Newspaper of the Year

FINANCIAL TIMES

THURSDAY 12 APRIL 2018 | WORLD BUSINESS NEWSPAPER | EUROPE

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Hammer down

A US trucker on why life on the road still has a future — LETTERS, PAGE 8

Moscow acts on vow to help casualties of US sanctions

- Deripaska's Rusal hit by credit fears
- Pledge made on short-term liquidity

HENRY FOY AND KATHRIN HILLE
MOSCOW

Russia has pledged to provide short-term liquidity to Rusal, the aluminium producer led by Oleg Deripaska and savaged by US sanctions, in Moscow's first concrete move to support casualties of Washington's most painful economic measures against the country.

Rusal has warned of credit defaults and told its customers to stop paying the company after Friday's sanctions barred it from conducting any trades in US dollars or doing business with US citizens. The Hong Kong-listed company's shares have lost more than half their value and a number of directors have quit the board.

Analysts and bankers believed the company would collapse without state support, given widespread fears among international banks that any association with the company could drag them into the US Treasury's net.

"We must now take care of the stable operation of the enterprises owned by Rusal that fell under sanctions. There are still about 170,000 workers there," Anton Siluanov, Russia's finance minister, said. "[If] access to financial resources is limited, the state, in the form of banks, can help temporarily provide such liquidity."

At the end of 2017 Rusal had net debt of $7.6bn, with 92.5 per cent denominated in dollars. Compounding its predicament, the London Metal Exchange has said it has suspended the placing of Rusal's aluminium in its warehouses until it is assured that it can do so legally.

Rusal and EN+, Mr Deripaska's London-listed holding company, will be deleted from FTSE Russell's equity indices tomorrow, the index provider said. Rusal's corporate bonds will be excluded from JPMorgan's CEMBI index at the end of the month, Reuters said.

Mr Siluanov said there were no plans to create a state fund to buy aluminium from the company or for the government to purchase a direct stake in Rusal. He declined to say whether Rusal had applied for assistance.

"Companies that have been subject to sanctions, we will certainly support them, be it short-term liquidity [or] be it other support measures that are currently being worked on," he said.

"We have banking institutions, we have Promsvyazbank, which now will work under the government," he added, referring to a bank set up to finance Russian defence companies operating under US sanctions.

Dmitry Medvedev, Russia's prime minister, has threatened curbs on US imports or even products made in Russia by American companies in response to the sanctions, which hit six other oligarchs alongside Mr Deripaska and have battered Russia's stock market and currency this week.

The government would "look into" counter-sanctions on "a whole number of products", he said.

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Aluminium hits a high page 19

Twitter alert Trump warns Russia to stand ready for US strike on Syria

Sailors on the guided-missile destroyer USS Donald Cook as it leaves Cyprus — US Navy/AFP/Getty Images

Donald Trump has warned Russia to prepare for a US strike against its ally Syria, escalating tension over a possible military clash between the rival powers.

Rising expectations of a US-led raid on Syria, coupled with a rocket attack by Yemeni rebels on the Saudi Arabian capital Riyadh, pushed oil prices to their highest levels since 2014.

"Russia vows to shoot down any and all missiles fired at Syria. Get ready Russia, because they will be coming, nice and new and 'smart!' You shouldn't be partners with a Gas Killing Animal who kills his people and enjoys it!"

Mr Trump wrote on Twitter yesterday, in reference to President Bashar al-Assad of Syria.

His tweet followed warnings of retaliation from Moscow if US action over an alleged chemical weapons attack near Damascus were to threaten Russian forces in Syria.

President Emmanuel Macron of France suggested the US and its allies had decided to respond but were working on the detail of a military operation.

Theresa May, Britain's prime minister, appeared to be preparing to back a US-led attack. "All the indications are that the Syrian regime was responsible [for using chemical weapons]," she said. Jim Mattis, the US defence secretary, took a more cautious stance, saying: "We're still assessing the intelligence."

The Kremlin told Interfax news agency that Russia would not take part in "Twitter diplomacy" and instead favoured a "serious approach", adding that the "invented" chemical attack should not be a pretext for military action.

While humanitarian aid agencies and western governments have pointed the finger at Syria, Russia maintains there was no chemical weapons attack.

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Briefing

Brussels targets sports media rights
European officials have raided sports media rights companies, including a unit of Rupert Murdoch's 21st Century Fox, as part of an investigation into possible antitrust violations.— PAGE 11

President scorns Rosenstein and Mueller
Donald Trump has stepped up his attacks on Robert Mueller, the special counsel investigating alleged Russian interference, but reserved his strongest ire for deputy attorney-general Rod Rosenstein.— PAGE 3

Houthi missile fire over Riyadh boosts oil
Saudi Arabian air defence systems have intercepted missiles fired by Yemen's Houthi rebels over Riyadh and Jizan in attacks that drove oil prices to their highest in three year years.— PAGE 5; TAIL RISK, PAGE 19

Lagarde warning over trade war threat

The IMF chief has warned that the rules that underpin global trade are "in danger of being torn apart" by protectionist forces in "an inexcusable, policy failure".— PAGE 3

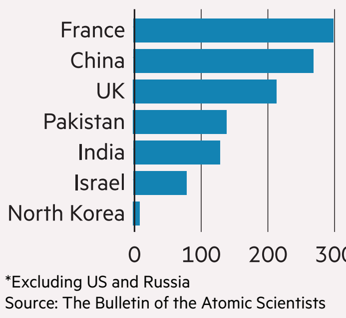
Merkel plays down coalition squabbling
The chancellor has said rows are inevitable but ministers need to get down to running Germany, after disputes erupted between the three governing parties over refugees, Islam and welfare.— PAGE 4

Istanbul arrests fuel free speech fears
A crackdown on a university where students expressed support for victims of Turkey's military operation in the Syrian Kurdish enclave of Afrin has raised fears for academic freedom.— PAGE 5

Studies point to Atlantic weather shift
Research teams have suggested global warming is weakening the circulation of the North Atlantic and could lead to hotter summers and fiercer winter blasts in Europe and the US coast.— PAGE 4

Datawatch

Nuclear weapons boom
Number of warheads (2017)*



*Excluding US and Russia
Source: The Bulletin of the Atomic Scientists

The US and Russia still control the vast majority of nuclear warheads, but the number of nuclear-capable nations has risen. Most recently North Korea became a nuclear power, preceded by Pakistan and India at the turn of the century

Key Republican Ryan calls time on Congress

Analysis ▸ PAGE 2

Paris Saint-Germain tackled by Uefa for 'overstating' €200m sponsor deals

MURAD AHMED — LONDON

Big-spending Paris Saint-Germain faces the threat of sanctions after a preliminary investigation showed sponsorship contracts valued by the Qatari-owned football club at about €200m were "overstated".

The findings of a Uefa probe will prompt further scrutiny of how the French club funded the signings of superstars Neymar and Kylian Mbappé, and could lead to a large fine or a ban from taking part in the Champions League, Europe's most prestigious club competition.

European football's governing body launched an investigation into PSG last year after it paid €222m to buy Brazilian player Neymar from Spain's FC Barcelona. French striker Mbappé was also signed on loan from AS Monaco, with a potential transfer fee of €200m.

European football executives at the time accused the French side of "financial doping" in the pursuit of trophies.

"Is Uefa going to be brave enough to enforce their own rules?" asked a person close to the investigation. "If not for PSG then, frankly, why bother?"

The Uefa probe is examining whether PSG, bought in 2012 by Qatar's state-funded Sports Investments, complied with financial fair play (FFP) rules.

According to several people close to the matter, Uefa's investigatory arm hired sports consultancy Octagon to conduct an independent review of PSG's sponsorship contracts amid concern that some of the money had come from "related parties" — entities with financial or other links to the club's owners.

Contracts under review include those with Qatar National Bank, Bein Sports and Qatar Tourism Authority, according to those with knowledge of the probe. The companies did not immediately respond to a request for comment.

Octagon was asked to determine the "fair value" of sponsorships and whether they were in line with market prices. According to two people with knowledge of the review, PSG's sponsorship contracts are considered to have been "significantly overstated".

Uefa's investigatory team is due to meet next week to discuss the review. PSG is also due to meet the governing body and is set to contest the findings.

Unless Uefa can be persuaded to assign a higher value to the deals, PSG is set to breach the FFP rule limiting clubs to maximum losses of €30m over three seasons, say people familiar with the process. Uefa said it could not comment. PSG and Octagon declined to comment.

Sports rights raids 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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World Markets

STOCK MARKETS

	Apr 11	prev	%chg
S&P 500	2654.52	2656.87	-0.09
Nasdaq Composite	7107.83	7094.30	0.19
Dow Jones Ind	24300.52	24408.00	-0.44
FTSEurofirst 300	1475.34	1484.28	-0.60
Euro Stoxx 50	3420.05	3438.78	-0.54
FTSE 100	7257.14	7266.75	-0.13
FTSE All-Share	3991.85	3995.86	-0.10
CAC 40	5277.94	5307.56	-0.56
Xetra Dax	12293.97	12397.32	-0.83
Nikkei	21687.10	21794.32	-0.49
Hang Seng	30897.71	30728.74	0.55
MSCI World $	2090.11	2061.19	1.40
MSCI EM $	1175.32	1163.07	1.05
MSCI ACWI $	511.04	504.18	1.36

CURRENCIES

	Apr 11	prev		Apr 11	prev
$ per €	1.239	1.235	€ per $	0.808	0.810
$ per £	1.421	1.417	£ per $	0.704	0.706
£ per €	0.872	0.871	€ per £	1.147	1.148
¥ per $	106.715	107.175	¥ per €	132.161	132.361
¥ per £	151.599	151.909	£ index	80.418	80.317
€ index	95.907	95.798	$ index	96.390	96.693
SFr per €	1.185	1.181	SFr per £	1.360	1.355

COMMODITIES

	Apr 11	prev	%chg
Oil WTI $	66.93	65.51	2.17
Oil Brent $	72.23	71.04	1.68
Gold $	1338.95	1331.95	0.53

INTEREST RATES

	price	yield	chg
US Gov 10 yr	95.37	2.79	-0.01
UK Gov 10 yr	98.22	1.40	0.00
Ger Gov 10 yr	100.32	0.51	0.01
Jpn Gov 10 yr	100.87	0.03	0.00
US Gov 30 yr	94.74	3.02	-0.03
Ger Gov 2 yr	101.90	-0.58	0.01

	price	prev	chg
Fed Funds Eff	1.68	1.67	0.01
US 3m Bills	1.74	1.76	-0.02
Euro Libor 3m	-0.37	-0.37	0.00
UK 3m	0.76	0.76	0.00

Prices are latest for edition | Data provided by Morningstar

A Nikkei Company

Pentagon eyes bigger strike against Syria than last year's

Russia vows to shoot down US rockets that threaten its forces backing Assad

Firepower: USS Donald Cook leaves Cyprus on Monday, reportedly heading towards Syria — Alyssa Weeks/US Navy/EPA

KATRINA MANSON — WASHINGTON
DAVID BOND — LONDON

The Pentagon is preparing options for an attack on Syria that US officials said could be bigger than the strike Donald Trump ordered against the Syrian regime last year.

Mr Trump warned yesterday that missiles "will be coming" after Russia vowed to shoot down any US rockets that threatened its forces in Syria. His comments came after the Russian ambassador to Lebanon reminded Washington that the head of the Russian military had said his forces would also strike the "source" of any US attack.

"We take seriously any threats to US or allied forces and will take any appropriate action necessary to ensure their safety and security," said a US official, who added that the administration was consulting closely with European and regional allies.

Officials said Mr Trump had yet to take a decision about a specific military response but that they expected any strike would be larger than the one he ordered a year ago.

Last April, the US fired 59 Tomahawk missiles at a Syrian air base after the regime of Bashar al-Assad used chemical weapons on its own citizens.

Jim Mattis, US defence secretary, yesterday said the US was "still assessing the intelligence" to determine if it could hold Mr Assad and his regime responsible for an alleged chemical weapons attack on Saturday that killed dozens of people, a threshold the administration is keen to address before proceeding with any strike.

"We stand ready to provide military options if they are appropriate," Mr Mattis said.

Officials said the US was engaged in rapid-fire diplomacy with a series of telephone conversations and meetings with allies and partners to build a coalition for a joint response throughout various levels and agencies of government. "We're trying to get the regional actors on board," one US official said.

In addition to France and Britain, the US has talked to Saudi Arabia, Israel and Qatar. But officials stressed the US was prepared to act alone if necessary. "Allies are critical, but we reserve the right to do things unilaterally," said one US official.

Pentagon officials want to ensure the US determines its end game ahead of any strike on Syria where the US has been an erratic player during the eight-year civil war.

"By January, February the regime was already nibbling around the edges by continuing to use chorine bombs to which the administration didn't respond and that has been compounded by the president saying last week he wanted troops out of Syria very soon," said Eric Edelman, a former top Pentagon official. "In order to restore deterrence you've got to do something far stronger."

US Central Command, which provides military plans for the region to the Pentagon, declined to comment on its plans.

Nicholas Heras, a Syria expert at the Center for a New American Security think-tank, said US officials were probably updating a longstanding package of military targets in the country, particularly around the capital Damascus, as the Assad regime reportedly moved its helicopters and planes to Russian air bases on the Syrian coast.

"The standard package of targets is about trying to break the spine of Assad's military infrastructure in his core area of control," said Mr Heras.

A more expansive set of targets could include Mr Assad's major bases in the central and eastern part of the country, including his T4 air base, which would affect Russian interests. It could also involve targeting chemical weapons factories and Assad family financial holdings, or attempting a strike against Mr Assad himself.

Nicholas Burns, a former state department official, said Mr Trump should strike Syria, but stressed that the US should take care to avoid targeting any Russian interests. "We don't want to have the US open up a conflict with Russia, even inadvertently, and that's a fine line that the president has to steer," said Mr Burns.

The British defence ministry did not comment on what military assets might be deployed in the event that UK prime minister Theresa May decided to back any US led attack on Syria. But a spokesperson confirmed there were assets already in the region deployed as part of the international coalition against Isis in Iraq and Syria.

The British military assets included six typhoon fighter jets, eight Tornados and one air-to-air refuelling tanker, all based at RAF Akrotiri in Cyprus. Also operating in the region are armed reconnaissance drones and a Royal Navy Type 45 destroyer which is on a Nato maritime mission.

It was unclear if the UK has a submarine in the Mediterranean.

Edward Luce page 9

UK military action
Ancient powers allow May to circumvent parliament

Theresa May, the UK prime minister, could send British forces into action in Syria without first consulting parliament, using ancient powers of royal prerogative that allow her to act on behalf of the crown.

David Cameron, Mrs May's predecessor, suffered a parliamentary defeat in 2013 when MPs refused to endorse military action in Syria after a previous chemical weapons attack. That contributed to Barack Obama's decision to abandon plans to enforce US "red lines" over chemical weapons.

If Britain joins the US and France in air attacks on Syria in the next few days, Mrs May can argue that she was unable to consult parliament because it is on its Easter recess.

Since any reprisals in Syria are expected to feature an aerial bombardment — Britain has GR4 Tornado jets stationed in Cyprus — and not ground troops, Mrs May can argue she had a right to act without consulting MPs. But Downing Street did not exclude an early recall.

After the US and France backed Britain over last month's nerve agent attack in Salisbury, it is seen as unthinkable in senior British circles that the UK would not join them in an attack on Bashar al-Assad's forces.

One senior official said: "In both cases the words 'chemical weapons' arise. We have to do something. But if we are sensible, it should be short, sharp and focused."
George Parker, London

Civil war. Douma

Experts say gas attack proof will take weeks

Inspectors are struggling to access site of alleged atrocity as Assad's troops move in

DAVID BOND — LONDON
REBECCA COLLARD — BEIRUT

Days after haunting scenes emerged of victims of a suspected gas attack being hosed down with water, convulsing and foaming at the mouth, questions remain over exactly what happened in the Syrian town of Douma.

During a seven-year civil war, the Syrian government has been accused of carrying out dozens of chemical attacks on civilians, but the weekend assault on the outskirts of Damascus has provoked international outrage and threatened to put the US on a collision course with Russia.

The World Health Organization demanded yesterday that President Bashar al-Assad allow its inspectors access to the site of the alleged attack. In said an "estimated 500 patients presented to health facilities exhibiting signs and symptoms consistent with exposure to toxic chemicals".

Syrian medical workers in opposition areas have put the death toll at more than 40, which would make it the largest suspected chemical attack since more than 80 people were killed in a sarin attack on the rebel-held town of Khan Sheikhoun a year ago. But little information has emerged from Douma, the last rebel-held town in the Eastern Ghouta suburbs on the edge of Damascus, since reports of the attack emerged.

And experts warn that it could take weeks for details of exactly what happened to become clearer as government forces retake control of area: Eastern Ghouta has endured an intense months-long regime offensive that has killed more than 1,600 people.

Journalists have struggled to contact people in Douma and some Syrian activists have accused the government of cutting communication lines. When phones and internet connections did work again, it was difficult to reach anyone in the area who said they saw the attack. Doctors and rescue workers, who usually speak after such attacks in Syria, were unavailable.

Ahmad Tarakji, president of Syrian American Medical Society, a charity that supports doctors in Syria, said that might be because people knew government forces would soon enter Douma, the last rebel holdout near the capital.

"You are witnessing the transition of the town," said Dr Tarakji. "You can't speak against the government."

The Organisation for the Prohibition of Chemical Weapons, the international watchdog, said on Tuesday it was preparing to travel to Syria "shortly". But it was not clear if the mission had been granted access to the site of the alleged attack. Even if the agency does get access, it is likely to be weeks until the OPCW delivers its findings.

Following the attack on Khan Sheikhoun a year ago, it took three months for the watchdog to confirm sarin, a deadly nerve agent, was used. The OPCW did not visit the site for security reasons and had to rely on bio-medical samples from casualties and fatalities, interviews with witnesses and environmental specimens.

Chemical weapons specialists who spoke to the Financial Times said that based on the evidence that had emerged from Douma, there was no question that it was the latest Syrian town to suffer a chemical attack.

Hamish de Bretton-Gordon, a former commanding officer of the UK's chemical biological radiological and nuclear regiment, said: "There's no doubt this was a major chemical weapons attack. The big question is whether it was chlorine or sarin. I am favouring a mix of the two."

The Syria regime has been repeatedly accused of using chlorine as a weapon. The substance is not banned by OPCW but it is illegal to weaponise the gas.

> 'It was probably chlorine judging by the evidence from the videos and the symptoms'

Another specialist said chemical agents such as chlorine or sarin were "volatile in open air" meaning they would quickly disperse, making it hard to gather evidence.

"It was probably chlorine judging by the evidence from the videos and the symptoms. Nerve agents are more fast-acting," said Dave Butler, managing director of the security firm CBRN UK.

Dr Tarakji said he feared that as the remaining rebels were evacuated and the Syrian government took control of Douma, important evidence could be destroyed. And while identification of the chemical used might be possible, apportioning blame might prove more elusive.

Even after the OPCW concluded that sarin was used in the Khan Sheikhoun attack, it did not apportion blame to the Assad regime. It is not the agency's job to determine who is responsible for chemical weapons attack, and it was not until October that the UN blamed the Assad government, six months after the US responded by hitting a Syrian air base with 59 Tomahawk missiles.

However, Mr de Bretton-Gordon said US intelligence reports were likely to have already provided clear evidence of the Assad government's involvement.

Additional reporting by Asser Khattab in Beirut

Medical staff treat children after an alleged chemical attack in Douma — Reuters

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Republican party

House Speaker Ryan opts not to seek re-election in November

SAM FLEMING — WASHINGTON

House Speaker Paul Ryan says he will not run for re-election in November, in a move that will heighten anxiety among Republicans about the party's prospects in the midterm elections.

The decision will unleash a succession battle within the Republican party, with Kevin McCarthy, House majority leader, and Steve Scalise, majority whip, seen as the most likely contenders for the post.

Mr Ryan said he would serve out his time as Speaker, adding that he was leaving the House because he wanted to spend more time with his family.

"I will be retiring in January, leaving this majority in good hands with what I believe is a bright future," he said.

The Republicans view the November elections with deep trepidation, with many analysts predicting the House could fall to the Democrats. Dozens of Republicans have already announced they are not seeking re-election as analysts predict a wave of Democratic support aided by the unpopularity of the president.

Among the latest to decide against running again in the House is Dennis Ross, a Florida Republican, who announced his intentions yesterday.

"If you are fighting the toughest war in years and your general retires, that is not a good sign," said Larry Sabato, a professor of politics at the University of Virginia. The move was likely to be interpreted as an acknowledgment that the Republicans were on course to lose the House.

The jockeying to succeed Mr Ryan at the helm of the House Republicans will probably start immediately, with his departure opening the door to a more Trump-friendly leadership in the chamber. Both Mr McCarthy and Mr Scalise are seen as having stronger relationships with the president.

Mr Ryan initially declined to endorse Mr Trump's candidacy during the 2016 race. While they joined forces to push through a tax-cutting bill in late 2017, the two men were never close.

Just last month Mr Trump publicly toyed with the idea of vetoing a spending bill brokered by the two parties on Capitol Hill, before ultimately signing the legislation.

Mr Trump said Mr Ryan was a "truly good man" who left "a legacy of achievement that nobody can question".

There has been speculation for months that Mr Ryan might step down, but the timing of his decision came as a surprise. Some politicians had expected Mr Ryan to resign after clinching re-election to his Wisconsin seat, but the Speaker insisted it would not have been honest to run in the knowledge that he did not intend to serve out his term.

Mr Ryan's decision leaves a closer race for his district, with analysts at the Cook Political Report shifting the seat from solid Republican to "lean" Republican. The Speaker played down the likely impact of his departure on the November elections, saying whether or not he stayed in 2019 was not going to affect an individual's race for Congress.

Mr Ryan was the running mate to former Republican presidential contender Mitt Romney, before agreeing to serve as Speaker in 2015 following the decision of his predecessor, John Boehner, to quit. Mr Ryan stressed that while he had been reluctant to serve in the post, he had accomplished much of what he had sought to do.

Chuck Schumer, the top Democrat in the Senate, urged Mr Ryan to use his "new-found political freedom" to break free of the right wing in the House and work with the Democrats, but the Speaker's announcement cements the impression that big legislative moves are unlikely before the elections.

Mr Ryan forged his reputation as a deficit hawk, but he will leave with public finances in an increasingly parlous state following the $1.5tn tax cut and subsequent spending bill.

The Congressional Budget Office this week forecast a return to trillion-dollar annual deficits in 2020.

Paul Ryan: has never had a close friendship with Donald Trump

Trump finds new target in fight against Russia probe

Deputy attorney-general denounced after federal agents raided office and home of president's personal lawyer

KADHIM SHUBBER — WASHINGTON

Under pressure: Rod Rosenstein at his Senate confirmation hearing in March last year — J Scott Applewhite/AP

Donald Trump stepped up his attacks on the special counsel investigating alleged Russian election interference yesterday but reserved his strongest criticism for his deputy attorney-general, the top government official overseeing the probe.

For months, Democratic lawmakers have warned the president against dismissing Robert Mueller, the former FBI director investigating Russia's alleged involvement in the 2016 presidential election. But Mr Trump has also been directing his broadsides at another, less politically risky, target.

The president denounced Rod Rosenstein, a career prosecutor whom he appointed, as being the "most conflicted" official involved in the Russia probe in comments yesterday morning.

Mr Trump cited the deputy attorney-general's memo that recommended the firing of James Comey, the former FBI director, along with his signing of a Foreign Intelligence Surveillance Act (Fisa) wiretap application targeting Carter Page, a former Trump campaign aide.

"Much of the bad blood with Russia is caused by the fake & corrupt Russia Investigation, headed up by the all Democrat loyalists, or people that worked for Obama. Mueller is most conflicted of all (except Rosenstein who signed Fisa & Comey letter)," the president tweeted, adding "No collusion, so they go crazy!"

Mr Rosenstein oversees the Russia probe after Jeff Sessions, the attorney-general, recused himself from matters relating to the 2016 election after he failed to disclose his contacts with the Russian ambassador during his Senate confirmation hearing

The prosecutor appointed Mr Mueller and determines what topics fall within the remit of the special counsel's investigation. He will decide whether to make public any reports Mr Mueller writes.

The deputy attorney-general attracted Mr Trump's fury this week after federal agents raided the office and home of Michael Cohen, the president's personal lawyer.

The search warrants, obtained and executed by the US attorney's office for the southern district of New York, marked a new stage in the investigation surrounding Mr Trump. They were, in part, the result of a referral from Mr Mueller's office, according to Mr Cohen's attorney.

Department of Justice guidelines require the special counsel to consult on matters he discovers outside of his jurisdiction with the deputy attorney-general, who can decide to allow Mr Mueller to investigate or refer it to other prosecutors.

The action by New York prosecutors sparked new outrage from the president and led to reports that he was looking at whether he could fire Mr Rosenstein.

On Tuesday, Sarah Huckabee Sanders, White House press secretary, said "certainly the president has voiced his frustrations" with his deputy attorney-general, who reportedly signed off on the warrants. The DoJ has declined to comment.

The attacks on Mr Rosenstein have been building in the conservative media and have been mirrored by Republican lawmakers, who accuse the FBI of political bias in its investigations of the Trump campaign.

On Tuesday, Devin Nunes, the Republican chairman of the House intelligence committee, threatened to "impeach" Mr Rosenstein and Christopher Wray, the FBI director, if the DoJ did not hand over documents relating to the initial probe into Trump campaign aides in 2016.

Earlier this year, Mr Nunes released a memo that said Mr Rosenstein had signed an application to extend surveillance of Carter Page, who worked on the Trump campaign.

The president faces no legal constraints in firing Mr Rosenstein as he is a political appointee, according to Alan Rozenshtein, a former DoJ attorney.

"There is a certain logic for Trump to fire Rosenstein but not fire Mueller on the theory that acting gradually to hamstring the investigation is going to be politically much less problematic than acting really abruptly," said Mr Rozenshtein, a visiting assistant professor at the University of Minnesota Law School. Mr Trump could then attempt to install "a less independent, more pliant" deputy attorney-general in his place.

> 'There is a certain logic for Trump to fire Rosenstein but not fire Mueller'

Democratic lawmakers and some Republicans have warned Mr Trump against attempting to interfere in the Russia investigation, pointing to any attempt to fire Mr Mueller as a red line. This week, Republican senator Charles Grassley said: "I think it would be suicide for the president to fire him."

It is less clear whether the departure of Mr Rosenstein would stir Republican feelings in the same way.

"He's not as prominent. He's not the special counsel," said Douglas Heye, former Republican National Committee communications director. "The special counsel is going to draw more fire and attention."

Mr Heye said Mr Trump's support was strong and Republicans in Congress were unlikely to risk their ire. "Substantively what changes on Capitol Hill, I don't think anything does," he said.

Lagarde speech

Trade war risks ripping apart global rules, IMF chief warns

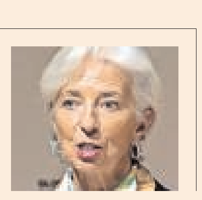
CHRIS GILES — LONDON

Christine Lagarde has warned that the rules that underpin global trade were "in danger of being torn apart" by protectionist forces in what the managing director of the IMF said would be "an inexcusable, collective policy failure".

Speaking at the University of Hong Kong yesterday, Ms Lagarde warned of the gathering threats of a trade war and the rapid rise in public and private debt.

But she stressed that the global economy continued to grow strongly and remained optimistic about the remainder of 2018 and for 2019.

Tit-for-tat tariffs announced by the US and China have sparked fears of a damaging trade war between the world's two largest economies.



Christine Lagarde: the IMF chief called on countries to 'steer clear of protectionism in all its forms'

"The multilateral trade system has transformed our world over the past generation. But that system of rules and shared responsibility is now in danger of being torn apart. This would be an inexcusable, collective policy failure," she said.

Next week finance ministers from around the world gather in Washington to discuss what the IMF chief said were "darker clouds looming" on the horizon.

Ms Lagarde criticised the thinking of Donald Trump's US administration, while also directing her ire at Germany's trade imbalances and the lack of proper protection of intellectual property and inefficient state subsidies in China.

Tariffs "not only lead to more expensive products and more limited choices, but they also prevent trade from playing its essential role in boosting productivity and spreading new technologies", Ms Lagarde said, as she called on countries to "steer clear of protectionism in all its forms".

She was critical of the Trump administration's focus on the US bilateral trade deficit with Beijing, saying that this was the result of complicated global supply chains in which China ran a significant trade deficit with other countries from which it imported component parts.

She said the Trump administration should look closer to home to improve its overall trade deficit. "The US, for example, could help tackle excessive global imbalances by curbing gradually the dynamics of public spending and by increasing revenue — which would help reduce future fiscal deficits."

Germany, meanwhile, should use its excess savings, which drives its trade surplus "to boost its growth potential — including through investments in physical and digital infrastructure".

In a passage aimed at China, she said that an important trade policy reform package would include "better protecting intellectual property, and reducing the distortions of policies that favour state enterprises".

"Let us redouble our efforts to reduce trade barriers and resolve disagreements without using exceptional measures," Ms Lagarde said.

She also sought to highlight fears for the continued growth of public and private debt, which IMF research to be published next week will say has reached an all-time high at $164tn.

"Compared to its 2007 level, this debt is 40 per cent higher, with China alone accounting for just over 40 per cent of that increase," Ms Lagarde said.

She said that without action being taken to cut the build-up of debt, countries were more vulnerable to shocks, as were the banks and corporate sectors of countries where debt had grown quickly, especially China and India.

Germany

Merkel plays down friction in grand coalition

Chancellor rallies cabinet as parties quarrel over refugees and welfare state

GUY CHAZAN — BERLIN

German chancellor Angela Merkel played down the squabbling that has broken out in her fractious grand coalition, saying arguments were inevitable but ministers should now get down to the serious business of running the country.

"It's clear we're going to be extremely busy," she said yesterday after a two-day session of her new cabinet in the government retreat of Schloss Meseberg.

"Everyone will have their work cut out, and there won't be much time for anything else."

The first few weeks of Ms Merkel's new grand coalition have been overshadowed by a spate of acrimonious rows over everything from refugees and the role of Islam in Germany to law and order and the future of the welfare state.

The arguments come at a time when all three government parties — Ms Merkel's Christian Democrats, their Bavarian sister party the CSU, and the Social Democrats — are at pains to point out their differences, with polls showing that voters increasingly struggle to tell the three of them apart.

The SPD says that was one of the main reasons for its dismal performance in last year's Bundestag election, when it fell to its worst result in postwar German history: a third of members voted against teaming up with the conservatives in a referendum last month.

Holed up: Angela Merkel arrives at Schloss Meseberg yesterday for a second day of cabinet talks
Axel Schmidt/AFP/Getty Images

Horst Seehofer, interior minister and leader of the arch-conservative CSU, kicked off the latest round of internecine sniping by claiming that Islam "does not belong to Germany", prompting cries of outrage from both the CDU and SPD.

The health minister, Jens Spahn, a standard-bearer for the CDU's conservative wing, then sparked controversy by claiming in a newspaper interview that law and order had broken down in a number of German cities, such as Essen, Duisburg and Berlin.

"You have the impression that the state either won't or can't enforce the law," Mr Spahn, who is being seen as a potential successor to Ms Merkel, told the Neue Zürcher Zeitung.

SPD politicians condemned the comments and called on Ms Merkel to corral her unruly ministers. "Spahn and Seehofer are competing with each other as to who can attract the most attention," said Thorsten Schäfer-Gümbel, the SPD's deputy leader. "Spahn should be worrying about improving the system of care, not about making headlines."

Speaking after this week's ice-breaking session in the elegant surroundings of Schloss Meseberg, a baroque palace not far from Berlin, Ms Merkel said such frictions were inevitable at a time when

'Our fundamental beliefs are different. But there is still a will to reach agreement'

the coalition parties were trying to differentiate themselves from each other and become "more easily recognisable".

"We are different personalities, members of different parties and our fundamental beliefs are different," she said. "But there is still a will to reach agreement."

She set out some of the main priorities of the new government, including plans for Germany to reach full employment by 2025.

More immediately, ministers would, she said, pass the budget for 2018 at a cabinet meeting on May 2. The government plans no new borrowing and is aiming for a balanced budget, continuing the tradition established by the previous finance minister, Wolfgang Schäuble.

Ms Merkel said ministers would also need to pass a law regulating family reunions for refugees, to replace the current regulations which expire in July. In their coalition agreement, the three parties decided that no more than 1,000 family members a month could come to Germany, a move that human rights groups and migrant organisations condemned as draconian.

Unfair trading

Brussels targets big buyers in plan to protect food suppliers

ROCHELLE TOPLENSKY — BRUSSELS

Brussels is proposing to crack down on food buyers that force predatory terms on small suppliers, in a move to protect producers that has alarmed some large European retailers.

Phil Hogan, EU agriculture commissioner, will today unveil a package of reforms to ban "unfair" contract terms and empower national authorities to police the conduct of big buyers such as supermarkets and food production companies.

The proposal would set minimum standards so member states could take action "to protect the more vulnerable [suppliers] in the food chain", Mr Hogan told the Financial Times. "If there are not unfair trading practices happening, then [buyers] have nothing to fear."

Many small-scale food producers, such as dairy farmers or fruit growers, work on tight margins and have little bargaining power when they deal with the large companies that buy their products. This leave them vulnerable to being squeezed on contract terms they have little choice but to accept.

Small suppliers are hesitant to complain for fear of being labelled a troublemaker or excluded from future deals

Unfair trading practices have been on Brussels' agenda for some time, but the EU has avoided intrusive regulation. Instead it has developed the Supply Chain Initiative, a voluntary code of conduct which outlines fair business practices throughout the supply chain and helps resolve disputes.

However, some EU member states have gone further at a national level, which is one reason the European Commission thinks further action from Brussels is justified.

Mr Hogan singled out the UK's groceries code adjudicator, set up four years ago, as "a wonderful example" of what can be done. The body monitors the 10 largest UK food retailers and their relations with their direct domestic and international suppliers. It works with companies to address concerns but can consider confidential complaints, make binding recommendations and levy fines of up to 1 per cent of turnover.

The EU's proposed new approach has worried some buyers, who fear it will distort the market without helping farmers in practice. "The commission has not produced any evidence of a structural problem or of the utility of EU legislation in resolving it," said Christian Verschueren, director-general at EuroCommerce, an association representing retailers and wholesalers. "Political gestures do not make for good or better regulation. This directive will not do anything to help farmers."

The commission proposal would ban unilateral or retroactive changes to contracts and outlaw taking longer than 30 days to pay suppliers of perishable products. Another group of arrangements would be acceptable only if both buyers and sellers agreed.

Farming representatives welcomed the proposal. "We want to ensure the food supply chain works better and this needs to be done through legislation at EU level as we have clearly seen that voluntary approaches alone do not work," said Pekka Pesonen, secretary-general at Copa-Cogeca.

Ocean currents

Global warming to give colder winters and hotter summers

CLIVE COOKSON — LONDON

Global warming is weakening the circulation of the North Atlantic Ocean, which plays a crucial role in the world's climate, including keeping winters in western Europe relatively mild.

Two international research teams have published separate studies in the journal Nature, which together add powerful evidence to fears that the system of ocean currents known as the Atlantic Meridional Overturning Circulation or Amoc is losing strength.

Amoc's strength has declined by 15 per cent since the mid-19th century and is at its weakest for at least 1,500 years — and probably since the end of the last big Ice Age 11,500 years ago — said David Thornalley of University College London, lead author of one study by scientists at UCL and Woods Hole Oceanographic Institution in the US.

If the weakening continues, the impact on Europe and the US east coast could be serious. Winter weather is likely to become less stable, with more outbursts of extremely cold air from the Arctic.

It could have the opposite effect in summer. For example the 2015 European heatwave was paradoxically linked to record cold in northern Atlantic waters that year.

That promoted an air pressure system that funnelled warm winds from the south into Europe.

Further afield, a weakened Amoc tends to push African rainfall belts southward, increasing the risk of drought in the Sahel.

According to most climate models, there is only a small risk of the weakening leading to a complete shutdown of Amoc, which would be catastrophic. "But our work does suggest that they are underestimating the chance of abrupt changes," said Mr Thornalley.

Amoc is a powerful heat transport system that carries water from the tropics north-west in the Gulf Stream to temperate and polar regions, where it releases energy.

The cooled water is denser, so it descends to the ocean's lower depths and flows south again.

A warmer climate weakens Amoc by melting Arctic and Greenland ice (and increasing rainfall), which releases fresh water into the Atlantic at high latitudes.

Reduced salinity makes the water less dense, and therefore less liable to sink and return south.

In the second study, scientists at the Potsdam Institute for Climate Impact Research in Germany used climate model data to confirm that sea surface temperature patterns are a good indicator of Amoc's strength.

Universities. Academic dissent

Turkey campus raids fuel fears over free speech

Officials say arrests are legitimate action to quash support for Kurdish militants

LAURA PITEL — ANKARA

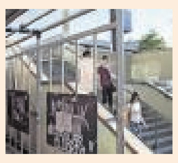
The hilltop campus of the prestigious Bogazici University in Istanbul was long viewed as a sanctuary. But in recent weeks its tranquility has been shattered.

