements, by 13 April 2018; - access to a Virtual Data Room, containing the documentation relating to the business unit subject to transfer to the newly-established company between 20 April and 21 May 2018; during this period an inspection may be requested; - submission of a binding offer by 21 May 2018; - forwarding of the binding offers received to the Italian Competition Authority, within the following 5 days, for assessment of the suitability of potential buyers, within the following 15 days; - signing of a preliminary contract for the sale of all investments in the newly-established company within the following 30 days.
Milan, 29 March 2018

Legal Notices

BVI BUSINESS COMPANIES ACT 2004
BUIZZA INVESTMENTS LTD
(In Voluntary Liquidation)
(the "Company")
The Company is incorporated in the British Virgin Islands with registration number BC# 1382593

Notice is hereby given that Nigel Massicot of Sage Corporate Consultants Limited, PO Box 762, 3rd Floor, Geneva Place, Road Town, Tortola, British Virgin Islands, VG1110, was appointed as voluntary liquidator of the Companies on 21st March 2018, respectively. Creditors of the Companies are invited to lodge particulars of their claims no later than 19 April 2018 with the liquidator at Sage Corporate Consultants Limited, 3rd Floor Geneva Place, Road Town, Tortola, British Virgin Islands, Email: nigel.massicot@sagebvi.com, Fax: +1 416 981 3314
Nigel Massicot, Liquidator

Financial

HSBC
US$500,000,000 Undated Floating Rate Primary Capital Notes
Notice is hereby given that for the interest period 29 March 2018 to 28 September 2018 against Coupon No. 66 the rate of interest applicable to the Notes has been determined in accordance with Condition 4(d)(iv) of the Notes as being 2.75% per annum. The interest payable on 28 September 2018 will amount to US$139.79 per US$10,000 Note.
Citibank Agency & Trust
29 March 2018
citi

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MARKET DATA

WORLD MARKETS AT A GLANCE — FT.COM/MARKETSDATA

Change during previous day's trading (%)

S&P 500	Nasdaq Composite	Dow Jones Ind	FTSE 100	FTSE Eurofirst 300	Nikkei	Hang Seng	FTSE All World $	$ per €	$ per £	¥ per $	£ per €	Oil Brent $ Sep	Gold $
-0.09%	-0.67%	0.11%	0.64%	0.53%	-1.34%	-2.50%	-0.27%	-0.403%	-0.283%	0.421%	-0.114%	-0.22%	-0.67%

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

AMERICAS

Mar 01 - -

S&P 500 — New York: 2,744.28 / 2,610.14 — Day -0.09% Month -4.86% Year 11.50%

Nasdaq Composite — New York: 7,330.35 / 6,962.05 — Day -0.67% Month -5.10% Year 19.11%

Dow Jones Industrial — New York: 25,410.03 / 23,882.98 — Day 0.11% Month -6.01% Year 16.21%

Mar 01 - Mar 28

S&P/TSX COMP — Toronto: 15,671.15 / 15,201.54 — Day -0.10% Month -1.50% Year -2.48%

IPC — Mexico City: 48,463.44 / 46,289.59 — Day -1.08% Month -2.43% Year -6.19%

Bovespa — São Paulo: 85,353.60 / 83,332.52 — Day -0.57% Month -2.24% Year 29.08%

EUROPE

Mar 01 - Mar 28

FTSE 100 — London: 7,282.45 / 7,044.74 — Day 0.64% Month -2.81% Year -4.29%

FTSE Eurofirst 300 — Europe: 1,498.06 / 1,445.96 — Day 0.53% Month -3.00% Year -3.05%

CAC 40 — Paris: 5,343.93 / 5,130.44 — Day 0.29% Month -4.00% Year 2.25%

Mar 01 - Mar 28

Xetra Dax — Frankfurt: 12,490.73 / 11,940.71 — Day -0.25% Month -2.99% Year NaN%

Ibex 35 — Madrid: 9,900.20 / 9,555.00 — Day 0.86% Month -3.85% Year -7.61%

FTSE MIB — Milan: 22,724.46 / 22,331.36 — Day 0.55% Month -1.22% Year 9.84%

ASIA

Mar 01 - Mar 28

Nikkei 225 — Tokyo: 22,153.63 / 21,031.31 — Day -1.34% Month -6.07% Year 10.78%

Hang Seng — Hong Kong: 31,268.66 / 30,022.53 — Day -2.50% Month -3.99% Year 24.09%

Shanghai Composite — Shanghai: 3,292.07 / 3,122.29 — Day -1.40% Month -5.16% Year -4.43%

Mar 01 - Mar 28

Kospi — Seoul: 2,456.14 / 2,419.29 — Day -1.34% Month -1.50% Year 12.23%

FTSE Straits Times — Singapore: 3,540.39 / 3,382.78 — Day -1.64% Month -4.45% Year 8.18%

BSE Sensex — Mumbai: 34,445.75 / 32,968.68 — Day -0.62% Month -4.01% Year 12.76%

Country	Index	Latest	Previous
Argentina	Merval	31102.60	31236.12
Australia	All Ordinaries	5899.20	5943.70
	S&P/ASX 200	5789.50	5832.30
	S&P/ASX 200 Res	3887.70	3936.70
Austria	ATX	3428.51	3421.61
Belgium	BEL 20	3852.37	3824.42
	BEL Mid	7059.99	7070.32
Brazil	Bovespa	83332.52	83808.06
Canada	S&P/TSX 60	899.35	899.25
	S&P/TSX Comp	15201.54	15216.18
	S&P/TSX Div Met & Min	937.31	956.29
Chile	IGPA Gen	27397.80	27463.33
China	FTSE A200	10032.86	10230.86
	FTSE B35	9000.71	8988.96
	Shanghai A	3269.88	3316.41
	Shanghai B	322.52	324.67
	Shanghai Comp	3122.29	3166.65
	Shenzhen A	1895.31	1913.44
	Shenzhen B	1132.65	1144.14
Colombia	COLCAP	1450.00	1469.04
Croatia	CROBEX	1813.98	1826.92
Cyprus	CSE M&P Gen	67.34	67.37
Czech Republic	PX	1119.05	1115.06
Denmark	OMXC Copenahgen 20	976.57	968.96
Egypt	EGX 30	17270.43	17104.34
Estonia	OMX Tallinn	1268.37	1271.66
Finland	OMX Helsinki General	9568.77	9589.87
France	CAC 40	5130.44	5115.74
	SBF 120	4123.54	4112.46
Germany	M-DAX	25349.37	25489.57
	TecDAX	2482.60	2555.32
	XETRA Dax	11940.71	11970.83
Greece	Athens Gen	790.80	794.56
	FTSE/ASE 20	2040.24	2044.52
Hong Kong	Hang Seng	30022.53	30790.83
	HS China Enterprise	12001.16	12301.55
	HSCC Red Chip	4395.70	4492.63
Hungary	Bux	36783.31	37300.96
India	BSE Sensex	32968.68	33174.39
	Nifty 500	8912.10	8978.10
Indonesia	Jakarta Comp	6140.84	6209.35
Ireland	ISEQ Overall	6549.21	6517.03
Israel	Tel Aviv 125	1310.13	1297.79
Italy	FTSE Italia All-Share	24558.78	24458.10
	FTSE Italia Mid Cap	41426.82	41579.49
	FTSE MIB	22331.36	22209.75
Japan	2nd Section	7143.13	7214.69
	Nikkei 225	21031.31	21317.32
	S&P Topix 150	1368.22	1383.23
	Topix	1699.56	1717.13
Jordan	Amman SE	2223.65	2220.98
Kenya	NSE 20	3831.16	3851.37
Kuwait	KSX Market Index	6619.33	6624.26
Latvia	OMX Riga	1038.45	1040.34
Lithuania	OMX Vilnius	695.55	692.92
Luxembourg	LuxX	1500.69	1528.48
Malaysia	FTSE Bursa KLCI	1857.87	1862.45
Mexico	IPC	46289.59	46793.58
Morocco	MASI	13030.88	13097.48
Netherlands	AEX	527.00	525.75
	AEX All Share	782.88	781.34
New Zealand	NZX 50	8388.08	8508.12
Nigeria	SE All Share	41454.30	41472.10
Norway	Oslo All Share	907.38	907.81
Pakistan	KSE 100	45172.99	45004.19
Philippines	Manila Comp	7979.83	8047.03
Poland	Wig	58260.34	59077.72
Portugal	PSI 20	5357.78	5375.27
	PSI General	2978.86	2978.03
Romania	BET Index	8729.13	8740.63
Russia	Micex Index	2285.53	2285.76
	RTX	1227.48	1243.99
Saudi-Arabia	TADAWUL All Share Index	7942.54	7857.46
Singapore	FTSE Straits Times	3382.78	3439.35
Slovakia	SAX	339.31	332.60
Slovenia	SBI TOP	826.11	827.16
South Africa	FTSE/JSE All Share	54763.97	56050.79
	FTSE/JSE Res 20	33872.36	34217.00
	FTSE/JSE Top 40	48139.78	49417.76
South Korea	Kospi	2419.29	2452.06
	Kospi 200	311.81	316.34
Spain	IBEX 35	9555.00	9473.60
Sri Lanka	CSE All Share	6440.20	6440.43
Sweden	OMX Stockholm 30	1512.13	1510.11
	OMX Stockholm AS	552.64	552.16
Switzerland	SMI Index	8756.12	8638.42
Taiwan	Weighted Pr	10865.66	10986.79
Thailand	Bangkok SET	1784.99	1802.58
Turkey	BIST 100	116840.94	116315.98
UAE	Abu Dhabi General Index	4611.75	4651.05
UK	FT 30	3052.70	3027.40
	FTSE 100	7044.74	6999.88
	FTSE 4Good UK	6333.14	6293.20
	FTSE All Share	3885.16	3866.92
	FTSE techMARK 100	4270.81	4193.26
USA	DJ Composite	8000.90	7993.26
	DJ Industrial	23882.98	23857.71
	DJ Transport	10201.05	10181.42
	DJ Utilities	688.82	689.73
	Nasdaq 100	6477.45	6529.84
	Nasdaq Cmp	6962.05	7008.81
	NYSE Comp	12328.55	12302.54
	S&P 500	2610.14	2612.62
	Wilshire 5000	27072.18	27108.48
Venezuela	IBC	4755.03	5817.24
Vietnam	VNI	1172.24	1171.73
Cross-Border	DJ Global Titans ($)	291.89	292.18
	Euro Stoxx 50 (Eur)	3321.30	3316.95
	Euronext 100 ID	1006.86	1002.01
	FTSE 4Good Global ($)	6438.08	6411.22
	FTSE All World ($)	332.56	333.45
	FTSE E300	1445.96	1438.35
	FTSE Eurotop 100	2783.18	2765.14
	FTSE Global 100 ($)	1629.59	1628.34
	FTSE Gold Min ($)	1444.25	1463.04
	FTSE Latibex Top (Eur)	4283.00	4369.40
	FTSE Multinationals ($)	1912.28	1928.71
	FTSE World ($)	587.06	587.93
	FTSEurofirst 100 (Eur)	4074.34	4049.49
	FTSEurofirst 80 (Eur)	4694.88	4678.14
	MSCI ACWI Fr ($)	504.13	506.90
	MSCI All World ($)	2055.55	2069.13
	MSCI Europe (Eur)	1521.81	1502.58
	MSCI Pacific ($)	2840.28	2797.23
	S&P Euro (Eur)	1573.29	1568.18
	S&P Europe 350 (Eur)	1488.92	1481.23
	S&P Global 1200 ($)	2294.58	2302.35
	Stoxx 50 (Eur)	2946.96	2933.77

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

STOCK MARKET: BIGGEST MOVERS

AMERICA

ACTIVE STOCKS	stock traded m's	close price	Day's change
Amazon.com	116.1	1425.62	-71.43
Facebook	55.1	152.53	0.31
Netflix	32.0	284.10	-16.59
Apple	30.7	168.00	-0.34
Nvidia	30.1	220.46	-5.06
Alphabet	22.4	1006.51	-0.43
Alphabet	20.8	1007.70	2.60
Microsoft	20.3	89.90	0.43
Micron Technology	17.7	52.33	-0.07
Bank Of America	11.0	29.52	0.00

BIGGEST MOVERS	Close price	Day's change	Day's chng%
Ups			
Macy's	29.06	1.20	4.29
Abbvie	95.54	3.53	3.84
Allergan .	166.25	5.93	3.70
Celgene	88.59	2.78	3.24
Simon Property	155.10	4.64	3.08
Downs			
Concho Resources	143.06	-13.94	-8.88
Red Hat	144.85	-9.58	-6.20
Netflix	284.10	-16.59	-5.52
Amazon.com	1425.62	-71.43	-4.77
Freeport-mcmoran	16.67	-0.57	-3.31

Based on the constituents of the S&P500

LONDON

ACTIVE STOCKS	stock traded m's	close price	Day's change
Shire	690.9	3500.00	430.00
British American Tobacco	292.0	4084.00	138.00
Glaxosmithkline	246.0	1397.40	46.40
Glencore	192.6	353.15	-10.35
Hsbc Holdings	184.2	669.70	-2.30
Unilever	167.4	3915.50	176.50
Astrazeneca	160.4	4944.00	78.00
Bp	142.9	471.40	-3.95
Reckitt Benckiser	139.3	5997.00	140.00
Rio Tinto	136.5	3523.00	-76.50

BIGGEST MOVERS	Close price	Day's change	Day's chng%
Ups			
Shire	3500.00	430.00	14.01
Nex	972.00	86.50	9.77
United Utilities	724.00	55.60	8.32
Ti Fluid Systems	262.00	20.00	8.26
Pennon	632.60	39.60	6.68
Downs			
Galliford Try	865.50	-83.00	-8.75
Evraz	425.20	-27.40	-6.05
Kaz Minerals	843.40	-48.80	-5.47
Sophos	444.60	-25.20	-5.36
Polar Capital Technology Trust	1062.00	-50.00	-4.50

Based on the constituents of the FTSE 350 index

EURO MARKETS

ACTIVE STOCKS	stock traded m's	close price	Day's change
Nestle N	560.4	64.17	1.34
Roche Gs	495.8	187.64	3.01
Novartis N	437.2	66.19	1.72
Asml Holding	402.2	159.05	-7.55
Total	396.7	45.83	-0.26
Unilever Dr	377.3	45.34	1.89
Siemens Ag Na	310.8	102.30	0.50
Zurich Insurance N	306.2	268.72	0.51
Ing Groep N.v.	291.5	13.71	0.15
Sap Se O.n.	291.3	84.42	-0.36

BIGGEST MOVERS	Close price	Day's change	Day's chng%
Ups			
Terna	4.73	0.22	4.77
Snam	3.75	0.17	4.66
Unilever Dr	45.34	1.89	4.34
Suez	11.81	0.47	4.19
Red Ele.	16.65	0.61	3.80
Downs			
Stmicroelectronics	18.05	-1.04	-5.42
Asml Holding	159.05	-7.55	-4.53
Skf, Ab Ser. B	16.46	-0.69	-4.01
Infineon Tech.ag Na O.n.	21.56	-0.90	-4.01
Lufthansa Ag Vna O.n.	25.02	-0.74	-2.87

Based on the constituents of the FTSEurofirst 300 Eurozone index

TOKYO

ACTIVE STOCKS	stock traded m's	close price	Day's change
Softbank .	660.6	7922.00	-331.00
Toyota Motor	489.7	6862.00	-29.00
Fanuc	451.3	26675.00	-65.00
Mitsubishi Ufj Fin,.	437.6	702.40	-7.90
Sony	409.1	5174.00	-58.00
Fast Retailing Co.,	382.9	40900.00	-140.00
Tokyo Electron	377.3	19590.00	-910.00
Panasonic	288.5	1565.50	-84.00
Mizuho Fin,.	273.8	192.60	-2.40
Sumitomo Mitsui Fin,.	273.1	4474.00	-69.00

BIGGEST MOVERS	Close price	Day's change	Day's chng%
Ups			
Nippon Meat Packers,.	4340.00	2084.00	92.38
Chubu Electric Power ,orporated	1502.50	46.50	3.19
Tokyo Gas Co.,	2810.00	84.50	3.10
Pacific Metals Co.,	3105.00	90.00	2.99
Thb Kansai Electric Power ,orporated	1349.50	38.00	2.90
Downs			
Sumco	2763.00	-158.00	-5.41
Panasonic	1565.50	-84.00	-5.09
Furukawa Co.,	1938.00	-99.00	-4.86
Dainippon Screen Mfg.co.,	9470.00	-470.00	-4.73
Recruit Hldgs Co Ltd	2492.00	-118.50	-4.54

Based on the constituents of the Nikkei 225 index

UK MARKET WINNERS AND LOSERS

FTSE 100	Mar 28 price(p)	%Chg week	%Chg ytd
Winners			
Shire	3500.00	14.5	-10.1
Glaxosmithkline	1397.40	7.8	5.7
Severn Trent	1848.00	7.1	-13.6
Centrica	141.45	6.8	0.2
United Utilities	724.00	6.7	-11.3
Reckitt Benckiser	5997.00	6.6	-11.8
National Grid	805.30	6.0	-6.6
Sse	1294.00	5.8	-0.5
Coca-cola Hbc Ag	2583.00	5.5	8.6
British American Tobacco	4084.00	5.4	-17.3
Unilever	3915.50	4.9	-3.2
Next	4832.00	4.4	7.4
Losers			
Anglo American	1616.80	-7.1	1.4
Antofagasta	910.80	-6.3	-9.0
Hargreaves Lansdown	1634.00	-6.0	-10.4
Schroders	3187.00	-5.9	-9.3
Intertek	4683.00	-5.5	-8.6
Rio Tinto	3523.00	-5.2	-11.7
Glencore	353.15	-4.8	-10.4
Smith (ds)	465.60	-4.8	-9.4
Easyjet	1566.00	-4.5	4.3
Standard Chartered	715.10	-4.3	-8.0
Bhp Billiton	1377.00	-4.0	-9.9
Standard Life Aberdeen	362.40	-3.9	-14.8

