FINANCIAL TIMES

WEDNESDAY 21 FEBRUARY 2018 — WORLD BUSINESS NEWSPAPER — EUROPE

Shifting sands
Trends that undermine millenials' security — SARAH O'CONNOR, PAGE 9

Wheel of fortune
Can the US break the cycle to see off 'secular stagnation'? — BIG READ, PAGE 7

Name games
Street sign spats signal return to cold war rivalries — NOTEBOOK, PAGE 8

Walmart hit after online challenge to Amazon stalls

- Results see retailer's value fall $30bn
- Ecommerce not 'historic competency'

ANNA NICOLAOU — NEW YORK

Walmart said yesterday that its challenge to the might of Amazon in ecommerce had stumbled over the holiday period, sending its shares tumbling.

The world's biggest retailer by sales said it suffered a sharp slowdown in what had been a fast-growing online business, as logistical problems compounded intense competitive pressure.

Walmart shares had fallen as much as 10 per cent at one point yesterday, cutting the company's market value by more than $30bn and reviving concerns across the retail sector about Amazon's disruptive influence.

Walmart has been investing heavily in ecommerce alongside fighting a price war in its core business. But US online sales rose only 23 per cent in the three months to the end of January — a sharp deceleration after growth of more than 50 per cent in the previous nine months.

Doug McMillon, chief executive, said that Walmart had been investing more in its own website, where it is cheaper to lure new customers, while reducing marketing spending on Jet.com, the start-up it acquired in 2016, whose customers are largely higher-income millennials in cities such as New York.

"When you get out to Oklahoma, the middle of the country, it just makes more sense to invest in that [Walmart] brand," he said. "Jet will not grow as quickly as it did in the early days."

Mr McMillon said that a "small part" of the drop in online sales growth was unexpected, as the company grapples with the challenges of ecommerce. Walmart had problems with stocking and inventory for electronics and holiday gifts, he said. "We're learning something new . . . Ecommerce has not been our historic competency."

Online shopping still makes up only about 4 per cent of Walmart's $500bn in annual sales, but the strong growth had raised the hopes of investors that it could erode the ecommerce dominance of Amazon. Walmart shares had risen 51 per cent over the past year.

Analysts expect the squeeze on profits to continue as Walmart cuts prices. Seasonal discounting also kept a lid on earnings. Profit margins fell 61 basis points in the final quarter of its fiscal year and the company said two-thirds of this was driven by "price investments".

Charlie O'Shea, retail analyst at Moody's, attributed the margin decline to "holiday promotional activity in the US, as well as the impact of the ongoing price-driven market share battle with Amazon".

Walmart said adjusted earnings rose 9 per cent to $1.33 a share in its fourth quarter, lower than consensus forecasts of $1.37. Total revenue was up 3 per cent to $136.3bn, beating expectations.

The figures were regarded as disappointing because of the relatively buoyant holiday shopping season in the US. Retail sales rose 5.5 per cent in November and December, the fastest pace of annual growth since the financial crisis, according to the National Retail Federation.

Albertsons tackles online threat page 12

Riga rocked Latvia's central bank chief denies bribery allegations

Ints Kalnins/Reuters

Latvia's central bank governor Ilmars Rimsevics arrives at a news conference in Riga yesterday where he denied corruption allegations.

Mr Rimsevics, held in custody for 48 hours over bribery accusations, said he was the victim of a smear campaign and had received death threats.

Although suspended from his post, he refused to resign.

"I have not demanded or received any bribes," he said. "I have become the target of some Latvian commercial banks to destroy Latvia's reputation."

Officials have given no details of the allegations against Mr Rimsevics, who sits on the European Central Bank's governing council, which sets interest rates for the wider euro area.

Mr Rimsevics dismissed a media report that officials from Latvia's Norvik bank alleged that he and an acquaintance had demanded a €100,000 bribe from the bank.

That allegation is understood to be separate from those over which he was detained on Saturday.

Latvia's financial system has also been hit by a US Treasury report alleging widespread money laundering at ABLV, one of the country's largest banks.

Report & analysis page 3
Editorial Comment page 8

Briefing

▸ Berlin lures banks with labour laws
Germany's probable next government is ready to give global banks what they want in a bid to lure them to the country: reduced job protection for highly paid executives.— PAGE 2

▸ Qualcomm lifts bid in race for NXP
US chipmaker Qualcomm has bowed to investor pressure and raised its bid for NXP, hoping a new $44bn offer will seal the deal and bolster its defence against a hostile bid from Broadcom.— PAGE 11

▸ Big Four gender bias data 'skewed'

Big law firms and other groups present skewed gender pay gap data as it excludes some of their best paid male staff, says Inga Beale, right, Lloyd's of London chief executive.— PAGE 11

▸ Mueller charges lawyer with lying to FBI
Robert Mueller, the US special counsel leading the Russia investigation, has charged Alex Van Der Zwaan, a former Skadden Arps lawyer, with lying to the FBI about contact with Rick Gates, an ex-senior official in the Trump campaign.— PAGE 4

▸ Seoul and US expect to hold exercises
South Korea is set to press ahead with joint military exercises with the US in a move likely to aggravate North Korea amid a period of inter-Korean detente in the wake of high tension last year.— PAGE 4

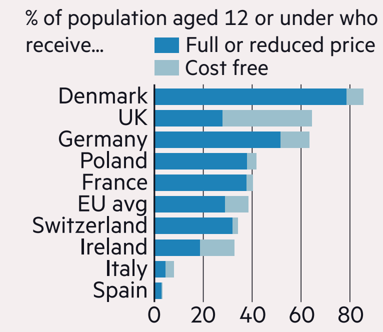
▸ India leads move to raise Big Tech tax
The $21m fine levied on Google by an Indian watchdog last month could lead to New Delhi input into how Big Tech is taxed globally.— PAGE 4

▸ HSBC braced for $1.5bn Swiss tax levy
HSBC has warned it faces at least $1.5bn in penalties over allegations of conduct at its Swiss private bank, casting a shadow over Stuart Gulliver's last day as chief executive.— PAGE 12; LEX, PAGE 10

Datawatch

Formal childcare

% of population aged 12 or under who receive...



Source: Eurostat

In 2016, 39 per cent of children aged under 13 in the EU received formal childcare, with 29 per cent at a full or reduced price and 10 per cent cost-free. The UK is one of the few nations where the uptake for free services is greater than paid.

Trump ally targeted as midterm battle brews

Report ▸ PAGE 4

German army fights 'dramatically bad' shortages as security burden increases

TOBIAS BUCK — BERLIN

From submarines to bulletproof vests, Germany's military equipment is "dramatically bad", according to an official report that hits out at decades of underfunding of the Bundeswehr.

In his annual report, the parliamentary armed forces commissioner found that only a fraction of crucial weapons systems were operational. "At the end of the year six out of six submarines were not in use. At times, not one of the 14 Airbus A-400M [transport aircraft] could fly," Hans-Peter Bartels said yesterday in Berlin. The problems extended to personnel, with 21,000 officer positions vacant.

Mr Bartels report is likely to heighten concerns about the readiness and funding of Germany's armed forces, which are being asked to take on more tasks and responsibilities than at any point since reunification in 1990.

Over the past four years, German leaders have made clear that they want the Bundeswehr to share more of the security burden in Europe and beyond.

German forces are taking part in more than a dozen international missions, including operations in conflict zones from Afghanistan to Mali, and are also expected to take a lead in restoring Nato's role in deterrence towards a newly assertive Russia.

Critics argue that Berlin has failed to provide the financial backing for such an enhanced role. Germany's defence budget accounts for 1.2 per cent of gross domestic product, far below the 2 per cent to which Nato countries are formally committed. In relative terms, that leaves it behind Portugal and Latvia.

Reversing a quarter of a century of cuts, the previous government raised the defence budget but Mr Bartels made clear that the additional funding had yet to make a difference. "The material situation is dramatically bad and in some areas it has become worse," he said.

The report questions whether Germany is ready to deliver its contribution to Nato's new Very High Readiness Joint Task Force, the centrepiece of the alliance's effort to counter Russian aggression in eastern Europe.

An internal Bundeswehr report leaked to the Rheinische Post newspaper on Monday warned of a lack of tanks, helicopters, bulletproof vests, tents and winter clothing.

Volker Wieker, the Bundeswehr chief of staff, said yesterday that the VJTF contribution would be ready by June. "That includes all the equipment that it needs to fulfil its task."

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

STOCK MARKETS

	Feb 20	prev	%chg
S&P 500	2736.06	2732.22	0.14
Nasdaq Composite	7292.30	7239.47	0.73
Dow Jones Ind	25154.37	25219.38	-0.26
FTSEurofirst 300	1489.89	1481.61	0.56
Euro Stoxx 50	3436.05	3407.79	0.83
FTSE 100	7246.77	7247.66	-0.01
FTSE All-Share	3991.90	3988.33	0.09
CAC 40	5289.86	5256.18	0.64
Xetra Dax	12487.90	12385.60	0.83
Nikkei	21925.10	22149.21	-1.01
Hang Seng	30873.63	31115.43	-0.78
MSCI World $	2135.94	2137.91	-0.09
MSCI EM $	1201.04	1199.73	0.11
MSCI ACWI $	522.25	522.60	-0.07

CURRENCIES

	Feb 20	prev		Feb 20	prev
$ per €	1.234	1.240	€ per $	0.810	0.807
$ per £	1.401	1.399	£ per $	0.714	0.715
£ per €	0.881	0.886	€ per £	1.135	1.129
¥ per $	107.115	106.515	¥ per €	132.190	132.041
¥ per £	150.015	149.051	£ index	78.965	79.016
€ index	95.892	95.998	$ index	95.977	95.612
SFr per €	1.153	1.152	SFr per £	1.309	1.300

COMMODITIES

	Feb 20	prev	%chg
Oil WTI $	62.18	62.39	-0.34
Oil Brent $	65.64	65.67	-0.05
Gold $	1339.85	1346.60	-0.50

INTEREST RATES

	price	yield	chg
US Gov 10 yr	94.49	2.90	
UK Gov 10 yr	96.76	1.62	0.02
Ger Gov 10 yr	98.29	0.69	0.03
Jpn Gov 10 yr	100.42	0.06	0.01
US Gov 30 yr	92.48	3.14	
Ger Gov 2 yr	101.40	-0.60	0.00

	price	prev	chg
Fed Funds Eff	1.42	1.34	0.08
US 3m Bills	1.62	1.58	0.04
Euro Libor 3m	-0.38	-0.38	0.00
UK 3m	0.55	0.54	0.01

Prices are latest for edition — Data provided by Morningstar

INTERNATIONAL

Syria conflict

Turkey launches attack on pro-Assad forces

Fighters loyal to regime fired upon in move that risks intensifying civil war

ERIKA SOLOMON — BEIRUT
LAURA PITEL — ANKARA

Turkey fired on forces loyal to the Syrian government heading into a contested region of the war-torn country, in a move that risks another international flashpoint in Syria's complex civil war.

The convoy of pro-government fighters was heading into Syria's north-west Afrin district, which is controlled by the Kurdish YPG militia and has been under attack by Ankara for the past month. Turkey views the Kurdish group as a threat to its security.

A YPG spokesman said yesterday that Damascus had "answered the call to perform its duty and sent military units . . . to share in defending Syria's land and borders".

Syrian state television showed footage of what it said were "popular forces" entering Afrin. But within minutes, plumes of smoke were shown rising overhead from what it said was a Turkish strike. The Turkish state-run Anadolu Agency reported the strikes pushed the "pro-regime terrorist groups" back 10km.

The confrontation came as a fierce Syrian government assault on a besieged rebel-held suburb outside the capital Damascus become one of the deadliest attacks of the country's seven-year war.

Opposition activists said yesterday that more than 210 people had been killed from bombardments in besieged eastern Ghouta in the past two days, including 54 children. Heavy air and artillery strikes have pummelled the area since the weekend, with rebels then firing mortars at the capital.

Eastern Ghouta is one of the last pockets of Syria under rebel control despite being under a government-imposed siege for more than five years. "This could be one of the worst attacks in Syrian history, even worse than the siege on Aleppo," said Zedoun al-Zoebi, head of a group that provides medical supplies to opposition-held areas. Photos uploaded by activists showed rooms covered with white-shrouded bodies, many of them children.

In recent weeks, the domestic struggles at the heart of Syria's conflict have been complicated by dangerous international power plays — including when an Israeli jet was shot down on its return from a mission to Syria as it fired on Iranian targets this month. The potential now for Turkey to clash with Syrian government-backed forces adds another dimension to a crowded battlefield.

Syria's conflict began in 2011 as a popular uprising against Bashar al-Assad's rule but it has devolved into a convoluted, multi-sided war whose chaos gave room for both Kurdish and jihadi groups such as Isis to carve out territorial enclaves.

International interventions have added to the complexity, with a US-led coalition supporting the YPG and allied forces against Isis. That in effect means that the Afrin battle is pitting two US allies against each other.

Russia and Iran have intervened heavily on the side of Mr Assad, while Turkey backs some rebel groups but has become increasingly focused on weakening the Kurds.

The forces that entered Afrin yesterday appeared to be Iranian-backed Shia militias, according to analysts, which could indicate that the agreement was done with the supervision of regional power Iran — not Russia, Mr Assad's main international backer.

Recep Tayyip Erdogan, Turkey's president, vowed yesterday to lay siege to Afrin within days. "In that way, we will cut off both the city and the region from outside support," he said.

Frankfurt. Post-Brexit

Frankfurt has made a good start in attracting bank business after Brexit: four of the five largest US investment banks have announced plans to relocate some operations from London
Ulrich Baumgarten/Getty Images

Germany eyes looser labour laws to woo banks

Coalition proposal to make it easier for institutions to fire staff raises unions' hackles

OLAF STORBECK — FRANKFURT

Germany's probable next government is ready to give global banks what they want: less job protection for highly paid executives.

In an attempt to increase Frankfurt's allure for international banks, the coalition treaty agreed by Angela Merkel's conservatives and the Social Democrats contains an outline for the first loosening of employment protection laws in the country in 15 years.

The plan, which would make it easier for banks to fire highly paid staff in a manner more familiar in the financial centres of London or New York, is a bold signal of Germany's intention to lure post-Brexit business from the UK.

But the proposal has raised the hackles of Verdi, Germany's largest banking trade union, making it an unlikely champion of some of Europe's best-paid employees. It has also given members of the pro-union SPD, which are lukewarm about going back into government with Ms Merkel, further reason to be unhappy as they consider whether to back the coalition deal in a party-wide vote next month.

"We are critical of any watering down of employment laws," Jan Duscheck, a senior official at service sector union Verdi, which represents 2m workers, said. "It won't take long for employers to call for further changes, which can trigger a wider weakening of employment protection laws for other workers."

Frankfurt has made a good start in attracting bank business after Brexit: four of the five largest US investment banks are to relocate some operations from London to Frankfurt. The number of jobs to be moved is up in the air, with the German city competing with Paris, Dublin, Amsterdam and Madrid.

While global banks see advantages in Frankfurt, Germany's tight labour laws remain a problem. Firing unwanted staff is lengthy and costly: according to a ranking by the Organisation for Economic Co-operation and Development, only Venezuela and China have tighter employment-protection laws than Germany. An employer who loses a court case is legally obliged to rehire the dismissed worker. Employees who successfully challenge a dismissal can often expect compensation of up to two months' salary per year of employment.

"Germany's rigorous employment

> 'Banks that want to part ways with an employee already have adequate resolution mechanisms'

protection is a key issue that is making global banks hesitant about transferring any more staff than necessary into the country," said Matthew Devey, a Frankfurt employment lawyer at Linklaters.

Hesse, the state that includes Frankfurt, lobbied the government for more than a year to add an exemption clause for bankers to Germany's employment code. As a result, the coalition treaty between Ms Merkel's CDU/CSU bloc and the SDP agreed to implement the first relaxation of employment protection since the Hartz reform in 2003, when it was made easier for small companies to sack workers.

"In light of the UK's imminent exit from the EU, we want to make Germany more attractive for financial service providers," the coalition document said.

The changes will be limited to bankers in senior positions and above a specific pay level. It will apply only to so-called risk-takers — staff with significant sway over the exposure borne by the bank, either because of their seniority or their responsibility for a large amount of business. Only those earning at least €234,000 a year will be affected.

Hubertus Väth, managing director of marketing group Frankfurt Main Finance, stresses that coalition treaties in Germany are highly binding and the commitment "creates a major precondition to promote Frankfurt as a financial centre". The Association of German Banks has also called the commitment a "reasonable and a good signal".

Employment lawyers say the reforms will in practice probably have limited impact. "The legal definition of a risk-taker is a rather narrow one and hence does not affect that many employees," said Nicole Engesser Means, partner with Frankfurt-based law firm Schweibert Leßmann, who advises global investment banks on German labour law.

Linklaters' Mr Devey said the reform did not pave the way for upfront agreements about the level of severance payments. "The proposed changes still would not provide for a clear statutory severance calculation," he said. "The drop in the number of cases going to court would be minimal."

Verdi questions whether even limited reform is necessary. "Banks that want to part ways with an employee already have adequate resolution mechanisms, especially when it comes to these salary levels," said Mr Duscheck, head of the union's banking group. "There is just no acute reason to act."

Job security was an important argument even for highly skilled and well-paid staff, he added. Global competition for them is high and German banks struggle to keep staff with the right qualifications: "It would be negligent to do away with such a competitive advantage."

Whirlpool

Job losses inflict blow on Italy's ruling party weeks before poll

JAMES POLITI — ROME
ROCHELLE TOPLENSKY — BRUSSELS

Italy's centre-left government is facing a political storm less than two weeks before the general election after a unit of US appliance maker Whirlpool confirmed plans to lay off nearly 500 staff near Turin and shift production to Slovakia.

With opposition parties and the media seizing on the workers' plight and employee activists blocking roads and chaining themselves to the factory gate, the furore comes at a sensitive time for the ruling Democratic party.

The PD is struggling to convince voters the economy has improved on its watch, despite a return to growth and lower unemployment.

It has also put the party on the defensive over its pro-EU, pro-trade stance as Eurosceptic, anti-globalisation opposition politicians blamed Brussels for the company's decision to ditch Italy in favour of Slovakia.

"If you have a single currency and a single market, you compete on labour costs, and companies will shift wherever they can pay their workers less," said Claudio Borghi, economic adviser and parliamentary candidate for the anti-euro Northern League, part of the centre-right coalition leading the polls.

Giorgia Meloni, leader of Brothers of Italy, a far-right nationalist party that is part of the same coalition, said her group would "make sure a similar case . . . will never repeat itself in Italy" if it entered government.

Embraco, the Brazilian unit of Whirlpool responsible for the plant near Turin, announced the lay-offs in January, opening a 75-day window, which ends in late March, to finalise the plan.

Carlo Calenda, Italy's economic development minister, and trade unions for the workers tried to convince the company to accept other options, but this week Embraco confirmed the plans.

Mr Calenda flew to Brussels yesterday to meet Margrethe Vestager, EU competition commissioner. He has raised questions in Italian media about whether Slovakia provided fiscal incentives to Whirlpool that could violate state aid rules, and accused countries in central and eastern Europe of "gigantic social dumping".

He asked Ms Vestager for an exemption from state aid rules for Italy to help convince Whirlpool to keep the jobs.

EU officials said they were checking facts. Competition rules prohibit regional aid linked to relocating activity within the European Economic Area.

"[Ms Vestager] assured me the [European] commission is intransigent in verifying cases in which there's a problem of mistaken or illegal use of state aid to attract [companies] from other parts of the EU," said Mr Calenda.

Slovakia's economy ministry said it had no information that "the investor had asked the state for investment aid," adding: "Slovakia uses the support of investors only in [line] with EU rules."

Embraco said its decision was "motivated by the highly competitive compressor industry" and "longstanding complexities" at the plant. Whirlpool did not respond when asked to comment.

Additional reporting by Mehreen Khan in Brussels and James Shotter in Warsaw

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Reform snags

Brazil warned pensions climbdown will hit creditworthiness

ANDRES SCHIPANI — BRASÍLIA

The Brazilian government's decision to shelve an overhaul of the country's generous pension system is a blow to its creditworthiness, the rating agency Moody's warned yesterday.

Economists and investors reacted with disappointment to the news that the government had called off a congressional vote on the reforms in the wake of the deteriorating security situation in Rio de Janeiro.

That decision potentially punts the issue of the unpopular reforms beyond general elections in October.

"While we already expected that a major pension reform was unlikely, ditching off the plans to pursue its approval is a credit negative development that will severely restrict the authorities' ability to comply with the government spending ceiling in the coming years," Moody's told its clients.

The first vote on a constitutional amendment that would reform a system the World Bank expects to consume the entire federal budget by 2030 had been set to take place on Monday.

But Friday's move by President Michel Temer to hand control of Rio de Janeiro's security to the military to curb a violent crime wave has, in effect, blocked its passage. The country's constitution cannot be tweaked while a federal intervention is in force.

Mr Temer has made pension reform the centrepiece of his agenda. Amid stock market highs, he has been touting the country's recovery from a brutal recession, including a double-whammy of low interest rates and consumer prices.

A year ago he seemed to be close to passing a comprehensive pensions overhaul. But last May he was accused of corruption and was forced to focus political capital on fighting congressional votes on whether he should be tried for graft.

Government efforts to put pressure on lawmakers ahead of a pensions vote, alongside a public-relations campaign praising the benefits of the reform, proved futile. As they prepare to fight for their seats at October's general election, many legislators want to avoid an unpopular reform of a generous system in which workers can retire as early as their mid-fifties.

Goldman Sachs economist Alberto Ramos said that a new administration, which would be sworn in in January, would have "no other option but to swiftly tackle" the pension issue.

"We were of the view that the pension reform would likely not be approved by this administration, at least a comprehensive reform that would address the very large imbalances we see today and

A demonstrator holds a sign during a protest against pension reform in São Paulo earlier this week

which are likely to grow even larger in the future," he said. "But reforming social security is inescapable."

A senior Brazilian official acknowledged that "we erred in the way we communicated the benefits of this reform, this will cost the country dearly." The burden of the fiscal imbalances, the official added, would make the life of the next president "very tough".

Carlos Marun, political affairs minister, admitted on Monday that "we don't have enough votes" to push through the reform. Congressional insiders have said the government could have scratched between 270 and 280 votes, versus the 308 needed, and Mr Temer was unwilling to risk defeat.

Officials will now focus on pushing through Congress other parts of the reformist agenda, including the privatisation of electricity generator Eletrobras.

"There were many accidents on the road to the pension reform and the bill started to get expensive," said Marcos de Barros Lisboa at Insper business school. "In addition, the fragility of the government alienated possible allies."

Mr Lisboa said that the other reform measures were further advanced. "Who knows, we may see some progress now."

Finance minister Henrique Meirelles, who many believe has presidential ambitions, said that "the commitment to the pension reform is maintained", hinting the government could still try to put it to a vote if there is a window later this year.

The real slipped 0.5 per cent on the US dollar in early trading yesterday, but the benchmark Bovespa stock market was higher.

Latvia bank chief rejects claims he demanded bribes

Rimsevics says he has received death threats and refuses to quit as scrutiny intensifies following US allegations

CLAIRE JONES — FRANKFURT
LAURA NOONAN — DUBLIN
NEIL BUCKLEY — LONDON

Ilmars Rimsevics in Riga yesterday. The central bank governor told a press conference he would not resign
Valda Kalnina/EPA

Latvia's central bank governor has responded to bribery allegations by denouncing the accusations against him as false and claiming that he has been subjected to death threats.

Speaking after being held for 48 hours over allegations of accepting bribes, Ilmars Rimsevics, who has headed the Bank of Latvia since 2001 and also sits on the European Central Bank's rate-setting council, told a press conference yesterday that he would not resign, as he was not guilty of any of the accusations.

The governor claimed the allegations — which come at the same time as a US Treasury report alleging widespread money-laundering at ABLV, one of the country's largest banks — were part of a co-ordinated attack on Latvia's banking system. He added that he had informed the police over threats to shoot him.

The turmoil in the Latvian banking system has thrown a spotlight on the Baltic state's role as a self-styled financial "bridge" between Europe's east and west and raised questions about its relationship with regulators in the eurozone, which Latvia joined in 2014.

Mr Rimsevics dismissed a report by the Associated Press that said officials at Latvia's Norvik bank claimed he and an acquaintance sought a €100,000 bribe. The claim is understood to be separate to the allegations over which Mr Rimsevics was held on Saturday morning.

The bank governor claimed Norvik was suffering financial problems and made huge losses in 2016. Norvik said it had a "high level of liquidity" despite "some problem assets" and denied any link between financial stress and its allegations against Mr Rimsevics.

"At the moment, I've taken the decision not to step down, because I'm not guilty," Mr Rimsevics told the 75-minute press conference. "All the accusations [in the criminal proceedings] are false," he added. "I have not sought or taken bribes from anyone."

Maris Kucinskis, Latvia's prime minister, said yesterday he could not rule out that Norvik's allegations that Mr Rimsevics had sought a bribe were "an attempt to disrupt the reputation of the Latvian state", Reuters reported.

Mr Kucinskis said evidence should be handed over to the anti-corruption agency, which is already looking into Mr Rimsevics. The prime minister's office also confirmed that the central bank governor was suspended from his post while the agency continued its probe.

Oliver Bramwell, Norvik's chief executive, told the Financial Times that his bank had reported its allegations against Mr Rimsevics to the Latvian police. National media said this week that police had started a criminal proceeding related to Norvik's complaint.

Latvian banks called on European regulators to intervene directly in the country's deepening bank crisis. The Association of Latvian Commercial Banks called for "immediate and direct involvement" of the ECB in the wake of US Treasury accusations that ABLV, Latvia's third-biggest lender, engaged in "institutionalised money-laundering" including for groups linked to North Korea's ballistic missile programme.

The ECB maintains that while it oversees the financial health of such banks, money-laundering allegations are the duty of national regulators to deal with.

While the US Treasury made its allegations on February 13 and at the same time announced proposed sanctions to cut ABLV's access to dollars, the ECB only on Monday ordered the Latvian bank to halt all payments. It depicted this as a technical move in response to liquidity problems at ABLV that followed the US decision.

ABLV denies the US allegations.

Additional reporting by Jim Brunsden in Brussels

Editorial Comment page 8

Supervision. Eurozone

Scandal exposes limits to ECB oversight

Distribution of powers and unfinished nature of monetary union cause predicament

CLAIRE JONES — FRANKFURT

That it took the US Treasury to allege that a euro area lender 4,000 miles away from American soil had helped fund North Korea's missile programme has caused much discomfort at the European Central Bank.

Latvia's ABLV is a small bank on the outer fringes of a union of 19 member states and under ECB supervision. But it was officials in Washington, not Frankfurt, who made formal allegations about the bank's involvement in money-laundering, which ABLV denies. The ECB only ordered ABLV to freeze payments days after the Treasury announced plans to impose sanctions.

The ECB's predicament reflects the distribution of power between the eurozone central bank and national capitals, as well as the unfinished nature of Europe's monetary union, nearly 20 years after the single currency came into existence in 1999.

In the spotlight: Washington's power to cut off access to dollar funding could hit ABLV hard

The euro has only been served by a common banking supervisor since 2014. It remains without its own common money-laundering authority, despite repeated calls from supervisor-in-chief Danièle Nouy to create one.

"It's not that [the ECB] don't want to have the power to take more action, it's that they are not able to," said Leo Hoffmann-Axthelm, research and advocacy co-ordinator at Transparency International, the campaigning group that has long called for greater openness at the central bank. "Of course the national powers have no interest in giving up powers to the centre, it runs counter to the institutional interests of the national banks, and they know they will not be getting those powers back."

As Latvia's third-largest lender, ABLV fell under the direct supervision of the ECB's banking watchdog, the Single Supervisory Mechanism.

SSM officials have a process to report any evidence they find of illicit activity to national authorities. But it is those authorities that are ultimately responsible for policing money-launderers.

"People like to snipe at [the] SSM, but they had no mandate to review the transactions relating to money-laundering," said Nicolas Véron, at the Peterson Institute for International Economics in Washington DC and Bruegel, a Brussels-based think-tank. He added that the deeper issue was "that some member states . . . don't have the infrastructure to apply EU law".

The ECB was unable to say as of yesterday whether anyone from the SSM had reported any evidence of ABLV violations to the Latvian anti-corruption bureau or if there had been any contact with the US Treasury.

The US Treasury's much greater powers to deal with money-laundering reflect not only its statutory role, but the dollar's s dominance as the global reserve currency. Washington's power to cut off access to dollar funding could hit ABLV hard.

The second strand of the Latvian crisis — the detention over the weekend and subsequent suspension of Ilmars Rimsevics, central bank governor, on accusations of bribery — reveals another area in which eurozone national central banks retain considerable power. The ECB has no control over how national central bank governors are appointed. When Latvia joined the euro in 2014, Mr Rimsevics automatically joined the bank's governing council, which sets interest rates and designed the eurozone's €2.5tn quantitative easing programme.

In human resources terms, national central banks are also collectively much bigger than the ECB. Figures compiled by Central Banking Publications, a trade body, show the ECB employs 2,644 people while the eurozone as a whole has 49,540 central bank officials.

Latvia is far from the only example in which the eurozone authorities have suffered embarrassment due to allegations against officials working at national central banks. Suspicions of illicit financial activity in other member states such as Cyprus have led to questions about the conduct of senior central bankers in the past.

While the ECB has been quick to defend central banks against attacks on their independence, EU bodies have treated investigations of central bankers as a matter for national authorities.

"The question from a eurozone perspective is what mechanisms do you have in place if a governor has done bad things?" said Guntram Wolff, Bruegel director. "You are totally dependent on the national political system while knowing that this has implications of credibility for the entire Eurosystem."

Virginia Democrats bank on midterm anti-Trump boost

Party needs net gain of 24 seats nationally to turn Congress from red to blue

DEMETRI SEVASTOPULO
ORANGE, VIRGINIA

When Dave Brat spectacularly ousted Eric Cantor, then Republican House majority leader, in a Virginia congressional primary in 2014, the victory by the little-known economics professor was described as an "earthquake".

Now Mr Brat, an ally of President Donald Trump, faces a threat that could determine whether Democrats can retake control of the House in the November midterm elections.

At a recent town hall gathering near Richmond, Democrat Abigail Spanberger was asked whether she was willing to get in Dave Brat's "grill" — a phrase meaning "get in his face" and a nod to Mr Brat's comment last year that "women are in my grill no matter where I go". Ms Spanberger, a former Central Intelligence Agency operative responded: "I'm there and I intend to stay there."

She is not alone. Ms Spanberger is competing with Dan Ward, a Marine veteran, for her party's nomination to challenge Mr Brat. When it was his turn to speak, Mr Ward said the Republican congressman was a "yes man to Donald Trump".

Republicans have generally not worried about Virginia's seventh district, which has not elected a Democrat for 50 years. But Mr Ward and Ms Spanberger think anti-Trump sentiment can win them the district and help their party achieve the net gain of 24 seats needed to turn Congress from Republican red to Democratic blue.

Democrats have already been buoyed by success in Virginia last November when Ralph Northam became governor and their candidates swept local races.

Geoffrey Skelley, a University of Virginia politics expert, says the district has become less conservative due to redistricting and because Chesterfield and Henrico, the wealthy suburban counties surrounding Richmond, have become more diverse. "The suburbs are areas that Trump did worse in than other Republicans . . . so maybe this could be a Democratic opportunity," he says.

The Cook Political Report, a newsletter, recently changed its rating for the district to "Lean Republican" after shifting to "Likely Republican" from "Solid Republican" in October.

Democrats hope Tim Kaine, Hillary Clinton's 2016 running mate who is up for re-election as a Virginia senator, will boost turnout. Another reason for optimism is that their candidates are raising more money than Mr Brat. According to the Federal Election Commission, in the second half of 2017, Mr Ward raised $545,000 and Ms Spanberger took in $386,000, while Mr Brat raised $600,000 for the full year.

Mr Brat rejects the idea that a Democrat could stun him the way he stunned Mr Cantor. He says he will win with his message about Republican tax cuts boosting the economy and warning that the Democrats will "vote with [Nancy] Pelosi," the Democratic House minority leader who is unpopular with conservatives.

Mr Brat describes the controversy about his "in your grill" remark as "fake news" and says he did not understand the phrase at the time. He contends that he will overcome the noise because his rivals are "nothing burgers [and] none of them have any policy experience at any level of government".

But he concedes that they are forcing him to raise money. "The leftist activists think I am a Russian spy . . . They're just going to make stuff up," he says. "You have to raise some money to remind folks I went to seminary and taught economics for 20 years."

Ms Spanberger, who spent time undercover in Europe before moving back to Richmond, says she is "glad that he is taking the challenge seriously".

But she says Democrats have to do more than attract anti-Brat voters, some of whom have created "Grill the Brat" placards. "If we only focus on the people who actively dislike Dave Brat . . . we won't win," she says, explaining that the party has to convince their base that the seat is within reach.

Campaigner: Dave Brat speaks to voters in Blackstone last year. Below, Abigail Spanberger
Steve Helber/AP

'Women are in my grill no matter where I go'
Dave Brat

'I'm there and I intend to stay there'
Abigail Spanberger

Ms Spanberger, whose base is more suburban, has raised less than Mr Ward but she stresses that the 1,000 in-district donors on her roster help make the case to outside donors that she would be a stronger candidate in November.

Mr Ward, who flies passenger jets for United Airlines after a stint at the state department, has tapped a network of pilots who have helped him raise $650,000 to date. His fundraising ability, he argues, will be a boon after the primary, while his rural roots will help him connect with conservatives.

He talks about getting his first shotgun at the age of six when he and his six brothers shared the attic of a log cabin in Tennessee.

While Democrats eye the prize in the Virginia, Mr Skelley says it will be tough. But he adds that victory would mean they were "on their way to a majority" in the House.

As Ms Spanberger and Mr Ward prepare for the June primary, however, Mr Brat says he is confident the Democrats have almost no chance of beating him. "If there were a wave that big, it would be a tsunami, and I don't see that happening."

Mueller inquiry

US special counsel charges lawyer with lying to FBI

DEMETRI SEVASTOPULO, SAM FLEMING AND COURTNEY WEAVER — WASHINGTON

Robert Mueller, the US special counsel leading the Russia investigation, has charged a former Skadden Arps lawyer with lying to the Federal Bureau of Investigation about his conversations with a former senior Trump campaign official.

Mr Mueller indicted Alex van der Zwaan for concealing the existence of a conversation with Rick Gates, the former deputy manager of Donald Trump's presidential campaign. Mr Gates was previously charged with money laundering and tax fraud along with Paul Manafort, who was campaign chairman.

Mr van der Zwaan was expected to plead guilty yesterday. He was also charged with deleting emails sent to an unnamed "Person A" that he did not hand over to investigators. Skadden Arps said it fired the lawyer last year and was "co-operating with authorities in connection with this matter".

The indictment came just four days after Mr Mueller charged 13 Russian individuals and three Russian companies with conspiring to run a cyber "troll farm" that sought to disrupt the 2016 US presidential election and sow discord that was ultimately aimed at helping Mr Trump defeat Hillary Clinton.

Mr Trump initially welcomed the fact that the troll farm was created in 2013 — two years before he launched his campaign — but he has spent the past few days lashing out as commentators have pointed out that the indictment did not say that there was no collusion between his campaign and the Kremlin.

Before the charges against Mr van der Zwaan, Mr Mueller had already indicted a number of Trump associates, including Michael Flynn, his former national security adviser, and George Papadopoulos, a former low-level foreign policy adviser, who were both charged with lying to federal investigators.

Mr Mueller was named special counsel after Mr Trump fired James Comey months after he reportedly asked the FBI director for loyalty and asked him to drop the probe into Mr Flynn. Mr Mueller is also looking into whether Mr Trump attempted to obstruct justice. So far, he has produced no public evidence about whether any Trump campaign aides colluded with Russian officials.

US media have reported that Mr Gates was also preparing to plead guilty, in a move that would potentially help Mr Mueller pressure Mr Manafort, who has pleaded not guilty. The charges against Mr van der Zwaan came during questions about his role drafting a Skadden Arps report about the trial of a former Ukrainian prime minister.

Infrastructure funding

Islamic Development Bank and China-led AIIB strengthen links

JAMES KYNGE — LONDON

The largest development organisation in the Muslim world, the Islamic Development Bank, is to step up its fundraising and form a partnership with the China-led Asian Infrastructure Investment Bank to build infrastructure in Africa and other developing countries.

The plan to join forces with the AIIB to co-lend to projects in the Islamic world would boost the international footprint of the China-led development bank, launched despite US opposition in 2015.

"We will partner with the AIIB," Bandar Hajjar, IDB president, said.

"We will co-finance many projects [with AIIB] in Africa. Africa needs . . . about $150bn a year to finance infrastructure and there are about 650m in Africa without access to electricity," he added.

Co-operation between the AIIB and the IDB, capitalised at $100bn and $150bn respectively, is set to create a new force in development finance for many developing countries. Many of the IDB's 57 members overlap with the AIIB's membership of some 80 nations.