Armoured vehicles have entered the campus, police have raided libraries and accommodation blocks and more than two dozen students have been detained.

The clampdown was triggered by a fight over Turkey's military operation in the Syrian Kurdish enclave of Afrin. A student society set up a stand offering sweets in honour of those killed in the operation. Other students objected and a scuffle broke out.

The dispute prompted a furious response from President Recep Tayyip Erdogan, who slammed the antiwar protesters as "communist, traitor youth".

"We won't give these terrorist youth the right to study at these universities," he vowed.



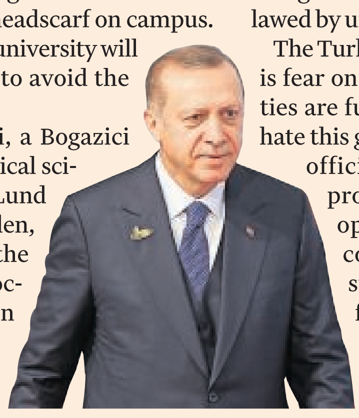
Big brother: students at Istanbul's Bogazici University say undercover police remain on campus

Turkish officials insist the arrests are a legitimate security measure aimed at quashing support for the outlawed Kurdish militant group that was the target of the Afrin campaign. But critics view the clampdown at the state institution as a fresh salvo in a wider assault on academic freedom in Turkey.

"Students don't want to come to university because there are still undercover police on campus," said Cihangir Oz, a first-year student. "Everyone is asking: how can we create a scholarly environment when police are in the library and in the dorms?"

Bogazici staff are proud of the university's reputation for liberalism and have staunchly guarded its independence. In the 1990s, they defied the secularist generals by allowing female students to wear the Muslim headscarf on campus. But many fear the university will no longer be able to avoid the growing pressure.

Umut Ozkirimli, a Bogazici graduate and political science professor at Lund University in Sweden, said: "This is just the latest step in a process that has been going on for some time now. Everyone knew that Bogazici and the private universities could not remain unscathed. And now it has started."



Recep Tayyip Erdogan

The early years under Mr Erdogan's Justice and Development party (AKP) were viewed by many as a golden era for academic freedom, with space opened up for debate on subjects long considered taboo. But critics say as the Turkish president has adopted an increasingly majoritarian style of leadership, infused with a religious form of Turkish nationalism, he has grown more intolerant towards dissenting voices.

Mr Erdogan was enraged by a petition in 2016, signed by more than 2,000 academics, that criticised his government's military operations against an outlawed Kurdish militia. He described the signatories as terrorist supporters, prompting a wave of sackings and arrests.

The crackdown accelerated in the wake of the violent coup attempt in 2016, which was followed by a vast purge of state institutions.

A total of 5,800 academics were dismissed from their jobs, according to a tally by Turkey's Human Rights Joint Platform. Some had ties to the Gulen movement, the Islamic fraternity accused of orchestrating the putsch, but others were leftwingers and liberals who maintain that they have no links to the group.

Mr Erdogan also used the special powers granted under a state of emergency imposed after the failed coup to bestow himself with the power to directly select university rectors. One of his first appointments was at Bogazici, where he chose an engineering professor whose sister is an AKP member of parliament.

Dismayed by the atmosphere at home, many critical academics have left Turkey. Universities in Europe and the US have received a surge in applications from Turkish scholars.

"Pretty much 50 per cent of my academic friends, young and old, are abroad right now," Mr Ozkirimli said.

Academics opposed to the government who have remained in Turkey say that they work under a cloud of suspicion and fear. "I am extremely careful about what I say in class," said one professor at a provincial university. "People are self-censoring."

Students say that even the most benign clubs and societies can be outlawed by university authorities.

The Turkish government denies there is fear on campus. "Turkish universities are full of critical professors who hate this government," said one senior official. "They don't have any problems in expressing their opinions. In fact, I have met conservative students who support the government who feel that they cannot express their views in the classroom because their teachers are so hostile to our president."

Yemen conflict

Oil hits 3-year high after Saudis intercept Houthi missiles

AHMED AL OMRAN — RIYADH
ANJLI RAVAL — LONDON

Saudi Arabia's air defence systems intercepted two ballistic missiles fired by Yemen's Houthi rebels at Riyadh and the southern of Jizan in attacks that helped drive oil prices to their highest level in more than three years.

The rockets were the latest in a series of attacks that risks escalating the four-year Yemeni conflict.

Concern over the attacks and rising tension between the US and Russia over an alleged chemical attack in Syria have caused Brent crude to rise by more than $2 a barrel to $73.09. Brent crude, the international benchmark for oil prices, has increased by 9 per cent in the past three days.

Saudi Aramco operates a 400,000-barrel-per-day refinery in Jizan and the state oil company is leading the construction of a new economic zone on the Red Sea coast.

Al Masirah television, which is run by the Houthis, said the rebels also launched a drone strike on an Aramco facility in Jizan, but the Saudi company said its facilities in the city where operating "normally and safely".

The Houthis, allied to Iran, have stepped up attacks on Saudi Arabia in recent weeks, and fired seven ballistic missiles last month at four cities in the kingdom, including Riyadh, killing one man and wounding two others.

Saudi Arabia intervened in the war in Yemen in 2015 to back the exiled government after the Houthi rebels took control of Sana'a, the Yemeni capital. The Houthis control northern Yemen. Saudi Arabia and its allies, including the United Arab Emirates, control the eastern and southern parts of the country, but have struggled to make more gains against their opponents despite their military superiority.

The conflict has morphed into a proxy war between the kingdom and its arch rival, Iran.

Saudi Crown Prince Mohammed bin Salman on Tuesday warned of Iran's expansionism after meeting with French president Emmanuel Macron in Paris.

"They received $150bn [from sanctions relief] and they didn't build one street or a residential or an industrial complex in Iran. Their goal is clear, they paid it to send missiles to Saudi Arabia and support terrorist groups in many parts of the world," he said.

Mr Macron said his country "will not tolerate ballistic missiles activities that threaten Saudi Arabia" but added: "We are attached to the respect of international law and especially humanitarian law in Yemen."

Farewell South Africa remembers Madikizela-Mandela

Mourners gather at the Orlando Stadium in Soweto, South Africa, yesterday for a memorial service for anti-apartheid campaigner Winnie Madikizela-Mandela, the former wife of Nelson Mandela, the country's first post-apartheid president. She died last week at the age of 81 — Marco Longari/AFP/Getty Images

Tale of male rage — and its victims

FILM

Danny Leigh

Judge not — yet here we are in the scalding French drama **Custody**, observing the legal endgame of a painful divorce from the perspective of the bench. So vividly are we doing so, in fact, that a GoPro camera might have been strapped to the presiding forehead. The director is Xavier Legrand, making his first feature and expertly prickling the skin with the final scenes from a bad marriage. In deciding the fate of the children, a tit-for-tat unfolds in what feels like real time between the lawyers of Miriam (Léa Drucker) and her ursine ex-husband Antoine (Denis Ménochet). His behaviour has been, we are told, appalling. The kids have turned against him — a 17-year-old daughter asserting her right not to see him, a 12-year-old son stuck with what the court decides.

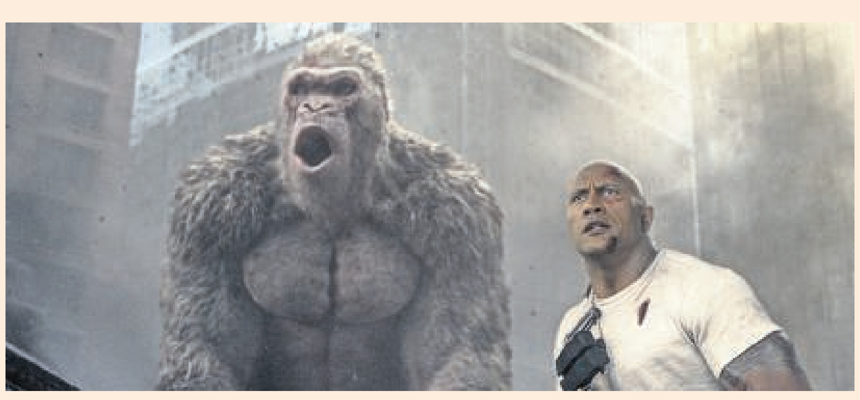
What better fit could there be for this era of abusive men having finally to account for themselves? But as Antoine sits hunched and humiliated, his lawyer protests that his flaws are being overblown. And slowly Legrand nudges us into remembering that divorces can be ugly and awful behaviour regretted — even learnt from. So the judge hands down joint custody, and maybe that doesn't seem such a terrible idea.

No. Sadly, we were right first time. In short order, the boy, a blond-haired moppet named Julien (Thomas Gioria), is being picked up for his day with dad, and Antoine is a bully from the start. In the car, he grills his son, a large man squeezed and simmering behind the wheel, Julien forced to share his cigarette smoke and the aura of his temper. Around now, you may recall the double meaning of the title, as defined by the dictionary: noun, imprisonment.

This has been a rough cinematic season for 12-year-old boys. After the chill of *The Killing of a Sacred Deer* and raw despair of Russian self-portrait *Loveless*, even Wes Anderson marooned a pre-teenage scamp amid stop-motion desolation in *Isle of Dogs*. Here, the wary face of Julien becomes the heart of the story, his defiance dissolving into a tremble that will later find an echo in the features of his sister, the setting by now a family party, the room filled with celebration.

But that is yet to come. To reveal that Antoine is an ogre is no spoiler — Legrand lets us in on that early. The grip he exerts has less to do with twists of plot than the dramatic calibration of the descent from sullen scowls to violence. If the film can call to mind *The Shining* as reimagined by the arch-naturalist Dardenne brothers, another touchstone might be *Falling Down*, the '90s melodrama in which Michael Douglas portrayed a seething mass of white male rage. But back then, the most interesting thing onscreen was meant to be Douglas — we were invited to be fascinated by the fury of his character. Here, it only adds to the excellence of Legrand's work that the reasons *why* this self-pitying man-child stamps his feet and raises his fists are unimportant. Now, we want to know about his victims.

Vivid: Thomas Gioria in 'Custody'. Below left: Dwayne 'The Rock' Johnson in 'Rampage'



When all is dust, and our descendants are puzzling over the relics of our civilisation, it may take some time to unpick the logic behind the deafening new comedy blockbuster, **Rampage**. Older readers who played video games in the 1990s — a lot of video games in the 1990s — may vaguely recall the source material as an arcade staple in which a high-rise city was menaced in triplicate by a giant ape, lizard and wolf. Now, that nub of intellectual property has been expensively repurposed as an Imax 3D presentation, the long memories of nostalgic gamers enough to justify branding a project that already had two fail-safe selling points — the B-movie premise of supersized animals and the endlessly likeable Dwayne "The Rock" Johnson.

Here, Johnson is Davis Okoye, head primatologist at the sleepy San Diego Wildlife Sanctuary, whose routine is disturbed when space junk carrying traces of a grotesque genetic experiment falls to earth. In the morning, furrowed brows surround the gorilla enclosure, the resident now twice the ape he was the night before. Soon, our man throws himself into saving the world from enormo-critters and corporate villains (come on, there were always going to be corporate villains), a see-saw rhythm developing between delirious action sequences and expository stodge from the four credited writers. Cast as a helpful scientist, Naomie Harris tiptoes through the background in the hope no one will notice.

Exactly who all this is for is another mystery — young children may be left unnerved by the body count. Still, Johnson is avuncular on an epic scale, and had you ever idly wondered what the Chicago Financial District might look like being menaced by an alligator the size of an ocean liner, you may now wonder no more.

A hot landscape sprawls before us in **Western**, a persuasive slice of high arthouse from director Valeska Grisebach. The title is playful. Certainly, we have a looming showdown and a grandly laconic male lead, occasionally seen on the back of a white horse. But the man here has a name — Meinhard (Meinhard Neumann), one among a gaggle of German construction workers arrived in rural Bulgaria to build a hydroelectric power plant.

Friction between the newcomers and nearby villagers is immediate. A German flag is flown from the scaffold outside the workers' cabin. "We're back," a foreman queasily announces. "It only took 70 years." Queasy too is the scene that unfolds by the river, as the same foreman taunts a local woman swimming with a friend.

But while the film hums with potential conflict, Grisebach is too singular simply to dress an old genre in new clothes. Instead, she coolly holds back her camera and paces out the escalation of hostilities under a humid Balkan sun. And in Neumann — like the rest of the cast, a non-professional actor — she has a bona fide star, Meinhard an outsider among his countrymen, making fragile connections with new neighbours.

The film industry has always zealously sought the secret of audience uplift, the eternal trick to getting audiences into cinemas being the promise of sending them back out glad of heart. Notable then that the most feelgood film of the week is **Even When I Fall**, a documentary made with the help of a Kickstarter crowdfunding campaign.

At the centre of the story is Circus Kathmandu — made up of members once abducted from Nepal as part of a vast train of women and children trafficked to perform in Indian circuses. Now, the film finds them returned, united and using their skills as part of an extraordinary survivors' collective.

Co-directors Sky Neal and Kate McLarnon spent six years building their story, a slow cook that gives the film huge depth. Their main subjects are Saraswati and Sheetal, young women with vanished childhoods but impossible reserves of strength. Their wondrous acrobatics are given plenty of screen time, yet the joy of the film is that it finds room too for quiet rooftop conversations that are just as revelatory. It knows the spectacular comes in many forms.

Custody
Xavier Legrand
★★★★☆

Rampage
Brad Peyton
★★☆☆☆

Western
Valeska Grisebach
★★★★☆

Even When I Fall
Sky Neal, Kate McLarnon
★★★★☆

Despondency in a SpongeBob shirt

POP

Lil Uzi Vert
Brixton Academy, London
★★★☆☆

Ludovic Hunter-Tilney

One of the biggest new names in hip-hop prefers to think of himself as a rock star rather than a rapper. A packed, heaving crowd at Brixton Academy did its best to support the notion. Drinks flew through the air, lyrics were chanted and moshpits opened up like wrestling rings: not just near the stage, traditional zone of maximum audience agitation, but throughout the venue.

The focus of all this mayhem was a suitably antic presence on stage. Lil Uzi Vert is a Philadelphian emissary of trap music, the chart-conquering US southern rap subgenre. To purists' dismay, he represents the latest stage of trap's evolution from bleak street music about the drug trade into a commercial juggernaut — one whose impact has spread so far into the mainstream that even Taylor Swift has borrowed its sound.

Uzi's songs filter trap's social nihilism into an emotional equivalent. Suicide and empty hedonism are recurrent themes. He wears his heart on his sleeve, rapping about break-ups with his on-off girlfriend Brittany and related feelings of despondency and anger. But his is a brash, cartoonish variety of introspection. At Brixton Academy, said sleeve was attached to a shirt emblazoned with an image of SpongeBob SquarePants.

Accompanied solely by a DJ, whose beats emphasised the booming aspects of Uzi's music, he cavorted around in an impulsive, confrontational fashion. "Push me to the edge," he rapped in "XO TOUR Llif3", his typographically unhinged hit from last year. Songs often culminated with him standing on the lip of the stage, looking out with rock-star arrogance over the clamouring fans below. At one point he threw a microphone to them and mouthed along as the audience sang the words.

The disregard for the fourth wall was typical of an unpredictable, high-octane set. Its brevity, about 45 minutes long, was forgivable considering its intense nature. But there was a flaw. Uzi's live vocals, intermixed with pre-recorded ones, were not loud enough, making an a cappella routine during "7am" sound weedy in comparison with the wild energy elsewhere. The mic drop at the end, before he turned on his heels to exit, was an authentically rock-and-roll moment. But the muted thud as it hit the floor was not.

liluziofficial.com

Mayhem: Lil Uzi Vert at Brixton Academy
RMV/REX/Shutterstock

DANCE

Dance On Ensemble
Centre National de la Danse, Paris
★★★☆☆

Laura Cappelle

There is precious little space in dance for older performers. Since its inception in 2014, however, the Berlin-based company Dance On Ensemble has sought to fill the gap. Designed for dancers over the age of 40, it has quickly amassed a prestigious repertoire of mostly tailor-made works, showcased over a long weekend at the Centre National de la Danse in Paris.

Its small ensemble comes with glittering résumés and decades of experience. Several of them, including artistic director Christopher Roman, were part of the Forsythe Company, William Forsythe's experimental company, which folded in 2015. In some ways, Dance On exemplifies a similar philosophy of movement research: if anyone was looking for feel-good statements about growing old at the CND, they would have been sorely disappointed.

Most of the works offered pure, exacting dance, with little to no music, sets or costumes. The action in Deborah Hay's evening-length *Tenacity of Space*, a work exploring the "catastrophic loss of learned dance behaviour", was slow and deliberate: its five performers seemed to be grappling with gaps in their physical memory, as if a mystery disorder was eroding their hard-earned instincts.

Throughout, and in a triple bill the next night, the dancers' economical precision caught the eye. They are hardly pensioners — the oldest will be 52 this year — but the knowledge they have accumulated means they express more with less, and steer clear of empty effects.

Ty Boomershine, a long-time assistant of Lucinda Childs, brought single-minded focus to her 1978 solo *Katema*, a complex set of repetitions alongside a single diagonal. In Forsythe's *Catalogue (First Edition)*, commissioned in 2016, Roman and Brit Rodemund playfully ran through a dizzying compilation of upper-body positions. Jan Martens' *Man Made* took the company's clarity of articulation to mechanical extremes.

Still, Dance On's offerings often felt a little too cerebral for their own good. There was more human connection, and warmth, in the solos from *7 Dialogues* performed in smaller CND studios. *7 Dialogues* paired each company member with a choreographer or theatre director: Roman's baroque turn as a diva in his underpants, created with Ivo Dimchev, or Jone San Martin's question-driven vignettes (made with Tim Etchells), told us far more about their theatrical range than the main performances.

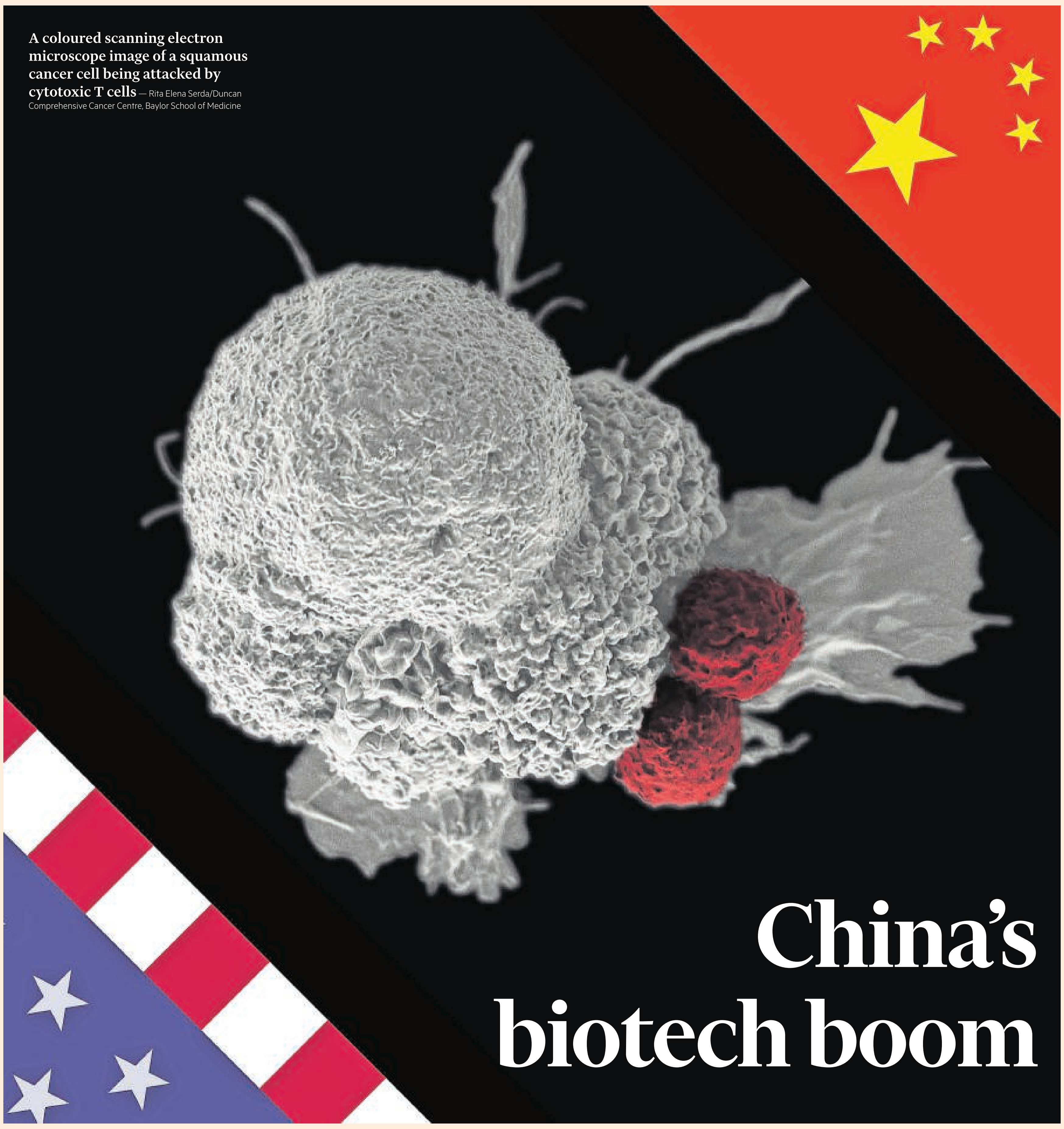
The future of Dance On is still up in the air: the initial three-year grant it secured in Germany only stretched to this season. In an art form where maturity and stagecraft are at a premium, losing it would be a blow.

cnd.fr

China was once a backwater in biotechnology. But with Beijing pushing a plan to dominate the industries of the future, it is rapidly emerging as a leader in a new generation of cell therapies for treating cancer.

By David Crow, Tom Hancock and Wang Xueqiao

China's biotech boom



A coloured scanning electron microscope image of a squamous cancer cell being attacked by cytotoxic T cells — Rita Elena Serda/Duncan Comprehensive Cancer Centre, Baylor School of Medicine

A few days before Craig Chase was discharged from the Jiangsu Provincial People's Hospital in Nanjing, his doctor told him something he never expected to hear: his cancer had been cured.

"His English was not so good, so he used Google Translate. When he said I was cured, I told him it was impossible — there is no cure for multiple myeloma," he recalls. "But he said, 'no, you're definitely cured'. It was unbelievable."

Unbelievable, perhaps, but also true. When Mr Chase, now 57, returned home to America after his six weeks of treatment in China to undergo further tests, his doctors could find no trace of multiple myeloma. The blood cancer he had suffered for three years — which had threatened to end his life — was gone.

Wealthy Chinese people often travel to the US for healthcare, but it is rare to hear of someone going the other way. Indeed, Mr Chase was the first American to be treated at the Jiangsu hospital, where he underwent an experimental procedure known as chimeric antigen receptor cell therapy or Car-T.

As biotech has gone from strength to strength over the past four decades, China has been a backwater for the industry, tending to follow the west rather than pursuing its own innovations. But it is now rapidly emerging as a world leader in cell therapies like Car-T, which try to treat and even cure illness by hacking the body's biology.

There are already more clinical trials in the country than in the US, and executives and scientists say it has several strategic advantages that could allow China to challenge US dominance, including an accommodating regulatory regime, low labour costs and expertise in precision manufacturing.

"The Chinese companies I have met are determined to become leaders in this," says Brad Loncar, founder of the Loncar Cancer Immunotherapy Exchange Traded Fund, who recently returned from a trip to the country. "These treatments have the potential to be highly disruptive to medicine and I think they view it as a unique opportunity as new contenders to spring to the forefront of the biotech industry."

At a time when President Donald Trump is fretting about Beijing's plans to dominate the industries of the future, China's push to become the pre-eminent destination for cell therapies and other evolving technologies such as gene editing would represent a major shift in modern medicine and an important marker in the growing technological competition between the US and China.

Car-T "is among the few corners of biotech in which China may have a chance to compete globally in the near to medium term . . . and even leapfrog global pace in certain targets", analysts at Bernstein wrote in a report this year.

Legend's move

Mr Chase's visit to China was not without its jarring moments. On one occasion in Nanjing, his doctor used a herbal wrap to reduce a large swelling in his ankle. "It smelled like an Italian lunch," recalls Mr Chase, a paper broker, though he says it seemed to work rather well.

This low-tech anecdote belies the fact that Car-T is at the cutting edge of biology: it involves extracting a patient's blood cells, re-engineering them in a lab so they can identify and destroy cancer and then re-inserting them into the body.

There are already two Car-T products for rare types of leukaemia on the market in the US, made by Novartis, the Swiss pharma company, and Gilead, the west coast biotech group. But the treatment is still in its infancy and many scientists in the field believe the biggest advances are yet to come. The next big target is multiple myeloma, after which companies are expected to turn their attention to solid cancers and even infectious diseases like HIV.

Research into Car-T in China has exploded in recent years. There are currently 116 clinical trials registered in the country, according to a US government database, compared with 96 in the US and 15 in Europe, giving it a lead that would have been unthinkable when the treatment was first discovered.

"It was zero when we started [human trials] in 2010," says Carl June, a professor at the University of Pennsylvania, who helped develop the earliest Car-Ts. "Then they caught up with us, and now they have surpassed us."

Although the Trump administration's recently proposed trade tariffs have targeted raw pharmaceutical ingredients from China, they would have a negligible effect on the country's ability to pursue and export the cell and gene therapies of the future.

Mr Chase first heard about the particular Car-T that would rid him of cancer after a large clinical trial of the treatment was published last June at the world's most prestigious oncology meeting. The gathering of the American Society of Clinical Oncology takes place each year in a conference centre by Lake Michigan, where 30,000 researchers and doctors from around the world pore over studies sponsored by the biggest pharma companies in cancer.

But the most eye-catching research at last year's conference was presented by a Chinese biotech group, Legend, that virtually no one had heard of.

In a study of 35 Chinese multiple myeloma patients, who had all relapsed and were no longer responding to drugs, 33 participants had entered remission within two months of being treated. The response rate of 94 per cent was among the highest seen for a Car-T trial.

> 'These treatments have the potential to be highly disruptive to medicine . . . they view it as a unique opportunity'

Excitement over the trial soon turned to disbelief in some quarters, in part because Legend was such an unfamiliar name, but also because it was based in China. Some delegates at the conference told the Financial Times that data from a company based in a country that fiddles its economic growth figures could not be trusted.

But Mr Chase, who had spent five months on the waiting list for a Car-T trial in the US, investigated Legend, spoke to its executives and decided it was a credible company.

One of his doctors was worried about how a Chinese hospital would handle the toxic and sometimes fatal side effects of Car-T — the excessive production of immune cells known as the "cytokine storm" — but he reasoned they would do as much as they could to keep him alive. A month later, he caught a flight to Shanghai.

"I knew they were setting up to peddle this drug in the US, so they're not going to take an American into their trial programme and send him home in a bodybag," he says.

He was not the only one to take note of the data published at Asco. Investors snapped up shares in Legend's parent company, Hong Kong-listed GenScript, which have appreciated sixfold since the positive study.

Legend also piqued the interest of executives at Johnson & Johnson, the world's largest healthcare company. The big pharma group had been looking for a way to enter the race to develop a Car-T for multiple myeloma, and was stunned by the trial results.

"The clinical data looked superior to anything else we'd seen," says Peter Lebowitz, who heads up oncology research at Janssen, J&J's drugmaking division. "The data were almost too good to believe."

Scientific catch-up

Over the next few months Dr Lebowitz and his colleagues made several trips to China to carry out due diligence and became confident that Legend's Car-T, codenamed LCAR-B38M, was a "spectacular asset".

In December, the pair struck a deal. J&J paid Legend $350m to enter an agreement whereby the companies will share the costs of developing the Car-T and split the profits if it is approved by regulators in the US and China.

Dr Lebowitz thinks LCAR-B38M could be superior to a rival Car-T being developed in a partnership by Bluebird Bio and Celgene, two US-based biotech companies, which is generally seen as the most advanced product in the race to tackle multiple myeloma.

One reason could be that Legend's Car-T binds to two spots on the cancer causing protein, he says. "If you're going to grab a basketball, then it's easier to grab with two hands than one."

Even if Legend's Car-T turns out to be better than its US rival, however, it could be something of an outlier.

Researchers in both countries say that despite the surge in research, China is still playing scientific catch-up. "Legend is the exception," says Dr June. "The rest are just Xeroxing what we're doing in the US — there's not much innovation."

Yang Ling, founder of Persongen Biomedicine, a Chinese Car-T group, agrees. "On a technical level our country is basically following the trend in blood tumours."

However, some biotech groups are breaking new ground. There are more than 20 Car-T trials targeting solid tumours in the lungs, liver, pancreas, breasts and ovaries. Treatment of such cancers is a priority for Car-T companies given the vastly higher numbers of people affected by them.

Innovative Cellular Therapeutics, a Shanghai-based biotech group that counts Japan's SoftBank among its investors, says it has also made progress towards turning Car-T into an off-the-shelf product rather than a treatment that is made for each individual patient.

Moving from the current "autologous" model — which uses the patient's own cells — to an "allogeneic" approach that uses donor cells is seen as a major step in reducing the cost and complexity of the treatment.

"We were followers at the beginning, but we have the potential to be a leader," says ICT founder Xiao Yang.

Industry take-off

The Car-T boom is fuelled by a flood of investment — reaching $10bn last year — into Chinese biotech companies, often founded by Chinese-born scientists returning from overseas. Such founders often say it is easier to obtain funding in China than the US.

With an ageing population, unhealthy lifestyles and pollution, China has a world-leading incidence of cancer, with 4.3m cases diagnosed in 2015, twice the 2000 figure. That makes recruiting patients for trials easier and is potentially a huge source of demand.

China also has strategic strengths, such as cheaper overheads and a high-tech manufacturing industry that could help push down the cost of making a Car-T for each individual patient. The bespoke nature of the process, which is for the most part done by hand, has resulted in record prices for the treatment, which costs up to $475,000 per person in the US.

This worries Chinese patients whose incomes are generally much lower than in the US. Zhang Qi, one of Legend's trial patients in China says that "Everyone was very anxious after the drug went on sale in the US," because costs of even RMB1m ($158,000) would be "a huge burden for any Chinese person".

Nanjing Legend's chief executive Frank Zhang, who did a PhD at Duke University and worked for seven years for a US pharmaceuticals company, says prices could be lower in China as manufacturing costs for Car-T can be one-sixth of those in the US.

Around 30 Chinese companies involved in Car-T trials are building a total of more than 10,000 sq m of dedicated manufacturing facilities, often with local government subsidies.

Vasant Narasimhan, chief executive of Novartis, the first company to launch a Car-T, says his group could end up turning to Chinese companies to help produce its treatments.

"There's no question there's very strong expertise in China on automation, roboticisation and miniaturisation," he says. "We want to tap into it if the quality is there."

Dr June says Tmunity, a company he recently founded, could also carry out research in China, noting that many of the country's biologists trained at universities in the US before returning home — but can conduct experiments at a much lower cost. If China continues to do such a huge amount of research, it will eventually lead to important breakthroughs.

"Part of the discovery process is just doing the human trials and studying the things that come out," he says. "They'll make new unexpected observations, and that will lead to new intellectual property. That's what happens if you do enough experiments."

Speed read

Biotech boom China, after decades as a backwater for the industry, is rapidly emerging as a world leader

New therapy China is becoming a leader in a new generation of cell therapies for treating cancer

Regulatory gap Trials in China have increased partly through laxer rules, which are now being tightened

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Gap in the rules
Regulatory loophole boosts trials in China

The proliferation of Car-T trials in China has benefited from a loophole in the regulations. As the therapy was classed as a medical technology rather than a drug, trials required only the permission of internal hospital ethics committees, rather than China's Food and Drug Administration. That process can take as little as two months, doctors say.

US patients are only eligible for Car-T trials when all other treatments have failed; in China patients can begin after failing chemotherapy, which would be considered "first-line" in the US, says Yang Jianmin, a doctor at the Changhai hospital in Shanghai which has conducted Car-T trials.

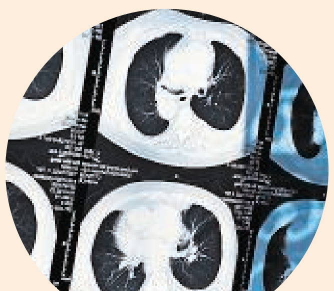
Most of the hospital's Car-T patients experienced adverse reactions resulting in fever, high blood pressure and in some cases dangerous toxicity in the nervous system, he says. But in cases where patients die, it is up to the internal ethics committee to decide whether to suspend the trial, he adds.

At least two Car-T trials in China have made use of the Crispr gene editing technique, which scientists in the US have so far not been allowed to use in human trials. "What would be considered irresponsible to life in the west has in fact pushed forward the development of the sector," says Persongen's Mr Yang. "It's chaotic. But companies can also see quickly if their treatment is effective."

Frank Zhang, Legend's chief executive, says faster trials have aided his company. "The US may take a year or more, and China may be able to recruit in a few months."

China's drug regulator announced in December that Car-T therapies could be regulated as drugs, meaning it might approve some trials. Four companies including Legend have applied.

Analysts say that while slowing the breakneck development of Car-T in China, the decision would help prevent a "wild west" situation.



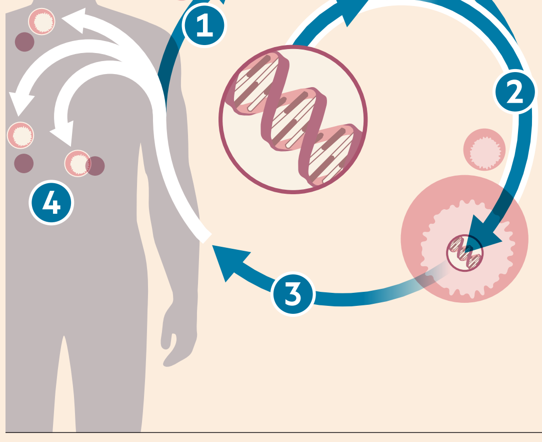
116
Number of Car-T clinical trials in China, compared with 96 in the US

4.3m
New diagnoses of invasive cancer in China in 2015

138,000
Cases of lung cancer in Chinese men over 75

$10bn
Investment in 2017 in Chinese biotechnology companies

The Car-T process



1 T-cells, a type of white blood cell that seeks out and attacks infection, are extracted from a patient

2 The cells are modified with receptors that enable them to recognise the cancer within the patient

3 The cells are re-infused into the patient …

4 … where they can find and attack the patient's cancer. They can also re-activate other immune system elements that have been suppressed by the cancer

FINANCIAL TIMES
'Without fear and without favour'
THURSDAY 12 APRIL 2018

The rising pressure on the Russian strongman

President Vladimir Putin must be forced to change his calculus

Ever since the 2014 Russian annexation of Crimea and intervention in eastern Ukraine, western nations led by the US have been steadily tightening the sanctions regime against Russia. They started by targeting individuals and expanded to include sectoral sanctions on banking and energy companies, gradually restricting access to western financing and capital.

By and large Russia has managed to limit the damage and learnt to live with the sanctions. Meanwhile, these punitive measures have had no noticeable impact on Vladimir Putin's behaviour. On the contrary, President Putin has confronted the western liberal order with increasingly aggressive tactics.

He has consolidated Russia's presence in eastern Ukraine, intervened in Syria to rescue Bashar al-Assad's murderous dictatorship, and appears to have interfered in America's 2016 elections. More recently Moscow is alleged by the UK government to have deployed a deadly nerve agent against a former double agent, Sergei Skripal, on British soil. This week, Moscow stood behind Mr Assad, after allegations that the Syrian regime had launched a chemical weapons attack.

As western governments deliberate over their response to Syria, the latest round of sanctions announced coincidentally on Friday by the US Treasury, are biting. Whether by accident or design, these are potentially far more damaging to the Russian economy than previous measures. They are harder for Mr Putin to shrug off.

The sanctions were introduced on the back of the Countering America's Adversaries through Sanctions Act passed by the US Congress last year. Ostensibly this was to tie President Donald Trump's hands and prevent him from unilaterally easing pressure on his Russian counterpart. The bans target 24 Russian oligarchs and government officials and 14 companies. As western investors clambered this week to decode the wider implications, the rouble and Russian stocks sank.

Given the uncertainty in the geostrategic climate, it is unclear how safe it will be to trade with Russian entities without incurring US wrath. These measures cast the net wide and not only around close allies of Mr Putin. As with Iran, resulting trepidation could begin to freeze Russia out from the global financial system. It will be more difficult for the Russian leader to compensate affected businesses, and corral his allies as he has done in the past.

Moscow "has engaged in a range of malign activity around the globe", according to the US Treasury, from the attempted subversion of western democracies to supplying weapons to a regime that bombs civilians.

Washington is right to have ramped up the US response. Russian businesses who profit from Mr Putin's corrupt system should not be insulated from the destabilising activity of his regime.

Whether these measures go far enough to change Mr Putin's calculus is another matter. The immediate crisis is Syria, where Russia, alongside Iran, has Mr Assad's back. Mr Putin should be joining in the condemnation of the Syrian strongman rather than protecting him as he normalises the use of prohibited weapons.