FTSE 250	Mar 28 price(p)	%Chg week	%Chg ytd
Winners			
Tr Property Investment Trust	375.00	1.8	-5.1
Zpg	334.60	0.5	-1.1
Ti Fluid Systems	262.00	4.8	3.7
3i Infrastructure	211.60	1.2	-20.3
Btg	677.00	1.0	-10.3
Edinburgh Investment Trust	633.00	0.8	-9.6
Perpetual ome And Growth Investment Trust	341.00	0.6	-10.5
Firstgroup	80.50	0.1	-26.0
Sports Direct Int	369.00	-0.1	-3.9
Pantheon Int	1875.00	0.0	0.3
Nb Global Floating Rate ome Fund	92.90	-0.1	-1.9
Personal Assets Trust	39000.00	-0.3	-4.5
Losers			
Great Portland Estates	665.00	-2.7	-3.3
Provident Fin	682.40	-23.5	-25.3
Ferrexpo	251.30	-17.5	-17.1
Galliford Try	865.50	-10.6	-32.9
Wood (john)	531.40	-9.9	-18.8
Metro Bank	3552.00	-9.1	-1.6
Superdry	1555.00	-8.7	-21.5
On The Beach	522.00	-9.2	9.2
Kaz Minerals	843.40	-8.5	-5.6
Hunting	674.50	-7.7	11.3
Purecircle	368.50	-5.5	-20.0
Vedanta Resources	694.60	-6.6	-16.3

FTSE SmallCap	Mar 28 price(p)	%Chg week	%Chg ytd
Winners			
Mothercare	19.00	15.9	-71.1
Mckay Securities	270.50	10.4	17.1
Sqn Asset Finance ome Fund	89.70	9.4	-2.7
Lonmin	62.00	4.5	-25.7
Lindsell Train Investment Trust	1020.00	6.3	21.9
Robert Walters	700.00	6.1	20.7
Moss Bros	46.75	3.9	-46.6
Sqn Asset Finance ome Fund	89.20	4.9	-0.4
Dfs Furniture	184.20	4.1	-7.3
Lamprell	73.30	4.1	-5.3
Xafinity	181.00	3.4	-4.5
Motorpoint	221.00	3.3	2.8
Losers			
Ao World	114.60	-9.2	6.5
Pendragon	23.70	-9.5	-16.8
Ophir Energy	53.50	-9.2	-20.6
Debenhams	22.04	-6.4	-37.3
Hansteen Holdings	125.80	-7.9	-11.8
Dp Eurasia N.v.	203.00	-7.5	-5.4
The Gym	231.50	-8.5	5.2
Acacia Mining	136.30	-6.9	-32.8
Premier Oil	68.65	-5.8	-10.1
Biotech Growth Trust (the)	678.00	-6.4	-12.9
Cambian	184.00	-4.6	-5.3
Dignity	875.50	-5.5	-51.9

Industry Sectors	Mar 28 price(p)	%Chg week	%Chg ytd
Winners			
Pharmaceuticals & Biotech.	12664.45	6.1	-1.4
Gas Water & Multiutilities	4748.12	6.0	-8.5
Electricity	7577.38	4.7	-2.3
Tobacco	43742.23	4.3	-
Personal Goods	34253.97	3.6	-5.9
Household Goods	16322.26	2.5	-12.5
Fixed Line Telecommunication	2614.56	1.4	-
Health Care Equip.& Services	7740.73	0.6	2.1
Media	7307.82	0.4	-3.5
Oil & Gas Producers	8157.78	0.3	-9.7
Food & Drug Retailers	3228.97	-0.3	-1.2
Industrial Transportation	3441.35	-0.4	3.3
Losers			
Oil Equipment & Services	11495.00	-7.3	-
Industrial Metals	4297.10	-6.6	11.3
Mining	16980.16	-4.9	-9.4
Banks	4216.92	-3.6	-8.9
Life Insurance	8653.61	-3.2	-3.8
General Industrials	6381.37	-3.0	-0.3
Electronic & Electrical Equip.	6241.60	-2.9	-5.3
Equity Investment Instruments	9094.23	-2.6	-6.1
General Financial	10534.90	-2.2	-5.0
Industrial Engineering	12135.39	-2.0	-3.2
Travel & Leisure	9448.88	-2.0	-7.4
Aerospace & Defense	4891.82	-1.9	0.0

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

CURRENCIES

Mar 28	Currency	DOLLAR Closing Mid	DOLLAR Day's Change	EURO Closing Mid	EURO Day's Change	POUND Closing Mid	POUND Day's Change
Argentina	Argentine Peso	20.1375	-0.0305	24.8719	-0.1263	28.3959	-0.1238
Australia	Australian Dollar	1.3040	0.0068	1.6106	0.0027	1.8388	0.0043
Bahrain	Bahrainin Dinar	0.3770	-0.0001	0.4656	-0.0018	0.5316	-0.0017
Bolivia	Bolivian Boliviano	6.9100	-	8.5346	-0.0304	9.7438	-0.0277
Brazil	Brazilian Real	3.3368	0.0072	4.1212	-0.0057	4.7051	-0.0031
Canada	Canadian Dollar	1.2888	0.0010	1.5917	-0.0045	1.8173	-0.0038
Chile	Chilean Peso	605.2900	-0.9300	747.5947	-3.8122	853.5189	-3.7411
China	Chinese Yuan	6.2887	0.0153	7.7672	-0.0087	8.8677	-0.0036
Colombia	Colombian Peso	2773.8600	-6.2800	3425.9998	-19.9709	3911.4189	-19.9983
Costa Rica	Costa Rican Colon	565.7850	0.7250	698.8020	-1.5873	797.8130	-1.2424
Czech Republic	Czech Koruna	20.6073	0.0744	25.4520	0.0016	29.0583	0.0225
Denmark	Danish Krone	6.0315	0.0205	7.4495	-0.0011	8.5050	0.0048
Egypt	Egyptian Pound	17.6499	0.0379	21.7994	-0.0306	24.8881	-0.0171
Hong Kong	Hong Kong Dollar	7.8481	0.0014	9.6931	-0.0327	11.0665	-0.0294
Hungary	Hungarian Forint	253.0119	0.6924	312.4954	-0.2534	356.7719	-0.0349
India	Indian Rupee	65.2217	0.2665	80.5554	0.0438	91.9691	0.1155
Indonesia	Indonesian Rupiah	13764.5000	23.0000	17000.5576	-31.9677	19409.3351	-22.6297
Israel	Israeli Shekel	3.5028	0.0134	4.3263	0.0013	4.9392	0.0050
Japan	Japanese Yen	106.2150	0.4450	131.1863	0.0849	149.7737	0.2036
..One Month		106.2148	0.4446	131.1863	0.0850	149.7736	0.2034
..Three Month		106.2144	0.4437	131.1864	0.0851	149.7733	0.2028
..One Year		106.2121	0.4393	131.1866	0.0855	149.7736	0.2016
Kenya	Kenyan Shilling	100.7500	-0.1500	124.4365	-0.6286	142.0675	-0.6159
Kuwait	Kuwaiti Dinar	0.2996	0.0003	0.3700	-0.0010	0.4225	-0.0008
Malaysia	Malaysian Ringgit	3.8640	-0.0130	4.7724	-0.0331	5.4486	-0.0339
Mexico	Mexican Peson	18.3054	-0.0424	22.6090	-0.1329	25.8124	-0.1333
New Zealand	New Zealand Dollar	1.3848	0.0093	1.7103	0.0055	1.9526	0.0076
Nigeria	Nigerian Naira	359.8500	0.0500	444.4513	-1.5191	507.4242	-1.3716
Norway	Norwegian Krone	7.8235	0.1147	9.6628	0.1078	11.0318	0.1308
Pakistan	Pakistani Rupee	115.3500	0.0500	142.4690	-0.4448	162.6549	-0.3916
Peru	Peruvian Nuevo Sol	3.2257	0.0062	3.9841	-0.0065	4.5486	-0.0042
Philippines	Philippine Peso	52.1775	-0.1525	64.4445	-0.4183	73.5754	-0.4248
Poland	Polish Zloty	3.4045	0.0073	4.2048	-0.0059	4.8006	-0.0033
Romania	Romanian Leu	3.7683	0.0152	4.6542	0.0023	5.3137	0.0065
Russia	Russian Ruble	57.7188	0.3225	71.2885	0.1461	81.3892	0.2247
Saudi Arabia	Saudi Riyal	3.7501	-	4.6318	-0.0165	5.2880	-0.0150
Singapore	Singapore Dollar	1.3100	0.0007	1.6180	-0.0049	1.8472	-0.0043
South Africa	South African Rand	11.7825	0.1381	14.5526	0.1194	16.6145	0.1481
South Korea	South Korean Won	1070.8500	0.5500	1322.6086	-4.0233	1510.0047	-3.5143
Sweden	Swedish Krona	8.3025	0.0731	10.2545	0.0541	11.7074	0.0701
Switzerland	Swiss Franc	0.9536	0.0054	1.1778	0.0025	1.3447	0.0038
Taiwan	New Taiwan Dollar	29.1605	0.0435	36.0162	-0.0742	41.1192	-0.0554
Thailand	Thai Baht	31.2500	0.0800	38.5969	-0.0381	44.0656	-0.0121
Tunisia	Tunisian Dinar	2.4260	0.0422	2.9964	0.0417	3.4209	0.0500
Turkey	Turkish Lira	4.0028	0.0152	4.9439	0.0013	5.6444	0.0055
United Arab Emirates	UAE Dirham	3.6729	-	4.5364	-0.0161	5.1792	-0.0147
United Kingdom	Pound Sterling	0.7092	0.0020	0.8759	-0.0006	-	-
..One Month		0.7093	0.0020	0.8758	-0.0006	-	-
..Three Month		0.7097	0.0020	0.8756	-0.0006	-	-
..One Year		0.7114	0.0020	0.8746	-0.0006	-	-
United States	United States Dollar	-	-	1.2351	-0.0044	1.4101	-0.0040
..One Month		-	-	1.2348	-0.1790	1.4103	-0.0040
..Three Month		-	-	1.2343	-0.1790	1.4106	-0.0040
..One Year		-	-	1.2314	-0.1790	1.4123	-0.0040
Venezuela	Venezuelan Bolivar Fuerte	49600.0000	300.0000	61261.0387	153.9215	69940.9169	225.4352
Vietnam	Vietnamese Dong	22819.0000	3.5000	28183.8602	-95.8830	32177.1028	-86.4778
European Union	Euro	0.8097	0.0029	-	-	1.1417	0.0008
..One Month		0.8094	0.0029	-	-	1.1416	0.0008
..Three Month		0.8088	0.0029	-	-	1.1414	0.0008
..One Year		0.8059	0.0029	-	-	1.1404	0.0008

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 28	Day's chge%	Euro Index	£ Strlg Mar 27	£ Strlg Mar 26	Year ago	Div yield%	Cover	P/E ratio	X/D adj	Total Return
FTSE 100 (100)	7044.74	0.64	6272.62	7000.14	6888.69	7373.72	4.10	1.92	12.69	74.27	6036.23
FTSE 250 (250)	19356.59	-0.17	17235.06	19389.13	19187.09	18978.65	2.81	2.44	14.59	77.84	14288.09
FTSE 250 ex Inv Co (198)	20807.94	-0.05	18527.35	20817.81	20608.44	20321.61	2.91	1.94	17.77	82.21	15672.67
FTSE 350 (350)	3932.06	0.50	3501.10	3912.58	3854.02	4070.18	3.88	1.98	12.98	37.02	6755.45
FTSE 350 ex Investment Trusts (297)	3896.59	0.55	3469.52	3875.40	3817.30	4038.78	3.94	1.91	13.32	37.31	3449.81
[illegible]											

FTSE Sector Indices [illegible]

Hourly movements [illegible]

FT 30 INDEX

	Mar 28	Mar 27	Mar 26	Mar 23	Mar 22	Yr Ago	High	Low
FT 30	3052.70	3027.40	2985.30	3001.40	3017.30	0.00	3377.70	2974.50
FT 30 Div Yield	2.00	2.03	2.06	2.04	2.03	0.00	3.93	2.74
P/E Ratio net	22.36	22.00	21.70	21.86	21.98	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
3027.4	3001.9	3007.5	3011.8	3027.4	3033.3	3035.5	3047.5	3041.3	3052.7	3001.6

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

FX: EFFECTIVE INDICES

	Mar 27	Mar 26	Mnth Ago		Mar 28	Mar 27	Mnth Ago
Australia	91.14	90.86	93.22	Sweden	75.03	75.09	76.24
Canada	89.79	89.47	91.15	Switzerland	151.29	151.35	154.10
Denmark	110.73	110.78	110.55	UK	79.97	80.21	79.06
Japan	139.81	140.54	138.64	USA	96.37	96.05	96.70
New Zealand	115.42	115.29	116.32	Euro	95.96	95.97	95.56
Norway	88.22	88.11	87.16				

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	33.45	Real Est Invest & Tr	-5.58	General Retailers	-9.80
Automobiles & Parts	31.82	Industrials	-5.75	FTSE 100 Index	-9.96
Industrial Metals &	15.84	Oil Equipment & Serv	-5.75	NON FINANCIALS Index	-10.24
Industrial Transport	2.81	Consumer Services	-6.37	Oil & Gas	-10.89
Chemicals	1.46	Real Est Invest & Se	-6.42	Oil & Gas Producers	-11.00
Health Care Eq & Srv	-0.73	Electricity	-6.46	Utilities	-12.39
Aerospace & Defense	-1.01	Basic Materials	-6.50	Beverages	-12.45
Forestry & Paper	-1.53	Financials	-6.62	Household Goods & Ho	-13.98
Industrial Eng	-2.26	Health Care	-6.74	Leisure Goods	-14.04
Food & Drug Retailer	-2.46	FTSE 250 Index	-6.79	Gas Water & Multi	-14.09
Nonlife Insurance	-3.81	Travel & Leisure	-7.40	Consumer Goods	-15.69
Life Insurance	-4.12	Pharmace & Biotech	-7.52	Food Producers	-17.62
Financial Services	-4.59	Mining	-7.94	Mobile Telecomms	-17.83
Media	-4.61	Construct & Material	-8.13	Telecommunications	-18.02
Electronic & Elec Eq	-5.09	Banks	-9.07	Fixed Line Telecomms	-18.50
FTSE SmallCap Index	-5.41	FTSE All{HY-}Share Index	-9.27	Tobacco	-22.51
Equity Invest Instr	-5.51	Personal Goods	-9.47	Technology	-27.40
		Support Services	-9.61	Software & Comp Serv	-30.41

FTSE GLOBAL EQUITY INDEX SERIES

Mar 27 Regions & countries	No of stocks	US $ indices	Day %	Mth %	YTD %	Total retn	YTD %	Gr Div Yield
FTSE Global All Cap	7862	572.10	-0.5	-3.5	-1.7	825.92	-1.3	2.3
FTSE Global Large Cap	1453	502.25	-0.5	-4.1	-1.8	744.47	-1.3	2.5
FTSE Global Mid Cap	1730	774.60	-0.3	-2.2	-1.3	1058.58	-1.0	2.1
FTSE Global Small Cap	4679	816.00	-0.6	-1.5	-1.3	1078.81	-1.0	1.9
FTSE All-World	3183	333.45	-0.5	-3.8	-1.7	508.69	-1.3	2.4
FTSE World	2604	587.93	-0.5	-3.8	-1.9	1204.29	-1.4	2.4
FTSE Global All Cap ex UNITED KINGDOM In	7539	594.66	-0.6	-3.6	-1.5	844.84	-1.1	2.2
FTSE Global All Cap ex USA	5990	520.66	0.9	-2.6	-1.3	806.03	-0.8	2.8
[illegible]								
FTSE RAFI US 1000	1050	11064.10	-1.2	-4.4	-4.1	14749.57	-3.6	2.5
FTSE EDHEC-Risk Efficient All-World	3183	400.33	-0.3	-2.4	-1.3	564.89	-0.9	2.3
FTSE EDHEC-Risk Efficient Developed Europe	564	335.09	0.6	-2.1	-1.0	517.57	-0.6	2.8
Oil & Gas	147	375.08	-0.1	-1.0	-4.1	620.30	-3.4	3.7