Such co-operation would help the AIIB find projects to broaden its loan portfolio. The multilateral organisation approved $3.3bn in loans last year, up from $1.13bn in 2016, its first year of operation. Jin Liqun, AIIB president, has made no secret of bigger ambitions, including expanding the bank's lending.

China scored a diplomatic coup when the AIIB was established after the UK chose to join the initiative over Washington's clear objections. A host of other US allies followed, but Washington and Japan have yet to join.

Even so, the AIIB has been expanding its global ties, signing co-operation deals with the World Bank, Asian Development Bank and the European Bank for Reconstruction and Development.

Bandar Hajjar, the IDB president, says the organisation is proposing to unveil its biggest single bond soon

In an indication of the IDB's intent to ramp up financing activities, it is planning to "soon" launch its largest single bond — a sukuk issue of $2.5bn — to support infrastructure, education, health and other projects among the bank's 57 member nations, Mr Hajjar said.

The move would follow a $1.25bn sukuk bond issued late last year.

The IDB has approved finance of $12.2bn in more than 250 projects, according to IDB data. Turkey, Indonesia, Pakistan, Egypt and Turkmenistan are the bank's top financing recipients, while sub-Saharan Africa has $3.1bn in funding approved.

Asia. Law change

India leads global move to increase Big Tech tax bill

New Delhi fires opening shot in bid to secure greater share of revenue from US giants

SIMON MUNDY — MUMBAI

The $21m fine levied on Google by India's competition watchdog for abuse of market dominance was just one-hundredth the size of that imposed last year by its counterpart in Brussels.

Yet this month's penalty appears to be just a prelude to New Delhi securing a greater share of the revenue of US digital giants, some of which have hundreds of millions of users in India but report only a tiny portion of their profit there.

The push could also see India taking a leading role as governments struggle to decide on a system for taxing multinational companies in the digital age.

New Delhi said this month it would amend its tax law to state that companies would be considered to have a "significant economic presence" — and therefore be liable for income tax — if they engage digitally with a prescribed number of users, regardless of their physical presence in India.

The approach will not take immediate effect, thanks to bilateral tax treaties with the US and other nations, which forbid double taxation. But tax experts say it is an opening salvo in a campaign to secure a larger slice of the value that Google, Facebook and other digital companies generate.

"India has taken a lead on this," said Amit Maheshwari, managing partner of Ashok Maheshwary & Associates, an accounting firm. "They've given a message to everyone: this is what our stand is, and based on this, we will renegotiate the treaties."

The question of how to assess the tax owed by global digital companies in various countries has become one of the most fraught topics in efforts to overhaul the global tax regime, spearheaded by the OECD group of mainly wealthy nations.

"When certain taxpayers are able to shift taxable income away from the jurisdiction in which income-producing activities are conducted, other taxpayers may ultimately bear a greater share of the burden," the OECD wrote in a 2015 report. While the potential for such moves was "not unique to digital businesses, it is available at a greater scale in the digital economy than was previously the case", it added.

In India and many other markets, companies such as Google operate a "reseller" model — meaning that the local entity is nominally separate from the parent company, and pays hefty fees for the right to use its intellectual property and supporting infrastructure. That payment is typically made to a subsidiary in a low-tax jurisdiction such as Ireland or Singapore.

The system means that the profit margins of the Indian subsidiaries, which pay tax to New Delhi, are far lower than at their parent companies.

While India last year became Facebook's biggest user base with 241m accounts, its reported revenue in the country in the financial year ending March 2017 was just 0.2 per cent of its global total, at Rs3.4bn ($53m). It reported a net margin of 12 per cent on that sum, compared with 38 per cent for the parent company.

241m	Rs3.4bn
Total Facebook accounts in India, its biggest user base in the world	Facebook's annual revenue in India for 2017, just 0.2% of global total

Google India's net profit in the 2016 financial year — the latest for which it has reported earnings — was just 4 per cent of its $917m revenue, compared with an overall net margin exceeding 20 per cent for the US parent company, since renamed Alphabet. Google declined to comment.

Under the proposed system, Mr Maheshwari said, the US-based parent companies may be deemed to have a "permanent establishment" in India, paving the way for the government to seek a share of their global profits.

India had already imposed, in 2016, an "equalisation levy" of 6 per cent on digital advertising payments to foreign companies.

Rakesh Jariwala, a partner at Ernst & Young, said that India could face resistance to its plan from Washington, which would stand to lose out on tax revenue from the tech multinationals if New Delhi were to increase its take. But he noted that other countries had also been pressing for higher tax payments from the companies.

Philip Hammond, UK chancellor, said in November that the UK would tax, from 2019, royalties relating to UK sales that are paid to entities in low-tax jurisdictions, a move tax experts saw as targeting primarily technology companies.

This month Bruno Le Maire, French finance minister, suggested a new EU tax regime for multinational technology companies be created, saying: "It's not possible, not sustainable, that we tax manufacturing industries while billions in profits earned by [US tech giants] on European soil evaporate."

"This is part of a global movement," Mr Jariwala said. "Countries are feeling the heat as their tax base is eroded."

Pressures mount page 13

Peninsula tensions

South Korea and US expected to hold joint military exercises

BRYAN HARRIS — SEOUL

South Korea is set to press ahead with joint military exercises with the US in a move likely to aggravate North Korea amid a period of inter-Korean detente.

The allies will hold the Key Resolve and Ulchi-Freedom Guardian computer-based drills this year, the Ministry of National Defence in Seoul said in a report to the parliament yesterday.

The report, a copy of which was seen by the Financial Times, did not clarify whether South Korea would host the annual Foal Eagle field training exercises, which involve soldiers on the ground and are particularly despised by the North.

Pyongyang regularly protests that such drills are a dress rehearsal for an invasion. Washington views them as essential to deterring and putting pressure on the reclusive regime.

The development coincides with a period of inter-Korean reconciliation that Seoul hopes will evolve into fully fledged negotiations between Washington and Pyongyang over the North's advanced weapons programmes.

The peninsula teetered on the edge of conflict last year as Donald Trump, US president, faced off with Kim Jong Un, North Korea's supreme leader, over the regime's testing of long-range ballistic missiles.

However, relations between the Koreas have undergone a transformation since the new year with senior figures from both nations bonding at the Winter Olympic Games in the South.

After a high-level delegation from the North attended the opening ceremony, Mr Kim invited Moon Jae-in, South Korea's leader, to Pyongyang for what would be the first inter-Korean summit in more than a decade.

But many analysts believe the joint military exercises could prove a stumbling block not only for relations with the North but with ally Washington.

The Key Resolve and Foal Eagle exercises are usually held in February, but were this year postponed until after the Olympic and Paralympic games.

The defence ministry report did not specify when Key Resolve would be held this year but said the drills would focus on developing its so-called 4D strategy to detect, disrupt and destroy and defend against North Korean missiles.

The ministry refused to confirm or deny the report, while US Forces Korea said Seoul and Washington planned to hold the postponed drills "as planned".

Shin Jong-woo, a researcher at the Korea Defense and Security Forum, said even though the military drills "can be a hurdle for inter-Korean reconciliation, I believe they are necessary".

Additional reporting by Kang Buseong

FT FINANCIAL TIMES

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Record collectors in the groove

The internet has vanquished most old record shops, but collecting is still popular — and influential, writes Michael Hann

Jamie Perkins' old boss was an addict. "He would pop out at lunch time to see his dealer. He had dealers all over London." After lunch, he would return with his fix. "He'd have some really tatty reggae record that looked like it was worth 50p. And you'd find out he had spent £250 on it."

Perkins works for the British monthly magazine Record Collector, the title that is the bastion of the world depicted in Nick Hornby's novel *High Fidelity*, published in 1995 and filmed in 2000. That world now seems like an anachronism. In the days of *High Fidelity*, the most common way to buy or sell a record was to go into a record shop, where you would encounter an assistant who was likely contemptuous of you, and your taste, when clearly you had no idea how much that Sea Urchins flexi-disc was actually worth.

The internet vanquished that world, and one site in particular exemplifies the change. Discogs was set up in 2000 by Kevin Lewandowski, initially with the intention of cataloguing dance records. In that first year, it attracted 2,200 users, inputting the details of their record collections. Now it has 4.7m users, many of whom come not just to catalogue their records, CDs and cassettes, but to buy and sell through the Discogs marketplace, which was launched in 2005.

"The marketplace was driven by our collectors' needs and requests more than by a shrewd business plan," says the site's director of product, Nik Kinloch. "The main desire was always to build the database and keep the site free, open and useful to everyone."

In 2017, 10m releases were sold through Discogs, nearly 8m of them on vinyl. Its highest-priced sale was a promo of The Beatles' first single for Parlophone, "Love Me Do", which fetched $14,757, followed by a copy of The Sex Pistols' "God Save the Queen" on A&M ($14,690). Also in the top 10 were less familiar names: Forever Amber's 1969 album *The Love Cycle*, of which only 99 copies were pressed ($6,714), and a double album by the Japanese power trio Speed, Glue & Shinki ($5,205). In 2016, *Just Another Diamond Day* by Vashti Bunyan sold for $5,000.

So far, so spoddish. Record collecting would appear to be the preserve of the unsocialised dweeb ("One of the problems with people who are really into music is that their communication skills aren't perfect," says Mark Burgess, owner of the small London record-shop chain Flashback). But those dweebs end up affecting the way the rest of us see music, via a roundabout process. Many record collectors are also musicians, or music writers, or run record labels. So when they start collecting an artist, or a style of music, they are in a position to do something about it. Musicians start speaking about that music in interviews, writers publish pieces about the lost genius of so-and-so, and reissue labels start putting out the records again.

> 'Real collectors are talking about Soviet-era vinyl. That's a big thing now. Japanese jazz as well'

"Collecting does drive the canon," says Colleen Murphy, a longtime collector who also runs regular Classic Album Sundays events, at which she plays a vinyl album in full for a paying audience, followed by a discussion. "You create demand because you're highlighting something. Through all that I do — as a DJ and at Classic Album Sundays — I turn people on to music. I'm part of the reason people might discover things."

For instance acid folk, the vaguely psychedelic version of folk that flourished from the late 1960s and early 1970s, has entered the classic rock mainstream over the past 15 years or so, thanks to becoming a collector *cause célèbre*. "With acid folk, there was a new folk boom in the early 2000s," Burgess says. "A lot of people got into that, and then started to explore backwards. Some musician would say from the stage, 'This is by Spriguns of Tolgus' or 'This is by Anne Briggs' and the crowd would go, 'Who are these people?' That would drive demand for those albums and push them up in value. And the reissue guys would notice: lots of people want this, so it's time to reissue. Vashti Bunyan is an example of that."

These days, the labels use Discogs as a resource in deciding which old records they want to reissue. What's selling on Discogs? Is it on our catalogue? Then put it out! Yet Brent Greissle, Discogs' community success co-ordinator (no, me neither), says: "I'm a firm believer that the data helps make or break the reputation of a record to a point, but it still takes tastemakers to get people to pay attention to it in the first place."

Discogs makes pretty much anything available to anyone, and allows people to trace the second-hand record market without having to leave their sofa. For some collectors, that's a source of sadness. "The thrill of the chase has gone," says Nick Halliwell, who exists at the Venn diagram intersection of collector (a modest 4,000 albums), record label owner (Occultation) and musician (The Granite Shore). "It's not the physical pursuit it was when you went round record shops on a Saturday, and you would hunt in charity shops and find all sorts of amazing things. You don't want to come over all good-old-days, but I think something has been lost."

"Discogs has democratised things," Murphy says, "but it's not as much fun as the hunt. There's not the process of discovery, because you're searching for something you already know. There's nothing to beat going into a shop."

If it has democratised collecting, it has also democratised selling. But only in the sense that everyone now thinks their copy of a record is worth the highest price it sells for on Discogs — when the highest prices are reserved for records classed as "mint" (meaning unplayed; record grading, though subjective, has many levels). People assume that the increasing fashionability and value of vinyl (Burgess estimates a decent collection will have multiplied in value fivefold since the start of this decade) means everything is worth a fortune. And it's not.

But, the million-dollar question — or the £20 one, depending on whom you're buying from — what's hot now? Record Collector's Perkins knows which market is hotting up. The problem is, you're probably not in it.

"Real collectors are talking about Soviet-era vinyl. That's a big thing in collecting now. Japanese jazz, as well. People keep looking for a new thing. Music for Malian cell phones, or whatever."

So check your attic for that Latvian pressing of Iveria's 1975 album on the Melodiya label. Only £100 now, but a couple of years from now and you might find you're sitting on Moscow gold.

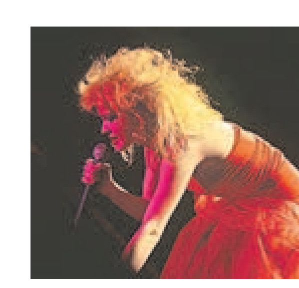
Thrill of the chase: collectors at a record shop in London. Far left: Soviet-era vinyl by artists such as The Gaya Quartet is popular now. Left: Vashti Bunyan, one of whose albums sold for $5,000 through Discogs

Getty Images
The Vinyl Factory

THE LIFE OF A SONG

Cyndi Lauper's 'Time After Time' was a 1980s-defining romantic ballad — then Miles Davis got hold of it. Mike Hobart tells the story of a well-travelled song

ft.com/life-of-a-song



Triumph of spectacle over detail

OPERA

Semiramide
Metropolitan Opera, New York
★★★☆☆

George Loomis

After 25 years, the Metropolitan Opera has revived John Copley's production of Rossini's last and most expansive Italian opera, but its return was not without incident. Overseeing the revival, the 84-year-old director made a sexually offensive remark to a chorister, according to the Met, and soon, like other prominent figures in the arts, was suddenly out of work.

Copley might have given the staging an extra edge, but I doubt it. In this vintage production, with monumental sets by John Conklin, spectacle counts far more than dramatic detail; Michael Stennett's costumes alone would probably bankrupt a smaller opera company. It's miles apart from the Royal Opera House's recent production by David Alden, set in a modern Middle Eastern dictatorship. But it does allow this stupendous work, first seen in Venice in 1823 before Rossini shifted operations to Paris, to function on its own terms.

Angela Meade is a vocal powerhouse as the repentant Babylonian queen Semiramide, who schemed with Prince Assur to murder her regal husband, Nino. Semiramide has a falling-out with Assur in a scene that has some of Semiramide's most intense utterances, and Meade handles them with aplomb. But her upper tones tend to spread at full voice, and I kept wondering what Joyce DiDonato, much acclaimed at the ROH, would have done with the role.

Elizabeth DeShong sang with lovely, well-rounded tone and fine technique in the trouser role of Arsace, who becomes an instrument of revenge after learning he is Semiramide's and Nino's son. Despite weak low notes, Ildar Abdrazakov was an impressive Assur, especially when, his world collapsing, he is plagued by a vision of Nino's ghost. As the Indian Prince Idreno, Javier Camarena wowed the audience with his high notes.

Semiramide requires time, and here it lasted little more than a Mozart-Da Ponte opera. Most of Rossini's complex musical numbers suffered from internal cuts, whereas it's better to cut whole numbers, such as one of Idreno's two arias, and keep others intact. Maurizio Benini's often sluggish tempi didn't help, and the singers insisted on interpolating final high notes whether they could sing them well or not. Poor Rossini.

To March 17, metopera.org

Impressive: Ildar Abdrazakov and Angela Meade in 'Semiramide'

Ken Howard

THEATRE

Kings
Public Theater, New York
★★☆☆☆

Max McGuinness

When US politicians, most recently Donald Trump, pledge to "drain the swamp" in Washington DC, they are usually talking about people like Lauren and Kate in Sarah Burgess's new play. For these two erstwhile lovers are lobbyists. Or, as Kate puts it, the people "doing the real work of government" while politicians swan about posing for photographs.

Into this venal miasma marches newly elected congresswoman Sydney Millsap, a straight-talking Texan determined to keep her conscience clean, much like Jimmy Stewart in *Mr. Smith Goes to Washington*. When a bill emerges that will raise taxes on private-equity bosses (by abolishing the notorious "carried-interest" loophole), Millsap soon finds herself struggling to avoid being swallowed up by politics-as-usual. The idealistic neophyte then overplays her hand when she runs for Senate against veteran wheeler-dealer John McDowell.

Kings covers familiar territory for Burgess, whose *Dry Powder*, currently at London's Hampstead Theatre, is about a private equity takeover bid that symbolises a broader clash between business cultures. But whereas that play, also first staged at the Public Theater in 2016, gives lively dramatic shape to corporate chatter, the conflict between power and principle in *Kings* follows a formulaic arc. And while Eisa Davis's charismatic congresswoman might get your vote over Zach Grenier's plausibly stolid senator, Aya Cash and Gillian Jacobs's lobbyists seem stiff and lacking in romantic chemistry. Aside from one rousing town-hall debate scene, Thomas Kail's traverse staging also tends to be a bit static (surprisingly so, from the director of *Hamilton*).

A more fundamental problem is Burgess's treatment of US political economy, which feels about two years out of date. The opening scene makes a cursory reference to people being "willing to vote for psychopaths". But *Kings* otherwise seems to be taking place in a parallel universe, where reasonable liberals hold power and have caustic-yet-sincere arguments about tackling the opioid crisis and raising taxes on the rich. Aaron Sorkin pulled off a similar trick during the Bush years with *The West Wing*. But such wishful thinking now appears utterly fantastical.

Kings purports to show us the murky depths of Capitol Hill. The reality seems much swampier.

To March 25, publictheater.org

FT BIG READ. US ECONOMY

Held back by several years of weak demand and low inflation, investment by American businesses finally appears to be rising. However, any increase in long-term growth requires a big jump in productivity.

By Sam Fleming

Plotting stronger growth

In the foothills of the Appalachian mountains, Platt Boyd monitors a small platoon of 12-foot long robot arms that he hopes will help revolutionise one of America's most technology-shy industries.

The Chattanooga, Tennessee-based founder of Branch Technology is vying to bring large-scale 3D printing to the construction sector, allowing elaborate architectural creations to be prefabricated with minimal human labour.

"It has massive potential," says Mr Boyd, standing on his spartan shop floor near two emerald-green robots that are producing the skeleton of a 42-foot-wide structure. "The sector is one where there is a lot of low-hanging fruit."

In the coming weeks Mr Boyd's small start-up expects to take on 10 more staff, move to a 40,000 sq ft new factory and take delivery of four more $200,000 robots as it capitalises on America's red-hot construction market.

Mr Boyd's optimism could be the reflection of the US economy entering a phase of stronger investment. A record share of small businesses say now is a good time to invest and expand in the US, according to data going back to 1973 from the National Federation of Independent Businesses. With global demand gaining traction and US wages accelerating, this is raising hopes that the US could be on the cusp of higher sustained expansion.

The mood among bosses offers a counterweight to the warnings over the past few years that the US remains stuck in "secular stagnation" — a semi-comatose state of excess savings, weak demand, low inflation and depressed interest rates. Much of the country's dynamism has been concentrated in urban superpowers ranging from Los Angeles and New York to Austin, leaving large tracts of the country stranded and disillusioned.

Yet if companies start increasing investment, it could give a recovery now in its ninth year further staying power, preventing the recent cyclical upswing from fading out.

"We have seen a genuine acceleration in business investment in recent months which we expect to gain more traction this year, driving higher productivity in the US," says Bart van Ark, chief economist at The Conference Board think-tank. "If this cyclical pick-up lasts long enough it could start to lift America's growth potential over the longer term, but it is too soon to call that turning point."

Rising productivity

Even before Congress passed the recent tax cuts, the US saw two successive quarters of double-digit annualised growth in corporate spending on equipment. New projections from The Conference Board, shared with the Financial Times, show US productivity this year on course to grow 1.3 per cent — below rates seen before the crisis but the fastest pace since early this decade.

Broader data so far this year have been robust. Gross domestic product in the first quarter is on track to rise by an annualised 3.2 per cent, according to the Atlanta Fed, while wage growth accelerated to 2.9 per cent in January from 12 months earlier.

Robotics in action: large-scale 3D printing at Branch Technology in Tennessee

'The pick-up could start to lift America's growth potential over the longer term, but it is too soon to call that turning point'

At the same time, Congress is pouring fuel into the US economy by cutting taxes and lifting spending. Indeed, some economists, including Bill Dudley, the Federal Reserve Bank of New York's president, believe the bigger risk is that the economy overheats, which could bring the expansion crashing to a halt.

To optimists, the economic health of smaller cities such as Chattanooga, with a population of more than 170,000, is a sign of a recovery capable of broadening its reach. Set along a winding stretch of the Tennessee River and surrounded by green mountains, Chattanooga used to be seen as a polluted, post-industrial wreck. But following several decades of regeneration efforts led by local government, unemployment in the broader urban region is now 3.4 per cent (compared with 4.1 per cent nationally), the population is increasing and small tech companies are joining large-scale manufacturers such as Volkswagen in expanding their operations in the city.

"There have been these waves where we have made real progress — the last few years have been one of those waves," says Andy Berke, the city's Democratic mayor, who adds that when he was growing up, the city was dying. "You have to take advantage of it while the economy is good."

New data from the Brookings Institution covering the Chattanooga metropolitan area show the pace of job growth was 15.6 per cent for its young companies — defined as up to five years old. That is the sixth most rapid of the biggest 100 US metro areas in 2015-16.

Ken McElrath, the founder and chief executive of Skuid, a Chattanooga-based software company, says he moved there in part because it is "crazy" how much cheaper it is than in downtown San Francisco or New York or Boston. "Because the cost of living is so low, you don't need to pay them exorbitant wages," he says.

Nevertheless, this remains an expansion on fragile foundations. Although the Brookings Metro Monitor data, which were released yesterday, show the recovery has broadened out, with 93 of America's 100 biggest metro areas posting increases in output from 2015 to 2016, that growth is still concentrated within the most populous and successful cities.

The region around Chattanooga has benefited from inflows of foreign investment, lured in part by tax incentives, as well as a decision by the local utility to install ultra-fast broadband infrastructure. Nevertheless the Brookings numbers show productivity in the metropolitan area actually dropped marginally between 2015 and 2016.

Mark Muro, director of policy at Brookings' Metropolitan Policy Program, says the 53 largest metro areas with 1m of population have generated 95 per cent of population growth and 73 per cent of GDP growth from 2010 to November 2016. "A limited core of the country has a vibrant economy while much of the remainder is being left behind," he says. "It seems sort of academic to ask whether or not the country is in secular stagnation when we see such massive growth divides — it is an unsustainable situation."

Within Chattanooga, residents talk of divided fortunes. In the city's downtown a nascent tech sector has sprung up in its innovation district, hosting software and web development firms sporting the sector's obligatory ping pong tables, bean bags and office pets.

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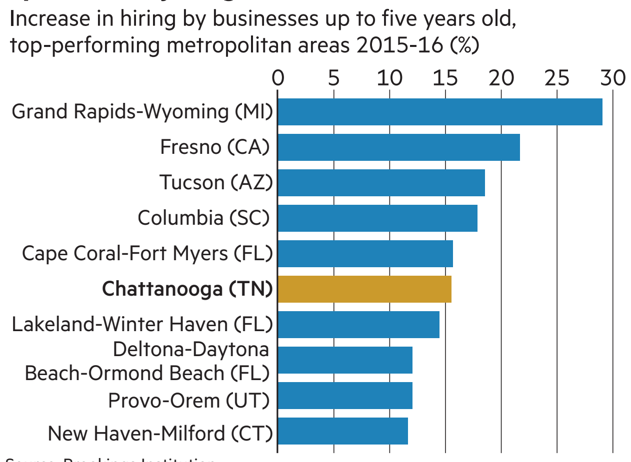
Young companies in some areas are experiencing spectacular jobs growth

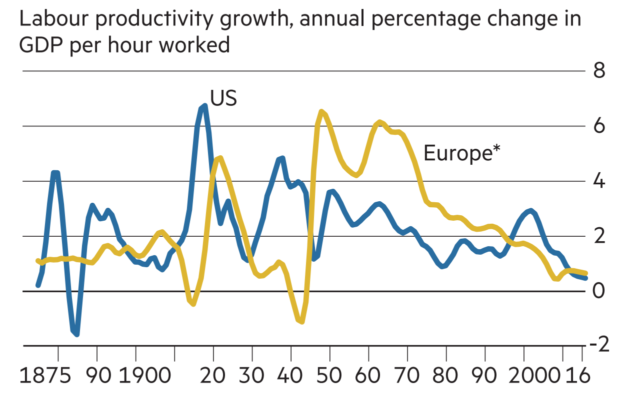
Increase in hiring by businesses up to five years old, top-performing metropolitan areas 2015-16 (%)



Source: Brookings Institution

US productivity growth is at its lowest level since the 1800s

Labour productivity growth, annual percentage change in GDP per hour worked



*Simple average of France, Germany, Italy, Spain, Sweden, UK

Sources: Bergeaud, Cette & Lecat, "Productivity trends in advanced countries between 1890 and 2012," Review of Income and Wealth, 2016; McKinsey Global Institute

Digital dividend

Innovations could lead to higher growth

The US is far from alone in suffering a productivity slump in recent years — and new research covering a selection of advanced economies shows how severe the drop has been.

The rate of productivity growth slumped by about 80 per cent on average between 2000-04 and 2010-14, according to analysis from the McKinsey Global Institute covering the US, France, Germany, Sweden and the UK. The decline is hugely significant given the role productivity plays in driving up living standards.

The first phase of the slowdown represented the waning of the technology boom of the 1990s. The second phase was driven by the crash in demand during the Great Recession.

This leaves reason for optimism about the future; if the financial crisis was responsible for a chunk of the slowdown, there ought to be scope for a bounce now that many of its effects have dissipated.

Some economists have warned that many of the biggest technological advances have already been made, holding back the potential for productivity growth.

But MGI says digital advances such as the introduction of new online marketplaces and machine learning could boost productivity.

To date, the benefits have not materialised, broadly because of delays in the adoption of new technologies and barriers to their use. In retail, for example, online sales are twice as productive as those made in stores, and yet they account on average for just 10 per cent of total sales.

At the same time, there is a major sting associated with digitisation as labour markets become more polarised between winners and losers. That could exacerbate income inequalities and hold back spending and growth.

But while poverty has fallen in recent years, it still affects 20 per cent of those living in the city of Chattanooga, and among black residents the rate is closer to one in three, according to Census Bureau figures. Many residents feel excluded from the growth in the urban core, say local activists who bemoan the small size of its black middle class.

"They have come up with a strong template for how to grow a mid-size city," says Ken Chilton, an associate professor at Tennessee State University. However "there are a whole group of folks being left out of the benefits".

Stubborn inequality

Sitting in the downtown restaurant where he works in the kitchen, Allen Shropshire says that while newcomers to the city with good skills have prospered, many locals have not. He is now taking a course in energy-saving construction from a local non-profit group called Green Spaces and a partner organisation called Build Me A World.

"Most weeks I am breaking my back just to get a decent amount for my family," he says.

This sort of inequality is replicated across the country, creating a barrier to more durable growth given that so much spending power is held in the hands of well-off individuals.

Lawrence Summers, former Treasury secretary, revived the concept of secular stagnation to describe America's economic plight after the financial crisis. He says growth has been running above potential and there is modest evidence of accelerating wages.

But a key question is whether "extraordinary macroeconomic and financial conditions" are needed to generate adequate growth.

"We have one of the largest fiscal expansions in the country's history starting from full employment, we have short-term real interest rates at essentially zero, we have the wealth effect of a stock market that has risen by 25 per cent a year, and all of that is only enough to get you 2.5 per cent growth in 2018," Mr Summers says.

"The question is whether we are moving steadily at a higher level of investment that can be maintained indefinitely and sustainably financed," he adds. "I don't think some signs of increased spending subsequent to a major increase in asset prices, a huge fiscal expansion and a major increase in oil prices constitute convincing evidence."

Officials in President Donald Trump's administration have a very different take and are pointing to punchy growth numbers in the second and third quarters of last year as evidence that the US has already embarked on a sustainably stronger growth trajectory.

Predictions in the administration's budget of 3 per cent annual growth in GDP well into the next decade left most economists deeply sceptical, however. The Federal Reserve in December put the longer-term trend at just 1.8 per cent even after the tax cuts — similar to the Congressional Budget Office's estimate.

Speed read

New trajectory An increase in investment by small businesses could result in a higher US growth rate

Not just the coasts Strong growth needs to spread beyond the big cities that have dominated the economy

Reliance on stimulus The current spurt in growth still depends on low interest rates and tax cuts

One part of the problem is demographics: absent big changes in immigration patterns, the ageing population will mean slow workforce growth.

To lift potential growth even modestly, the US would therefore need to see a jump in productivity — and a truly remarkable one if the kind of long-term growth figures Mr Trump has promised were to be achieved.

Instead, the country's productivity performance has been dire, with output per hour growing at an average of just 0.6 per cent a year for the past seven years, according to the Conference Board.

However, forthcoming research by the McKinsey Global Institute suggests there is potential for a rebound. It stresses the important role that the financial crisis played in dragging down US productivity. As its influence fades, productivity has the potential, at least, to grow 2 per cent a year across leading countries over the coming 10 years.

The optimism of Branch Technology's Platt Boyd reflects hopes for a stronger phase of investment in the US

"When we see the financial crisis after-effects dissipate we would expect productivity growth to speed up from the historic lows we have seen," says Jaana Remes, a partner at MGI. "We would expect some bounceback."

Much will depend on whether US companies match their enthusiastic predictions of higher technology investment with action, and whether the digital advances of recent years begin to diffuse into sectors that are technological laggards. Chief executives have repeatedly claimed that tax reductions and looser regulation will induce them to spend more, but tax cuts have often shown up in dividends and share buybacks, rather than new technologies.

Indeed, the history of slow-adapting sectors like construction shows just how hard it can be to increase productivity. While US agriculture and manufacturing have raised productivity 10-15 times since the 1950s, construction remains at the same level as 80 years ago.

Despite his enthusiasm about his own technology, Mr Boyd says it will take three decades to make such changes widespread. "It is a generation change," he says. "It is not something that will happen overnight."

FINANCIAL TIMES
'Without fear and without favour'
WEDNESDAY 21 FEBRUARY 2018

Latvia's scandals show limits of EU bank rules

If the local regulators cannot resolve the crises, the ECB is stuck

If anyone is exposed to a risk, everyone is. That, in short, is the argument for greater banking union in the eurozone. In a single market with single currency, if one country's banking system falls into crisis, others will tend to follow. Sound banking regulations are not like vaccines, where so long as a sufficient majority of the community take the medicine, a few who do not can benefit from "herd immunity" without endangering the others. Everyone must get their jab: this applies to capital rules, investor bail-in procedures, resolution regimes, and so on.

Yet while this uniform and centralised approach applies to prudential bank regulation, it is much weaker in conduct regulation — the enforcement of money laundering rules, for example. There, the member states have significant autonomy. The problem with this has been shown by events this week in Latvia, a member of the currency area since 2014.

First, the US Treasury accused the country's third-largest lender, ABLV, of money laundering and busting the sanctions regime on North Korea. This has led the European Central Bank to halt payments on ABLVs liabilities. Next, the long-time head of the Latvian central bank and member of the ECBs rate-setting council, Ilmars Rimsevics, has been accused of soliciting bribes by the chief executive of another Latvian bank, Norvik. A criminal investigation is looking at allegations of other bribes.

Both accusations will be the subject of further investigation, and the outcomes should not be prejudged. At the same time, however, they are part of a pattern of long standing in Latvia, whose role as a banking centre is built on its intermediate position between Russia and the west. The pattern is echoed in some other small states at the periphery of Europe. Latvian banks have allegedly been used as conduits for the proceeds from fraudulent schemes in Russia, Kazakhstan and Moldova. Accusations of weak enforcement of money laundering regulations hang over the banking systems of Malta and Cyprus. The dirty money flows from the periphery towards the centre, of course. The role of British banks in processing funds from the Russian money laundering scheme known as "the Laundromat" is still under investigation.

It is to be hoped that the Latvian authorities can resolve the accusations against Mr Rimsevics and ABLV, expediently and fairly. If they do not, however, the ECB will find itself in something of a pickle. It has no power to remove the central bank governor of a member state — the procedure for doing so is determined locally.

Similarly, EU banking supervisors have limited power to police whether local regulators are enforcing the EUs anti-money laundering directives. Conduct issues are within the remit of pan-EU authorities such as the European Banking Authority and the European Securities and Markets Authority. But these are largely collections of national regulators and their powers are limited.

The weakness of the EU enforcement regime is highlighted by the fact that it is the US, not the EU, that is taking action against ABLV. Indeed, the US Treasury may have more power over the fate of ABLV than any EU authority outside of Latvia — it can destroy ABLV's viability by cutting off its access to the US banking system.

The lack of central accountability for bad conduct in member state banking systems leaves the system as a whole at risk. A clear system through which the EU can act to impeach central bankers and enforce minimum conduct standards is needed before the dirty money infection grows worse.

Striking dons add to UK students' resentments

The cuts to university lecturers' pensions are too deep, and divisive

Consider the frustrations of university students in England. Most are paying £9,250 a year in fees for what Theresa May, the UK prime minister, acknowledged this week is "one of the most expensive systems of university tuition in the world".

Perversely, those from lower income families tend to graduate with the highest levels of debt, while those who reach the income threshold of £25,000 a year — where loans become repayable — are carrying a disproportionate share of costs via high interest rates.

The fallout from a dispute between Universities UK, the sector's institutional umbrella, and lecturers over changes to the latters' pension benefits adds to a sense that students are being short-changed. Should university representatives fail to return to the negotiating table, lecturers will tomorrow start a series of strikes in what will be the most serious disruption to higher education in the history of UK campuses. More than 1m students at 64 institutions will be affected. The strikes could extend into the summer, jeopardising final year exams.

The prime minister this week put off an overhaul of the fees system by commissioning a review that will last a year. The more immediate conundrum regards lecturers' pensions. In November UUK announced cuts to retirement packages to reduce an estimated £12.5bn deficit in the Universities Superannuation Scheme, the UK's biggest single pension scheme. The changes the UUK is proposing are similar to those that have been carried out by businesses across the UK. These would see the scrapping of defined-benefit pensions which offer certainty of income in retirement. In their place UUK would introduce defined-contribution pensions — whose payout depends on the performance of underlying investments — from April 2019.

The lecturers are effectively being tumbled out from a system they were promised. Like their students, they are understandably aggrieved. According to figures from the University and College Union, they are being asked to accept cuts to their pensions of up to £10,000 a year. That is a very steep price.

They are doubly resentful because the management at universities has been oddly insensitive to inequities in the way the benefits of tuition fees have been distributed since these were introduced in 1998. The contrast between the ballooning salaries of vice chancellors and senior management aides and the stagnant income of researchers and lecturers is indeed embarrassing.

Part of the problem is in the way long-term risks to pension funds are calculated from a contemporary snap shot of the economy. A sharp rise in interest rates, for example, could clear the forecasted pension deficit which has necessitated UUK's proposed cuts.

The issue has divided lecturers and their students, management and staff. It has also split universities between those who as employers feel they should pay more to secure the benefits that attract talented staff, and those who fear that higher pension contributions will drain resources from research and training. The resulting crisis underlines the need to redistribute the resources of a well funded academic sector so that staff and students feel more fairly treated.

In the immediate future, if students are not to suffer the consequences of this dispute, the universities must increase their pensions offer, and lecturers should give a fair hearing to any new proposals. Failing that, students should be compensated by the colleges. They have paid heavily for a service. Non-delivery demands a refund.

Letters

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Think very carefully before regulating speech

Sir, I write to reply to Roger McNamee's column "Tighten the pressure on Big Tech to abandon its dark side" (February 14) because it is typical of many requests (quite a few from one of your regular columnists) for the regulation of big technology companies.

Mr McNamee is a very bright man and knows far more about technology than I do. But I have lived all my life in Washington, and I do know this: regulators in the US are appointed by politicians, quite often for political ends. The company I worked for, then The Washington Post Company, had the unusual experience of having some of its television licences challenged at the direct instigation of President Richard Nixon (the instigation is recorded on the White House tapes). The challenges were to be heard by a Federal Communications Committee whose chairman, appointed by Nixon, was the former chairman of the Republican National Committee. The challenges fizzled out only after Nixon resigned.

Any call to regulate Google, Facebook, Amazon and Apple should be careful to say: what is it we are to regulate? I have lived through more than one time when a president would have preferred that fewer people read news stories in The Washington Post. I would suggest that voters in any country approach the idea of regulating speech on Facebook and Google with extreme caution. Readers should make up their own minds whether to read the Financial Times and government should have no role in their decision.

The large technology companies must comply with laws that all companies must obey. They must pay their taxes. They must obey the antitrust laws and mustn't overcharge consumers. But when it comes to what stories they publish on Google News or Facebook, or whose advertisements they accept, governments should keep their hands off.