President Trump has put Syria and Russia on notice, warning that a missile strike is imminent, though allies are rightly urging that there should sufficient evidence of chemical warfare before military action is taken.

Instead of furiously threatening retaliation, which could trigger a direct confrontation between Russia and the west, Mr Putin should rein in the monstrous regime he has been propping up.

A daunting task for the EU's economic liberals

The Hanseatic League will struggle to win support from Germany

As the Brexit process grinds on, attention elsewhere in Europe is turning to the political dynamics of the EU without one of its most reliably free-market member states. For many years, the UK, both because of its economic heft and the often under-appreciated skills of its civil servants, has led an informal economic bloc pushing for liberalisation in the single market and external trade. Some members, usually including the Nordic nations, have frequently relied on the UK to persuade other states.

A new counterweight to economic mercantilism is sorely needed. EU member states have, regrettably, been moving in a more protectionist direction in recent years. They have, for example, rewritten their laws on anti-dumping and antisubsidy duties, giving themselves more leeway to impose emergency blocks on imports. Germany, traditionally the swing voter in the EU, has shifted more towards the protectionist end of the spectrum, dominated by France and Italy.

In theory, the accession of Emmanuel Macron as France's president, with his talk of freeing up markets to boost growth, should shift the centre of gravity back towards the liberal side. In practice, Mr Macron's commitments to liberalisation tend to stop at the French frontier. In order to buy some political space for his changes to labour law, Mr Macron has taken restrictive positions on cross-border issues including migration, foreign direct investment and signing trade deals that will endanger France's perennially vocal farmers.

Some economically liberal northern states are at least making an effort. An informal "Hanseatic League 2.0" grouping of Nordic and Baltic states plus Ireland has met a few times. Mark Rutte, the Dutch prime minister, has talked a good game about rallying countries around a liberal agenda. But given the small size of the grouping — the countries constitute less than a fifth of EU gross domestic product — the departure of the UK is a very hard setback to recover from.

So far, the Hanseatic bloc has regrettably expended most of its energy barking up the wrong tree on eurozone reform, placing an emphasis on national budgetary stringency above completing the banking and fiscal unions. Beyond that, the liberals need to pick their fights carefully. If the bloc really wanted to go for broke, it could try uniting to push for a relatively open deal with the UK, erring on the side of letting British companies compete in Europe rather than trying to steal market share. But the desire for solidarity among EU member states is likely to override such considerations.

Trade deals, and the related issue of encouraging global data flows and opposing digital protectionism, are a more promising avenue. A coalition of states led by Sweden, with a large overlap with the membership of the Hanseatics, has formed the "Digital 9" grouping to get EU agreement to address the international free flow of data. So far it has encountered opposition not just from Germany but the sceptical leadership of the European Commission. However, with a new commission next year, it may be time for another push on writing new global rules for the data economy.

With mercantilism on the rise globally, any liberal caucus in the EU has its work cut out. The UK's departure is a serious blow. The Dutch and the Swedes are to be commended for doing their best to assemble coalitions to carry on the good work. But their success will continue to be determined by their ability to persuade the bigger EU states, and particularly Germany, to join them on particular issues.

Letters

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Life on the road as a truck driver is far better than portrayed

Sir, I enjoyed Gillian Tett's article on the shortage of US truck drivers (April 9). However, I feel she is mistaken about the educational levels of those in the industry.

It is true that previous generations of drivers generally had poorer education. They set the reputation for truckers and it is hard to change that image. But the average level of education for drivers has made quite a leap upward.

A large number of white-collar workers were forced into the field by the financial crisis. Many lost their means of living in a split second and found few alternatives that would pay a reasonable income so quickly without lengthy retraining.

So now you will find a wide variety of occupational backgrounds mixed into the field — managers, doctors, salesmen, etc.

There has also been an increase in the number of women driving trucks and a huge influx of husband-and-wife teams on the road — such as me and my wife.

Rhonda and I have five college degrees between us. We were in the medical field until the hospital we worked for closed some five years ago and we decided to try a new career. We went to technical college together, obtained our commercial driving licences and now drive as a team.

It is not always an easy life. But we have had more fun and made more money than in any previous job. We have seen every state in the nation, except Hawaii and Alaska (most more than once).

Most drivers have in-depth knowledge of using computers and GPS systems and tracking weather conditions. Haulage companies often offer generous staff benefit packages, and travel centres have to compete for custom so it is common to find good shower facilities, attractive decor — framed prints and flowers — gyms, even dog-grooming facilities.

I feel the article missed the positive aspects of the job that may entice those with better education and younger people to consider it.

I believe driverless trucks are way down the road — especially after the negative news in the driverless automobile industry — and even when they come they will be very expensive.

It's not that bad a life, I promise.

Dan Ferrell
Knoxville, Tennessee, US

Mishandling of migrant issue has tarnished EU

Sir, Gideon Rachman bemoans the growth of illiberalism and authoritarian tendencies on the periphery of the EU ("The rotten fringes of Europe", April 10).

He does not explain why so many people now vote for parties rejecting "European values". The reason, however, is simple. These values have been discredited. There was widespread disapproval of the EU's shocking paralysis during the immigration crisis that started in 2014. This disapproval was exacerbated by German Chancellor Angela Merkel's unilateral destruction of the Dublin regulation and her willingness to encourage illegal migrants to flood through other countries into Germany.

Resentment was compounded by the subsequent insistence of the European Commission and Ms Merkel that the migrants Germany had unilaterally welcomed must now be shared out with other EU members. Eastern European countries, however, were clear that illegal economic migrants should be resisted. How could they now be expected to take them anyway?

The mishandling of the migrant issue tarnished EU values in the eyes of many. Furthermore, multiculturalism, to which the EU irrationally clings, has long been discredited. Even ultra-liberal countries like Sweden are seeing its flaws. It has become clear that immigrants can be accepted only in numbers that can be assimilated or social problems result.

Many liberal-minded Europeans would agree with the leaders of Visegrad countries: that we don't want to live in a bureaucratic empire but in an alliance of free nations. We reject the federal dream and ever-closer union and that is why, in Britain, we voted for Brexit.

Gregory Shenkman
London W8, UK

Diverse workforce is essential for accountancy

Sir, While I think we would all acknowledge a level of frustration that the Social Mobility Commission still has no leadership four months after the board walked out ("Leadership vacuum at Social Mobility Commission assailed", April 2), making the right decision versus a quick decision needs to be the primary concern.

Some excellent progress has been made on this agenda, but it remains an uncomfortable truth that in the UK the opportunities afforded to young people and the chances of their success are largely determined by background and where they live. Those who pick up the reins from the previous and very committed board need to bring with them heartfelt commitment as well as steely determination. Open collaboration with business is also key.

The accountancy profession recognises that creating a futureproof, diverse workforce is not only good for business but is also the right thing to do. Having a wider, more diverse pool of talent leads to improved organisational performance, a better outcome for clients and a more productive economy.

That's why we created a pan-profession social mobility initiative, Access Accountancy, with a vision to level access to the profession and help young people from disadvantaged backgrounds gain access to high quality work experience within accountancy firms across the UK. We have by no means solved the problem, but we know that one of the first steps is to understand the current situation. We have already undertaken a profession-wide analysis of the young people we are recruiting to help identify the areas where we need to take action and hold ourselves accountable around the difference we are making.

Government alone cannot make the change, and we would encourage all businesses and industries to reflect on the actions they can take across their recruitment, operational and community activities to help continue addressing this agenda.

Working together, we will affect greater change more rapidly to open up opportunities for future generations of young people.

Rachel Hopcroft
Chair, Patron Group, Access Accountancy, London SW1, UK

Abandoning veto would destroy UN's relevance

Sir, Alison Hackett (Letters, April 11) says that in order to stay relevant, the UN "should get rid of the veto".

Leaving aside the fact that this is constitutionally impossible (since the powers wielding the veto can use it on amendments to the charter), it would in fact be the surest way to drain the UN of its remaining relevance. The US, and probably also Russia, would immediately withdraw from the UN if they no longer had the power to veto Security Council decisions.

The UN's founding fathers were concerned above all to prevent another world war. The veto was put there to ensure that enforcement action against a transgressor state could only be taken by the five then great powers acting together.

The cold war that broke out soon afterwards made that condition virtually unfulfillable for 40 years. This was often frustrating but it did help prevent the cold war from turning hot, which might have destroyed us all. Sadly, that consideration is no less relevant today than it was then. We ignore the veto at our peril.

Edward Mortimer
Burford, Oxon, UK

Plans to confront Iran will not benefit Europe

Sir, To continue arguing where to draw the line between criticism of Israel and anti-Semitism ("Labour MP under fire after attending rally against anti-Semitism", April 6) is a distraction.

Now that bellicose John Bolton is Trump's national security adviser, Israel and Saudi Arabia are likely to succeed in getting Washington to militarily confront Iran. So much for Europe's attempts to resume commercial relations with Iran.

Israel and Saudi Arabia also wholeheartedly support Washington's "pie in the sky" policy of seeking the removal of Bashar al-Assad while retaining Syria's secular state structures. The "impeccable" timing of Assad's chemical attack in Douma has accelerated matters.

If Washington succeeds, Europe should be prepared for a refugee exodus of biblical proportions from government-controlled areas and the end of Syria's ancient Christian community. These refugees, needless to say, will end up in Europe rather than the US, Israel or Saudi Arabia.

The heretical thought arises that in the case of Syria and Iran, Europe's interests do not necessarily coincide with those of Washington, Tel Aviv and Riyadh.

Yugo Kovach
Winterborne Houghton, Dorset, UK

High ranking will see defections to rival brokers

Sir, Regarding the Lex column's commentary (April 9) on the annual pleas for votes in the Extel survey buyside professionals are currently receiving, I think the author misses an important side-effect of the recently introduced Mifid II legislation.

Like all fund managers, after much deliberation and negotiation we came to agreements with most of our partner brokers to unbundle their product offering and pay for research as a discrete service. As far as I can see I am now disincentivised to vote for analysts I rate highly, particularly the younger and less well known stock pickers. A high ranking in the Extel survey will result in their firm asking us for more money to speak to her/him, or a defection to a rival broker where we do not have a relationship.

As an ex-sellside broker I well remember the importance of the annual vote, particularly to bank corporate finance teams, but the current rationale for the buyside to vote is less obvious.

Hamish Edsell
Otus Capital Management, London, UK

Trade dispute likely to harm not help the US

Sir, Standing up for American interests and actually improving the lives of Americans are different things. The heterodox economics espoused by Peter Navarro (Opinion, April 9) are reminiscent of the mercantilism that held sway in the 16th century.

The "help" that Mr Navarro and Donald Trump are pushing forth in the trade dispute with China are more likely than not to be welfare decreasing for the whole world. A similar kind of help, likewise from another Asian rival in the 1980s, came when the US government pressured Japan to impose voluntary export restraints on their car manufacturers.

That led to unambiguous welfare gains to Japan at the cost of Americans, even as politicians thought they had done a favour for the American people.

Kai L. Chan
Montreal, Canada

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Rivalry and corruption animate a cultural capital

Malta Notebook

by Alice Hancock

Opposite the law courts in Valletta a makeshift shrine has appeared. Bunches of cellophane-wrapped flowers and tiny jam jar lanterns cascade down the steps of the sober monument to the Great Siege of Malta. They are a tribute to the investigative journalist Daphne Caruana Galizia, killed by a car bomb on October 16 last year.

Caruana Galizia was, as the laminated notice on the statue reminds idle tourists, digging into "political and financial corruption in Malta". The shrine is not 300m from the main parliament building. Inside sit the politicians that her blog, Running Commentary, exposed. The last post, written the day she died, ended: "There are crooks everywhere you look now. The situation is desperate."

Many of the Maltese I speak to agree that corruption is rife. The government dare not dismantle the shrine (although in the past month it has been sabotaged three times). A local tells me that the protest after Caruana Galizia's death was one of the biggest the island has seen: "We Maltese like to open our mouths."

The same distance in the other direction is the Teatru Manoel, the island's biggest theatre and a mainstay of Valletta's year as 2018 European Capital of Culture. I am in town on the final night of *Don Giovanni*, the second in a run of three internationally cast Mozart operas, staged over three years. At the after-show party, the artistic director Kenneth Zammit Tabona declares that tonight "Malta is the centre of the opera world". It is a remark packed with characteristic Maltese competitiveness.

For an island of about 316 square kilometres and a population of 430,000, Malta has historically outclassed its size. It was the setting for one of history's most famed against-the-odds battles. Just 6,000 Maltese and Knights of St John saw off a force of 40,000 or more Ottoman invaders in the Great Siege of 1565.

In music, this combative spirit is nurtured. Every town and village, Mr Zammit Tabona explains, has a club in which children learn to be part of a marching band. Some have two. In days gone by the rivalries between bands could escalate from cacophony into violence. Today they are more harmonious, but enmities remain. "They are not very good for music but they are good for competition," says Mr Zammit Tabona.

These rivalries — like that of the Astra and the Aurora, the two opera houses on the island of Gozo, which a visiting director describes as "like the Montagues and Capulets" — are typical of Malta. The vying theatrical companies have been known to put on the same opera in the same week.

But public appointments that reinforce team loyalty have ruffled feathers. The chief executive of Teatru Manoel, Elizabeth Ebejer — who many nevertheless esteem — was appointed from outside the cultural world. But she was a councillor for the governing Labour party and was picked for the job by the culture ministry without open applications — one member of the board resigned in protest. In the audience for *Don Giovanni*, an opera fan (who preferred to remain nameless) comments that, like the Don, Malta "is sliding into an abyss".

But the abyss is lined with riches. The golden visa policy, set up in 2014, allows any individual to buy Maltese — and therefore EU — citizenship if they can stump up €650,000, invest €150,000 in stocks and bonds and acquire property worth hundreds of thousands more. The scheme has raised more than €850m but has been criticised by members of the European Parliament and subject to allegations of kickbacks.

Caruana Galizia had been investigating these issues before she was murdered. Walking home from the Teatru we pass the flickering tealight flames of her shrine. Whoever killed her struck at a time of maximum political confusion. Caruana Galizia's efforts had been largely directed at the sitting government but before her death she had turned her focus on to the rival Nationalist Party too.

Valletta is poised to make significant gains as Capital of Culture. (The boost to Liverpool in 2008 was found to be £753.8m.) But if Malta wants to reap the legitimate benefits of being open to Europe, the corruption scandals leave this gateway to the bloc on shaky ground.

alice.hancock@ft.com

Comment

America's long goodbye to the Middle East

AMERICA

Edward Luce

If you want a glimpse of a post-American world, look at Syria. US President Donald Trump said recently: "Let the other people take care of it now." He may briefly have changed his mind after last week's alleged chemical weapons attack. But his die is cast.

Six years after his predecessor Barack Obama said Bashar al-Assad must go, the world's most brutal dictator is more secure than ever. Syria's future will be settled by Russia, Iran and Turkey — the first two of which want to keep the Syrian president in power. Whatever Mr Trump thinks of the region — on the rare occasions he is forced to do so — is likely to change next week. Even if the US's missiles are "nice and new and 'smart!'" as Mr Trump tweeted yesterday, the country's disengagement will resume.

Mr Trump is a symptom, not a cause, of US global fatigue. Its key Middle Eastern turning point came at two moments at the start of this century. The first was when Bill Clinton unsuccessfully attempted to broker a deal between Israel and the Palestinians. Had the deal stuck, it would have excised the deepest Arab complaint against the US — and the region's strongest excuse for domestic repression. The idea that Mr Trump could pull a two-state deal out of the hat was far-fetched before he said he would move America's embassy to Jerusalem. Now it is a joke.

The second was the September 11 2001 terror attacks. US policy has been bent out of shape ever since. Syria is its bloodiest child. To be fair to Mr Trump, he is hardly responsible for any of it. The decision under George W Bush to disband the Iraqi army and fire Saddam Hussein's civil service laid the roots for the rise of Isis. Barack Obama's decision to withdraw US forces from Iraq in 2011 gave Isis a vacuum to fill. His decision in 2013 not to enforce the "red line" against Mr Assad's use of chemical weapons gave an opening for Russia to intervene. Its president, Vladimir Putin, rushed to fill it. The US has been a marginal player in Syria ever since. Another salvo of US missiles would change little.

Each of these blunders was rooted in an earlier one. Mr Obama wished to undo Mr Bush's wars of choice. Mr Trump wants to erase whatever Mr Obama did. The result is an America that no longer knows what part to play. It neither backs more democracy in the Middle East, nor opposes it. Mr Trump is the epitome of his country's loss of interest. It should be little surprise that the region's players — even Israel — are looking elsewhere to fill the vacuum. Benjamin Netanyahu, Israel's prime minister, has spent an increasing amount of time in Moscow in the past few years.

> The US under Trump no longer knows what part to play; little surprise that others fill the vacuum

Though blameless for this inheritance, Mr Trump has made it worse. He espoused three specific Middle East policies in his campaign. The first was to solve the Israel-Palestine problem based on art-of-the-deal vanity rather than any grasp of the odds. He thinks he can win where others have lost. The second was to pull out of Mr Obama's Iran nuclear agreement, describing it as the "worst deal ever". That is likely to happen next month. John Bolton, Mr Trump's new national security adviser, is an even stronger opponent of the deal than his boss. The third was to "stamp out Isis" then pull out of Syria.

Each of Mr Trump's goals is based on applause lines back home. They ignore the impact of one on the other. He is no Henry Kissinger. Pulling the remaining US forces out will give Iran free rein in Syria — and beyond. That goes directly against Mr Trump's goal of checking Iran. It will also result in more Israeli strikes on Iran-backed forces in Syria, further raising tension in Gaza and the West Bank. That, in turn, will shrink the already vanishing odds of a two-state peace process. Likewise, conceding victory to Mr Assad will hasten the revival of Isis or another extremist group, such as al-Qaeda, among disenfranchised Sunnis. It was Mr Assad's brutality that fanned their rise in the first place.

These are the unintended — but foreseeable — consequences of Mr Trump's actions. They will be felt beyond the Middle East. Why should Kim Jong Un, North Korea's dictator, strike a nuclear deal with Mr Trump when he plans to dismantle the Iran one? To whom should Syria's desperate Sunnis turn once Damascus has regained control? How much easier then will it be for Isis to attract new recruits? How quickly can Russia translate its growing Middle East presence into greater clout beyond the region?

Such questions do not feature in Mr Trump's calculus. His sounding board is domestic. The US public has lost its appetite for doing anything risky in the Middle East. That was true long before Mr Trump took office.

edward.luce@ft.com

Zuckerberg cannot control his creation

BUSINESS

John Gapper

In Walt Disney's *Fantasia*, the apprentice Mickey Mouse bashfully hands back the sorcerer's hat after failing to stop a troupe of magic broomsticks from causing a flood. Mark Zuckerberg made his own bow to the US Congress on Tuesday by apologising for the havoc that he has unleashed at Facebook.

Mr Zuckerberg once gave the impression of being supremely in charge of his company, down to his control of its voting shares. Even when something went wrong and he had to backtrack, it felt like a mere adjustment to his master plan. Lately, he has looked more apprentice than sorcerer.

"Social networks can have properties that are neither controlled nor even perceived by the people within them," Nicholas Christakis and James Fowler observe in their book *Connected*. Or by those in charge. The troubling thing is not that Mr Zuckerberg at first downplayed Russian efforts to affect the US presidential election, but that he did not understand them.

With greater effort and honesty, Facebook can fix the laxity with which it has handled personal data. The Cambridge Analytica scandal showed that it was far too loose in allowing people and organisations to plug into its "social graph" and extract data about millions of users. It has already tightened its data controls and must tighten them more, but the task is achievable.

But other things cannot be fixed because they are beyond Mr Zuckerberg's control, lost in myriad encounters among Facebook's 2bn users. The technical term is emergence, the powerful and unpredictable outcome of millions of users interacting freely with others. Anything from joke videos to fake news can spread like a virus, changing how people feel and act.

Mr Zuckerberg has been subdued by witnessing his creation cause chaos. Facebook was tapped by anti-Rohingya Buddhists in Myanmar and Russian fake news factories. No higher authority holds the solution. The EU and the US may impose stricter rules on social networks, but politicians and regulators have no deeper insight into Facebook's workings than its founder.

Facebook increasingly talks of trying to limit the amount of passive consumption by users, from reading news (fake and otherwise) to watching videos. Instead, it wants to nudge them back to the kind of interactions with which it started — "to stay connected to the people they love, make their voices heard, and build communities and businesses", Mr Zuckerberg says.

That may be prudent, but it does not get to the heart of the matter: Facebook grew by intentionally mixing up what Mark Granovetter, the US sociologist, called "strong ties" with weak ones. The former are close relationships among families, friends and colleagues; the latter are links to distant acquaintances and people in other communities. On Facebook, all "friends" are equal.

This could not be faulted as a business strategy, for it enabled rapid expansion from a social network for US colleges to a global corporation. The "six degrees" database patent jointly acquired in 2003 by Reid Hoffman, LinkedIn's founder, imagined a social network gaining "hundreds of thousands, if not millions, of individuals" with this method. It was far too modest.

There was a philosophy behind the strategy. Prof Granovetter pointed out that weak ties sometimes have greater benefits than strong ones. His original example was finding a job: it helps to engage an extensive network of contacts rather simply sticking close to home. Similarly, Facebook groups devoted to organ donation can be extremely useful for patients who need one.

> Lately, the Facebook founder has looked more apprentice than sorcerer, subdued by the chaos

Facebook's size makes it more weakly tied than social networks that focus on smaller communities. One analysis of 957,000 Facebook users and 59m connections (gathered before it limited data scraping) found that "most connections are weak . . . with few contacts and infrequent interactions". That made it "a powerful way to transfer information across large social distances and to wide segments".

Hundreds of millions of weak ties also make it a powerful way to wield influence. Studies show that people's mood, behaviour, and even weight are affected by others who are fairly weakly connected in a social network — Profs Christakis and Fowler refer to the "three degrees of influence" that friends of friends of friends can invisibly exert.

This is the trouble with Facebook's elision of families and acquaintances, of strong and weak ties. The latter can make users happy or depressed; can help them to lose weight or gain it; can deliver insight or misinformation. Good and ill both multiply across its emergent, disobedient network.

Mr Hoffman limited this at LinkedIn by making explicit the degrees of separation among users rather than calling them all "friends", but Mr Zuckerberg was less cautious. So was Mickey Mouse, who dreamt of controlling the stars but awoke to complete disorder.

The sorcerer cleaned up Mickey's mess but Mr Zuckerberg has not yet handed in his wizard's hat. "It's not enough to connect people, we have to make sure those connections are positive," he told members of Congress on Tuesday. That is a fine pledge, but it would take magic to fulfil it.

john.gapper@ft.com

Orban's populism prospers by challenging EU taboos

OPINION

Adam LeBor

Viktor Orban has plenty to celebrate. His rightwing populist Fidesz party has just won its third victory in a row, giving him a two-thirds supermajority in the Hungarian parliament. He will be the country's longest-serving prime minister since the collapse of communism. This electoral triumph has more than local significance. Hungary is slowly setting the agenda for the key debate about Europe's future — the question of national identity.

Mr Orban won by presenting Hungary as under continual attack: from liberal NGOs, the UN, the philanthropist George Soros and the EU. His campaign claimed that hordes of Muslim migrants were waiting to burst across Hungary's borders. Many view such tactics as crude, distasteful and even borderline racist, stirring unpleasant memories from the 1930s. But they worked, in large part because they focused on ideas that challenge western liberal taboos: sovereignty, effective borders, the importance of a shared history and culture and a sense of national unity.

Buoyed by his neighbours, Mr Orban already had the wind in his sails. Hungary, Slovakia, the Czech Republic, Poland and Romania all rejected EU plans, now effectively dead, for a migrant quota. A similar debate is evolving in western Europe, but eastern Europe's history makes this region especially wary.

The EU's failure to control its frontiers, and the scenes at Budapest's Keleti station in the summer of 2015, where thousands of migrants camped out before pushing westwards to Germany, still scar Hungary's national psyche. The assumption that "the west knows best" feeds popular resentment. For conservatives, liberalism is just the latest cultural imperialism.

"We see western liberals as the new Marxists," says one Fidesz official. "They are convinced of their historical rightness, sure that history is moving in their direction and that their values will eventually triumph. We don't agree."

Stroppy mittel-Europeans were not part of the EU game plan. In the early 1990s, as the region transitioned to democracy, it was expected to absorb by osmosis "European" (liberal, globalised, multicultural) values. Instead, Mr Orban has promised explicitly to turn Hungary into an "illiberal state", albeit one that remained a democracy.

> The cultural earthquakes that reshaped the west have passed the former Soviet bloc by

The speech in 2014 caused an uproar — as was doubtless his intention — but also resonated with local history. The cultural earthquakes that reshaped the west — the upheavals of 1968, the end of deference, the rise of feminism, gay rights and most of all multiculturalism — passed the former Soviet bloc by.

It was always unrealistic to expect that such profound changes, which took decades to evolve and assimilate in western Europe and which are still sending aftershocks, could be quickly grafted on to countries that remain — especially outside their capitals — deeply conservative societies.

This is especially true when these values are perceived as an imposition from the latest foreign overlords. Maria Schmidt, a conservative Hungarian historian, argues that EU leaders have "committed themselves to a utopian and globalist political culture", one that "seeks to override the nation-states".

Central Europeans watch with amazement mixed with horror at how this mindset dominates much of public discourse in the west; generating what they see as an endless hunt for imagined oppression among social justice warriors, restricting free speech at universities and obsessing over gender pronouns. This mindset holds that large-scale immigration is good and secure borders are bad; that national sovereignty and pride in a shared history and culture are outmoded, that patriotism is embarrassing, if not shameful, while multiculturalism is inherently beneficial. And that huge numbers of incomers can be easily absorbed without societal disruption.

Critics of open borders see the experience of Germany in 2015, when Angela Merkel allowed 1m migrants to walk into the country, as a warning, pointing to the German parliament, where the far-right Alternative for Germany is now the official opposition party.

Hungary's liberals, like their western European counterparts, have failed to invent their own modern patriotism, ignoring concerns about preserving national identity in a hyper-globalised world and even questioning the need for secure borders in an age of international terrorism. Here in Budapest, this has abandoned a huge swath of public discourse to populists. Mr Orban's victory has been hailed by Geert Wilders of the Dutch Freedom party, and Marine Le Pen, of the French National Front.

Beyond Brexit and migration, the new *Kulturkampf* over national identity may be the biggest threat to the EU's future unity and stability.

The writer, author of 'District VIII', has covered central Europe since the collapse of communism

A sonic attack — or embassy headaches in Havana

SCIENCE

Anjana Ahuja

First came the mysterious sound — then the diplomatic fury. When a group of US embassy workers fell ill in the Cuban capital of Havana after rumoured "sonic attacks", staff were recalled and travel advice toughened up. The peculiar episode raises the question: can sound be weaponised?

The diplomats started falling victim to the mystery malaise in December 2016. It has now emerged that those affected displayed symptoms commonly associated with concussion, even though none had any history of head injury. These included headaches, balance issues, cognitive problems and hearing loss. The findings appeared last month in the Journal of the American Medical Association. Interestingly, the medics signed non-disclosure agreements.

Neither a virus nor a chemical agent seems a plausible cause because these would damage not just the brain but other organs, too. MRI scans have failed to reveal any consistent abnormalities. Initial suggestions of mass psychogenic illness, or mass hysteria, are foundering; the condition does not tend to produce these kinds of symptoms, and not all the patients knew each other.

Those who became sick, including Canadian diplomats who suffered nosebleeds, heard a distinctive sound or felt a pressure or vibration in their heads. This led to accusations they had been targeted with a "sonic weapon". Scientists assert that audible sounds cannot cause this kind of neurological damage; the Jama paper suggests that the whine may have been a consequence, rather than a cause, of the brain changes.

> US diplomats displayed symptoms of concussion. Interestingly, medics signed non-disclosure agreements

Could the sound have another origin? Separate research suggests the noise could have stemmed from the interference of inaudible signals, such as those produced by eavesdropping equipment. Kevin Fu, an acoustic engineer from the University of Michigan, took a recording of the sound — a chirping tone around 7kHz — and reverse-engineered it. A similar tone, he found, could be replicated by two higher frequency signals interfering with each other, in a phenomenon known as intermodulation distortion. "Maybe there was also an ultrasonic jammer in the room and an ultrasonic transmitter. Each device might have been placed there by a different party, completely unaware of the other," Dr Fu wrote in the journal IEEE Spectrum.

The unveiling of a possible source for the 7kHz chirp does not, however, mean it caused the reported sickness. Could inaudible phenomena be to blame? These fall into two categories: too high to be detected by the human ear (ultrasonic, above 20kHz); and too low (infrasonic, below 20kHz). The animal kingdom is home to a cacophony of unheard calls: bats communicate using ultrasound; elephants favour infrasound.

Ultrasound is familiar to hospital patients. High-intensity ultrasound can heat up and kill off brain tissue; the technique is used to treat movement disorders. But the emitter, or source, must be placed next to the body because ultrasound is easily absorbed by air and walls. Infrasound is mysterious yet ubiquitous. Thunder and wind produce it, as do trucks and washing machines.

In 2001, after a spate of unexplained illness among residents in Indiana, the US National Institute of Environmental Health Sciences reviewed health literature on infrasound and found "critical data gaps". While some studies noted effects on blood pressure, respiratory rate and balance, others found none.

The review also discussed previous research conducted into acoustic nonlethal weapons for riot control, an idea that seems to have melted away. Cuba denies using any such technology; the US has not elaborated on how such a method could work. The incident is now being treated as a "disease cluster" by the Centers for Disease Control and Prevention. If sound really can be weaponised, nobody is shouting about it.

The writer is a science commentator

Lex.

Twitter: @FTLex Email: lex@ft.com

Ant Financial: elephant in the room

Belying its name, the finance and payments group linked to Jack Ma's Alibaba is more elephant than ant. A funding round ahead of a planned initial public offering is expected to value the Chinese group at $150bn — more than any private tech group. A captive market in China justifies this titanic figure.

Ant Financial is protected from invasive foreign species within its walled garden. Visa and Mastercard are waiting for licence approvals to go through. Meanwhile, domestic groups have used existing infrastructure to build third-party payments businesses. Mobile payments volumes hit $11.4tn last year, according to a Goldman Sachs report from August. Research firm Analysys estimates Ant Financial's market share was 54 per cent in the most recent quarter. Ant forages across China at the expense of less efficient rivals. It runs the largest money market fund, Yu'E Bao, worth Rmb1.5tn ($240bn), as well as lending and insurance offshoots. Transaction data inform decision making.

Being boxed in also exposes Ant to competition that might otherwise vent externally. Tencent's payment system has gained market share at the expense of Alipay, Ant's main app. Acquiring customers and merchants is costly. As a consequence, fees are roughly 30 basis points of each transaction. That is about one-sixth of the average for US payments group PayPal.

Ant Financial discloses little, which makes valuing this unquoted group even harder than usual. The mooted value of $150bn is equivalent to about 8 times revenues, deriving the latter from estimated fees, payments volumes and market share. Many analysts see that as a stretch. But the multiple is only a shade ahead of PayPal and the value of higher-margin banking and insurance businesses should be allowed for.

Moreover, investors are undeterred by steep valuations in the technology and finance sector. Recently issued shares in ZhongAn insurance trade at 13 times revenues. Alibaba's ratio of price to earnings overtook that of Facebook in June. Chinese domestic savers are starved of big name tech stocks in which to invest.

Investors should not be surprised about the flush funding for Chinese businesses. After all, Kweichou Moutai, the alcohol producer, is valued a mere $10bn less. Size, in business as in zoology, is a relative measure.

US stress tests: easy street

The first big overhaul of bank rules since the election of Donald Trump as US president does away with some hard-to-defend policies that banks and their shareholders hate.

The annual Federal Reserve capital "stress tests" are criticised as harsh and opaque, a "black box" with ludicrous assumptions. One of these is that in the event of a financial crisis, banks will carry on paying dividends, depleting vital loss-absorbing equity.

With this rule in place, banks have had to be conservative in payouts, asking for permission to pay dividends only at a level they could maintain even in the teeth of an economic shock. Any bank asking to distribute more than 30 per cent of earnings as dividends automatically attracts extra scrutiny, and with it the risk of embarrassing rejection.

No longer. The Fed tests now assume banks react to a crisis by cutting dividends (though with a four-quarter delay). The 30 per cent limit will be scrapped. This should make them look healthier and allow for bigger payouts.

Common sense. What board would let a bank pay big dividends when it was suffering big losses?

Well, most of them. It is only a decade since banks did precisely that. In five brutal quarters from the end of 2007, Citigroup racked up $37bn in losses — and paid $10bn in dividends. Then it required a giant taxpayer bailout.

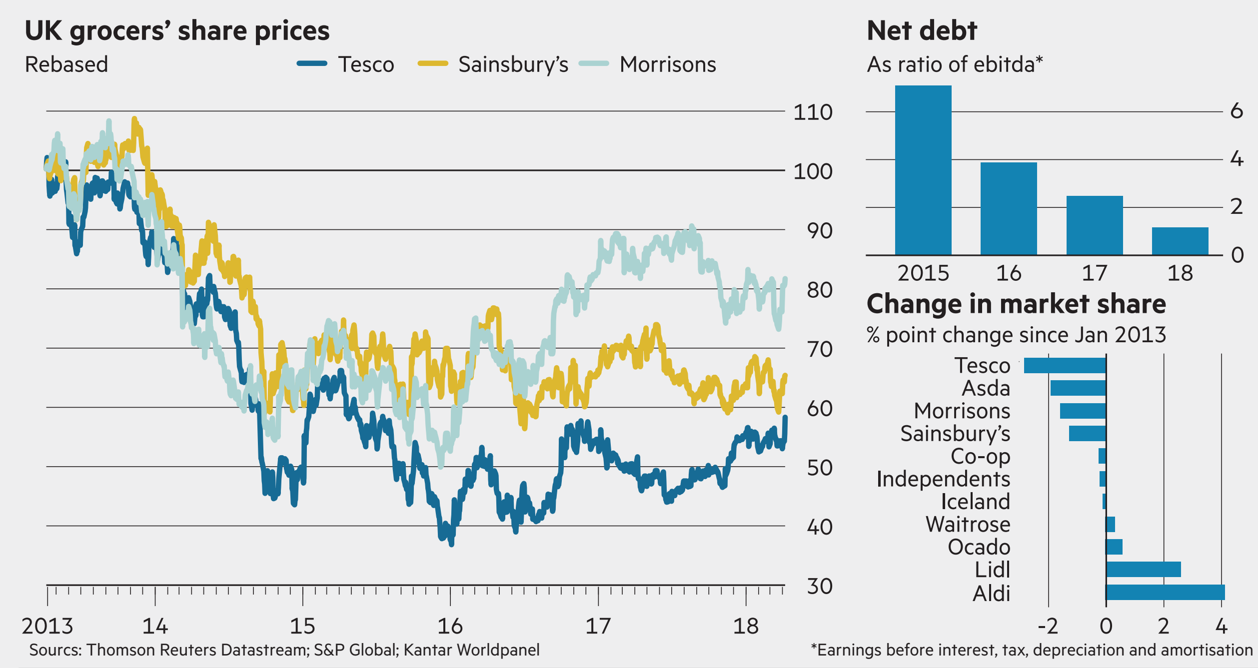
Hawks at the Fed who lived through that period are sceptical of banks' willingness to cut dividends when the need arises. It is not always that boards are too stupid or too eager to dole out cash to shareholders.

During a market panic, dividend cuts are a sign of weakness when the appearance of strength is crucial.

As banks recovered, Fed hawks kept moving the goalposts — demanding bigger buffers. Keeping a lid on payouts is untenable when profits are strong and capital is plentiful. Relaxation is understandable. Officials just should not count on dividend cuts next time.

Tesco: dancing in the aisles

Full-year results out yesterday showed a big increase in profits at the UK's largest grocer. Accounting scandals and intense competition from discounters hit shares hard, but sound balance-sheet management and plans for a successful integration of Booker make the case for recovery stronger.



Sources: Thomson Reuters Datastream; S&P Global; Kantar Worldpanel

*Earnings before interest, tax, depreciation and amortisation

All leaders want to leave a legacy. Dave Lewis might hope to be remembered as the man who rescued Tesco. An impressive set of results — pushing the share price up 6 per cent — suggests that goal is within reach. The question for investors is whether the newly completed acquisition of food wholesaler Booker will cement or dent that reputation.

Mr Lewis's fan club is growing — even though investors who bought into the UK supermarket chain when he joined in September 2014 will have barely made a profit. He arrived just as Tesco's full problems were emerging. These ranged from accounting fiddles to intensifying competition.

Conditions are still tough. But Mr Lewis is turning the business round by revamping its own label range, selling unwanted assets and rejigging its product mix. More improvements are on the way, justifying a valuation that at 17 times next year's earnings is 3 points above the sector average. He is also on track to cut costs by £1.5bn, employing the same zeal that earned him the moniker "Drastic Dave" at Unilever, his previous employer.

Mr Lewis's experience of the consumer goods group may prove even more relevant in future. Gossips tip him as a successor to boss Paul Polman, who is expected to step down within the next 12 months. If so, Mr Lewis might hand over to Booker's well-respected former chief executive, Charles Wilson, now on the Tesco board as head of its UK business. If that transition went smoothly, Mr Lewis would outshine Tesco's long-time former boss Terry Leahy.