Mar 27 Sectors	No of stocks	US $ indices	Day %	Mth %	YTD %	Total retn	YTD %	Gr Div Yield
Oil & Gas Producers	110	363.95	-0.1	-0.1	-3.3	615.41	-2.5	3.7
Oil Equipment & Services	28	283.48	0.1	0.1	-9.9	419.63	-9.3	3.7
Basic Materials	261	524.94	0.6	0.6	-3.7	815.12	-3.1	2.7
Chemicals	121	773.04	0.6	0.6	-4.1	1201.21	-3.8	2.4
Forestry & Paper	16	324.91	0.2	0.2	5.4	559.64	5.9	2.7
Industrial Metals & Mining	70	461.49	0.3	0.3	-5.4	713.24	-4.9	2.8
Mining	54	634.66	0.7	0.7	-3.4	993.62	-1.8	3.4
Industrials	570	407.77	0.0	0.0	-1.8	594.32	-1.4	2.0
[illegible]								
Financial Services	153	311.72	-1.2	-1.2	1.4	434.39	1.8	1.9
Technology	197	274.54	-2.5	-2.5	2.3	339.52	2.6	1.4
Software & Computer Services	97	466.42	-3.0	-3.0	0.7	547.42	0.9	0.8
Technology Hardware & Equipment	100	210.34	-1.9	-1.9	4.2	271.85	4.6	1.9
Alternative Energy	9	103.36	0.1	0.1	7.3	140.30	7.3	1.8
Real Estate Investment & Services	109	369.69	1.3	1.3	0.4	624.45	0.7	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	868.60	0.80	Lloyds Banking Group PLC	64.91	-0.12
Admiral Group PLC	1859.5	14.00	London Stock Exchange Group PLC	4129	-37.00
Anglo American PLC	1616.8	-64.20	Marks And Spencer Group PLC	267.20	0.50
Antofagasta PLC	910.80	-37.00	Mediclinic International PLC	571.80	7.60
Ashtead Group PLC	1938	-2.50	Micro Focus International PLC	981.00	29.40
Associated British Foods PLC	2502	79.00	Mondi PLC	1920	-11.00
[illegible]					

UK STOCK MARKET TRADING DATA

[illegible]

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

UK COMPANY RESULTS

Company		Turnover		Pre-tax		EPS(p)		Div(p)		Pay day	Total	
21st Century Technology	Pre	**11.761**	11.555	**0.364L**	2.309L	**0.380L**	2.470L	**0.00000**	0.00000	-	**0.000**	0.000
Anglo Pacific Group	Pre	**37.382**	19.705	**11.847**	28.312	**5.880**	15.600	**2.50000**	3.00000	May 31	**5.500**	6.000
Arbuthnot Banking Group	Pre	**57.255**	44.145	**6.971**	0.179	**43.900**	1127.200	**0.00000**	18.00000	-	**14.000**	31.000
AssetCo	Pre	**24.881**	23.300	**2.173**	4.603	**17.800**	37.700	**0.00000**	0.00000	-	**0.000**	0.000
Catalyst Media Group	Int	**0.013**	0.013	**0.331**	0.041L	**1.620**	0.140L	**0.00000**	0.00000	-	**0.000**	0.000
Cronin Group	Pre	**0.000**	0.000	**1.559L**	0.789L	**0.280L**	0.140L	**0.00000**	0.00000	-	**0.000**	0.000
DFS Furniture	Int	**396.100**	379.900	**7.000**	16.700	**2.590**	6.200	**0.00000**	3.70000	-	**7.500**	11.159
Gfinity	Int	**1.829**	0.902	**7.722L**	1.711L	**4.000L**	1.000L	**0.00000**	0.00000	-	**0.000**	0.000
Henderson EuroTrust	Int			**11.805**	17.357	**55.400**	81.600	**0.00000**	7.00000	-	**18.000**	20.923
Hilton Food Group	Pre	**1359.518**	1234.495	**34.207**	33.209	**33.200**	33.700	**14.00000**	12.50000	Jun 29	**19.000**	17.100
Impax Environmental Markets	Pre			**71.143**	126.548	**38.460**	63.900	**0.00000**	1.95000	-	**0.000**	1.950
Inland Homes	Int	**61.211**	32.569	**5.371**	4.952	**2.190**	1.860	**0.00000**	0.50000	-	**1.200**	1.395
Ironveld	Int	**0.000**	0.000	**0.243L**	0.385L	**0.050L**	0.110L	**0.00000**	0.00000	-	**0.000**	0.000
Kazera Global	Int	**0.000**	0.000	**0.480L**	0.418L	**0.200L**	0.300L	**0.00000**	0.00000	-	**0.000**	0.000

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

UK RECENT EQUITY ISSUES

Issue date	Issue price(p)	Sector	Stock code	Stock	Close price(p)	+/-	High	Low	Mkt Cap (£m)
03/26	100.00		SOHC	Triple Point Social Housing REIT PLC	101.00	-	100.50	100.50	4797.5
03/23	100.00		USA	Baillie Gifford US Growth Trust PLC	103.70	-1.30	105.00	99.60	17940.1
03/15	120.00	AIM	SHH	Safe Harbour Holdings PLC	124.50	0.54	125.12	123.40	3392.6
03/14	290.00		JTC	JTC PLC	305.00	-1.00	320.00	300.00	32603.4
03/12	10.00	AIM	VRE	VR Education Holdings PLC	11.65	-0.15	12.50	10.90	2250.0
03/05	70.00	AIM	GRC	GRC International Group PLC	147.50	-6.50	154.70	85.00	8475.8
03/02	100.00		MATE	JPMorgan Multi-Asset Trust PLC	97.50	-2.50	103.56	91.00	8948.9
02/27	196.00		IHP	IntegraFin Holdings PLC	260.00	-3.00	285.00	230.00	86143.7

§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.

РЕЛИЗ ПОДГОТОВИЛА ГРУППА "What's News" VK.COM/WSNWS

РЕЛИЗ ПОДГОТОВИЛА ГРУППА "What's News" VK.COM/WSNWS

MARKET DATA

FT500: THE WORLD'S LARGEST COMPANIES

FT 500: TOP 20

	Close price	Prev price	Day change	Day change %	Week change	Week change %	Month change %
Shire	3500.00	3070.00	430.00	14.01	442.00	14.5	-98.92
HyundMobis	261500.00	245000.00	16500.00	6.73	28000.00	12.0	13.70
GlaxoSmh	1397.40	1351.00	46.40	3.43	101.20	7.8	-98.94
ReckittB	5997.00	5857.00	140.00	2.39	371.00	6.6	-98.98
Natl Grid	805.30	763.50	41.80	5.47	45.30	6.0	-98.93
China Vanke	34.55	33.95	0.60	1.77	1.90	5.8	-3.49
BrAmTob	4084.00	3946.00	138.00	3.50	209.50	5.4	-99.05
Unilever	45.34	43.46	1.89	4.34	1.94	4.5	5.50
EDF	11.92	11.57	0.35	3.03	0.49	4.3	11.35
Altria	62.12	60.72	1.40	2.31	2.12	3.5	-1.10
CrownCstl	111.39	110.67	0.72	0.65	3.80	3.5	1.39
AscBrFd	2502.00	2423.00	79.00	3.26	85.00	3.5	-99.05
ConocPhil	59.02	59.14	-0.12	-0.20	1.98	3.5	8.93
Imperial Brands	2407.00	2340.00	67.00	2.86	78.50	3.4	-99.09
PTT Explor	560.00	560.00	0.00	0.00	18.00	3.3	4.09
Midea	1.65	1.57	0.08	5.10	0.05	3.1	-4.62
CBS	52.42	52.35	0.07	0.13	1.55	3.0	-0.98
Hermes Intl	478.10	473.40	4.70	0.99	14.10	3.0	8.14
CntJpRwy	20275.00	20145.00	130.00	0.65	575.00	2.9	0.37
Fanuc	26675.00	26740.00	-65.00	-0.24	755.00	2.9	-4.30

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 %
Tesla Mtrs	260.31	279.18	-18.87	-6.76	-56.22	-17.8	-24.29
New Ch Life Ins	36.45	37.80	-1.35	-3.57	-7.85	-17.7	-24.53
Naspers N	2931.93	3130.00	-198.07	-6.33	-526.91	-15.2	-10.42
Abbvie	95.54	92.01	3.53	3.84	-16.91	-15.0	-17.46
PingAnIns	80.15	83.55	-3.40	-4.07	-11.10	-12.2	-6.09
SaicMtr	32.54	33.55	-1.01	-3.01	-4.39	-11.9	-5.38
Tencent	412.20	432.20	-20.00	-4.63	-54.40	-11.7	-7.58
Franklin	34.26	34.38	-0.13	-0.36	-4.44	-11.5	-11.48
ChinaPcIns	35.35	36.80	-1.45	-3.94	-4.35	-11.0	-9.71
SK Hynix	80300.00	81400.00	-1100.00	-1.35	-9300.00	-10.4	2.03
Netflix	284.10	300.69	-16.59	-5.52	-32.38	-10.2	-2.36
Facebook	152.53	152.22	0.31	0.20	-16.86	-10.0	-14.33
Amazon	1425.62	1497.05	-71.43	-4.77	-156.24	-9.9	-6.33
Swedbank	186.35	184.40	1.95	1.06	-18.55	-9.1	-10.84
SEB	86.36	86.40	-0.04	-0.05	-8.46	-8.9	-11.81
CharlesSch	50.90	51.53	-0.63	-1.22	-4.94	-8.8	-3.92
Kweichow	682.05	714.74	-32.69	-4.57	-65.68	-8.8	-7.58
ASML Hld	159.05	166.60	-7.55	-4.53	-15.25	-8.7	-1.39
Firstrand	64.71	66.69	-1.98	-2.97	-6.07	-8.6	-12.56
Accenture	148.55	148.86	-0.31	-0.21	-13.48	-8.3	-7.74

Based on the FT Global 500 companies in local currency

INTEREST RATES: OFFICIAL

Mar 28	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	4.75	15-06-2017	4.75	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	194.05	0.66	1.23	1.90	0.74	7.69
Corporates(£)	340.23	0.18	0.01	-1.86	0.32	1.60
Corporates($)	271.47	0.01	-0.50	-2.93	-0.50	-2.93
Corporates(€)	225.53	0.12	-0.15	-0.45	-0.07	2.09
Eurozone Sov(€)	235.63	0.20	1.36	1.18	1.50	3.15
Gilts(£)	322.59	0.15	1.60	-0.24	2.11	0.61

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
Poland	03/23	3.00	BBB+	A2	A-	99.06	3.21	-0.01	-0.03	0.64
Turkey	03/23	3.25	-	Ba2	BB+	92.53	4.96	-0.02	0.24	2.39
Turkey	03/27	6.00	-	Ba2	BB+	100.65	5.91	0.00	0.28	3.11
Peru	08/27	4.13	BBB+	A3	BBB+	104.25	3.59	-0.06	-0.02	0.79
Russia	06/28	12.75	BBB-	Ba1	BBB-	166.50	4.55	-0.03	0.23	1.75
Brazil	02/47	5.63	BB-	Ba2	BB-	96.75	5.86	-0.09	-0.03	-
Emerging Euro										
Mexico	02/20	5.50	BBB+	A3	BBB+	110.31	0.04	-0.01	-0.03	-2.21
Brazil	04/21	2.88	BB-	Ba2	BB-	106.00	0.85	-0.02	0.02	-
Mexico	04/23	2.75	BBB+	A3	BBB+	107.70	1.18	-0.02	-0.01	-1.40
Bulgaria	03/28	3.00	BBB-	Baa2	BBB	111.89	1.70	-0.02	0.00	-1.11

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

BONDS: GLOBAL INVESTMENT GRADE

	Red date	Coupon	S*	M*	F*	Bid price	Bid yield	Day's chge yield	Mth's chge yield	Spread vs US
AT&T Inc.	12/29	2.60	BBB+	Baa1	A-	104.52	2.15	-0.03	0.00	-0.65
Electricite de France (EDF)	04/30	4.63	A-	A3	A-	128.68	1.94	-0.02	-0.02	-0.86
Yen										
Poland	11/27	2.50	-	A2	A-	110.05	1.38	0.01	-0.03	-1.41
£ Sterling										
Cooperatieve Rabobank U.A.	05/29	4.63	BBB+	A3	A	112.20	3.30	-0.05	0.04	0.50
innogy Fin B.V.	06/30	6.25	BBB	Baa2	A-	131.70	3.09	-0.03	-0.01	0.29

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.

VOLATILITY INDICES

	Mar 28	Day Chng	Prev	52 wk high	52 wk low
VIX	23.71	1.21	22.50	50.30	8.56
VXD	24.35	0.51	23.84	40.09	3.93
VXN	32.15	3.14	29.01	38.11	11.03
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	101.18	1.98	-0.03	0.03	0.11	0.15
	11/28	2.75	100.60	2.69	-0.01	-0.05	-0.11	-0.17
Austria	10/19	0.25	101.31	-0.59	-0.02	-0.02	-0.08	-0.04
	04/27	0.50	99.03	0.61	-0.02	-0.07	-0.18	-
Belgium	09/20	2.10	106.05	-0.37	-0.01	-0.03	-0.07	-0.05
	06/27	0.80	101.38	0.65	-0.03	-0.08	-0.20	-0.24
Canada	02/20	1.25	98.95	1.83	-0.05	0.02	0.02	-
	06/28	2.00	98.44	2.17	-0.08	-0.05	-0.14	-
Denmark	11/19	4.00	107.51	-0.56	0.03	0.02	-0.01	-0.19

GILTS: UK CASH MARKET

Mar 28	Price £	Red Yield	Change in Yield Day	Week	Month	Year	52 Week High	52 Week Low	Amnt £m
	-	-	-	-	-	-	-	-	-
Tr 1.25pc '18	100.25	0.45	-2.17	7.14	1025.00	221.43	104.59	100.00	34.84
Tr 4.5pc '19	103.61	0.64	-3.03	-7.25	0.00	326.67	108.55	103.60	36.35
Tr 4.75pc '20	107.69	0.75	-6.25	-11.76	1.35	275.00	113.56	107.56	33.31
Tr 1.5pc '21	101.73	0.88	-5.38	-11.11	0.00	137.84	104.73	101.42	32.46
Tr 4pc '22	111.96	0.90	-7.22	-12.62	-7.22	100.00	117.84	111.51	37.95
Tr 5pc '25	125.52	1.16	-5.69	-11.45	-11.45	30.34	132.93	124.15	35.08
Tr 1.25pc '27	98.65	1.40	-3.45	-10.26	-11.39	10.24	102.29	96.41	23.45
Tr 4.25pc '32	133.57	1.60	-1.84	-7.51	-11.11	3.90	139.13	129.40	35.44
Tr 4.25pc '36	140.04	1.66	-1.78	-7.26	-12.17	-1.78	144.09	134.34	29.76
Tr 4.5pc '42	155.67	1.72	-1.71	-6.01	-12.24	-3.91	159.30	147.31	26.64
Tr 3.75pc '52	155.42	1.63	-1.81	-5.23	-12.37	-4.12	159.09	144.61	23.59
Tr 4pc '60	176.15	1.53	-1.29	-4.38	-12.57	-6.13	179.15	162.07	23.61

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

GILTS: UK FTSE ACTUARIES INDICES

COMMODITIES

BONDS: INDEX-LINKED

BONDS: TEN YEAR GOVT SPREADS

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

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РЕЛИЗ ПОДГОТОВИЛА ГРУППА "What's News" VK.COM/WSNWS