Donald E Graham
Washington, DC, US
Former publisher, The Washington Post; Facebook board member, 2009-15

Exercise your true judgment, Sir Malcolm

Sir, Malcolm Rifkind is informed, intelligent, technically capable and experienced. Online comments on his op-ed "Sadly, Brexit must mean leaving the EU single market" (February 19) should respect his opinion that "democracy" makes Brexit irreversible, and engage him on that, rather than demeaning his intelligence, or referring to scandals.

I'd suggest three counter-arguments. First, the UK is a parliamentary democracy. Popular opinions and press may object, but the most important expression of Britain's historical understanding of democracy is Burke's Address to the Electors of Bristol, predating the French Revolution, that balanced so well the knowledge of the few with the political power of the many. The Conservative right, especially if they fear the voice of the uncontrolled many, should value the informed views of parliamentarians in sifting the nation's policy options. To refuse to exercise your true judgment, because a thin majority disagree with you, is an abdication of an MP's duty.

Second, while listening is part of an MP's duty, and the Brexit wings — to right and left of British politics — would be bitterly disappointed if Brexit failed, the numerically equal centre ground is sincerely, deeply disturbed by the driverless Brexit — a runaway horse and cart they see careering into an undefined future. And generationally, the emotional momentum of the decades-long efforts of a passing generation to achieve the ambiguous state termed "Brexit" is a democratically insufficient reason to cut off Britain's younger generation from its aspirations to a European future. Democracy must also look forward.

Third, ambiguity. Looking forward, the initial thin majority for Brexit was a unity of opposite: ur-capitalists, seeking a US social model, and ur-Marxists, denying the market component of the EU economy. Only one of those two sides who united on voting "Brexit" will get what it wanted. In numerical terms, half of Brexit voters will be denied what they voted for; three-quarters of the country will be disappointed. That is highly destabilising, and another democratic reason to end Brexit.

Sir Malcolm should change track, and fight Brexit.

Paul Serfaty
Mid-Levels, Hong Kong

Alaska residents receive a partial basic income

Sir, Jonathan Berry (Letters, February 14) asks: "Wouldn't we prefer everyone in society to be receiving dividends from a growing stock portfolio than cash from an increasingly strapped government?"

Something of that nature is already in place in Alaska, where a (partial) basic income for residents of the state is funded from the Alaska Permanent Fund. This is one of the many possible means of funding a basic income that have been suggested (or in this case, actually implemented). Dividends from the fund have been payable for many years and the system is widely popular, as one might imagine. Alaska, it hardly needs to be said, is not a hotbed of statism or socialism.

Paul O'Brien
Dublin, Ireland

No one asks why human labour should be taxed

Sir, Lesley Spencer (Letters, February 14) highlights the taxation loss when employees are replaced by machine, yet nobody seems to question why the commercial use of humans should be taxed while the use of machines is tax free. After all, we have to work to live so why charge us for fulfilling that obligation?

One of the great tricks pulled by the landowner-controlled governments in the industrial revolution over the past 250 years was the transfer of the main burden of taxation from land to labour.

An effort was made with the People's Budget early in the last century to stop this, but following this failure and the growth of misguided attempts to solve the problem by increasing taxes on labour and capital, either directly or indirectly, governments find themselves increasingly locked into a situation of artificially inflated borrowings and land prices that cannot be sustained, the threat of catastrophic economic collapse appearing now to be a veritable sword of Damocles hanging over us.

Is it any wonder that nobody in power dares to speak the truth?

John Read
London NW11, UK

My colleagues still insist that it's 'not the guns'

Sir, The day after the mass shooting in Florida, I had a discussion with three fellow surgeons in the surgeons' lounge (yet again).

"You know there were 30 mass shootings in 45 days in the US, population 323m." (Mass shootings being four or more individuals being shot or killed at the same time in the same location.) "In the EU, population 508m, there were no mass killings in the same period."

"We must get mental health under control, as it is not the guns," was the general response.

"So are you saying more Americans have mental illness than Europeans?"

A shrug of the shoulders and: "Yeah, I guess."

To put things into perspective, at a university not far, far away from here, it is illegal for an employee to be in possession of alcohol. However, anyone (including patients, students and consultants) can carry a concealed loaded weapon with a conceal-carry permit. There have been incidents of patients threatening staff with a gun (presumably all of whom had a conceal-carry permit, which makes it OK). And I have had a junior doctor sit in one of my lectures, where I am teaching the principles of being a physician and techniques of healing, with a weapon in plain sight. 'Nuff said.

BCK Patel
Professor of Cosmetic & Reconstructive Plastic Surgery,
University of Utah, US

Cousin anywhen

Sir, Perhaps Tom Grealy's German boss has "somewhen" visited Portsmouth (Letters, February 16). He'd certainly have heard its first cousin, "anywhen", in use there.

Sally Phillips
London SW19, UK

South Koreans must be on their guard against another sunshine policy

Sir, As Philip Stephens notes, North Korea's Kim Jong Un has "outsmarted" President Donald Trump "at every turn" (Comment, February 16). Mr Kim, who has contrived "a masterclass in international diplomacy", seems to keep outsmarting South Korea's president Moon Jae-in, who is anything but a master hand at diplomacy.

A serious risk facing South Korea as well as its two allies, the US and Japan, is that just as Mr Kim's father, Kim Jong Il, outsmarted Mr Moon's predecessors Kim Dae-jung and Roh Moo-hyun (who is known to be Mr Moon's mentor), Mr Kim will manoeuvre the current president of the South into another "sunshine policy".

The decade-long sunshine policy from 1998 to 2008 was a gross mis-step by Roh in the name of de-escalating tension between two Koreas. The policy inadvertently financed North Korea's nuclear and missile development under the pretext of economic co-operation and development, and became known as a "moonshine policy".

South Korea's current president may make the same mistake. History demonstrates that the North Korean regime would be happy to divert any economic aid from the South to further developing nuclear warheads and inter-continental ballistic missiles. South Koreans must remain vigilant against retreading the follies of all-too-recent history.

Yeomin Yoon
Professor of Finance and International Business,
Seton Hall University,
South Orange, NJ, US

Presence in space helps us manage climate change

Sir, Robin Russell-Jones (Letters, February 16) is right to assert that solving climate change will involve a variety of Earth-bound commitments. He is wrong though to dismiss the improvement of access to space by private companies as pointless and harmful. The relevance of space-based technologies to climate change mitigation has been self-evident since the "Blue Marble" image of Earth, taken in 1972 by the crew of Apollo 17, helped give rise to the modern environmental movement. Since then our knowledge and understanding of the causes and effects of climate change on the planet, as well as how to better manage the consequences for its inhabitants, have been immeasurably improved because of our presence in space.

The new commercial space companies such as Virgin Galactic aim to bring space transportation into the 21st century with reusable space craft, cutting the cost and environmental impact of launch and so permitting innovative space-based solutions to a host of Earth-based challenges — including that of climate change.

George Whitesides
Chief Executive,
Virgin Galactic

COMMENT ON FT.COM
Free Lunch
How internet groups damage the economy and society, writes **Martin Sandbu**
www.ft.com/freelunch

Renamed streets signpost a return of cold war diplomacy

Notebook

by Frederick Studemann

Whether it's suspected interference in America's electoral system, or confrontation by proxy in Syria, relations between the US and Russia are anything but harmonious at present. And that's before we get to the issue of street names.

It began in Washington earlier this year when officials renamed the section of Wisconsin Avenue that is home to the Russian embassy after Boris Nemtsov, the Russian opposition leader who was shot dead on the streets of Moscow in 2015. Five Chechen men were convicted of the killing. Sceptics claim they were fall guys for more powerful actors.

This did not go down well in Moscow. Mikhail Degtyarev, an MP for the nationalist Liberal Democratic party, poured scorn on the decision, declaring that Moscow was an ancient city, "unlike Washington with its teenage complexes". He then proposed, maturely, the rebadging of the street on which the US embassy in Moscow is located. Forget Bolshoy Devyatinsky Lane, 8. How about North American Dead End, 1? It has a certain candour often absent from the silky rhetoric of letters of accreditation. Moscow city authorities are due to decide on the initiative later this month.

It would be tempting to dismiss this tiff — more schoolyard than polished parquet — as comical nonsense barely worth a line in the overnight telegram back to base. But at a time when officials on both sides talk about a reheating of the cold war, the spat is a depressing echo of times past that offers a gloomy reflection of the state of international relations.

It is also not a lone case. In Turkey, officials have renamed the Ankara street on which the US embassy stands as Olive Branch — the name of the military operation the country is carrying out in northern Syria against Kurdish forces backed by Washington.

Such gestures have pedigree. French people might be forgiven for spying perfidious forces at work when British transport planners chose to locate the first London terminus for the Eurostar at Waterloo. *Entente* anything but *cordiale*. In 1980s Tehran, diplomats at the UK embassy, which once stood on Winston Churchill Street, woke one morning to find that their address had become Bobby Sands Street in honour of an IRA hunger-striker.

It is also not the first time that Moscow's base in DC has gained a new address. In the closing years of the cold war, Soviet officials were based at an embassy named for Andrei Sakharov, the dissident physicist. More recently, Ted Cruz — more charging Texan than *chargé d'affaires* — introduced a motion in the US Senate to name the street on which the Chinese embassy stands after Liu Xiaobo, the dissident poet who died last year. Beijing quickly slammed the move, while Chinese social media took to speculating whether it was time for a bit of renaming at their end — a road for Edward Snowden, perhaps?

This all points to the bigger issue of place names. As any one who has lived in one of those spots where history has been "eventful" knows, these things matter. Barely has the new dawn broken that the renamers are put to work, rewriting the past, defining the present and shaping the future. Through the course of the past century, you could have never left home and yet had multiple different addresses as municipal authorities from Leningrad to Berlin, from Ho Chi Minh City to Prague conjugated their way through various stages of political development. Oh, to be a sign maker or cartographer.

There can also be unintended consequences. In the 1950s, the city of Athens decided to commemorate two Cypriots executed by the British by naming a short stretch of a downtown street after the men, Michalis Karaolis and Andreas Dimitriou. The area, Kolonaki, is one of the finest in Athens and, as such, an appropriate home for the British ambassador. The intended snub did not quite hit home. The plot of Athens that is forever British extends over a whole block allowing the embassy to nominate a different, less politically charged entrance.

It did not end there. The German embassy is on Karaoli kai Dimitriou. Given the rest of the street carries a different, better-known name, visitors often struggle to find it. It's a case of collateral damage, or, as the Germans quip, "dealmaking to the detriment of third parties". Sharp-witted diplomacy indeed.

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Comment

Fix internet governance before it is too late

OPINION
Vint Cerf

Preserving the openness of the internet, enabling the development of the digital economy and structuring online communities are vital for future generations. At the same time, legitimate concerns are growing about the widespread abuse of this unique instrument.

The question of how to respond to such concerns has, therefore, moved to the top of the agenda for national and international policymakers.

Managing the way that separate legal frameworks apply to the internet is one of the big policy challenges of our time, and is more complex even than building the internet.

It is tempting to think of cyber space as hovering over the real world and not actually connected to it. But we create this virtual world through companies, facilities and users located in physical space. It follows that there are inescapable jurisdictional questions about internet use that must be addressed.

These issues, which can be grouped under the heading of governance of the uses of the internet (as distinct from the technical administration of the network), raise a big problem: the international legal system, based on separate national sovereignties, struggles with the transnational nature of online services and the interactions they make possible. So how do we collectively develop legal norms that would apply in cyber space, while also respecting the integrity of national jurisdictions?

Only a concerted joint global effort by governments, businesses, the technical community and civil society will produce a governance architecture that is as generic, scalable and transnational as the internet itself. No single actor or group of actors can solve this alone. In fact, uncoordinated efforts can make the problem even harder to solve and increase the potential for complex international legal conflicts.

Next week's Global Internet and Jurisdiction Conference in Ottawa, Canada, offers a significant opportunity to raise awareness about these issues, and also to encourage the creation of necessary frameworks for the development of policy.

> We have an opportunity to create a structure that protects cyber space yet addresses the issue of abuse

There are lessons to be drawn here from the origins of the internet. The extraordinary success and rapid global spread of the network were no accident. They were the direct result of the flexibility and scalability of its technical architecture.

Internet protocols and standards were — and still are — developed through processes that engaged stakeholder groups from around the world to ensure that hundreds of thousands of heterogeneous networks and billions of devices were compatible.

A diverse set of institutions has emerged as the need arose to manage the different layers of the network. These include the Internet Engineering Task Force, the Regional Internet Registries for the distribution of IP addresses, the World Wide Web Consortium, and the Internet Corporation for Assigned Names and Numbers for the coordinated administration of the unique identifiers and parameters of the internet, including domain names and internet protocol addresses.

And then there is the Internet Society, which was formed in 1992, partly to support the work of the IETF, but also to focus attention on policy issues arising from the continued expansion of the internet and its applications on a global scale.

This institutional ecosystem underpinning the technical administration of the network has, during the past 35 years, helped it to grow seamlessly. It now serves almost 4bn users and is a key piece of infrastructure supporting many human activities.

Internet governance issues need to be addressed in the same collaborative spirit that reigned during the early days of the network. Regulatory efforts to address abuses, if carried out piecemeal and in an uncoordinated way, could have significant detrimental effects on the global economy, security and the exercise of human rights, to say nothing of hampering transnational law enforcement efforts.

Meanwhile, private sector companies are increasingly conscious of their responsibility to address abuses of the internet while at the same time protecting the benefits it provides to humanity.

Those gathering in Ottawa will take stock of the work conducted within the Internet and Jurisdiction Policy Network. This multi-stakeholder organisation supports the effort to develop international norms governing the internet. It is supported by key governments, the big internet companies, technical operators, civil society and international organisations.

This is a unique opportunity for all those actors to make further progress in developing a governance structure that would allow the internet to continue to flourish, while at the same time addressing the problem of harmful abuse.

It is a chance that should not be missed. The future of the cross-border internet depends on it.

The writer, the vice-president and chief internet evangelist at Google, co-invented internet protocols

Britain's road to becoming the EU's Canada

Martin Wolf Economics

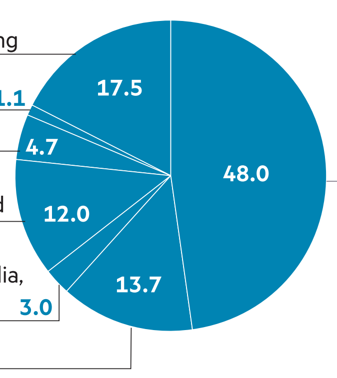
Red lines over the free movement of people and trade autonomy rule out any other post-Brexit trading options

UK's 'red lines' point to the Canadian model

UK red lines	Norway	Iceland	Liecht	Switz	Ukraine	Turkey	S Korea	Canada
No ECJ jurisdiction	X	X	X		X			
No free movement	X	X	X	X				
No substantial financial contribution	X	X	X	X				
Regulatory autonomy	X	X	X	X	X			
Independent trade policy						X		

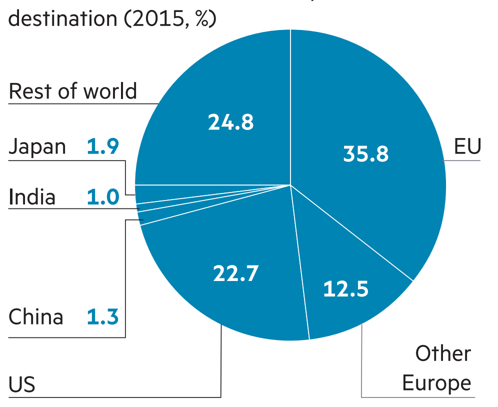
EU is the dominant market for goods

Share of UK trade in goods by destination, 12 months to Oct 2017 (%)



EU is less dominant in services

Share of UK trade in services by destination (2015, %)



Graphic by Alan Smith Sources: Michel Barnier/European Commission; IMF; ONS

So where, when the dust has settled, will the UK end up? It will become Canada. It will have a trade relationship with the EU similar to Canada's. It will relate to the EU in a way not dissimilar to Canada's relationship with the US. It will remain a middle-of-the-road democracy, like Canada, and not become, as David Davis, secretary of state for Brexit puts it, a "*Mad Max*" dystopia leading a regulatory race to the bottom. Finally, like Canada, it can seek a modestly positive global influence.

Michel Barnier, the EU's chief negotiator, has explained why the UK's future trading relationship with the EU will be similar to that in the EU-Canada Comprehensive Economic and Trade Agreement, or Ceta. This agreement allows both sides to enter into separate deals with other partners. It also puts Canada outside the EU's customs union and single market. Thus Ceta provides limited benefits to providers of services.

As Mr Barnier notes, the UK's "red lines" — no jurisdiction by the European Court of Justice, no free movement, no substantial ongoing financial contribution, and regulatory and trade policy autonomy — preclude membership of the European Economic Area. These red lines also rule out an agreement similar to that with Switzerland. The UK's opposition to ECJ jurisdiction and the demand for regulatory autonomy precludes an association agreement like Ukraine's. The demand for an independent trade policy preclude even a customs union agreement, such as the one with Turkey. When everything impossible is ruled out, what is left is an agreement like that with Canada.

Mr Barnier is likely to be proved right. One reason for believing so is that he usually is. Another is that the red lines are deeply embedded in the UK. Malcolm Rifkind, a former Conservative foreign secretary, is correct to say that the UK is unlikely to accept an obligation to follow EU regulations without a voice in them. If it were prepared to do so, it would make more sense for it to withdraw its application to leave the EU.

The Ceta model would impose real economic costs. In particular, UK suppliers of goods to the EU would have to meet rules on local content, while British suppliers of services would lose existing favourable access. But to avoid these outcomes, the UK would need to change its red lines or persuade the EU to change its position on essential matters.

On the former, the UK might abandon its desire for trade policy autonomy in order to join a customs union agreement. It might accept free movement and so have an agreement similar to Switzerland's. It might even accept a substantial role for the ECJ. But none of this currently looks at all likely.

On services, the government hopes for a process of "managed divergence", in which new UK regulations are recognised by the EU as equivalent in aim, if not in detail, to the EU's own. The EU is likely to reject this: it smacks too much of the UK's having its cake and eating it; it would set a dangerous precedent; it would be complex to agree and monitor such divergence; and it would demand trust in the UK's good intentions — a trust its own debate makes hard to sustain. Too many laud the opportunity to eliminate burdensome EU regulation, without being precise on what must go.

Some in the UK believe the country's financial services industry brings such great blessings to the EU that the latter should go out of its way to keep it inside the single market. That was easier to argue before the financial crisis. Moreover, access to UK-based wholesale markets would remain, even if UK-based suppliers lost "passporting" privileges.

> The idea of 'managed divergence' smacks too much of the UK having its cake and eating it

The most likely journey, then, via a temporary standstill of up to two years, is to a Canada-style deal. True, that might leave the problem of the Irish border unresolved. It would also impose substantial costs.

The recently leaked UK government analysis concludes that, under such a deal, UK gross domestic product might be 5 percentage points lower than it would otherwise be, after 15 years — a loss of about a fifth of the potential increase in output by that time. In this respect, of course, the UK's position is very different from Canada's: Ceta benefits Canada; such a post-Brexit deal would harm the UK. But that is the result of the decision to leave.

Once outside, the UK would, like Canada, have greater freedom over its regulatory regime. But it is a safe bet that a bonfire of UK regulatory, tax and public spending commitments is not going to occur. In the UK, as in Canada, little support exists for such radical policies.

Again, like Canada, the UK will want to strike new trade deals. It will seek to join existing free trade agreements and create new ones. The difficulty here is that the important deals (with the US, China or India) will be tough and the easy deals (with, say, Australia or Canada) will be unimportant. Furthermore, the iron law of trade applies: other things being equal, trade halves as distance doubles. That explains why the UK is as important a trading partner to the EU as the US, and the EU, in turn, is the UK's dominant partner. New deals cannot offset what it will lose. Moreover, contrary to views advanced by the Legatum Institute in London, the UK will not be the new leader in global liberalisation. It is not big enough for that.

The UK will still need a fruitful relationship with the EU. It is also more powerful, relative to the EU, than Canada relative to the US, partly because it has a bigger economy than Canada's (almost twice as large) and partly because the EU is not a federal state with huge armed forces. But the UK will often find its neighbour frustrating and overbearing. The price of being an outsider will be palpable and permanent. But big choices have big consequences.

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Millennial insecurity is reshaping the UK economy

EMPLOYMENT
Sarah O'Connor

This week has brought a barrage of bad news for millennials in the UK. Their home ownership rates have collapsed. Their wages have dropped. Their degrees are wildly expensive.

We have heard facts like these before. But it is time to move beyond the raw statistics and work out what they all add up to, not just financially but psychologically. These trends combined are changing the way young people feel and behave, and as a result, the shape of the economy itself.

The big picture: shifts in pensions, housing and employment have transferred more risk and instability on to the shoulders of young people. Economists sometimes miss how these issues can compound one another.

Not owning a home in your thirties or forties feels more nerve-racking when you have no idea how much income you will have in retirement to pay for rent or a mortgage. The state was smart to enrol employees automatically into defined contribution pensions, but the amount going into these pots is too small, and people are still left to bear all the investment risks on their own. Similarly, not having a permanent employment contract feels more worrying when it means you have no chance of persuading anyone to give you a mortgage.

This is neither an appeal for sympathy nor an attempt at generational one-upmanship. Previous generations had different — often far worse — hardships to endure. But however you feel about young people, if you want to understand the economy, you have to acknowledge the shifting sands under their feet.

> How ever you feel about young people, you have to acknowledge the shifting sands under their feet

It might be expected that a generation living with uncertainty will cling to whatever security they can. That is exactly what the UK labour market data show. Research from the Resolution Foundation think-tank suggests young people have become more risk averse in the jobs market than previous generations. They switch from one employer to another less frequently and are less willing to uproot themselves geographically for a new job.

That is remarkable given that more of this generation are graduates and renters — characteristics that typically encourage ease of movement. Yet the share of under-35s who move regions for work has dropped by one-fifth since 2000. Perhaps this makes sense: if your work schedule or your housing situation is unpredictable, it helps to stay near your family support networks. While it may be rational, this excess of caution is bad for the economy. It is probably helping to suppress real wage growth, since the best way to secure a pay rise is to switch employer. Less fluidity in the job market means fewer people moving to where they can be most productive.

The irony is that millennials have many new opportunities; they are the best-educated generation ever; they can start companies from their bedrooms. But people are more likely to take risks when they have something to fall back on. It should be no surprise that the UK's self-employed are more likely to be homeowners than renters, and much more likely to own homes worth more than £500,000.

One could argue that young people have the security of knowing that one day they will inherit the housing wealth of their parents. But that is a dismal fall-back plan for a country that aspires to meritocracy. Whether or not the "inheritance safety net" will catch you has nothing to do with how bright you are or how hard you have worked and everything to do with whether your parents own a house (especially a house in the south east of England.) Less than half of millennials who do not own homes have parents who are homeowners. And more than 80 per cent of millennials who already own their home have homeowner parents.

Britain needs to offer its young people a new deal: a base level of security that enables them to be confident and take risks. If not, the opportunities created by the modern economy will be wasted on all but the wealthy.

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HSBC: over the hump

A camel herder in flip flops drags a locomotive through a desert. The surreal montage adorning HSBC's results slide deck is a fair summary of how running this sprawling lender must sometimes feel. Stuart Gulliver, stepping down as chief, accounted his seven-year progress as "satisfactory". The market will be the judge of that.

The 3 per cent drop in the share price yesterday has not stopped HSBC beating most of its peers in recent years. Investors were rattled by a modest fourth-quarter earnings miss and HSBC's failure to buy back more shares. With capital at 14.5 per cent of risk-weighted assets, that looked like an oversight. Mr Gulliver explained — with the insistence of a hostage parlaying for his release — that issuing so-called "coco" bonds, which convert to equity in a crisis, came first. The payout strategy has not changed.

Those who wanted to prod him where it really hurt took aim at HSBC's return on equity. This was a dire 5.9 per cent, compared with the target of 10 per cent set in 2015. The number is as bad as most other indicators are good, thanks to the costs of past misconduct. For example, HSBC paid a $1.9bn settlement in 2012 for allegedly laundering money for Mexican drug gangs, among other bad hombres.

Assuming RoE will pop above the cost of capital requires faith. First, that bad conduct costs will inevitably roll off. Mr Gulliver has cut HSBC's foreign locations. But the list still includes sunny — and snowy — places rife with shady people. The news that HSBC might still have $1.5bn to pay for alleged misdeeds at its Swiss bank was a reminder of the uncertainties. Second, interest rates must rise to lift an unimpressive net interest margin of 1.63 per cent. Tightening monetary policy augurs well.

Trends should befriend new chief John Flint. Chinese growth matters more than at the start of Mr Gulliver's stint, thanks to a pivot to the Pearl River Delta. In 2017, 90 per cent of statutory profits before tax of £17.1bn came from Asia.

The Great Man theory that leaders determine history does not work in mature businesses. The best a boss can hope for here is to exploit events rather than be driven by them. The bank's strong price-to-book ratio of 1.2, according to Reuters, confirms the "satisfactory" verdict on Mr Gulliver.

Put on those flip flops, Mr Flint. Get pulling.

BHP: plugging the wells

Warren Buffett claims diversification only works for those who do not know how to invest. An odd notion from a man who runs a broad spread of businesses. Any apparent contradiction underscores how businesses evolve as collections of things that seemed a good idea at the time. An oil business might once have made sense for BHP Billiton. Now it does not. The group should sell it.

Shares in BHP, which reported mildly disappointing results yesterday, have trailed its peers for years. All have, at some point, had a key differentiating factor: Rio Tinto's iron ore profit driver, or Glencore's copper and coal assets. Even Anglo American has a persistently cheap valuation. BHP has diversification and an oil hedge — a mirror image of the days when oil majors all had mining divisions.

To be fair, it did slim down by carving out South32 in 2015. Activist fund Elliott wants more simplification in the shape of a single share class. The current dual-listed company structure requires internal transfers to London from Australia to maintain an equal dividend for all holders.

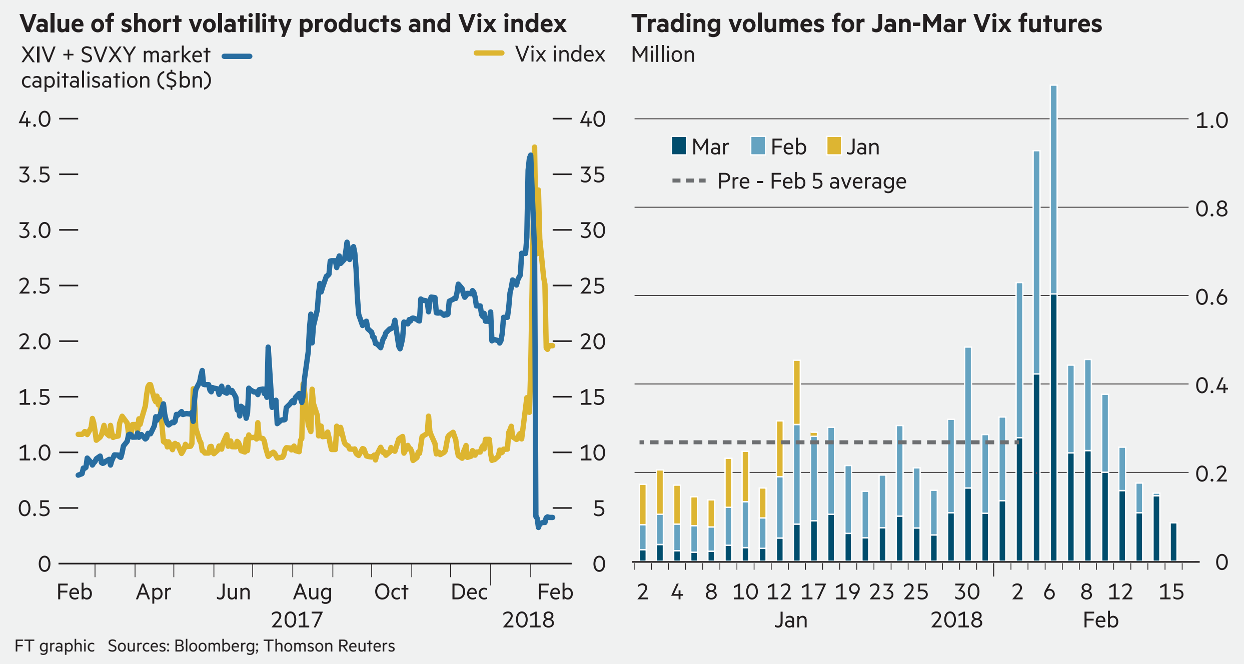
Most shareholders will want to hear any ideas from chief digger Andrew Mackenzie. He will be preparing to visit all of them, no doubt hauling presentation packs as to why the dual listing should stay. Having one listing would offer a simpler currency for all-share transactions. Whether it saves all the money Elliott claims is debatable.

Better to separate the oil unit. BHP says it is a hedge against its own fuel costs. The reality is more likely to be that it just likes the industry. Given single-digit returns on assets — poor relative to its iron ore, copper and coal — it is hard to see why. Still, an oil business comprising all its conventional oil assets (US and elsewhere) plus the US shale could have a value north of $20bn, based on its cash flow.

Take that money, buy more copper assets and pay out the rest. That will focus shareholders' minds.

Inverse Vix funds: shark chum

A sharp spike in implied volatility this month all but wiped out investors betting on continued stock market calm. Although contained this time, the incident serves to highlight the instability inherent in such products and the momentum strategies they employ.



FT graphic Sources: Bloomberg; Thomson Reuters

SVXY, an exchange-traded fund whose price is inversely linked to volatility, crashed 96 per cent this month. In an exchange with the Financial Times, sponsor ProShares said it had seen no "credible analysis" of the "material, harmful effect" such products might have on markets. Lex is happy to oblige.

The sponsors of "inverse funds" such as SVXY sell short futures on the Vix, the equities volatility index, in order to generate the gains they promise to investors. When they adjust their positions after a market move, they follow the momentum. A calmer market leads to gains which must be protected by selling more futures. Higher volatility triggers a loss in market value. Then shorts must be reduced. Traders are well aware of the destabilising potential of such feedback loops.

ETFs and allied products can only hurt markets if they are large. Inverse Vix funds were big by several measures. The market value of SVXY and Credit Suisse's XIV alone near tripled to $3.1bn before they came unstuck. The Vix futures index they link to closed at 15 when market trouble was brewing. Investors would have gained $200m had that index fallen to 14 the next trading day.

This corresponds to a short position of 200,000 Vix futures contracts — 10 times the size of what would make a bank-risk minder choke. Here, the risk was shared among ETF investors, though the fund's rules required unilateral action. The sponsors had to buy back almost all of the contracts when the index doubled in a day. That was equivalent to three-quarters of the average daily trading activity during the preceding month.

Every Vix trader could anticipate the trades the fund's rules required the sponsor to make. Momentum trading gone wrong is usually illustrated by portfolio insurance's role in the 1987 crash. Inverse Vix ETFs played a similar role this month, as investors lost $2.4bn in moves detached from fundamentals. Credit Suisse vowed to close XIV. While strategies such as SVXY may serve a purpose for traders, these instruments will always pose some danger to the stability of markets.

Venezuela/petros: cryptobabble

Venezuela and cryptocurrencies make perfect bedfellows. Both are powered by magical thinking, dubiously valued and rightly viewed with suspicion. Yet Venezuela's bitcoin-esque "petro" still makes little sense.

The government has incubated its cryptocurrency in a haze of confusion. Information was sparse yesterday, the official launch date. Previously, a price of $60 per petro had been mooted — linked to the price for a barrel of oil — and enough for the country to raise $6bn and avert default. But millions of tokens have been touted to global buyers at an unknown discount and no up-to-date information on pricing has been published. Having claimed that 100m units would be released, the government said up to 38.4m would be made available in a presale.

The link between petros and oil is also questionable. President Nicolás Maduro claims the petro will be backed by Venezuela's oil reserves, with prices to match, yet investors will not be able to swap their petros for oil. Right now, they can only buy them with hard currencies, such as US dollars, rather than the wrecked Bolívar. This is the real plan in motion.

Venezuela is dealing with quadruple-digit inflation and tanking oil production. It wants dollars and needs to circumvent sanctions to get them. If petros work, expect to see a raft of cryptos from other nations under sanctions (the Myanmar Yango? Cuban Tobaccoin?). But this is not a given. The US Treasury has already warned that anyone silly enough to buy petros may be exposed to sanctions risk.

Venezuela has a poor credit history and is in economic crisis. The petro is not the answer to these problems. But it may make the history books. Cryptos were born of anti-authoritarians who sought to replace banks and states with blockchain. As cryptos gain traction, intermediaries want in. Venezuela will host one of the first intersections between cryptos and the very institutions they were designed to avoid.

Albertsons/Rite Aid: dog in the fight

In Greek mythology, Cerberus is the three-headed canine that keeps the dead from escaping the underworld. The acclaimed private equity investor of the same name has struggled to exit the hell that is the US grocery market. Yesterday, it finally found a way out.

Cerberus Capital Management first bought a piece of supermarket chain Albertsons in 2006. In the 12 years since, it has bought the rest of it and scooped up several other wobbling grocery outfits, including the national chain Safeway. But the travails of retail have scotched the listing plans it revealed in 2015. Now, it plans to merge Albertsons with the carcass of pharmacy Rite Aid, creating a food and drug beast with $85bn in annual revenues.

Rite Aid is another opportunistic target. In 2015, the distant third-largest US pharmacy announced a sale to Walgreens Boots Alliance at $9 a share. But regulators quashed the transaction, so Rite Aid ended up selling a fraction of its locations to Walgreens instead. Yesterday, Rite Aid shares traded at just over $2.

Now Albertsons will combine with Rite Aid, with the latter's shareholders owning about a third of the company.

That proportion seems generous to Rite Aid given its operating profit is only just a fifth of the pro forma total. Rite Aid shares barely responded. Walmart reported a disappointing festive season yesterday, so perhaps the idea of even a huge food and drug chain does not seem so compelling.

Other large drug chains have tried different paths. Walgreens is keen on the drug wholesaling business. CVS has one of the largest pharmacy benefits managers, which oversee insurance payments for drugs. Rite Aid has a small PBM unit as well.

Overall, by buying cheaply and unlocking property values, Cerberus has probably done well on its grocery adventures. But, after more than a decade, its continued participation is hardly an endorsement of the sector's prospects.