When Mr Leahy stepped down in 2011, his succession plan did not stand the test of time.

Much depends on the success of the £3.7bn Booker deal. Tesco has high hopes for it, expecting it to raise sales by £2.5bn. That would be on top of £200m in cost savings over three years. But the acquisition has been controversial. Some shareholders regard the deal as a distraction. To secure his legacy, Mr Lewis must prove the sceptics wrong. Like politicians, chief executives are more likely to be remembered for their mistakes than their achievements.

Oil price/shipping: hull to pay

Commodity traders are not talking environmental accidents when they speak of oil on the water. Instead, they are referring to crude in transit.

There should be quite a bit of this crossing the Atlantic. US oil exports have gradually doubled over the past 18 months. Brent crude prices have inched above $70 per barrel, suggesting healthy demand for those barrels. Even so, the price of shipping the stuff has dipped to lows not seen in years. An oversupply of crude tankers continues to plague the oil tanker market. That situation should change, albeit slowly.

Charter rates for very large crude carriers (VLCC), the benchmark for long-haul oil transport, began tumbling a year or so after oil prices peaked in mid-2014. Once Opec decided to cut back on its production in late-2016, putting a floor under the Brent price, the real problems began. Earnings for VLCC operators such as DHT of the US and Norway's Frontline all suffered badly as Saudi Arabia and other large exporters reduced shipments.

As a result, US exporters shipped more of their product. That has begun to make some difference on VLCC charter rates from US waters to Asia, which have held up better than on routes from the Middle East. Demand for oil is evidently robust. This is underscored by higher near-term oil future prices than those months further out. A hint of better times ahead for the VLCC market comes from increased scrapping of older tankers, reducing capacity. In the first quarter, 19 VLCCs were scrapped, according to Pareto Securities, nearly as many as in all of 2017.

The oil price outlook appears benign. This will not improve the weather for tankers overnight. While the pace of VLCC fleet growth has peaked, only from perhaps next year will the balance of supply and demand in the tanker market properly tighten up. Early birds may wish to buy up shares in DHT, the most exposed to VLCCs. Most will prefer to watch the ships sail by for a while longer.

Facebook: DC folly

The army of spin doctors hired to prep Mark Zuckerberg worked, along with a strategically placed booster seat. On Tuesday, the Facebook founder mostly parried queries from US senators about the disturbing consequences of his social network's success.

Shareholders felt relieved enough to add $26bn, or 6 per cent, to the group's market value. The consensus is that Facebook will escape onerous regulation that would have curtailed its runaway profits. But that has less to do with Mr Zuckerberg's slipperiness. The public policy problems that Facebook has created are complex.

Ostensibly, Mr Zuckerberg's Washington visit was about the Cambridge Analytica data breach. Facebook has enormous amounts of user data it shares with third parties or uses to target ads. In 2011, Facebook entered into a consent decree with the Federal Trade Commission over how it had deceived users about its privacy terms. At a minimum, the FTC should consider fining Facebook heavily for violating the terms of that order as it relates to the most recent data breach.

Previous to this, any controversy involved Facebook's ubiquitous media platform and its role in unwittingly spreading propaganda from dark sources. That problem differs distinctly from advertising — from which it earned $40bn last year — and is tricky to solve on a free platform.

All of Facebook's woes stem from the same source — its 2bn users. And that does not include WhatsApp's 1.5bn and Instagram's 800,000. There are calls to break up Facebook or regulate it like a utility given its natural monopoly qualities. Exactly what an antitrust remedy would look like is not clear. A concept such as data "portability", where users can move profiles across social media, is an intriguing idea.

Notwithstanding Mr Zuckerberg's sanitised remarks, Americans are more aware of unintended byproducts from their online personas. If public policy cannot keep up, consumers voting with their feet is the next best alternative.

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WEATHER

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

Today's temperatures Maximum for day °C

Amsterdam	Cloudy	19	Malta	Sun	21
Ankara	Cloudy	21	Manila	Fair	34
Athens	Sun	25	Miami	Cloudy	26
Bahrain	Sun	31	Milan	Shower	16
Barcelona	Fair	17	Montreal	Rain	8
Beijing	Fair	21	Moscow	Sun	11
Belfast	Cloudy	11	Mumbai	Sun	33
Belgrade	Sun	27	Munich	Fair	20
Berlin	Fair	23	Naples	Shower	20
Brussels	Thunder	18	New York	Cloudy	14
Budapest	Sun	26	Nice	Shower	12
Cairo	Sun	33	Nicosia	Sun	27
Cardiff	Cloudy	12	Oslo	Sun	12
Chicago	Fair	21	Paris	Shower	17
Cologne	Fair	22	Prague	Sun	23
Copenhagen	Sun	12	Reykjavik	Rain	9
Delhi	Thunder	33	Riga	Sun	12
Doha	Shower	32	Rio	Fair	29
Dubai	Cloudy	34	Rome	Shower	17
Dublin	Cloudy	9	San Francisco	Fair	16
Edinburgh	Cloudy	7	Singapore	Shower	32
Frankfurt	Fair	21	Stockholm	Sun	11
Geneva	Fair	17	Strasbourg	Fair	20
Hamburg	Cloudy	19	Sydney	Sun	34
Helsinki	Sun	9	Tokyo	Sun	24
Hong Kong	Fair	28	Toronto	Rain	14
Istanbul	Sun	22	Vancouver	Cloudy	11
Lisbon	Shower	14	Vienna	Sun	22
London	Cloudy	14	Warsaw	Fair	19
Los Angeles	Sun	21	Washington	Fair	22
Luxembourg	Fair	17	Zagreb	Fair	21
Madrid	Shower	12	Zurich	Sun	21

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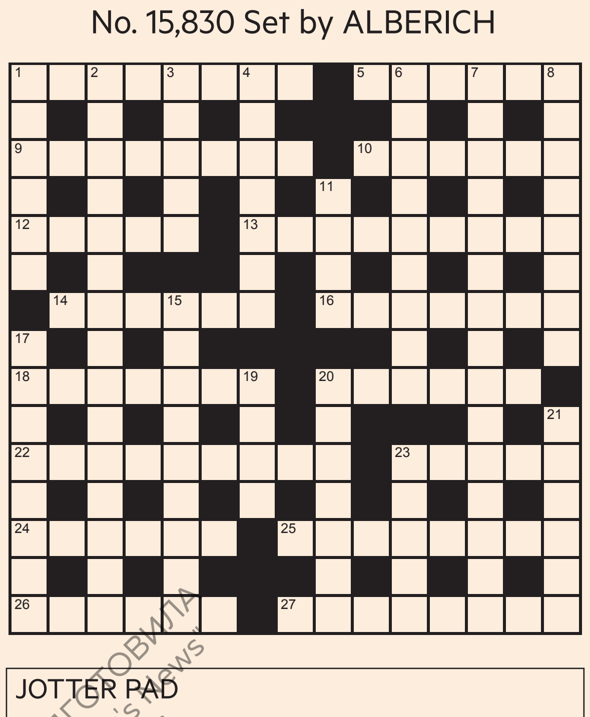
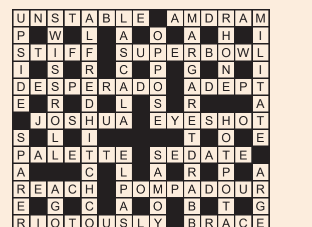


JOTTER PAD

ACROSS
1 How doctor describes male patient's cosmetic treatment? (8)
5 Excerpt from Gypsy Chorus used for film (6)
9 Stake holds back European animal (8)
10 Fancy some bits of cake? (6)
12 Speaker's downfall is to predominate (5)
13 Harry Potter's beginning to charm a viewer (9)
14 Pure heroin found in class (6)
16 Perform Bach and Prokofiev's final trios with energy (7)
18 Calls for offal right away (7)
20 Receiver of Shakespearean spirit, so they say (6)
22 Accompaniment to lamb is nice – a must when cooking (4,5)
23 Place secured by mimic for Pippin? (5)
24 River surrounds fashionable place to go (6)
25 Business has private gallery to consider (8)
26 Did some gardening, keeping horse cornered (6)
27 Final word one and all oddly ignored (8)

DOWN
1 Inadequate male meets a bore (6)
2 I don't want things disturbed yet (15)
3 Introducing 50 Cent? That's him (5)
4 Sally's on about current job (7)
6 Extremely stout person heaving a brick (9)
7 Aussie's attempt to deceive won't hamper a crew at sea (4,3,3,5)
8 Upstanding cleric's after new robes, one notices (8)
11 US city expels young female star (4)
15 Having eaten joints, Mum needs a gym to get trim (9)
17 It is truly endless insolence (8)
19 Swiftly move missile (4)
20 One colouring is an organic solvent (7)
21 Revoke article in disgust (6)
23 Man wants a kiss on principle (5)

Solution 15,829



Companies & Markets
FINANCIAL TIMES

Overtaking Can Herbert Diess steer VW in a new direction? — ANALYSIS, PAGE 13

Russian roulette Only the rash will heed calls to 'buy the dip' — INSIDE EUROPE, PAGE 12

EU raids sports media rights groups

● Brussels swoops as part of antitrust probe ● Murdoch's Fox Networks division included

MATTHEW GARRAHAN — LONDON
ROCHELLE TOPLENSKY — BRUSSELS

European officials have raided sports media rights companies, including a division of Rupert Murdoch's 21st Century Fox, as part of an investigation into possible antitrust violations.

The European Commission confirmed the unannounced inspections in several countries, saying it had "concerns that the companies involved may have violated EU antitrust rules that prohibit cartels and restrictive business practices".

A raid in London targeted the offices of Fox Networks Group, the unit of 21st Century Fox that owns its TV channels, including Fox Sports. "Fox Networks Group is co-operating fully with the EC inspection," the company said.

The raids were "a preliminary step into suspected anti-competitive practices" but do not mean the companies were guilty of anti-competitive behaviour, according to the commission.

It carried out "unannounced inspections in several member states at the premises of companies active in the distribution of media rights and related rights pertaining to various sports events".

European officials "were accompanied by their counterparts from the relevant national competition authorities", the commission added. Investigations are confidential and have no set deadlines for completion.

The commission declined to comment on which sports were relevant to their concerns. However, the sale of exclusive broadcast rights to football league games has generated billions of pounds of revenue in Europe annually and both national and European authorities have wrestled with how best to sell those rights.

The raids are unconnected with the Murdoch group's efforts to take full control of Sky, the pan-European broadcaster. Fox has made a £11.7bn takeover offer for the 61 per cent of Sky that it does not own. But the UK's Competition and Markets Authority has signalled it will not recommend the deal because it would concentrate too much power in Mr Murdoch's hands.

Walt Disney has separately agreed a $66bn deal to acquire Fox's entertainment assets — including its stake in Sky, the pay-TV group that Mr Murdoch launched in 1989.

The path to completing that transaction has been stymied by the regulatory delay in the Fox-Sky deal. A surprise offer for Sky from Comcast, the US cable group, at a premium to the Fox offer, has further complicated the picture.

> '[We have] concerns that the companies involved may have violated EU rules that prohibit cartels'

Choppy times Volatility returns to the S&P 500

If you are an equity investor trying to pick the dominant theme of 2018, there is plenty of choice.

The inflation scare of the early part of the year has recently been overshadowed by fear of a trade war and the regulatory threat to Big Tech. Then there is the concern that the robust global economy that has underpinned the US stock rally is slowing.

But that debate can obscure something everyone agrees on: volatility has returned. There have been 28 swings of at least 1 per cent on the benchmark S&P 500 this year, up from 7 last year.

The Cboe's Vix volatility index, a measure of implied volatility in the S&P 500, has consistently traded above its long-term average of 19 — a level it did not reach throughout 2017.

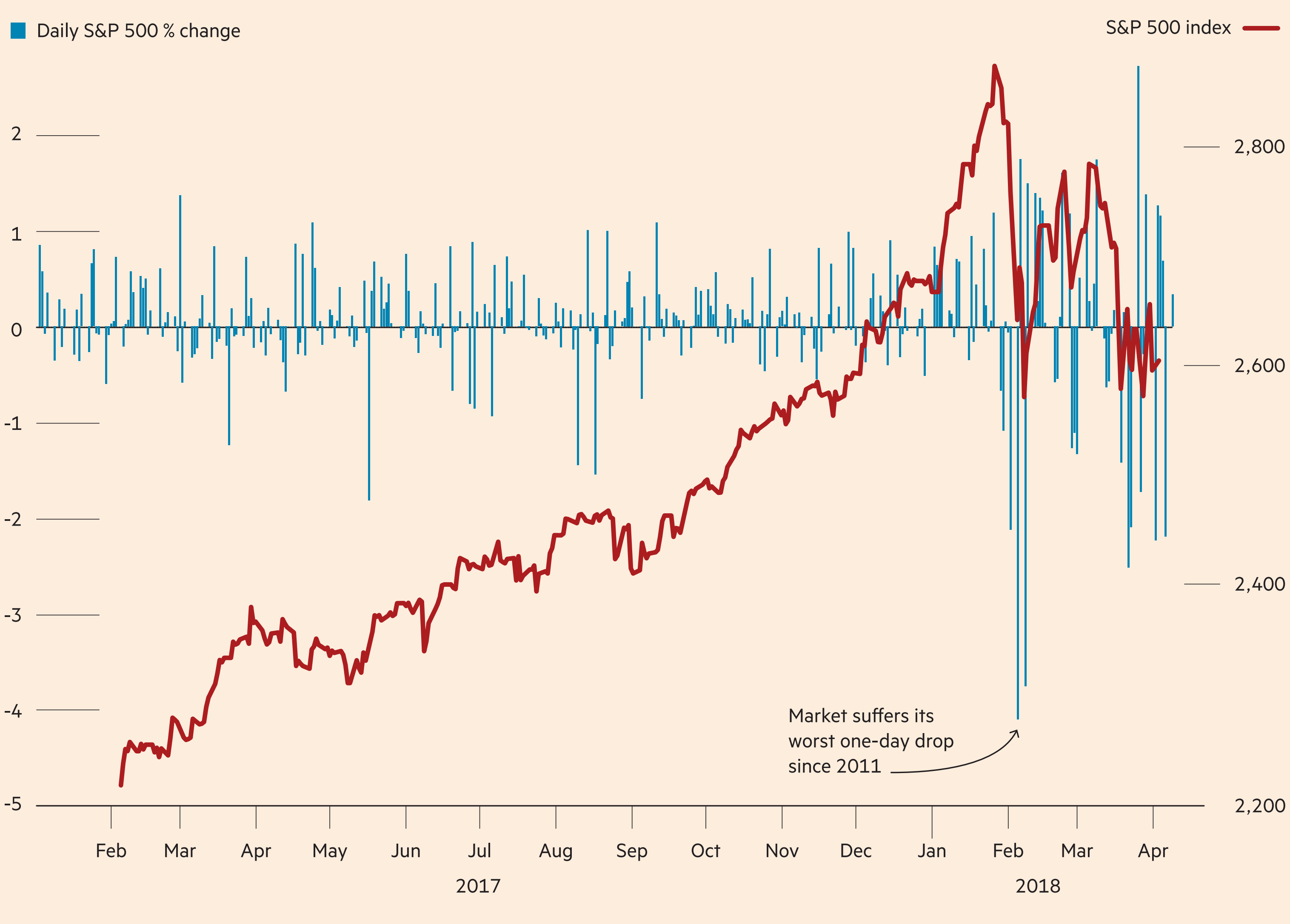
"I think 2018 looks drastically different to 2017. Volatility is here to stay," said Michael Underhill, chief investment officer at Capital Innovations.

"[This year] is the start of a period of volatility, complexity and ambiguity."

The year began calmly enough for US large-cap stocks, with just two daily moves of more than 1 per cent before the S&P 500 touched a record in late January. Since that high, the index has dropped just over 7 per cent.

While the contrast to last year is sharp, 2017 was an unusually steady period for US stocks, with the market as recently as January setting a record for the longest stretch without a 5 per cent reversal.

Joe Rennison



Source: Bloomberg

Smart Money

Jonathan Wheatley

If there is any smart money in Venezuela these days it is probably in a $2.5bn, 8.5 per cent bond issued by PDVSA, the state oil company, due on October 27 2020.

Despite being declared in default, it trades at about 85 cents on the dollar, suggesting investors believe they still have a good chance of getting paid.

Compare that with a $650m, 8.5 per cent bond issued by Elecar, a state electric utility, that matured on Tuesday. On the day that investors were set to be paid 100 per cent of their money, it was trading at 38 cents on the dollar. While this suggests that most investors do not expect to be paid, it also shows that some still do. This may turn out to be very smart money; or it may not.

All the signs point to the latter. Venezuela stopped making payments on its sovereign bonds last September. It has blamed missed payments on the operational complications caused by US sanctions. Nevertheless, when it has wanted to make payments it has managed to do so.

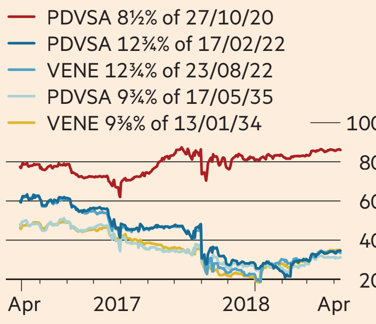
About $2.5bn has been received by holders of PDVSA and Elecar bonds since November 2, when President Nicolás Maduro said that he would restructure and refinance roughly $100bn of state and quasi-state debt.

Hopes that Elecar's creditors would be paid rested partly on rumours that people close to the government had bought the bond and would make sure of cashing in. If this were true, we would have probably seen a rush to buy the bond in its last days at a bargain price. That did not happen and, at time of writing, there is no sign of payment being made.

Holders of the PDVSA 8.5 per cent bond of 2020 have a better chance of making good. That is because they have a claim on the bond's collateral: 50.1 per cent of Citgo, PDVSA's US refining and distribution company.

It is the only Venezuelan bond at anything like this price. Our chart compares it with two pairs of sovereign and PDVSA bonds that until last November were trading at similar prices. After Mr Maduro's announcement of restructuring, the PDVSA bonds attracted a premium to the sovereigns on the belief that Caracas would default on its own debts before PDVSA's. Since January, that distinction has evaporated and they are all plain junk.

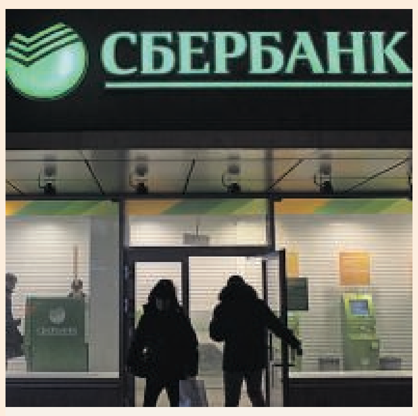
Venezuela's bonds
Market prices, cents on the dollar



Source: Thomson Reuters Datastream

The only smart money left in Venezuela these days is probably the 8.5% PDVSA bond maturing in October 2020

jonathan.wheatley@ft.com



Russia's Sberbank feels the pain of US sanctions

In four of its five recent quarters, Sberbank has hit record profits and doubled its share price. But, after the US imposed fresh Russia sanctions last week, its stock fell 20 per cent. 'When somebody sells Russia, the first thing that's going to be sold off is Sberbank.'
Analysis ▸ PAGE 12

Tesco bounces back as hefty cost cuts and focus on UK push profits past £1bn

SCHEHERAZADE DANESHKHU
AND NAOMI ROVNICK — LONDON

Tesco, the UK's largest grocer, has staged a comeback with a sharp rise in annual profits that defied the wider gloom on the British high street, after a three-year turnaround at what was once one of the country's most successful companies.

The shares closed 7 per cent higher after the supermarket group said it had attracted 260,000 more customers over the past year and expected to reap £2.5bn in extra revenues from its £3.7bn takeover of food wholesaler Booker, which completed last month.

"We're really happy with the results and with the progress we're making," said Dave Lewis, chief executive, yesterday, after annual profits exceeded £1bn for the first time since 2014, when the former Unilever executive was hired to address flagging sales and morale.

Richard Lim, head of consultancy Retail Economics, said Tesco had continued to deliver "impressive" gains due to a "laser-like focus" on its core UK food business. Same-store sales in the UK rose 2.2 per cent in the year to February, driven by food, which was up 2.9 per cent.

Mr Lewis has simplified Tesco's operations by selling off far-flung businesses and properties, doubling down on fresh food and own-label products and cutting costs. The group has made £820m of savings towards a £1.5bn target with cuts including the loss of 6,000 managerial roles.

Pre-tax profits of £1.3bn were roughly 8 times higher than the previous year's £145m, although that had been dragged down by exceptional charges related to Tesco's 2014 accounting scandal. This year's earnings were flattered by £193m of exceptional gains on property and investment disposals. Without the exceptionals, operating profits were, nevertheless, 26 per cent higher than last year at constant exchange rates.

Despite the improvement, underlying pre-tax profits were half the £3bn Tesco achieved at its 2013-14 peak and its share price is not much higher than when Mr Lewis took over.
Lex page 12

Companies / Sectors / People

Companies

Sectors

People

Financial services

Alibaba spin-off eyes $150bn valuation

Payments platform Ant Financial aims to raise $9bn before its listing

DON WEINLAND — HONG KONG
SHERRY FEI JU AND XINNING LIU
BEIJING

Ant Financial, the payments affiliate of China's Alibaba Group, is seeking to raise at least $9bn in a funding round that would place it among the world's most highly valued companies.

The fundraising ahead of a planned initial public offering is expected to value the company at about $150bn, according to four people close to the discussions, double the business's $60bn valuation at its last funding round in April 2016.

Ant has gone from a spin-off of Jack Ma's Alibaba in 2011 to the world's largest third-party payments platform, claiming half of the mobile payments market in China.

The company's stock exchange debut has been one of the most anticipated offerings of a Chinese company in years. While plans to go public have been under way for some time, regulatory difficulties have held back the listing, probably until next year.

As recently as February, Ant's next funding round had been expected to raise $5bn, which would have valued the company at $100bn-$120bn. If Ant were to list today, a valuation of $150bn would put it in the world's top 100 companies by market capitalisation, leapfrogging the likes of IBM, L'Oreal and McDonald's and putting it just below Walt Disney, PepsiCo and DowDuPont.

The valuation would also make it easily the world's next biggest "unicorn" — or privately held company worth $1bn. The Wall Street Journal first reported the latest round of fundraising at the $150bn valuation.

Temasek, the Singaporean investment fund, plans to take part in the private deal, according to one person familiar with the matter. Ant and Temasek declined to comment. In Ant's last funding round, which raised $4.5bn, a handful of Chinese state investors such as China Construction Bank and China Investment Corp took stakes.

Alipay, the payments platform that eventually became the core of Ant, was spun out of Alibaba in 2011 to avoid regulatory problems surrounding foreign ownership of such assets — issues that persist with regards to its IPO.

This year Alibaba said it would swap its profit-sharing arrangement, under which Ant hands Alibaba 37.5 per cent of its pre-tax profit — worth Rmb2.08bn ($330m) in Alibaba's last financial year — for clear one-third ownership of Ant.

$16tn
Value of China market for mobile payments

$4.5bn
Sum Ant Financial raised in last funding round

The value of the business lies primarily in Alipay, which by the end of 2017 had captured about 54.3 per cent of the $16tn mobile payments market in China, according to data from Analysys. The monitor iResearch forecasts that the market will grow to $25tn this year.

Ant has gone head to head with rival Tencent in a number of areas, including payments. While Tencent has a smaller share of the market, it has claimed that its payments platform, WeChat Pay, had more users than Alipay.

Last year IPOs in the Chinese technology, media and telecoms sector raised Rmb76bn, double the previous year's total, according to PwC. The number of such IPOs doubled to more than 100.

See Lex

Banks. Shares slump

Sberbank suffers collateral damage

Fallout from tension between the US and Russia threatens to derail the lender's recovery

MAX SEDDON — MOSCOW

Sberbank has been one of the worst-hit stocks because of the US sanctions launched against Russian oligarchs and their companies last week — despite not being targeted by Washington.

The slump — which saw Sberbank's share price fall by more than 20 per cent on Monday before slightly recovering — has triggered concern among investors on the potential of sanctions to hit companies that are not being singled out by the US government.

"There's going to be a lot of collateral damage. People are going to say, 'why do I need Russia? Why take the risk?'" said a senior western banker in Moscow.

With half of Russia's retail deposits, Sberbank is three times the size of nearest competitor VTB by assets and recently became the second-largest bank in Europe by market capitalisation. Its stock accounts for 22 per cent of the MSCI Russia index — two-thirds more than its nearest rival.

That leaves it particularly sensitive to Russia's slumps as a whole. After sanctions and a falling oil price saw the rouble's value halve in 2014, panicked depositors nearly started a run on Sberbank.

> 'It's an emotional market reaction to geopolitics. I'm sure it's temporary'
> Sberbank executive

Vulnerable: a Sberbank branch in Moscow. Shares fell more than 20% despite the bank not being directly targeted by Washington Andrey Rudakov/Bloomberg

Now the fallout from tension between the US and Russia are threatening to derail Sberbank's recovery.

"When somebody sells Russia, the first thing that's going to be sold off is Sberbank. It's unfortunate because it's nothing to do with the fundamentals," said Luis Saenz, co-head of equities at BCS Global Markets.

In his decade running Sberbank, chief executive Herman Gref turned the bank from a Soviet-era dinosaur into a tech-focused group taking its cues from Silicon Valley.

Even after the US banned Sberbank from raising all but short-term debt on western markets, those changes still saw its balance sheet shoot up. In the past two years alone, Sberbank has reported record profits in four quarters out of five and doubled its stock price.

Bankers say that those financials will probably help Sberbank weather the storm. "It's a sin not to buy Sber when it's down 20 per cent," said Oleg Tinkov, chairman of online bank Tinkoff.

"We're the most liquid thing on the market with the biggest market cap, so we're well above beta," said a senior Sberbank executive. "It's an emotional market reaction to geopolitics. I'm sure it's temporary. I just bought some more Sberbank shares today myself."

But Sberbank is also vulnerable to sanctions against other Russian companies to which it lends. Loans to companies on the new sanctions list — which are now barred from making payments in dollars or accessing western markets — total "no more than 2.5 per cent" of Sberbank's total assets, or Rbs585bn.

Rusal, which was sanctioned along with owner Oleg Deripaska and nearly all his other businesses, owes about half its $8.4bn debt to Sberbank. The aluminium producer warned investors about a potential default this week. Sberbank said the loans to the sanctioned companies are fully provisioned.

Mr Gref, a former economy minister who worked in the St Petersburg's mayor's office with Vladimir Putin in the 1990s, fears sanctions could put the US and Russia on a collision course. Late last year, he said that drastic US measures would be "irrational" and "make the Cold War look like child's play".

Sberbank stock falls
Share price

Source: Thomson Reuters Datastream

Yet as other Russian companies ramped up their lobbying ahead of the US Treasury's "Kremlin Report" on oligarchs earlier this year, Mr Gref tried to use Sberbank's popularity on the market — where 25 per cent of its shareholders are from the US — to its advantage.

"We don't need lobbyists. Our American shareholders do that for us," the senior Sberbank executive said.

Even if the US does not sanction Sberbank, the latest sanctions' effect on the Russian economy may inspire Washington to take further action that hurts it, according to Tim Ash of Bluebay Asset Management.

"The message to institutional investors is now clear — you hold Russian securities at your own risk. You have been warned," he said.

INSIDE BUSINESS
EUROPE

Neil Buckley

Geopolitical risks now trump fundamentals for Russian investors

Investors have long tended to hold their noses, cross their fingers and ignore the risks of owning Russian assets. Russian business was seen as having digested the impact of sanctions imposed over Moscow's interference in Ukraine since 2014. Banks and oil companies, hit by sectoral measures barring them from arranging long-term western financing, had found alternative funding sources.

But last Friday's new US sanctions are a pivotal moment. After the ensuing plunge in Russian securities, some Moscow investment houses have urged investors to "buy the dip". They argue the Russian market is now undervalued across the board, and there are pockets of real opportunity.

That would be rash. Risk — largely geopolitical risk — now trumps the fundamentals. The latest round of sanctions throws up huge questions for both portfolio and strategic investors in Russia.

First, in terms of targeting individuals, they go beyond the "inner circle" of Russian president Vladimir Putin and strategic, state-dominated companies and sectors, and reach deep into the realms of private business — including owners with little discernible connection to the Kremlin.

Second, the almost random-seeming selection of names — with surprising inclusions and omissions — introduces enormous unpredictability into future measures. Whether this is by accident, as some have suggested, or design is largely beside the point.

The list, though short, targets a cross-section of personalities. The appearance of Oleg Deripaska, who has ties to central figures in special counsel Robert Mueller's probe into alleged Russian interference in the 2016 US election, is perhaps no surprise — though the severity and breadth of the measures against his business empire is. Yet Viktor Vekselberg is almost at the other end of the spectrum. He is seen as having little involvement in politics, spending much of his time in Switzerland. His Renova holding company had taken a majority stake in Sulzer, a venerable Swiss engineering group that dates back to 1834.

> A return to 'business as usual' in Russian markets looks unlikely

Another of those targeted, Suleiman Kerimov, has a colourful history and is under investigation for suspected tax fraud in France. But Polyus Gold, the Russian gold miner group his family controls, has one of the most professional management teams around. The inclusion of three such diverse tycoons seems to send a strong message that no senior Russian business owner is safe.

Then there is the son of a Putin-linked oligarch, Igor Rotenberg, whose father Arkady is a construction mogul. And there is the former business partner of another: Andrei Skoch, who in the 1990s worked with the billionaire Alisher Usmanov. The implication here seems to be that family members and associates of rich Russians are not safe either — and tycoons cannot protect themselves, as some have attempted, by splitting holdings with them.

The third significant development is that the sanctions for the first time directly target existing securities. The US Treasury gave American investors until May 7 "to divest or transfer debt, equity or other holdings" in Mr Deripaska's EN+, Rusal and Gaz businesses to non-US persons. Tim Ash of BlueBay Asset Management notes Washington had previously seemed wary of taking such a step for fear of harming US investors or creating contagion risks.

Fourth, the latest sanctions have caused significant collateral damage to entities and individuals that are not directly targeted. Bloomberg calculated the single biggest loser in Monday's Russian market rout was Vladimir Potanin, with whom Mr Deripaska has been vying for control of Norilsk Nickel, whose wealth fell $2.25bn on paper but who is not even on the US list.

Finally, this round of measures highlights the very broad grounds created by last year's US Countering America's Adversaries Through Sanctions Act. Sanctions are no longer just about Ukraine but can be imposed related to Syria, alleged US election interference, cyber attacks, or even money-laundering.

That makes a return to "business as usual" in the Russian markets, as happened eventually after the Ukraine crisis, look unlikely without a striking improvement in broader relations between Moscow and the west.

For now, with tension reaching boiling point over Syria, a continuing — and dangerous — deterioration looks more likely.

neil.buckley@ft.com

Banks

JPMorgan addresses 'exceptions' to trades

LAURA NOONAN — LONDON

JPMorgan is expecting big advantages in the way it prevents and resolves faulty trades after taking a significant minority stake in a start-up developing an industry-wide platform to deal with the trading problem of "exceptions".

"Exceptions" are trades that are entered into a bank's system but do not get processed because of errors. They can leave the bank with unhedged risk and can take up significant manpower to resolve.

JPMorgan, the world's biggest investment bank by revenue, has taken an undisclosed stake in AccessFintech, the developer of an analytics platform that pools banks' post-trade data. By offering a broad industry overview, the system allows banks to identify exceptions faster and resolve them with less difficulty.

AccessFintech is also joining JPMorgan's In-Residence programme, which supports fintech companies that are developing industry-wide products.

"We have been tracking AccessFintech's product evolution for some time and we think its ability to bring together different parts of the post-trade process into one aggregated view is technology that is long overdue in the industry," said Lawrence Waller, global head of markets and investor services operations at JPMorgan.

Fabrice Carrier, a managing director in JPMorgan's operations team, said that over time the AccessFintech system could cut the volume of exceptions across the industry in half, and could also "accelerate and simplify" the resolution of exceptions that did still occur.

He estimates that exceptions make up less than 10 per cent of JPMorgan's daily trade volume but says those that still occur create a lot of "headaches and efforts and costs" to resolve. "There's a huge need for their product in the market, so yes we are excited," he added.

AccessFintech is running a "proof of concept" across four dealers, including JPMorgan. "Three or four [banks] will generate a fair amount of activity for a better solution to problems," Mr Carrier said. As well as cutting costs, the platform would "improve the client experience", he added.

AccessFintech hopes that the backing from JPMorgan, which follows a privately funded seed capital round, will lead the way for other market participants to join the project.

Energy

Shell views danger of stranded assets as low

ANDREW WARD — ENERGY EDITOR

Royal Dutch Shell said it saw little risk of being left with "stranded assets" as the world begins to shift away from fossil fuels and promised to keep pace with the global transition to cleaner energy.

The Anglo-Dutch group said that 80 per cent of its current proved oil and gas reserves would be produced by 2030, when it expects demand for those hydrocarbons to be higher than it is today even under its most aggressive scenario for growth in alternative forms of energy.

Shell said it was confident that its reserves would remain competitive over that period at prices as low as $40 a barrel, compared with around $70 today.

The assertions came in a report due to be issued by Shell today on its strategy for adapting to a lower-carbon energy system.

Ben van Beurden, chief executive, said understanding what climate change meant for Shell was "one of the biggest strategic questions" facing the group and promised to "stay in step with society and our customers" in efforts to reduce carbon emissions.

The report came a week after Shell was threatened with legal action by Friends of the Earth, the environmental group, over its contribution to global warming, and weeks before a vote at its annual meeting on a resolution from activist shareholders calling for a faster shift away from fossil fuels.

Shell committed last year to disclose more information about "climate risks" to its business in response to mounting scrutiny from investors and regulators. The group has declared its support for the Task Force on Climate-Related Disclosures, which is developing voluntary guidelines under the leadership of philanthropist Michael Bloomberg and central banker Mark Carney.

Mr Carney has warned in the past that investors faced "potentially huge" losses as fossil fuel reserves became "literally unburnable".

In its report, Shell acknowledged that oil demand was likely to peak and subsequently decline but said the process would take decades to unfold.

Under the most rapid transition to low-carbon energy considered plausible by Shell, oil demand would grow by 1 per cent a year between 2020 and 2025, then fall by 1 per cent a year until about 2040.

The lean, shrewd slasher of costs bestriding VW

Diess has demonstrated a willingness to compromise, repairing relations with powerful works council chief Osterloh

PATRICK MCGEE — FRANKFURT

Herbert Diess stood before more than 10,000 workers at VW's Wolfsburg headquarters. He took the microphone to speak — and was forced to wait several minutes for the whistling and booing to stop.

It was February 2017, the lowest point in Mr Diess's tenure as head of the Volkswagen brand since joining from BMW in the summer of 2015. Some analysts speculated that he was about to be fired.

Since then, his stock has risen as he is poised to take over the top job at the biggest carmaker by sales.

He is set to replace Matthias Müller as chief executive of the 12-brand VW Group, which includes VW, Audi and Porsche, tomorrow when the company's supervisory board meets in what has taken some analysts by surprise.

Loved by investors but feared by the unions, Mr Diess is known for ruthless cost-cutting.

Although Mr Müller has always been considered a stopgap since he took over from Martin Winterkorn as chief executive at the height of the diesel scandal, a decision on who was to be his successor was not expected this soon. Mr Müller was due to step down in 2020.

But Mr Diess seems more like the person best suited to take the reins, with Mr Müller looking increasingly like the temporary, safe-pair-of-hands caretaker appointment he was meant to be.

Even as Mr Diess cut costs and focused on improving profit margins, the lean 59-year-old Bavarian has shown he has been prepared to compromise in the interest of the company and his career.

He has managed to mend relations

> 'I don't think they will holiday together, but they know they are pulling in the same direction'

with the head of the group's works council, Bernd Osterloh, who in early 2017 accused him of trying to cut jobs "as soon as the ink" was dry on a €3.7bn cost-saving plan.

His improved ties with Mr Osterloh mean the company's workers are not expected to oppose his appointment, a big step for a man who faced pickets and protests a year ago.

"I don't think they will holiday together," Max Warburton, an analyst at Bernstein, said of Mr Diess and Mr Osterloh, "but I think they know they are pulling in the same direction."

A quid pro quo is expected.

Gunnar Kilian, who is close to Mr Osterloh and is general secretary for the works council, is expected to take over from personnel chief Karlheinz Blessing, with a place on VW Group's management board, according to two people at VW.

A position on the management board means Mr Kilian will be in a strong position to monitor decisions by Mr Diess and their effect on workers.

Mr Diess appeared to have learnt about his responsibilities to the workforce, according to another person at VW.

He has doubled operating margins from 1.8 per cent in 2016 to 4.1 per cent last year, but has learnt how to play nice with Mr Osterloh, cutting waste and complexity in production without targeting workers.

Unions are powerful at VW, with the state of Lower Saxony, where the company is based and whose interests tend to be aligned with the workers, controlling a large chunk of the shares.

VW unions "are probably the strongest among all car companies," said Ingo Speich, portfolio manager at Union Investment.