MANAGED FUNDS SERVICE

Fund	Bid	Offer	D+/-	Yield
Algebris Investments				(IRL)
Regulated				
Algebris Financial Credit Fund - Class I EUR	€ 156.20	-	1.24	0.00
Algebris Financial Income Fund - Class I EUR	€ 144.19	-	0.14	0.00
Algebris Financial Equity Fund - Class B EUR	€ 133.36	-	0.95	0.00
Algebris Asset Allocation Fund - Class B EUR	€ 98.18	-	-0.05	0.00
Algebris Macro Credit B EUR Acc	€ 109.97	-	0.73	0.00
Algebris Core Italy Fund - Class R EUR	€ 97.75	-	0.27	-
The Antares European Fund Limited				
Other International				
AEF Ltd Usd (Est)	$ 743.47	-	36.53	-
AEF Ltd Eur (Est)	€ 731.57	-	35.06	0.00
Arisaig Partners				
Other International Funds				
Arisaig Africa Consumer Fund Limited	$ 14.65	-	0.00	0.00
Arisaig Asia Consumer Fund Limited	$ 93.72	-	0.88	0.00
Arisaig Global Emerging Markets Consumer Fund	$ 11.78	-	0.05	0.00
Arisaig Global Emerging Markets Consumer UCITS	€ 12.31	-	0.10	0.00
Arisaig Global Emerging Markets Consumer UCITS STG	£ 13.70	-	0.14	0.00
Arisaig Latin America Consumer Fund	$ 27.64	-	-0.23	0.00
Artisan Partners Global Funds PLC				(IRL)
Beaux Lane House, Mercer Street Lower, Dublin 2, Ireland				
Tel: 44 (0) 207 766 7130				
FCA Recognised				
Artisan Partners Global Funds plc				
Artisan Global Equity Fund Class I USD Acc	$ 19.30	-	-0.04	0.00
Artisan Global Opportunities I USD Acc	$ 17.41	-	-0.04	0.00
Artisan Global Value Fund Class I USD Acc	$ 20.49	-	-0.08	0.00
Artisan US Value Equity Fund Class I USD Acc	$ 14.48	-	-0.21	0.00
Artisan Global Opportunities Class I EUR Acc	€ 21.11	-	0.04	0.00
Ashmore Investment Management Limited				(LUX)
2 rue Albert Borschette L-1246 Luxembourg				
FCA Recognised				
Ashmore SICAV Emerging Market Debt Fund	$ 99.58	-	0.51	5.94
Ashmore SICAV Emerging Market Frontier Equity Fund	$ 200.74	-	-0.63	0.64
Ashmore SICAV Emerging Market Total Return Fund	$ 91.21	-	0.28	5.46
Ashmore SICAV Global Small Cap Equity Fund	$ 178.12	-	-0.24	0.57
EM Mkts Corp.Debt USD F	$ 97.43	-	0.06	6.62
EM Mkts Loc.Ccy Bd USD F	$ 91.85	-	0.09	5.09
EM Short Duration Fund Acc USD	$ 136.57	-	0.15	0.00
Aspect Capital Ltd (UK)				
Other International Funds				
Aspect Diversified USD	$ 410.91	-	7.65	0.00
Aspect Diversified EUR	€ 237.04	-	4.22	0.00
Aspect Diversified GBP	£ 124.16	-	2.24	0.00
Aspect Diversified CHF	SFr 111.53	-	1.96	0.00
Aspect Diversified Trends USD	$ 121.58	-	0.35	0.00
Aspect Diversified Trends EUR	€ 117.11	-	0.33	0.00
Aspect Diversified Trends GBP	£ 124.30	-	0.34	0.00
Atlantas Sicav				(LUX)
Regulated				
American Dynamic	$ 4656.73	-	-99.15	0.00
American One	$ 4250.57	-	-77.24	0.00
Bond Global	€ 1348.62	-	-9.31	0.00
Eurocroissance	€ 965.25	-	-26.60	0.00
Far East	$ 1009.35	-	-14.13	0.00
Bank of America Cap Mgmt (Ireland) Ltd				(IRL)
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				
FCA Recognised				
Bond Funds				
Sterling Bond F	£ 0.47	-	0.00	2.75
BlackRock				(JER)
Regulated				
BlackRock UK Property	£ 44.11	-	0.05	2.47
BLK Intl Gold & General	$ 5.44	5.74	-0.08	0.00
CCLA Investment Management Ltd				(UK)
Senator House 85 Queen Victoria Street London EC4V 4ET				
Authorised Inv Funds				
Diversified Income 1 Units GBP Inc	£ 1.52	1.52	0.00	3.33
Diversified Income 2 Units GBP Inc	£ 1.46	1.46	0.00	-
Diversified Income 3 Units GBP Inc	£ 1.47	1.47	0.00	-
CG Asset Management Limited				(IRL)
25 Moorgate, London, EC2R 6AY				
Dealing: Tel. +353 1434 5098 Fax. +353 1542 2859				
FCA Recognised				
Capital Gearing Portfolio Inc	£ 30818.71	30818.71	-343.55	0.53
CG Portfolio Fund Plc				
Absolute Return Cls M Inc	£ 112.83	112.83	0.82	1.30
Capital Value Cls V Inc	£ 148.67	148.67	-1.62	0.45
Dollar Fund Cls D Inc	£ 140.35	140.35	1.18	1.73
Dollar Hedged GBP Inc	£ 96.63	96.63	0.26	1.75
Real Return Cls A Inc	£ 182.03	182.03	1.36	2.28
Cedar Rock Capital Limited				(IRL)
Regulated				
Cedar Rock Capital Fd Plc	$ 443.78	-	4.42	1.55
Cedar Rock Capital Fd Plc	£ 499.36	-	-1.02	1.60
Cedar Rock Capital Fd Plc	€ 373.55	-	-1.22	1.59
Charles Schwab Worldwide Funds Plc				(IRL)
Regulated				
Schwab USD Liquid Assets Fd	$ 1.00	-	0.00	0.29
Chartered Asset Management Pte Ltd				
Other International Funds				
CAM-GTF Limited	$ 326006.63	326006.63	-11977.84	0.00
CAM GTi Limited	$ 664.88	-	-43.66	0.00
Raffles-Asia Investment Company	$ 1.68	1.68	-0.02	1.18
Cheyne Capital Management (UK) LLP				
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)
Regulated				
Davis Value A	$ 51.06	-	-1.04	0.00
Davis Global A	$ 40.40	-	-0.66	0.00
Dodge & Cox Worldwide Funds				(IRL)
6 Duke Street,St.James,London SW1Y 6BN				
www.dodgeandcox.worldwide.com 020 3713 7664				
FCA Recognised				
Dodge & Cox Worldwide Funds plc - Global Bond Fund				
EUR Accumulating Class	€ 12.07	-	0.08	0.00
EUR Accumulating Class (H)	€ 10.29	-	0.02	0.00
EUR Distributing Class	€ 10.51	-	0.07	3.93
EUR Distributing Class (H)	€ 8.95	-	0.02	3.67
GBP Distributing Class	£ 11.21	-	0.08	3.85
GBP Distributing Class (H)	£ 9.23	-	0.01	3.28
USD Accumulating Class	$ 10.79	-	0.02	0.00
Dodge & Cox Worldwide Funds plc-Global Stock Fund				
USD Accumulating Share Class	$ 21.26	-	-0.31	0.00
GBP Accumulating Share Class	£ 24.72	-	-0.22	0.00
GBP Distributing Share class	£ 17.66	-	-0.16	0.47
EUR Accumulating Share Class	€ 25.76	-	-0.26	0.00
GBP Distributing Class (H)	£ 11.43	-	-0.17	0.36
Dodge & Cox Worldwide Funds plc-International Stock Fund				
USD Accumulating Share Class	$ 17.28	-	-0.16	0.00
EUR Accumulating Share Class	€ 16.41	-	-0.08	0.00
Dodge & Cox Worldwide Funds plc-U.S. Stock Fund				
USD Accumulating Share Class	$ 24.75	-	-0.46	0.00
GBP Accumulating Share Class	£ 27.20	-	-0.36	0.00
GBP Distributing Share Class	£ 17.00	-	-0.22	0.75
EUR Accumulating Share Class	€ 25.89	-	-0.36	0.00
GBP Distributing Class (H)	£ 11.15	-	-0.21	0.38

Fund	Bid	Offer	D+/-	Yield
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				
Other International Funds				
Vietnam Property Fund (VPF) NAV	$ 0.80	-	0.03	0.00
DSM Capital Partners Funds				(LUX)
www.dsmsicav.com				
Regulated				
DSM Global Growth I2 Acc	€ 180.31	-	-2.96	0.00
DSM Global Growth I2 Dst	A$ 105.46	-	-2.06	-
DSM Global Growth I1 Acc	€ 122.20	-	0.19	0.00
DSM US Large Cap Growth A	$ 146.02	-	-4.32	0.00
DSM US Large Cap Growth I2	€ 117.96	-	-3.04	0.00
Edinburgh Partners Limited				(IRL)
27-31 Melville Street, Edinburgh EH3 7JF				
Tel: +353 1 434 5143 Dealing - Fax +353 1 434 5230				
FCA Recognised				
Edinburgh Partners Opportunities Fund PLC				
Emerging Opportunities I USD $	$ 1.43	-	0.01	1.33
European Opportunities I EUR	€ 2.66	-	0.03	1.85
European Opportunities I GBP	£ 2.32	-	0.03	1.63
European Opportunities A EUR	€ 2.61	-	0.02	0.92
Global Opportunities I USD	$ 1.99	-	0.01	1.33
Global Opportunities I GBP	£ 1.41	-	0.02	1.14
Pan European Opportunities I EUR	€ 1.78	-	0.02	-
Ennismore Smaller Cos Plc				(IRL)
5 Kensington Church St, London W8 4LD 020 7368 4220				
FCA Recognised				
Ennismore European Smlr Cos NAV	£ 123.78	-	0.34	0.00
Ennismore European Smlr Cos NAV	€ 141.21	-	0.08	0.00
Ennismore European Smlr Cos Hedge Fd				
Other International Funds				
NAV	€ 511.11	-	0.65	0.00
Equinox Fund Mgmt (Guernsey) Limited				(GSY)
Regulated				
Equinox Russian Opportunities Fund Limited	$ 202.09	-	1.73	0.00
Euronova Asset Management UK LLP				(CYM)
Regulated				
Smaller Cos Cls One Shares	€ 42.55	-	-0.98	0.00
Smaller Cos Cls Two Shares	€ 28.78	-	-0.66	0.00
Smaller Cos Cls Three Shares	€ 14.53	-	-0.33	0.00
Smaller Cos Cls Four Shares	€ 18.73	-	-0.35	0.00
Eurobank Fund Management Company (Luxembourg) S.A.				
Regulated				
(LF) Absolute Return	€ 1.36	-	0.01	0.00
(LF) Eq Emerging Europe	€ 0.89	-	0.00	0.00
(LF) Eq Mena Fund	€ 12.78	-	0.15	0.00
(LF) Greek Government Bond	€ 28.30	-	0.14	0.00
(LF) Greek Corporate Bond	€ 14.68	-	0.03	0.00
(LF) FOF Dynamic Fixed Inc	€ 11.74	-	0.03	0.00
(LF) FOF Real Estate	€ 14.55	-	0.08	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				
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	£ 0.99	-	0.01	-
Fidelity Short Dated Corporate Bond Fund Y - Gross Inc	£ 9.75	-	0.05	4.23
Fidelity Short Dated Corporate Bond Fund Y - Gross Acc	£ 10.27	-	0.05	1.17
Target 2020 A-ACC-GBP	£ 0.65	-	0.00	0.45
Target 2025 A-ACC-GBP	£ 1.57	-	0.00	0.52
Target 2030 A-ACC-GBP	£ 1.76	-	0.00	0.57
Institutional OEIC Funds				
Europe (ex-UK) Fund ACC-GBP	£ 4.96	-	-0.03	1.14
UK Gilt Fund Inc	£ 1.37	-	0.00	1.65
UK Long Corporate Bond - Gross Inc	£ 12.27	-	0.06	3.01
Findlay Park Funds Plc				(IRL)
30 Herbert Street, Dublin 2, Ireland Tel: 020 7968 4900				
FCA Recognised				
American Fund USD Class	$ 107.50	-	-1.74	0.00
American Fund GBP Hedged	£ 57.15	-	-0.95	0.00
American Fund GBP Unhedged	£ 76.01	-	-0.77	0.00
Latin American Fund USD Class	$ 16.97	-	-0.22	0.00
Latin American Fund GBP Unhedged	£ 12.23	-	-0.08	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/				
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				
FCA Recognised - Luxembourg UCITS				
Foord International Fund | R	$ 39.52	-	-0.03	-
Foord Global Equity Fund (Lux) | R	$ 13.08	-	-0.07	-
Regulated				
Foord Global Equity Fund (Sing) | B	$ 15.79	-	-0.08	0.00
Foord International Trust (Gsy)	$ 39.22	-	-0.02	0.00
Franklin Templeton International Services Sarl				(IRL)
JPMorgan House - International Financial Services Centre,Dublin 1, Ireland				
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				
Regulated				
LAPIS TOP 25 DIV.YLD-D	£ 97.13	-	0.02	1.95
GYS Investment Management Ltd				(GSY)
Regulated				
Taurus Emerging Fund Ltd	$ 232.94	237.69	-3.83	0.00
Genesis Asset Managers LLP				
Other International Funds				
Emerging Mkts NAV	£ 7.95	-	0.06	1.29
Global Investment House				
Global GCC Islamic Fund	$ 100.53	-	0.06	0.00
Global GCC Large Cap Fund	$ 152.19	-	-1.08	0.00
Global Saudi Equity Fund	SR 239.19	-	-2.73	0.00
HPB Assurance Ltd				
Anglo Intl House, Bank Hill, Douglas, Isle of Man, IM1 4LN 01638 563490				
International Insurances				
Holiday Property Bond Ser 1	£ 0.53	-	-0.01	0.00
Holiday Property Bond Ser 2	£ 0.65	-	0.00	0.00
Haussmann				
Other International Funds				
Haussmann Cls A	$ 2944.46	-	28.23	0.00
Haussmann Cls C	€ 2468.28	-	21.53	0.00
Haussmann Cls D	SFr 1290.86	-	11.22	0.00
Hermes Investment Funds Plc				(IRL)
Hermes Investment Management Limited, 1 Portsoken Street, London E1 8HZ +44 (0) 207 680 2121				
FCA Recognised				
Hermes Abs Return Credit Fund Class F Acc	£ 1.14	1.14	0.01	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	£ 2.51	2.51	-0.06	0.00
Hermes Asia Ex-Japan Equity Fund Class C Acc USD	€ 4.48	4.48	-0.08	0.00
Hermes Europe Ex-UK Equity Fund Class F Acc	£ 2.00	2.00	-0.04	0.00