Lex on the web
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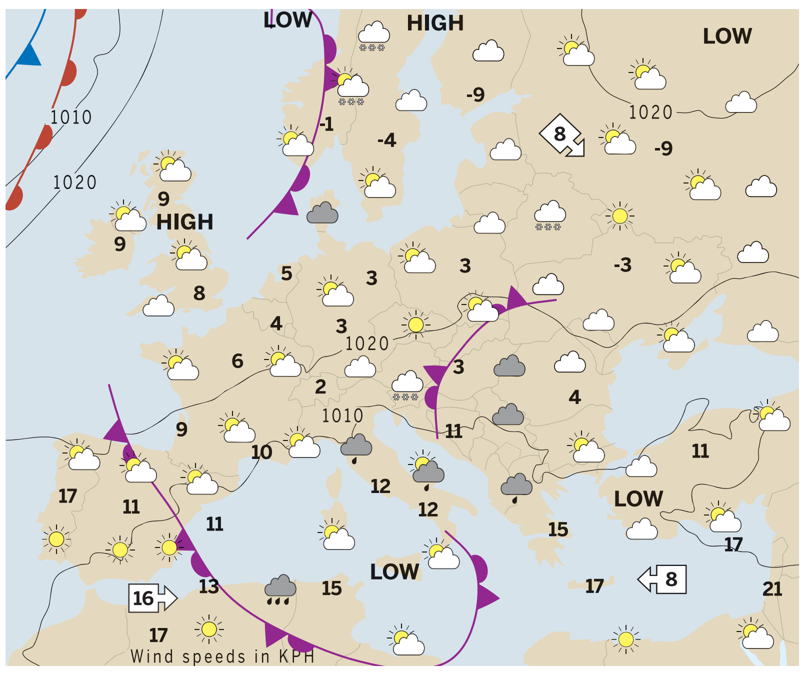
WEATHER



Forecasts by MeteoGroup

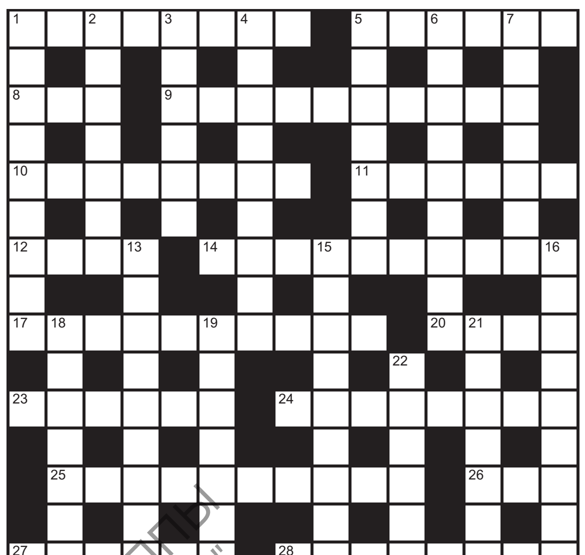
Warm front Cold front Occluded front Wind speed in KPH

Today's temperatures Maximum for day °C

Amsterdam	Fair	5	Malta	Shower	15
Ankara	Cloudy	11	Manila	Fair	33
Athens	Shower	15	Miami	Cloudy	28
Bahrain	Sun	24	Milan	Fair	10
Barcelona	Fair	12	Montreal	Rain	12
Beijing	Sun	7	Moscow	Cloudy	-9
Belfast	Fair	8	Mumbai	Sun	33
Belgrade	Cloudy	6	Munich	Cloudy	2
Berlin	Fair	3	Naples	Shower	12
Brussels	Fair	4	New York	Cloudy	21
Budapest	Sleet	3	Nice	Fair	13
Cairo	Shower	24	Nicosia	Shower	17
Cardiff	Cloudy	8	Oslo	Cloudy	-1
Chicago	Fair	2	Paris	Sun	6
Cologne	Sun	6	Prague	Fair	2
Copenhagen	Cloudy	2	Reykjavik	Sleet	5
Delhi	Sun	29	Riga	Cloudy	-6
Doha	Sun	25	Rio	Thunder	35
Dubai	Sun	25	Rome	Shower	12
Dublin	Fair	9	San Francisco	Fair	13
Edinburgh	Fair	8	Singapore	Fair	33
Frankfurt	Sun	6	Stockholm	Cloudy	-3
Geneva	Fair	4	Strasbourg	Fair	5
Hamburg	Cloudy	3	Sydney	Cloudy	23
Helsinki	Cloudy	-9	Tokyo	Cloudy	8
Hong Kong	Fair	21	Toronto	Rain	12
Istanbul	Cloudy	11	Vancouver	Snow	3
Lisbon	Sun	17	Vienna	Snow	1
London	Cloudy	8	Warsaw	Fair	3
Los Angeles	Sun	17	Washington	Cloudy	25
Luxembourg	Sun	4	Zagreb	Snow	3
Madrid	Sun	11	Zurich	Cloudy	2

CROSSWORD

No. 15,788 Set by LOROSO

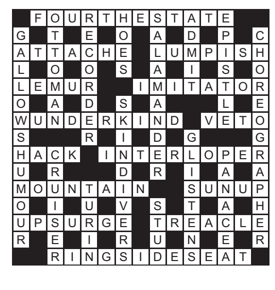


JOTTER PAD

ACROSS
- **1** Choice fish almost completely selling out (8)
- **5** Soup for one on counter (6)
- **8, 9** Main reason for distress? (3,2,8)
- **10** Avoid eating left-over cut of meat (8)
- **11** Good and hot, wrapped in a warmer blanket (6)
- **12** Of opposite meaning, one thing or a couple (4)
- **14** Collecting waste, odd people join forces (5,5)
- **17** Overweight, unfit, I'm there to get an hourglass figure (6,4)
- **20** Next in line on radio broadcast (4)
- **23** Very light as, ultimately, 70s fashion (6)
- **24** Approximate deposit on social event (8)
- **25, 26** Space age communication difficulty (10,3)
- **27** Returned gift. Problem? Dead (6)
- **28** Potty – toilet – turned into toy (8)

DOWN
- **1** A sculpture as an instruction to take in faith (3,6)
- **2** Dream about hotel block (7)
- **3** Greek god of love – following a vote (6)
- **4** George in paradise, almost opening a parcel (9)
- **5** Mature fruit's first down (7)
- **6** What about stage talk after time signal? (9)
- **7** Crumbs ward off troublesome bird (7)
- **13** Airman has upset Indian royalty (9)
- **15** I'm a cop – it's not right to be friendly (9)
- **16** Ready for action (6,3)
- **18** Following everyone, I will cross river quickly (7)
- **19** Stand up or play guitar (7)
- **21** Raised on one area of church gospel (7)
- **22** Sexless, having no call for excitement (6)

Solution 15,787



Companies & Markets
FINANCIAL TIMES

New media Shifting landscape leaves once-hot sector searching for ideas — PAGE 13

Inside Asia How to value Chinese tech in an age of fierce competition — LOUISE LUCAS, PAGE 12

Qualcomm lifts bid in race for NXP

- Attempt to seal deal with $44bn offer
- Move muddies Broadcom pursuit of US chipmaker

JAMES FONTANELLA-KHAN — NEW YORK
ARASH MASSOUDI — LONDON

US chipmaker Qualcomm has bowed to investor pressure and raised its bid for NXP Semiconductors, hoping that a new $44bn offer to buy the Dutch company will seal the longstanding deal and bolster its own defences against a hostile takeover bid from Broadcom.

After months of pressure from hedge funds, including Elliott Management, to lift its offer, Qualcomm agreed to raise its bid to $127.50 per NXP share, a bump of 16 per cent from the initial $110 per share proposed in October 2016.

Qualcomm said yesterday that it had entered into a binding agreement with nine NXP shareholders, including Elliott and hedge fund Soroban Capital, which collectively hold more than 28 per cent of the group and have agreed to tender their shares at the new price. It also reduced the acceptance threshold for its bid to just 70 per cent of NXP's investor base from 80 per cent, and set a deadline for investors of March 5.

The company has pursued NXP as part of an effort to diversify its business away from smartphones and into other areas, such as supplying the automotive and security sectors. Qualcomm said it had agreed to finance the increased bid with cash on hand and new debt.

Steve Mollenkopf, chief executive, said: "With only one regulatory approval remaining, we are working hard to complete this transaction expeditiously." The deal is still awaiting approval from Chinese authorities.

The agreement marks a victory for hedge funds in their efforts to squeeze more money out of Qualcomm, as well as for UBS, which worked with Elliott in a rare example of an international investment bank teaming up with an activist investor against a corporation.

By agreeing a new deal with NXP, Qualcomm is also complicating the plans of Broadcom, the Singapore chipmaker that has been trying for months to force its US rival to talk about its $146bn bid for the company. If it were successful in acquiring Qualcomm, Broadcom has said it will not follow through on a deal for NXP at a price of more than $110 per share.

A person close to Broadcom's senior management said Qualcomm's higher offer for NXP would not lead it to walk away from its pursuit of the company.

Broadcom has offered Qualcomm an $8bn break fee, one of the largest in dealmaking history, if the transaction were to be agreed and then blocked by competition authorities. It is also hoping to overthrow a majority of Qualcomm's board at next month's meeting.

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Smart Money

John Authers

Markets are forever blowing bubbles, prompting ever more ways to define them. That has brought on a touch of bubble inflation, with the word bandied around too easily.

A number of different kinds of investment "bubble" have been identified. GMO's James Montier recently offered a useful taxonomy, including the "fad" (like tulips) and the "intrinsic" (when earnings themselves are in a bubble, as with banks in 2007).

Montier also took issue with a description found in academic literature of a "a near rational bubble". He instead labels this a "cynical" bubble in which "those buying the asset in question do not really believe they are buying at fair price (or intrinsic value) but rather are buying because they want to sell to someone else at an even higher price before the bubble bursts".

So are we now in a cynical bubble? The evidence from a survey of fund managers conducted by Bank of America Merrill Lynch this month is that many are invested in equities even though they think they are overvalued. That is cynical bubble behaviour.

Mr Montier draws a parallel with 2007, when subprime lenders began to go bankrupt almost a year before the equity market finally topped. Chuck Prince, the former chief executive of Citigroup, famously and disastrously summed up the era with these words (to the FT) from July 2007: "As long as the music is playing, you've got to get up and dance. We are still dancing." He lost his job soon after.

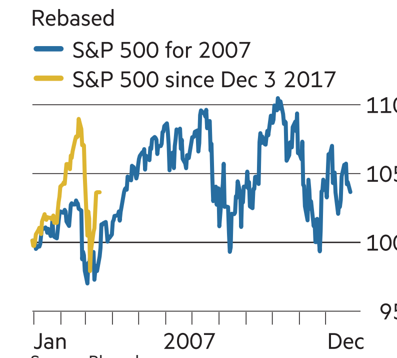
Should investors participate in a "cynical bubble" and bet with Jeremy Grantham, Montier's boss, that stocks are going to "melt up" before collapsing? In general, stocks keep going up for a while after the first resurgence of volatility. The behaviour of the past few weeks looks a lot like early 2007.

And many value managers lost their jobs by sticking to their discipline during the long bull market and bubble of the late 1990s, as they refused to chase stocks higher. Most famously, Tony Dye of Phillips & Drew let go before the dotcom bubble burst.

Professional investors may be afraid to walk away and watch the stock market melt up from a distance — and so risk becoming Chuck Prince rather than Tony Dye.

Eleven years on

Rebased



Source: Bloomberg

The behaviour of US stocks at the start of this year closely resembles the pattern seen in early 2007 before the market peaked

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Curve ball Bond yields imply that tomorrow will be no brighter than today

The famed "bond vigilantes" are clearly unconcerned about the US government's ability to fund its debt issuance. Its real long-term borrowing costs are lower now than they were at the beginning of 2016.

That is not what you would expect if traders were exercised by the prospect of large future budget deficits, nor is it what you would expect if traders were optimistic about the growth outlook.

There is also useful information in the absolute difference between shorter and longer-term real yields. If 10-year yields are higher than five-year yields, for example, then that probably means traders expect some combination of faster growth and tighter monetary policy in the future relative to today.

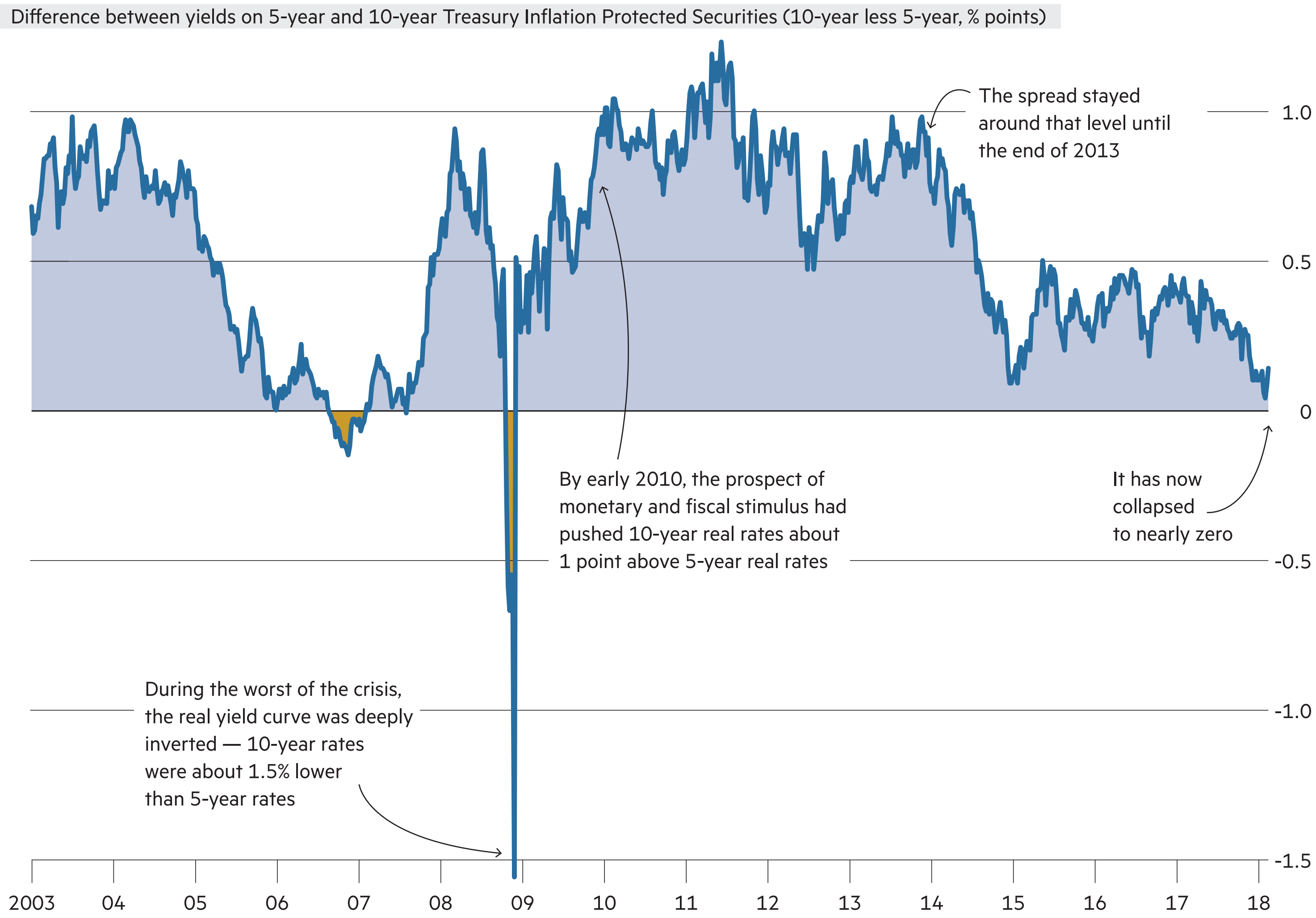
During the worst of the crisis, the real yield curve was deeply inverted — real 10-year rates were about 1.5 percentage points lower than real five-year rates. By early 2010, the prospect of monetary and fiscal stimulus had pushed 10-year real rates about 1 percentage point above five-year real rates.

This spread stayed around that level until the end of 2013. In the past year it has collapsed to near zero.

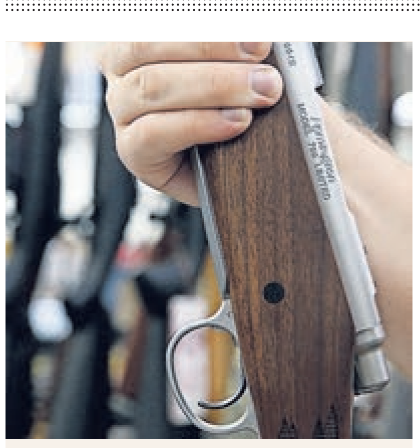
This curve flattening does not necessarily mean recession is imminent but it does suggest the future will not be much different from the way things are right now. Market pricing implies those hoping for a great acceleration will be disappointed. The better future promised in the past has already arrived.

Matthew Klein

Difference between yields on 5-year and 10-year Treasury Inflation Protected Securities (10-year less 5-year, % points)



Source: Thomson Reuters Datastream



Calls for gun control come as sales dip hits producers

Last week's mass shooting at a Florida school has led to renewed calls for gun control in the US. Ironically, gun sales have dipped since Donald Trump took power, hitting gun makers. Remington Outdoor has filed for bankruptcy and shares of others have plunged.

Report ▸ PAGE 12

UK firms accused of fudging gender pay data by omitting top male earners

OLIVER RALPH
AND MADISON MARRIAGE — LONDON

Law firms and other partnerships are presenting a skewed gender pay gap because some of their best-paid male staff are excluded from the data, according to one of the City of London's most prominent female executives.

Inga Beale, chief executive of insurance market Lloyd's of London, has called for an overhaul of the reporting requirements at such partnerships, where female staff have been angered by the lack of transparency about what senior male partners are being paid.

Equity partners at these groups — which include "big four" accountants EY, Deloitte and KPMG and top city law firms — are excluded from gender pay reporting as they are counted as owners, not employees.

Staff at these firms complain that partners are mostly men, making the pay gap much worse than that reported to the government under new rules that require companies with more than 250 staff to publicly declare the difference between the average pay earned by men and women employees.

The most senior partners at the UK's top law firms can earn £1.5m or more a year. According to a 2017 survey by PwC, in its role as a consultant, women make up less than 20 per cent of partners at the top 50 UK-based firms.

"Whoever's setting out the reporting requirements . . . it's something else for them to consider," Ms Beale said. "Why would they provide a carve-out for a certain group which would tend to be the senior, the most highly paid and the least gender balanced?"

The UK's biggest law firms, accountancies and consultants have reported average gender pay gap figures of between 13 per cent and 33 per cent.

Ms Beale said that some companies were creating subsidiaries to keep staff numbers down. "Let's hope we haven't got people hiding and fudging things by finding loopholes," she said.

Lloyd's reported a gender pay gap of 27.7 per cent. "I'm reasonably happy, not with what the figures are but with the action we've taken," Ms Beale said.

Analysis page 15

Companies / Sectors / People

Banks

HSBC flags up threat of $1.5bn penalty

Group braced for hit from probes into Swiss unit as Gulliver hands over reins

MARTIN ARNOLD — LONDON
DON WEINLAND — RENO, NEVADA

HSBC has warned that it could pay at least $1.5bn in penalties over alleged tax evasion and money laundering at its Swiss private bank, casting a shadow over Stuart Gulliver's last day as chief executive.

The estimate underlines how the outgoing HSBC boss has struggled to get to grips with the scandals thrown up by a number of ill-judged acquisitions dating back to before he took over in 2011.

Mr Gulliver was due to hand control of the bank at midnight to John Flint, HSBC's former global head of retail banking. Mark Tucker, former chief executive of Asian insurer AIA, took over as HSBC chairman from Douglas Flint in October.

The departing CEO signed off with mixed results for 2017, having hit most of his long-term targets but also dipping below analysts' expectations on profits in the fourth quarter.

Analysts said Europe's biggest bank by assets benefited from strong loan growth, particularly in Asia, but was not gaining as much from rising US interest rates as hoped, prompting HSBC shares to close down 3.1 per cent in London.

The warning about further penalties came after HSBC agreed to pay €300m in November to settle an investigation by the French public prosecutor into allegations it helped clients evade taxes in 2006 and 2007.

HSBC said it had $604m of provisions outstanding at the end of December relating to its private bank, which is being investigated in several countries, including the US, Belgium, Argentina, India and Spain.

But it said "management's estimate of the possible aggregate penalties" could exceed $1.5bn, which a spokesman described as a worst-case scenario.

Mr Gulliver said that after multibillion-dollar investments in compliance and controls "HSBC is in a stronger and a better position today to protect itself and therefore the banking system from bad actors than it was in 2010."

He will not receive any severance pay but he was given a 7.2 per cent pay rise last year to £6.1m and has more than 6.7m HSBC shares worth more than £49m, of which just over 3m are subjected to deferral.

The bank's common equity tier one ratio, a measure of its ability to handle a crisis, rose to 14.5 per cent last year, well above its 13 per cent target.

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Mr Gulliver said revenues at HSBC's investment banking unit fell 7.5 per cent in the quarter, due to a 24 per cent drop in fixed income, currency and commodity trading revenues, which is in line with many big rivals.

HSBC was also hit by a 40 per cent rise in quarterly loan impairments to $658m, mostly related to expected losses from the collapse of UK construction group Carillion and an accounting scandal at South African retailer Steinhoff International.

Adjusted pre-tax profit for 2017 came in at $20.99bn, up 11 per cent but still below expectations. Adjusted revenues were $51.5bn, up 5 per cent on the year before, bucking a six-year decline.

See Lex

Aerospace & defence. Trump slump

Gunmakers flounder after misjudging demand

Sales boom did not materialise and Clinton's defeat resulted in high levels of inventory

JENNIFER BISSELL-LINSK — NEW YORK

The election of a president who opposes curbs on gun ownership has not been helpful to the finances of gun manufacturers. Quite the opposite.

After last week's mass shooting at a Florida high school, Donald Trump put the focus not on gun control but on mental illness, and backed only a limited legislative effort to improve reporting to a national database of Americans who are already banned from buying guns.

The increase in gun sales that preceded Mr Trump's election, when it seemed likely Hillary Clinton would be elected on a platform that included gun control, has gone into reverse, and manufacturers are reeling.

Stock in Sturm Ruger & Co, the largest US gunmaker, is down more than 20 per cent since Mr Trump took office. American Outdoor Brands, owner of Smith & Wesson, is down 60 per cent. The oldest US gunmaker, Remington Outdoor, filed for Chapter 11 bankruptcy this month.

> Remington Outdoor, the oldest US firearms manufacturer, filed for Chapter 11 this month

A salesman clears the chamber of an AR-15 semi-automatic rifle at the Ready Gunner shop in Provo, Utah
George Frey/Reuters

The industry badly miscalculated in 2016, and is working through the consequences. "Before the election, everyone thought Hillary was going to win, and she had promised to tighten gun control," said Rommel Dionisio, an analyst at Aegis Capital. "Companies like Remington expected people to stock up. But that didn't happen."

More than 11m firearms were manufactured in the US in 2016 to meet the expected demand, up from nearly 9.4m the year before and 3.9m in 2007, according to the Bureau of Alcohol, Tobacco, Firearms and Explosives.

Remington had prepared for a boom in sales, including of its Bushmaster AR-15 style assault rifle. Because this kind of weapon was used in the Sandy Hook school massacre in 2012, in which 26 children and staff died — as it was again in the Marjory Stoneman Douglas school shooting last week — it has been a target of gun control advocates.

Steve Jackson, chief financial officer of Remington, said that the failure of Mrs Clinton to secure the White House led to the company's high levels of inventory. "Retailers and wholesalers expected a different political climate and hunting season that did not materialise," he said last year.

As a specialist in assault rifles, Remington's exposure to the sales slump was especially large. Firearm sales in the company's most recent quarter were nearly cut in half compared with the same period last year. Loaded with more than $950m in debt by its private equity owner Cerberus Capital Management, it will be restructured in bankruptcy and its creditors will take control.

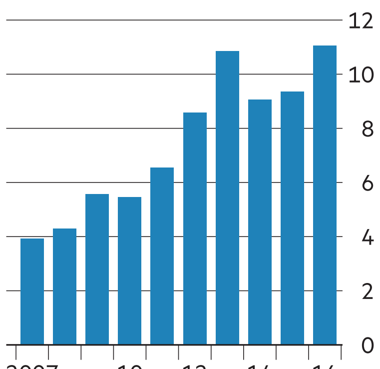
Revenues at rival manufacturers are also sharply down — by 35 per cent at Sturm Ruger & Co in its most recent quarter, compared with the same period the year before, and 36 per cent at American Outdoor — with consequences for the bottom line. Sturm Ruger's most recent quarterly net income was $9.4m, down from $19.9m; at American Outdoor, net income shrank from $32.5m to $3.2m.

In the face of high inventory and low sales, James Debney, chief executive of American Outdoor, told investors in December that prices would remain low and promotional activity was "here to stay". He said: "If you add all the capacity, all the manufacturers together, it clearly exceeds current demand. And that clearly is going to be an issue."

As for the size of the US gun market after it works through its period of overcapacity and price discounting, Mr Debney said: "We just don't know."

Mr Trump has rolled back several gun control laws, but he has not been the industry's saviour. Gun ownership stabilised from its downward trend during the Obama administration, but some say it has further to fall. About 42 per cent of households owned a gun in 2017, down from 51 per cent in 1993, according to a Gallup poll.

Business of making guns
Firearms manufactured for sale, US (m)



Source: Bureau of Alcohol, Tobacco, Firearms and Explosives

Public perception of the industry may be changing, even if legislation is not. About 60 per cent of US adults in 2017 supported stricter gun sale laws, according to Gallup.

That number is the highest since 2004 as deaths from mass shootings have increased. About 48 per cent of Americans surveyed favoured an assault weapon ban last year, up from a record low the year before.

Christopher Killoy, chief executive of Sturm Ruger, said there was an opportunity to introduce new products. New product sales made up 30 per cent of sales in Sturm Ruger's latest quarter, including two new pistols and a precision rifle.

"It really is a buyer's market out there right now — we expect some significant deals to be out there for consumers," Mr Killoy told investors at its earnings call. "The new products are what's going to drive our business in the future, and certainly in 2018."

INSIDE BUSINESS
ASIA

Louise Lucas

China's tech darlings have a fundamental valuation problem

Just how much is the world's largest and fastest-growing financial platform really worth?

The problem is there are two answers to the question, posed by a Financial Times reader last week in response to Lex's note on Ant Financial: fundamental value and what someone will actually pay for it.

The latter assessment has long held sway in China. So-called "red chips" — Chinese companies that few international investors will have heard of until they tapped the Hong Kong public markets for money — hit price/earnings multiples of 80 or 90 times before the Asian financial crisis hit in mid-1997. At the time, queues for listing prospectuses proved a far better measure of where the price would end on trading debut than actually reading the documents.

But the gap between what a company is fundamentally worth and what people will pay for it again appears to be growing wider. Ant, the payments affiliate of tech titan Alibaba, is the latest case in point.

A spat over Ant's ownership was triggered when Alibaba founder Jack Ma carved it out of the ecommerce group without consulting then-major shareholder Yahoo, pleading a government requirement for such businesses to be in wholly Chinese hands.

Redress made to Yahoo (and fellow shareholder SoftBank) to resolve the row valued Alipay, the PayPal-type payments system that remains the core of Ant, at $5.3bn —$16bn, analysts at Jefferies calculated at the time.

Fast forward to 2016, when a fundraising valued the much-expanded business at $60bn. A forthcoming funding round could double that, bankers reckon, perhaps optimistically. At this rate its ultimate initial public offering could dwarf that of its parent, currently the holder of the world's biggest IPO.

But put Ant on PayPal's multiple and you get to just $80bn. The numbers look similarly askew with Xiaomi, which began by making cheap-but-cool smartphones and then took a page out of Apple's playbook and built a content and payments ecosystem around them. But Xiaomi's revenue model is rather more threadbare: it shies away from giving monthly active users, simply claiming that 300m have signed up.

What lets Ant and Xiaomi float nine-digit numbers is abundant cash. Bankers in China joke, with only slight exaggeration, that funding rounds no longer follow the traditional multi-part "ABC" series; instead it is a case of, there is money out there — pass the bowl.

> What lets Ant and Xiaomi float nine-digit numbers is abundant cash

All of which is fine until the tide turns. Last week's market pullback hints at some rationalisation. But there are internal changes at work, too. Regulators are homing in on several areas, including data privacy and lending, which will make operating harder in future. Competition is coming back into play. The emergence of multiple start-ups with identikit models chasing the same customers with ever-diminishing returns is ending in mass consolidation. But that M&A could be characterised as aiming to eliminate competition: not consumer friendly, perhaps, but kinder to the bottom line of those that survived. Hence Didi bought Kuadi and the pair then chased Uber out of town, leaving Didi to be king of China's roads. Groupon clones Meituan and Dianping joined forces and are now valued at $30bn, based on last year's funding round.

But as companies expand they are seguing into new areas. Meituan is now offering ride hailing, an unwelcome intruder for Didi. Xiaomi was usurped in 2015 and 2016 by newcomers Oppo and Vivo, sending it on a cash-burning tear from which it is only now recovering. Ant's Alipay, once dominant, has ceded a substantial chunk of ground to WeChat Pay. Companies argue that competition is fine as the markets grow. As Maggie Wu, Alibaba's chief financial officer, put it at the company's third-quarter results last month: "Sixty per cent of an apple compared with 40 per cent of a watermelon; which one do you want?"

Of course, China is not alone in boasting tech groups with inflated asset values. Nor is it a one-way street. At the other end of the spectrum, online streaming outfit iQiyi is expected to raise around $8bn-$10bn when it lists. Put it on the same multiple as Netflix, a proxy so close they even stream some of the same shows, and it would double that.

But shifting regulations and changing industrial dynamics are now making it harder to ascertain just what Ant, and in fact many of these companies, are worth — adding extra complexity to the fundamental value question already troubling board rooms and roadshows this year.

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Pharmaceuticals

Peanut allergy drug succeeds in clinical trials

DAVID CROW — NEW YORK

A US biotech company is on course to win approval for the world's first peanut allergy drug after reporting impressive results from a clinical trial.

Aimmune Therapeutics said yesterday that about two-thirds of children and teenagers who were administered its drug for a year were able to tolerate at least 600mg of peanut protein, or roughly two nuts, compared with just 4 per cent of patients on a placebo.

Such a level of protection, equivalent to a child-sized bite of a peanut-butter sandwich, is likely to be sufficient to prevent a person from a potentially fatal anaphylactic shock in case of accidental ingestion, according to doctors. If the medicine is approved it would offer hope at a time of soaring rates of peanut allergy: roughly 2 per cent of children in the US and UK have the condition, four times higher than in 1997.

"Many peanut allergy patients live in fear of a potentially catastrophic event, albeit though most reactions are of a mild to moderate nature," said George Du Toit, a consultant in children's allergy at Evelina London Children's Hospital, and a member of Aimmune's scientific advisory board.

The results from the trial of 554 patients aged between four and 17 were more clear-cut than investors had been expecting, prompting analysts to predict that the US Food and Drug Administration would approve the drug. Aimmune said that it plans to lodge an application with the medicines regulator in the US later this year and with the European watchdog in the first half of 2019.

Analysts predict the medicine, codenamed AR101, could generate as much as $1bn a year in peak sales. Neena Bitritto-Garg, an analyst at Baird, said the drug was "easily approvable".

However, treatment is laborious, involving regular trips to an allergist, and regularly causes stomach aches and other unpleasant side effects. More than one in five patients on AR101 discontinued the study.

Shares in Aimmune surged as much as 20 per cent in premarket trading in New York, but fell 6.45 per cent as investors fretted over the dropout rate.

Retail & consumer

Albertsons tie-up looks to take on online rivals

ERIC PLATT — NEW YORK

Albertsons plans to buy drugstore chain Rite Aid in a deal that hastens the consolidation rippling through the grocery industry as companies try to outmanoeuvre the rising threat of online competitors such as Amazon.

The combined company, worth more than $20bn including debt, will have annual sales of $83bn and serve more than 40m customers a week, Albertsons and Rite Aid said yesterday.

Privately held Albertsons, which operates grocers under its name and other banners including Safeway and Acme — will own roughly 71 per cent of the new group, with Rite Aid shareholders holding the remainder.

The tie-up gives investors in Albertsons a path to an eventual exit, more than two years after the company filed plans with US securities regulators for an initial public offering. Shares of Albertsons, which is backed by an investment group including Cerberus Capital Management, are expected to trade on the New York Stock Exchange after the deal is completed.

"This powerful combination enables us to become a truly differentiated leader in delivering value, choice and flexibility to meet customers' evolving food, health and wellness needs," said John Standley, Rite Aid chief executive.

Mr Standley will become chief executive of the combined company, with Bob Miller of Albertsons becoming chairman. A name for the new group has not yet been decided. The deal offers Rite Aid stockholders the option of one share of Albertsons and $1.83 in cash for every 10 shares of Rite Aid they hold or 1.079 shares of Albertsons stock for each 10 Rite Aid shares they own.

Analysts with credit rating agency Moody's said the company — with 4,900 stores and roughly 4,350 pharmacies — will have a scale that is "necessary to compete in today's highly competitive food and drug retail environment".

Albertsons has worked to safeguard itself from intensifying online competition, buying meal kit company Plated and signing a deal with Instacart to offer same-day grocery delivery.

See Lex

Pressures mount for digital media trailblazers

BuzzFeed and Vox are among operators seeking to diversify as they struggle to generate income in a tough ads market

MATTHEW GARRAHAN — LONDON
SHANNON BOND — NEW YORK

Winter has arrived for a new generation of digital media companies, with missed revenue targets, an uncertain advertising environment and Facebook's change of heart on news chilling a once hot sector.

Vice Media, one of the most closely watched companies to have built a large, young audience, missed its 2017 revenue targets by $100m because of weaknesses at its Viceland cable channel and digital video operation. BuzzFeed, which specialises in news and entertainment and has pushed heavily into video, also missed its targets for the year. Mashable, once among the most talked-about online news operations, has been sold for a knockdown price.

The challenge facing these groups and other digital participants such as Vox Media, which owns brands such as Curbed and Recode, is how to diversify and prosper at a time when traditional media — namely television — are under extreme stress thanks to streaming services including Netflix and Amazon Prime.

An uncertain ad market has contributed to the fears, with Google and Facebook becoming an effective duopoly: the two companies accounted for 63 per cent of all US digital advertising in 2017, according to eMarketer, the research firm. Concerns have been amplified by changes to Facebook's news feed algorithm: it will no longer prioritise news sources and will survey its users to rank publications by their "trustworthiness".

The full impact of these changes has not yet been absorbed by the likes of BuzzFeed and Vox Media, which have used the social network to distribute their content. But analysts are not optimistic that the shift will be good news for many news providers.

"The news feed changes will have the most negative impact on publishers that rely primarily on Facebook for referral traffic and those companies that specialise in producing and distributing sponsored videos for Facebook," says Christopher Vollmer, global entertainment and media advisory leader at PwC.

Larger publishers and "fan-driven brands", whose active audiences drive more of their own engagement and support a greater diversity of revenue sources, "will be much less impacted by the change", he says.

All of the new digital participants are trying to find new ways to generate income. Vice reduced its reliance on digital advertising several years ago when it began its push into TV — a strategy that attracted investment from Walt Disney and TPG, the private equity group, at a valuation of $5.7bn in 2017. It now produces a nightly show for HBO, the Time Warner-owned premium cable channel, as well as a magazine series, and also has programming deals with several international broadcasters.

But linear television is no panacea, as the company found to its cost last year when its Viceland channel struggled to attract big audiences. The company says it generated record revenue growth in 2017 and "produced hundreds of hours of programming for audiences around the world".

BuzzFeed was later to video but has established a studio operation in Los Angeles to develop formats for sale and production, while Vox Media recently struck a deal to make a show for Netflix.

Jim Bankoff, chief executive of Vox Media, acknowledged in a memo to employees that the Facebook algorithm changes were "unpredictable" but could ultimately be good for the company.

They "will favour both trusted and local journalism", he wrote, saying "even more people will be exposed to our work". The company would change how it worked with Facebook, he added, saying, "we will cut back our native video programming" on the platform.

BuzzFeed, which has cut about 100 jobs as part of a restructuring, says it is "evolving to a multi-revenue model" that is less dependent on native digital advertising. There have also been informal conversations between Ben Smith, editor of BuzzFeed News, and Peter Lattman, managing director of the Emerson Collective, a non-profit group founded by Laurene Powell Jobs, widow of Steve Jobs, about a possible investment or spin-off of BuzzFeed News.

> 'News feed changes will have the most negative impact on publishers that rely primarily on Facebook'

Jonah Peretti, chief executive of BuzzFeed, says there are no plans to sell the company's news division but it does not rule out taking in investment. "News adds a lot of value in a bunch of different ways," he says.

He points to the struggles that Facebook has had with fake news.

"When these $500bn platforms are struggling to figure out news and we have the ability to be one of the few providers of real news that isn't subscription-based and reaches a broad audience — and is digitally native — that is strategically attractive," he says. "Long term, there is a lot of value there."

BuzzFeed and its peers have built big audiences largely on the back of traffic sent by Google and Facebook. But publishers seeking to build businesses by distributing their content on third-party platforms have not made much headway, according to Digital Content Next, a group that represents more than 70 major media groups including Vox Media, NBC and the FT.

A survey of 20 DCN members found that revenue from Facebook, Google, Apple, Snapchat and other platforms rose 37 per cent to $10.1m in the first half of last year from the same period in 2016. But as a proportion of the publishers' total digital revenue, there was little growth: it was 16 per cent in 2017 compared with 14 per cent the year before.

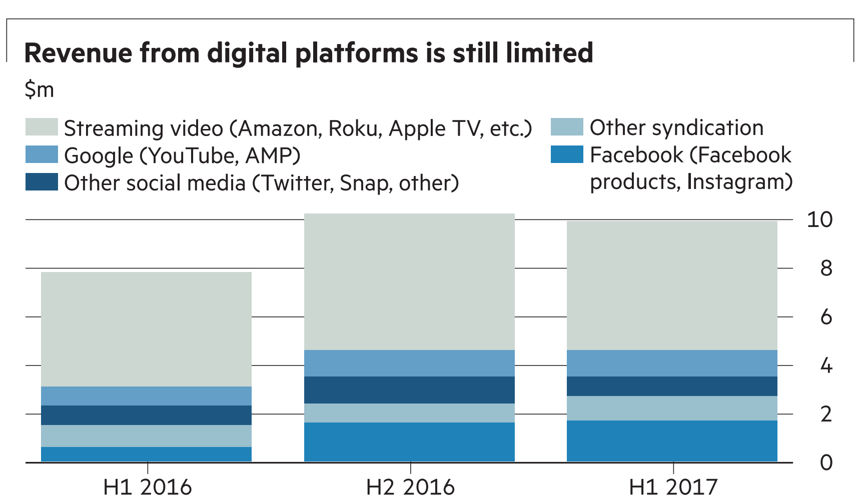
Google and Facebook together account for just 5 per cent of total publisher digital revenues, even as the two platforms are tightening their grip on the online advertising market.

While digital media darlings are trying new business models, some stalwarts of traditional media have taken a different path. The New York Times is more than halfway to its goal of doubling digital sales to $800m by 2020, thanks to surging online subscriptions.

The Times, like the FT, the Wall Street Journal and others, have shifted from relying on advertisers to subscriptions, as they face the reality of declining print sales and rivalry with Google and Facebook in digital ads. For old and new participants alike, the evolving media landscape has not stopped posing problems.