Another decision for VW is whether Mr Diess will retain the chief executive role at the VW brand as well as heading the group.

Analysts expect that it is likely he will do so, moving in a different direction from Mr Müller's stated belief in more decentralisation at a company that has been criticised over its governance, which some felt was responsible for the diesel scandal.

Investors are likely to support the appointment, not least because Mr Müller had made it clear that he would not stay for the long haul.

Mr Speich said: "Mr Diess is the right man for the job. But why does Mr Müller leave now? Volkswagen has to answer this question."

Mr Müller's swipe at government intervention on pay in Der Spiegel last week, when the German weekly asked him if he could live with a salary cap of €5m — half of what he received in 2017 — upset some board members.

Mr Müller's response — that it sounded like something done in the old East Germany — prompted an angry response from Stefan Weil, a VW board member and prime minister of Lower Saxony.

"To compare a limitation of manager salaries of €5m per year with the conditions in the GDR is completely absurd," Mr Weil said.

Mr Diess's expected ascension, especially if it comes with the blessing of the unions, might signal genuine reform at VW at an important time for the carmaker as it grapples with a shift to electrified and self-driving cars.

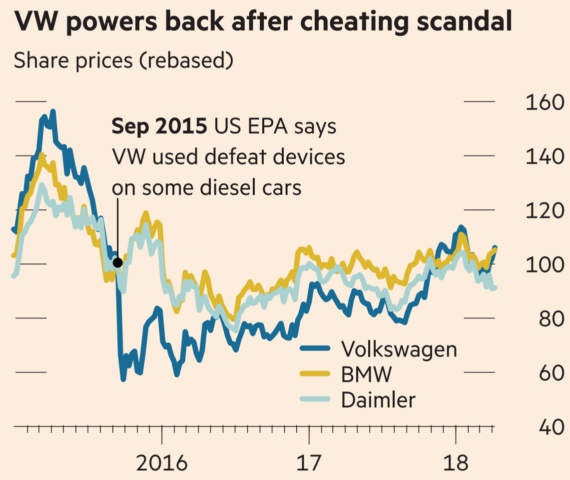
There is far too much inefficiency at VW, with more gains in profitability needed to fund the big shifts in the car industry over the next decade. The need for increased margins also very probably means more cost cuts.

"He was controversial when he came in," a VW investor said of Mr Diess. "He has pushed back on the unions, pushed as hard as he can inside the structure that exists to bring margins on the VW brand up. If he is made CEO, it's a validation of all that."

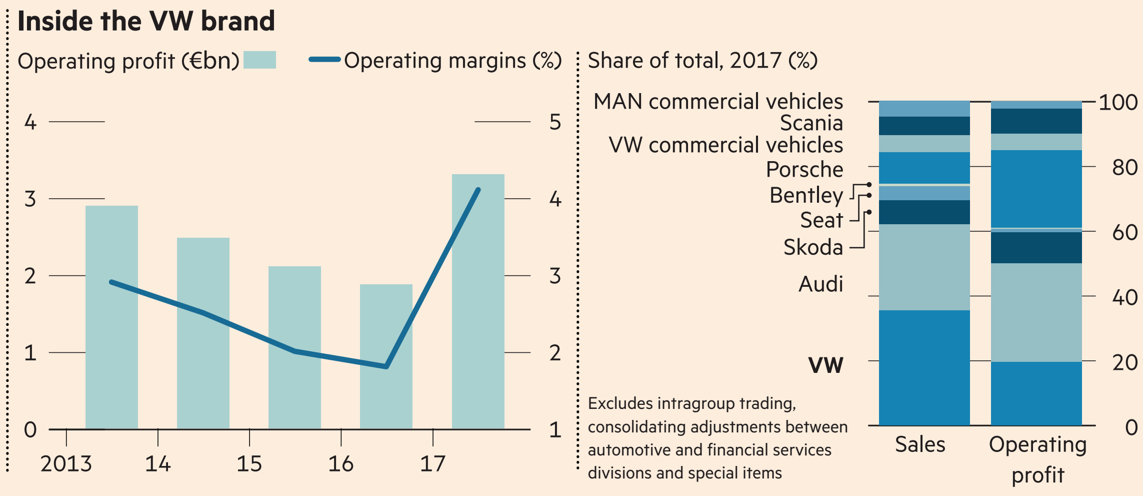
Herbie fully loaded

Workers are not expected to oppose the appointment of Herbert Diess as chief, a big step for a man who a year ago confronted pickets and protests — Wu Hong/epa-EFE

VW powers back after cheating scandal



Inside the VW brand



Sources: Thomson Reuters Datastream; company

Any enthusiasm ought to be tempered by scepticism

INSIGHT
Richard Milne

Until now, Volkswagen's third scandal of the past two decades has followed the pattern of the first two. A company with shockingly poor governance is found out; outrage ensues; it leads to enough change to bring investors back on board.

But the latest event threatens to tear up the script. Everything indicates that the supervisory board will decide tomorrow o replace chief executive Matthias Müller with the head of the VW brand, Herbert Diess.

Change at the top is potentially a big positive. For the first time, the cost-cutting crown prince would become king. In both previous scandals, forerunners to Mr Diess — José Ignacio Lopez in the 1990s and Wolfgang Bernhard in the 2000s — were cast aside before they could make it to the top job, partly due to union opposition.

Mr Diess' probable appointment is likely to cheer investors because there is still so much to correct at the VW brand. The stock rose 4 per cent on the announcement that Mr Müller might step down. While other parts of the group such as Porsche, Skoda and Audi deliver healthy profit margins, VW lags well behind rivals such as Peugeot.

Mr Diess, a former BMW executive, has made some progress, but much remains to be done. VW has too much complexity and inefficiency, especially in its German plants and its monolithic Wolfsburg HQ. It needs higher profitability to help it absorb costs coming from the shift to electrification and autonomous driving.

Any enthusiasm must be tempered by scepticism. The sudden potential exit of Mr Müller — and the cryptic way it was announced — show that VW is far from a normal company. The VW system — a network of politicians, unions, and founding family investors — continues to be both dysfunctional and the central power at the carmaker.

Investors should ask what the unions will receive in exchange for accepting Mr Diess, with whom they have repeatedly butted heads. According to German media, the answer might be the role of head of human resources. It appears set to go to a man at the heart of the VW system. Will that system allow Mr Diess to do what is needed?

It is here that the history of the two previous scandals — concerning industrial espionage, and bribery and prostitution — offers a depressing interpretation. In both cases, VW did the minimum required to get investors enthused again, but failed to tackle underlying governance issues.

Mr Diess has his work cut out if he wants to make a true break with VW's past.

Food & beverage

Barry Callebaut sweet on chocolate revival

RALPH ATKINS — ZURICH

A revival in global chocolate consumption — despite the trend towards healthier snacking — has been highlighted by a surge in sales at Switzerland's Barry Callebaut, the world's biggest supplier of chocolate and cocoa products.

The Zurich-based company reported sales volumes rose 8 per cent to 1.02m tonnes in the six months to February 28, powered by increases in all regions but especially Asia.

Confectionery companies have been hit in recent years by consumers' shift towards healthier foods, with global sales volumes falling in 2016 and 2015, according to data provider Euromonitor. Last year saw a return to growth, however, helped by tumbling cocoa prices — and Barry Callebaut's results suggested the sales revival was accelerating, despite cocoa prices starting to rise again recently.

The sweetening outlook will come as a welcome break for the chocolate industry, suggesting sales could rise even as consumers become fussier about what they eat, tempted by new product launches and promotions.

"Consumers have not given up on chocolate — but they have become choosier, which still allows for volume growth," said Jean-Philippe Bertschy, analyst at Vontobel bank in Zurich.

"Even health conscious individuals can be contradictory. It's à la carte — quinoa one day and chocolate the next," Mr Bertschy added.

Barry Callebaut said its 8 per cent sales volume growth in the first half of its financial year compared with a 2.5 per cent expansion in the global chocolate confectionery market. The company continued "to see healthy market dynamics", said Antoine de Saint-Affrique, chief executive.

He said the sector was driven by new products, citing the example of Barry Callebaut's launch last year of "ruby" chocolate, a new pink variety that it claims is the biggest innovation since white chocolate in the late 1930s.

Technology

Toutiao hit by Beijing content crackdown

Founder of news app apologises after failing to respect 'socialist values'

TOM HANCOCK — SHANGHAI

One of China's biggest tech start-ups has vowed to hire 4,000 new censors and respect "socialist values", amid a growing crackdown on content that raises questions about a big push into entertainment among Chinese internet companies.

Zhang Yiming, founder of news aggregation app Toutiao, which was valued at $20bn in a funding round last year, apologised yesterday after China's top media regulator ordered his company to close an account that posted humorous content on the grounds that it was "vulgar".

Toutiao's mobile app was removed from several online stores this week as an apparent punishment.

The offending account "walked the wrong path and had content that departed from core socialist values", Mr Zhang said in a post on an official Toutiao social media account.

"We didn't realise that technology has to be guided by the core values of socialism, so that it can be used to spread positive energy, meet the requirements of the times and respect public order and good customs."

He said the company would raise its number of "content controllers", or in-house censors, from 6,000 to 10,000.

Toutiao, which is also known as Bytedance and whose full Chinese name translates as "Today's Headlines", uses artificial intelligence to recommend articles to 120m daily users.

Analysts said the crackdown illustrated the risks to Chinese internet groups as they ramp up delivery of "content" — from news to videos and music.

With vast online platforms such as Tencent's WeChat and Alibaba's Taobao already established, "the war for the first stage is finished", said Qu Kai, founder of Beijing Forty-Two Chapters, a tech investment research service.

He added that content is "the only thing" platform companies have" if they wanted further growth.

That business transition comes as the ruling Communist party tightens already strict ideological controls over the media, announcing last month that the sector would be regulated by a new agency under direct party control.

Chinese regulators engage in periodic campaigns to expunge online content that the party considers vulgar or a threat to its rule.

But this week's latest round of warnings and punishments has hit some of China's largest online companies.

State media said Beijing had ordered temporary bans on downloads of news apps run by Tencent and NetEase in order "to regulate the dissemination of information".

It also reported that Toutiao's music video platform Douyin had been ordered to halt its live-streaming functions.

Tencent's two top social networking services, WeChat and QQ, yesterday began to block links to popular live-streaming services including Douyin, the company's news service reported.

Mr Qu said the government wanted to increase its control of "content that can influence the way people think".

He added that there were some parallels with the way governments were asking US social media group Facebook to increase oversight of its content.

Financials. Strategy

Deutsche investment chief rules out radical changes

Ritchie's approach is to batten down the hatches despite calls for deeper cuts at division

LAURA NOONAN — LONDON
OLAF STORBECK — FRANKFURT

Deutsche Bank's new investment bank boss has ruled out radical surgery to his division and said there will be no new strategy unveiled, while also telling colleagues there will be some cuts to underperforming areas.

"I expect this to continue to be a process, not an event," Garth Ritchie told the Financial Times in response to questions on whether a strategic announcement was coming. "Our priority is to deliver on the goals we have laid out."

He also rejected suggestions that his mandate — as newly appointed chief of the investment bank — was to cut it back. "Our mandate is to make the investment bank profitable," he said.

The South African's batten down the hatches stance comes as some investors and analysts call for deeper cuts and detailed promises on how the division will be rehabilitated under new group chief executive Christian Sewing.

They had hoped Mr Sewing, most recently head of Deutsche's retail bank, might take a more aggressive approach to cutting the investment bank than his predecessor John Cryan, who had spent decades as an investment banker before joining the German lender.

Mr Sewing's note to staff on Monday, which pointed to the need to "thoroughly analyse" the position of the investment bank and "pull back from those areas where we are not sufficiently profitable", was seen as evidence that the new chief was taking aim at one of the lender's sacred cows.

One person familiar with the discussions said cuts could affect a double-digit percentage of Deutsche's Corporate & Investment Bank (CIB) revenue after Mr Sewing's analysis.

But some insiders said anyone expecting the new CEO to wield a partisan axe will be disappointed. "Christian's been misunderstood," said one member of Deutsche's executive board. "He's only been in the retail bank for two years, he's a risk guy that came out of the investment bank . . . he's had some time away [from the investment bank] but he's still very familiar with what goes on."

"What goes on" in the CIB is the very thing that has been concerning outside observers. The division's revenue fell from €19.2bn in 2007 to €14.2bn last year. Pre-tax profits fell from €5.1bn to €843m over the same period.

Deutsche has fallen to sixth place in Coalition's benchmark league tables for investment bank revenue, far from the top three position it enjoyed until 2014. In a note to clients this week, Citi described how Deutsche's bank was "poorly positioned by region (Europe-an-bias over US), by client (institutional-bias over corporate) and by product (bespoke Fixed Income, Currencies and Commodities & Equities bias)".

"The thing is so damaged now," said a senior executive at a large US investment bank who said the "toughest job in banking" has just been passed from Mr Cryan to Mr Ritchie. He believes the new CEO will be given breathing space to establish himself whereas Mr Ritchie will be expected to show progress on the CIB front quickly.

Kian Abouhossein, head of European banks' research at JPMorgan, is among those advocating significant change. In a note this week, he described the US CIB as "one of the biggest drags on group profitability" with a return on equity of between 0 per cent and 2 per cent, and costs totalling 95 per cent of its revenue.

He believes Deutsche should switch to an "execution only model supporting European clients" in the US, which would release €5bn to €7bn of equity.

The future of the US was a talking point for Deutsche's supervisory board last week, with some members advocating big cuts in a market where the bank has sunk significant capital and investment since the 1998 acquisition of Bankers Trust. Mr Ritchie favours low-key cuts that outsiders "probably won't notice" because they are in businesses where Deutsche is not very strong.

Equities globally is another flashpoint. The business has become more difficult for everyone thanks to the new Mifid II European investor protection regulations and the proliferation of low-cost online trading products.

Deutsche's equities business has played second fiddle to its fixed income powerhouse, and is suffering more than most. Its revenue more than halved between 2007 and 2017. "How are they going to make real progress on equities?" asked the US executive, who said the "equities miracle" only works when a bank gets a strong performance from its prime broking, cash equities, electronic trading, equities research and equity capital markets businesses.

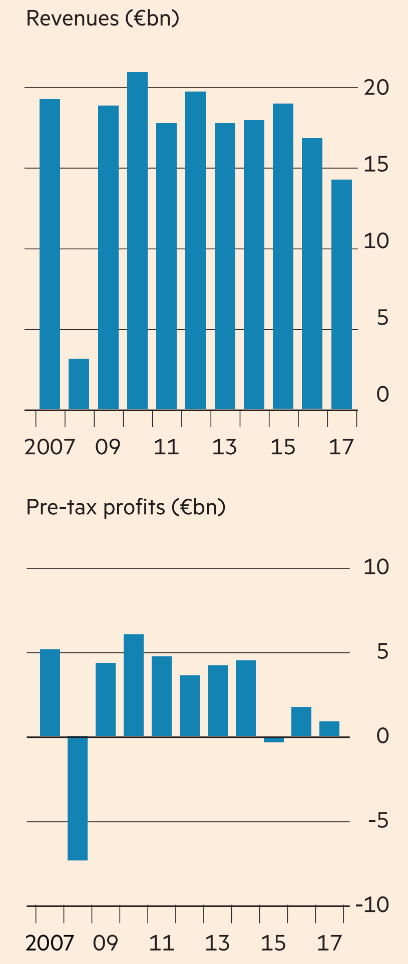
Peter Selman, the former Goldman Sachs partner brought in last year to run the equities business, sees his mandate as making equities "more efficient", not bigger, and is considering various cuts around the margins.

For Mr Abouhossein at JPMorgan "Deutsche is now a two stock story" and needs to "clarify even more detail than they ever have done before" about how it will revive profitability.

Garth Ritchie's boss, Deutsche chief Christian Sewing, above, told staff this week of the need to 'thoroughly analyse' the investment bank's position

> 'Our mandate is to make the investment bank profitable'
> Garth Ritchie

Deutsche's investment bank performance



Source: Bloomberg

Media

Spotify to bundle music and television in effort to boost growth

ANNA NICOLAOU — NEW YORK

Spotify said it would start offering TV and films along with its music catalogue as it moves to ignite user growth and looks to justify its $27bn valuation, a week after its debut on the public market.

The music streaming pioneer yesterday announced a partnership with Hulu, the online video company owned by a group of media heavyweights including Disney and Fox. For $12.99 a month in the US, subscribers will gain access to both Spotify's 40m song catalogue and Hulu's 75,000 TV shows and movies.

The bundling deal was one of several moves being planned by Spotify to help it fend off competition from Apple and Amazon in the fast-growing streaming market,

The Hulu offer aims to entice more people to sign up for Spotify's premium subscriptions, which make up the vast majority of its revenues and have resurrected the music business.

The Swedish start-up faces greater scrutiny of its user numbers as a public company, with user growth being a particular focus of investors since the company is still lossmaking. It had 71m paying subscribers at the end of last year, well above Apple Music's 36m, but Apple has been catching up, particularly in the US.

> Spotify has long used its free service as a way to lure people to its platform, and then convince them to pay

Spotify also offers a more limited music streaming service for free, and is working to revamp this product in the next few weeks, according to people with knowledge of the plans.

Spotify has long used its free service as a way to lure people to its platform, and eventually convince them to pay. Apple does not offer a free music service. Spotify declined to comment.

The challenge in music streaming is to differentiate in what has become a crowded market, says Mark Mulligan, analyst with Midia Research. "At the moment the way the services are is essentially, you're buying the same car with the same price, engine and paintwork."

Amazon has become a third contender: the ecommerce heavyweight has become a significant force in TV and movies and says it has accumulated "tens of millions" of subscribers to its music streaming service, but declines to give an exact number.

Spotify expects that it will reach more than 200m users by the end of the year, and nearly half of them will pay. The bundled subscription with Hulu offers "two top media platforms for an unbeatable price," said Alex Norstrom, Spotify's chief business officer.

Shares in Spotify were down 1.5 per cent at $152.65 in lunchtime trading in New York yesterday, versus the $165.90 at which it debuted on April 3.

Financial services

China pledge on foreign owners

TOM MITCHELL — BEIJING
HUDSON LOCKETT — HONG KONG

Overseas financial groups will be allowed to take majority stakes in securities, fund management, futures and life insurance companies "within a few months", China's central bank has said.

The announcement yesterday came a day after President Xi Jinping promised to "accelerate" the opening of China's financial markets and to ease foreign investment restrictions in the automotive, shipbuilding and aviation sectors.

China's finance ministry said in November that it would allow overseas companies to take majority stakes in securities, fund management and futures companies, but did not specify a timeline for an implementation.

At the time Zhu Guangyao, vice-finance minister, also said the foreign investment ceiling in life insurance joint ventures would be raised to 51 per cent from 49 per cent by the end of 2020.

Beijing has long used ownership caps and joint-venture requirements to protect domestic companies.

While President Donald Trump rejected the offer in November as insufficient, Chinese negotiators hope that a faster opening up of the financial sector will help avert a trade war.

The People's Bank of China also said it would open the trust, leasing and car and consumer finance industries to foreign investment by the end of this year. It added that it would not impose foreign ownership limits on commercial banks' asset investment and wealth management operations.

However, US officials and analysts have pointed out that China is allowing foreign majority control in areas already dominated by large domestic companies that enjoy huge economies of scale.

Jonas Short, at the broker Everbright Sun Hung Kai, said it was significant that the PBoC also indicated overseas brokerages could partner with any Chinese company, rather than a Chinese brokerage, potentially giving them even greater control over operations.

But Mr Short noted that a year after the central bank said it would open up China's domestic payments market, it had yet to award a foreign company a licence in the sector.

Technology. Social media

Zuckerberg keeps his cool under political glare

Facebook chief gives assured performance as his inquisitors fail to land knockout blow

HANNAH KUCHLER AND RICHARD WATERS — SAN FRANCISCO

Mark Zuckerberg pulled off an acrobatic trick at the congressional circus: maintaining composure. After being slow to take control of the Cambridge Analytica crisis, the Facebook chief executive was well rehearsed this week as he faced two marathon hearings on Capitol Hill.

Wearing a suit and a straight face, he had replaced his nervous tic of saying "so" before answering every question with a deferential "Senator", "Congressman" or "Congresswoman".

At the start of the two-day test of his stamina and patience, the Facebook chief executive entered the packed chamber and sat on a booster seat to be snapped by 37 photographers. Five hours later, he had been quizzed by 44 senators about privacy, Cambridge Analytica and election meddling.

> 'These last four hours, you have been asked critical questions for which you do not have answers'

His appearance in front of senators, and then members of the House yesterday, was assured despite a drumbeat of criticism from the dozens of politicians. He sounded open to regulation, without agreeing to details, and committed to its data-collecting targeted-advertising business model, without appearing greedy. Facebook shares rose during the first hearing as it became clear that the hearing would not turn into a show trial.

Daniel Ives of GBH Insights said fears that Mr Zuckerberg's appearance would be a "*Rocky* movie with a congressional beating" were unfounded.

Mr Zuckerberg had been reluctant to testify. Awkward as a young entrepreneur, he has grown into a competent public speaker. But he still risked being either too robotic or too idealistic, preaching his mission when Congress wants Facebook to be fixed.

Mr Zuckerberg tried to appeal to the romantics, talking of building the company in his "dorm room", and to the economic nationalists, referring to Chinese technology companies. The politicians arrayed in front of him were less collected. Both sides of the aisle criticised Mr Zuckerberg and spoke seriously about regulation. But Republicans were more wary than Democrats, concerned that legislation could benefit incumbents and stifle start-ups.

John Kennedy, a Republican senator, said he did not want to have to vote to regulate Facebook — but would do so if Mr Zuckerberg did not take action. He complained that Facebook's user agreement "sucks . . . The purpose of that user agreement is to cover Facebook's rear end, not to inform your users about their rights," he said.

A fellow Republican, Lindsey Graham, pressed him about who Facebook's competitors were. "You don't feel like you have a monopoly?" he asked. "It certainly doesn't feel like that to me," replied Mr Zuckerberg, to laughter.

Many senators appeared not to understand the finer points of how Facebook worked, allowing Mr Zuckerberg to be evasive about the details of data use, often repeating that his team would get back to them. Members of the House appeared to have learnt that lesson by yesterday, asking pointed questions instead of digging into details.

Mr Zuckerberg's own vagueness came under fire, as he repeatedly fended questions off with promises to send follow-up answers. "During the course of this hearing, these last four hours, you have been asked several critical questions for which you do not have answers," said Kamala Harris, a Democratic senator from California. "Those questions have included whether Facebook can track users' browsing activity even after the user has logged off of Facebook, whether Facebook can track your activity across devices even when you are not logged into Facebook."

His efforts to deflect specific requests to tighten privacy policies were a source of irritation. When asked if he would commit to tightening Facebook's default settings to minimise personal-data collection, Mr Zuckerberg said: "Congressman, this is a complex issue that I think deserves more than a one word answer."

Michael Connor of Open MIC, which works with activists to lobby groups, concluded: "He was well prepared and well coached. But when you really analyse his answers, he didn't say anything new, he didn't commit to anything and he didn't lay out a plan for the future."

See Lex

In the spotlight: Facebook chief executive Mark Zuckerberg before a US Senate committee on Tuesday — Jim Watson/AFP

Bigger issue for network is damage to its reputation

INSIGHT

John Thornhill

Facebook has flourished by claiming disproportionate credit for many societal goods (connecting people, building communities, democratising information). It is now being blamed for a disproportionate share of societal ills (fake news, privacy erosion, and electoral manipulation).

Those arguments will oscillate for a long time as the controversy rages over the alleged misuse of Facebook data by Cambridge Analytica. But Facebook's longer-term fortunes will depend far more on whether or not the ice-cold criticism I heard last year from one tech executive is valid. "Facebook's business model is fundamentally unsustainable," the not wholly disinterested executive claimed.

Naturally, Mark Zuckerberg, Facebook's chairman and chief executive, was in full credit-maximisation and blame-minimisation mode during his Congressional testimony. In his prepared remarks, he stressed that Facebook was "an idealistic and optimistic" company focused on doing good.

He later acknowledged that Facebook had made mistakes but insisted it would learn from them and accept its broader societal responsibilities. He outlined measures to crack down on fake news, false accounts, and electoral manipulation, expanding the number of people working on security and content review from 15,000 people to 20,000 by the end of the year.

He added that Facebook now supported the Honest Ads Act aiming to regulate online political advertising more closely. He even seemed to accept the need for tighter data regulation, as is coming into force in the EU.

Initially, Mr Zuckerberg looked nervous. But he appeared to grow increasingly confident in the face of the unfocused questioning.

Senator Richard Blumenthal, a Democrat from Connecticut who is pushing more restrictive legislation on data collection, was one of the more aggressive inquisitors and perhaps came closest to unsettling the 33-year-old Facebook co-founder.

"Your business model is to monetise user information," he told Mr Zuckerberg. "Unless there are specific rules and regulations enforced by an outside agency, I have no assurance that these kinds of vague commitments are going to produce action."

But judging by some Republican senators' questions, there appears to be limited appetite for fresh regulation. The bigger issue for Facebook will be the extent to which the latest controversy has damaged its standing with users, employees, advertisers, and shareholders.

A SurveyMonkey/Recode poll (of an unspecified number of respondents) suggested that consumers are now more sceptical of Facebook than of any other major tech company. Some 56 per cent said they trusted Facebook least with their personal information. Google came second with 5 per cent.

Some investors, who have been pressing for Mr Zuckerberg to step down from his role as chairman, have also been trying to guess the potential financial cost of Facebook's data breaches. They may have taken particular note of Mr Zuckerberg's promise that: "Protecting our community is more important than maximising our profits."

MARKET DATA

WORLD MARKETS AT A GLANCE

FT.COM/MARKETSDATA

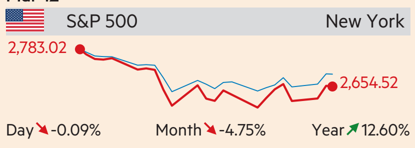
Change during previous day's trading (%)

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%	0.19%	-0.44%	-0.13%	-0.60%	-0.49%	0.55%	-0.04%	0.324%	0.282%	-0.429%	0.115%	0.73%	0.53%

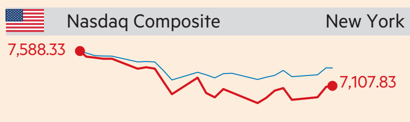
Stock Market movements over last 30 days, with the FTSE All-World in the same currency as a comparison

AMERICAS

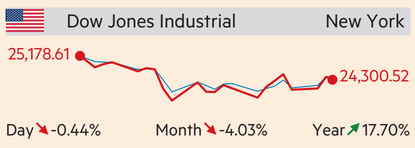
Mar 12 - Apr 11 — Index — All World

S&P 500 New York


Day -0.09% Month -4.75% Year 12.60%

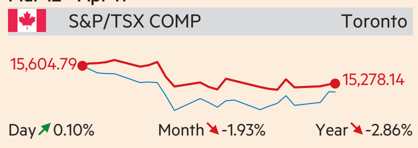
Nasdaq Composite New York


Day 0.19% Month -6.00% Year 20.85%

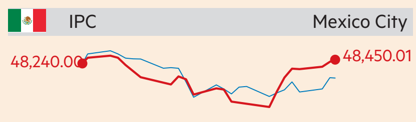
Dow Jones Industrial New York


Day -0.44% Month -4.03% Year 17.70%

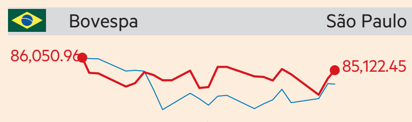
Mar 12 - Apr 11 — Index — All World

S&P/TSX COMP Toronto


Day 0.10% Month -1.93% Year -2.86%

IPC Mexico City


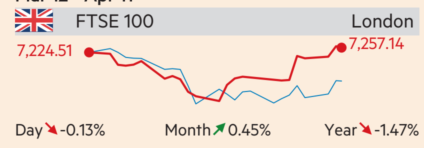
Day 0.25% Month -0.20% Year -1.37%

Bovespa São Paulo


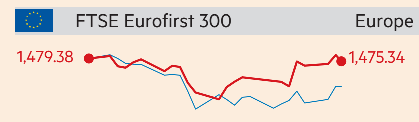
Day 0.72% Month -1.45% Year 32.26%

EUROPE

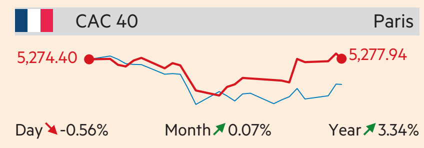
Mar 12 - Apr 11 — Index — All World

FTSE 100 London


Day -0.13% Month 0.45% Year -1.47%

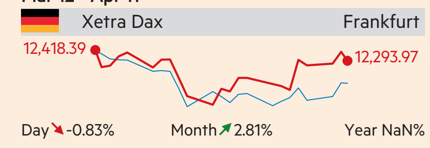
FTSE Eurofirst 300 Europe


Day -0.60% Month -0.28% Year -1.74%

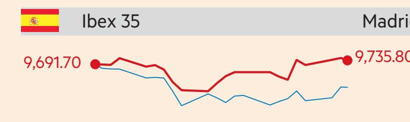
CAC 40 Paris


Day -0.56% Month 0.07% Year 3.34%

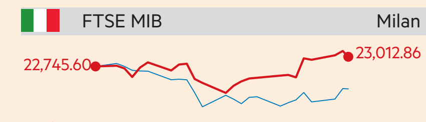
Mar 12 - Apr 11 — Index — All World

Xetra Dax Frankfurt


Day -0.83% Month 2.81% Year NaN%

Ibex 35 Madrid


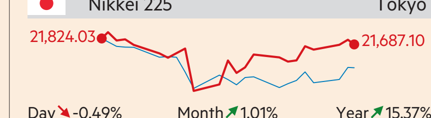
Day -0.28% Month 0.51% Year -6.72%

FTSE MIB Milan


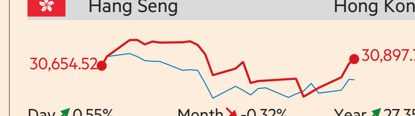
Day -0.69% Month 1.18% Year 14.44%

ASIA

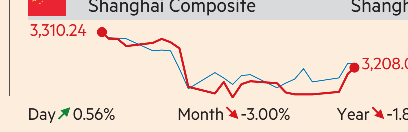
Mar 12 - Apr 11 — Index — All World

Nikkei 225 Tokyo


Day -0.49% Month 1.01% Year 15.37%

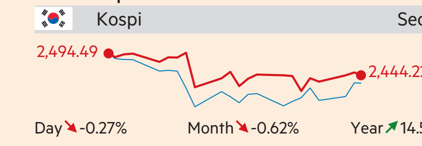
Hang Seng Hong Kong


Day 0.55% Month -0.32% Year 27.35%

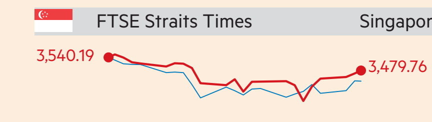
Shanghai Composite Shanghai


Day 0.56% Month -3.00% Year -1.88%

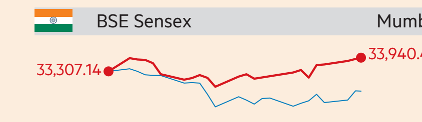
Mar 12 - Apr 11 — Index — All World

Kospi Seoul


Day -0.27% Month -0.62% Year 14.57%

FTSE Straits Times Singapore


Day 0.39% Month -0.17% Year 9.38%

BSE Sensex Mumbai


Day 0.18% Month 1.90% Year 14.76%

Country	Index	Latest	Previous
[illegible]	[illegible]	[illegible]	[illegible]
China	FTSE B35	9000.71	8988.96
	Shanghai A	3359.87	3341.24
	Shanghai B	326.70	325.62
	Shanghai Comp	3208.08	3190.32
	Shenzhen A	1935.75	1925.55
	Shenzhen B	1144.87	1140.57
Colombia	COLCAP	1548.01	1531.72
Croatia	CROBEX	1805.03	1811.97
Hong Kong	Hang Seng	30897.71	30728.74
	HS China Enterprise	12324.68	12324.02
	HSCC Red Chip	4526.65	4533.32
Hungary	Bux	37971.57	37882.42
India	BSE Sensex	33940.44	33880.25
	Nifty 500	9230.85	9219.15
Indonesia	Jakarta Comp	6360.93	6325.82
Ireland	ISEQ Overall	6579.27	6638.33
Israel	Tel Aviv 125	1293.72	1290.21
Malaysia	FTSE Bursa KLCI	1869.89	1860.98
Mexico	IPC	48450.01	48331.51
Morocco	MASI	12935.64	12912.01
Netherlands	AEX	544.50	545.25
	AEX All Share	807.66	808.56
New Zealand	NZX 50	8453.72	8469.77
Nigeria	SE All Share	40429.18	40841.14
Norway	Oslo All Share	941.53	938.91
Pakistan	KSE 100	46486.50	46476.73
	FTSE/JSE Top 40	49472.90	50036.07
South Korea	Kospi	2444.22	2450.74
	Kospi 200	312.94	313.94
Spain	IBEX 35	9735.80	9763.50
Sri Lanka	CSE All Share	6451.17	6439.83
Sweden	OMX Stockholm 30	1509.84	1526.76
	OMX Stockholm AS	552.69	557.94
Switzerland	SMI Index	8708.44	8755.57
	Nasdaq 100	6625.88	6615.87
	Nasdaq Cmp	7107.83	7094.30
	NYSE Comp	12558.93	12565.97
	S&P 500	2654.52	2656.87
	Wilshire 5000	27584.31	27570.76
Venezuela	IBC	7909.66	6433.71
Vietnam	VNI	1167.11	1198.12
Cross-Border	FTSEurofirst 80 (Eur)	4812.61	4841.65
	MSCI ACWI Fr ($)	511.04	504.18
	MSCI All World ($)	2090.11	2061.19
	MSCI Europe (Eur)	1567.19	1554.05
	MSCI Pacific ($)	2835.22	2817.34
	S&P Euro (Eur)	1608.60	1618.81
	S&P Europe 350 (Eur)	1517.79	1527.62
	S&P Global 1200 ($)	2336.68	2338.92
	Stoxx 50 (Eur)	3025.00	3040.47

(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
Facebook	40.9	165.70	0.66
Amazon.com	26.4	1441.96	5.74
Netflix	25.3	307.90	9.83
Hilton Worldwide Holdings	20.0	79.31	4.30
Apple	16.7	173.25	-0.01
Nvidia	13.1	227.78	-0.14
Micron Technology	10.9	51.40	0.92
Microsoft	8.8	92.89	0.01
Bank Of America	7.7	30.06	-0.42
Alphabet	7.6	1027.01	-9.49

BIGGEST MOVERS	Close price	Day's change	Day's chng%
Ups			
Hilton Worldwide Holdings	79.31	4.30	5.73
Mattel	14.28	0.76	5.62
Flowserve	46.42	1.84	4.13
Technipfmc	31.63	1.20	3.94
Concho Resources	145.43	4.99	3.55
Downs			
Fastenal	50.96	-3.46	-6.36
W.w. Grainger	279.69	-12.31	-4.22
Republic Services	65.37	-2.18	-3.23
Affiliated Managers	171.77	-4.51	-2.56
Perrigo	82.22	-1.78	-2.12

Based on the constituents of the S&P500

LONDON

ACTIVE STOCKS	stock traded m's	close price	Day's change
Tesco	280.0	225.40	15.10
Hsbc Holdings	188.4	675.60	2.10
Rio Tinto	179.8	3721.50	9.50
Bp	176.4	505.90	0.70
Glencore	169.2	342.40	-4.10
British American Tobacco	169.0	4220.00	-40.50
Glaxosmithkline	166.5	1437.20	-8.20
Astrazeneca	127.3	5070.00	-7.00
Barclays	124.4	214.60	-0.15
Bhp Billiton	122.2	1448.40	14.20

BIGGEST MOVERS	Close price	Day's change	Day's chng%
Ups			
Firstgroup	101.80	7.00	7.38
Tesco	225.40	15.10	7.18
Tullow Oil	218.60	14.10	6.89
Bca Marketplace	173.40	10.00	6.12
Vedanta Resources	745.80	38.20	5.40
Downs			
Ferrexpo	217.80	-11.80	-5.14
Ted Baker	2632.00	-132.00	-4.78
Coca-cola Hbc Ag	2510.00	-116.00	-4.42
Mccarthy & Stone	132.00	-5.10	-3.72
Capita	140.00	-5.00	-3.45

Based on the constituents of the FTSE 350 index

EURO MARKETS

ACTIVE STOCKS	stock traded m's	close price	Day's change
Bbva	961.7	6.35	-0.07
Caixabank	426.9	3.92	-0.07
Dt.telekom Ag Na	378.9	13.85	0.30
Nestle N	367.3	64.54	-0.17
Telecom Italia	361.6	0.85	-0.03
Eni	314.1	15.23	0.09
Volkswagen Ag Vzo O.n.	301.9	173.16	1.58
Royal Dutch Shella	282.1	27.74	0.15
Total	279.6	48.86	0.05
Bayer Ag Na O.n.	266.2	97.00	-0.85