Fund	Bid	Offer	D+/-	Yield
Hermes Europe Ex-UK Equity Fund Class F Acc EUR	€ 3.86	3.86	-0.05	0.00
Hermes European Alpha Equity Fund Class F Acc	£ 1.66	1.66	-0.02	0.00
Hermes European Alpha Equity Fund Class F Dis	£ 1.57	1.57	-0.02	1.16
Hermes European Alpha Equity Fund Class F Acc EUR	€ 3.29	3.29	-0.03	0.00
Hermes Global Emerging Markets Fund Class F Acc	£ 1.97	1.97	-0.05	0.00
Hermes Global Emerging Markets Fund Class F Acc USD	€ 4.12	4.12	-0.08	0.00
Hermes Global Equity Fund Class F Acc	£ 2.10	2.10	-0.04	0.00
Hermes Global Equity Fund Class R Acc USD	€ 4.54	4.54	-0.06	0.00
Hermes Global ESG Equity Fund Class F Acc	£ 1.60	1.60	-0.02	0.00
Hermes Global High Yield Credit Fund Class F Acc	£ 1.46	1.46	0.00	0.00
Hermes Global High Yield Credit Fund Class F Acc EUR	€ 3.13	3.13	0.00	0.00
Hermes Global Small Cap Fund Class F Acc	£ 1.44	1.44	-0.02	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	$ 1.95	-	-0.02	-
Hermes Impact Opportunities Equity Fund F	£ 0.93	-	-0.01	-
Hermes Multi Asset Inflation Fund Class F GBP Acc	£ 1.02	1.02	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	$ 2.07	-	-0.03	-
Hermes SDG Engagement Equity Fund F	£ 0.98	-	-0.02	-
Hermes US All Cap Equity Class F Stg £ Acc	£ 1.34	1.34	-0.03	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	£ 2.20	2.20	-0.04	0.00
Hermes US SMID Equity Fund Class F Acc USD	€ 3.86	3.86	-0.05	0.00
INDIA VALUE INVESTMENTS LIMITED (INVIL)				
www.invil.mu				
Other International Funds				
NAV	£ 8.38	-	0.03	0.00
Intrinsic Value Investors (IVI) LLP				(IRL)
1 Hat & Mitre Court, 88 St John Street, London EC1M 4EL +44 (0)20 7566 1210				
FCA Recognised				
IVI European Fund EUR	€ 21.58	-	0.16	0.00
IVI European Fund GBP	£ 25.32	-	0.27	0.00
Invesco Fund Managers Ltd				(UK)
Perpetual Park, Henley-On-Thames, Oxon, RG9 1HH				
Dealing: 0800 085 8571				
Investor Services: 0800 085 8677				
www.invescoperpetual.co.uk				
Authorised Inv Funds				
Invesco Perpetual Funds (No Trail)				
Global Targeted Income Fund Acc (No Trail)	100.64	-	0.19	3.40
Global Targeted Income Fund Inc (No Trail)	104.95	-	0.20	3.34
Invesco Global Emerging Mkts Bond Acc (No Trail)	94.86	-	-0.14	4.26
Invesco Global Emerging Mkts Bond Inc (No Trail)	90.60	-	-0.14	4.36
Invesco				(LUX)
Dublin 00 353 1 439 8100 Hong Kong 00852 3191 8282				
FCA Recognised				
Invesco Management SA				
Invesco Active Multi-Sector Credit Fund A	€ 3.13	-	0.01	0.00
Invesco Asia Balanced A dist	$ 14.67	-	-0.14	2.91
Invesco Asia Consumer Demand Fund A income	$ 17.97	-	-0.40	0.06
Invesco Asia Infrastructure (A)	$ 15.19	-	-0.30	0.75
Invesco Asia Opportunities Equity A	$ 145.31	-	-2.46	0.00
Invesco Balanced Risk Allocation Fund A	€ 16.70	-	-0.03	0.00
Invesco Emerging Europe Equity Fund A	$ 12.38	-	-0.15	0.00
Invesco Emerging Local Currencies Debt A Inc	$ 7.28	-	0.00	5.83
Invesco Emerging Market Structured Equity Fund A	$ 12.73	-	-0.20	0.00
Invesco Energy A	$ 16.67	-	-0.20	0.00
Invesco Euro Corporate Bond Fund (A)	€ 17.85	-	0.03	0.00
Invesco Euro Reserve A	€ 320.07	-	0.00	0.00
Invesco Euro Bond A	€ 7.54	-	0.01	0.00
Invesco European Growth Equity A	€ 26.04	-	-0.09	0.00
Invesco Global Absolute Return Fund A Class	€ 10.88	-	-0.07	0.00
Invesco Global Bond A Inc	$ 5.89	-	0.01	0.79
Invesco Global Conservative Fund 90 (EUR) A	€ 11.72	-	-0.01	0.00
Invesco Global Equity Income Fund A	$ 71.28	-	-0.63	0.00
Invesco Global Inc Real Estate Sec A dist	$ 9.29	-	0.00	2.08
Invesco Global Inv Grd Corp Bond A Dist	$ 12.06	-	0.03	2.81
Invesco Global Leisure A	$ 54.46	-	-1.32	0.00
Invesco Global Smaller Comp Eq Fd A	$ 75.16	-	-1.15	0.00
Invesco Global Structured Equity A	$ 50.25	-	-0.48	0.74
Invesco Global Total Ret.(EUR) Bond Fund A	€ 13.76	-	0.02	0.00
Invesco Gold & Precious Metals A	$ 4.98	-	-0.08	0.00
Invesco Greater China Equity A	$ 65.73	-	-1.24	0.00
Invesco India Equity A	$ 71.25	-	-0.66	0.00
Invesco Japanese Equity Adv Fd A	¥ 4664.00	-	-1.00	0.00
Invesco Japanese Value Eq Fd A	¥ 1610.00	-	-11.00	0.00
Invesco Latin American Equity A	$ 8.14	-	-0.13	0.00
Invesco Nippon Small/Mid Cap Equity A	¥ 1695.00	-	2.00	0.00
Invesco Pan European Equity A EUR Cap NAV	€ 19.89	-	-0.19	0.00
Invesco Pan European High Income Fd A	€ 14.31	-	-0.01	1.91
Invesco Pan European Small Cap Equity A	€ 24.31	-	-0.21	0.00
Invesco Pan European Structured Equity A	€ 18.20	-	-0.09	0.00
Invesco Real Return (EUR) Bond Fund A	€ 15.92	-	0.00	-
Invesco UK Eqty Income A	£ 31.19	-	-0.06	0.00
Invesco UK Investment Grade Bond A	£ 1.06	-	0.00	1.96
Invesco US Structured Equity A	$ 26.31	-	-0.30	0.00
Invesco US Value Eq Fd A	$ 40.18	-	-0.55	0.00
Invesco USD Reserve A	$ 88.13	-	0.00	0.00
Invesco Global Asset Management Ltd				(IRL)
Dublin 00 353 1 439 8100 Hong Kong 00 852 2842 7200				
FCA Recognised				
Invesco Stlg Bd A QD F	£ 2.67	-	0.01	3.23
Invesco Asian Equity A	$ 9.22	-	-0.20	0.00
Invesco ASEAN Equity A	$ 110.98	-	-1.16	0.29
Invesco Bond A	$ 28.29	-	0.04	2.25
Invesco Continental Eurp Small Cap Eqty A	$ 288.39	-	-3.98	0.00
Invesco Emerging Markets Equity A	$ 50.23	-	-1.12	0.00
Invesco Emerging Markets Bond A	$ 21.89	-	0.08	5.11
Invesco Continental European Equity A	€ 8.95	-	-0.07	0.83
Invesco Gilt A	£ 16.15	-	0.06	0.91
Invesco Global Small Cap Equity A NAV	$ 161.64	-	-2.12	0.00
Invesco Global High Income A NAV	$ 12.15	-	0.02	5.06
Invesco Gbl R/Est Secs A GBP F F	£ 8.42	-	-0.02	1.22
Invesco Global Health Care A	$ 122.27	-	-1.73	0.00
Invesco Global Select Equity A	$ 16.21	-	-0.20	0.15
Invesco Jap Eqty Core A	$ 22.67	-	-0.06	0.14
Invesco Japanese Equity A	$ 26.89	-	-0.29	-
Invesco Korean Equity A	$ 27.48	-	-0.35	0.00
Invesco PRC Equity A	$ 79.71	-	-2.29	0.00
Invesco Pacific Equity A	$ 68.24	-	-0.80	0.07
Invesco Global Technology A	$ 22.14	-	-0.76	0.00
Invesco UK Eqty A	£ 8.64	-	-0.06	1.77
Kames Capital VCIC				(IRL)
1 North Wall Quay, Dublin 1, Ireland +35 3162 24493				
FCA Recognised				
Absolute Return Bond B GBP Acc	1108.49	-	-0.73	1.18
Eq Market Neutral B Acc	933.55	-	-1.99	0.00
High Yield Global Bond A GBP Inc	516.83	-	0.16	3.31
High Yield Global Bond B GBP Inc	1086.05	-	0.36	3.97
Investment Grade Global Bd A GBP Inc	568.34	-	3.02	1.98
Kames Global Equity Income B GBP Acc	1572.23	-	-24.27	0.00
Kames Global Equity Income B GBP Inc	1455.44	-	-8.32	3.19
Kames Global Diversified Growth Fund - B Acc EUR	€ 11.20	-	-0.04	0.00
Kames Global Equity Market Neutral Fund - B Acc GBP	£ 10.29	-	-0.05	0.00
Global Sustainable Equity B Acc GBP	£ 13.36	-	-0.30	0.00
Global Sustainable Equity C Acc GBP	£ 13.41	-	-0.30	0.00
Kames Absolute Return Bond Global Fund - B Acc GBP	£ 10.28	-	-0.01	0.00
Short Dated High Yld Bd B Acc GBP	£ 10.03	-	0.01	-
Short Dated High Yld Bd C Acc GBP (Hdg)	£ 10.05	-	0.00	-
Strategic Global Bond A GBP Inc	1119.35	-	0.18	0.91
Strategic Global Bond B GBP Inc	635.41	-	0.12	1.57
Link Asset Services				(UK)
65 Gresham Street, London, EC2V 7NQ				
Order Desk and Enquiries: 0345 922 0044				
Authorised Inv Funds				
LF Heartwood Balanced MA B Acc ✠	141.46	-	-0.11	0.36
LF Heartwood Cautious MA B Acc ✠	138.22	-	-0.17	0.44
LF Heartwood Defensive MA B Acc	114.10	-	0.09	0.07
LF Heartwood Growth MA B Acc ✠	170.60	-	-0.29	0.04
LF Heartwood Income MA B Inc ✠	110.14	-	-0.01	3.08
LF Heartwood Income Plus MA B Inc ✠	114.60	-	-0.21	3.73
LF Seneca Diversified Growth A Acc	263.11	-	-0.45	2.13
LF Seneca Diversified Growth B Acc	158.03	-	-0.26	2.73
LF Seneca Diversified Growth N Acc	155.58	-	-0.26	2.50
LF Seneca Diversified Income A Inc	91.73	-	-0.06	4.96
LF Seneca Diversified Income B Inc	110.16	-	-0.07	4.94
LF Seneca Diversified Income N Inc	108.59	-	-0.07	4.95
Investment Adviser - Morant Wright Management Limited				
LF Morant Wright Japan A Acc ✠	389.09	-	-2.20	0.00
LF Morant Wright Japan A Inc ✠	380.93	-	-2.16	0.44
LF Morant Wright Japan B Acc ✠	418.85	-	-2.37	0.93
LF Morant Wright Japan B Inc ✠	388.12	-	-2.20	0.94
LF Morant Wright Nippon Yield A Acc ✠	414.69	-	-2.51	2.19
LF Morant Wright Nippon Yield A Inc ✠	342.55	-	-2.08	2.22
LF Morant Wright Nippon Yield B Acc ✠	435.02	-	-2.63	2.18
LF Morant Wright Nippon Yield B Inc ✠	359.43	-	-2.18	2.23

Fund	Bid	Offer	D+/-	Yield
Lloyds Investment Fund Managers Limited (1000)F				(JER)
PO Box 311, 11-12 Esplanade, St Helier, Jersey, JE4 8ZU 01534 845555				
Other International Funds				
Lloydstrust Gilt	£ 12.6000	-	0.0300	1.89
Lloyds Investment Funds Limited				
Euro High Income	€ 1.5880	-	0.0020	3.03
European	£ 9.7650	-	-0.1130	0.34
High Income	£ 0.8630	-	0.0024	4.29
International	£ 5.2550	-	-0.0650	0.17
North American	£ 20.8900	-	-0.3400	0.00
Sterling Bond	£ 1.5280	-	0.0050	2.75
UK	£ 7.2640	-	-0.0700	0.67
Lloyds Gilt Fund Limited				
Lloyds Gilt Fund Quarterly Share	£ 1.3240	-	0.0030	1.56
Monthly Share	£ 1.2700	-	0.0040	1.56
Lloyds Money Fund Limited				
Sterling Class	£ 52.5230	-	0.0000	-0.20
Lloyds Multi Strategy Fund Limited				
Conservative Strategy	£ 1.2070	-	0.0060	0.86
Growth Strategy	£ 1.7390	-	0.0120	0.67
Aggressive Strategy	£ 2.3210	-	0.0170	0.00
Global USD Growth Strategy	$ 1.6300	-	-0.0010	0.00
Dealing Daily				
MMIP Investment Management Limited				(GSY)
Regulated				
Multi-Manager Investment Programmes PCC Limited				
UK Equity Fd Cl A Series 01	£ 2788.84	2813.67	-38.52	0.00
Diversified Absolute Rtn Fd USD Cl AF2	$ 1665.16	-	-20.33	0.00
Diversified Absolute Return Stlg Cell AF2	£ 1649.06	-	-20.99	0.00
Global Equity Fund A Lead Series	£ 1425.11	1430.83	-12.20	0.00
Marwyn Asset Management Limited				(CYM)
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				
Regulated				
Milltrust ASEAN A	$ 118.71	-	0.12	0.00
Milltrust India A	$ 170.52	-	1.56	0.00
Milltrust Latin America A	$ 113.49	-	1.48	0.00
Milltrust Keywise China Fund	$ 161.85	-	3.09	0.00
Milltrust SEDCO MENA Fund (Class A) *	$ 103.73	-	0.12	0.00
Milltrust International Managed Investments ICAV				(IRL)
mimi@milltrust.com, +44(0)20 8123 8369 www.milltrust.com				
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				
Regulated				
Mir. - Glb Strat. Bd I USD	$ 109.28	-	0.16	0.00
Mir. - EqPanEuropeSm&Mid	£ 154.32	-	1.78	0.00
Mir. - Eq UK High Income I GBP	£ 119.12	-	2.17	0.00
Morgan Stanley Investment Funds				(LUX)
6b Route de Trèves L-2633 Senningerberg Luxembourg (352) 34 64 61				
www.morganstanleyinvestmentfunds.com				
FCA Recognised				
US Advantage A F	$ 80.28	-	-2.32	0.00
Asian Equity A F	$ 54.95	-	-1.07	0.00
Asian Property A F	$ 20.39	-	-0.22	0.00
Emerg Europ, Mid-East & Africa Eq A F	€ 80.23	-	-1.69	0.00
Emerging Markets Debt A F	$ 87.15	-	0.12	0.00
Emerging Markets Domestic Debt AX F	£ 12.29	12.29	0.01	5.27
Emerging Markets Equity A F	$ 46.21	46.21	-0.90	0.00
Euro Bond A F	€ 16.28	16.28	0.00	0.00
Euro Corporate Bond AX F	£ 27.36	27.36	-0.01	1.30
Euro Strategic Bond A F	€ 46.76	46.76	0.01	0.00
European Currencies High Yield Bd A F	€ 24.54	24.54	-0.02	0.00
European Equity Alpha A F	€ 42.66	-	0.05	0.00
European Property A F	€ 34.78	34.78	0.11	0.00
Eurozone Equity Alpha A F	€ 12.35	12.35	0.02	0.00
Global Bond A F	$ 43.20	43.20	-0.02	0.00
Global Brands A F	$ 125.30	-	0.02	0.00
Global Convertible Bond A F	$ 45.06	-	-0.32	0.00
Global Property A F	$ 29.79	-	0.17	0.00
Indian Equity A F	$ 45.41	-	-0.38	0.00
Latin American Equity A F	$ 57.99	-	-0.94	0.00
Short Maturity Euro Bond A F	€ 20.37	20.37	0.00	0.00
US Dollar Liquidity A F	$ 13.16	-	0.00	0.00
US Growth A F	$ 103.64	-	-3.76	0.00
US Growth AH F	€ 69.13	69.13	-2.56	0.00
US Growth AX F	£ 73.49	73.49	-2.42	0.00
US Property A F	$ 66.56	-	1.85	0.00
Morgens Waterfall Vintiadis.co Inc				
Other International Funds				
Phaeton Intl (BVI) Ltd (Est)	$ 492.35	-	-25.94	0.00
Natixis International Funds (LUX) I SICAV				(LUX)
FCA Recognised				
ASG Managed Futures Fund I/A (USD)	$ 100.21	100.21	-0.44	0.00
Harris Global Equity Fund R/A (USD)	$ 320.78	320.78	-2.05	0.00
Loomis Sayles Global Growth Equity Fund I/A (USD)	$ 131.02	131.02	-1.88	0.00
Loomis Sayles U.S. Growth Equity Fund I/A (USD)	$ 133.35	133.35	-3.32	0.00
Natixis Investment Funds				(UK)
Authorised Funds				
DNCA European Select Equity Fund	£ 0.99	-	-0.02	-
Harris Global Concentrated Equity Fund	£ 1.56	-	-0.03	1.29
H2O MultiReturns Fund N/A (GBP)	£ 1.56	-	0.00	0.71
Loomis Sayles U.S. Equity Leaders N/A (GBP)	£ 2.23	-	-0.06	0.13
New Capital Fund Management Ltd				(IRL)
Regulated				
New Capital Euro Value Credit Fund - EUR Inst Acc	€ 100.23	-	0.14	-
New Capital UCITS Fund PLC				(IRL)
Leconfield House, Curzon Street, London, W1J 5JB				
www.newcapitalfunds.com				
FCA Recognised				
New Capital Asia Value Credit Fund - USD Ord Inc	$ 93.89	-	0.12	3.90
New Capital Asia Pacific Equity Income Fund - USD Ord Inc.	$ 111.72	-	0.88	2.44
New Capital Dynamic European Equity Fund - EUR Ord Inc.	€ 180.95	-	2.34	2.69
New Capital China Equity Fund - USD Ord Acc.	$ 178.15	-	0.80	0.00
New Capital Global Value Credit Fund - USD Ord Acc.	$ 183.18	-	0.33	0.00
New Capital Global Equity Conviction Fund - USD Ord Acc.	$ 122.56	-	-1.46	0.00
New Capital Strategic Portfolio UCITS Fund - USD Inst Acc.	$ 119.16	-	-0.50	0.00
New Capital Wealthy Nations Bond Fund - USD Inst Inc.	$ 115.24	-	0.23	4.38
New Capital Swiss Select Equity Fund - CHF Ord Acc.	SFr 164.09	-	1.76	0.00
New Capital US Growth Fund - USD Ord Acc.	$ 269.77	-	-7.25	0.00
New Capital All Weather Fund - EUR Inst Acc	€ 101.30	-	-0.04	0.00
New Capital Dynamic UK Equity Fund - GBP Inst Acc.	£ 104.41	-	1.80	0.00
New Capital US Small Cap Growth Fund - USD Inst Acc	$ 129.70	-	-3.20	0.00
New Capital Global Alpha Fund - USD Ord Inc	$ 105.13	-	0.47	0.31
Northwest Investment Management (HK) Ltd				
11th Floor, Kinwick Centre, 32, Hollywood Road, Central Hong Kong +852 9084 4373				
Other International Funds				
Northwest China Opps $ Class	$ 3309.23	-	-20.67	0.00
Northwest $ Class	$ 2475.63	-	-8.75	0.00
Oasis Crescent Management Company Ltd				
Other International Funds				
Oasis Crescent Equity Fund	R 9.94	-	-0.15	0.00