Troubled times

Netflix, which commissions and airs shows such as 'Altered Carbon', has struck a deal for a programme produced by Vox — Katie Yu/Netflix



The Viceland channel has struggled to win big audiences — Richard Levine/Alamy

Feeling the chill
Platforms scale back after missing targets

BuzzFeed
The site specialising in news and entertainment has built a big audience and won major financial backing from groups including Comcast's NBCUniversal, valuing the company at $1.7bn. But after missing financial targets, the publisher announced late last year that it would cut jobs and reorganise its business.

Vox Media
The company, whose brands include Curbed and Recode, is having to scale back the amount of content it publishes on Facebook, after the social network changed its algorithm to favour social interactions over data produced by publishers. Jim Bankoff, its chief, is optimistic that it can continue to drive traffic on the platform.

Mashable
Once one of the hottest and most talked about new media sites, the publisher founded by Pete Cashmore was valued at $250m in late 2016. But after it failed to achieve growth levels to match the lofty valuations, it was sold in December for a reported $50m to tech publisher Ziff Davis.

Vice
A company that started as a cool magazine in Montreal has become a behemoth valued at $5.7bn, after attracting investment from Walt Disney, WPP and others. But after expanding aggressively, Vice missed revenue targets by $100m in 2017 after ventures such as its Viceland channel struggled to attract big audiences.

Telecoms

Orange gives scandal-hit chief four more years

DAVID KEOHANE — PARIS
NIC FILDES — LONDON

Orange has voted to renew the mandate of chief executive Stéphane Richard for another four years despite pressure on him from a long-running fraud scandal.

France's largest telecoms company said in a statement yesterday that it had been "convinced by the solid results achieved by Stéphane Richard during the eight years he has spent as head of Orange.

"During this time, he has succeeded in restoring a positive working environment within the company and has overseen improved financial results despite strong competition in France and abroad."

Mr Richard, whose reappointment will be put to shareholders in May, had been under pressure due to a scandal dating from his time as a civil servant.

However, the French state, which holds 29 per cent of the company's voting rights, had indicated earlier this year that Mr Richard would remain in the job.

In December, the Orange boss discovered he would stand trial over a €405m payout made by the French state when he was a high-ranking finance ministry official.

Mr Richard, who was the chief of staff of then finance minister Christine Lagarde at the time of the payout, will be tried alongside five other suspects including Bernard Tapie, who received the money. Mr Richard has denied any wrongdoing.

The scandal also overshadowed his reappointment in 2014. At that time he argued that a move to replace him would destabilise the business.

The former civil servant took over as Orange chief executive in 2011 following a crisis sparked by a wave of staff suicides at the business. His tenure has come against a backdrop of a reshaping of the French telecoms industry as companies including Altice and Iliad have entered the market.

Orange has tried various strategies, including overseas expansion and a push into media, to help grow its revenue. Last year, it launched an online bank as Mr Richard argued that it was difficult to "find growth" in its core telecoms operations.

Mr Richard remains in favour of further consolidation in the French market after previous attempts to strike a deal between the four current operators failed.

The fierce competition between Orange, Altice's SFR, Iliad's Free and Bouygues is expected to weigh on fourth-quarter results, according to Goldman Sachs, which favours Orange due to its investment in fibre networks. Orange reports full-year results today.

Technology

AI progress sparks cyber weapon fears

Report warns of online and physical attacks if pace of advance continues

RICHARD WATERS — LONDON

Rapid advances in artificial intelligence, if left unchecked, could soon lead to malevolent new strains of fake news, cyber attacks and assaults on the world's physical infrastructure, a group of experts has warned.

But while warning of the risk of imminent threats, the group, made up of AI researchers and civil liberties groups, did not offer hard suggestions for how to prevent one of the world's most powerful new technologies from being misused.

In a report called The Malicious Use of Artificial Intelligence, the authors warn that if breakthroughs in AI continue at their recent pace, the technology will soon become so powerful that it can outflank many of the defence mechanisms built into today's digital and physical systems.

"What struck a lot of us was the amount that happened in the last five years — if that continues, you see the chance of creating really dangerous things," said Jack Clark, head of policy at OpenAI, San Francisco-based AI group whose backers include Elon Musk and Peter Thiel.

AI will make it easier for attackers by lowering the cost of devising new cyberweapons, and by making it possible to create more precisely targeted assaults, the experts warn. In the field of cyberweapons, this might lead to far more effective "spear phishing" assaults, with attacks personalised for each target.

They also warn that drones and driverless cars could be commandeered and used as weapons, and that malicious AI could be used to organise swarms of drones. Meanwhile, political systems could be hacked by using tools developed for online advertising and commerce to manipulate voters, taking advantage of "an improved capacity to analyse human behaviours, moods and beliefs on the basis of available data".

The group, which includes researchers from the University of Oxford and the Electronic Frontier Foundation, was prompted to call for a wider public debate about the threats from AI by the early public debate around the gene editing technology Crispr, said Mr Clark.

But despite urging researchers to think about the potential "dual use" nature of the technologies they are working on, and calling for more discussion with governments about the issues, they do not offer specific recommendations for action.

In one example of how researchers could start to limit their work to take account of potential risks, OpenAI last year restricted its release of an unsupervised sentiment neuron — an algorithm that it had trained to understand sentiment by reading reviews on Amazon. The group decided to keep it private to prevent misuse of the algorithm to generate a deluge of fake reviews.

Technology

Temenos joins data and trade tools fight with move for Fidessa

PHILIP STAFFORD — LONDON

Temenos is in advanced talks to buy the UK's Fidessa, as the Swiss banking software group joins the fight to supply data and trading tools to capital markets.

The company, which has a market cap of SFr8.7bn ($9bn), said yesterday that it had proposed an all-cash offer worth £36.467 per Fidessa share, valuing the UK business at more than £1.3bn.

Fidessa shares rose more than a fifth to an all-time high of £36, giving it a market capitalisation of more than £1.4bn. Temenos shares fell more than 6.5 per cent to SFr114.30, as analysts worried a deal would curb the company's growth.

The offer is the latest high-profile deal in the trading and technology market in recent months. In January, Blackstone unveiled a $17.3bn move for the terminals and data businesses of Thomson Reuters, a few months after Ion Investment Group, backed by Carlyle Group, agreed to buy Openlink and a controlling undisclosed stake in Dealogic.

Temenos mainly supplies software to enable the daily operations of retail and corporate banks, such as payments, risk monitoring, and fund and securities administration.

Fidessa competes with Reuters in providing market data and trade processing for hundreds of investment banks and fund managers worldwide.

Analysts said the bid could kick off a bidding war for Fidessa, one of the "grandfathers" of the UK financial technology market, especially from private equity companies.

> The Swiss company has long looked to expand beyond its core banking expertise

Formed in the early 1980s, Fidessa's rapid growth before the financial crisis slowed as its customers consolidated and regulation came into force that restricted the trading activities of its investment banking customers.

However its shares hit a record high after the company reported full-year results yesterday, with analysts forecasting that margins could improve from 2019 when current spending to prepare for Mifid II rules and a move into the derivatives market slows.

Fidessa said its board would recommend the bid to shareholders if a firm offer was made.

Panagiotis Spiliopoulos at Vontobel said an acquisition was a "smart strategic move, as it would substantially expand the addressable market for Temenos into trading, investment management and capital markets".

Berenberg's Josep Bori said a deal an would "make strategic sense" as Temenos has long looked to expand beyond its core banking expertise.

The Fidessa bid comes six years after Temenos lost out in a battle to buy Misys, a banking software supplier, to private equity group Vista.

Neil Campling, an analyst at Mirabaud Securities, said Fidessa's strong cash generation, high recurring revenues and debt-free balance sheet "tick all the boxes for private equity".

He added that it would be an expensive acquisition because Fidessa had lower growth and operating margins than its Swiss rival. "The attraction financially would be more suited to private equity than a growth company such as Temenos," he said.

Additional reporting by Nic Fildes

ft.com/lombard

Oil & gas

Vista Oil buys Argentine shale explorer for $700m

JUDE WEBBER — LOS CABOS

Six months after bursting on to the Mexican stock market with the third-biggest initial public offering since 2015 and the promise to become a Latin American energy champion, Vista Oil & Gas has sealed its first acquisition and is planning an aggressive 400-well drilling programme in Argentina's Vaca Muerta shale formation.

The company, led by Miguel Galuccio, the former chief executive of Argentine state company YPF, announced it had acquired 99.7 per cent of Petrolera Entre Lomas, or Pelsa, for $700m, giving it production of 27,500 barrels of oil equivalent per day and a stretch of Vaca Muerta acreage which Vista aims to bring into production next year.

"This operative platform, with a mix of cash flow-generating assets and high-growth ready-to-develop core Vaca Muerta acreage, will be the cornerstone to delivering on our vision of making Vista a leader in Latin America," Mr Galuccio said.

The acquisition of Pelsa, previously owned jointly by Pampa Energía and Pluspetrol, vaults Vista into position as Mexico's only listed exploration and production company and one of the top 10 oil producers in Argentina.

Pelsa has been producing assets in the Neuquén basin, including one operated by Shell unit O & G Developments. The company is expected to post earnings before interest, tax, depreciation and amortisation of $182m for 2017.

Vista, which is backed by Mr Galuccio and energy-focused private equity firm Riverstone, raised $650m in a Mexican IPO last August when it was launched as a special purpose acquisition company.

Vista agreed to buy Pampa's 59 per cent stake in Pelsa in January and in the past month has raised a further $400m in debt and equity, including a $300m credit line from Citi, Morgan Stanley and Credit Suisse, to allow it to assume full control. US, UK and Canadian funds, as well as Mexican pension funds, have participated in fundraising, Vista said.

The company is planning to use $100m to invest in and develop assets. "We expect to drill the first wells in Vaca Muerta in the second half of 2018 and to start production in early 2019," Mr Galuccio said.

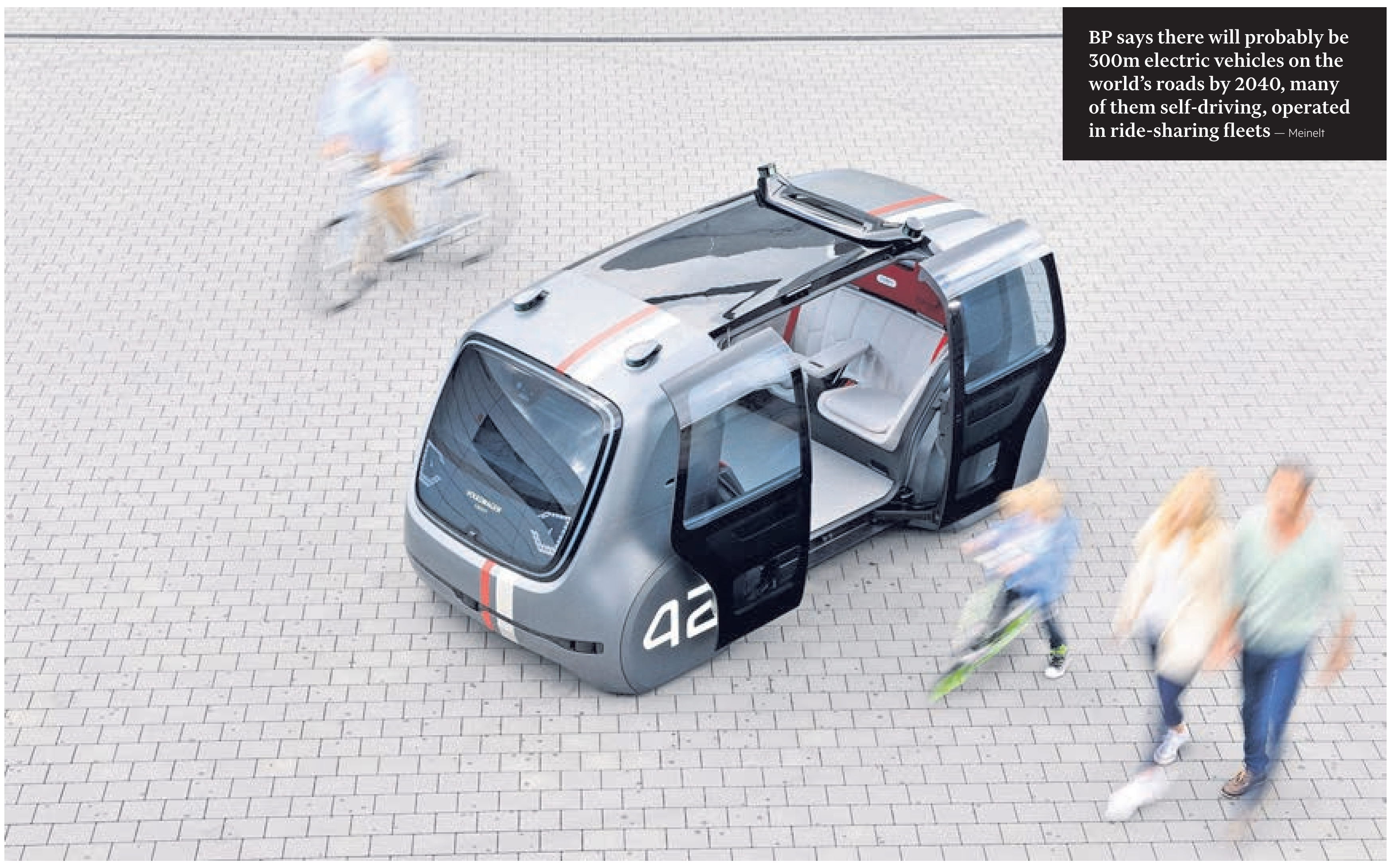
"Vaca Muerta represents a massive opportunity for the entire region and, in particular, for Argentina. The play has been de-risked and is now ready for economic development," he said.

Vaca Muerta contains the world's second-largest shale gas reserves but the area Vista has bought is largely shale oil.

YPF last year announced a $30bn five-year shale push to step up Vaca Muerta's production.

Oil & gas. Energy shift

BP sizes up self-driving car revolution



BP says there will probably be 300m electric vehicles on the world's roads by 2040, many of them self-driving, operated in ride-sharing fleets — Meinelt

Group expects crude demand to peak by 2040 but sees little likelihood of output plunging

ANDREW WARD — ENERGY EDITOR

Self-driving electric vehicles will cause a revolution in transportation over the next two decades, leading global oil demand to peak by the late 2030s, according to the main scenario outlined in BP's latest annual energy outlook.

The forecast marks the first time BP, one of the world's largest crude producers, has shown oil consumption peaking in its long-term forecasts but the UK group said it saw little risk of a precipitous decline in demand.

BP said there were likely to be 300m electric vehicles (EVs) on the world's roads by 2040, up from about 3m today. Many of them would be self-driving cars operating as part of Uber-style ride-sharing fleets, BP said, reducing private car ownership.

"Once you don't have to pay for a driver, the cost of shared mobility services will fall by 40 to 50 per cent," said Spencer Dale, BP's chief economist. "What we expect to see in the 2030s is a huge growth in shared mobility cars."

EVs are projected to account for 15 per cent of about 2bn cars on the road in 2040, according to BP's main scenario. But they will make up 30 per cent of all passenger car transportation, measured by distance travelled, because so many of them will be shared vehicles and therefore used more intensively than private cars.

Despite this upheaval, the amount of oil used by cars was projected by BP to remain almost unchanged in 2040 from the 18.7m barrels per day in 2016. This was because reduced consumption due to electrification and increased fuel efficiency would be offset by a doubling in overall global demand for car travel, with most journeys still made using petrol and diesel at the end of the period.

"The suggestion that rapid growth in electric cars will cause oil demand to collapse just isn't supported by the basic numbers — even with really rapid growth," said Mr Dale, former chief economist at the Bank of England.

Under a more aggressive scenario for EV uptake, involving a worldwide ban on new internal combustion engine cars by 2040, oil demand would be 10m barrels per day lower by the end of the period than it would have been otherwise, BP said.

The UK and France have set 2040 targets for ending sales of new petrol and diesel cars and China and India have indicated that they are considering similar timetables as part of efforts to tackle climate change and air pollution.

Mr Dale also said rising environmental concern over pollution from plastic could shave a further 2m barrels per day off oil consumption by 2040 by reducing demand for the petrochemicals used to make plastic bags and packaging.

Even under the aggressive scenario for rapid EV uptake, overall oil demand was still projected to be higher at the end of the period than the roughly 98m barrels per day consumed now because of growth expected over the next two decades from China, India and other developing regions. Much of it would come from trucks, ships and aircraft, which are harder to electrify than cars.

BP's annual energy outlook is among the most respected in the industry but it has been criticised in the past for underestimating change in the energy system. Mr Dale acknowledged that his team had again increased its forecast for growth in renewable power, as it has in each of the past several years, in recognition of the accelerating transition from fossil fuels.

BP's main scenario now envisages that renewable power will rise fivefold from 4 per cent of global energy consumption today to 14 per cent in 2040. Coal demand will stagnate over the period, with decline in the developed world and China offset by growth in India and Southeast Asia. "By 2040, oil, gas, coal and non-fossil fuels each account for around a quarter of the world's energy," said Mr Dale. "More than 40 per cent of the overall increase in energy demand is met by renewable energy."

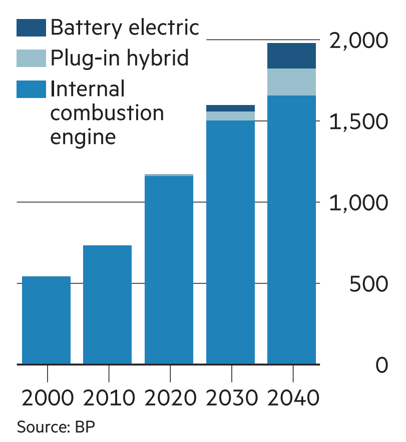
Despite the shift to cleaner fuels, BP said its main scenario, which is based on the current trajectory of global energy policies and technological advances, would fail to prevent a 10 per cent rise in global carbon emissions by 2040.

Bob Dudley, BP chief executive, said "far more decisive" action was needed to put emissions on a downward path and urged wider use of carbon pricing to incentivise the shift. BP and other large oil groups support carbon pricing in part because they hope it will drive greater use of gas as a lower carbon alternative to coal in electricity generation.

Mr Dudley said the rise of renewable energy coupled with abundant oil and gas resources would mean for "a challenging marketplace" in years ahead. "Don't be fooled by the recent firming in oil prices," he said. "The focus on efficiency, reliability and capital discipline is here to stay."

Passenger cars by type

Million vehicles



Source: BP

Legal Notices

NOTICE TO INVESTORS
SOUNDVIEW STAR LIMITED. – In Official Liquidation
(the "Company")
Grand Court Cause No. FSD 112 OF 2013.
TO: The Shareholders of the Company

The Official Liquidator invites any persons who consider themselves to be a shareholder of the Company, who has not already done so, to make themselves known to the Official Liquidator.
Should you consider yourself a shareholder of the Company, please provide your contact details, being an email address, physical address and telephone number, to Hannah Gethin at the contact details below, along with supporting documentation setting out your interest in the Company.
If you have already provided details of your interest in the Company to the Official Liquidator, no further action is required at this time.
Dated this 16th day of February 2018
Christopher Kennedy, Official Liquidator
Contact for enquiries: Hannah Gethin. Telephone: + 1 345 949 7576.
Facsimile: + 1 345 949 8295. Email: hgethin@rhswcaribbean.com
Address for service: RHSW (Cayman) Limited, 1 Windward, Regatta Office Park, PO Box 897, George Town, Grand Cayman KY1-1103, Cayman Islands

NOTICE TO INVESTORS
SOUNDVIEW PREMIUM LIMITED. – In Official Liquidation
(the "Company")
Grand Court Cause No. FSD 111 OF 2013.
TO: The Shareholders of the Company

The Official Liquidator invites any persons who consider themselves to be a shareholder of the Company, who has not already done so, to make themselves known to the Official Liquidator.
Should you consider yourself a shareholder of the Company, please provide your contact details, being an email address, physical address and telephone number, to Hannah Gethin at the contact details below, along with supporting documentation setting out your interest in the Company.
If you have already provided details of your interest in the Company to the Official Liquidator, no further action is required at this time.
Dated this 16th day of February 2018
Christopher Kennedy, Official Liquidator
Contact for enquiries: Hannah Gethin. Telephone: + 1 345 949 7576.
Facsimile: + 1 345 949 8295. Email: hgethin@rhswcaribbean.com
Address for service: RHSW (Cayman) Limited, 1 Windward, Regatta Office Park, PO Box 897, George Town, Grand Cayman KY1-1103, Cayman Islands

Legal Notices

CWR Form No. 32
Notice of Intention to Declare Interim Dividend (O.18, r.6)
THE COMPANIES LAW
NOTICE OF INTENTION TO DECLARE INTERIM DIVIDEND
SOUNDVIEW ELITE LIMITED. – In Official Liquidation
(the "Company")
Grand Court Cause No. FSD 113 OF 2013.
TO: The Creditors of the Company

TAKE NOTICE that the Official Liquidator intends to declare an interim dividend.
Any Creditor wishing to participate in the interim dividend must lodge his proof of debt with the Official Liquidator no later than 30 March 2018, failing which you will be excluded from the interim distribution but you will not be excluded from any subsequent distribution or the final distribution.
Dated this 16th day of February 2018
Christopher Kennedy, Official Liquidator
Contact for enquiries: Hannah Gethin. Telephone: + 1 345 949 7576.
Facsimile: + 1 345 949 8295. Email: hgethin@rhswcaribbean.com
Address for service: RHSW (Cayman) Limited, 1 Windward, Regatta Office Park, PO Box 897, George Town, Grand Cayman KY1-1103, Cayman Islands

Trading Directory

Financials. Loophole

Partnerships avoid gender pay reporting rules

Omission of some sectors has led to fears that the exercise is likely to be compromised

FT REPORTERS

As companies across the UK report their gender pay gap data ahead of the April deadline, one thing is becoming increasingly obvious: the figures do not always highlight the extent of the glaring disparities in wages that was the point of the legislation.

The problem is starkest among the law, accounting and consulting firms, which pay some of the most generous salaries in the country but can avoid disclosing the extent of their wage gaps.

Many of these companies are partnerships rather than traditional companies. As the partners — who are best paid and are mostly men — are owners rather than staff, their data are excluded from the figures.

The omission has angered many staff, and has led to fears that the whole exercise could be compromised. Caroline Flint, Labour MP, said: "Whatever the rationale, to not include the top earners' [income] is distorting our ability to see what the gap is."

Many of the firms are reporting what seems to be a relatively low gender pay gap. EY, for example, says that women on average earn 20 per cent less than men. That gap is lower than the figure some big companies have reported. Pinsent Masons, the City law firm, puts the gap at just over 22 per cent.

'To not include the top earners' [income] is distorting our ability to see what the gap is'

But both excluded partners from the figures, as did the other "big four" accounting firms PwC, Deloitte and KPMG and some law firms. PwC, in its role as a consultant, has calculated that women make up less than 20 per cent of partners at the top 50 UK-based firms.

Acas guidance says partners are excluded from the rules because "partners are not 'paid' but instead take a share of the profits, which is not directly comparable with employees' pay".

Helena Morrissey, a leading campaigner for gender equality in business and head of personal investing at Legal & General Investment Management, said that companies could and should go further than the law required.

"It is disappointing if partnerships fail to disclose the reality of their gender pay gaps and so adhere to the letter but not the spirit of the new laws," she said.

"It is also short-sighted; the negative publicity from a failure to fully disclose will outweigh a poor reception to the full data set. It is hard to fathom why they would take that risk."

EY, where 80 per cent of partners are men, said: "We remain focused on improving the representation of women and ethnic minorities at all levels of the organisation, to help reduce the pay gap and create a diverse and inclusive workplace."

Pinsent Masons said including partners' pay would have required "a significant investment of time and resource to calculate, and it won't tell us anything we don't already know: there is a gap at the senior level".

Richard Foley, senior partner at the law firm, where three-quarters of its partners are male, added: "I do think it's unfair [to criticise law firms for not including partner pay in the data]. We did not run both sets of numbers and then just publish the ones we thought were better. If the regulations required us to include partners — would we have been happy to do so? Absolutely. We did not include them because the regulations did not require them."

Linklaters, where 23 per cent of partners are women, said the "lockstep" model — whereby a partner's share of profits is determined by seniority — was "entirely different to the pay model" for other employees "and therefore cannot usefully be compared with it".

The exclusion of high-paid partners is just one of the issues around the gender pay gap reporting requirements over which employers have voiced concern.

Defining which sector an employer belongs to has proven confusing. Staffmetrix, which has analysed the data, says that of the 1,068 employers that had reported by yesterday — just over a tenth of those the government estimates must report by 4 April — 71 had not stated the sector they belonged to.

These organisations included two law firms, three large professional services firms and several housing associations. Some organisations have reported that the online system did not allow them to select industry classification.

Some groups are also producing multiple reports on the gender pay gap, because the law requires them to produce a separate report for each entity. The government website where the data are logged has five reports from insurer Axa, for example. And there are fears that some groups might have created subsidiaries or service companies with staff numbers below the 250 minimum threshold for gender pay gap reporting.

Inga Beale, chief executive of Lloyd's of London, said: "All businesses have to think long and hard, alongside the government, as to [whether] this is really sharing a true and fair picture of everything that's going on."

Reporting by Madison Marriage, Oliver Ralph, Sarah Gordon and Barney Thompson

More on ft.com
For the latest news, comment and analysis on the gender pay gap, go to ft.com/gender-pay-gap

The problem is starkest among legal accounting and consulting firms, which pay some of the most generous salaries in the country but can avoid disclosing the extent of their wage gaps
Tolga Akmen

Mining

BHP brushes aside calls to simplify dual-listed set-up

NEIL HUME — LONDON

BHP Billiton, the largest mining group, has brushed aside calls by an activist to simplify its set-up as it announced its highest half-year profit since 2014.

Andrew Mackenzie, chief executive, said the cost of collapsing its dual-listed structure — which he put at $1bn at least — outweighed any benefits. "We have not pursued it, because we don't see it working on a risk/return basis," he said.

Earlier this month, New-York based Elliott Advisors, which owns 5.4 per cent of BHP, published a 79-page report that claimed the miner could unlock $22bn of value by unifying its UK and Australian listed groups. It would come through an increase in the miner's market cap and enhanced capital returns. Elliott pointed to other groups that had seen their shares rise after unification.

That claim was questioned by Mr Mackenzie, who noted that RELX Group, the information group formerly known as Reed Elsevier, had not seen any "uplift in value" following its corporate restructuring. "For every study that points to large prizes, there are others that say it is risky," he said. "There are ways you can do the numbers where the upside prize looks quite large."

But Mr Mackenzie, who is meeting Elliott and other shareholders this week, said the group was open to "fresh ideas". The dual-listed structure, which dates from the 2001 merger of BHP and Billiton, was under constant review.

Elliott said it was "reviewing BHP's results statement".

Mr Mackenzie was speaking after BHP announced a 25 per cent rise in half-year profits and a bumper dividend on the back of higher commodity prices and rising copper production.

Underlying profit for the six months to December rose to $4bn, from $3.24bn a year before, on revenues of $21.8bn, up 15 per cent. Including a $1.8bn exceptional charge arising from a change in the US corporate tax code, profit after tax fell 37 per cent to $2bn.

The miner declared an interim dividend of $0.55 per share, up nearly 38 per cent from the same period last year, and well above its minimum payout ratio.

The results fell short of market expectations and shares in BHP fell 68p to £14.94 — the worst performance in the FTSE 100. Analysts focused on a $500m increase in costs due to lower production at its Australian copper and coal business. Net debt of $15.4bn was higher than expected.

"The results are fairly underwhelming," said Tyler Broda, an analyst at RBC Capital Markets. "Costs were higher than anticipated with expected headwinds coming from exchange rates and inflation, but also a $496m 'negative productivity movement'."

See Lex

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 $
0.14%	0.73%	-0.26%	-0.01%	0.56%	-1.01%	-0.78%	-0.09%	-0.484%	0.143%	0.563%	-0.564%	-0.69%	-0.50%

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

AMERICAS

Index	Location	Start	End	Day	Month	Year
S&P 500	New York	2,810.30	2,736.06	0.14%	-2.70%	16.31%
Nasdaq Composite	New York	7,336.38	7,292.30	0.73%	-0.64%	24.85%
Dow Jones Industrial	New York	26,071.72	25,154.37	-0.26%	-3.61%	21.85%
S&P/TSX COMP	Toronto	16,353.46	15,481.36	0.19%	-5.33%	-2.25%
IPC	Mexico City	49,695.56	48,662.16	-0.54%	-2.15%	3.28%
Bovespa	São Paulo	81,675.42	86,122.01	1.57%	6.05%	25.68%

EUROPE

Index	Location	Start	End	Day	Month	Year
FTSE 100	London	7,715.44	7,246.77	-0.01%	-6.25%	-0.71%
FTSE Eurofirst 300	Europe	1,581.04	1,489.89	0.56%	-5.47%	1.82%
CAC 40	Paris	5,541.99	5,289.86	0.64%	-4.28%	8.68%
Xetra Dax	Frankfurt	13,463.69	12,487.90	0.83%	2.39%	NaN%
Ibex 35	Madrid	10,584.00	9,895.30	0.91%	-5.57%	4.16%
FTSE MIB	Milan	23,890.18	22,673.56	0.46%	-4.53%	19.47%

ASIA

Index	Location	Start	End	Day	Month	Year
Nikkei 225	Tokyo	23,808.06	21,925.10	-1.01%	-7.91%	13.99%
Hang Seng	Hong Kong	32,254.89	30,873.63	-0.78%	-4.28%	28.46%
Shanghai Composite	Shanghai	3,501.36	3,199.16	0.45%	-6.70%	-0.55%
Kospi	Seoul	2,502.11	2,415.12	-1.13%	-4.17%	16.08%
FTSE Straits Times	Singapore	3,550.36	3,476.53	-0.33%	-2.08%	11.87%
BSE Sensex	Mumbai	35,260.29	33,703.59	-0.21%	-5.09%	18.39%

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

STOCK MARKET: BIGGEST MOVERS

UK MARKET WINNERS AND LOSERS

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

FTSE ACTUARIES SHARE INDICES

UK SERIES
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Produced in conjunction with the Institute and Faculty of Actuaries

	£ Strlg Feb 20	Day's chge%	Euro Index	£ Strlg Feb 19	£ Strlg Feb 16	Year ago	Div yield%	Cover	P/E ratio	X/D adj	Total Return
FTSE 100 (100)	7246.77	-0.01	6409.33	7247.66	7294.70	7274.83	4.03	1.25	19.93	28.50	6170.00
FTSE 250 (250)	19802.91	0.76	17514.47	19653.57	19733.64	18772.21	2.75	2.06	17.64	27.16	14580.02
FTSE 250 ex Inv Co (203)	21223.57	0.88	18770.96	21038.05	21122.39	20089.24	2.83	1.75	20.16	24.11	15941.88
FTSE 350 (350)	4041.03	0.12	3574.05	4036.19	4060.72	4017.33	3.81	1.35	19.49	14.11	6903.17
FTSE 350 ex Investment Trusts (302)	4002.96	0.12	3540.38	3998.20	4022.77	3985.96	3.86	1.29	20.15	14.11	3523.37
FTSE 350 Higher Yield (111)	3672.55	-0.20	3248.14	3679.78	3689.82	3782.53	5.32	0.99	18.98	20.65	6627.66
FTSE 350 Lower Yield (239)	4037.25	0.46	3570.70	4018.79	4057.65	3855.87	2.19	2.28	20.07	4.92	4469.39
FTSE SmallCap (284)	5700.55	-0.69	5041.79	5739.96	5763.98	5353.02	3.09	3.08	10.50	18.25	8298.93
FTSE SmallCap ex Inv Co (152)	4917.37	-0.65	4349.11	4949.40	4970.29	4737.31	3.21	1.92	16.23	10.21	7518.10
FTSE All-Share (634)	3991.90	0.09	3530.59	3988.33	4012.28	3960.17	3.78	1.40	18.89	13.89	6893.82
FTSE All-Share ex Inv Co (454)	3929.22	0.10	3475.15	3925.16	3949.13	3909.97	3.84	1.30	20.05	13.73	3514.42
FTSE All-Share ex Multinationals (568)	1224.56	0.53	897.65	1218.10	1221.68	1187.19	3.31	1.81	16.69	1.98	2227.98
FTSE Fledgling (94)	10845.50	-0.02	9592.19	10847.52	10818.85	9532.61	2.72	2.85	12.92	27.21	20648.41
FTSE Fledgling ex Inv Co (45)	15466.77	0.41	13679.42	15404.34	15362.87	12866.60	3.35	0.61	49.02	19.57	28752.29
FTSE All-Small (378)	3978.39	-0.65	3518.64	4004.53	4019.90	3723.70	3.07	3.07	10.60	12.60	7434.60
FTSE All-Small ex Inv Co (197)	3700.81	-0.61	3273.14	3723.43	3738.17	3545.82	3.22	1.87	16.66	7.56	7168.66
FTSE AIM All-Share (817)	1041.01	-0.03	920.71	1041.35	1038.88	909.18	1.34	1.16	64.08	0.91	1154.09
FTSE Sector Indices											
Oil & Gas (14)	**8554.90**	**-0.02**	**7566.29**	**8556.26**	**8555.89**	**8194.59**	**5.82**	**0.75**	**22.93**	**115.89**	**8262.78**
Oil & Gas Producers (9)	8234.57	-0.05	7282.98	8238.37	8239.26	7836.16	5.84	0.76	22.40	114.02	8239.68
Oil Equipment Services & Distribution (5)	12830.30	1.37	11347.62	12657.23	12568.82	15683.66	4.66	-0.07	-309.05	0.00	10108.05
Basic Materials (30)	**6285.59**	**-0.93**	**5559.22**	**6344.88**	**6411.65**	**5754.95**	**3.02**	**1.69**	**19.54**	**1.19**	**6533.59**
Chemicals (9)	15114.83	1.20	13368.15	14934.89	15119.75	13332.02	1.99	1.81	27.81	30.24	13694.42
Forestry & Paper (1)	22531.52	1.89	19927.76	22114.27	21896.83	21896.83	2.59	3.15	12.26	0.00	24786.89
Industrial Metals & Mining (2)	4948.38	3.97	4376.54	4759.45	4599.43	2813.13	4.26	2.22	10.58	0.00	4605.73
Mining (18)	17740.96	-1.37	15690.81	17987.98	18203.33	16368.70	3.13	1.62	19.71	0.00	9656.55
Industrials (108)	**5355.92**	**1.12**	**4736.99**	**5296.34**	**5340.72**	**5102.90**	**2.42**	**1.49**	**27.80**	**3.22**	**5589.57**
Construction & Materials (15)	6564.37	1.35	5805.79	6477.00	6554.15	6970.21	2.34	0.67	63.60	0.00	7036.16
Aerospace & Defense (9)	5146.97	0.99	4552.18	5096.62	5132.22	4872.79	2.37	0.90	46.85	1.64	5572.82
General Industrials (7)	5194.61	1.48	4594.32	5118.92	5143.26	4888.71	2.78	1.43	25.20	0.00	6004.54
Electronic & Electrical Equipment (11)	8079.73	1.27	7146.03	7978.30	7970.51	6659.75	1.64	2.17	28.06	0.00	7440.31
Industrial Engineering (13)	13707.63	1.05	12123.57	13564.53	13724.95	12163.44	1.89	1.65	31.94	3.70	16877.35
Industrial Transportation (6)	5725.92	1.49	5064.23	5641.64	5644.01	4703.18	3.67	1.31	20.75	0.00	5246.72
Support Services (47)	7432.30	0.99	6573.41	7359.26	7431.82	7187.56	2.44	1.93	21.23	8.87	7813.73
Consumer Goods (43)	**20119.87**	**0.35**	**17794.81**	**20050.29**	**20313.80**	**21009.76**	**3.82**	**1.76**	**14.87**	**23.88**	**15148.36**
Automobiles & Parts (2)	9676.20	1.04	8558.01	9576.49	9617.91	8229.86	2.03	3.52	14.01	0.00	9417.76
Beverages (5)	20086.46	0.01	17765.26	20084.95	20172.04	18131.90	2.46	1.94	20.96	0.00	14375.88
Food Producers (11)	7593.98	0.15	6716.42	7582.52	7640.28	7825.36	2.28	2.37	18.51	3.76	6630.67
Household Goods & Home Construction (16)	13634.82	-0.61	12059.17	13718.50	14288.03	14161.06	3.82	2.44	10.72	3.84	9819.04
Leisure Goods (2)	8979.37	0.99	7941.71	8891.23	9023.44	5884.28	5.44	1.17	15.78	84.08	8485.32
Personal Goods (5)	28628.97	0.48	25320.59	28492.84	28976.96	27777.13	3.19	3.16	9.91	205.48	19753.49
Tobacco (2)	48221.45	1.01	42648.95	47738.97	47800.14	56751.49	5.12	0.99	19.65	0.00	31886.66
Health Care (22)	**8879.96**	**0.50**	**7853.78**	**8835.40**	**8933.18**	**10247.39**	**3.83**	**0.68**	**38.31**	**82.13**	**7023.28**
Health Care Equipment & Services (10)	7734.96	0.85	6841.10	7669.53	7760.70	7460.83	1.37	2.79	26.24	7.29	6756.65
Pharmaceuticals & Biotechnology (12)	11794.63	0.46	10431.64	11741.14	11869.73	13915.47	4.17	0.59	40.95	122.80	8337.16
Consumer Services (95)	**5094.79**	**0.32**	**4506.04**	**5078.45**	**5100.23**	**4876.55**	**2.77**	**2.02**	**17.83**	**13.01**	**4859.74**
Food & Drug Retailers (7)	3449.61	0.73	3050.97	3424.60	3412.05	3190.40	1.48	2.58	26.25	0.00	4069.56
General Retailers (28)	2473.54	0.73	2187.70	2455.71	2471.97	2350.22	3.21	1.90	16.41	2.06	2884.96
Media (22)	7575.37	0.04	6699.96	7572.29	7662.85	7957.65	3.19	2.04	15.36	2.25	4735.98
Travel & Leisure (38)	9656.50	0.25	8540.59	9632.84	9634.64	8702.09	2.68	1.97	18.89	54.28	9321.48
Telecommunications (6)	**2921.49**	**0.21**	**2583.88**	**2915.51**	**2925.97**	**3219.68**	**6.53**	**0.18**	**85.27**	**0.00**	**3398.62**
Fixed Line Telecommunications (4)	2730.02	1.09	2414.53	2700.45	2706.37	3742.25	6.59	1.05	14.45	0.00	2592.59
Mobile Telecommunications (2)	4481.65	-0.12	3963.75	4487.20	4505.62	4487.43	6.50	-0.15	-102.42	0.00	4690.05
Utilities (7)	**6355.36**	**0.45**	**5620.93**	**6326.89**	**6341.79**	**8742.48**	**6.59**	**1.32**	**11.53**	**37.78**	**7492.08**
Electricity (2)	7063.54	0.89	6247.27	7000.91	6988.49	9085.79	7.23	1.54	9.01	153.59	10738.31
Gas Water & Multiutilities (5)	5830.47	0.32	5156.70	5812.14	5833.09	8181.68	6.39	1.24	12.60	6.62	6842.29
Financials (294)	**5268.78**	**-0.43**	**4659.92**	**5291.62**	**5302.87**	**4944.42**	**3.48**	**1.91**	**15.09**	**5.18**	**4974.52**
Banks (12)	4466.57	-1.71	3950.41	4544.30	4540.92	4262.15	3.95	1.25	20.34	0.14	3371.27
Nonlife Insurance (9)	3544.14	0.66	3134.58	3520.89	3541.86	3195.49	2.98	1.61	20.80	0.00	6333.39
Life Insurance/Assurance (9)	8862.80	0.96	7838.61	8778.36	8820.48	8150.86	3.59	1.68	16.56	0.00	8820.23
Real Estate Investment & Services (19)	2720.69	-0.07	2406.29	2722.66	2746.51	2596.26	2.51	2.23	17.84	6.48	7382.47
Real Estate Investment Trusts (34)	2687.92	0.37	2377.30	2677.94	2694.96	2657.73	3.61	2.43	11.39	7.44	3431.82
General Financial (31)	9247.47	1.16	8178.83	9141.05	9154.43	8332.70	3.31	1.75	17.27	15.34	10791.92
Equity Investment Instruments (180)	9859.40	-0.20	8720.04	9879.13	9917.93	9145.28	2.45	4.74	8.59	31.54	5477.75
Non Financials (340)	**4615.88**	**0.29**	**4082.46**	**4602.62**	**4637.07**	**4673.12**	**3.89**	**1.23**	**20.87**	**20.43**	**6989.75**
Technology (15)	**2064.03**	**1.76**	**1825.51**	**2028.38**	**2061.20**	**1893.47**	**2.45**	**0.91**	**44.70**	**17.66**	**2701.28**
Software & Computer Services (12)	2376.94	1.88	2102.26	2333.06	2370.73	2117.37	2.43	0.84	49.07	21.37	3288.69
Technology Hardware & Equipment (3)	1746.30	-0.61	1544.50	1756.99	1786.60	2133.49	2.87	2.15	16.24	0.00	2062.07