BIGGEST MOVERS	Close price	Day's change	Day's chng%
Ups			
Ses	11.67	0.25	2.19
Dt.telekom Ag Na	13.85	0.30	2.18
Saipem	3.19	0.07	2.08
Norsk Hydro	5.13	0.10	1.90
Iberdrola	6.13	0.11	1.76
Downs			
Vopak	39.10	-1.63	-4.00
Exor	58.24	-1.92	-3.19
Airbus	92.43	-2.99	-3.13
Telecom Italia	0.85	-0.03	-2.89
Renault	93.36	-2.66	-2.77

Based on the constituents of the FTSEurofirst 300 Eurozone index

TOKYO

ACTIVE STOCKS	stock traded m's	close price	Day's change
Softbank .	906.6	7980.00	266.00
Fast Retailing Co.,	321.2	45950.00	-600.00
Fanuc	287.8	26985.00	540.00
Mitsubishi Ufj Fin,.	271.5	707.20	2.80
Sony	252.7	5272.00	-56.00
Toyota Motor	247.0	6845.00	7.00
Sumitomo Mitsui Fin,.	226.7	4491.00	11.00
Sumco	218.4	2646.00	-3.00
Tokyo Electron	207.4	20045.00	-95.00
Shiseido ,	193.1	6917.00	-191.00

BIGGEST MOVERS	Close price	Day's change	Day's chng%
Ups			
Jx Holdings,.	683.30	27.90	4.26
Softbank .	7980.00	266.00	3.45
Sumitomo Metal Mining Co.,	4516.00	140.00	3.20
Inpex	1373.00	39.00	2.92
Tokuyama	3430.00	95.00	2.85
Downs			
J.front Retailing Co.,	1642.00	-168.00	-9.28
Terumo	5510.00	-380.00	-6.45
Kao	7814.00	-348.00	-4.26
Tokyu Fudosan Holdings	752.00	-31.00	-3.96
Yamaha	4875.00	-195.00	-3.85

Based on the constituents of the Nikkei 225 index

UK MARKET WINNERS AND LOSERS

FTSE 100	Apr 11 price(p)	%Chg week	%Chg ytd	FTSE 250	Apr 11 price(p)	%Chg week	%Chg ytd	FTSE SmallCap	Apr 11 price(p)	%Chg week	%Chg ytd	Industry Sectors	Apr 11 price(p)	%Chg week	%Chg ytd
Winners				**Winners**				**Winners**				**Winners**			
Micro Focus Int	1170.00	16.4	-53.0	Woodford Patient Capital Trust	84.10	7.0	-0.2	Moss Bros	54.60	18.7	-37.6	Food & Drug Retailers	3485.90	8.4	6.9
Tesco	225.40	12.3	8.1	Countryside Properties	338.00	5.0	-4.2	Oxford Instruments	871.00	15.8	5.4	Software & Computer Services	1784.89	7.7	-
Wpp	1199.00	9.5	-10.3	Domino's Pizza	338.20	5.4	-3.7	Vp	905.00	10.4	3.2	Oil & Gas Producers	8740.08	6.6	-3.2
Johnson Matthey	3229.00	6.9	5.2	Jupiter Eur Opportunities Trust	715.00	3.6	-0.7	Enquest	30.25	11.0	2.2	Fixed Line Telecommunication	2764.16	5.7	-11.9
Royal Dutch Shell	2433.50	6.6	-2.7	Halfords	340.80	4.5	-3.7	Luceco	57.40	10.8	-48.1	Mobile Telecommunications	4518.41	4.7	-
Scottish Mortgage Investment Trust	448.20	6.6	0.0	Cybg	301.60	3.4	-9.4	Carr's	138.00	10.4	10.0	Beverages	20121.35	4.3	-7.3
Royal Dutch Shell	2394.00	6.4	-3.3	Herald Investment Trust	1170.00	4.0	0.0	Oxford Biomedica	11.68	11.0	23.9	Oil Equipment & Services	12036.63	4.2	-6.4
Bt	238.90	5.7	-13.1	Fidelity China Special Situations	240.00	3.9	-0.6	Connect	63.60	9.7	-42.9	Chemicals	14883.51	4.0	5.4
Rolls-royce Holdings	885.60	5.7	5.1	Tr Property Investment Trust	389.00	3.7	-1.5	Tt Electronics	217.00	9.6	-2.0	Aerospace & Defense	4989.70	3.9	2.1
London Stock Exchange	4246.00	5.6	13.5	City Of London Investment Trust	415.50	3.6	-5.1	Artemis Alpha Trust	320.00	8.5	8.1	Food Producers	7111.15	3.4	-
Sainsbury (j)	250.40	5.6	3.8	Scottish Investment Trust	803.00	3.5	-7.9	Liontrust Asset Management	590.00	8.1	20.3	Household Goods	16802.23	3.4	-9.7
Intertek	4805.00	5.5	-6.2	Edinburgh Investment Trust	661.00	3.0	-5.6	Chesnara	423.50	8.9	8.3	Mining	17370.68	3.1	-7.2
Losers				**Losers**				**Losers**				**Losers**			
Direct Line Insurance	353.40	-8.6	-5.0	Rank	175.80	-17.7	-29.3	Ite	148.00	-5.7	-17.8	Industrial Metals	3937.94	-7.1	2.5
Evraz	394.60	-7.6	11.2	Polymetal Int	643.80	-11.8	-30.2	Countrywide	97.20	-4.0	-15.6	Tobacco	45203.71	0.0	-
Coca-cola Hbc Ag	2510.00	-4.5	5.5	Sanne	604.00	-13.2	-25.9	Petra Diamonds	64.75	-3.3	-21.3	Real Estate Investment Trusts	3051.75	0.1	-3.6
Carnival	4501.00	-1.2	-8.2	Mccarthy & Stone	132.00	-8.1	-15.8	Topps Tiles	67.80	-2.9	-14.6	Industrial Engineering	12119.20	0.1	-3.0
Smurfit Kappa	2972.00	-1.0	20.3	Greene King	464.90	-2.0	-18.2	Hansteen Holdings	126.00	-2.9	-11.6	Health Care Equip.& Services	7679.83	0.2	1.3
Glencore	342.40	-0.8	-13.1	Ti Fluid Systems	250.00	-2.3	-1.0	Sirius Real Estate Ld	59.80	-2.0	-9.4	Real Estate & Investment Servic	2780.60	0.4	-5.1
Imperial Brands	2488.50	-0.7	-21.2	Jardine Lloyd Thompson	1230.00	-3.0	-10.5	Cambian	176.40	-2.0	-9.3	Construction & Materials	5987.23	0.4	-8.4
Centrica	138.90	-0.6	-1.6	Btg	640.00	-3.0	-15.2	Debenhams	21.44	-1.3	-39.0	Nonlife Insurance	3166.59	0.7	-1.9
Marks And Spencer	265.00	-0.6	-16.2	Ferrexpo	217.80	-6.2	-28.1	Kainos	329.00	-2.4	-0.9	Personal Goods	34516.72	0.9	-4.9
Unilever	3943.50	-0.5	-2.5	Clarkson	3000.00	-2.8	4.3	Speedy Hire	50.00	-0.8	-19.4	Automobiles & Parts	9942.74	1.1	33.4
Sky	1310.00	-0.5	28.9	Centamin	148.65	-2.4	-6.6	Primary Health Properties	109.80	-0.9	-0.3	General Retailers	2317.97	1.4	-8.9
Crh	2363.00	-0.3	-10.9	Moneysupermarket.com	283.30	-2.6	-21.1	Stock Spirits	263.50	-0.2	-2.8	Equity Investment Instruments	9234.24	1.6	-4.9

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

CURRENCIES

Apr 11	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	20.1550	-0.0325	24.9610	0.0295	28.6321	0.0185
Australia	Australian Dollar	1.2869	-0.0026	1.5938	0.0012	1.8282	0.0004
Bahrain	Bahrainin Dinar	0.3771	-	0.4670	0.0013	0.5357	0.0012
Bolivia	Bolivian Boliviano	6.9100	-	8.5577	0.0239	9.8163	0.0221
Brazil	Brazilian Real	3.3955	-0.0198	4.2052	-0.0128	4.8236	-0.0173
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Indonesia	Indonesian Rupiah	13758.5000	9.5000	17039.2585	59.3118	19545.2982	57.5151
Israel	Israeli Shekel	3.5104	0.0110	4.3475	0.0257	4.9869	0.0268
Japan	Japanese Yen	106.7150	-0.4600	132.1613	-0.1992	151.5989	-0.3103
..One Month		106.7148	-0.4604	132.1614	-0.1992	151.5988	-0.3105
..Three Month		106.7143	-0.4613	132.1614	-0.1990	151.5985	-0.3110
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Poland	Polish Zloty	3.3804	-0.0101	4.1864	-0.0009	4.8021	-0.0036
Romania	Romanian Leu	3.7654	-0.0058	4.6633	0.0058	5.3491	0.0038
Russia	Russian Ruble	63.8888	1.0112	79.1231	1.4697	90.7601	1.6378
Saudi Arabia	Saudi Riyal	3.7503	0.0001	4.6445	0.0131	5.3276	0.0122
Singapore	Singapore Dollar	1.3087	-0.0007	1.6207	0.0037	1.8591	0.0032
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
..Three Month		0.7045	-0.0016	0.8715	0.0005	-	-
..One Year		0.7063	-0.0016	0.8706	0.0005	-	-
United States	United States Dollar	-	-	1.2385	0.0035	1.4206	0.0032
..One Month		-	-	1.2382	-0.1789	1.4208	0.0032
..Three Month		-	-	1.2376	-0.1789	1.4212	0.0032
..One Year		-	-	1.2347	-0.1790	1.4229	0.0032
Venezuela	Venezuelan Bolivar Fuerte	50975.0000	1605.0000	63130.0622	2158.3683	72414.8708	2438.1161
Vietnam	Vietnamese Dong	22790.5000	-2.0000	28224.9870	76.3510	32376.1854	70.1829
European Union	Euro	0.8075	-0.0023	-	-	1.1471	-0.0006
..One Month		0.8072	-0.0023	-	-	1.1470	-0.0006
..Three Month		0.8066	-0.0023	-	-	1.1468	-0.0006
..One Year		0.8037	-0.0023	-	-	1.1459	-0.0006

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

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	£ Strlg Apr 11	Day's chge%	Euro Index	£ Strlg Apr 10	£ Strlg Apr 09	Year ago	Div yield%	Cover	P/E ratio	Xd adj	Total Return
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Gas Water & Multiutilities (5)	6350.45	-0.26	5679.68	6366.89	6453.62	8511.21	5.87	1.60	10.64	6.62	7452.51
Financials (295)	**5146.90**	**0.04**	**4603.25**	**5144.68**	**5108.71**	**4917.90**	**3.59**	**2.05**	**13.59**	**63.73**	**4914.54**
Banks (11)	4241.98	0.14	3793.92	4236.26	4204.71	4095.16	4.03	1.29	19.26	59.29	3244.25
Nonlife Insurance (10)	3614.59	-0.01	3232.80	3614.79	3594.98	3268.98	3.18	1.71	18.32	53.64	6557.47
Life Insurance/Assurance (9)	8779.16	0.17	7851.86	8764.39	8669.92	8177.64	3.83	1.48	17.58	169.39	8909.99
Real Estate Investment & Services (19)	2750.15	0.14	2459.67	2746.42	2743.73	2710.05	2.50	2.19	18.25	12.66	7479.37
Real Estate Investment Trusts (34)	2753.76	-0.28	2462.89	2761.46	2769.40	2787.64	3.88	2.39	10.79	34.93	3551.72
General Financial (31)	9225.29	-0.36	8250.86	9258.84	9183.25	8500.48	3.33	2.14	14.02	46.54	10802.93
Equity Investment Instruments (181)	9691.22	0.13	8667.58	9678.86	9611.67	9323.81	2.54	5.59	7.05	64.35	5402.52
Non Financials (339)	**4656.34**	**-0.15**	**4164.51**	**4663.47**	**4613.20**	**4774.29**	**3.83**	**2.04**	**12.79**	**46.29**	**7091.09**
Technology (15)	**1796.32**	**0.31**	**1606.58**	**1790.77**	**1784.69**	**1957.76**	**2.82**	**0.98**	**36.08**	**18.79**	**2352.27**
Software & Computer Services (12)	1996.91	0.35	1785.98	1989.91	1981.89	2236.80	2.89	0.90	38.44	21.71	2763.40
Technology Hardware & Equipment (3)	2536.02	-0.16	2268.15	2540.03	2549.47	1822.14	1.97	2.37	21.38	14.60	3012.02

Hourly movements	8.00	9.00	10.00	11.00	12.00	13.00	14.00	15.00	16.00	High/day	Low/day
FTSE 100	7249.92	7252.91	7262.11	7264.80	7253.42	7260.42	7257.27	7268.24	7255.42	7270.02	7243.39
FTSE 250	19645.97	19672.92	19699.69	19704.21	19666.41	19596.06	19595.55	19633.71	19650.36	19707.94	19575.41
FTSE SmallCap	5685.44	5703.28	5705.18	5707.32	5708.53	5697.60	5697.28	5697.57	5703.18	5711.21	5683.51
FTSE All-Share	3987.70	3990.39	3995.37	3996.76	3990.53	3990.98	3989.58	3995.67	3990.73	3997.66	3983.46

Time of FTSE 100 Day's high:13:46:30 Day's Low07:15:00 FTSE 100 2010/11 High: 7778.64(12/01/2018) Low: 6888.69(26/03/2018)
Time of FTSE All-Share Day's high:09:21:00 Day's Low11:26:00 FTSE 100 2010/11 High: 4268.89(12/01/2018) Low: 3810.81(26/03/2018)

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UK RIGHTS OFFERS

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

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

FT 30 INDEX

[illegible]

FX: EFFECTIVE INDICES

[illegible]

FTSE SECTORS: LEADERS & LAGGARDS

Year to date percentage changes

[illegible]

FTSE GLOBAL EQUITY INDEX SERIES

[illegible]

FTSE 100 SUMMARY

FTSE 100	Closing Price	Day's Change	FTSE 100	Closing Price	Day's Change
3I Group PLC	893.20	4.40	Lloyds Banking Group PLC	67.01	-0.05
Admiral Group PLC	1896	-2.50	London Stock Exchange Group PLC	4246	-59.00
Anglo American PLC	1672.2	-19.80	Marks And Spencer Group PLC	265.00	0.50
Antofagasta PLC	950.40	-2.40	Mediclinic International PLC	576.00	-4.20
Ashtead Group PLC	2012	-11.00	Micro Focus International PLC	1170	10.00
Associated British Foods PLC	2576	-20.00	Mondi PLC	1888	-27.50
Astrazeneca PLC	5070	-7.00	Morrison (Wm) Supermarkets PLC	228.80	3.40
Aviva PLC	502.00	2.20	National Grid PLC	827.50	2.50
Bae Systems PLC	596.60	-5.80	Next PLC	4876	15.00
Barclays PLC	214.60	-0.15	Nmc Health PLC	3372	-60.00
Barratt Developments PLC	551.00	-1.80	Old Mutual PLC	236.20	-1.70
Berkeley Group Holdings (The) PLC	3896	-4.00	Paddy Power Betfair PLC	7230	125.00
Bhp Billiton PLC	1448.4	14.20	Pearson PLC	764.80	-2.00
BP PLC	505.90	0.70	Persimmon PLC	2675	-2.00
British American Tobacco PLC	4220	-40.50	Prudential PLC	1815.5	5.50
British Land Company PLC	645.80	-7.80	Randgold Resources LD	5876	150.00
Bt Group PLC	238.90	0.45	Reckitt Benckiser Group PLC	6150	-58.00
Bunzl PLC	2116	-14.00	Relx PLC	1525.5	-17.00
Burberry Group PLC	1720	5.00	Rentokil Initial PLC	278.60	-0.50
Carnival PLC	4501	-99.00	Rio Tinto PLC	3721.5	9.50
Centrica PLC	138.90	-3.65	Rolls-Royce Holdings PLC	885.60	-1.20
Coca-Cola Hbc AG	2510	-116.00	Royal Bank Of Scotland Group PLC	263.20	0.30
Compass Group PLC	1485.5	-16.50	Royal Dutch Shell PLC	2394	13.50
Crh PLC	2363	-25.00	Royal Dutch Shell PLC	2433.5	14.50
Croda International PLC	4599	-74.00	Royal Mail PLC	567.00	-
Dcc PLC	6575	-25.00	Rsa Insurance Group PLC	652.40	-2.00
Diageo PLC	2505.5	-29.50	Sage Group PLC	670.00	-
Direct Line Insurance Group PLC	353.40	0.60	Sainsbury (J) PLC	250.40	1.80
Easyjet PLC	1609.5	-29.50	Schroders PLC	3199	4.00
Evraz PLC	394.60	4.90	Scottish Mortgage Investment Trust PLC	448.20	5.20
Experian PLC	1552.5	-16.00	Segro PLC	606.60	-6.20
Ferguson PLC	5282	-38.00	Severn Trent PLC	1850	-5.00
Fresnillo PLC	1285.5	45.00	Shire PLC	3589.5	-63.50
G4S PLC	253.30	1.10	Sky PLC	1310	-16.50
Gkn PLC	434.50	8.50	Smith & Nephew PLC	1323	-16.50
Glaxosmithkline PLC	1437.2	-8.20	Smith (Ds) PLC	487.00	-0.70
Glencore PLC	342.40	-4.10	Smiths Group PLC	1500	-21.50
Halma PLC	1191	-2.00	Smurfit Kappa Group PLC	2972	-16.00
Hargreaves Lansdown PLC	1690	20.00	Sse PLC	1291	9.50
HSBC Holdings PLC	675.60	2.10	St. James's Place PLC	1075	2.50
Imperial Brands PLC	2488.5	-36.00	Standard Chartered PLC	729.70	4.70
Informa PLC	720.00	-11.20	Standard Life Aberdeen PLC	365.40	-1.60
Intercontinental Hotels Group PLC	4251	-72.00	Taylor Wimpey PLC	190.20	-0.20
International Consolidated Airlines Group S.A.	615.60	-11.60	Tesco PLC	225.40	15.10
Intertek Group PLC	4805	85.00	Tui AG	1585	-14.00
Itv PLC	150.20	-0.70	Unilever PLC	3943.5	-2.00
Johnson Matthey PLC	3229	-38.00	United Utilities Group PLC	710.40	0.40
Just Eat PLC	711.20	0.80	Vodafone Group PLC	206.30	0.70
Kingfisher PLC	297.40	0.20	Whitbread PLC	3744	42.00
Land Securities Group PLC	948.20	-1.30	Wpp PLC	1199	-0.50
Legal & General Group PLC	265.80	0.50			

UK STOCK MARKET TRADING DATA

	Apr 11	Apr 10	Apr 09	Apr 06	Apr 05	Yr Ago
	-	-	-	-	-	-
Order Book Turnover (m)	171.02	322.84	66.83	66.83	66.83	172.89
Order Book Bargains	960634.00	850292.00	920822.00	920822.00	920822.00	1026479.00
Order Book Shares Traded (m)	1709.00	1521.00	1520.00	1520.00	1520.00	1732.00
Total Equity Turnover (£m)	8335.11	7477.65	4281.10	4281.10	4281.10	6462.20
Total Mkt Bargains	1169859.00	1177885.00	1028326.00	1028326.00	1028326.00	1147935.00
Total Shares Traded (m)	4119.00	4206.00	5010.00	5010.00	5010.00	3843.00

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

All data provided by Morningstar unless otherwise noted. All elements listed are indicative and believed accurate at the time of publication. No offer is made by Morningstar or the FT. The FT does not warrant nor guarantee that the information is reliable or complete. The FT does not accept responsibility and will not be liable for any loss arising from the reliance on or use of the listed information.
For all queries e-mail ft.reader.enquiries@morningstar.com

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

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UK COMPANY RESULTS

[illegible]

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

[illegible]

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

MARKET DATA

FT500: THE WORLD'S LARGEST COMPANIES

Stock	Price	Day Chg	52 Week High	52 Week Low	Yld	P/E	MCap m
[illegible]							

FT 500: TOP 20

	Close price	Prev price	Day change	Day change %	Week change	Week change %	Month change %
Tesco	225.40	210.30	15.10	7.18	24.60	12.3	-98.94
PingAnIns	11.83	11.42	0.41	3.59	1.27	12.0	-2.15
Altice	7.28	7.19	0.09	1.25	0.73	11.1	-7.45
WPP	1199.00	1199.50	-0.50	-0.04	104.00	9.5	-99.00
LVMH	278.25	275.15	3.10	1.13	22.80	8.8	11.95
Devon Energy	33.95	33.60	0.35	1.04	2.63	8.4	3.67
Statoil	199.60	196.90	2.70	1.37	15.15	8.2	11.51
CNOOC	12.02	11.54	0.48	4.16	0.88	7.9	6.56
Occid Pet	71.80	70.51	1.29	1.82	5.18	7.8	12.69
ValeroEngy	100.36	98.89	1.47	1.49	7.01	7.5	6.44
Petrobras	24.37	23.80	0.57	2.39	1.65	7.3	1.50
Suncor En	47.27	46.33	0.94	2.03	3.20	7.3	13.25
Monsanto	125.04	125.01	0.03	0.02	8.29	7.1	1.23
Anadarko	63.27	61.81	1.46	2.36	4.19	7.1	8.81
MitsuiFud	2704.50	2691.50	13.00	0.48	177.50	7.0	8.88
Facebook	165.70	165.04	0.66	0.40	10.60	6.8	-10.58
New Ch Life Ins	38.65	38.85	-0.20	-0.51	2.45	6.8	-16.61
Tesla Mtrs	305.96	304.70	1.26	0.41	19.02	6.6	-6.48
Netflix	307.90	298.07	9.83	3.30	18.96	6.6	-7.05
Phillips66	102.22	100.25	1.97	1.97	6.23	6.5	6.40

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 %
Sberbank	205.42	214.80	-9.38	-4.37	-50.27	-19.7	-25.09
AmerAir	46.85	47.46	-0.62	-1.30	-5.20	-10.0	-16.38
MmcNrlskNckl	9846.00	9810.00	36.00	0.37	-889.00	-8.3	-11.17
BOE Tech	1.57	1.59	-0.02	-1.26	-0.12	-7.1	-9.25
ShenwanHong	0.18	0.18	0.00	1.71	-0.01	-6.3	-7.77
CBS	51.03	52.12	-1.09	-2.09	-2.76	-5.1	-2.22
Bradesco	32.92	32.45	0.47	1.45	-1.78	-5.1	-3.52
Gree Elec Apl	0.06	0.06	0.00	0.00	-0.00	-5.1	-6.67
Franklin	32.70	33.09	-0.39	-1.18	-1.67	-4.9	-19.13
Keyence	62600.00	61500.00	1100.00	1.79	-2840.00	-4.3	-3.38
Bhartiart	385.30	385.00	0.30	0.08	-16.90	-4.2	-4.19
Daimler	65.25	65.74	-0.49	-0.75	-2.86	-4.2	-6.86
HenkelKgaA	98.00	99.00	-1.00	-1.01	-4.10	-4.0	-4.02
BrisMySq	60.61	61.21	-0.60	-0.98	-2.37	-3.8	-10.70
Telia Co	37.70	39.27	-1.57	-4.00	-1.45	-3.7	-5.37
Anthem	220.32	224.95	-4.63	-2.06	-8.10	-3.5	-5.37
Hunng Pwr	4.97	4.98	-0.01	-0.20	-0.16	-3.1	-4.79
CrownCstl	105.54	103.64	1.90	1.83	-3.37	-3.1	-4.87
JapanTob	2965.00	2978.00	-13.00	-0.44	-93.00	-3.0	-0.56
Regen Pharm	327.25	328.04	-0.80	-0.24	-10.11	-3.0	-4.22

Based on the FT Global 500 companies in local currency

BONDS: HIGH YIELD & EMERGING MARKET

[illegible]										

BONDS: GLOBAL INVESTMENT GRADE

[illegible]										

INTEREST RATES: OFFICIAL

Apr 11	Rate	Current	Since	Last	Mnth Ago	Year Ago
US	Fed Funds	1.50-1.75	22-03-2018	1.00	1.25-1.50	0.75-1.50
US	Prime	4.75	22-03-2018	4.75	4.5	4
US	Discount	2.25	22-03-2018	0.75	2	1.50
Euro	Repo	0.00	16-03-2016	0.05	0.00	0.00
UK	Repo	0.50	02-11-2017	0.25	0.50	0.25
Japan	O'night Call	0.00-0.10	01-02-2016	0.00	0.00--0.10	0.00--0.10
Switzerland	Libor Target	-1.25-0.25	15-01-2015	-0.75--0.25	-1.25--0.25	-1.25--0.25

INTEREST RATES: MARKET

Apr 11 (Libor: Apr 10)	Over night	Change Day	Change Week	Change Month	One month	Three month	Six month	One year
US$ Libor	1.70188	0.000	0.005	-0.003	1.89438	2.33903	2.46750	2.70419
Euro Libor	-0.43900	0.000	-0.004	-0.001	-0.40514	-0.36571	-0.32443	-0.24486
£ Libor	0.47403	0.000	0.000	0.000	0.51200	0.76422	0.87925	1.04113
Swiss Fr Libor				0.000	-0.78920	-0.73520	-0.65000	-0.52340
Yen Libor				0.000	-0.04999	-0.03717	0.01917	0.11433
Euro Euribor				0.000	-0.37200	-0.32900	-0.27100	-0.19100
Sterling CDs				0.000	0.55000	0.78000	0.92500	
US$ CDs				0.000	1.95000	2.29000	2.43500	
Euro CDs				0.000	-0.44500	-0.40500	-0.34500	

Apr 11	Short term		7 Days notice		One month		Three month		Six month		One year	
Euro	-0.50	-0.35	-0.50	-0.35	-0.62	-0.37	-0.48	-0.33	-0.42	-0.27	-0.43	-0.18
Sterling			0.45	0.55	0.50	0.60	0.73	0.83	0.85	1.00	1.03	1.18
Swiss Franc	-	-	-	-	-	-	-	-	-	-	-	-
Canadian Dollar	-	-	-	-	-	-	-	-	-	-	-	-
US Dollar	1.74	1.84	1.81	1.91	2.01	2.11	2.27	2.37	2.41	2.51	2.65	2.75
Japanese Yen	-0.30	-0.10	-0.30	-0.10	-0.20	0.20	-0.10	0.30	-0.10	0.30	-0.05	0.35

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

BOND INDICES

	Index	Day's change	Month's change	Year change	Return 1 month	Return 1 year
Markit IBoxx						
ABF Pan-Asia unhedged	194.57	0.11	0.24	2.18	1.33	8.84
Corporates(£)	339.80	-0.12	-0.51	-1.99	0.03	0.84
Corporates($)	273.55	0.01	0.04	-2.18	0.04	-2.18
Corporates(€)	225.52	-0.06	-0.05	-0.45	-0.10	1.12
Eurozone Sov(€)	235.53	-0.14	-0.25	1.14	1.07	2.31
Gilts(£)	320.49	-0.29	-1.09	-0.89	1.12	-0.89
Global Inflation-Lkd	272.70	0.19	-0.29	1.44	1.95	8.13
Markit iBoxx £ Non-Gilts	334.73	-0.12	-0.55	-1.69	0.17	0.49
Overall ($)	235.96	-0.01	-0.08	-1.63	-0.08	-1.63
Overall(£)	321.69	-0.24	-0.93	-1.12	0.84	-0.49
Overall(€)	230.66	-0.10	-0.16	0.57	0.76	1.68
Treasuries ($)	221.55	-0.01	-0.17	-1.39	-0.17	-1.39
FTSE						
Sterling Corporate (£)	113.21	0.10	-	-	-0.16	-3.80
Euro Corporate (€)	106.08	0.08	-	-	-0.08	-1.36
Euro Emerging Mkts (€)	574.27	-6.62	-	-	-11.43	-24.37
Eurozone Govt Bond	112.13	0.08	-	-	1.01	0.24

CREDIT INDICES	Index	Day's change	Week's change	Month's change	Series high	Series low
Markit iTraxx						
Crossover 5Y	284.58	4.25	-5.56	-	295.64	280.31
Europe 5Y	57.34	0.29	-2.88	-	62.10	56.87
Japan 5Y	50.13	0.08	-0.68	-	52.96	49.57
Senior Financials 5Y	60.47	0.01	-5.11	-	68.89	60.16
Markit CDX						
Emerging Markets 5Y	140.40	-0.16	4.08	-	148.67	132.91
Nth Amer High Yld 5Y	348.63	-7.01	-15.33	-	370.10	348.63
Nth Amer Inv Grade 5Y	62.76	-2.13	-3.74	-	69.04	61.70

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

VOLATILITY INDICES

	Apr 11	Day Chng	Prev	52 wk high	52 wk low
VIX	19.93	-0.54	20.47	50.30	8.56
VXD	21.84	-0.20	22.04	40.09	3.93
VXN	24.51	-0.64	25.15	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

[illegible]								

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

GILTS: UK CASH MARKET

[illegible]								

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

GILTS: UK FTSE ACTUARIES INDICES

[illegible]						

COMMODITIES

www.ft.com/commodities

Energy		Price*	Change	Agricultural & Cattle Futures		Price*	Change
Crude Oil†	Apr	66.13	0.48	Corn♦	May	389.50	-0.25
Brent Crude Oil‡		72.23	1.30	Wheat♦	May	488.25	-2.25
RBOB Gasoline†	Apr	2.04	0.00	Soybeans♦	May	1056.75	7.00
Heating Oil†	Apr	1.68	0.00	Soybeans Meal♦	May	386.90	3.10
Natural Gas†	Apr	2.63	-0.03	Cocoa (ICE Liffe)✠	May	1745.00	31.00
Ethanol♦		-	-	Cocoa (ICE US)♥	May	2480.00	-5.00
Uranium†	Apr	18.10	0.00	Coffee(Robusta)✠	May	1696.00	-10.00
Carbon Emissions‡		-	-	Coffee (Arabica)♥	May	116.90	-0.50
Diesel†		-	-	White Sugar✠		335.30	0.80
Unleaded (95R)		-	-	Sugar 11♥		12.02	-0.06
Base Metals (♠ LME 3 Months)				Cotton♥	May	83.46	-0.13
Aluminium		2232.00	21.00	Orange Juice♥	May	138.00	-0.55
Aluminium Alloy		1860.00	55.00	Palm Oil♣		-	-
Copper		6930.50	-38.00	Live Cattle♣	Apr	113.43	0.00
Lead		2377.50	-10.50	Feeder Cattle♣	Apr	134.98	0.73
Nickel		13645.00	-85.00	Lean Hogs♣	May	67.38	0.00
Tin		20975.00	60.00				
Zinc		3223.00	-26.50		Apr 10	% Chg Month	% Chg Year
Precious Metals (PM London Fix)							
Gold		1338.95	7.00	S&P GSCI Spt	467.71	5.24	17.26
Silver (US cents)		1649.00	15.00	DJ UBS Spot	89.52	1.78	4.21
Platinum		929.00	6.00	TR/CC CRB TR	203.33	2.14	-
Palladium		950.00	20.00	M Lynch MLCX Ex. Rtn	231.14	-9.84	-33.05
Bulk Commodities				UBS Bberg CMCI TR	15.75	2.65	-
Iron Ore (Platts)		64.20	-1.65	LEBA EUA Carbon	11.05	-1.78	123.23
Iron Ore (The Steel Index)		76.55	-1.30	LEBA CER Carbon	0.19	5.56	-29.63
GlobalCOAL RB Index		95.75	0.50	LEBA UK Power	3685.00	44.57	26.68
Baltic Dry Index		979.00	5.00				

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

BONDS: INDEX-LINKED

	Price Apr 10	Yield Apr 10	Yield Prev	Month return	Value stock	Market	No of stocks
Can 4.25%' 21	114.44	0.258	0.246	-0.03	5.18	76200.31	8
Fr 2.25%' 20	110.41	-2.140	-2.144	0.06	20.31	244823.19	15
Swe 0.25%' 22	114.23	-2.036	-2.036	0.02	31.71	241661.26	8
UK 2.5%' 20	361.53	-2.097	-2.110	-0.10	6.58	651472.95	28
UK 2.5%' 24	357.94	-1.667	-1.675	-0.35	6.82	651472.95	28
UK 2%' 35	265.94	-1.562	-1.572	-1.12	9.08	651472.95	28
US 0.625%' 21	101.05	0.302	0.289	0.01	35.84	1293321.21	39
US 3.625%' 28	127.82	0.737	0.289	-0.07	16.78	1293321.21	39

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

BONDS: TEN YEAR GOVT SPREADS

	Bid Yield	Spread vs Bund	Spread vs T-Bonds		Bid Yield	Spread vs Bund	Spread vs T-Bonds
Australia	2.73	2.27	-0.07	Italy	1.72	1.25	-1.08
Austria	0.63	0.16	-2.17	Japan	0.01	-0.46	-2.79
Belgium	0.70	0.23	-2.10	Netherlands	0.56	0.10	-2.24
Canada	2.20	1.74	-0.60	Norway	-	-	-
Denmark	0.53	0.06	-2.27	Portugal	1.53	1.07	-1.27
Finland	0.65	0.18	-2.15	Spain	1.19	0.73	-1.61
France	0.77	0.30	-2.04	Switzerland	-0.02	-0.48	-2.82
Germany	0.47	0.00	-2.34	United Kingdom	1.46	0.99	-1.35
Greece	4.06	3.59	1.26	United States	2.80	2.34	0.00
Ireland	1.07	0.60	-1.73				