Fund	Bid	Offer	D+/-	Yield
Oasis Global Mgmt Co (Ireland) Ltd				(IRL)
Regulated				
Oasis Global Investment (Ireland) Plc				
Oasis Crescent Global Short Term Income Fund	$ 0.99	-	0.01	1.62
Oasis Crescent Global Investment Fund (Ireland) plc				
Oasis Crescent Global Equity Fund	$ 30.54	-	-0.21	0.42
Oasis Crescent Variable Balanced Fund	£ 10.17	-	0.05	0.00
OasisCresGl Income Class A	$ 10.65	-	0.00	2.67
OasisCresGl LowBal D ($) Dist	$ 12.16	-	-0.02	0.00
OasisCresGl Med Eq Bal A ($) Dist	$ 12.79	-	-0.05	0.39
Oasis Crescent Gbl Property Eqty	$ 9.42	-	0.01	1.95
Odey Asset Management LLP				(CYM)
Regulated				
OEI Mac Inc GBP A	£ 153.96	-	-2.94	0.00
OEI Mac Inc GBP B	£ 88.76	-	-2.12	0.00
OEI MAC Inc USD	$ 819.28	-	-15.30	0.00
Odey European Inc EUR	€ 354.72	-	-6.72	0.00
Odey European Inc GBP A	£ 141.99	-	-2.62	0.00
Odey European Inc GBP B	£ 80.49	-	-1.49	0.00
Odey European Inc USD	$ 169.81	-	-3.06	0.00
Giano Capital EUR Inc	€ 4841.83	-	217.37	0.00
Odey Asset Management LLP				(IRL)
FCA Recognised				
Odey Pan European EUR R	€ 311.46	-	1.63	0.00
Odey Allegra International EUR O	€ 167.02	-	1.28	0.00
Odey Allegra Developed Markets USD I	$ 158.50	-	0.08	0.00
Odey European Focus Fund	€ 18.88	-	0.15	0.00
Odey Giano European Fund EUR R	€ 122.10	-	0.64	0.00
Odey Odyssey USD I	$ 96.90	-	2.21	0.00
Odey Swan Fund EUR I	€ 43.93	-	0.60	0.00
Odey Absolute Return Focus Fund	$ 86.78	-	0.63	0.00
Odey Wealth Management (CI) Ltd				(IRL)
www.odey.com/prices				
FCA Recognised				
Odey Opportunity EUR I	€ 235.89	-	-0.77	0.00
Omnia Fund Ltd				
Other International Funds				
Estimated NAV	$ 1002.33	-	-46.69	0.00
Optima Fund Management				
Other International Funds				
Cuttyhunk Fund II Limited	$ 1573.59	-	-6.82	0.00
JENOP Global Healthcare Fund Ltd	$ 17.42	-	0.69	0.00
OPTIKA Fund Limited - Cl A	$ 137.02	-	-1.31	0.00
Optima Fd NAV (Est)	$ 99.66	-	0.85	0.00
Optima Discretionary Macro Fund Limited (Est)	$ 86.05	-	-0.37	0.00
The Dorset Energy Fd Ltd NAV (Est)	$ 20.94	-	-0.26	0.00
Platinum Fd Ltd (Est)	$ 114.15	-	0.44	0.00
Platinum Fd Ltd EUR	€ 21.10	-	0.08	0.00
Platinum Japan Fd Ltd (Est)	$ 71.61	-	0.94	0.00
Optima Partners Global Fd (Est)	$ 17.19	-	0.03	0.00
Optima Partners Focus Fund A	$ 17.87	-	0.10	0.00
Optima STAR Fund (hedged)	$ 107.22	-	-0.56	0.00
Optima STAR Long Fund	$ 138.74	-	-3.09	0.00
Oryx International Growth Fund Ltd				
Other International Funds				
NAV (Fully Diluted)	£ 9.23	-	-0.07	0.00
Pictet Asset Management (Europe) SA				(LUX)
15, Avenue J.F. Kennedy L-1855 Luxembourg				
Tel: 0041 58 323 3000				
FCA Recognised				
Pictet-Absl Rtn Fix Inc-HI EUR	€ 106.48	-	0.21	0.00
Pictet-Asian Equities Ex Japan-I USD F	$ 319.88	-	-8.83	0.00
Pictet-Asian Local Currency Debt-I USD F	$ 171.59	-	0.23	0.00
Pictet-Biotech-I USD F	$ 797.55	-	-21.86	0.00
Pictet-CHF Bonds I CHF	SFr 506.05	-	0.22	0.00
Pictet-China Index I USD	$ 168.09	-	-0.20	0.00
Pictet-Clean Energy-I USD F	$ 100.52	-	-1.47	0.00
Pictet-Digital-I USD F	$ 397.28	-	-11.18	0.00
Pictet-Em Lcl Ccy Dbt-I USD F	$ 190.59	-	0.18	0.00
Pictet-Emerging Europe-I EUR F	€ 390.93	-	2.05	0.00
Pictet-Emerging Markets-I USD F	$ 703.11	-	-12.34	0.00
Pictet-Emerging Markets Index-I USD F	$ 320.92	-	0.83	0.00
Pictet-Emerging Corporate Bonds I USD	$ 124.87	-	0.11	0.00
Pictet-Emerging Markets High Dividend I USD	$ 132.12	-	-1.83	0.00
Pictet-Emerging Markets Sust Eq I USD	$ 115.71	-	0.77	0.00
Pictet-EUR Bonds-I F	€ 585.14	-	2.62	0.00
Pictet-EUR Corporate Bonds-I F	€ 211.17	-	0.31	0.00
Pictet-EUR Government Bonds I EUR	€ 164.53	-	0.35	0.00
Pictet-EUR High Yield-I F	€ 272.03	-	0.32	0.00
Pictet-EUR Short Mid-Term Bonds-I F	€ 137.55	-	0.05	0.00
Pictet-EUR Short Term HY I EUR	€ 126.78	-	0.05	0.00
Pictet-EUR Sov.Sht.Mon.Mkt EUR I	€ 101.58	-	0.00	0.00
Pictet-Euroland Index IS EUR	€ 149.17	-	1.33	0.00
Pictet-Europe Index-I EUR F	€ 181.84	-	2.22	0.00
Pictet-European Equity Selection-I EUR F	€ 737.26	-	10.43	0.00
Pictet-European Sust Eq-I EUR F	€ 256.28	-	2.74	0.00
Pictet-Global Bds Fundamental I USD	$ 131.22	-	-0.01	0.00
Pictet-Global Bonds-I EUR	€ 162.97	-	0.60	0.00
Pictet-Global Defensive Equities I USD	$ 170.66	-	-0.63	0.00
Pictet-Global Emerging Debt-I USD F	$ 403.71	-	2.60	0.00
Pictet-Global Env.Opport-I EUR	€ 196.43	-	-0.55	0.00
Pictet-Global Megatrend Selection-I USD F	$ 292.05	-	-3.59	0.00
Pictet-Global Sust.Credit HI EUR	€ 148.85	-	0.26	0.00
Pictet-Greater China-I USD F	$ 679.44	-	-22.95	0.00
Pictet-Health-I USD	$ 273.11	-	-3.01	0.00
Pictet-High Dividend Sel I EUR F	€ 158.88	-	0.52	0.00
Pictet-India Index I USD	$ 123.33	-	0.53	0.00
Pictet-Indian Equities-I USD F	$ 604.53	-	-5.81	0.00
Pictet-Japan Index-I JPY F	¥ 18225.42	-	-58.14	0.00
Pictet-Japanese Equities Opp-I JPY F	¥ 11671.28	-	-35.57	0.00
Pictet-Japanese Equity Selection-I JPY F	¥ 16345.77	-	-203.70	0.00
Pictet-LATAM Lc Ccy Dbt-I USD F	$ 144.92	-	-0.09	0.00
Pictet-Multi Asset Global Opportunities-I EUR	€ 120.37	-	-0.07	0.00
Pictet-Nutrition-I EUR	€ 206.48	-	0.82	0.00
Pictet-Pacific Ex Japan Index-I USD F	$ 435.29	-	2.37	0.00
Pictet-Premium Brands-I EUR F	€ 168.49	-	-1.08	0.00
Pictet-Russia Index I USD	$ 79.89	-	0.57	0.00
Pictet-Russian Equities-I USD F	$ 79.08	-	0.32	0.00
Pictet-Security-I USD F	$ 253.22	-	-4.12	0.00
Pictet-Select-Callisto I EUR	€ 102.91	-	-0.73	0.00
Pictet-Small Cap Europe-I EUR F	€ 1336.23	-	9.32	0.00
Pictet-ST Emerg Local Currency Debt-I USD F	$ 111.53	-	0.05	0.00
Pictet-ST.MoneyMkt-I	€ 139.36	-	0.00	0.00
Pictet-ST.MoneyMkt JPY I USD	¥ 101096.06	-	-6.84	0.00
Pictet-ST.MoneyMkt-ICHF	SFr 121.90	-	0.00	0.00
Pictet-ST.MoneyMkt-IUSD	$ 138.96	-	0.02	0.00
Pictet-Timber-I USD F	$ 208.64	-	-0.75	0.00
Pictet TR-Agora I EUR	€ 125.37	-	0.23	0.00
Pictet TR-Corto Europe I EUR	€ 144.68	-	0.44	0.00
Pictet TR-Divers Alpha I EUR	€ 112.73	-	0.10	0.00
Pictet TR-Kosmos I EUR	€ 109.84	-	-0.05	0.00
Pictet TR-Mandarin I USD	$ 161.71	-	-0.89	0.00
Pictet-US Equity Selection-I USD	$ 235.23	-	-5.73	0.00
Pictet-US High Yield-I USD F	$ 163.15	-	0.29	0.00
Pictet-USA Index-I USD F	$ 237.25	-	-4.18	0.00
Pictet-USD Government Bonds-I F	$ 643.23	-	1.88	0.00
Pictet-USD Short Mid-Term Bonds-I F	$ 131.28	-	0.08	0.00
Pictet-USD Sov.ST.Mon.Mkt-I	$ 104.85	-	0.01	0.00
Pictet-Water-I EUR F	€ 317.21	-	-1.06	0.00
Platinum Capital Management Ltd				
Other International Funds				
Platinum All Star Fund - A	$ 131.02	-	-	-
Platinum Global Dividend Fund - A	$ 47.72	-	-	-
Platinum Global Growth UCITS Fund	$ 10.00	-	-	-

Fund	Bid	Offer	D+/-	Yield
Polar Capital Funds Plc				(IRL)
Regulated				
Automation & Artificial Intelligence CL I USD Acc	$ 10.52	10.52	-0.04	-
Asian Financials I USD	$ 392.80	392.80	-5.42	0.00
Biotechnology I USD	$ 23.23	23.23	-0.35	0.00
European Income Acc EUR	€ 11.60	11.60	0.14	0.00
European Ex UK Inc EUR Acc	€ 10.66	10.66	0.11	0.00
Financial Opps I USD	$ 14.57	-	-0.12	1.79
GEM Income I USD	$ 12.85	-	0.08	0.00
Global Convertible I USD	$ 13.02	13.02	-0.03	0.00
Global Insurance I GBP	£ 5.75	-	0.00	0.00
Global Technology I USD	$ 41.64	-	-1.04	0.00
Healthcare Blue Chip Fund I USD Acc	$ 11.83	11.83	-0.07	0.00
Healthcare Opps I USD	$ 42.47	-	-0.57	0.00
Income Opportunities B2 I GBP Acc	£ 2.20	2.20	0.01	0.00
Japan Alpha I JPY	¥ 248.80	248.80	0.27	0.00
Japan I JPY	¥ 2521.95	-	-2.07	0.00
North American I USD	$ 23.77	23.77	-0.38	0.00
UK Absolute Equity I GBP	£ 20.84	20.84	-0.11	0.00
UK Val Opp I GBP Acc	£ 11.41	11.41	-0.08	0.00
Polar Capital LLP				(CYM)
Regulated				
European Forager A EUR	€ 185.30	-	0.49	0.00
Private Fund Mgrs (Guernsey) Ltd				(GSY)
Regulated				
Monument Growth 20/03/2018	£ 482.62	488.24	-6.15	3.29
Prusik Investment Management LLP				(IRL)
Enquiries - 0207 493 1331				
Regulated				
Prusik Asian Equity Income B Dist	$ 204.66	-	-2.12	3.35
Prusik Asia A	$ 287.46	-	-5.53	0.00
Prusik Asian Smaller Cos A	$ 169.37	-	0.51	0.00
Purisima Investment Fds (CI) Ltd				(JER)
Regulated				
PCG B ✠	209.19	-	6.58	0.00
PCG C ✠	205.46	-	6.46	0.00
Ram Active Investments SA				
www.ram-ai.com				
Other International Funds				
RAM Systematic Emerg Markets Core Eq	$ 110.33	-	0.07	-
RAM Systematic Emerg Markets Eq	$ 193.88	-	0.51	-
RAM Systematic European Eq	€ 441.98	-	5.01	-
RAM Systematic Global Shareholder Yield Eq	$ 130.44	-	1.31	0.00
RAM Systematic Long/Short Emerg Markets Eq	$ 121.06	-	-0.36	-
RAM Systematic Long/Short European Eq	€ 154.54	-	0.22	-
RAM Systematic North American Eq	$ 295.65	-	-3.24	-
RAM Tactical Convertibles Europe	€ 146.13	-	0.50	-
RAM Tactical Global Bond Total Return	€ 144.22	-	0.06	-
RAM Tactical II Asia Bond Total Return	$ 140.21	-	-0.08	-
Robeco Asset Management				(LUX)
Weena 850, 3014 DA Rotterdam, The Netherlands				
www.robeco.com/contact				
FCA Recognised				
Asia-Pacific Equities (EUR)	€ 158.23	-	-1.19	0.00
BP US Premium Equities (EUR)	€ 224.09	-	-4.30	0.00
BP US Premium Equities (USD)	$ 260.47	-	-4.89	0.00
Chinese Equities (EUR)	€ 98.65	-	-2.18	0.00
Em Stars Equities (EUR)	€ 221.35	-	-1.55	0.00
Emerging Markets Equities (EUR)	€ 192.72	-	-1.89	0.00
Glob.Consumer Trends Equities (EUR)	€ 190.38	-	-2.81	0.00
High Yield Bonds (EUR)	€ 143.72	-	0.09	0.00
New World Financials (EUR)	€ 65.95	-	0.04	0.00
Ruffer LLP (1000)F				(UK)
65 Gresham Street, London, EC2V 7NQ				
Order Desk and Enquiries: 0345 601 9610				
Authorised Inv Funds				
Authorised Corporate Director - Link Fund Solutions				
LF Ruffer European C Acc	564.27	-	-2.43	0.31
LF Ruffer European C Inc	104.09	-	-0.45	0.61
LF Ruffer European O Acc	554.79	-	-2.42	0.00
LF Ruffer Equity & General C Acc	436.02	-	-5.69	0.05
LF Ruffer Equity & General C Inc	401.99	-	-5.25	0.05
LF Ruffer Equity & General O Acc	428.73	-	-5.62	0.00
LF Ruffer Equity & General O Inc	397.79	-	-5.21	0.00
LF Ruffer Gold C Acc	144.02	-	3.19	0.61
LF Ruffer Gold C Inc	87.17	-	1.94	0.55
LF Ruffer Gold O Acc	141.56	-	3.14	0.36
LF Ruffer Japanese C Inc	114.22	-	-0.57	0.21
LF Ruffer Japanese C Acc	243.15	-	-1.21	0.23
LF Ruffer Pacific C Acc	370.07	-	-6.06	0.94
LF Ruffer Pacific C Inc	104.05	-	-1.71	1.18
LF Ruffer Pacific O Acc	363.54	-	-5.97	0.64
LF Ruffer Total Return C Acc	434.31	-	-0.04	1.56
LF Ruffer Total Return C Inc	290.54	-	-0.03	1.58
LF Ruffer Total Return O Acc	427.00	-	-0.07	1.56
LF Ruffer Total Return O Inc	285.49	-	-0.04	1.59
S W Mitchell Capital LLP				(IRL)
Regulated				
SWMC European Fund B EUR	€ 17527.86	-	197.11	0.00
SWMC Small Cap European Fund B EUR	€ 15461.80	-	87.15	0.00
RobecoSAM				(LUX)
Tel. +41 44 653 10 10 http://www.robecosam.com/				
Regulated				
RobecoSAM Sm.Energy/A	£ 17.17	-	-0.08	1.20
RobecoSAM Sm.Energy/N	€ 15.51	-	-0.11	0.00
RobecoSAM Sm.Materials/A	£ 195.72	-	1.01	1.28
RobecoSAM Sm.Materials/N	€ 200.87	-	0.62	0.00
RobecoSAM Sm.Materials/Na	€ 135.06	-	0.42	1.27
RobecoSAM Gl.Small Cap Eq/A	£ 108.47	-	0.23	1.10
RobecoSAM Gl.Small Cap Eq/N	€ 191.88	-	0.01	0.00
RobecoSAM Sustainable Gl.Eq/B	€ 204.91	-	-0.82	0.00
RobecoSAM Sustainable Gl.Eq/N	€ 179.69	-	-0.71	0.00
RobecoSAM S.HealthyLiv/B	€ 180.53	-	0.95	0.00
RobecoSAM S.HealthyLiv/N	€ 171.13	-	0.90	0.00
RobecoSAM S.HealthyLiv/Na	£ 127.68	-	0.95	1.39
RobecoSAM S.Water/A	£ 227.59	-	1.24	1.44
RobecoSAM S.Water/N	€ 195.70	-	0.65	0.00
Rubrics Global UCITS Funds Plc				(IRL)
www.rubricsam.com				
Regulated				
Rubrics Emerging Markets Fixed Income UCITS Fund	$ 137.45	-	0.05	0.00
Rubrics Global Credit UCITS Fund	$ 15.82	-	0.02	0.00
Rubrics Global Fixed Income UCITS Fund	$ 162.29	-	0.19	0.00
Q Rubrics India Fixed Income UCITS Fund	$ 11.41	-	0.08	0.00
Rubrics India Fixed Income UCITS Fund	$ 97.81	-	0.64	0.00
Schroder Property Managers (Jersey) Ltd				
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				
FCA Recognised				
Slater Growth	490.12	520.02	-3.21	0.00
Slater Income A Inc	155.80	155.80	-0.72	0.00
Slater Recovery	221.05	233.76	-5.37	0.00