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	7247.67	7240.51	7212.55	7232.24	7230.93	7236.67	7229.72	7239.80	7233.57	7255.25	7202.22
FTSE 250	19738.47	19782.48	19743.39	19772.32	19774.05	19803.46	19783.27	19810.05	19794.85	19823.53	19727.28
FTSE SmallCap	5744.49	5745.21	5737.89	5736.97	5739.61	5742.27	5742.49	5737.83	5725.03	5746.41	5700.55
FTSE All-Share	3991.29	3989.64	3975.87	3985.45	3985.02	3988.58	3984.86	3990.09	3986.48	3995.68	3970.99

Time of FTSE 100 Day's high:08:15:00 Day's Low10:17:30 FTSE 100 2010/11 High: 7778.64(12/01/2018) Low: 7092.43(09/02/2018)
Time of FTSE All-Share Day's high:08:15:00 Day's Low10:19:00 FTSE 100 2010/11 High: 4268.89(12/01/2018) Low: 3902.85(09/02/2018)

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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

	Feb 19	Feb 16	Feb 15	Feb 14	Feb 13	Yr Ago	High	Low
FT 30	3129.90	3152.60	3119.50	3101.10	3080.90	0.00	3377.70	3060.60
FT 30 Div Yield	1.93	1.89	1.92	1.93	1.94	0.00	3.93	2.74
P/E Ratio net	23.09	23.58	23.26	23.11	22.99	0.00	19.44	14.26

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

FT 30 hourly changes

8	9	10	11	12	13	14	15	16	High	Low
3152.6	3151.5	3148	3145	3146.5	3144.1	3146.8	3137.8	3129.1	3155.7	3126.6

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

FX: EFFECTIVE INDICES

	Feb 19	Feb 16	Mnth Ago		Feb 20	Feb 19	Mnth Ago
Australia	93.58	93.49	96.14	Sweden	77.33	77.51	78.00
Canada	91.98	92.16	93.15	Switzerland	154.42	154.57	151.47
Denmark	110.51	110.51	110.36	UK	78.96	79.02	79.13
Japan	138.64	139.01	133.75	USA	95.98	95.61	97.47
New Zealand	116.62	116.82	117.23	Euro	95.89	96.00	95.92
Norway	86.95	86.95	87.42				

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

FTSE SECTORS: LEADERS & LAGGARDS

Year to date percentage changes

Automobiles & Parts	28.52	FTSE SmallCap Index	-2.50	Oil Equipment & Serv	-7.46
Industrial Metals &	10.92	Industrials	-2.84	Beverages	-7.51
Industrial Transport	6.93	Life Insurance	-3.00	Household Goods & Ho	-8.41
Mining	1.69	Travel & Leisure	-3.41	Personal Goods	-8.42
Basic Materials	1.49	Financial Services	-3.42	Food Producers	-8.98
Aerospace & Defense	1.07	Forestry & Paper	-3.52	Oil & Gas	-9.03
Chemicals	0.41	Nonlife Insurance	-3.88	Oil & Gas Producers	-9.06
Health Care Eq & Srv	0.25	Tech Hardware & Eq	-4.35	Consumer Goods	-9.16
Food & Drug Retailer	0.10	Construct & Material	-4.56	Electricity	-9.50
Media	-0.14	FTSE 250 Index	-4.79	Leisure Goods	-9.61
Industrial Eng	-0.19	FTSE All{HY-}Share Index	-4.96	Technology	-10.47
General Retailers	-0.42	Real Est Invest & Se	-4.98	Software & Comp Serv	-10.76
Banks	-0.43	FTSE 100 Index	-5.11	Tobacco	-12.28
Electronic & Elec Eq	-1.23	Support Services	-5.71	Mobile Telecomms	-12.77
Consumer Services	-1.53	Real Est Invest & Tr	-5.85	Telecommunications	-13.52
Equity Invest Instr	-1.82	NON FINANCIALS Index	-6.02	Utilities	-13.54
Financials	-2.06	Health Care	-6.11	Gas Water & Multi	-14.68
		Pharmace & Biotech	-6.93	Fixed Line Telecomms	-15.51

FTSE GLOBAL EQUITY INDEX SERIES

Feb 16 Regions & countries	No of stocks	US $ indices	Day %	Mth %	YTD %	Total retn	YTD %	Gr Div Yield
FTSE Global All Cap	7776	591.57	0.3	-2.3	1.7	851.88	1.9	2.3
FTSE Global Large Cap	1446	521.77	0.3	-2.2	2.0	771.34	2.2	2.4
FTSE Global Mid Cap	1708	793.55	0.3	-2.6	1.1	1082.13	1.2	2.0
FTSE Global Small Cap	4622	829.51	0.4	-2.6	0.3	1094.56	0.4	1.8
FTSE All-World	3154	345.57	0.3	-2.2	1.8	525.82	2.0	2.3
FTSE World	2578	609.64	0.3	-2.3	1.7	1245.46	1.9	2.3
FTSE Global All Cap ex UNITED KINGDOM In	7455	615.00	0.3	-2.2	1.9	871.72	2.0	2.2
FTSE Global All Cap ex USA	5910	533.96	0.6	-3.1	1.3	823.94	1.4	2.8
FTSE Global All Cap ex JAPAN	6469	603.75	0.2	-2.1	1.7	877.78	1.9	2.3
FTSE Global All Cap ex Eurozone	7116	609.79	0.2	-2.2	1.5	861.60	1.7	2.2
FTSE Developed	2123	552.28	0.3	-2.4	1.5	801.93	1.7	2.3
FTSE Developed All Cap	5654	580.32	0.4	-2.4	1.4	832.23	1.6	2.2
FTSE Developed Large Cap	908	509.79	0.3	-2.4	1.7	751.93	1.9	2.4
FTSE Developed Europe Large Cap	231	389.74	0.8	-3.1	1.0	660.87	1.2	3.4
FTSE Developed Europe Mid Cap	322	653.11	0.9	-1.9	2.4	988.38	2.4	2.6
FTSE Dev Europe Small Cap	711	928.95	1.0	-2.2	2.3	1360.70	2.4	2.3
FTSE North America Large Cap	283	586.03	0.1	-1.6	2.2	808.11	2.5	1.9
FTSE North America Mid Cap	392	843.58	0.0	-2.4	0.5	1080.12	0.7	1.6
FTSE North America Small Cap	1401	859.91	0.2	-2.1	0.0	1068.50	0.1	1.5
FTSE North America	675	389.89	0.0	-1.8	1.9	550.03	2.1	1.9
FTSE Developed ex North America	1448	278.91	0.8	-3.4	1.0	462.68	1.2	2.9
FTSE Japan Large Cap	186	404.69	1.1	-4.0	2.4	529.10	2.4	2.0
FTSE Japan Mid Cap	317	665.13	1.4	-5.0	0.5	832.77	0.5	1.6
FTSE Global wi JAPAN Small Cap	804	740.13	1.7	-4.8	-0.6	958.99	-0.6	1.7
FTSE Japan	503	171.72	1.2	-4.2	2.0	251.80	2.0	1.9

Feb 16 Sectors	No of stocks	US $ indices	Day %	Mth %	YTD %	Total retn	YTD %	Gr Div Yield
Oil & Gas Producers	109	362.14	0.2	0.2	-3.8	610.82	-3.2	3.7
Oil Equipment & Services	27	299.42	0.1	0.1	-4.9	442.51	-4.4	3.4
Basic Materials	256	554.35	0.1	0.1	1.7	855.80	1.7	2.4
Chemicals	119	802.76	0.2	0.2	-0.4	1244.26	-0.3	2.3
Forestry & Paper	16	321.48	1.6	1.6	4.3	552.01	4.4	3.0
Industrial Metals & Mining	69	505.55	0.2	0.2	3.7	777.85	3.7	2.3
Mining	52	687.49	-0.5	-0.5	4.7	1059.83	4.7	2.7
Industrials	558	423.42	0.4	0.4	2.0	615.98	2.2	1.9
Construction & Materials	115	552.20	0.5	0.5	-0.7	837.32	-0.7	2.0
Aerospace & Defense	27	857.96	0.1	0.1	11.6	1237.39	11.8	1.7
General Industrials	58	236.24	0.5	0.5	-1.6	372.94	-1.1	2.3
Electronic & Electrical Equipment	73	472.41	0.3	0.3	2.4	628.70	2.5	1.6
Industrial Engineering	103	878.67	0.4	0.4	1.7	1258.95	1.8	1.9
Industrial Transportation	102	709.78	0.3	0.3	-1.0	1033.61	-0.9	2.2
Support Services	80	393.23	0.7	0.7	2.6	546.47	2.7	1.7
Consumer Goods	437	505.87	0.5	0.5	-0.7	757.34	-0.6	2.4
Automobiles & Parts	108	460.76	0.4	0.4	2.3	666.80	2.4	2.5
Beverages	45	663.52	1.0	1.0	-1.5	1007.84	-1.4	2.5
Food Producers	110	619.43	0.2	0.2	-2.2	949.67	-2.0	2.4
Household Goods & Home Construction	49	442.78	0.7	0.7	-6.0	658.90	-5.7	2.6
Leisure Goods	33	245.22	0.2	0.2	2.5	325.10	2.4	1.2
Personal Goods	81	772.29	0.3	0.3	2.3	1092.88	2.5	1.9
Tobacco	11	1321.98	0.5	0.5	-6.1	2786.03	-6.1	4.4
Health Care	189	515.81	0.9	0.9	2.5	750.00	2.7	2.0
Health Care Equipment & Services	72	919.87	0.7	0.7	4.6	1077.50	4.6	1.0

FTSE 100 SUMMARY

UK STOCK MARKET TRADING DATA

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UK COMPANY RESULTS

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

§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
Australia (A$)							
ANZ	27.98	-0.07	32.95	27.19	8.47	12.80	64839.3
BHPBilltn	31.30	-0.13	32.16	22.06	3.40	20.77	79410.64
CmwBkAu♦	74.26	-0.14	87.74	73.20	8.46	13.05	102818.23
CSL	156.00	0.14	156.12	117.19	1.15	34.30	55734.41
NatAusBk	29.30	-0.16	34.09	28.01	10.08	11.57	62938.68
Telstra	3.44	-	4.87	3.34	13.19	10.49	32319.2
Wesfarmers	40.76	0.01	45.60	39.52	7.27	15.32	36507.89
Westpc	30.11	-0.23	35.39	29.40	9.25	12.66	80969.76
Woolworths	27.39	0.08	27.75	24.45	3.66	23.69	28230.59
Belgium (€)							
AnBshInBv	85.40	0.10	110.10	82.03	3.97	50.39	178453.77
KBC Grp	72.76	0.12	78.80	56.22	3.85	10.82	37587.05
Brazil (R$)							
Ambev♦	22.61	0.27	22.70	16.75	2.89	37.65	109363.01
Bradesco■	37.46	1.06	40.48	25.09	1.73	12.95	35211.84
Cielo♦	24.76	0.48	28.25	20.15	3.05	16.35	20701.13
ItauHldFin♦■	43.91	0.46	45.70	30.28	4.46	11.01	44862
Petrobras	21.80	0.50	22.17	12.47	-	35.71	49929.34
Vale♦	46.35	-0.10	46.80	25.00	2.44	10.43	40366.61
Canada (C$)							
BCE	55.87	-	63.00	54.44	5.34	16.43	39903.25
BkMontrl♦	98.45	0.84	105.55	88.63	3.73	12.04	50586.45
BkNvaS	77.27	0.06	85.50	73.31	4.07	11.54	73481.45
Brookfield	51.11	0.52	57.04	46.71	1.42	84.37	40102.87
CanadPcR	229.98	-2.93	235.65	189.57	0.99	13.42	26427.21
CanImp	115.39	0.39	124.37	103.84	4.54	9.95	40468.2
CanNatRs	39.75	0.16	47.00	35.90	2.85	17.00	38528.05
CanNatRy	95.59	-0.05	108.64	91.55	1.80	12.67	56288.87
Enbridge♦	43.33	0.38	57.75	42.00	5.81	25.19	58217.56
GtWesLif	33.50	-0.43	37.79	33.01	4.57	14.81	26255.17
ImpOil	34.59	-0.01	43.22	34.11	1.89	13.46	22791.54
Manulife♦	24.67	-0.27	27.77	22.39	3.46	24.15	38755.42
Potash	25.78	-0.05	26.62	20.68	4.91	15.37	17321.83
RylBkC♦	100.74	0.26	108.52	90.13	3.52	12.91	115358.27
Suncor En	44.21	0.85	47.69	36.09	2.98	19.35	57512.39
ThmReut	50.33	-0.07	62.83	49.26	3.60	25.82	28297.87
TntoDom	72.72	0.17	75.21	61.50	3.34	12.81	106256.86
TrnCan	56.85	-0.76	65.18	52.05	4.58	15.90	39717.97
ValeantPh	23.80	0.10	30.56	11.20	-	4.62	6570.17
China (HK$)							
AgricBkCh	4.31	-0.06	5.02	3.40	4.83	6.15	169934.02
Bk China	4.31	-0.09	4.96	3.57	4.77	6.15	46067.51
BkofComm	6.21	-0.06	7.13	5.47	5.37	5.68	27790.67
BOE Tech	1.72	-0.01	1.79	1.22	1.25	18.30	43.74
Ch Cons Bank	8.36	0.04	11.74	8.15	2.81	6.80	4731.05
Ch Evrbrght	4.04	0.01	4.76	3.46	2.98	5.39	6547.17
Ch Rail Cons	8.31	0.02	11.98	8.08	2.24	6.20	2205.38
Ch Rail Gp	5.58	0.01	7.71	5.48	1.91	7.84	3000.84
ChConstBk	8.33	-0.15	9.39	5.91	4.10	7.21	259979.53
China Vanke	36.05	-0.70	42.85	19.00	2.68	13.59	6058.12
ChinaCitic	5.78	-0.04	6.82	4.69	4.56	5.73	10994.79
ChinaLife	23.10	-0.05	28.20	22.30	1.26	16.63	21970.81
ChinaMBank	33.40	-1.00	39.50	19.66	2.72	9.95	19599.15
ChinaMob	74.00	-0.20	91.30	72.85	4.00	10.99	193668.58
ChinaPcIns	37.25	-0.55	42.40	27.60	2.30	19.30	13213.87
ChMinsheng	8.12	-0.14	9.35	7.16	4.32	4.93	7196.29
ChMrchSecs RMB	16.74	-0.02	22.35	15.57	1.13	21.26	12939.25
Chna Utd Coms RMB	6.13	0.02	9.29	5.89	-	133.45	20481.21
ChShenEgy	22.00	-0.25	25.75	15.32	2.56	8.67	9556.81
ChShpbldg RMB	5.43	-0.02	8.14	5.36	-	113.39	15715.93
ChStConEng RMB	8.98	-0.02	10.96	8.51	2.15	9.19	42083.76
ChUncHK	10.14	-0.06	13.24	9.22	-	62.03	39657.62
CNNC Intl RMB	7.10	-0.03	8.11	7.02	1.54	23.12	4733.61
CSR	7.35	0.05	8.82	6.81	3.51	16.16	4106.49
Daqin RMB	9.10	-0.11	10.48	6.76	2.74	10.26	21324.93
Gree Elec Apl	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
GuosenSec RMB	15.93	[illegible]	[illegible]	10.16	1.90	21.46	7166.41
HaitongSecs	11.16	-0.02	14.86	10.82	2.40	13.25	4863.58
HngzHikVDT RMB	39.45	-0.23	43.79	25.25	1.01	41.78	45840.67
Hunng Pwr	4.68	0.01	6.25	4.55	7.71	22.13	2751.21
Ind Bankse RMB	2.32	0.01	3.17	2.03	-	84.50	8059.38
IndCmBkCh	6.88	-0.11	7.64	4.83	4.16	7.17	78325.82
IndstrlBk RMB	17.72	-0.08	19.98	14.99	3.43	6.39	53216.04
Kweichow RMB	718.45	6.47	799.06	353.58	0.94	37.34	142260.59
Midea	1.66	-0.08	1.90	1.50	6.51	61.34	45.63
New Ch Life Ins	46.70	0.45	57.85	35.35	1.25	22.75	6172.71
PetroChina	5.42	-0.03	6.66	4.72	1.11	36.75	14616.9
PingAnIns	85.10	-1.75	98.65	40.90	1.50	17.13	81009.9
PingAnBk RMB	12.00	0.05	15.24	8.54	1.31	9.38	32000.72
Pwr Cons Corp RMB	7.09	-0.03	9.00	6.62	1.20	15.05	10728.67
SaicMtr RMB	33.21	0.29	35.88	24.04	4.95	11.37	60218.06
ShenwanHong	0.20	-	0.35	0.19	-	-2.33	228.91
ShgPdgBk RMB	12.46	-0.05	14.02	11.16	1.23	6.72	55196.64
Sinopec Corp	6.19	-0.08	7.16	5.40	5.32	10.97	20186.23
Sinopec Oil RMB	2.27	0.02	4.09	2.14	-	-3.05	4308.98
Denmark (kr)							
DanskeBk	245.00	-4.10	259.50	223.00	3.70	10.95	38034.47
MollerMrsk	10565	-335.00	14260	9820	1.28	-17.65	17613.27
NovoB	309.55	1.50	354.80	230.20	2.46	19.97	106671.41
Finland (€)							
Nokia	4.66	0.04	5.96	3.81	0.37	-66.60	33596.14
SampoA	47.15	0.18	48.92	42.76	4.88	11.25	32244.77
France (€)							
Airbus Grpe	96.99	2.10	97.47	65.60	1.39	72.38	92710.43
AirLiquide	102.10	0.30	111.60	91.64	2.57	19.31	53984.38
AXA	25.40	0.09	27.69	21.88	4.55	10.42	76034.57
BNP Paribas	65.08	0.47	69.17	53.96	4.15	10.94	100315.57
Christian Dior	305.50	0.80	319.00	198.70	1.02	37.28	68054.26
Cred Agr	13.87	0.20	15.68	11.06	4.33	11.33	48698.95
Danone	64.51	0.04	72.13	60.54	2.63	22.10	53396.27
EDF	10.43	-0.36	12.48	7.33	8.60	11.25	37698.08
Engie SA	12.62	0.03	15.16	11.08	7.90	-55.04	37912.81
Esslr Intl	109.15	-0.25	122.15	100.60	1.37	30.77	29516.89
Hermes Intl	439.10	-1.00	468.30	405.00	0.85	39.99	57207.15
LOreal	175.60	0.10	197.15	170.30	1.87	27.07	121468.52
LVMH	245.10	-0.10	260.55	187.65	1.63	28.27	153349.79
Orange	13.68	0.13	15.80	13.32	4.37	137.23	44891.81
PernodRic	133.00	-0.55	134.75	106.85	1.53	21.54	43564.9
Renault	86.90	-0.99	91.97	73.71	3.61	5.56	31714.12
Safran	89.86	0.74	92.36	64.60	1.69	14.38	46246.84
Sanofi	64.55	0.25	92.97	63.09	4.59	19.05	99897.88
Sant Gbn	44.26	1.27	52.40	42.05	2.71	19.44	30256.7
Schneider	72.52	0.62	76.34	63.36	2.80	20.85	53423.03
SFR Group	34.50	-	34.56	21.87	-	-23.02	17905.81
SocGen	46.26	-0.21	52.26	40.66	4.76	16.45	46118.44
Total	46.60	0.71	49.34	42.23	4.93	17.38	145862.41
UnibailR	188.60	1.20	238.15	184.40	5.39	7.66	23241.68
Vinci	82.78	0.58	88.80	67.01	2.63	16.74	60463.17
Vivendi	21.30	0.33	24.87	15.96	1.89	21.65	34124.03
Germany (€)							
Allianz	192.52	2.22	206.85	162.60	3.93	11.72	104598.07
BASF	87.48	1.23	98.80	78.97	3.43	15.40	99157.75
Bayer	98.93	1.15	123.90	94.72	2.73	20.78	100961.3
BMW	86.80	-0.48	97.50	77.07	4.03	7.53	64485.42
Continental	229.30	1.10	257.40	186.55	1.85	15.25	56597.32
Daimler	70.62	-0.39	76.48	59.01	4.60	7.98	93238.29
Deut Bank	13.39	0.20	17.69	12.37	1.42	-27.63	34162.69
Deut Tlkm	13.29	0.11	18.15	12.90	4.51	-1329.27	78093.3
DeutsPost	37.44	0.34	41.36	30.52	2.90	17.17	56771.87
E.ON	8.25	0.11	10.81	6.70	2.54	82.53	22418.17
Fresenius Med	86.74	0.32	93.82	75.53	1.11	20.65	32981.88
Fresenius SE	63.52	0.34	80.07	60.15	0.98	19.79	43469.99
HenkelKgaA	97.85	0.05	114.60	94.75	1.64	19.57	31371.98
Linde	173.75	1.95	199.40	149.90	2.13	28.44	39825.67
MuenchRkv	184.80	2.00	199.00	166.60	4.65	86.36	35565.8
SAP	84.51	0.65	100.70	82.19	1.48	27.44	128124.91
Siemens	112.24	1.38	133.50	106.40	3.23	14.86	117737.66
Volkswgn	168.40	-1.90	191.80	128.05	1.19	12.18	10569.03
Hong Kong (HK$)							
AIA	63.25	-0.05	69.15	48.05	1.48	17.74	97616.75
BOC Hold	38.90	-0.50	42.15	30.40	3.25	14.06	52569.34
Ch OSLnd&Inv	28.30	-0.35	32.20	21.50	2.94	6.77	39631.43
ChngKng	68.00	0.75	75.30	[illegible]	[illegible]	[illegible]	[illegible]
Citic Ltd	11.22	0.08	12.80	10.66	3.18	7.47	41718.93
Citic Secs	17.95	-0.38	22.95	15.46	2.40	17.19	5230.18
CK Hutchison	97.85	-1.10	108.90	92.20	2.96	10.28	48248.11
CNOOC	11.34	-0.06	13.16	8.45	3.33	16.88	64714.7
HangSeng	189.20	-3.10	195.30	153.00	3.45	19.93	46234.55
HK Exc&Clr	277.60	-2.20	306.00	188.50	1.73	48.13	44023.08
MTR	41.25	0.35	50.00	40.55	2.80	17.92	31677.16
SandsCh	45.10	0.50	49.35	31.50	4.79	31.94	46545.95
SHK Props	126.80	1.30	139.60	108.60	3.02	8.13	46951.31
Tencent	445.80	-1.20	476.60	204.20	0.15	56.39	541288.12
India (Rs)							
Bhartiartl	418.10	-	564.80	325.80	0.25	114.64	25794.86
HDFC Bk	1863.2	-	2015	1359.15	0.62	28.56	74538.49
Hind Unilevr	1331.8	-	1410	847.50	1.38	57.48	44490.53
HsngDevFin	1811.75	-	1986.05	1361.3	1.04	19.24	44680.72
ICICI Bk	317.25	-	365.70	240.45	0.77	18.41	31453.61
Infosys	1136.95	-	1221.05	860.00	2.53	15.69	38325.49
ITC	263.25	-	354.80	250.00	1.84	27.88	49540.49
L&T	1290.6	-	1470	973.33	2.28	24.33	27911.71
OilNatGas	187.00	-	212.85	155.20	4.43	10.48	37038.51
Reliance In	921.10	-	990.95	533.25	0.63	14.96	90046.41
SBI NewA	269.65	-	351.30	241.15	1.01	-777.91	35924.45
SunPhrmInds	559.50	-	729.05	432.70	0.66	61.19	20198.62
Tata Cons	2944.75	-	3259.05	2252.8	1.71	21.17	87002.32
Indonesia (Rp)							
Bk Cent Asia	24025	-225.00	24700	15350	0.88	25.16	43074.34
Israel (ILS)							
TevaPha	72.00	-1.06	140.20	38.20	4.29	-1.22	20828.11
Italy (€)							
Enel	4.77	-0.01	5.59	3.95	3.77	19.88	59847.58
ENI	13.71	0.08	15.45	12.94	5.84	29.17	61479.44
Generali	15.43	0.04	16.48	13.21	5.17	11.55	29730.46
IntSPaolo	3.09	-0.02	3.23	2.06	5.76	8.83	60459.41
Luxottica	49.95	-0.15	55.60	45.52	1.85	25.50	29659.99
Unicred	17.57	0.07	18.38	11.93	-	-1.71	48254.33
Japan (¥)							
AstellasPh	1527	3.00	1570	1331.5	2.26	17.42	29492.54
Bridgestne	4811	-49.00	5605	4314	2.89	13.41	34203.91
Canon♦	3953	-43.00	4472	3771	3.77	18.65	49221.55
CntJpRwy	20110	115.00	21520	17525	0.69	9.99	38674.88
Denso	6231	-117.00	7218	4551	1.97	15.57	46191.87
EastJpRwy	10375	60.00	11615	9511	1.28	13.86	37354.02
Fanuc	27465	-695.00	33450	20805	1.70	31.55	52322.09
FastRetail	42710	-960.00	51580	30000	0.81	34.38	42294.78
Fuji Hvy Ind	3738	-30.00	4495	3400	3.79	12.79	26841.98
Hitachi	830.20	-4.50	944.20	566.30	1.56	13.42	37462
HondaMtr	3785	-66.00	4151	3000	2.52	6.60	64008.36
JapanTob	3140	-68.00	4243	3122	4.30	13.97	58628.58
KDDI	2639.5	-6.00	3260	2565	3.36	11.56	63753.44
Keyence	62880	-1100.00	72400	42630	0.10	-	71385.42
MitsbCp	3054	-37.00	3318	2208.5	3.13	10.17	45335.33
MitsubEst	1903	-11.50	2282	1822.5	1.19	21.31	24710.8
MitsubishiEle	1829.5	-44.00	2179	1462	1.72	14.87	36673.71
MitsuiFud	2595.5	-56.00	2984	2274.5	1.37	21.21	24023.18
MitsuiUFJFin	794.60	-9.00	894.40	642.20	2.28	41.81	101815.48
Mizuho Fin	201.60	-1.20	220.70	185.40	3.66	15.62	47785.6
Murata Mfg	15070	-65.00	17910	14000	1.57	21.79	31693.42
NipponTT	4795	-12.00	5905	4545	2.77	11.24	93845.04
Nissan Mt	1117	-10.00	1197	996.20	4.45	5.38	44013.79
Nomura	665.50	-0.90	767.80	567.70	2.96	9.39	22637.27
Nppn Stl	2562.5	-28.00	3132	2323.5	2.88	10.10	22734.43
NTTDCMo	2733	5.00	2907.5	2501.5	3.24	14.32	99485.91
Panasonic	1651.5	2.00	1800	1188	1.49	25.81	37821.2
Seven & I	4500	36.00	4891	4234	1.98	23.60	37240.24
ShinEtsuCh	11320	-185.00	13175	9174	1.09	22.92	45665.39
Softbank	8922	-77.00	10550	7494	0.49	6.41	91678.03
Sony	5296	-9.00	5738	3402	0.42	-17.42	62576.6
SumitomoF	4174	-58.00	5333	3760	3.23	12.32	63027.02
Takeda Ph	5910	-68.00	6693	5115	3.00	24.83	43643.31
TokioMarine	5038	-71.00	5517	4192	2.98	18.65	35182.25
Toyota	7291	-88.00	7806	5670	2.84	9.23	222102.55
Mexico (Mex$)							
AmerMvl	17.74	-0.04	18.44	12.21	1.75	31.50	42659.35
FEMSA UBD	172.35	0.20	189.49	161.05	1.58	13.16	19950.39
WalMrtMex	44.70	-0.34	48.59	38.41	1.44	23.29	41805.74
Netherlands (€)							
Altice	7.84	-0.11	23.43	6.44	-	-4.00	13524.78
ASML Hld	159.25	5.00	169.20	112.40	0.76	32.20	83995.54
Heineken	85.00	-0.36	91.42	76.55	1.57	26.66	60421.6
ING	14.71	0.07	16.69	12.81	4.47	11.53	70542.18
Unilever♦	43.43	0.23	52.31	42.03	3.03	21.47	91903.87
Norway (Kr)							
DNB	156.30	-1.00	164.30	131.90	3.75	12.85	32471.69
Statoil	177.70	2.00	188.85	135.80	4.07	-86.85	75321.36
Telenor	176.50	0.10	191.70	131.00	4.54	55.20	33801.53
Qatar (QR)							
QatarNtlBk	127.89	-0.31	157.10	115.01	2.58	9.02	32442.93
Russia (RUB)							
Gazprom neft	141.32	3.01	151.65	111.46	5.84	3.70	59151.59
Lukoil	3744	29.00	3985	2601	8.63	7.53	56304.44
MmcNrlsNckl	11060	-111.00	11970	7677	6.30	10.72	30944.73
Novatek	728.00	-1.10	787.50	590.20	0.99	12.49	39082.03
Rosneft	322.00	-2.00	359.30	286.00	1.90	18.90	60337.55
Sberbank	267.22	0.37	270.30	136.20	2.30	7.89	101990.56
Surgutneftegas	28.42	-0.07	31.75	24.09	2.17	10.17	17948.74
Saudi Arabia (SR)							
AlRajhiBnk	75.20	-0.20	76.20	61.00	4.16	13.44	32584.06
Natnlcombnk	58.40	-0.30	59.90	37.00	3.72	11.93	31144.18
SaudiBasic	105.20	-	108.20	94.25	3.97	15.53	84153.27
SaudiTelec	76.30	0.60	78.90	65.00	5.47	15.82	40690.08
Singapore (S$)							
DBS	28.66	0.23	28.79	18.35	2.25	16.60	55596.53
JardnMt US$	62.59	0.55	68.11	59.73	2.59	6.06	45456.13
JardnStr US$	38.08	0.30	46.48	36.55	0.83	5.30	42181.84
OCBC	12.83	-0.12	13.32	9.41	2.87	12.90	40733.57
SingTel	3.38	-0.05	4.02	3.32	5.29	9.60	41861.76
UOB	27.22	-0.08	28.46	21.01	2.63	13.46	34559.19
South Africa (R)							
Firstrand	72.96	-0.70	76.64	43.44	3.14	17.22	34835.03
MTN Grp	124.42	-0.26	140.00	109.05	5.44	29.25	19954.53
Naspers N	3235.83	-64.17	4142.99	2093.8	0.16	33.23	120814.25
South Korea (KRW)							
HyundMobis♦	223000	-500.00	289500	212000	1.54	8.92	20223.29
KoreaElePwr♦	33800	700.00	49000	32400	3.73	7.49	20214.63
SK Hynix	75500	-1000.00	90300	45650	0.78	6.02	51205.68
SmsungEl	2370000	-49000.00	2876000	1885000	2.00	9.28	283469.34
Spain (€)							
BBVA	7.03	0.00	7.93	6.01	4.26	11.91	57815.64
BcoSantdr	5.68	0.09	6.25	4.92	3.74	13.21	113089.1
CaixaBnk	4.05	-0.02	4.51	3.17	2.47	15.33	29880.99
Iberdrola	6.15	0.04	7.30	5.95	5.07	12.70	47947.98
Inditex	27.33	0.67	36.90	25.98	1.82	26.11	105117.91
Repsol	14.12	0.17	16.30	13.28	5.39	11.27	27122.07
Telefonica	7.65	0.04	10.63	7.45	7.05	16.64	49043.68
Sweden (SKr)							
AtlasCpcoB	314.00	7.10	339.70	260.40	2.16	22.10	15133.74
Ericsson	54.74	1.26	64.95	43.75	1.89	-9.65	20772.56
H & M	140.90	0.22	247.00	133.54	3.85	11.65	25419.78
Investor	368.20	5.20	425.60	348.00	2.76	3.76	20714.05
Nordea Bk	94.72	0.04	115.70	91.78	6.86	10.90	47380.51
SEB	98.40	0.60	109.00	92.78	5.79	11.97	26373.44
SvnskaHn	116.30	-0.60	133.00	107.50	4.45	13.95	27420.54
Swedbank	206.40	0.60	234.00	190.30	6.62	11.89	28858.01
Telia Co	37.45	0.10	40.33	35.29	6.91	13.70	20028.85
Volvo	158.20	3.55	171.30	116.60	2.13	14.83	32209.87
Switzerland (SFr)							
ABB	23.74	0.26	27.24	21.65	3.14	23.40	55073.65
CredSuisse	17.55	0.22	18.81	12.91	3.88	-22.79	47997.02
Nestle	75.20	0.24	86.40	72.95	3.04	32.65	250411.33
Novartis	80.46	0.78	88.30	72.45	3.28	25.59	225284.98
Richemont	84.82	0.22	92.50	73.60	2.14	25.30	47374.32
Roche	223.90	0.75	273.00	214.30	3.64	22.46	168311.35
Swiss Re	96.38	1.32	96.70	81.65	5.10	11.72	36037.03
Swisscom	510.40	0.20	530.60	431.10	4.28	16.96	28289.87
Syngent	463.00	-0.70	471.20	398.50	-	41.32	47748.26
UBS	17.99	0.26	19.77	15.11	-	16.99	74127.94
Zurich Fin	310.80	2.10	321.80	262.10	3.52	16.14	50326.22
Taiwan (NT$)							
Chunghwa Telecom	106.50	-1.00	111.00	100.50	4.63	21.61	28103.83
Formosa PetChem	111.50	-4.50	127.00	101.00	5.37	13.36	36131.01
HonHaiPrc	87.60	0.10	122.50	86.10	5.13	11.27	51637.91
MediaTek	285.00	2.00	350.50	206.00	2.80	23.36	15331.88
TaiwanSem	236.50	4.00	266.00	183.00	2.95	18.01	208610.95
Thailand (THB)							
PTT Explor	490.00	2.00	510.00	365.00	3.62	12.18	44431.34
United Arab Emirates (Dhs)							
Emirtestele	17.35	-	18.85	15.75	4.97	16.20	41079.38
United Kingdom (p)							
AscBrFd	2651	13.00	3387	2476	1.43	17.49	29392.72
AstraZen♦	4722	9.50	5520	4260	4.35	22.71	83748.89
Aviva	500.40	6.30	570.50	482.20	4.29	33.14	28348.24
Barclays	201.05	0.05	244.40	177.30	1.49	16.89	47966.26
BP♦	475.00	-0.95	536.20	419.80	6.27	32.43	132586.3
BrAmTob	4493	53.00	5765.43	2879.89	3.77	19.78	117319.66
BSkyB	1106	3.00	1109.5	893.42	-	23.38	26626.8
BT	230.80	2.80	349.20	224.30	6.26	14.34	32071.16
Compass♦	1552	5.50	1765.92	1396.5	2.16	21.77	35746.44
Diageo	2493	-1.00	2735.5	2186.5	2.49	19.58	86764.15
GlaxoSmh	1325	15.40	1724.5	1236.4	6.04	28.01	91258.88
Glencore	384.40	0.60	416.90	270.00	0.70	33.29	77494.52
HSBC	737.00	-23.50	798.60	618.17	5.12	35.31	206951.45
Imperial Brands	2675.5	7.50	3956.5	2593.5	5.98	18.18	35736.91
LloydsBkg	67.85	-0.10	73.58	61.01	3.98	15.78	68918.19
Natl Grid	748.00	0.60	1174.36	733.00	6.10	15.06	35377.77
Prudential	1844	17.00	1992.5	1589	2.36	17.27	66779.59
RBS	274.90	-0.70	304.20	221.80	-	-10.26	45722.59
ReckittB	5928	-147.00	8110.43	5881	2.58	19.87	58359.63
RELX	1493	23.00	1784	1399	2.41	23.70	43565.29
RioTinto	3990.5	-64.50	4226.56	2882.5	3.26	15.11	76997.5
RollsRoyce♦	840.60	11.20	994.50	673.37	0.55	-22.54	21663.25
RylDShlA	2256	-5.50	2579.5	1982.5	6.24	23.28	264899.16
Shire	3072.5	-38.00	5067	3033	0.75	25.09	39060.45
StandCh	820.20	1.40	860.00	678.80	-	1775.32	37803.48
Tesco	206.50	0.50	217.10	165.35	-	36.88	23679.21
Unilever	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Vodafone	203.00	-0.55	239.65	197.45	6.48	-73.85	75834.16
WPP	1400	-35.50	1928.07	1218.5	4.04	10.32	24988.49
United States of America ($)							
21stC Fox A	37.57	0.11	39.14	24.81	0.99	16.96	39599.11
3M♦	236.12	-0.35	259.77	187.50	[illegible]	[illegible]	[illegible]
AbbottLab	59.22	-0.95	64.60	42.31	1.85	286.00	103417.89
Abbvie	120.54	1.94	125.86	61.17	2.20	35.28	191414.22
Accenture	162.69	0.03	163.60	114.82	1.62	27.83	104536.53
Adobe	202.26	0.70	204.45	117.83	-	57.84	99428.44
AEP♦	66.22	-1.04	78.07	63.32	3.72	16.56	32572.65
Aetna	178.21	-0.30	194.40	124.83	0.88	32.15	58264.43
Aflac	89.62	0.49	91.73	69.81	2.00	12.48	35234.07
AirProd	163.65	0.02	175.17	133.63	2.40	33.56	35829.42
Alexion	121.31	0.84	149.34	96.18	-	59.48	26892.18
Allergan	160.85	-3.19	256.80	156.20	1.80	-12.96	53132.04
Allstate	93.96	-1.08	105.36	79.09	1.60	12.54	33715.29
Alphabet	1113.54	18.04	1198	824.30	-	59.75	332383.37
Altria	64.78	-0.68	77.79	60.01	4.07	7.78	123612.53
Amazon	1478.67	29.98	1498	833.50	-	232.24	715836.95
AmerAir	52.16	0.58	59.08	39.21	0.80	12.62	24958.51
AmerExp	97.50	0.71	102.39	75.51	1.42	31.71	83878.05
AmerIntGrp	59.62	0.15	67.30	57.85	2.22	-8.81	53805.2
AmerTower	139.96	-0.06	155.28	107.66	1.86	50.96	60022.74
Amgen	183.95	-0.40	201.23	152.16	2.59	66.05	132547.43
Anadarko	60.68	1.50	68.09	39.96	0.34	-68.95	32311.32
Anthem	233.75	-1.27	267.95	158.67	1.18	20.23	60017.77
Aon Cp	140.96	0.10	152.78	114.92	1.02	38.25	35225.58
Apple	174.06	1.63	180.10	133.79	1.43	17.26	883157.33
ArcherDan	42.88	-0.25	47.44	38.59	3.09	14.85	23902.51
AT&T	37.00	-0.15	42.70	32.55	5.53	16.96	227112.31
AutomData	116.54	0.36	125.24	95.50	2.08	29.09	51658.65
Avago Tech	255.20	6.31	285.68	202.61	1.69	60.04	104469.3
BakerHu	57.68	3.17	68.59	43.09	0.85	-8.48	24541.87
BankAm	32.04	0.07	32.67	22.07	1.12	17.54	334144.71
Baxter	67.52	1.19	72.58	49.30	0.90	34.59	36787.05
BB & T♦	55.00	0.04	55.99	41.17	2.33	19.59	43390.11
BectonDick	221.32	-1.55	248.39	175.66	1.38	169.66	58924.78
BerkshHat	305960	-40.00	326350	242180	-	25.81	230549.43
Biogen	292.53	0.66	370.57	244.28	-	23.70	61888.43
BkNYMelln	56.71	0.46	58.99	45.12	1.49	15.93	58072.31
BlackRock	545.00	3.90	594.52	368.00	1.88	24.45	87381.03
Boeing♦	356.57	1.53	361.45	170.40	1.65	25.65	209837.99
BrisMySq	68.02	-0.95	70.05	51.56	2.39	107.70	111040.1
CapOne♦	99.64	0.11	106.50	76.05	1.68	13.33	48293.57
CardinalHlth	68.89	-0.45	84.88	54.66	2.76	11.59	21680.16
Carnival	69.86	0.36	72.70	54.75	2.37	18.81	37317.23
Caterpillar	157.61	1.32	173.24	90.34	2.04	120.82	94190.12
CBS	56.63	1.24	70.10	50.63	1.33	14.51	20532.91
Celgene	94.89	-0.37	147.17	88.32	-	25.18	71373.94
CharlesSch♦	52.62	0.45	56.25	37.16	0.61	32.11	70541.13
Charter Comms	361.37	-4.29	408.83	308.30	-	10.24	86188.93
Chevron Corp♦	111.99	-0.15	133.88	102.55	4.03	31.28	217209.94
Chubb	145.63	-1.37	157.50	133.82	2.01	16.67	67604.65
Cigna	192.48	-1.33	227.13	141.93	0.02	20.17	47455.89
Cisco	44.66	0.33	45.13	30.36	2.67	22.05	220757.45
Citigroup	76.94	0.12	80.70	56.55	1.09	14.20	203429.51
CME Grp	163.83	1.45	165.35	114.82	1.64	35.59	55749.93
Coca-Cola	44.45	-0.53	48.62	41.05	3.43	40.94	189398.66
Cognizant	81.06	0.11	81.87	57.00	0.39	24.04	47796.68
ColgtPlm	70.42	-1.04	77.91	68.19	2.34	29.83	61640.51
Comcast	39.39	-0.41	44.00	34.78	1.66	8.01	182551.98
ConocPhil	55.16	0.51	61.32	42.27	1.98	-26.29	65944.65
Corning	29.74	0.27	35.10	26.32	2.16	-43.52	25500.66
Costco♦	191.07	-0.49	199.88	150.00	1.06	29.36	83912.96
CrownCstl	109.18	0.06	114.97	88.54	3.63	87.16	44357.11
CSX	55.13	-0.97	60.04	45.41	1.46	8.89	48913.33
CVS	71.33	-0.57	84.00	66.45	2.90	10.68	72366.58
Danaher	97.47	-0.07	104.82	78.97	0.58	27.19	67709.48
Deere	166.57	-2.87	175.26	106.72	1.52	23.64	53734.65
Delphi	49.85	-1.02	60.39	31.83	-	-	13252.11
Delta	52.80	-0.05	60.79	43.81	1.80	10.12	37644.98
Devon Energy	34.86	0.75	45.62	28.79	0.72	11.09	18319.46
DiscFinServ	79.79	0.26	81.93	57.50	1.64	13.13	28994.14
Disney	107.06	0.53	116.10	96.20	1.57	14.67	160975.98
DominRes	74.59	-1.25	85.30	72.80	4.15	21.13	48298.35
DowChem	66.65	1.75	-	-	-	-	81542.6
DukeEner♦	75.13	-1.57	91.80	72.93	4.80	18.50	52589.17
Eaton	82.35	-0.44	89.85	69.82	3.01	14.42	36293.41
eBay	43.75	0.41	46.99	31.89	-	-44.48	44278.49
Ecolab	132.93	1.44	140.50	121.50	1.16	28.75	38405.38
Emerson♦	72.10	-0.90	74.45	56.77	2.76	26.89	45768.62
EOG Res	108.65	1.01	119.00	81.99	0.64	5203.18	62823.52
EquityResTP	58.14	0.17	70.46	54.92	3.62	27.17	21365.57
Exelon♦	37.74	-0.04	42.67	33.30	3.59	9.18	36420.21
ExpScripts	76.28	1.05	83.49	55.80	-	12.14	43202.93
ExxonMb♦	76.56	0.02	89.30	73.90	4.14	23.89	324392.84
Facebook	177.27	-0.10	195.32	132.90	-	31.77	424713.05
FedEx	242.49	-1.70	274.66	182.89	0.77	21.58	64960.55
FordMtr♦	10.66	0.05	13.48	10.19	5.83	5.42	41581.13
Franklin	39.03	-0.07	47.65	37.01	2.20	31.95	21532.99
GenDyn	223.27	-0.92	229.54	183.72	1.52	22.56	66665.5
GenElectric	14.86	-0.19	30.59	14.23	6.75	16.55	128828.16
GenMills	56.34	-0.09	61.59	49.65	3.56	19.95	32059.93
GenMotors	41.30	0.21	46.76	31.92	3.81	181.33	57928.63
GileadSci	81.28	0.58	89.54	63.76	2.61	8.86	106173.54
GoldmSchs	267.34	-0.28	273.79	209.62	1.09	13.37	100839.99
Halliburton	47.42	-0.08	57.86	38.18	1.57	-89.81	41486.22
HCA Hold	101.03	0.03	106.84	71.18	-	13.81	35769.92
Hew-Pack	21.55	0.15	24.10	15.72	2.60	13.80	35446.45
HiltonWwde	84.67	1.40	88.11	55.79	0.73	21.24	26765.72
HomeDep	189.53	2.56	207.61	141.00	1.87	24.93	221323.4
Honywell	154.90	0.87	165.13	122.40	1.83	69.92	116485.11
HumanaInc	295.85	-2.16	293.35	203.36	0.73	15.33	36740.37
IBM♦	155.36	-0.82	182.55	139.13	3.90	12.44	143830.95
IllinoisTool	162.73	0.18	179.07	128.03	1.82	32.34	55579.73
Illumina	229.33	0.13	248.97	158.02	-	45.02	33711.51
Intcntl Exch	73.63	1.90	76.14	56.97	1.16	16.81	42874.33
Intel	46.66	1.10	50.85	33.23	2.39	22.65	217808.88
Intuit	174.04	2.35	174.04	114.80	0.85	43.77	44493.31
Johnson	131.65	-1.50	148.32	118.05	2.60	21.93	353680.36
JPMorgnCh	115.11	0.43	117.35	81.64	1.85	15.91	399400.11
Kimb-Clark	114.85	-1.25	128.12	110.36	3.33	17.33	40278.62
KinderM	17.98	-0.02	22.70	16.56	3.00	-1155.40	39684.33
Kraft Heinz	69.32	-1.48	97.77	67.65	3.66	7.48	84487.35
Kroger	28.57	-0.78	34.75	19.69	1.83	15.75	24598.81
L Brands	48.38	-0.54	63.10	35.00	5.23	13.99	13655.99
LasVegasSd	75.12	0.10	79.84	51.35	4.31	29.16	59380.86
LibertyGbl	32.67	-0.73	37.19	29.78	-	-	28311.7
Lilly (E)	78.35	-0.62	89.09	73.69	2.76	35.74	86270.77
Lockheed	361.64	1.11	363.00	263.18	2.14	52.61	103274.03
Lowes	97.58	1.27	108.98	70.76	1.64	22.24	80968.04
Lyondell	109.50	0.89	121.95	78.01	3.34	11.16	43193.4
Marathon Ptl	66.69	-0.79	73.53	47.78	2.32	22.22	32569.77
Marsh&M	83.49	0.73	86.54	71.79	1.79	21.91	42609.69
MasterCard	175.85	0.20	177.11	108.98	0.39	46.54	182403.5
McDonald's	157.79	-	178.70	126.40	2.49	21.88	127809.37
McKesson	149.63	-0.88	178.86	133.82	0.86	6.58	30873.52
Medtronic	81.69	-1.62	89.72	76.52	2.30	21.28	110567.25
Merck	55.42	-0.87	66.80	53.36	3.54	51.05	150988.29
Metlife♦	47.09	0.45	55.91	43.38	3.56	-55.60	49547.51
Microsoft♦	92.78	0.78	96.07	63.62	1.77	72.86	714348.28
Mnstr Bvg	65.43	-0.05	70.22	41.02	-	45.75	36900.12
MondelezInt	44.05	-0.09	47.23	39.19	1.93	22.28	65516.82
Monsanto	120.85	0.06	123.15	108.51	1.85	21.67	53277.71
MorganStly	55.29	0.15	58.05	40.06	1.60	14.63	99958.74
MylanNV	41.64	-0.50	47.82	29.39	-	24.32	22330.73
Netflix	284.79	6.27	286.81	138.26	-	229.07	123585.61
NextEra♦	154.01	-2.04	159.64	125.96	2.64	13.07	72506.97
Nike	67.77	-0.53	68.00	50.35	1.13	29.36	87956.98
NorfolkS♦	140.87	-1.77	157.15	109.27	1.79	7.31	40006.69
Northrop	353.81	-2.19	358.84	233.20	1.14	29.80	61593.93
NXP	125.63	7.13	125.93	102.18	-	20.89	43466.61
Occid Pet	68.65	0.49	78.09	57.20	4.64	92.63	52534.09
Oracle	50.21	-0.50	53.14	41.50	1.48	20.83	207849.42
Pepsico	110.58	-0.48	122.51	106.19	2.97	31.60	157013.46
Perrigo	89.00	-0.55	95.93	63.68	0.73	-9.31	12534.82
Pfizer♦	36.42	0.16	39.43	31.67	3.61	21.54	217088.96
Phillips66♦	90.80	-1.19	107.47	75.14	3.06	21.91	46012.04
PhilMorris	103.30	-1.01	123.55	96.66	4.23	25.72	160448.65
PNCFin	160.59	1.51	160.81	115.25	1.56	18.81	76110.28
PPG Inds♦	115.64	-0.52	122.07	100.34	1.52	21.00	28895.19
Praxair	153.45	-0.16	166.95	115.67	2.12	29.16	43933.55
Priceline	1908.41	23.41	2067.99	1612.41	-	25.64	93072.29
ProctGmbl	81.72	-0.88	94.67	78.59	3.47	20.99	206028.27
Prudential	108.86	0.33	127.14	97.88	2.85	5.89	45938.92
PublStor	188.57	-0.18	232.21	180.48	4.43	26.41	32818.95
Qualcomm	63.50	-1.35	69.28	48.92	3.65	-21.60	94003.07
Raytheon	218.37	0.64	218.78	148.65	1.51	30.39	63001.92
Regen Pharm	327.90	-4.25	543.55	313.53	-	30.63	34687.05
ReynoldsAm	65.40	-1.49	-	-	-	-	-
S&P Global	188.29	-0.99	190.99	127.45	0.90	31.47	47806.83
Salesforce	114.80	1.94	114.87	80.25	-	-	82920.04
Schlmbrg	66.28	-	82.69	61.02	3.12	-59.28	91727.06
Sempra Energy	107.00	-2.01	122.98	100.63	3.14	22.68	26895.31
Sherwin-Will	397.08	-5.22	435.15	305.70	0.89	32.21	37132.51
SimonProp	156.81	0.72	187.35	150.15	4.63	26.49	48744.79
SouthCpr♦	51.07	0.57	51.64	32.63	0.80	31.98	39478.56
Starbucks	56.24	-0.24	64.87	52.58	1.93	17.93	79056.85
StateSt	104.47	-0.08	114.27	75.27	1.56	17.31	38741.31
Stryker	159.60	-0.27	170.00	125.12	1.13	57.52	59792.87
Sychrony Fin	36.81	0.08	40.59	26.01	1.53	13.41	28803.28
Target♦	73.26	-1.82	78.70	48.56	3.48	14.62	39822.13
TE Connect	102.80	0.70	108.23	71.93	1.58	28.95	36102.26
Tesla Mtrs	339.95	4.46	389.61	242.01	-	-38.13	57381.85
TexasInstr	106.70	2.23	120.75	75.66	1.96	23.88	105159.32
TheTravelers	139.05	-2.11	150.55	113.76	2.11	18.32	37742.06
ThrmoFshr	210.14	-0.47	226.44	151.74	0.30	34.18	84265.16
TimeWrnr	96.03	0.66	103.89	85.88	2.19	17.39	74768.28
TJX Cos	77.50	-0.38	81.46	66.44	1.56	19.86	49003.44
T-MobileUS	63.09	0.33	68.88	54.60	-	11.22	51598.94
UnionPac	132.03	-2.25	143.05	101.06	1.94	9.55	102887.78
UPS B	105.54	-0.86	135.53	102.12	3.23	24.78	72512.04
USBancorp	55.37	-0.24	58.50	49.54	2.15	15.79	91886.03
UtdHlthcre	227.92	-1.45	250.79	156.49	1.31	20.54	220549.73
UtdTech	128.30	-0.96	139.24	107.05	2.19	21.74	102611.32
ValeroEngy	92.31	-0.96	99.95	60.69	3.05	19.14	40393.14
Verizon	49.08	-1.07	54.77	42.80	4.94	12.06	200223.85
VertexPharm	162.52	1.80	174.96	84.39	-	150.94	41262.53
VF Cp	72.86	-1.79	84.38	50.34	2.41	27.81	28788.59
Viacom	34.74	0.81	46.72	22.13	2.41	6.63	12118.96
Visa Inc♦	122.62	0.77	126.88	86.98	0.58	39.35	221028.81
Walgreen	71.35	0.33	88.00	63.82	2.25	19.02	70585.15
WalMartSto	95.01	-9.77	109.98	68.70	2.25	23.96	283313.73
WellsFargo♦	60.64	0.69	66.31	49.27	2.53	15.01	298607.21
Williams Cos	29.50	0.59	33.67	26.82	3.89	49.58	24389.02
Yum!Brnds	78.65	0.40	86.93	62.85	1.87	23.04	26504.55
Venezuela (VEF)							
Bco de Vnzla	5600	-	5600	220.00	102.47	-	813.68
Bco Provncl	500000	31000	500000	4800	-	55.85	2147.85
Mrcntl Srvcs	2000000	-	2000000	14000	0.00	413.65	4850.82