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

MANAGED FUNDS SERVICE

Fund	Bid	Offer	D+/-	Yield
Algebris Investments (IRL)				
Regulated				
Algebris Financial Credit Fund - Class I EUR €	157.44	-	0.05	0.00
Algebris Financial Income Fund - Class I EUR €	146.03	-	0.44	0.00
Algebris Financial Equity Fund - Class B EUR €	134.12	-	0.42	0.00
Algebris Asset Allocation Fund - Class B EUR €	98.18	-	-0.05	0.00
Algebris Macro Credit B EUR Acc €	110.89	-	-0.18	0.00
Algebris Core Italy Fund - Class R EUR €	98.76	-	0.24	-
The Antares European Fund Limited				
Other International Funds				
AEF Ltd Usd (Est) $	719.10	-	5.33	-
AEF Ltd Eur (Est) €	706.49	-	4.96	0.00
Arisaig Partners				
Other International Funds				
Arisaig Africa Consumer Fund Limited $	14.56	-	-0.01	0.00
Arisaig Asia Consumer Fund Limited $	94.74	-	0.39	0.00
Arisaig Global Emerging Markets Consumer Fund $	11.84	-	0.03	0.00
Arisaig Global Emerging Markets Consumer UCITS $	12.42	-	0.00	0.00
Arisaig Global Emerging Markets Consumer UCITS STG £	13.74	-	0.01	0.00
Arisaig Latin America Consumer Fund $	27.28	-	0.04	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 $	19.62	-	0.27	0.00
Artisan Global Opportunities I USD Acc $	17.55	-	0.24	0.00
Artisan Global Value Fund Class I USD Acc $	20.62	-	0.20	0.00
Artisan US Value Equity Fund Class I USD Acc $	14.82	-	0.29	0.00
Artisan Global Discovery Fund Class I USD Acc $	21.36	-	0.24	0.00
Ashmore Investment Management Limited (LUX)				
2 rue Albert Borschette L-1246 Luxembourg				
FCA Recognised				
Ashmore SICAV Emerging Market Debt Fund $	99.78	-	-0.18	5.50
Ashmore SICAV Emerging Market Frontier Equity Fund $	202.54	-	0.56	0.62
Ashmore SICAV Emerging Market Total Return Fund $	90.71	-	-0.22	5.24
Ashmore SICAV Global Small Cap Equity Fund $	179.65	-	1.10	0.00
EM Mkts Corp.Debt USD F $	97.81	-	-0.03	6.21
EM Mkts Loc.Ccy Bd USD F $	90.30	-	-0.29	5.18
EM Short Duration Fund Acc USD $	136.87	-	-0.28	0.00
Aspect Capital Ltd (UK)				
Other International Funds				
Aspect Diversified USD $	412.32	-	-0.96	0.00
Aspect Diversified EUR €	237.61	-	-0.60	0.00
Aspect Diversified GBP £	124.52	-	-0.29	0.00
Aspect Diversified CHF SFr	111.79	-	-0.28	0.00
Aspect Diversified Trends USD $	122.20	-	0.43	0.00
Aspect Diversified Trends EUR €	117.61	-	0.41	0.00
Aspect Diversified Trends GBP £	124.87	-	0.44	0.00
Atlantas Sicav (LUX)				
Regulated				
American Dynamic $	4509.14	-	15.56	0.00
American One $	4126.65	-	-12.92	0.00
Bond Global €	1382.96	-	1.38	0.00
Eurocroissance €	986.07	-	10.97	0.00
Far East $	1000.95	-	11.45	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	2.05
BlackRock (JER)				
Regulated				
BlackRock UK Property £	44.43	-	0.32	2.37
BLK Intl Gold & General $	5.46	5.76	0.04	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 £	1.51	1.51	-0.01	3.40
Diversified Income 2 Units GBP Inc £	1.46	1.46	0.00	2.36
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 £	31017.75	31017.75	-3.86	0.54
CG Portfolio Fund Plc				
Absolute Return Cls M Inc £	113.37	113.37	0.01	1.30
Capital Value Cls V Inc £	149.65	149.65	-0.02	0.45
Dollar Fund Cls D Inc £	140.27	140.27	-0.49	1.75
Dollar Hedged GBP Inc £	96.75	96.75	-0.02	1.73
Real Return Cls A Inc £	181.89	181.89	-0.39	2.30
Cedar Rock Capital Limited (IRL)				
Regulated				
Cedar Rock Capital Fd Plc $	441.01	-	-2.77	1.55
Cedar Rock Capital Fd Plc £	493.32	-	-6.04	1.62
Cedar Rock Capital Fd Plc €	373.05	-	-0.50	1.60
Charles Schwab Worldwide Funds Plc (IRL)				
Regulated				
Schwab USD Liquid Assets Fd $	1.00	-	0.00	0.35
Chartered Asset Management Pte Ltd				
Other International Funds				
CAM-GTF Limited $	324482.53	324482.53	1049.70	0.00
CAM GTi Limited $	664.88	-	-43.66	0.00
Raffles-Asia Investment Company $	1.68	1.68	0.00	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 $	51.99	-	0.86	0.00
Davis Global A $	40.86	-	0.79	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 €	12.18	-	-0.03	0.00
EUR Accumulating Class (H) €	10.33	-	0.00	0.00
EUR Distributing Class €	10.60	-	-0.03	3.74
EUR Distributing Class (H) €	8.99	-	0.00	3.58
GBP Distributing Class £	11.25	-	-0.03	3.72
GBP Distributing Class (H) £	9.28	-	0.01	3.17
USD Accumulating Class $	10.85	-	0.00	0.00
Dodge & Cox Worldwide Funds plc-Global Stock Fund				
USD Accumulating Share Class $	21.67	-	0.36	0.00
GBP Accumulating Share Class £	25.15	-	0.33	0.00
GBP Distributing Share class £	17.97	-	0.24	0.72
EUR Accumulating Share Class €	26.34	-	0.36	0.00
GBP Distributing Class (H) £	11.64	-	0.19	0.50
Dodge & Cox Worldwide Funds plc-International Stock Fund				
USD Accumulating Share Class $	17.66	-	0.29	0.00
EUR Accumulating Share Class €	16.83	-	0.23	0.00
Dodge & Cox Worldwide Funds plc-U.S. Stock Fund				
USD Accumulating Share Class $	25.23	-	0.45	0.00
GBP Accumulating Share Class £	27.69	-	0.40	0.00
GBP Distributing Share Class £	17.30	-	0.25	0.80
EUR Accumulating Share Class €	26.49	-	0.41	0.00
GBP Distributing Class (H) £	11.36	-	0.20	0.53
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 A$	106.36	-	1.06	-
DSM Global Growth I2 Acc £	183.61	-	2.75	0.00
DSM Global Growth I1 Acc €	122.20	-	0.19	0.00
DSM US Large Cap Growth A $	147.75	-	2.77	0.00
DSM US Large Cap Growth I2 $	119.81	-	1.88	0.00
E.I. Sturdza Strategic Management Limited (GSY)				
Regulated				
Strat Evarich Japan Fd Ltd JPY ¥	67024.00	-	720.00	0.00
Strat Evarich Japan Fd Ltd USD $	862.01	-	7.49	0.00
E.I. Sturdza Funds PLC (IRL)				
Nippon Growth (UCITS) Fd - B ¥	92868.00	-	1109.00	0.00
Strategic China Panda Fd - USD $	3716.12	-	90.87	0.00
Strategic Euro Bond Fd - Acc €	1119.77	-	-0.39	0.00
Strategic Europe Value Fd - EUR €	213.83	-	1.46	0.00
Strategic European Smaller Companies Fd - EUR €	1310.30	-	9.07	0.00
Strategic Global Bond Fd - USD $	1047.90	-	-0.16	0.00
Strategic Global Quality Fd - USD Inst $	139.80	-	0.74	0.00
Strategic Quality Emerging Bond Fd - USD $	1051.07	-	-2.88	0.00
Strategic US Momentum and Value Fd - USD Class $	847.45	-	10.59	0.00
Strategic Japan Opportunities Fund ¥	62507.00	-	-62.00	0.00
Strategic Beta Flex Fund €	1013.24	-	0.89	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	1.35
European Opportunities I EUR €	2.72	-	0.03	1.92
European Opportunities I GBP £	2.37	-	0.03	1.70
European Opportunities A EUR €	2.68	-	0.03	0.95
Global Opportunities I USD $	2.02	-	0.02	1.36
Global Opportunities I GBP £	1.43	-	0.01	1.18
Pan European Opportunities I EUR €	1.84	-	0.03	-
Ennismore Smaller Cos Plc (IRL)				
5 Kensington Church St, London W8 4LD 020 7368 4220				
FCA Recognised				
Ennismore European Smlr Cos NAV £	122.38	-	-0.70	0.00
Ennismore European Smlr Cos NAV €	140.45	-	-0.78	0.00
Ennismore European Smlr Cos Hedge Fd				
Other International Funds				
NAV €	521.33	-	5.10	0.00
Equinox Fund Mgmt (Guernsey) Limited (GSY)				
Regulated				
Equinox Russian Opportunities Fund Limited $	194.04	-	-8.05	0.00
Euronova Asset Management UK LLP (CYM)				
Regulated				
Smaller Cos Cls One Shares €	42.77	-	-0.02	0.00
Smaller Cos Cls Two Shares €	28.92	-	-0.02	0.00
Smaller Cos Cls Three Shares €	14.60	-	-0.01	0.00
Smaller Cos Cls Four Shares €	18.80	-	-0.01	0.00
Eurobank Fund Management Company (Luxembourg) S.A.				
FCA Recognised				
(LF)-Absolute Return €	1.36	-	0.00	0.00
(LF) Eq Emerging Europe €	0.83	-	-0.08	0.00
(LF) Eq Mena Fund €	12.78	-	0.15	0.00
(LF) Greek Government Bond €	29.23	-	-0.12	0.00
(LF) Greek Corporate Bond €	14.83	-	-0.02	0.00
(LF) FOF Dynamic Fixed Inc €	11.77	-	-0.07	0.00
(LF) FOF Real Estate €	14.84	-	-0.15	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	0.20
Cash Fund Y-Inc-GBP £	1.00	-	0.00	0.21
Fidelity Select 50 Balanced Fund PI-ACC-GBP £	0.99	-	0.01	-
Fidelity Short Dated Corporate Bond Fund Y - Gross Acc £	9.74	-	0.00	4.09
Fidelity Short Dated Corporate Bond Fund Y - Gross Inc £	10.26	-	0.00	3.99
Target 2020 A-ACC-GBP £	0.65	-	0.00	0.60
Target 2025 A-ACC-GBP £	1.59	-	0.01	0.53
Target 2030 A-ACC-GBP £	1.78	-	0.00	0.60
Institutional OEIC Funds				
Europe (ex-UK) Fund ACC-GBP £	5.11	-	-0.01	1.16
UK Gilt Fund Inc £	1.10	-	0.00	1.62
UK Long Corporate Bond - Gross Inc £	12.22	-	0.03	2.97
Findlay Park Funds Plc (IRL)				
30 Herbert Street, Dublin 2, Ireland Tel: 020 7968 4900				
FCA Recognised				
American Fund USD Class $	109.41	-	1.38	0.00
American Fund GBP Hedged £	58.14	-	0.73	0.00
American Fund GBP Unhedged £	77.18	-	0.72	0.00
Latin American Fund USD Class $	17.00	-	0.18	0.00
Latin American Fund GBP Unhedged £	12.22	-	0.09	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				
Foord International Fund | R $	40.12	-	0.43	-
Foord Global Equity Fund (Lux) | R $	13.26	-	0.22	-
Regulated				
Foord Global Equity Fund (Sing) | B $	15.99	-	0.26	0.00
Foord International Trust (Gsy) $	39.81	-	0.42	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 CHFSFr	18.05	-	0.17	7.92
Franklin Emg Mkts Debt Opp GBP £	11.19	-	0.02	5.89
Franklin Emg Mkts Debt Opp SGD S$	24.11	-	0.11	4.55
Franklin Emg Mkts Debt Opp USD $	18.89	-	0.15	5.85
GAM				
funds@gam.com, www.funds.gam.com				
Regulated				
LAPIS TOP 25 DIV.YLD-D £	100.17	-	1.02	2.01
GYS Investment Management Ltd (GSY)				
Regulated				
Taurus Emerging Fund Ltd $	224.21	228.79	-1.01	0.00
Genesis Asset Managers LLP				
Other International Funds				
Emerging Mkts NAV £	7.86	-	0.02	1.33
Global Investment House				
Global GCC Islamic Fund $	102.03	-	-0.84	0.00
Global GCC Large Cap Fund $	153.48	-	-1.89	0.00
Global Saudi Equity Fund SR	244.70	-	-3.33	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
Hausmann				
Other International Funds				
Hausmann Cls A $	2944.46	-	28.23	0.00
Hausmann Cls B €	2468.28	-	21.53	0.00
Hausmann 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 Absolute Return Credit Fund Class F Acc £	1.13	1.13	-0.01	0.00
Hermes Asia Ex-Japan Equity Fund Class F Acc USD $	1.92	1.92	-0.01	0.00
Hermes Asia Ex-Japan Equity Fund Class F Acc GBP £	2.53	2.53	0.03	0.00
Hermes Asia Ex-Japan Equity Fund Class C Acc USD €	4.53	4.53	0.00	0.00
Hermes Europe Ex-UK Equity Fund Class F Acc £	2.05	2.05	0.00	0.00
Hermes Europe Ex-UK Equity Fund Class R Acc EUR €	3.98	3.98	0.00	0.00
Hermes European Alpha Equity Fund Class F Acc £	1.68	1.68	0.00	0.00
Hermes European Alpha Equity Fund Class F Dis £	1.59	1.59	0.00	1.20
Hermes European Alpha Equity Fund Class R Acc €	3.35	3.35	-0.01	0.00
Hermes Global Emerging Markets Fund Class F Acc £	1.97	1.97	0.01	0.00
Hermes Global Emerging Markets Fund Class F Dist £	4.13	4.13	0.01	0.00
Hermes Global Equity Fund Class F Acc £	2.14	2.14	0.02	0.00
Hermes Global Equity Fund Class R Acc €	4.64	4.64	0.04	0.00
Hermes Global ESG Equity Fund Class F Acc £	1.61	1.61	0.01	-
Hermes Global High Yield Credit Fund Class F Acc £	1.46	1.46	0.00	0.00
Hermes Global High Yield Credit Fund Class R Acc €	3.14	3.14	0.00	0.00
Hermes Global Small Cap Fund Class F Acc £	1.46	1.46	0.01	0.00
Hermes Global Small Cap Fund Class F Dis £	2.17	2.17	-0.01	0.00
Hermes Impact Opportunities Equity Fund F Acc £	1.98	-	0.02	-
Hermes Impact Opportunities Equity Fund F Dist £	0.94	-	0.01	-
Hermes Multi Asset Inflation Fund Class F Acc GBP £	1.03	1.03	0.00	0.00
Hermes Multi Strategy Credit Fund F Acc GBP £	1.14	1.14	0.00	0.00
Hermes SDG Engagement Equity Fund F Acc £	2.11	-	0.01	-
Hermes SDG Engagement Equity Fund F Acc £	0.99	-	0.00	-
Hermes US All Cap Equity Class F Stg £ Acc £	1.35	1.35	0.02	0.00
Hermes US All Cap Equity Fund Class F Acc £	2.18	2.18	0.00	0.00
Hermes US SMID Equity Fund Class F Acc £	2.23	2.23	0.03	0.00
Hermes US SMID Equity Fund Class R Acc €	3.92	3.92	0.04	0.00
INDIA VALUE INVESTMENTS LIMITED (INVIL)				
www.invil.mu				
Other International Funds				
NAV £	8.64	-	-0.04	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 €	21.95	-	0.12	0.00
IVI European Fund GBP £	25.60	-	0.14	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	-	0.00	3.04
Invesco Asian Equity A $	9.38	-	0.08	0.00
Invesco ASEAN Equity A $	113.02	-	0.65	0.30
Invesco Bond A $	28.32	-	0.06	2.24
Invesco Continental European Small Cap Equity A $	292.08	-	1.87	0.00
Invesco Emerging Markets Equity A $	49.66	-	0.16	0.00
Invesco Emerging Markets Bond A $	22.00	-	0.00	5.14
Invesco Continental European Equity A €	9.24	-	0.01	0.86
Invesco Gilt A £	16.05	-	0.05	0.86
Invesco Global Small Cap Equity A NAV $	163.82	-	0.49	0.00
Invesco Global High Income A NAV $	12.22	-	0.01	5.10
Invesco Gbl R/Est Secs A GBP F £	8.56	-	-0.02	1.21
Invesco Global Health Care A $	125.16	-	0.87	0.00
Invesco Global Select Equity A $	16.58	-	0.08	0.16
Invesco Global Structured Equity A $	10.62	-	0.12	0.15
Invesco Japanese Equity A $	27.10	-	-0.02	0.00
Invesco Korean Equity A $	28.34	-	-0.16	0.00
Invesco PRC Equity A $	81.60	-	0.56	0.00
Invesco Pacific Equity A $	68.70	-	0.28	0.07
Invesco Global Technology A $	22.36	-	0.15	0.00
Invesco UK Equity A £	9.00	-	0.05	1.83
Kames Capital VCIC (IRL)				
1 North Wall Quay, Dublin 1, Ireland +35 3162 24493				
FCA Recognised				
Absolute Return Bond B GBP Acc £	1109.56	-	-0.16	1.18
Eq Market Neutral B Acc £	930.07	-	-0.72	0.00
High Yield Global Bond A GBP Inc £	519.75	-	1.31	3.31
High Yield Global Bond B GBP Inc £	1082.44	-	2.76	3.97
Investment Grade Global Bd A GBP Inc £	570.66	-	0.23	1.98
Kames Global Equity Income B GBP Acc £	1603.22	-	11.52	0.00
Kames Global Equity Income B GBP Inc £	1455.44	-	-8.32	2.19
Kames Global Diversified Growth Fund - B Acc EUR £	11.31	-	0.04	0.00
Kames Global Diversified Income Fund - B Acc GBP £	10.25	-	-0.06	0.00
Global Sustainable Equity B Acc GBP £	13.36	-	0.14	0.00
Global Sustainable Equity C Acc GBP £	13.54	-	0.14	0.00
Kames Global Absolute Return Bond Fund - B Acc GBP £	10.30	-	-0.01	0.00
Short Dated High Yld Bd B Acc GBP £	10.65	-	0.01	0.00
Short Dated High Yld Bd C Acc GBP (Hdg) £	10.08	-	0.01	-
Strategic Global Bond A GBP Inc £	1121.37	-	0.07	0.93
Strategic Global Bond B GBP Inc £	636.66	-	0.38	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 £	142.41	-	0.27	0.36
LF Heartwood Cautious MA B Acc £	128.01	-	0.17	0.44
LF Heartwood Defensive MA B Acc £	114.33	-	0.10	0.07
LF Heartwood Growth MA B Acc £	171.98	-	0.41	0.04
LF Heartwood Income MA B Inc £	102.23	-	0.18	3.08
LF Heartwood Income Plus MA B Inc £	115.39	-	0.31	3.70
LF Seneca Diversified Growth A Acc £	266.04	-	0.62	2.10
LF Seneca Diversified Growth A Inc £	259.83	-	0.38	2.70
LF Seneca Diversified Income A Inc £	157.34	-	0.37	2.47
LF Seneca Diversified Income A Inc £	91.99	-	0.20	4.92
LF Seneca Diversified Income B Acc £	110.49	-	0.23	4.93
LF Seneca Diversified Income B Inc £	100.26	-	0.23	4.93
Investment Adviser - Morant Wright Management Limited				
LF Morant Wright Japan A Acc £	390.10	-	-2.06	0.00
LF Morant Wright Japan A Inc £	381.92	-	-2.02	0.44
LF Morant Wright Japan B Acc £	420.03	-	-2.21	0.93
LF Morant Wright Japan B Inc £	389.21	-	-2.05	0.94
LF Morant Wright Nippon Yield A Acc £	417.08	-	-1.37	2.17
LF Morant Wright Nippon Yield A Inc £	344.53	-	-1.12	2.21
LF Morant Wright Nippon Yield B Acc £	437.61	-	-1.43	2.17
LF Morant Wright Nippon Yield B Inc £	361.57	-	-1.18	2.22
Lloyds Investment Fund Managers Limited (1000)F (JER)				
PO Box 311, 11-12 Esplanade, St Helier, Jersey JE4 8ZU 01534 845555				
Other International Funds				
Lloyds Investment Funds Limited				
Euro High Income €	1.7604	-	0.0010	3.01
European £	10.0300	-	0.0000	0.28
High Income £	0.8541	-	-0.0002	4.37
International £	5.3470	-	0.0530	0.18
North American £	21.2400	-	0.2600	0.00
Sterling Bond £	1.5130	-	0.0000	2.76
UK £	7.3940	-	0.0270	0.49
Lloyds Gilt Fund Limited				
Lloyds Gilt Fund Quarterly Share £	1.3100	-	0.0010	1.60
Monthly Share £	1.1680	-	-0.0020	1.60
Lloyds Money Fund Limited				
Sterling Class £	52.5210	-	0.0000	-0.20
Lloyds Multi Strategy Fund Limited				
Conservative Strategy £	1.2110	-	-0.0010	0.86
Growth Strategy £	1.7600	-	0.0090	0.67
Aggressive Strategy £	2.3390	-	0.0000	0.00
Global USD Growth Strategy $	1.6340	-	0.0020	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	-28.52	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 $	118.22	-	1.04	0.00
Milltrust India A $	175.56	-	0.13	0.00
Milltrust Latin America A $	111.71	-	-1.39	0.00
Milltrust Keywise China Fund $	158.37	-	2.30	0.00
Milltrust SEDCO MENA Fund (Class A)* $	105.11	-	0.32	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 $	109.60	-	0.11	0.00
Mir. - EqPanEuropeSm&Mid €	153.88	-	1.08	0.00
Mir. - Eq UK High Income I GBP £	120.50	-	1.07	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 $	81.63	-	0.50	0.00
Asian Equity A F $	55.17	-	0.12	0.00
Asian Property A F $	21.04	-	-0.02	0.00
Emerg Europ, Mid-East & Africa Eq A F €	76.79	-	-0.90	0.00
Emerging Markets Debt A F $	87.41	-	-0.02	0.00
Emerging Markets Domestic Debt A F £	11.86	11.86	-0.02	5.22
Emerging Markets Equity A F $	46.36	46.36	0.07	0.00
Euro Bond A F €	16.28	16.28	0.00	0.00
Euro Corporate Bond AX F €	27.25	27.25	0.01	1.30
Euro Strategic Bond A F €	46.74	46.74	0.02	0.00
European Currencies High Yield Bd A F €	24.67	24.67	0.03	0.00
European Equity Alpha A F €	43.75	-	-0.05	0.00
European Property A F €	35.29	35.29	0.00	0.00
Eurozone Equity Alpha A F €	12.64	12.64	-0.02	0.00
Global Bond A F $	43.19	43.19	0.02	0.00
Global Brands A F $	128.43	-	-0.08	0.00
Global Convertible Bond A F $	45.39	-	0.10	0.00
Global Property A F $	30.36	-	-0.02	0.00
Indian Equity A F $	46.28	-	-0.42	0.00
Latin American Equity A F $	58.86	-	-0.80	0.00
Short Maturity Euro Bond A F €	20.37	20.37	0.00	0.00
US Dollar Liquidity A F $	13.17	-	0.00	0.00
US Growth A F $	104.62	-	1.17	0.00
US Growth AH F €	69.72	69.72	0.77	0.00
US Growth AX F £	73.70	73.70	0.73	0.00
US Property A F $	67.12	-	0.18	0.00
Morgens Waterfall Vintiadis.co Inc				
Other International Funds				
Phaeton Intl (BVI) Ltd (Est) $	474.26	-	0.46	0.00
Natixis International Funds (LUX) I SICAV (LUX)				
FCA Recognised				
ASG Managed Futures Fund I/A (USD) $	99.95	99.95	0.60	0.00
Harris Global Equity Fund R/A (USD) $	326.50	326.50	5.18	0.00
Loomis Sayles Global Growth Equity Fund I/A (USD) $	132.22	132.22	2.46	0.00
Loomis Sayles U.S. Equity Leaders Fund I/A (USD) $	134.70	134.70	2.61	0.00
Natixis Investment Funds (UK)				
Authorised Funds				
DNCA European Select Equity Fund £	1.02	-	0.01	-
Harris Global Concentrated Equity Fund £	1.58	-	0.00	1.40
H2O MultiReturns Fund N/A (GBP) £	1.61	-	0.00	0.70
Loomis Sayles U.S. Equity Leaders N/A (GBP) £	2.21	-	-0.01	0.14
New Capital Fund Management Ltd (IRL)				
Regulated				
New Capital Euro Value Credit Fund - EUR Inst Acc €	100.29	-	-0.07	-
New Capital UCITS Fund PLC (IRL)				
Leconfield House, Curzon Street, London, W1J 5JB www.newcapitalfunds.com				
FCA Recognised				
New Capital Asia Pacific Equity Income Fund - USD Ord Acc $	94.07	-	0.05	3.89
New Capital China Equity Fund - USD Ord Acc $	111.18	-	1.04	2.48
New Capital Dynamic European Equity Fund - EUR Ord Acc €	184.38	-	1.48	2.73
New Capital Global Equity Conviction Fund - USD Ord Acc $	177.12	-	2.48	-
New Capital Global Value Credit Fund - USD Inst Acc $	183.76	-	0.01	0.00
New Capital Global Equity Income Fund - USD Ord Acc $	124.49	-	2.03	0.00
New Capital Global Alpha Fund - GBP Ord Inc £	113.92	-	0.30	0.00
New Capital Healthy Nations Bond Fund - USD Inst Acc $	113.99	-	-0.34	4.39
New Capital Swiss Select Equity Fund - CHF Ord Acc SFr	163.53	-	1.44	0.00
New Capital US Growth Fund - USD Ord Acc $	271.51	-	5.35	0.00
New Capital US Small Cap Growth Fund - USD Ord Acc $	133.06	-	2.37	0.00
New Capital All Weather Fund - EUR Inst Acc €	100.95	-	-0.02	0.00
New Capital Dynamic UK Equity Fund - GBP Inst Acc £	102.52	-	1.03	0.00
New Capital Strategic Portfolio UCITS Fund - USD Inst Acc $	113.91	-	2.04	0.00
New Capital Global Alpha Fund - USD Inst Acc $	105.20	-	0.22	0.32
Northwest Investment Management (HK) Ltd				
11th Floor, Kinwick Centre, 32, Hollywood Road, Central Hong Kong +852 3694 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 $	10.25	-	0.04	0.00
Oasis Global Mgmt Co (Ireland) Ltd (IRL)				
Regulated				
Oasis Global Investment (Ireland) Plc				
Oasis Crescent Global Short Term Income Fund $	0.98	-	0.00	1.64
Oasis Crescent Global Investment Fund (Ireland) plc				
Oasis Crescent Global Equity Fund $	30.85	-	0.32	0.62
Oasis Crescent Variable Balanced Fund €	10.22	-	0.03	0.00
OasisCresGl Income Class A $	10.68	-	-0.01	2.66
OasisCresGl LowBal D ($) Dist $	12.25	-	0.06	0.00
OasisCresGl Med Eq Bal A ($) Dist $	12.87	-	0.08	0.40
Oasis Crescent Gbl Property Eqty $	9.48	-	0.00	1.88
Odey Asset Management LLP (CYM)				
Regulated				
OEI Mac Inc GBP A £	160.61	-	6.55	0.00
OEI Mac Inc GBP B £	92.54	-	3.78	0.00
OEI MAC Inc USD $	855.94	-	36.66	0.00
Odey European Inc EUR €	370.48	-	15.76	0.00
Odey European Inc GBP A £	148.27	-	6.29	0.00
Odey European Inc GBP B £	84.05	-	3.56	0.00
Odey European Inc USD $	177.58	-	7.77	0.00
Giano Capital EUR Inc €	4772.90	-	-68.93	0.00
Odey Asset Management LLP (IRL)				
FCA Recognised				
Odey Pan European EUR R €	320.77	-	3.10	0.00
Odey Allegra International EUR O €	171.69	-	1.17	0.00
Odey Allegra Developed Markets USD I $	163.47	-	2.65	0.00
Odey European Focus Fund €	18.96	-	0.03	0.00
Odey Giano European Fund EUR R €	122.94	-	0.52	0.00
Odey Odyssey USD I $	96.40	-	-1.90	0.00
Odey Swan Fund EUR I €	43.88	-	-0.70	0.00
Odey Absolute Return Focus Fund €	86.12	-	-0.66	0.00
Odey Wealth Management (CI) Ltd (IRL)				
www.odey.com/prices				
FCA Recognised				
Odey Opportunity EUR I €	236.99	-	1.05	0.00
Omnia Fund Ltd				
Other International Funds				
Estimated NAV $	955.65	-	46.68	0.00
Optima Fund Management				
Other International Funds				
Cutthunk Fund II Limited $	1573.59	-	0.00	0.00
JENOP Global Healthcare Fund Ltd $	16.36	-	-1.06	0.00
OPTIKA Fund Limited - Cl A $	137.02	-	0.00	0.00
Optima Fd NAV (Est) $	98.07	-	-1.59	0.00
Optima Discretionary Macro Fund Limited $	86.05	-	-0.03	0.00
The Dorset Energy Fd Ltd NAV $	21.33	-	-0.39	0.00
Platinum Fd Ltd (Est) $	111.29	-	-2.86	0.00
Platinum Fd Ltd EUR (Est) €	20.50	-	-0.60	0.00
Platinum Japan Fd Ltd (Est) $	69.80	-	-1.13	0.00
Optima Partners Global Fd (Est) $	18.79	-	-0.06	0.00
Optima Partners Focus Fund A $	17.87	-	0.00	0.00
Optima STAR Fund (hedged) $	106.95	-	0.18	0.00
Optima STAR Long Fund $	140.45	-	2.07	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 €	106.49	-	-0.21	0.00
Pictet-Asian Equities Ex Japan-I USD $	324.97	-	1.14	0.00
Pictet-Asian Local Currency Debt-I USD $	172.55	-	0.10	0.00
Pictet-Biotech-I USD $	796.57	-	20.11	0.00
Pictet-CHF Bonds-I CHF SFr	506.13	-	-0.41	0.00
Pictet-China Index I USD $	167.47	-	3.97	0.00
Pictet-Clean Energy-I USD $	100.99	-	1.43	0.00
Pictet-Digital-I USD $	401.13	-	6.84	0.00
Pictet-Em Lcl Ccy Dbt-I USD $	188.07	-	-0.76	0.00
Pictet-Emerging Europe-I EUR €	356.08	-	-5.97	0.00
Pictet-Emerging Markets-I USD $	687.12	-	2.14	0.00
Pictet-Emerging Markets Index-I USD $	318.38	-	3.30	0.00
Pictet-Emerging Corporate Bonds I USD $	125.16	-	0.05	0.00
Pictet-Emerging Markets High Dividend-I USD $	130.30	-	0.30	0.00
Pictet-Emerging Markets Sustainable Equity-I USD $	113.88	-	0.48	0.00
Pictet-EUR Bonds-I €	584.96	-	-0.87	0.00
Pictet-EUR Corporate Bonds-I €	221.38	-	-0.07	0.00
Pictet-EUR Government Bonds I EUR €	164.42	-	-0.23	0.00
Pictet-EUR High Yield-I €	273.35	-	0.50	0.00
Pictet-EUR Short Mid-Term Bonds-I €	137.00	-	-0.01	0.00
Pictet-EUR Short Term HY I EUR €	123.89	-	0.05	0.00
Pictet-EUR Sov.Sht.Mon.Mkt EUR I €	101.54	-	-0.01	0.00
Pictet-Euroland Index IS EUR €	154.45	-	1.15	0.00
Pictet-Europe Index-I EUR €	187.73	-	1.58	0.00
Pictet-European Equity Selection-I EUR €	752.88	-	6.59	0.00
Pictet-European Sust Eq-I EUR €	263.10	-	1.59	0.00
Pictet-Global Bds Fundamental-I USD $	131.21	-	0.31	0.00
Pictet-Global Bonds-I EUR €	182.97	-	-0.48	0.00
Pictet-Global Defensive Equities I USD $	172.60	-	2.03	0.00
Pictet-Global Emerging Debt-I USD $	405.95	-	0.25	0.00
Pictet-Global Env Opport-I EUR €	197.77	-	2.13	0.00
Pictet-Global Megatrend Selection-I EUR €	296.50	-	3.75	0.00
Pictet-Global Sust.Credit HI EUR €	149.02	-	-0.01	0.00
Pictet-Greater China-I USD $	888.75	-	3.65	0.00
Pictet-Health-I USD $	279.66	-	4.85	0.00
Pictet-High Dividend Sel I EUR €	182.82	-	0.91	0.00
Pictet-India Index-I USD $	125.73	-	0.25	0.00
Pictet-Indian Equities-I USD $	620.61	-	0.52	0.00
Pictet-Japan Index-I JPY ¥	19481.00	-	-58.66	0.00
Pictet-Japanese Equities Opp-I JPY ¥	11801.56	-	-30.04	0.00
Pictet-Japanese Equity Selection-I JPY ¥	16778.42	-	-4.96	0.00
Pictet-LATAM Lc Ccy Dbt-I USD $	143.60	-	-0.48	0.00
Pictet-Multi Asset Global Opportunities I EUR €	122.85	-	0.09	0.00
Pictet-Nutrition-I EUR €	209.93	-	1.09	0.00
Pictet-Pacific Ex Japan Index-I USD $	439.33	-	5.55	0.00
Pictet-Premium Brands-I EUR €	208.84	-	1.78	0.00
Pictet-Russia Index I USD $	70.01	-	0.00	0.00
Pictet-Russian Equities-I USD $	57.64	-	0.00	0.00
Pictet-Security-I USD $	257.08	-	3.90	0.00
Pictet-Select-Callisto I EUR €	102.54	-	-0.12	0.00
Pictet-Small Cap Europe-I EUR €	1254.63	-	12.46	0.00
Pictet-SmartCity I EUR €	205.88	-	2.80	0.00
Pictet-ST MoneyMkt-I €	138.33	-	0.00	0.00
Pictet-ST MoneyMkt JPY I USD ¥	100882.00	-	-3.54	0.00
Pictet-ST Emerging Local Currency Debt I USD $	99.56	-	0.00	0.00
Pictet-ST MoneyMkt-ICHF SFr	126.36	-	0.00	0.00
Pictet-ST MoneyMkt-IUSD $	139.09	-	0.01	0.00
Pictet-Timber-I USD $	214.26	-	1.56	0.00
Pictet-TR-Agora I EUR €	137.11	-	-0.04	0.00
Pictet-TR-Corto Europe I EUR €	145.08	-	0.25	0.00
Pictet-TR-Diversified Alpha I EUR €	112.04	-	0.01	0.00
Pictet-TR-Kosmos I EUR €	109.83	-	-0.03	0.00
Pictet-TR-Mandarin I USD $	161.92	-	0.75	0.00
Pictet-US Equity Selection-I USD $	227.80	-	4.02	0.00
Pictet-US High Yield-I USD $	164.11	-	0.35	0.00
Pictet-USA Index-I USD $	241.38	-	3.97	0.00
Pictet-USD Government Bonds-I USD $	643.52	-	-0.36	0.00
Pictet-USD Short Mid-Term Bonds-I USD $	131.35	-	0.01	0.00
Pictet-USD Sov.ST.Mon.Mkt I USD $	104.94	-	0.01	0.00
Pictet-Water-I EUR €	321.67	-	1.23	0.00
Platinum Capital Management Ltd				
Other International Funds				
Platinum All Star Fund - A $	130.76	-	-	-
Platinum Global Dividend Fund - A $	45.81	-	-	-
Platinum Global Growth UCITS Fund $	10.00	-	-	-
Polar Capital Funds Plc (IRL)				
Regulated				
Automation & Artificial Intelligence Cl I USD Acc $	10.46	10.46	0.19	-
Asian Financials I USD $	397.51	397.51	0.29	0.00
Biotechnology I USD $	23.27	23.27	0.54	0.00
European Income Acc EUR €	12.00	12.00	0.05	0.00
European Ex UK Inc EUR Acc €	10.96	10.96	0.04	0.00
Financial Opps I USD $	14.71	-	0.14	1.86
GEM Income I USD $	12.69	-	0.04	0.00
Global Convertible I USD $	13.10	13.10	0.11	0.00
Global Insurance I GBP £	5.72	-	0.01	0.00
Global Technology I USD $	41.70	-	0.86	0.00
Healthcare Blue Chip Fund I USD Acc $	11.90	11.90	0.07	0.00
Healthcare Opps I USD $	42.65	-	0.91	0.00
Income Opportunities B2 I GBP Acc £	2.21	2.21	0.01	0.00
Japan Alpha I JPY ¥	253.07	253.07	0.21	0.00
Japan I JPY ¥	2571.38	-	3.29	0.00
North American I USD $	24.15	24.15	0.35	0.00
UK Absolute Equity I GBP £	20.62	20.62	0.01	0.00
UK Val Opp I GBP Acc £	11.69	11.69	0.04	0.00
Polar Capital LLP (CYM)				
Regulated				
European Forager A EUR €	184.13	-	-1.17	0.00
Private Fund Mgrs (Guernsey) Ltd (GSY)				
Regulated				
Monument Growth 03/04/2018 £	502.28	507.87	16.70	3.36
Prusik Investment Management LLP (IRL)				
Enquiries - 0207 493 1331				
Regulated				
Prusik Asian Equity Income B Dist $	209.36	-	1.03	3.39
Prusik Asia A $	293.89	-	-0.39	0.00
Prusik Asian Smaller Cos A $	171.85	-	-0.51	0.00
Purisima Investment Fds (CI) Ltd (JER)				
Regulated				
PCG B *	207.71	-	1.32	0.00
PCG C *	203.99	-	1.30	0.00
Ram Active Investments SA				
www.ram-ai.com				
Other International Funds				
RAM Systematic Emerg Markets Core Eq $	109.18	-	1.09	-
RAM Systematic Emerg Markets Eq $	193.36	-	1.64	-
RAM Systematic European Eq €	450.09	-	5.01	-
RAM Systematic Global Shareholder Yield Eq $	132.54	-	1.54	0.00
RAM Systematic Long/Short European Eq €	154.09	-	0.65	-
RAM Systematic North American Eq $	302.24	-	4.76	-
RAM Tactical Convertibles Europe €	147.38	-	0.48	-
RAM Tactical Global Bond Total Return €	144.29	-	-0.01	-
RAM Tactical II Asia Bond Total Return $	140.68	-	0.22	-
Robeco Asset Management (LUX)				
Weena 850, 3014 DA Rotterdam, The Netherlands www.robeco.com/contact				
FCA Recognised				
Asia-Pacific Equities (EUR) €	161.34	-	0.55	0.00
BP US Premium Equities (USD) $	228.29	-	4.52	0.00
BP US Premium Equities (EUR) €	265.50	-	5.21	0.00
Chinese Equities (EUR) €	100.86	-	0.95	0.00
Em Stars Equities (EUR) €	219.66	-	0.31	0.00
Emerging Markets Equities (EUR) €	193.34	-	1.12	0.00
Glob Consumer Trends Equities (EUR) €	194.15	-	1.74	0.00
High Yield Bonds (EUR) €	138.71	-	0.30	0.00
New World Financials (EUR) €	66.31	-	0.72	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 Diversified Rtrn C Acc	574.05	-	8.57	0.31
LF Ruffer European C Inc	105.89	-	1.58	0.62
LF Ruffer European O Acc	564.34	-	8.39	0.00
LF Ruffer Equity & General C Acc	442.62	-	6.01	0.04
LF Ruffer Equity & General C Inc	408.07	-	5.54	0.04
LF Ruffer Equity & General O Acc	435.17	-	5.88	0.00
LF Ruffer Equity & General O Inc	403.76	-	5.46	0.00
LF Ruffer Gold C Acc	143.84	-	0.75	0.08
LF Ruffer Gold C Inc	87.06	-	0.46	0.14
LF Ruffer Gold O Acc	141.36	-	0.73	0.00
LF Ruffer Japanese C Inc	114.71	-	0.48	0.26
LF Ruffer Japanese C Acc	244.19	-	1.02	0.24
LF Ruffer Pacific C Acc	376.65	-	8.41	0.93
LF Ruffer Pacific C Inc	105.91	-	2.37	1.12
LF Ruffer Pacific O Acc	369.97	-	8.25	0.63
LF Ruffer Total Return C Acc	436.02	-	1.63	1.48
LF Ruffer Total Return C Inc	291.68	-	1.09	1.48
LF Ruffer Total Return O Acc	428.64	-	1.59	1.47
LF Ruffer Total Return O Inc	286.58	-	1.06	1.49
S W Mitchell Capital LLP (IRL)				
Regulated				
SWMC European Fund B EUR €	17675.65	-	232.97	0.00
SWMC Small Cap European Fund B EUR €	15411.43	-	23.82	0.00
RobecoSAM (LUX)				
Tel. +41 44 653 10 10 http://www.robecosam.com/				
Regulated				
RobecoSAM Sm.Energy/N €	16.97	-	0.13	1.23
RobecoSAM Sm.Energy/N €	15.43	-	0.12	0.90
RobecoSAM Sm.Materials/N €	195.99	-	2.44	1.34
RobecoSAM Sm.Materials/N €	192.00	-	2.56	0.00
RobecoSAM Sm.Materials/Na €	136.09	-	1.72	1.33
RobecoSAM Gl.Small Cap Eq/N €	109.76	-	1.25	0.00
RobecoSAM Gl.Small Cap Eq/N €	195.37	-	2.26	0.00
RobecoSAM Sustainable Gl.Eq/B €	209.15	-	2.49	0.00
RobecoSAM Sustainable Gl.Eq/B €	183.46	-	2.20	0.00
RobecoSAM S.HealthyLiv/B €	185.17	-	1.17	0.00
RobecoSAM S.HealthyLiv/N €	175.58	-	1.18	0.00
RobecoSAM S.HealthyLiv/Na €	130.21	-	0.85	1.42
RobecoSAM S.Water/A €	228.60	-	1.61	1.49
RobecoSAM S.Water/N €	197.80	-	1.63	0.00
Rubrics Global UCITS Funds Plc (IRL)				
www.rubricsam.com				
Regulated				
Rubrics Emerging Markets Fixed Income UCITS Fund $	137.39	-	-0.10	0.00
Rubrics Global Credit UCITS Fund $	15.86	-	0.00	0.00
Rubrics Global Fixed Income UCITS Fund $	162.37	-	-0.06	0.00
Q Rubrics India Fixed Income UCITS Fund $	11.43	-	-0.04	0.00
Rubrics India Fixed Income UCITS Fund $	97.95	-	-0.36	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 £	503.37	534.08	3.30	0.00
Slater Income A Inc £	160.02	160.02	0.52	0.00
Slater Recovery £	235.54	249.91	1.21	0.00
Slater Artorius £	195.38	195.38	3.83	0.25
Standard Life Wealth (JER)				
PO Box 189, St Helier, Jersey, JE4 9RU 01534 709130				
FCA Recognised				
Standard Life Offshore Strategy Fund Limited				
Bridge Fund £	1.8057	-	0.0063	2.03
Global Equity Fund £	2.2530	-	0.0155	0.89
Global Fixed Interest Fund £	0.9894	-	0.0008	4.15
Income Fund £	0.5463	-	0.0019	4.43
Sterling Fixed Interest Fund £	0.8597	-	0.0011	3.47
UK Equity Fund £	2.1527	-	0.0072	3.08
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 $	178.51	-	1.29	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
Superfund Asset Management GmbH				
www.superfund.com, +43 (1) 247 00				
Regulated				
Superfund Green EUR SICAV €	681.69	-	10.49	0.00
Superfund Red EUR SICAV €	794.54	-	-0.76	0.00
Superfund Blue EUR €	757.91	-	-1.84	0.00
Other International Funds				
Superfund Green Gold SICAV $	1067.54	-	16.50	0.00
Superfund Red Silver SICAV $	415.32	-	1.42	0.00
Toscafund Asset Management LLP (UK)				
www.toscafund.com				
Authorised Funds				
Aptus Global Financials B Acc £	4.28	-	0.01	4.55
Aptus Global Financials B Inc £	3.36	-	0.01	4.72
Toscafund Asset Management LLP				
www.toscafund.com				
Other International Funds				
Tosca A USD $	379.81	-	-12.05	-
Tosca Mid Cap GBP £	275.27	-	0.25	-
Tosca Opportunity B USD $	395.80	-	-8.96	-
Pegasus Fund Ltd A-1 GBP £	65.98	-	0.65	0.00
TreeTop Asset Management S.A. (LUX)				
Regulated				
TreeTop Convertible Sicav				
International A €	321.34	-	0.68	0.00
International B €	430.80	-	0.98	0.00
International C €	135.47	-	0.29	2.65
International D €	281.57	-	0.59	2.55
TreeTop Global Sicav				
Global Opp A €	170.86	-	1.68	0.00
Global Opp B €	182.46	-	2.01	0.00
Global Opp C €	236.79	-	1.87	0.00
Sequoia Equity A €	161.55	-	0.49	0.00
Sequoia Equity B €	181.33	-	0.71	0.00
Sequoia Equity C €	204.86	-	0.11	2.99
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	100.27	-	0.04	3.10
Trojan Global Income O Inc	96.80	-	0.04	3.16
UBS Asset Management				
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	-	0.00	1.17
UBS Global Optimal C Acc £	0.95	-	0.00	0.74
UBS UK Opportunities C Acc £	0.88	-	0.01	3.06
UBS US Equity C Acc £	1.12	-	-0.01	0.28
UBS S&P 500 Index C Acc £	0.77	-	0.01	1.35
UBS Targeted Return C Acc £	13.66	-	0.05	1.55
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 £	0.70	-	0.00	4.13
UBS Corporate Bond UK Plus C Inc Net £	0.53	-	0.00	4.16
UBS Multi Asset Income C Inc Net £	0.79	-	0.00	1.67
UBS Global Enhanced Equity Income C Inc £	0.45	-	0.01	6.57
UBS US Growth C Acc £	1.21	-	0.00	0.00
UBS Emerging Markets Equity Income C Acc £	0.50	-	0.00	2.61
UBS FTSE RAFI Dev 1000 Index J Acc £	139.02	-	1.25	2.51
UBS MSCI World Min Vol Index J Acc £	143.80	-	0.51	2.30
Unicapital Investments (LUX)				
Regulated				
Investments IV - European Private Eq. €	120.44	-	-9.68	0.00
Investments IV - Global Private Eq. $	170.74	-	-16.29	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 $	12.65	-	0.03	0.00
Value Partners Asian Total Return Bond Fund A USD $	15.60	-	0.03	0.00
Value Partners Classic Equity Fund CHF Hedged SFr	15.40	-	0.03	0.00
Value Partners Classic Equity Fund EUR Hedged €	15.67	-	0.03	0.00
Value Partners Classic Equity Fund GBP Unhedged £	16.30	-	0.03	0.00
Value Partners Classic Equity Fund GBP Hedged £	18.28	-	-0.01	0.00
Value Partners Classic Equity USD Unhedged $	19.36	-	0.03	0.00
Value Partners Greater China High Yield Income Fund $	10.50	-	-0.03	0.00
Value Partners Greater China High Yield Income Fund A Dist $	11.12	-	0.04	-
Value Partners Greater China Fund USD A Acc Unhedged $	12.20	-	0.04	0.00
Value Partners Health Care Fund HKD Class A Unhedged HK$	12.88	-	0.06	0.00
Value Partners Health Care Fund USD Class A Unhedged $	12.98	-	-0.13	0.00
Waverton Investment Funds Plc (1600)F (IRL)				
waverton.investments@citi.com				
FCA Recognised				
Waverton Asia Pacific A USD $	24.05	-	0.02	0.65
Waverton Global Equity Fund A GBP £	18.78	-	0.14	0.26
Waverton Global Strategic Bond Fund A USD $	8.57	-	0.01	5.02
Waverton UK A GBP £	13.24	-	0.04	1.97
Waverton Equity Fund A GBP £	18.46	-	-0.02	0.00
Waverton Sterling Bond Fund A GBP £	9.45	-	0.02	4.42
WA Fixed Income Fund Plc (IRL)				
Regulated				
European Multi-Sector €	117.57	-	-0.15	3.46
Yapi Kredi Asset Management (TUR)				
www.yapikrediportfoy.com.tr Tel: + 90 (212) 385 48 48				
Other International Funds				
Eurobond Fund TRY	0.110753	-	0.00278	-
Koc Affiliate and Equity Fund TRY	0.959978	-	0.04950	-
DPM Bonds and Bills Fund (FX) $	1.049142	-	0.00667	0.00
Yuki International Limited (IRL)				
Tel +44-20-7269-0207 www.yukifunds.com				
Regulated				
Yuki Mizuho Umbrella Fund				
Yuki Mizuho Japan Dynamic Growth ¥	9963.00	-	-66.00	0.00
Yuki Japan Low Price ¥	49989.00	-	-581.00	0.00
Yuki Japan Value Select ¥	20973.00	-	-163.00	0.00
Yuki Asia Umbrella Fund				
Yuki Japan Rebounding Growth Fund JPY Class ¥	10160.00	-	-194.00	0.00
Yuki Japan Rebounding Growth Fund USD Hedged Class $	1574.43	-	-7.38	0.00
Zadig Gestion (Memnon Fund) (LUX)				
FCA Recognised				
Memnon European Fund I GBP £	164.97	-	1.47	0.00