Fund	Bid	Offer	D+/-	Yield
Slater Artorius	191.72	191.72	-5.25	0.24
Standard Life Wealth				(JER)
PO Box 189, St Helier, Jersey, JE4 9RU 01534 709130				
FCA Recognised				
Standard Life Offshore Strategy Fund Limited				
Bridge Fund	£ 1.7826	-	-0.0186	2.05
Global Equity Fund	£ 2.2258	-	-0.0362	0.90
Global Fixed Interest Fund	£ 0.9929	-	0.0021	4.13
Income Fund	£ 0.5413	-	-0.0042	3.38
Sterling Fixed Interest Fund	£ 0.8675	-	0.0025	3.44
UK Equity Fund	£ 2.0804	-	-0.0078	3.18
Stenham Asset Management Inc				
www.stenhamassetmanagement.com				
Other International Funds				
Stenham Credit Opportunities A Class USD	$ 116.30	-	-0.52	0.00
Stenham Equity UCITS USD	$ 188.06	-	1.40	0.00
Stenham Growth USD	$ 227.18	-	-2.94	-
Stenham Healthcare USD	$ 214.49	-	-2.03	0.00
Stenham Managed Fund USD	$ 121.42	-	-0.95	0.00
Stenham Quadrant USD A	$ 424.89	-	-2.28	-
Stenham Trading Inc USD	$ 122.34	-	-0.58	-
Stenham Universal USD	$ 454.13	-	-1.87	-
Stenham Universal II USD	$ 166.35	-	-0.76	0.00
E.I. Sturdza Strategic Management Limited				(GSY)
Regulated				
Strat Evarich Japan Fd Ltd JPY	¥ 87121.00	-	-550.00	0.00
Strat Evarich Japan Fd Ltd USD	$ 862.54	-	-5.42	0.00
E.I. Sturdza Funds PLC				(IRL)
Regulated				
Nippon Growth (UCITS) Fd - B	¥ 92330.00	-	2750.00	0.00
Strategic China Panda Fd - USD	$ 3730.19	-	43.69	0.00
Strategic Euro Bond Fd - Acc	€ 1120.99	-	-0.04	0.00
Strategic Europe Value Fd - EUR	€ 204.75	-	2.72	0.00
Strategic European Smaller Companies Fd - EUR	€ 1318.33	-	16.70	0.00
Strategic Global Bond Fd - USD	$ 1046.51	-	2.32	0.00
Strategic Global Quality Fd - USD Inst	$ 134.36	-	0.49	0.00
Strategic Quality Emerging Bond Fd - USD	$ 1053.14	-	0.73	0.00
Strategic US Momentum and Value Fd - USD Class	$ 829.87	-	-13.21	0.00
Strategic Japan Opportunities Fund	¥ 61152.00	-	1310.00	-
Strategic Beta Flex Fund	€ 1009.86	-	0.35	0.00
Superfund Asset Management GmbH				
www.superfund.com, +43 (1) 247 00				
Regulated				
Superfund Green EUR SICAV	€ 961.54	-	-2.12	0.00
Superfund Red EUR SICAV	€ 801.07	-	1.75	0.00
Superfund Blue EUR	€ 771.58	-	4.46	0.00
Other International Funds				
Superfund Green Gold SICAV	$ 1067.94	-	-11.59	0.00
Superfund Red Silver SICAV	$ 416.85	-	-2.21	0.00
Toscafund Asset Management LLP				(UK)
www.toscafund.com				
Authorised Funds				
Aptus Global Financials B Acc	£ 4.24	-	0.01	4.28
Aptus Global Financials B Inc	£ 3.33	-	0.01	4.44
Toscafund Asset Management LLP				
www.toscafund.com				
Other International Funds				
Tosca A USD	$ 391.86	-	4.55	-
Tosca Mid Cap GBP	£ 274.92	-	-12.94	-
Tosca Opportunity B USD	$ 396.76	-	-23.82	-
Pegasus Fund Ltd A-1 GBP	£ 65.98	-	0.65	0.00
TreeTop Asset Management S.A.				(LUX)
Regulated				
TreeTop Convertible Sicav				
International A	€ 314.64	-	-3.39	0.00
International B	$ 421.42	-	-4.73	0.00
International C	£ 132.60	-	-1.44	2.50
International D	€ 275.69	-	-2.97	2.40
TreeTop Global Sicav				
Global Opp.A	€ 169.31	-	-1.22	0.00
Global Opp.B	$ 180.84	-	-1.63	0.00
Global Opp.C	£ 235.22	-	-0.82	0.00
Sequoia Equity A	€ 157.58	-	-2.45	0.00
Sequoia Equity B	$ 176.80	-	-3.02	0.00
Sequoia Equity C	£ 200.20	-	-2.24	2.76
Troy Asset Mgt (1200)				(UK)
65 Gresham Street, London, EC2V 7NQ				
Order Desk and Enquiries: 0345 608 0950				
Authorised Inv Funds				
Authorised Corporate Director - Link Fund Solutions				
Trojan Investment Funds				
Trojan Global Income O Acc	98.55	-	-0.12	2.99
Trojan Global Income O Inc	95.14	-	-0.12	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				
Authorised Inv Funds				
OEIC				
UBS Global Emerging Markets Equity C Acc	£ 0.80	-	-0.02	1.10
UBS Global Optimal C Acc	£ 0.94	-	-0.02	0.70
UBS UK Opportunities C Acc	£ 0.84	-	-0.01	2.97
UBS US Equity C Acc	£ 1.12	-	-0.03	0.26
UBS S&P 500 Index C Acc	£ 0.76	-	-0.01	1.48
UBS Targeted Return C Acc	£ 13.61	-	0.03	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	£ 0.68	-	0.00	4.01
UBS Corporate Bond UK Plus C Inc Net	£ 0.53	-	0.00	4.16
UBS Global Allocation (UK) C Acc	£ 0.78	-	0.00	1.64
UBS Global Enhanced Equity Income C Inc	£ 0.44	-	0.00	6.48
UBS US Growth C Acc	£ 1.21	-	-0.04	0.00
UBS Emerging Markets Equity Income C Inc	£ 0.51	-	-0.01	3.96
UBS FTSE RAFI Dev 1000 Index J Acc	£ 136.34	-	0.78	2.42
UBS MSCI World Min Vol Index J Acc	£ 141.60	-	0.86	2.25
Unicapital Investments				(LUX)
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				
Regulated				
Value Partners Asia Dividend Stocks Fund A USD	$ 7.86	-	0.05	0.00
Value Partners Classic Equity Fund USD Z Unhedged	$ 15.45	-	-0.29	0.00
Value Partners Classic Equity Fund CHF Hedged	SFr 15.27	-	-0.29	0.00
Value Partners Classic Equity Fund EUR Hedged	€ 15.54	-	-0.30	0.00
Value Partners Classic Equity Fund GBP Hedged	£ 16.15	-	-0.31	0.00
Value Partners Classic Equity Fund GBP Unhedged	£ 18.15	-	-0.43	0.00
Value Partners Classic Equity USD Unhedged	$ 19.18	-	-0.36	0.00
Value Partners Global Emerging Market Bond Fund USD A Acc Unhedged	$ 10.54	-	0.01	0.00
Value Partners Global Emerging Market Equity Fund USD V Unhedged	$ 11.01	-	-0.08	-
Value Partners Greater China Equity Fund USD A (Acc) Unhedged	$ 11.97	-	-0.34	0.00
Value Partners Health Care Fund HKD Class A Unhedged	HK$ 12.62	-	-0.13	0.00
Value Partners Health Care Fund USD Class A Unhedged	$ 12.72	-	-0.13	0.00
Waverton Investment Funds Plc (1600)F				(IRL)
waverton.investments@citi.com				
FCA Recognised				
Waverton Asia Pacific A USD	$ 22.97	-	-0.31	0.64
Waverton Global Equity Fund A GBP	£ 18.59	-	-0.29	0.25
Waverton Global Strategic Bond Fund A USD	$ 8.57	-	-0.02	4.96
Waverton UK Fund A GBP	£ 12.88	-	-0.01	1.89
Waverton Equity Fund A GBP	£ 18.47	-	0.06	0.00
Waverton Sterling Bond Fund A GBP	£ 9.45	-	0.01	4.44
WA Fixed Income Fund Plc				(IRL)
Regulated				
European Multi-Sector	€ 117.79	-	0.25	3.91
Yapi Kredi Asset Management				(TUR)
www.yapikrediportfoy.com.tr Tel: + 90 (212) 385 48 48				
Other International Funds				
Eurobond Fund	TRY 0.108420	-	-0.000056	-
Koc Affiliate and Equity Fund	TRY 0.990249	-	0.881773	-
DPM Bonds and Bills Fund (FX)	$ 1.048002	-	0.939526	0.00
Yuki International Limited				(IRL)
Tel +44-20-7269-0207 www.yukifunds.com				
Regulated				
Yuki Mizuho Umbrella Fund				
Yuki Mizuho Japan Dynamic Growth	¥ 9918.00	-	-102.00	0.00
Yuki Japan Low Price	¥ 48725.00	-	329.00	0.00
Yuki Japan Value Select	¥ 20839.00	-	-44.00	0.00
Yuki Asia Umbrella Fund				
Yuki Japan Rebounding Growth Fund JPY Class	¥ 39414.00	-	-5.00	0.00
Yuki Japan Rebounding Growth Fund USD Hedged Class	$ 1544.46	-	-0.10	0.00
Zadig Gestion (Memnon Fund)				(LUX)
FCA Recognised				
Memnon European Fund I GBP	£ 163.20	-	2.42	0.00

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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.

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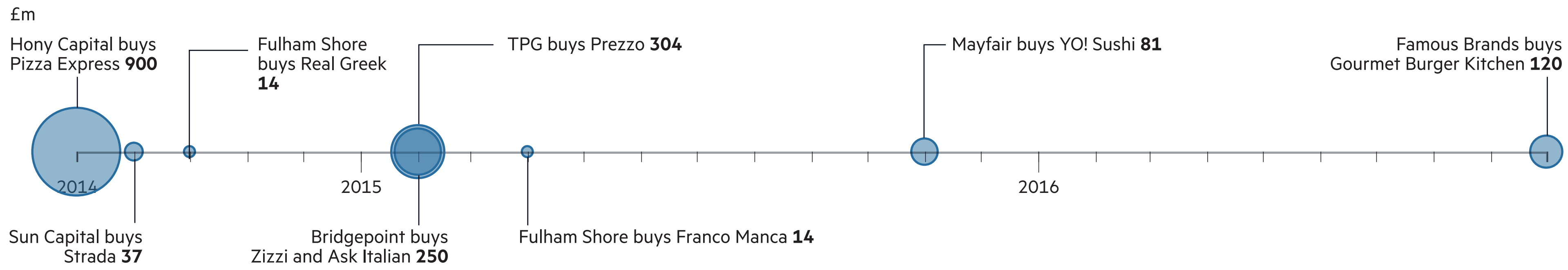
РЕЛИЗ ПОДГОТОВИЛА ГРУППА "What's News" VK.COM/WSNWS

Analysis. Capital markets

Britain's pizza chain boom faces debt reckoning

Major deals for UK restaurant chains
£m



Sources: Deloitte; FT research

Credit-fuelled expansion of middle-market Italian restaurants is now reversing

CHLOE CORNISH AND JAVIER ESPINOZA
LONDON

It is snowing, but people are lining up for a table outside Franco Manca on Maiden Lane at 5:30pm on a recent Saturday — tourists and Londoners hungry for affordably priced sourdough pizza in the capital's buzzing theatre district.

The queue may prove cold comfort to investors in Fulham Shore, the UK-listed owner of Franco Manca and the smaller Real Greek chain. In early March the company blamed slower trading at its suburban restaurants for a profit warning that knocked a share price that has now fallen more than 40 per cent since late January.

Once famed for spinning dough from dough, the frenzied expansion of Italian restaurant businesses in the UK over the past decade is unravelling as costs rise and consumers retrench. While Franco Manca is suffering, analysts and investors say the bigger risks lie with those chains snapped up by private equity firms whose debt-fuelled takeovers allowed them to dominate the industry.

"You have almost the perfect storm," said Jean Medecin, market strategist at Carmignac, a fund manager with €56bn in assets. "The food business is fickle . . . With leverage, it's a dramatic scenario."

Some 117 restaurants across the UK are set to close, affecting hundreds of jobs. PE-owned mid-market chains Strada and Prezzo all announced closures this year, as did Jamie's Italian, owned by TV chef Jamie Oliver. More may come: after a sharp drop in earnings, Carluccio's has appointed a consultancy to explore its options.

As interest rates rise and the economy slows, PE firms face a reckoning as they restructure businesses they once had ambitious plans for.

TPG Capital, which took Prezzo private for £304m in 2015, is closing around a third of its 300 outlets as it restructures the business, which lost £73m in 2016 — nearly six times worse than the previous year.

In a sign of the industry's distress, investors are now jettisoning the debt at the heart of the expansion. PizzaExpress unsecured bonds trade at 83 pence in the pound, while the debt of Prezzo have fallen to 66 pence in the pound.

"It's tough," said a person with direct knowledge of TPG's difficulties with Prezzo. TPG declined to comment.

As PE firms chased returns by opening more and more restaurants, the high street dining market became crowded — and especially glutted with Italian offerings. According to an analysis by Deloitte, six of the nine mid-market UK casual dining chains that have more than 100 restaurants serve Italian food.

The Restaurant Group owned by Bridgepoint, the PE firm, consists of four Italian high-street brands alone — Ask Italian, Zizzi, Coco di Mama and now Radio Alice, a new sourdough pizza venture. Strada is owned by Sun Capital.

The attraction is good cash flow, explained one executive at a PE firm, which owns casual dining chains in the UK, particularly when the buyer borrows money to acquire the business: "You've got customers paying now and you pay suppliers later. This means you have enough cash to service debt."

That rosy scenario propelled a rash of deals in 2014 and 2015, typified by the Chinese PE firm Hony paying £900m for PizzaExpress, which had reported profit before tax of £2m for the year to June 2013. The assumptions that underpinned such deals now look too optimistic. Costs have rocketed — restaurants must pay staff more under new minimum-wage rules, business rates and rents have risen, and the weakness in sterling since the Brexit vote has pushed up the cost of imported ingredients.

"You can't foresee these costs coming down the line," argued Sarah Humphreys, lead partner for casual dining at Deloitte, defending the expansions. Profits at the UK's 100 biggest restaurant groups have fallen 64 per cent year on year, according to UHY Hacker Young, an accountancy.

Franco Manca, Prezzo and Strada have all run into trouble as slower trade squeezes margins
Alamy and Daniel Lynch

Adding debt after buying something at a high price is 'a recipe for disaster'

Pizza has not always been plain sailing for PE firms. In the same year as the Hony deal, Blackstone, a PE titan, lost control of casual dining group Tragus — which included Strada and Bella Italia — to Apollo, the distressed debt investor.

Nonetheless, private equity firms continued to pay top dollar for restaurants based on highly optimistic assumptions, said Ludovic Phalippou, a finance professor at the University of Oxford's Saïd Business School. Data gathered by Deloitte shows average multiple paid for restaurant chains peaked in 2015 at 11.2 times earnings, while casual dining chains usually have debt 3.5 to 4.5 times their earnings.

But adding debt after buying something at a high price in a competitive auction "is a recipe for disaster", said Mr Phalippou, adding: "Cash flow projections are so rosy they assume they've paid a fair price. They tend to think the more leverage, the better the return."

As for Franco Manca, it had just 10 restaurants in London in 2015 before being bought by the Fulham Shore. Three years on, they have 33 in the capital, seven more in the UK, and one in Sicily.

David Page, Fulham Shore's chairman and a former PizzaExpress chief executive, said the company is scaling back expansion plans this year. "Obviously, you underestimated the cannibalisation," he said. "We don't eat our customers, but now we share them."

Additional reporting by Robert Smith

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Tail risk

Gigafactory on the block if Tesla's troubles persist

ROBERT SMITH

When Tesla issued $1.8bn of junk bonds last August, many readers of Electrek, an electric car news site, were as enthusiastic about the debt as they were about Elon Musk's vision for a fossil fuel-free future.

One commenter called investment in the debt a "no brainer". Another asked: "Why would anyone keep cash in a savings account at 1 per cent when they could put it in a Tesla bond and get 5 times the money?"

The sale of Tesla's 5.3 per cent 2025 bonds was limited to professional investors in the US, meaning these amateur Musk acolytes would have been protected from what followed.

Moody's downgraded the bonds on Tuesday, pushing them into triple-C territory, one of the lowest rungs of its "speculative grade". The rating agency warned that this assessment may fall further if Tesla had trouble raising $2bn or so of further capital.

The bonds fell to less than 88 cents on the dollar on the news, meaning those who invested initially are sitting on a 12 percentage point paper loss.

The fall in value is particularly worrying as Tesla is still burning billions of dollars of cash a year, making it heavily reliant on access to capital markets. The further the bond price sinks, the harder Tesla will find it to tap debt investors for more funds at economic rates.

And if the bond price does fall further, interested observers in the electric car community may want to get to grips with understanding its covenants, key terms that stop the companies from taking actions that would be bad for the bondholders.

One of Tesla's most prized assets is its Gigafactory, a giant battery plant in Nevada. But an unusual term in the bonds means this facility is not subject to the same restrictions as the rest of Tesla's property.

Covenant Review, a research group that analyses bonds documents, explains that this means the Gigafactory "can be freely pledged to secure debt".

In other words, if Tesla truly gets into trouble, bondholders may find the company mortgaging its battery factory to raise debt that ranks ahead of them.

For the sophisticated hedge funds that make money out of lending to distressed companies, that could truly be a "no brainer".

See Lex

Tesla's prized Gigafactory 'can be freely pledged to secure debt'

Capital markets

Debt clause puts AT&T at risk of $1.1bn payout

ERIC PLATT AND ALEXANDRA SCAGGS
NEW YORK

The US telecoms company AT&T faces the prospect of paying up to $1.1bn for financing its acquisition of Time Warner, a deal currently hanging in the balance thanks to an antitrust challenge from the US government.

AT&T is servicing roughly $30bn of debt that it sold last year to fund the proposed $85.4bn purchase of Time Warner, the owner of the HBO television channel and Warner Brothers studio.

The cost will mount to more than $1bn if the company is forced to honour all of the remaining "special mandatory redemption" agreements, known as SMRs. As part of the $30bn debt fundraising, the company promised it would buy back debt from investors at a premium if the takeover was not completed by April 22.

AT&T's financing quagmire shows how unexpected hurdles in debt-funded deals can spur tension between lenders and corporate treasurers. It also illuminates a previously unknown risk for deals financed with debt that include special redemption agreements. These clauses have become increasingly standard in debt-funded deals in recent years.

With the antitrust trial over the deal having begun on March 22, AT&T has given no sense of optimism that the case will be resolved by next month's deadline. On March 20, the company said it would use a provision in its bond documents to redeem notes maturing in 2023.