Closing prices and highs & lows are in traded currency (with variations for that country indicated by stock), market capitalisation is in USD. Highs & lows are based on intraday trading over a rolling 52 week period.
♦ ex-dividend
■ ex-capital redistribution
price at time of suspension

FT 500: TOP 20

	Close price	Prev price	Day change	Day change %	Week change	Week change %	Month change %
Airbus Grpe	96.99	94.89	2.10	2.21	13.84	16.6	4.53
CSL	156.00	155.86	0.14	0.09	15.74	11.2	8.39
Vale	46.35	46.45	-0.10	-0.22	4.35	10.4	8.09
Netflix	284.79	278.52	6.27	2.25	26.52	10.3	29.14
Intuit	174.04	171.69	2.35	1.37	14.68	9.2	3.58
Petrobras	21.80	21.30	0.50	2.35	1.71	8.5	13.00
Cisco	44.66	44.33	0.33	0.73	3.43	8.3	8.04
NXP	125.63	118.50	7.13	6.01	9.43	8.1	4.28
Abbvie	120.54	118.60	1.94	1.64	8.68	7.8	15.18
Salesforce	114.80	112.86	1.94	1.72	7.11	6.6	2.51
ASML Hld	159.25	154.25	5.00	3.24	9.85	6.6	-4.58
Intcntl Exch	73.63	71.73	1.90	2.65	4.51	6.5	-2.76
BrisMySq	68.02	68.96	-0.95	-1.37	4.15	6.5	9.09
Alexion	121.31	120.47	0.84	0.70	7.34	6.4	0.08
CredSuisse	17.55	17.34	0.22	1.24	1.06	6.4	-3.99
AmerMvl	17.74	17.78	-0.04	-0.22	1.07	6.4	4.43
Safran	89.86	89.12	0.74	0.83	5.36	6.3	-1.53
Priceline	1908.41	1885.00	23.41	1.24	110.55	6.1	-0.09
Anadarko	60.68	59.18	1.50	2.53	3.50	6.1	4.14
Tencent	445.80	447.00	-1.20	-0.27	25.60	6.1	-1.46

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 %
VF Cp	72.86	74.64	-1.79	-2.39	-9.26	-11.3	-8.72
Biogen	292.53	291.87	0.66	0.23	-24.46	-7.7	-14.64
LibertyGbl	32.67	33.40	-0.73	-2.19	-2.71	-7.7	-11.89
ReckittB	5928.00	6075.00	-147.00	-2.42	-456.00	-7.1	-99.14
SBI NewA	269.65	269.65	0.00	0.00	-19.10	-6.6	-12.81
Midea	1.66	1.74	-0.08	-4.60	-0.11	-6.2	7.10
WalMartSto	95.01	104.78	-9.77	-9.32	-5.97	-5.9	-9.26
ChUncHK	10.14	10.20	-0.06	-0.59	-0.60	-5.6	-11.05
SunPhrmInds	559.50	559.50	0.00	0.00	-29.65	-5.0	-2.20
HyundMobis	223000.00	223500.00	-500.00	-0.22	-11000.00	-4.7	-16.48
L&T	1290.60	1290.60	0.00	0.00	-59.90	-4.4	-5.90
ChinaLife	23.10	23.15	-0.05	-0.22	-1.05	-4.3	-10.29
Hunng Pwr	4.68	4.67	0.01	0.21	-0.21	-4.3	-9.30
MTN Grp	124.42	124.68	-0.26	-0.21	-5.58	-4.3	-6.84
CK Hutchison	97.85	98.95	-1.10	-1.11	-4.25	-4.2	-2.83
ChinaMob	74.00	74.20	-0.20	-0.27	-3.20	-4.1	-8.07
Ch Rail Cons	8.31	8.29	0.02	0.24	-0.33	-3.8	-13.44
Shire	3072.50	3110.50	-38.00	-1.22	-108.50	-3.4	-99.12
Qualcomm	63.50	64.85	-1.35	-2.08	-2.20	-3.3	-6.67
Kraft Heinz	69.32	70.80	-1.48	-2.09	-2.39	-3.3	-13.09

Based on the FT Global 500 companies in local currency

BONDS: HIGH YIELD & EMERGING MARKET

Feb 20	Red date	Coupon	Ratings S*	Ratings M*	Ratings F*	Bid price	Bid yield	Day's chge yield	Mth's chge yield	Spread vs US
High Yield US$										
Qwest Capital Funding, Inc.	08/21	7.63	B+	WR	BB	103.36	6.52	-	-	-
High Yield Euro										
Astaldi S.p.A	12/20	7.13	CCC+	-	B	80.48	16.10	-0.17	3.17	-
Emerging US$										
Peru	03/19	7.13	BBB+	A3	BBB+	105.20	2.34	-	-	0.14
Mexico	03/22	3.63	BBB+	A3	BBB+	102.38	3.00	-	-	0.38
Brazil	01/23	2.63	BB-	Ba2	BB	95.05	3.75	-	-	1.13
Colombia	03/23	2.63	BBB-	Baa2	BBB	96.00	3.49	-	-	0.87
Poland	03/23	3.00	BBB+	A2	A-	98.83	3.25	-0.01	0.34	0.63
Turkey	03/23	3.25	-	Ba1	BB+	93.45	4.71	-0.04	0.28	2.09
Turkey	03/27	6.00	-	Ba1	BB+	102.95	5.58	-0.03	0.29	2.68
Peru	08/27	4.13	BBB+	A3	BBB+	104.55	3.56	-	-	0.66
Russia	06/28	12.75	BB+	Ba1	BBB-	169.66	4.32	-0.02	0.22	1.42
Brazil	02/47	5.63	BB-	Ba2	BB	96.65	5.87	-	-	-
Emerging Euro										
Mexico	02/20	5.50	BBB+	A3	BBB+	110.39	0.26	0.03	0.16	-1.94
Brazil	04/21	2.88	BB-	Ba2	BB	106.13	0.87	0.00	0.09	-
Mexico	04/23	2.75	BBB+	A3	BBB+	107.90	1.17	0.00	0.23	-1.46
Bulgaria	03/28	3.00	BBB-	Baa2	BBB	112.25	1.67	0.01	0.14	-1.23

Interactive Data Pricing and Reference Data LLC, an ICE Data Services company. US $ denominated bonds NY close; all other London close. *S - Standard & Poor's, M - Moody's, F - Fitch.

BONDS: GLOBAL INVESTMENT GRADE

Feb 20	Red date	Coupon	Ratings S*	Ratings M*	Ratings F*	Bid price	Bid yield	Day's chge yield	Mth's chge yield	Spread vs US
US$										
SunTrust Banks Inc.	01/28	6.00	BBB+	Baa1	A-	111.02	4.60	-	-	1.70
FleetBoston Financial Corp.	01/28	6.88	BBB+	Baa2	A-	117.14	4.69	-	-	1.79
FleetBoston Financial Corp.	01/28	6.88	BBB+	Baa2	A-	117.14	4.69	-	-	1.79
SunTrust Banks Inc.	01/28	6.00	BBB+	Baa1	A-	111.02	4.60	-	-	1.70
Barclays Bank plc	01/29	4.50	A	A1	A	96.77	4.88	-	-	1.98
Barclays Bank plc	01/29	4.50	A	A1	A	96.77	4.88	-	-	1.98
Euro										
Barclays plc	08/29	2.29	BBB	Baa2	A	91.73	3.16	0.02	0.20	0.26
AT&T Inc.	12/29	2.60	BBB+	Baa1	A-	104.21	2.18	0.02	0.11	-0.72
AT&T Inc.	12/29	2.60	BBB+	Baa1	A-	104.21	2.18	0.02	0.11	-0.72
Electricite de France (EDF)	04/30	4.63	A-	A3	A-	128.00	2.01	0.02	0.11	-0.89
Yen										
Poland	11/27	2.50	-	A2	A-	109.61	1.44	0.00	-0.02	-1.46
£ Sterling										
Cooperatieve Rabobank U.A.	05/29	4.63	BBB+	A3	A	113.08	3.22	0.02	0.48	0.32
innogy Fin B.V.	06/30	6.25	BBB	Baa2	A-	132.07	3.07	0.02	0.31	0.17

Interactive Data Pricing and Reference Data LLC, an ICE Data Services company. US $ denominated bonds NY close; all other London close. *S - Standard & Poor's, M - Moody's, F - Fitch.

INTEREST RATES: OFFICIAL

Feb 20	Rate	Current	Since	Last	Mnth Ago	Year Ago
US	Fed Funds	1.25-1.50	15-06-2017	1.00	1.25-1.50	0.50-0.75
US	Prime	4.50	15-06-2017	4.50	4.25	3.50
US	Discount	0.75	15-06-2017	0.75	1.75	1.00
Euro	Repo	0.00	16-03-2016	0.05	0.00	0.00
UK	Repo	0.50	04-08-2016	0.25	0.25	0.25
Japan	O'night Call	0.00-0.00	01-02-2016	0.00	0.00--0.10	0.00--0.10
Switzerland	Libor Target	0.00-0.25	15-01-2015	0.00-0.75	-1.25--0.25	-1.25--0.25

INTEREST RATES: MARKET

Feb 20 (Libor: Feb 19)	Over night	Change Day	Change Week	Change Month	One month	Three month	Six month	One year
US$ Libor	1.44500	0.001	0.005	0.002	1.59563	1.89213	2.11863	2.39813
Euro Libor	-0.44214	0.000	-0.005	-0.001	-0.40329	-0.37657	-0.32200	-0.25757
£ Libor	0.47260	0.000	0.000	-0.001	0.49269	0.54975	0.65544	0.87663
Swiss Fr Libor				0.002	-0.79615	-0.74560	-0.66340	-0.53320
Yen Libor				0.008	-0.03833	-0.06383	0.00167	0.09817
Euro Euribor				0.000	-0.36900	-0.32900	-0.27400	-0.19300
Sterling CDs				0.000	0.47000	0.53000	0.67500	
US$ CDs				0.370	1.58000	1.87500	2.02500	
Euro CDs				0.000	-0.44500	-0.40500	-0.34500	

Feb 20	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			0.42	0.52	0.42	0.52	0.48	0.58	0.60	0.75	0.82	0.97
Swiss Franc	-	-	-	-	-	-	-	-	-	-	-	-
Canadian Dollar	-	-	-	-	-	-	-	-	-	-	-	-
US Dollar	1.45	1.55	1.43	1.53	1.58	1.68	1.88	1.98	2.10	2.20	2.39	2.49
Japanese Yen	-0.15	0.15	-0.30	0.00	-0.35	0.05	-0.35	0.05	-0.30	0.10	-0.20	0.10

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.

COMMODITIES

www.ft.com/commodities

Energy		Price*	Change	Agricultural & Cattle Futures		Price*	Change
Crude Oil†	Mar	61.94	-0.43	Corn♦	Mar	369.00	1.75
Brent Crude Oil‡		65.64	0.10	Wheat♦	Mar	459.75	1.75
RBOB Gasoline†	Feb	1.76	-0.02	Soybeans♦	Mar	1034.25	13.00
Heating Oil†	Feb	1.58	0.00	Soybeans Meal♦	Mar	382.90	8.80
Natural Gas†	Feb	2.63	0.07	Cocoa (ICE Liffe)✠	Mar	1497.00	14.00
Ethanol♦		-	-	Cocoa (ICE US)♥	Mar	2119.00	-32.00
Uranium†	Mar	18.10	0.00	Coffee(Robusta)✠	Mar	1807.00	32.00
Carbon Emissions‡		-	-	Coffee (Arabica)♥	Mar	118.10	0.25
Diesel†		-	-	White Sugar✠		357.10	-4.00
Unleaded (95R)		-	-	Sugar 11♥		13.39	0.02
Base Metals (♠ LME 3 Months)				Cotton♥	Mar	76.50	0.84
Aluminium		2184.50	-16.50	Orange Juice♥	Mar	151.20	-0.05
Aluminium Alloy		1805.00	-75.00	Palm Oil♣		-	-
Copper		7086.00	-51.50	Live Cattle♣	Feb	130.33	0.00
Lead		2585.00	-3.00	Feeder Cattle♣	Mar	149.85	-0.05
Nickel		13630.00	-40.00	Lean Hogs♣	Apr	68.28	0.00
Tin		21420.00	-20.00				
Zinc		3547.00	-20.50		Feb 19	% Chg Month	% Chg Year
Precious Metals (PM London Fix)							
Gold		1339.85	-6.75	S&P GSCI Spt	446.07	-1.01	10.62
Silver (US cents)		1657.00	-15.00	DJ UBS Spot	88.27	-0.29	0.20
Platinum		1007.00	2.00	R/J CRB TR	200.86	1.99	2.66
Palladium		1034.00	-3.00	M Lynch MLCX Ex. Rtn	231.14	-9.84	-33.05
Bulk Commodities				UBS Bberg CMCI TR	15.40	0.09	-
Iron Ore (Platts)		78.25	0.00	LEBA EUA Carbon	9.03	0.00	68.47
Iron Ore (The Steel Index)		76.55	-1.30	LEBA CER Carbon	0.17	0.00	-39.29
GlobalCOAL RB Index		99.00	0.00	LEBA UK Power	4069.00	-15.32	14.62
Baltic Dry Index		1117.00	30.00				

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

BOND INDICES

	Index	Day's change	Month's change	Year change	Return 1 month	Return 1 year
Markit IBoxx						
ABF Pan-Asia unhedged	192.71	0.02	-0.61	1.20	-0.09	8.60
Corporates(£)	339.06	-0.07	-1.53	-2.20	-2.12	2.40
Corporates($)	273.00	0.10	-1.45	-2.38	-1.45	-2.38
Corporates(€)	225.37	-0.05	-0.24	-0.52	-0.59	1.75
Eurozone Sov(€)	231.34	-0.26	-0.28	-0.66	-0.64	1.27
Gilts(£)	314.54	-0.11	-0.68	-2.73	-1.69	-0.59
Global Inflation-Lkd	268.69	0.11	-1.04	-0.05	-0.82	7.64
Markit iBoxx £ Non-Gilts	333.39	-0.07	-1.22	-2.09	-1.84	1.84
Overall ($)	234.53	0.09	-1.06	-2.23	-1.06	-2.23
Overall(£)	317.09	-0.09	-0.84	-2.54	-1.73	0.12
Overall(€)	227.69	-0.18	-0.27	-0.72	-0.64	1.06
Treasuries ($)	219.56	0.06	-0.88	-2.27	-0.88	-2.27
FTSE						
Sterling Corporate (£)	113.58	0.08	-	-	-2.01	-2.76
Euro Corporate (€)	106.11	0.03	-	-	-0.69	-1.16
Euro Emerging Mkts (€)	632.40	-5.83	-	-	-5.30	-24.17
Eurozone Govt Bond	110.25	0.02	-	-	-0.94	-0.97

CREDIT INDICES	Index	Day's change	Week's change	Month's change	Series high	Series low
Markit iTraxx						
Crossover 5Y	268.32	-5.13	4.84	37.48	282.02	221.09
Europe 5Y	52.97	-1.82	1.78	8.73	59.12	42.77
Japan 5Y	47.98	-1.11	1.92	5.35	51.66	42.43
Senior Financials 5Y	53.08	-2.11	3.00	10.43	60.79	40.86
Markit CDX						
Emerging Markets 5Y	119.96	0.00	-11.08	7.20	137.62	109.50
Nth Amer High Yld 5Y	318.73	0.00	-22.73	22.51	354.72	291.49
Nth Amer Inv Grade 5Y	51.61	0.00	-5.88	4.58	60.63	45.28

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

BONDS: INDEX-LINKED

	Price Feb 19	Yield Feb 19	Yield Prev	Month return	Value stock	Market	No of stocks
Can 4.25%' 21	114.63	0.343	0.351	-0.17	5.18	72326.14	7
Fr 2.25%' 20	109.68	-1.630	-1.647	0.04	20.31	231572.80	15
Swe 0.25%' 22	113.56	-1.720	-1.729	-0.11	31.83	240049.67	8
UK 2.5%' 20	363.04	-1.971	-1.971	0.26	6.58	635438.61	28
UK 2.5%' 24	358.16	-1.580	-1.589	-0.36	6.82	635438.61	28
UK 2%' 35	262.65	-1.450	-1.452	-1.09	9.08	635438.61	28
US 0.625%' 21	101.15	0.284	0.285	-0.15	35.84	1269003.14	38
US 3.625%' 28	127.43	0.805	0.285	-1.39	16.78	1269003.14	38

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	2.92	2.23	0.02	Ireland	1.30	0.61	-1.61
Austria	0.84	0.16	-2.06	Italy	2.04	1.35	-0.86
Belgium	0.89	0.20	-2.01	Japan	0.06	-0.63	-2.84
Canada	2.34	1.65	-0.56	Netherlands	0.79	0.10	-2.11
Denmark	0.82	0.13	-2.09	Norway	1.91	1.22	-0.99
Finland	0.85	0.16	-2.05	Portugal	1.85	1.16	-1.05
France	0.99	0.31	-1.91	Spain	1.51	0.83	-1.39
Germany	0.69	0.00	-2.21	Switzerland	0.12	-0.57	-2.78
Greece	4.24	3.56	1.34	United Kingdom	1.62	0.94	-1.28
				United States	2.90	2.21	0.00