Data Provided by

MORNINGSTAR

www.morningstar.co.uk

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Guide to Data

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Prices are in pence unless otherwise indicated. The change, if shown, is the change on the previously quoted figure (not all funds update prices daily). Those designated $ with no prefix refer to US dollars. Yield percentage figures (in Tuesday to Saturday papers) allow for buying expenses. Prices of certain older insurance linked plans might be subject to capital gains tax on sales.

Guide to pricing of Authorised Investment Funds: (compiled with the assistance of the IMA. The Investment Management Association, 65 Kingsway, London WC2B 6TD. Tel: +44 (0)20 7831 0898.)

OEIC: Open-Ended Investment Company. Similar to a unit trust but using a company rather than a trust structure.

Different share classes are issued to reflect a different currency, charging structure or type of holder.

Selling price: Also called bid price. The price at which units in a unit trust are sold by investors.

Buying price: Also called offer price. The price at which units in a unit trust are bought by investors. Includes manager's initial charge.

Single price: Based on a mid-market valuation of the underlying investments. The buying and selling price for shares of an OEIC and units of a single priced unit trust are the same.

Treatment of manager's periodic capital charge: The letter C denotes that the trust deducts all or part of the manager's/operator's periodic charge from capital, contact the manager/operator for full details of the effect of this course of action.

Exit Charges: The letter E denotes that an exit charge may be made when you sell units, contact the manager/operator for full details.

Time: Some funds give information about the timing of price quotes. The time shown alongside the fund manager's/operator's name is the valuation point for their unit trusts/OEICs, unless another time is indicated by the symbol alongside the individual unit trust/OEIC name.

The symbols are as follows: ✪ 0001 to 1100 hours; ♦ 1101 to 1400 hours; ▲ 1401 to 1700 hours; # 1701 to midnight. Daily dealing prices are set on the basis of the valuation point, a short period of time may elapse before prices become available. Historic pricing: The letter H denotes that the managers/operators will normally deal on the price set at the most recent valuation. The prices shown are the latest available before publication and may not be the current dealing levels because of an intervening portfolio revaluation or a switch to a forward pricing basis. The managers/operators must deal at a forward price on request, and may move to forward pricing at any time. Forward pricing: The letter F denotes that that managers/operators deal at the price to be set at the next valuation.

Investors can be given no definite price in advance of the purchase or sale being carried out. The prices appearing in the newspaper are the most recent provided by the managers/operators. Scheme particulars, prospectus, key features and reports: The most recent particulars and documents may be obtained free of charge from fund managers/operators. * Indicates funds which do not price on Fridays.

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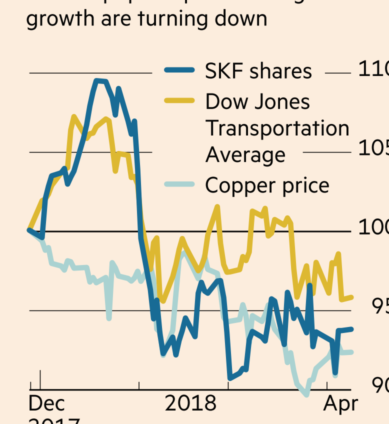
Analysis. Equities

Investors eye data closely amid fears global growth engine is spluttering

Workers carry out checks at the Saint-Cyr-sur-Loire plant of SKF, the ball bearings maker whose stock has declined more than 12% since mid-January Guillaume Souvant/AFP



US jobs numbers disappoint while retail sales decline and factory indices show weakness

ROBIN WIGGLESWORTH — NEW YORK

Whisper it: is the global economy starting to splutter?

Although wage growth remained solid, last Friday's US jobs numbers came in sharply below expectations, damping fears that the Fed might accelerate its rate-rise plans. Perhaps more worryingly, the numbers miss fits a broader pattern of data undershooting expectations this year.

US retail sales dropped unexpectedly in January, and fell short of forecasts in February. European and Chinese retail sales came in below economists' expectations in February, and purchasing managers' indices have weakened almost everywhere.

Given that investors are growing increasingly nervous about trade tension — global equities have fallen more than 8 per cent from their late-January peak — the bout of disappointing data could not have come at a worse time.

"Last year it became apparent that global growth was accelerating, but there are now reasons to believe the acceleration phase is over," said Larry Hatheway, chief economist at Gam, an asset manager. "It might not be decelerating yet, but markets trade on inflection points."

Citi's global Economic Surprise Index, which measures how often data come in above or below expectations, has sagged this year, and is back in negative territory. Although the gauge is mean-reverting by design, Goldman Sachs' "current activity indicator" also weakened in March, and a record 74 per cent of fund managers polled by Bank of America last month said that the global economy was in its late cycle.

Other informal gauges are looking a wan. Copper has dipped almost 8 per cent this year; the Dow Jones Transportation Average has fallen more than 10 per cent since its January high; and stock of SKF, the Swedish maker of ball-bearings that are used in many industrial products, has declined more than 12 per cent since mid-January.

Andrew Kenningham, chief global economist at Capital Economics, estimates that international growth accelerated to 3.5 per cent in the first quarter, up from a 3.2 per cent annualised rate in the fourth quarter. But in a note last week, he warned that this could be the peak for the expansion.

8% Slide for global equities from their peak in late January

14.6% Projected global earnings growth for the first quarter

"The weakness of some recent economic data and business surveys has raised concerns that the global expansion is running out of steam."

Stephen Jen, a hedge fund manager at Eurizon SLJ Capital, considered that the turbulence might be the beginning of the end of the bull market.

"The calm the world has enjoyed was the result of Herculean policy efforts that will have negative consequences in the quarters ahead. The calm will probably be followed by a storm."

Aside from a few bears, there is mostly a murmur of concern rather than widespread fear.

Global economic data might be coming in a tad below expectations lately, but that in part also reflects how analysts had been raising their forecasts — which is what Citi's surprise indices reflect. Aside from the possibility of trade wars, strategists largely say that there is little on the horizon that might derail the global economy.

Mr Hatheway said: "It's on my list of things to worry about, but it's a long list. It's hard to get overly worried about global growth right now."

Robert Buckland, chief global equity strategist at Citi, argued that investors should "buy the dips" even if they deepened as the global economic cycle entered its final stage.

John Normand, a strategist at JPMorgan, agreed that global equities looked oversold, and expected that the earnings season kicking off this week should assuage concerns.

Copper is down almost 8% this year and the Dow Jones transport average has dropped more than 10% since a January high

"Equities are looking oversold just as a very strong reporting season is beginning."

However, this means it will be even more important that corporate profits prove as healthy as expected, with investors likely to prove sensitive to any hints of broader economic malaise in the results.

Global earnings are forecast to have grown 14.6 per cent in the first quarter, and tax reform has lifted estimates of the S&P 500's earnings growth to 17 per cent, which would be the fastest quarterly growth since 2011.

But David Kostin, chief US equity strategist at Goldman Sachs, warned that if results undershot this high bar, "fears about decelerating economic activity will compound mounting concerns around trade, regulation, and stretched positioning".

Jim Paulsen, chief market strategist at The Leuthold Group, said: "People are pinning a lot of hope on the first-quarter earnings season."

Although he was not worried about a recession yet, Mr Paulsen said that markets might take another leg down as more investors digested the fading growth outlook.

"We haven't seen a full-fledged rush to safety yet, and that's a reason why I think this could get worse before it gets better."

Tail risk

Demand is wild card if Riyadh seeks to prop up oil price

ANJLI RAVAL

Saudi Arabia faces a familiar conundrum. How does it prop up oil prices enough to bolster the kingdom's economy but not so much that it backfires? As oil prices shoot above $71 a barrel, Saudi Arabia's perennial "Goldilocks" problem is front and centre.

The previous era of oil prices above $100 a barrel helped spur investment into expensive production — from Brazil to Canada and the US. It also hurt consumer demand and drove the world towards alternative energies. A return to this scenario was seen by Saudi officials as a bad idea.

But the world's largest oil exporter is today undertaking the biggest economic and social reform programme in decades and it needs higher crude prices and revenues to help it diversify. But by how much — $75, $80, $85 or even higher?

Boosting the valuation of state energy giant Saudi Aramco ahead of a planned share listing is just one factor. Oil profits being steered into Saudi Arabia's public investment fund, the sovereign vehicle being used to drive crown prince Mohammed bin Salman's vision, is another.

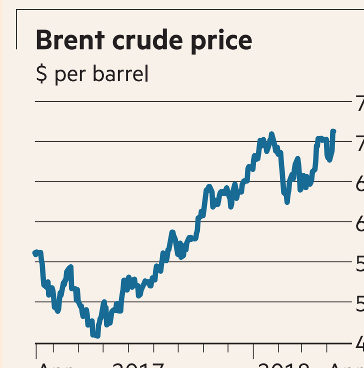
The kingdom will adjust its price targets depending on its needs. Even as a reckoning awaits, for now, Saudi Arabia has gone out of its way to prop up prices. Prince Mohammed himself is an oil bull.

An Opec-led deal with Russia to curb global supplies was the starting point. Rhetoric about an oil alliance that could last decades has intensified and the metrics for judging its success have changed (the original target for oil inventories to hit a five-year average is within reach). Energy minister Khalid Al Falih has even said he would rather the market overshoot than producers exit the deal early.

Saudi Arabia is working now to bolster future prices by building confidence that it will be around to support the market for years to come. But this same tactic may pave the way for unchecked rises in US shale supply.

Higher oil prices also risk hurting consumption in India, China and other growth markets that benefited greatly from the more than 50 per cent drop in prices.

Just as the kingdom is investing in refineries abroad in its efforts to secure its export market share, the pursuit of a higher price could mean that demand is increasingly likely to be the wild card.



Equities

China to open Shanghai-London link by end of year in push to widen stock access

EMMA DUNKLEY — HONG KONG

China is accelerating the opening of its financial markets to foreign investors, in a sign the country is committed to liberalising its economy even as trade tension with the US mounts.

The People's Bank of China said yesterday that a Shanghai-London Stock Exchange trading link would open by the end of the year, in a move that would allow investors to trade shares in each other's respective locations more easily.

Separately yesterday, the China Securities Regulatory Commission said it would quadruple the daily quota of shares listed on the Chinese mainland that can be bought in Hong Kong via the so-called stock connect channel from Rmb13bn to Rmb52bn ($8.3bn).

The amount of money that could flow the other way through stock connect — Hong Kong-listed shares that investors can buy through stock exchanges on the Chinese mainland — would also be lifted.

The decision to speed up the Shanghai-London link and expand trading through the Hong Kong-mainland stock connects are aimed, in part, at widening access to Chinese markets, which have traditionally been difficult for overseas investors to enter.

It comes as China's central bank announced on the same day that foreign financial groups will be allowed to take majority stakes in fund management, securities and life insurance companies within a few months.

"China's capital market evolution continues at pace in 2018," said Philippe Kerdoncuff, head of securities services for China at BNP Paribas. "Global investors are taking notice and readying themselves for the implications for investment flows.

"We'll continue to wait for more detail but given the success to date of the previous closer-to-home schemes, we believe this latest move means more good news for those wanting to gain a foothold within Chinese equities and with predictions that A-share inclusion will grow further."

Beijing also boosted mainland-Hong Kong stock connect quotas yesterday

The move to raise the northbound quota of the stock-connect is another sign of China's intention to further open access to its stock market and prepare for an increase in investor appetite following MSCI's index inclusion in June.

Paul Chan, Hong Kong's financial secretary, said: "This will facilitate the healthy development of stock connect, and facilitate international investors' access to the mainland's stock markets and mainland investors' access to Hong Kong's stock market."

Foreign investors expect the move by MSCI to include mainland-listed companies, known as A-shares, in its flagship emerging markets index will prove the most significant liberalising step Beijing will take this year.

MSCI's index changes, which will see more than 200 A-shares included in the index, have ramifications for global investors ranging from pension funds to individuals. Investors who own exchange traded funds, which invest in indices, will become automatically invested in these A-shares once they are included.

Commodities

Aluminium hits three-month high after two exchanges ban trade of Rusal metal

HENRY SANDERSON

Aluminium prices climbed to their highest level in three months yesterday after the two largest global metals exchanges said they would no longer accept metal from sanctioned Russian producer Rusal, creating a sudden 3m tonne deficit in the market.

The price for aluminium has surged more than 13 per cent since the US Treasury announced sanctions on Rusal and its founder Oleg Deripaska on Friday, its biggest rally since 2009. It hit a high of $2,277.5 a tonne yesterday.

Rusal is the largest producer of aluminium outside of China and produced some 3.7m tonnes of aluminium last year, around 7 per cent of the global total. That is worth around $8.3bn at current aluminium prices.

The sanctions have spurred a scramble for aluminium and raised fears that global consumers — from can makers to car companies — will be unable to keep buying metal from Rusal.

Expectations that China, the world's largest producer of aluminium, will increase exports to fill the shortfall, depend on whether the price of the metal rises further. Exports of primary aluminium from China are taxed at 15 per cent, but if prices continue to rise globally that could make exports profitable, analysts said.

"This means that Chinese units would eventually substitute in the western world some or all of the displaced Russian units," said Jorge Vázquez, the founder of Harbor Aluminum.

Chinese domestic prices have only risen 2 per cent since last Thursday.

"Now it's up to Chinese exports to fill aluminium shortages post-Rusal sanctions," said Oliver Nugent, an analyst at ING.

'It's up to Chinese exports to fill aluminium shortages post-Rusal sanctions'
Oliver Nugent, ING analyst

The scramble to fill the loss of supply from Rusal comes as the London Metal Exchange — the centre for global metals trading — said it would stop accepting metal from Rusal on the exchange starting April 17. Chicago's CME Group has also restricted new deliveries of aluminium from Rusal.

In response Rusal said it was "currently evaluating the effect of the notice and will make further announcement(s) as soon as possible following further evaluation of the situation".

Some analysts said the Rusal metal could still be sold to customers, who could pay for it in euros or China's renminbi rather than US dollars.

"Russian-sourced material will still be produced and sold to international markets," Colin Hamilton, an analyst at BMO Capital Markets, said.

But senior executives from the aluminium industry said that would be extremely risky given the US Treasury order said non-US persons could face sanctions for "knowingly facilitating significant transactions for or on behalf of the individuals or entities blocked".

While shares of Rusal have collapsed in Hong Kong since Thursday, shares in China's largest aluminium producer China Hongqiao have risen 11 per cent.

An increase in Chinese production would counter the aims of President Donald Trump's administration, which proposed a 10 per cent tariff on imports of aluminium last month, in order to stem a flood of Chinese imports.

The tariffs have increased the price consumers of aluminium in the US have to pay for the metal, with the Midwest aluminium premium — the price buyers have to pay for physical delivery of aluminium — up 70 per cent this year.

Additional reporting by Neil Hume

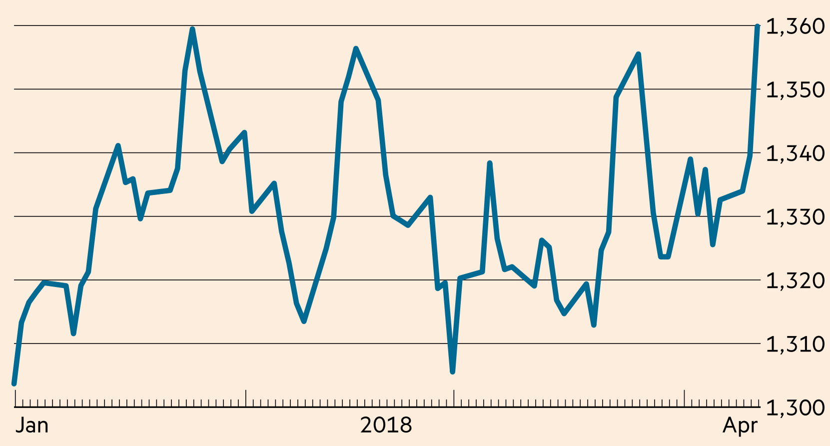
Markets & Investing
FINANCIAL TIMES

The day in the markets

What you need to know

- Brent oil exceeds $73 a barrel as Middle East tension escalates
- Reports of missile interception over Riyadh follow Trump warning on Syria
- US and European stocks retreat
- Gold hits highest level since January

Gold finds support from mounting geopolitical tension
$ per ounce



Source: Thomson Reuters Datastream

Mounting concerns about the situation in the Middle East helped drive oil prices to their highest level in more than three years and made for a nervous session for US and European equities, with traditional havens such as gold, Treasuries and the yen all moving higher.

Donald Trump heightened geopolitical worries as he warned Russia to "get ready" for US missiles to be sent to Syria in response to alleged chemical attacks.

Market nerves intensified after reports that Saudi Arabia's air defences had intercepted a "rocket" above Riyadh — with Brent crude briefly pushing above $73 for the first time since December 2014, before easing back slightly.

"The world is now on notice for US, and potentially allied, military strikes in Syria," said Chris Beauchamp, analyst at IG.

"With Russia having pledged itself to the defence of Syrian bases, it looks like we have the makings of a confrontation."

The rouble's slide continued, leaving the currency down 9 per cent against the dollar since the start of the week.

Strategists at Morgan Stanley said that while there had been a hawkish personnel shift within the US administration, "the market's reaction to the April 2017 air strikes by the US in Syria did not have a lasting impact on risk appetite.

"While the geopolitical risk premium has increased, as evidenced by higher oil prices, it will not necessarily derail the broader risk backdrop, in our view."

Indeed, the S&P 500 equity index in New York pared an opening fall by midday — helped by a big rise for shares in the energy sector — while Treasury yields were well off the day's lows.

Gold stood out as the metal hit its highest point since January. The escalating geopolitical tension overshadowed US consumer price data that showed the annual rate of "core" inflation rising above the Federal Reserve's 2 per cent target last month.

"We think this makes it all the more likely that the Fed will hike [interest rates] three more times this year, although policymakers will also be watching closely to see how the recent trade escalations play out over the next few weeks," said James Smith, economist at ING. **Dave Shellock**

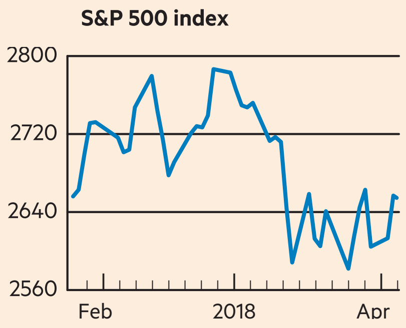
Markets update

	US	Eurozone	Japan	UK	China	Brazil
Stocks	**S&P 500**	**Eurofirst 300**	**Nikkei 225**	**FTSE100**	**Shanghai Comp**	**Bovespa**
Level	2654.52	1475.34	21687.10	7257.14	3208.08	85122.45
% change on day	-0.09	-0.60	-0.49	-0.13	0.56	0.72
Currency	**$ index (DXY)**	**$ per €**	**Yen per $**	**$ per £**	**Rmb per $**	**Real per $**
Level	89.460	1.239	106.715	1.421	6.285	3.395
% change on day	-0.142	0.324	-0.429	0.282	-0.173	-0.581
Govt. bonds	**10-year Treasury**	**10-year Bund**	**10-year JGB**	**10-year Gilt**	**10-year bond**	**10-year bond**
Yield	2.795	0.513	0.030	1.404	3.722	9.719
Basis point change on day	-1.010	1.100	0.090	-0.100	-0.700	3.800
World index, Commods	**FTSE All-World**	**Oil - Brent**	**Oil - WTI**	**Gold**	**Silver**	**Metals (LMEX)**
Level	337.79	72.23	66.93	1338.95	16.49	3329.80
% change on day	-0.04	1.83	2.07	0.53	0.92	1.65

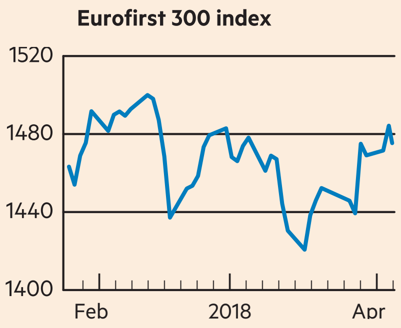
Yesterday's close apart from: Currencies = 16:00 GMT; S&P, Bovespa, All World, Oil = 17:00 GMT; Gold, Silver = London pm fix. Bond data supplied by Tullett Prebon.

Main equity markets

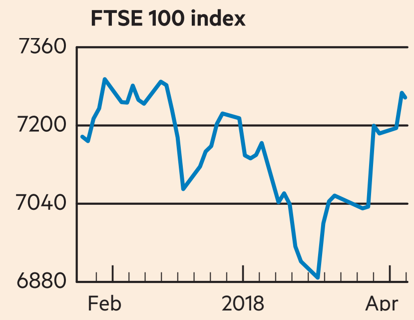
S&P 500 index



Eurofirst 300 index



FTSE 100 index



Biggest movers

%	US		Eurozone		UK	
Ups	Hilton Worldwide Holdings	5.73	Ses	2.19	Tesco	7.18
	Mattel	5.62	Dt.telekom	2.18	Fresnillo	3.63
	Flowserve	4.13	Saipem	2.08	Randgold Resources Ld	2.62
	Technipfmc	3.94	Norsk Hydro	1.90	Gkn	2.00
	Concho Resources	3.55	Iberdrola	1.76	Intertek	1.80
Downs	Fastenal	-6.36	Vopak	-4.00	Coca-cola Hbc Ag	-4.42
	W.w. Grainger	-4.22	Exor	-3.19	Centrica	-2.56
	Republic Services	-3.23	Airbus	-3.13	Carnival	-2.15
	Affiliated Managers	-2.56	Telecom Italia	-2.89	Int Consolidated Airlines S.a.	-1.85
	Perrigo	-2.12	Renault	-2.77	Easyjet	-1.80

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

Higher oil prices pushed up energy shares across the board yesterday, with the sector — up 1.1 per cent — becoming the day's best-performing S&P sub-index.

Among the strongest US energy performers were **Anadarko Petroleum**, up 2.41 per cent at $63.30 a share, **Occidental Petroleum**, up 2.01 per cent at $71.93, **EOG Resources**, up 1.99 per cent at $109.80, and **Valero**, up 1.57 per cent at $100.44.

Other energy risers included **Marathon Petroleum**, up 0.78 per cent at $74.27, **Exxon Mobile**, up 0.56 per cent at $77.50, and **ConocoPhillips**, up 0.35 per cent at $62.56.

At the other end of the spectrum, **Deere & Co** was among the day's worst-performing stocks on the S&P 500.

The agricultural equipment maker's drop came after it revealed March sales results that fell short of industry averages. Its share price — which fell as much as 2.5 per cent yesterday but recovered to trade 1.62 per cent lower at $145.60 — has been knocked to five-month lows as investors weigh the impact of a potential trade war between the US and China, which could hurt demand for agricultural and the equipment used to cultivate the commodity. *Peter Wells*

Eurozone

Barry Callebaut led the Stoxx 600 fallers after cautioning that growth would slow after a strong first half. Interim results from the Swiss chocolate maker exceeded expectations, but analysts cautioned that the sector was largely driven by input prices, in particular an easing of the cost of cocoa butter relative to the cocoa beans, known as the combined ratio.

Cocoa powder's combined ratio has moved less favourably and accounts for a larger proportion of sales, whereas cocoa butter is used for in-house production, so investors might be concerned by a deteriorating earnings mix, said UBS, which stressed that the stock traded at 30 times 2018 earnings in a sector trading at between 17 and 22 times earnings.

"We confirm our cautious stance on Barry and believe earnings contributions from the combined ratio (as it simply depends on changes in commodity prices) deserves a relatively low valuation multiple, something the Barry share price is not reflecting."

Deutsche Telekom gained on news its T-Mobile USA subsidiary was back in talks about a possible merger with Sprint. The two companies officially ended previous talks in November because DT could not agree to terms with SoftBank, Sprint's majority shareholder. *Bryce Elder*

London

BHP Billiton was among the day's top performers as a flight to oil and gold meant that the FTSE 100 avoided the global risk-off retreat.

Deutsche Bank turned positive on BHP, in part on the prospect of a cash return if the group sells its $5.7bn-valued US shale oil operations. It argued that BHP could launch a $2bn share buyback as soon as August, which would temporarily give the group the highest yield among the majors at about 10 per cent.

Bullion miners **Fresnillo** and **Randgold** led the wider market higher on escalating geopolitical tension, with gold rising to its best level since January.

However, it was **Tesco** that led the FTSE 100 gainers after its full-year results showed inflation was translating into improved margins at its core UK business.

Food and drinks makers were under pressure after Swiss chocolatier **Barry Callebaut** cautioned of slowing second-half growth. **Coca-Cola HBC** led the sector lower before results next month, with Jefferies analysts saying that CCH was likely to have had a "slowish start" to 2018 owing to subdued demand in its key Russian and Nigerian markets.

BCA Marketplace, owner of the We Buy Any Car website, rallied after saying it was trading ahead of expectations. *Bryce Elder*

A US-China trade war has a wider range of outcomes than a game of chicken

John Authers
Markets Insight

When it comes to game theory, there is one game everyone knows, thanks to James Dean: the game of chicken.

In *Rebel without a Cause*, Dean and his buddy race their cars towards the edge of a cliff. The first one to swerve loses and is a chicken. Both have as their first preference to be the one to swerve last. But for both, their last preference, even worse than swerving first, is to swerve too late and go over the cliff.

This encapsulated the preferences of the US and USSR during the Cold War. As it is popular to call the US-China dispute a trade "war" it is understandable that many apply this binary chicken game thinking to trade negotiations.

On that basis, Xi Jinping of China was held to have "swerved" first in his Bo'ao speech on Tuesday, while a grateful President Donald Trump then brought his car to a halt with a subsequent tweet.

Many said Mr Xi had offered concessions, while Mr Trump promised "great progress together" in return, prompting a big "risk-on" day, with the "Faang" stocks, the market's recently deposed leaders, back in the lead.

But the "Donald Trump as James Dean" analogy does not work. A trade "war" would not be as catastrophic as a nuclear war. The US relationship with contemporary China is far subtler than its relationship with the Soviet Union. And in any case, Mr Xi did not swerve. Markets are treating tariffs as an excuse rather than a reason to enter and depart the stock market. As investors use political cues to "front-run" flows in and out of markets, so we are left with the dramatic but ultimately aimless volatility.

So, what did Mr Xi really do, and why did markets need an excuse to buy?

On the first point, Mr Xi offered nothing to which he was not already committed. China has been cutting tariffs for a long time. He did announce "a new phase of opening up", involving more foreign participation in autos, manufacturing, and banking, and more protection for intellectual property so, as Brown Brothers Harriman put it, "there was nothing not to like". He eschewed any escalation, but made no new concession.

As for the currency, on a trade-weighted basis, China's tie to the strengthening dollar has made it far less competitive over the past decade.

> By selling Treasuries, China could attack the dollar, but also the value of its own reserves

Against the dollar, the renminbi has strengthened, and is now almost back where it was before the clumsy mini-devaluation of August 2015.

By selling Treasuries, China could attack the dollar, but also the value of its own reserves. The dollar is plainly not under attack from China at present. Mr Xi is not swerving, but neither is he speeding towards the cliff.

A further problem with the chicken game analogy is that, as Stephen Jen of SLJ Eurizon says, the countries want the same things: "Many of the demands the US is making are also what China ultimately wants, including liberalising China's services sector, opening its financial sector to more foreign investment . . . and tightening the protection of intellectual property rights."

So the tariffs conflict does not have a binary outcome. The game theory is far subtler than that, and there is a wider range of outcomes. So why is the market treating this as a binary event, then?

As George Magnus puts it: "Markets do like to derive closure from very limited pieces of information or anecdote — there's nothing here to change your mind on China and the US." But he adds that while China does not want a trade war, there are risks. Mr Xi is freshly endowed with political powers, and cannot be made to look weak by Mr Trump.

And in the longer term, China's aspirations seem to create inevitable conflict with the US. To quote Deutsche's Alan Ruskin, there has been a "Chimerican" put for markets, as China's huge trade surpluses have offered the US cheap finance through reinvesting those surpluses in US bonds. The end of this symbiotic relationship will have hugely important macro consequences for decades to come. This is a multi-round game with a befuddling array of possible outcomes — but the markets are correct that the stakes are high.

But if tariffs provide an excuse for volatility, the underlying reasons are different. Markets have stopped moving forward because the growth data no longer looks emphatically strong, giving investors pause. But there is no desire to take over-priced US equities into a bear market ahead of earnings season.

Hopes for earnings are sky-high, but after two months of volatility, a reminder that Corporate America is still raking in money could do a lot to reignite animal spirits. Or a disappointment might open the way to a new bear market. Nobody wants to move until the earnings picture is clearer.

john.authers@ft.com