If AT&T is required to pay the SMR premium on the rest of its debt, it could be responsible for an additional outlay of more than $200m to bondholders. Combined with past and future interest payments owed through to the April 22 deadline, it may pay as much as $1.14bn to service that debt, according to a Financial Times analysis of the deal's financing in US dollar, euro and sterling markets, as well as discussions with investors.

"It's a little surprising that they got themselves in a situation . . . where they made such a material mistake and got nothing out of it," said Matthew Brill, a portfolio manager with Invesco.

Investors often press for the inclusion of SMRs as protection in case a deal falls apart, since companies could then use the cash for a different acquisition which is less appealing to the lenders.

Josh Lohmeier, the head of US investment grade credit at Aviva Investors said: "You need some comfort that they will right-size their capital structure in the event it falls through," he said. "And this gives you that guarantee. Otherwise they could keep the debt as a war chest for other acquisitions and then suddenly . . . look far overleveraged."

AT&T declined to comment on the matter. Bank of America Merrill Lynch, Goldman Sachs, JPMorgan, Mizuho and MUFG, which led the bond sale, all declined to comment.

A bill above $1bn would prove substantial but not crippling, since filings show the US telecoms group had a $50bn stockpile of cash and cash equivalents at the end of the fourth quarter of 2017. That figure includes billions of dollars that AT&T raised through its bond sale last year. The debt raised to buy Time Warner will have accumulated about $895m of interest by April 22, excluding the effects of the SMRs.

AT&T may have to buy back debt for its Time Warner deal at a premium

The company's decision to raise capital for the takeover before winning regulatory approval was seen as a prudent step when bankers began marketing the deal. Interest rates were low and investor orders for the $22.5bn sale topped more than $60bn.

David Lopez, a partner at law firm Cleary Gottlieb, noted that while AT&T had been paying interest on its debt, the company had probably come to the conclusion it was a "reasonable cost" to mitigate the risk that financing would not be available in the future.

"You don't want an acquisition to slip through your fingers because financing is not available to you."

But then the Trump administration unexpectedly moved last November to block the takeover of Time Warner. The Department of Justice had not litigated a vertical merger — in which a producer buys a company that distributes its products, or vice versa — in decades.

The company's predicament seems to have caught the attention of other issuers in the market.

US drugstore chain CVS included a nearly 16-months-long SMR agreement in its $40bn bond sale to fund its takeover of health insurer Aetna. By contrast, the clause in AT&T's deal gave the telecoms company less than nine months to finalise its takeover from the time it sold its US dollar debt.

Capital markets

Lift for funds as China revives outbound investment scheme

DON WEINLAND — HONG KONG
GABRIEL WILDAU — SHANGHAI

After a two-year wait, China has revived a scheme allowing asset managers including JPMorgan Chase to raise funds from China onshore clients for investment in offshore hedge funds.

The easing of capital controls shows how regulators are increasingly relaxed about cross-border capital flows amid a stable Chinese economy and persistent dollar weakness.

JPMorgan Asset Management had received a quota for the programme, and several other asset managers were expecting similar allotments, three people familiar with the situation said.

JPMorgan received a $50m quota in January, one of those people said.

BNP Paribas Asset Management was expecting approval for a quota from the State Administration of Foreign Exchange, another person said.

The outbound investment scheme for qualified domestic limited partners, or QDLPs, was launched in 2013 but informally halted in 2016 as foreign exchange regulators grew concerned about capital flight and renminbi depreciation.

China policymakers are preparing market opening measures in securities, insurance and fund management to appease US trade warriors.

Although the QDLP relaxation predates the increase in US-China trade tension, the quotas will be welcomed by fund managers eager to win greater access to China after years of incremental opening.

The controls on capital flight remained tight throughout 2017 as many asset managers such as Alliance, Aberdeen Standard Investments, BNP Paribas Asset Management and Och-Ziff waited for news on the restart of the scheme.

But at $50m, JPMorgan's quota pales compared to similar Chinese channels for outbound investments.

For example, by the end of June last year, $90bn in quotas had been awarded to the 132 institutions that participate in a separate offshore investment programme, qualified domestic institutional investors, or QDII.

JPMorgan Asset Management declined to comment.

Safe, which issues QDLP quotas, and the Shanghai Financial Services Office, which licenses foreign asset managers for participation in the programme, did not answer requests for comment.

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РЕЛИЗ ПОДГОТОВИЛА ГРУППА "What's News" VK.COM/WSNWS

Markets & Investing
FINANCIAL TIMES

The day in the markets

What you need to know

- Tech sector jitters transmit to Europe
- Faang stocks mixed in New York
- Broader US equities find support
- Treasury yield curve flattest in 10 years

US Treasury yield curve flattens to 10-year low
Spread of 10-year less 2-year Treasury (%)

Source: Thomson Reuters Datastream

Technology sector jitters pushed European stocks close to two-year lows before a late recovery while investors sought safety by buying Treasuries.

The worst slump in US tech "Faang" stocks in New York late on Tuesday triggered more frenetic activity in a week punctuated by heavy market swings.

"To put some perspective on things, the last four days have seen points moves for the Dow [Jones Industrial Average] of 345, 669, 425 and 724," said Jim Reid of Deutsche Bank. "That's an average of 541 points. The average daily move in 2017 was just 68 points and there were only three days last year when there was a move of at least 300 points — incredible."

Wall Street stemmed the slide yesterday with the S&P 500 lacking clear direction as US fourth-quarter growth figures were revised upwards to 2.9 per cent. Techs remained under some pressure with a 0.6 per cent fall in the Nasdaq Composite as Amazon's retreat of 4.9 per cent highlighted a mixed day for the Faangs.

The sector's slide was also a prominent feature of the European market's performance as the Euro Stoxx 600 tech index sank 1.8 per cent. The main Europe benchmark closed 0.5 per cent higher after coming within a whisker of Monday's two-year low.

"The rise in the Vix has dovetailed with bigger and more frequent drawdowns in global equities," said Mark McCormick of TD Securities. "The pricing in of the end of easy money is now bumping up against the rise in geopolitical uncertainty, creating a perfect mix for markets to remain skittish."

In foreign exchange markets, the US dollar index shook off recent weakness to record a second straight daily gain of 0.4 per cent.

Risk-averse investors snapped up Treasuries, pushing 10-year yields down 4 basis points to 2.75 per cent as the spread with two-year yields sank to 48.8 percentage points — the flattest that the US yield curve has been for 10 years.

Pointing to renewed signs of nerves in the bond market, Mr Reid added: "We also couldn't help but notice that the value of negative yielding bonds around the globe is back up to $8.8tn. This is after the combined value fell below $7tn in early February." **Stephen Smith**

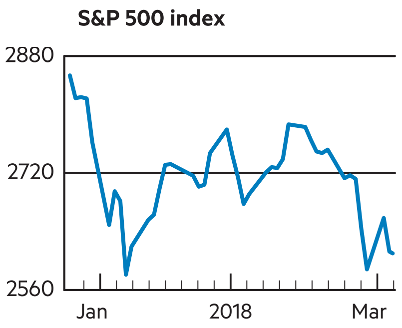
Markets update

	US	Eurozone	Japan	UK	China	Brazil
Stocks	**S&P 500**	**Eurofirst 300**	**Nikkei 225**	**FTSE100**	**Shanghai Comp**	**Bovespa**
Level	2610.14	1445.96	21031.31	7044.74	3122.29	83332.52
% change on day	-0.09	0.53	-1.34	0.64	-1.40	-0.57
Currency	**$ index (DXY)**	**$ per €**	**Yen per $**	**$ per £**	**Rmb per $**	**Real per $**
Level	89.544	1.235	106.215	1.410	6.289	3.337
% change on day	0.192	-0.403	0.421	-0.283	0.244	0.218
Govt. bonds	**10-year Treasury**	**10-year Bund**	**10-year JGB**	**10-year Gilt**	**10-year bond**	**10-year bond**
Yield	2.751	0.500	0.031	1.365	3.751	9.547
Basis point change on day	-6.920	0.000	-0.360	-5.200	-0.200	11.000
World index, Commods	**FTSE All-World**	**Oil - Brent**	**Oil - WTI**	**Gold**	**Silver**	**Metals (LMEX)**
Level	332.56	68.39	64.08	1332.45	16.46	3196.20
% change on day	-0.27	-1.65	-0.90	-0.67	-1.11	0.39

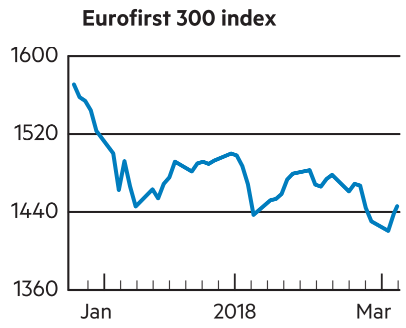
Yesterday's close apart from: Currencies = 16:00 GMT; S&P, Bovespa, All World, Oil = 17:00 GMT; Gold, Silver = London pm fix. Bond data supplied by Tullett Prebon.

Main equity markets

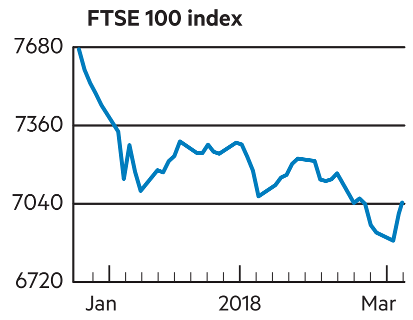
S&P 500 index



Eurofirst 300 index



FTSE 100 index



Biggest movers

%	US		Eurozone		UK	
Ups	Macy's	4.29	Terna	4.77	Shire	14.01
	Abbvie	3.84	Snam	4.66	United Utilities	8.32
	Allergan .	3.70	Unilever	4.34	Severn Trent	6.08
	Celgene	3.24	Red Ele.	3.80	National Grid	5.47
	Simon Property	3.08	L'oreal	3.76	Unilever	4.72
Downs	Concho Resources	-8.88	Stmicroelectronics	-5.42	Evraz	-6.05
	Red Hat	-6.20	Asml Holding	-4.53	Antofagasta	-3.90
	Netflix	-5.52	Skf	-4.01	Anglo American	-3.82
	Amazon.com	-4.77	Infineon Tech	-4.01	Scottish Mortgage Investment Trust	-3.43
	Freeport-mcmoran	-3.31	Lufthansa	-2.87	Glencore	-2.85

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

Retailers have been battered in recent years by falling sales and fears about how ecommerce may shake up the sector, but with tech under intense pressure yesterday, some of these US retail stalwarts were climbing higher.

Risers included **Macy's**, up 3.9 per cent, **Kohl's**, up 2.16 per cent, **Target**, up 1.8 per cent, **Walmart**, up 1.7 per cent, **Tiffany**, up 1.3 per cent, **Best Buy**, up 1.4 per cent, **Gap**, up 1.11 per cent, and **Nordstrom**, up 0.95 per cent.

Also surging were **Lululemon**, the yoga apparel company that reported stellar earnings on Tuesday, which was up 10 per cent, and **Restoration Hardware**, the furniture chain whose earnings also surprised Wall Street on the upside, at 20 per cent.

Investors fleeing tech were drawn to retail stocks after US economic data out earlier in the day showed consumer spending had increased in the final quarter of 2017 more than previously estimated.

Amazon, down 3.72 per cent, came under pressure after a media report that US president Donald Trump has a grievance with Jeff Bezos's behemoth. Any move to dent Amazon's strong grip on ecommerce could be to the benefit of conventional retailers. *Jessica Dye*

Eurozone

AMS, the Austrian semiconductor maker, was the Stoxx 600's sharpest faller, down nearly 10 per cent as technology stocks retreated on news that Nvidia had suspended tests of self-driving cars. Reports of weak Apple iPhone shipments put the sector under further pressure.

Exane BNP Paribas downgraded AMS to "neutral" from "outperform", describing the stock as "heavily exposed to Apple (50 per cent of first-quarter sales) and about half of this is attributed to iPhone X". BNP's "channel checks suggest that iPhone X unit build may reach only 10m units in the first quarter 2018 and be as low as 8m in the second quarter", missing the previously expected quarterly figure of 15m.

Other European semiconductor makers took hits, too. Germany's **Infineon Technologies**, whose biggest business is semiconductors for self-driving cars, dragged down the Dax as it fell nearly 4 per cent. Paris-listed shares in **STMicroelectronics** tumbled 5 per cent.

But some tech stocks were in demand. **Scout24**, which runs digital marketplaces for vehicles and real estate, jumped 4 per cent on the back of strong results, with earnings before tax up 13 per cent to €253m, and an encouraging outlook for 2018. *Bryce Elder, Chloe Cornish*

London

Utilities and defensive sectors helped lift the FTSE 100 thanks to falling bond yields and a global rotation away from technology stocks. **United Utilities**, **National Grid** and **Pennon** all registered their biggest daily gains in a decade.

Unilever climbed after UBS added the stock to its "buy" list. An 18 per cent drop from its October peak "creates a compelling entry point" as earnings expectations are not changing and emerging markets remain a major growth driver for the medium term, UBS said.

Burberry gained on an upgrade to "buy" from Goldman Sachs, which argued that luxury goods makers could revitalise sales by partnering with online retailers.

Shire was the day's top performer after Takeda of Japan confirmed it was considering a bid for the drugmaker.

NEX jumped to the top of the FTSE 250 gainers amid speculation, confirmed after the close of trade, that CME had made a formal £10 a share takeover offer for the trading technology group.

Primark owner **AB Foods** advanced after Morgan Stanley turned positive on valuation grounds.

Weakening oil and metals prices meant commodity stocks such as **Antofagasta**, **Evraz** and **BHP Billiton** missed out on the day's rally. *Bryce Elder*

With the first signs of lifeblood being drawn from Faangs, keep an eye on bonds

John Authers
Markets Insight

Has the market been defanged? The Faang stocks (an acronym for Facebook, Amazon, Netflix and Google that now includes other big internet names), have led the market in a remarkable way. Before its reversal, NYSE's Fang+ index had beaten the S&P 500 by 100 per cent since its 2014 inception.

Two explanations were touted for their success. One was that they had what Warren Buffett would call "wide economic moats" and others might call entrenched monopolistic advantages, and could be relied on to dominate the world for a generation.

The other was that, as with the "Nifty Fifty" stocks of the late 1960s and the dot-coms and TMT stocks of the late 1990s, dominance by a small group of companies was a symptom of a bull market in its final phase.

So either the sudden fall in the Faangs can be viewed as a spasm of doubt about the breadth of their competitive moats, or as a sign that a last driver of the bull market is being removed. The best guess is that it is both.

The business model of social media groups is under threat from the scandal around Facebook. Recent fatalities involving a Tesla car, and a self-driving Uber car, have caused a sharp reaction in assumptions of growth in that sector. However, as earnings from the next generation of cars lie a long way in the future, while any new regulation of social media is also going to be the product of many political decisions, valuing Faangs is largely a matter of guesswork.

In their positions as market leaders, the Faang's slip has been sudden and emphatic. Having continued to perform better than the market during the February correction, they have been pummelled in the latter half of March.

In the bond markets, yields are falling and curves flattening, while expectations for rate rises from the Federal Reserve have been clipped back. In the stock market, defensive "bond substitute" stocks have logged outright gains as the tech sector has fallen.

The rise in utilities is particularly dramatic. From December 3 until March 12, as the stock market staged a "melt-up" in response to the US tax cut, the S&P 500 information technology sector outperformed utilities 30 per cent, while the Fang+ index beat utilities by 46.5 per cent. Since then, they have underperformed utilities by 11 per cent and 16 per cent respectively.

> Investors want to see that the world economy has as much puff in it as they had assumed

Jim Paulsen refers to this as the "Popular/Panned ratio". This is the biggest reverse that ratio has suffered since the top of the dotcom bubble in 2000.

To some extent this is positive. It looks more and more as though the "melt-up" phase after the long rally was mercifully brief, certainly compared with the prolonged melt-up that gave us the dotcom bubble. But the precedent of 2000 implies that tech, and the stock market, have further to fall from here.

In bonds, the yield curve — meaning the gap between 10-year and 2-year Treasury bonds — is now its flattest since October 2007, following a sharp tightening. The benchmark 10-year Treasury yield has dropped back to 2.75 per cent, thwarting expectations that it would swiftly pass through 3 per cent.

Whether this is because bond investors think the Fed will be cowed by the falling stock market, or because they are nervous about growth and no longer convinced about inflationary pressure, or because markets are jammed by the hefty supply of bonds to fund the US deficit, the turn in sentiment is sharp.

What should we make of all of this? The upward trend in stocks is intact, lower bond yields should support stocks, there is no recession in sight, and even the Faangs have so far suffered no more than a correction. An imminent secular bear market still seems unlikely.

But it is not clear that this correction has corrected much. Price/earnings multiples on a trailing basis have only retreated to where they were a year ago. Prospective p/es look more attractive, but this is because of the rise in earnings forecasts induced by the tax cut.

Thomson Reuters finds that the market expects 18.4 per cent year-on-year profits growth in this quarter, and 19.7 per cent for the year as a whole.

Until earnings season starts, it is most important to watch the progress of bonds. Significant further falls in yields, and flattening in the yield curve, would throw out many comforting assumptions, albeit eventually cushioning equities. It is no longer a question of worrying about overheating — investors want to see that the world economy has as much puff in it as they had assumed.

And there is the fate of the Faangs. Much money is stored in the Faangs, and there are big profits to be booked by selling them. Judging by this week's action, such profits could be parked in long-dated bonds, which would continue a vicious cycle.

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