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

VOLATILITY INDICES

	Feb 20	Day Chng	Prev	52 wk high	52 wk low
VIX	19.97	0.51	19.46	50.30	8.56
VXD	19.50	0.67	18.83	40.09	3.93
VXN	20.91	0.45	20.46	38.11	9.75
VDAX	-	-	-	-	-

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

BONDS: BENCHMARK GOVERNMENT

	Red Date	Coupon	Bid Price	Bid Yield	Day chg yield	Wk chg yield	Month chg yld	Year chg yld
Australia	10/19	2.75	101.32	1.93	0.01	0.04	-0.01	-0.02
	11/28	2.75	98.47	2.92	-0.04	-0.03	0.03	-
Austria	10/19	0.25	101.26	-0.51	0.00	0.01	0.02	0.11
	04/27	0.50	96.98	0.84	0.04	0.01	0.19	-
Belgium	09/19	3.00	105.59	-0.47	0.00	0.03	0.03	0.05
	06/27	0.80	99.21	0.89	0.04	0.01	0.19	0.04
Canada	02/20	1.25	98.91	1.82	-	-	-	-
	06/28	2.00	96.88	2.34	-	-	-	-
Denmark	11/19	4.00	107.91	-0.54	0.00	0.01	-0.01	-0.10
	11/27	0.50	97.06	0.82	0.03	0.00	0.23	0.20
Finland	04/20	3.38	108.15	-0.40	0.00	0.01	0.02	0.12
	09/27	0.50	96.83	0.85	0.03	0.00	0.17	-
France	11/19	0.50	101.77	-0.50	0.00	0.00	0.02	-0.09
	05/23	1.75	108.12	0.20	0.02	0.00	0.13	-0.10
	05/28	0.75	97.63	0.99	0.04	0.00	0.15	-
Germany	10/19	0.25	101.40	-0.60	0.00	0.01	0.03	0.22
	08/23	2.00	110.14	0.14	0.02	0.00	0.15	0.42
	08/27	0.50	98.29	0.69	0.03	-0.01	0.18	-
	08/48	1.25	96.39	1.40	0.04	0.05	0.17	-
Greece	04/19	4.75	103.31	1.81	0.01	-0.32	0.48	-7.97
	01/28	3.75	96.06	4.24	-0.02	-0.05	0.43	-
Ireland	10/19	5.90	110.60	-0.47	0.00	-0.01	0.00	-0.13
	05/30	2.40	112.42	1.30	0.05	0.05	0.17	-0.29
Italy	06/20	0.35	100.77	0.02	0.02	0.04	0.01	-
	08/22	0.90	100.74	0.73	0.03	0.03	0.07	-
	08/27	2.05	100.11	2.04	0.06	0.02	0.09	-
	03/47	2.70	92.85	3.07	0.06	0.03	0.00	-0.20
Japan	11/19	0.10	100.44	-0.15	0.01	0.00	-0.02	-
	09/22	0.10	100.90	-0.10	0.01	-0.01	-0.01	-
	09/27	0.10	100.42	0.06	0.01	-0.01	-0.01	-
	09/47	0.80	100.35	0.79	0.01	-0.02	-0.04	-
Netherlands	01/20	0.25	101.52	-0.54	0.00	0.02	0.02	0.08
	07/27	0.75	99.66	0.79	0.03	0.01	0.19	0.15
New Zealand	04/20	3.00	102.34	1.88	-0.01	-0.01	-0.18	-0.60
	04/27	4.50	112.04	2.99	-0.02	-0.03	-0.02	-0.37
Norway	05/19	4.50	104.81	0.63	0.00	0.03	0.14	-0.02
	02/27	1.75	98.72	1.91	0.01	0.03	0.23	-
Portugal	06/20	4.80	111.22	-0.05	0.02	0.05	0.02	-1.32
	04/27	4.13	118.98	1.85	0.01	-0.04	0.10	-2.43
Spain	07/20	1.15	103.07	-0.11	-0.45	-0.42	-0.41	-0.20
	10/27	1.45	99.44	1.51	0.05	0.03	0.07	-
Sweden	03/19	4.25	105.33	-0.75	-0.01	0.01	0.01	-0.15
	11/26	1.00	102.13	0.75	0.01	-0.01	0.09	0.06
Switzerland	07/20	2.25	107.36	-0.81	0.01	0.00	0.00	0.04
	06/27	3.25	129.12	0.12	0.02	-0.02	0.17	0.27
United Kingdom	07/20	2.00	102.88	0.80	0.02	-0.01	0.16	0.48
	07/23	0.75	97.55	1.22	0.02	-0.01	0.22	-
	07/27	1.25	96.76	1.62	0.02	0.01	0.24	-
	07/47	1.50	89.12	1.99	0.02	0.02	0.14	0.12
United States	11/19	1.75	99.22	2.20	-	-	-	-
	10/22	2.00	97.27	2.62	-	-	-	-
	11/27	2.25	94.49	2.90	-	-	-	-
	11/47	2.75	92.48	3.14	-	-	-	-

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

GILTS: UK CASH MARKET

Feb 20	Price £	Red Yield	Change in Yield Day	Week	Month	Year	52 Week High	52 Week Low	Amnt £m
	-	-	-	-	-	-	-	-	-
Tr 5pc '18	100.20	0.12	9.09	-29.41	-60.00	71.43	105.10	100.20	35.24
Tr 4.5pc '19	104.07	0.58	1.75	0.00	3.57	1060.00	109.05	104.07	36.35
Tr 4.75pc '20	108.19	0.70	1.45	-2.78	14.75	288.89	113.97	108.16	33.31
Tr 1.5pc '21	101.81	0.87	1.16	-2.25	22.54	123.08	104.73	101.68	32.46
Tr 4pc '22	112.02	0.96	1.05	-1.03	23.08	95.92	118.04	111.84	37.95
Tr 5pc '25	124.50	1.34	0.75	-0.74	21.82	38.14	132.93	124.15	35.08
Tr 1.25pc '27	96.80	1.62	1.25	0.62	17.39	24.62	131.42	96.41	23.45
Tr 4.25pc '32	130.21	1.84	1.10	1.10	13.58	12.88	139.13	129.40	35.44
Tr 4.25pc '36	135.37	1.92	0.52	0.52	9.71	6.67	144.09	134.34	29.76
Tr 4.5pc '42	148.80	2.00	1.01	1.01	8.11	5.26	159.30	147.31	26.64
Tr 3.75pc '52	146.48	1.90	0.53	0.53	8.57	4.97	159.09	144.61	23.59
Tr 4pc '60	164.44	1.80	0.56	1.12	8.43	3.45	179.15	162.07	23.61

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

GILTS: UK FTSE ACTUARIES INDICES

Price Indices Fixed Coupon	Feb 20	Day's chg %	Total Return	Return 1 month	Return 1 year	Yield
1 Up to 5 Years	93.75	0.03	2404.73	-0.28	-0.94	0.86
2 5 - 10 Years	178.55	0.19	3406.77	-1.26	-1.37	1.40
3 10 - 15 Years	206.94	0.33	4126.54	-1.69	-0.69	1.75
4 5 - 15 Years	184.90	0.23	3582.57	-1.41	-1.17	1.55
5 Over 15 Years	325.95	0.65	5016.90	-1.66	0.91	1.88
7 All stocks	176.04	0.34	3506.32	-1.14	-0.13	1.75

Index Linked	Feb 20	Day's chg %	Month chg %	Year's chg %	Total Return	Return 1 month	Return 1 year
1 Up to 5 Years	309.60	0.09	-0.18	-1.88	2449.51	-0.18	-0.43
2 Over 5 years	697.39	0.91	-1.27	-0.14	5210.56	-1.27	0.38
3 5-15 years	469.58	0.31	-1.21	-1.39	3657.19	-1.21	-0.36
4 Over 15 years	894.76	1.12	-1.29	0.26	6533.35	-1.29	0.61
5 All stocks	631.19	0.84	-1.17	-0.28	4787.40	-1.17	0.32

Yield Indices	Feb 20	Feb 19	Yr ago		Feb 20	Feb 19	Yr ago
5 Yrs	1.08	1.10	0.48	20 Yrs	1.98	2.02	1.93
10 Yrs	1.61	1.64	1.29	45 Yrs	1.74	1.77	1.76
15 Yrs	1.89	1.93	1.76				

Real yield	inflation 0% Feb 20	Dur yrs	Previous	Yr ago	inflation 5% Feb 20	Dur yrs	Previous	Yr ago
Up to 5 yrs	-1.97	3.10	-1.93	-2.76	-2.42	3.12	-2.39	-3.47
Over 5 yrs	-1.54	24.59	-1.50	-1.62	-1.57	24.68	-1.54	-1.66
5-15 yrs	-1.59	9.33	-1.56	-1.92	-1.71	9.35	-1.68	-2.05
Over 15 yrs	-1.54	29.78	-1.50	-1.60	-1.56	29.83	-1.52	-1.62
All stocks	-1.55	22.66	-1.51	-1.63	-1.58	22.78	-1.55	-1.67

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

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

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MANAGED FUNDS SERVICE

Algebris Investments (IRL)

Regulated

Fund	Bid	Offer	D+/-	Yield
Algebris Financial Credit Fund - Class I EUR	€ 158.66	-	0.49	0.00
Algebris Financial Income Fund - Class I EUR	€ 150.66	-	0.63	0.00
Algebris Financial Equity Fund - Class B EUR	€ 142.96	-	0.75	0.00
Algebris Asset Allocation Fund - Class B EUR	€ 98.18	-	-0.05	0.00
Algebris Macro Credit B EUR Acc	€ 111.72	-	0.49	0.00
Algebris Core Italy Fund - Class B EUR	€ 98.57	-	0.68	-

The Antares European Fund Limited

Other International Funds

Fund	Bid	Offer	D+/-	Yield
AEF Ltd Usd (Est)	$ 732.79	-	-21.23	-
AEF Ltd Eur (Est)	€ 722.00	-	-21.65	0.00

Arisaig Partners

Other International Funds

Fund	Bid	Offer	D+/-	Yield
Arisaig Africa Consumer Fund Limited	$ 14.59	-	-0.05	0.00
Arisaig Asia Consumer Fund Limited	$ 91.91	-	-0.47	0.00
Arisaig Global Emerging Markets Consumer Fund	$ 12.02	-	-0.05	0.00
Arisaig Latin America Consumer Fund	$ 12.55	-	0.04	0.00
Arisaig Global Emerging Markets Consumer UCITS (STG)	£ 14.12	-	0.02	0.00
Arisaig Latin American Consumer Fund	$ 28.37	-	-0.02	0.00

Artisan Partners Global Funds PLC (IRL)

Beaux Lane House, Mercer Street Lower, Dublin 2, Ireland

Tel: 44 (0) 207 765 7130

FCA Recognised

Artisan Partners Global Funds plc

Fund	Bid	Offer	D+/-	Yield
Artisan Global Equity Fund Class I USD Acc	$ 19.72	-	0.02	0.00
Artisan Global Opportunities Fund I USD Acc	$ 17.69	-	-0.04	0.00
Artisan Global Value Fund Class I EUR Acc	€ 21.35	-	0.00	0.00
Artisan US Value Equity Fund Class I USD Acc	$ 15.29	-	0.00	0.00
Artisan Global Opportunities Class I EUR Acc	€ 21.43	-	0.12	0.00

Ashmore Sicav (LUX)

2 rue Albert Borschette L-1246 Luxembourg

FCA Recognised

Fund	Bid	Offer	D+/-	Yield
Ashmore SICAV Emerging Market Debt Fund	$ 100.06	-	0.17	6.15
Ashmore SICAV Emerging Market Frontier Equity Fund	$ 188.88	-	-0.44	0.62
Ashmore SICAV Emerging Market Total Return Fund	$ 91.57	-	0.00	5.58
Ashmore SICAV Global Small Cap Equity Fund	$ 171.71	-	1.27	0.57
EM Mkts Corp.Debt USD F	$ 99.01	-	0.05	6.52
EM Mkts Loc.Ccy Bd USD F	$ 91.96	-	-0.14	4.82
EM Short Duration Fund Acc USD	$ 136.97	-	0.07	0.00

Aspect Capital Ltd (UK)

Other International Funds

Fund	Bid	Offer	D+/-	Yield
Aspect Diversified USD	$ 403.45	-	0.61	0.00
Aspect Diversified EUR	€ 233.27	-	0.14	0.00
Aspect Diversified GBP	£ 122.09	-	0.08	0.00
Aspect Diversified CHF	SFr 109.86	-	0.08	0.00
Aspect Diversified Trends USD	$ 121.19	-	0.37	0.00
Aspect Diversified Trends EUR	€ 117.02	-	0.35	0.00
Aspect Diversified Trends GBP	£ 124.06	-	0.37	0.00

Atlantas Sicav (LUX)

Regulated

Fund	Bid	Offer	D+/-	Yield
American Dynamic	$ 4662.95	-	112.95	0.00
American One	$ 4330.96	-	120.79	0.00
Bond Global	€ 1357.30	-	-5.77	0.00
Eurocroissance	€ 1000.66	-	21.70	0.00
Far East	$ 1004.20	-	30.81	0.00

Bank of America Cap Mgmt (Ireland) Ltd (IRL)

Regulated

Fund	Bid	Offer	D+/-	Yield
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

Fund	Bid	Offer	D+/-	Yield
Sterling Bond F	£ 0.47	-	0.00	2.74

BlackRock (JER)

Regulated

Fund	Bid	Offer	D+/-	Yield
BlackRock UK Property	£ 44.06	-	0.02	2.08
BLK Intl Gold & General	$ 5.68	5.99	-0.04	0.00

CCLA Investment Management Ltd (UK)

Senator House 85 Queen Victoria Street London EC4V 4ET

Authorised Inv Funds

Fund	Bid	Offer	D+/-	Yield
Diversified Income 1 Units GBP Inc	£ 1.53	1.53	0.00	3.32
Diversified Income 2 Units GBP Inc	£ 1.48	1.48	0.00	-
Diversified Income 3 Units GBP Inc	£ 1.48	1.48	-0.01	-

CG Asset Management Limited (IRL)

25 Moorgate, London, EC2R 6AY

Dealing: Tel. +353 1434 5098 Fax. +353 1542 2859

FCA Recognised

Fund	Bid	Offer	D+/-	Yield
Capital Gearing Portfolio Inc	£ 31154.82	31154.82	156.96	0.53

CG Portfolio Fund Plc

Fund	Bid	Offer	D+/-	Yield
Absolute Return Cls M Inc	£ 113.58	113.58	-0.11	1.29
Capital Value Cls V Inc	£ 150.29	150.29	0.75	0.45
Dollar Fund Cls D Inc	£ 140.11	140.11	0.20	1.78
Dollar Hedged GBP Inc	£ 95.97	95.97	0.02	1.73
Real Return Cls A Inc	£ 182.56	182.56	0.25	2.32

Cedar Rock Capital Limited (IRL)

Regulated

Fund	Bid	Offer	D+/-	Yield
Cedar Rock Capital Fd Plc	$ 446.19	-	-29.15	1.44
Cedar Rock Capital Fd Plc	£ 501.40	-	-23.12	1.52
Cedar Rock Capital Fd Plc	€ 374.15	-	-22.82	1.50

Charles Schwab Worldwide Funds Plc (IRL)

Regulated

Fund	Bid	Offer	D+/-	Yield
Schwab USD Liquid Assets Fd	$ 1.00	-	0.00	0.24

Chartered Asset Management Pte Ltd

Other International Funds

Fund	Bid	Offer	D+/-	Yield
CAM-GTF Limited	$ 314022.72	314022.72	-17168.97	0.00
CAM GTi Limited	$ 693.77	-	19.24	0.00
Raffles-Asia Investment Company	$ 1.70	1.70	0.05	1.16

Cheyne Capital Management (UK) LLP (IRL)

Regulated

Fund	Bid	Offer	D+/-	Yield
Cheyne Convertibles Absolute Return Fund (D)	€ 1476.48	-	1.88	0.00
Cheyne Global Credit Fund (D)	€ 125.64	-	-0.02	0.00
Cheyne European Mid Cap Fund (W)	€ 1075.08	-	-1.39	0.00

Cheyne Capital Management (UK) LLP

Other International Funds

Fund	Bid	Offer	D+/-	Yield
Cheyne European Event Driven Fund (M)	€ 149.98	-	2.23	-

price updated (D) daily, (W) weekly, (M) monthly

DAVIS Funds SICAV (LUX)

Regulated

Fund	Bid	Offer	D+/-	Yield
Davis Value A	$ 53.75	-	-0.13	0.00
Davis Global A	$ 42.19	-	-0.11	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

Fund	Bid	Offer	D+/-	Yield
EUR Accumulating Class	€ 12.08	-	0.12	0.00
EUR Accumulating Class (H)	€ 10.33	-	0.02	0.00
EUR Distributing Class	€ 10.61	-	0.10	3.96
EUR Distributing Class (H)	€ 9.06	-	0.01	3.63
GBP Distributing Class	£ 11.43	-	0.08	3.93
GBP Distributing Class (H)	£ 9.33	-	0.01	3.25
USD Accumulating Class	$ 10.80	-	0.01	0.00

Dodge & Cox Worldwide Funds plc-Global Stock Fund

Fund	Bid	Offer	D+/-	Yield
USD Accumulating Share Class	$ 22.50	-	-0.03	0.00
GBP Accumulating Share Class	£ 26.42	-	0.13	0.00
GBP Distributing Share class	£ 18.93	-	0.10	0.47
EUR Accumulating Share Class	€ 27.24	-	0.18	0.00
GBP Distributing Class (H)	£ 12.15	-	-0.01	0.34

Dodge & Cox Worldwide Funds plc-International Stock Fund

Fund	Bid	Offer	D+/-	Yield
USD Accumulating Share Class	$ 18.19	-	-0.03	0.00
EUR Accumulating Share Class	€ 17.26	-	0.10	0.00

Dodge & Cox Worldwide Funds plc-U.S. Stock Fund

Fund	Bid	Offer	D+/-	Yield
USD Accumulating Share Class	$ 26.19	-	0.03	0.00
GBP Accumulating Share Class	£ 29.07	-	0.20	0.00
GBP Distributing Share Class	£ 18.19	-	0.13	0.74
EUR Accumulating Share Class	€ 27.37	-	0.24	0.00
GBP Distributing Class (H)	£ 11.84	-	0.02	0.37

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

Fund	Bid	Offer	D+/-	Yield
Vietnam Property Fund (VPF) NAV	$ 0.80	-	0.03	0.00

DSM Capital Partners Funds (LUX)

www.dsmsicav.com

Regulated

Fund	Bid	Offer	D+/-	Yield
DSM Global Growth I2 Acc	€ 186.00	-	-0.06	0.00
DSM Global Growth I1 Acc	€ 122.20	-	0.19	0.00
DSM US Large Cap Growth I3	$ 123.95	-	1.96	-
DSM US Large Cap Growth A	$ 152.57	-	-0.50	0.00
DSM US Large Cap Growth I2	€ 122.72	-	-0.10	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

Fund	Bid	Offer	D+/-	Yield
Emerging Opportunities I USD $	$ 1.48	-	0.01	1.17
European Opportunities I EUR	€ 2.81	-	-0.01	1.61
European Opportunities I GBP	£ 2.48	-	-0.01	1.59
European Opportunities A EUR	€ 2.74	-	-0.01	1.31
Global Opportunities I USD	$ 2.07	-	0.00	1.98
Global Opportunities I GBP	£ 1.48	-	0.01	2.08
Pan European Opportunities I EUR	€ 1.86	-	0.00	-

Ennismore Smaller Cos Plc (IRL)

5 Kensington Church St, London W8 4LD 020 7368 4220

FCA Recognised

Fund	Bid	Offer	D+/-	Yield
Ennismore European Smlr Cos NAV	£ 125.17	-	-0.28	0.00
Ennismore European Smlr Cos NAV	€ 141.29	-	-0.20	0.00

Ennismore European Smlr Cos Hedge Fd

Other International Funds

Fund	Bid	Offer	D+/-	Yield
NAV	€ 532.49	-	6.39	0.00

Equinox Fund Mgmt (Guernsey) Limited (GSY)

Regulated

Fund	Bid	Offer	D+/-	Yield
Equinox Russian Opportunities Fund Limited	£ 200.36	-	11.75	0.00

Euronova Asset Management UK LLP (CYM)

Regulated

Fund	Bid	Offer	D+/-	Yield
Smaller Cos Cls One Shares	€ 42.53	-	-1.85	0.00
Smaller Cos Cls Two Shares	€ 28.78	-	-1.24	0.00
Smaller Cos Cls Three Shares	€ 14.53	-	-0.58	0.00
Smaller Cos Cls Four Shares	€ 18.73	-	-0.68	0.00

Eurobank Fund Management Company (Luxembourg) S.A.

Regulated

Fund	Bid	Offer	D+/-	Yield
(LF) Absolute Return	€ 1.37	-	0.01	0.00
(LF) Eq Emerging Europe	€ 0.93	-	0.00	0.00
(LF) Eq Mena Fund	€ 12.78	-	0.15	0.00
(LF) Greek Government Bond	€ 28.29	-	0.28	0.00
(LF) Greek Corporate Bond	€ 14.71	-	0.05	0.00
(LF) FOF Dynamic Fixed Inc	€ 11.71	-	0.05	0.00
(LF) FOF Real Estate	€ 14.59	-	0.14	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

Fund	Bid	Offer	D+/-	Yield
Cash Fund Y-Acc-GBP	£ 1.00	-	0.00	0.08
Cash Fund Y-Inc-GBP	£ 1.00	-	0.00	0.18
Fidelity Select 50 Balanced Fund PI-ACC-GBP	£ 1.00	-	0.00	-
Fidelity Short Dated Corporate Bond Fund Y - Gross Inc	£ 9.83	-	-0.01	4.21
Fidelity Short Dated Corporate Bond Fund Y - Gross Acc	£ 10.26	-	0.00	1.17
Target 2020 A-ACC-GBP	£ 0.65	-	0.00	0.45
Target 2025 A-ACC-GBP	£ 1.61	-	0.00	0.51
Target 2030 A-ACC-GBP	£ 1.81	-	-0.01	0.56

Institutional OEIC Funds

Fund	Bid	Offer	D+/-	Yield
Europe (ex-UK) Fund ACC-GBP	£ 5.10	-	-0.03	1.10
UK Gilt Fund Inc	£ 1.34	-	0.00	1.64
UK Long Corporate Bond - Gross Inc	£ 12.08	-	-0.01	2.95

Findlay Park Funds Plc (IRL)

30 Herbert Street, Dublin 2, Ireland Tel: 020 7968 4900

FCA Recognised

Fund	Bid	Offer	D+/-	Yield
American Fund USD Class	$ 110.39	-	0.05	0.00
American Fund GBP Hedged	£ 58.78	-	0.03	0.00
American Fund GBP Unhedged	£ 78.61	-	0.14	0.00
Latin American Fund USD Class	$ 17.56	-	-0.01	0.00
Latin American Fund GBP Unhedged	£ 12.74	-	0.01	0.00

The First Investor QSCC

5th Floor, Barwa Bank Building, Grand Hamad Street

, P.O. Box 16034, Doha, State of Qatar

+ 974 4459 6111

http://www.tfi.com.qa/

Other International Funds

Fund	Bid	Offer	D+/-	Yield
TFI GCC Equity Opportunities Fund (Q)	QAR 1280.10	-	0.04	0.00

Foord Asset Management

Website: www.foord.com - Email: info@foord.com

FCA Recognised - Luxembourg UCITS

Fund	Bid	Offer	D+/-	Yield
Foord International Fund | R	$ 40.86	-	-0.10	-
Foord Global Equity Fund (Lux) | R	$ 13.59	-	-0.04	-

Regulated

Fund	Bid	Offer	D+/-	Yield
Foord Global Equity Fund (Sing) | B	$ 16.40	-	0.01	0.00
Foord International Trust (Gsy)	$ 40.54	-	-0.10	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

Fund	Bid	Offer	D+/-	Yield
Franklin Emg Mkts Debt Opp CHF	SFr 17.85	-	0.14	8.01
Franklin Emg Mkts Debt Opp GBP	£ 11.10	-	0.08	5.94
Franklin Emg Mkts Debt Opp SGD	S$ 23.97	-	0.39	4.58
Franklin Emg Mkts Debt Opp USD	$ 18.75	-	0.41	5.89

GAM

funds@gam.com, www.funds.gam.com

Regulated

Fund	Bid	Offer	D+/-	Yield
LAPIS TOP 25 DIV.YLD-D	£ 103.66	-	0.33	1.87

GYS Investment Management Ltd (GSY)

Regulated

Fund	Bid	Offer	D+/-	Yield
Taurus Emerging Fund Ltd	$ 235.97	240.78	3.96	0.00

Genesis Asset Managers LLP

Other International Funds

Fund	Bid	Offer	D+/-	Yield
Emerging Mkts NAV	£ 8.13	-	0.01	1.27

HPB Assurance Ltd

Anglo Intl House, Bank Hill, Douglas, Isle of Man, IM1 4LN 01638 563490

International Insurances

Fund	Bid	Offer	D+/-	Yield
Holiday Property Bond Ser 1	£ 0.54	-	0.00	0.00
Holiday Property Bond Ser 2	£ 0.65	-	-0.01	0.00

Haussmann

Other International Funds

Fund	Bid	Offer	D+/-	Yield
Haussmann Cls A	$ 2769.32	-	-10.23	0.00
Haussmann Cls C	€ 2360.71	-	-13.31	0.00
Haussmann Cls D	SFr 1238.45	-	-7.47	0.00

Hermes Investment Funds Plc (IRL)

Hermes Investment Management Limited, 1 Portsoken Street, London E1 8HZ +44 (0) 207 680 2121

FCA Recognised

Fund	Bid	Offer	D+/-	Yield
Hermes Abs Return Credit Fund Class F Acc	£ 1.15	1.15	0.00	0.00
Hermes Abs Return Credit Fund Class F Acc USD	€ 1.92	1.92	-0.01	0.00
Hermes Asia Ex-Japan Equity Fund Class C Acc GBP	£ 2.60	2.60	0.00	0.00
Hermes Asia Ex-Japan Equity Fund Class C Acc USD	€ 4.60	4.60	0.02	0.00
Hermes Europe Ex-UK Equity Fund Class F Acc	£ 2.07	2.07	0.00	0.00
Hermes Europe Ex-UK Equity Fund Class F Acc EUR	€ 3.96	3.96	0.00	0.00
Hermes European Alpha Equity Fund Class F Acc	£ 1.71	1.71	-0.01	0.00
Hermes European Alpha Equity Fund Class F Dis	£ 1.62	1.62	-0.01	1.14
Hermes European Alpha Equity Fund Class F Acc EUR	€ 3.38	3.38	0.00	0.00
Hermes Global Emerging Markets Fund Class F Acc	£ 2.03	2.03	-0.02	0.00
Hermes Global Emerging Markets Fund Class F Acc USD	€ 4.21	4.21	-0.02	0.00
Hermes Global Equity Fund Class F Acc	£ 2.19	2.19	0.00	0.00
Hermes Global Equity Fund Class R Acc USD	€ 4.68	4.68	0.00	0.00
Hermes Global ESG Equity Fund Class F Acc	£ 1.65	1.65	0.00	0.00
Hermes Global High Yield Credit Fund Class F Acc	£ 1.49	1.49	0.00	0.00
Hermes Global High Yield Credit Fund Class F Acc EUR	€ 3.17	3.17	0.00	0.00
Hermes Global Small Cap Fund Class F Acc	£ 1.48	1.48	0.00	0.00
Hermes Global Small Cap Fund Class F Acc USD	€ 2.17	2.17	-0.01	0.00
Hermes Impact Opportunities Equity Fund F	$ 1.98	-	-0.01	-
Hermes Impact Opportunities Equity Fund F	£ 0.96	-	0.00	-
Hermes Multi Asset Inflation Fund Class F GBP Acc	£ 1.04	1.04	-0.01	0.00
Hermes Multi Strategy Credit Fund Class F Acc Hed	£ 1.15	1.15	0.00	0.00
Hermes SDG Engagement Equity Fund F	$ 2.13	-	-0.01	-
Hermes SDG Engagement Equity Fund F	£ 1.02	-	0.00	-
Hermes US All Cap Equity Class F Stg £ Acc	£ 1.41	1.41	0.01	0.00
Hermes US All Cap Equity Class F Acc USD	€ 2.18	2.18	0.00	0.00
Hermes US SMID Equity Fund Class F Acc	£ 2.29	2.29	0.01	0.00
Hermes US SMID Equity Fund Class F Acc USD	€ 3.99	3.99	0.03	0.00

INDIA VALUE INVESTMENTS LIMITED (INVIL)

www.invil.mu

Other International Funds

Fund	Bid	Offer	D+/-	Yield
NAV	£ 8.34	-	-0.01	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

Fund	Bid	Offer	D+/-	Yield
IVI European Fund EUR	€ 22.27	-	-0.16	0.00
IVI European Fund GBP	£ 26.41	-	-0.20	0.00

Invesco Fund Managers Ltd (UK)

Perptual Park, Henley-On-Thames, Oxon, RG9 1HH

Dealing: 0800 085 8571

Investor Services: 0800 085 8677

www.invescoperpetual.co.uk

Authorised Inv Funds

Invesco Perpetual Funds (No Trail)

Fund	Bid	Offer	D+/-	Yield
Global Targeted Income Fund Acc (No Trail)	100.73	-	-0.28	3.35
Global Targeted Income Fund Inc (No Trail)	104.76	-	-0.30	3.29
Invesco Global Emerging Mkts Bond Acc (No Trail)	95.88	-	0.05	-
Invesco Global Emerging Mkts Bond Inc (No Trail)	91.97	-	0.04	-

Invesco (LUX)

Dublin 00 353 1 439 8100 Hong Kong 00852 3191 8282

FCA Recognised

Invesco Management SA

Fund	Bid	Offer	D+/-	Yield
Invesco Active Multi-Sector Credit Fund A	€ 3.15	-	0.00	0.00
Invesco Asia Balanced A dist	$ 14.97	-	-0.10	2.85
Invesco Asia Consumer Demand Fund A income	$ 18.30	-	-0.13	0.05
Invesco Asia Infrastructure (A)	$ 15.40	-	-0.15	0.72
Invesco Asia Opportunities Equity A	$ 146.59	-	-1.55	0.00
Invesco Balanced Risk Allocation Fund A	€ 16.70	-	-0.06	0.00
Invesco Emerging Europe Equity Fund A	$ 12.67	-	-0.05	0.00
Invesco Emerging Local Currencies Debt A Inc	$ 7.32	-	-0.04	5.66
Invesco Emerging Market Structured Equity Fund A	$ 13.15	-	-0.06	0.00
Invesco Energy A	$ 16.50	-	0.00	0.00
Invesco Euro Corporate Bond Fund (A)	€ 17.88	-	-0.01	0.00
Invesco Euro Reserve A	€ 320.18	-	0.00	0.00
Invesco Euro Bond A	€ 7.49	-	-0.01	0.00
Invesco European Growth Equity A	€ 27.05	-	-0.01	0.00
Invesco Global Absolute Return Fund A Class	€ 11.06	-	0.02	0.00
Invesco Global Bond A Inc	$ 5.89	-	-0.02	0.78
Invesco Global Conservative Fund 90 (EUR) A	€ 11.76	-	0.00	0.00
Invesco Global Equity Income Fund A	$ 73.78	-	-0.36	0.00
Invesco Global Inc Real Estate Sec A dist	$ 9.38	-	-0.02	1.99
Invesco Global Inv Grd Corp Bond A Dist	$ 12.36	-	-0.01	2.78
Invesco Global Leisure A	$ 56.88	-	0.00	0.00
Invesco Global Smaller Comp Eq Fd A	$ 78.80	-	-0.18	0.00
Invesco Global Structured Equity A	$ 51.66	-	0.02	0.72
Invesco Global Total Ret.(EUR) Bond Fund A	€ 13.69	-	-0.02	0.00
Invesco Gold & Precious Metals A	$ 5.18	-	-0.02	0.00
Invesco Greater China Equity A	$ 67.06	-	-0.57	0.00
Invesco India Equity A	$ 71.10	-	-1.00	0.00
Invesco Japanese Equity Adv Fd A	¥ 4831.00	-	-40.00	0.00
Invesco Japanese Value Eq Fd A	¥ 1673.00	-	-18.00	0.00
Invesco Latin American Equity A	$ 8.32	-	-0.02	0.00
Invesco Nippon Small/Mid Cap Equity A	¥ 1701.00	-	-1.00	0.00
Invesco Pan European Equity A EUR Cap NAV	€ 20.60	-	0.00	0.00
Invesco Pan European High Income Fd A	€ 14.48	-	-0.02	1.89
Invesco Pan European Small Cap Equity A	€ 25.29	-	0.03	0.00
Invesco Pan European Structured Equity A	€ 18.70	-	-0.04	0.00
Invesco Real Return (EUR) Bond Fund A	€ 15.89	-	-0.01	-
Invesco UK Eqty Income A	£ 31.69	-	0.06	0.00
Invesco UK Investment Grade Bond A	£ 1.05	-	0.00	1.95
Invesco US Structured Equity A	$ 27.23	-	-0.01	0.00
Invesco US Value Eq Fd A	$ 42.16	-	-0.02	0.00
Invesco USD Reserve A	$ 88.02	-	0.01	0.00

Invesco Global Asset Management Ltd (IRL)

Dublin 00 353 1 439 8100 Hong Kong 00 852 2842 7200

FCA Recognised

Fund	Bid	Offer	D+/-	Yield
Invesco Stlg Bd A QD F	£ 2.69	-	0.00	3.20
Invesco Asian Equity A	$ 9.43	-	-0.08	0.21
Invesco ASEAN Equity A	$ 112.61	-	-0.88	0.29
Invesco Bond A	$ 28.19	-	-0.10	2.22
Invesco Continental Eurp Small Cap Eqty A	$ 304.99	-	-1.59	0.00
Invesco Emerging Markets Equity A	$ 51.75	-	-0.68	0.00
Invesco Emerging Markets Bond A	$ 22.00	-	0.01	5.00
Invesco Continental European Equity A	€ 9.34	-	-0.04	0.94
Invesco Gilt A	£ 15.71	-	-0.01	0.91
Invesco Global Small Cap Equity A NAV	$ 165.95	-	-0.56	0.00
Invesco Global High Income A NAV	$ 12.23	-	0.00	5.01
Invesco Gbl R/Est Secs A GBP F F	£ 8.56	-	0.00	0.94
Invesco Global Health Care A	$ 127.93	-	-0.20	0.00
Invesco Global Select Equity A	$ 16.76	-	-0.08	0.40
Invesco Jap Eqty Core A	$ 23.81	-	-0.27	0.10
Invesco Japanese Equity A	$ 27.65	-	-0.43	0.00
Invesco Korean Equity A	$ 27.88	-	-0.29	0.00
Invesco PRC Equity A	$ 83.76	-	0.05	0.00
Invesco Pacific Equity A	$ 70.38	-	-0.74	0.06
Invesco Global Technology A	$ 22.74	-	-0.01	0.00
Invesco UK Eqty A	£ 8.93	-	0.01	1.65

Kames Capital VCIC (IRL)

1 North Wall Quay, Dublin 1, Ireland +35 3162 24493

FCA Recognised

Fund	Bid	Offer	D+/-	Yield
Absolute Return Bond B GBP Acc	1108.46	-	-0.18	1.29
Eq Market Neutral B Acc	936.85	-	0.38	0.00
High Yield Global Bond A GBP Inc	518.63	-	-0.18	3.10
High Yield Global Bond B GBP Inc	1089.32	-	-0.36	3.61
Investment Grade Global Bd A GBP Inc	570.89	-	-1.02	1.83
Kames Emerging Market Bond Fund - B Acc USD	$ 11.26	-	-0.03	0.00
Kames Global Equity Income B GBP Acc	1658.78	-	-0.34	0.00
Kames Global Equity Income B GBP Inc	1455.44	-	-8.32	3.19
Kames Global Diversified Growth Fund - B Acc EUR	€ 11.29	-	-0.01	0.00
Kames Global Equity Market Neutral Fund - B Acc GBP	£ 10.30	-	0.01	0.00
Global Sustainable Equity B Acc GBP	£ 13.83	-	0.00	0.00
Global Sustainable Equity C Acc GBP	£ 13.88	-	0.00	0.00
Kames Absolute Return Bond Global Fund - B Acc GBP	£ 10.30	-	0.00	0.00
Short Dated High Yld Bd B Acc GBP	£ 10.03	-	-0.01	-
Short Dated High Yld Bd C Acc GBP (Hdg)	£ 10.06	-	0.00	-
Strategic Global Bond A GBP Inc	1126.69	-	-0.69	0.91
Strategic Global Bond B GBP Inc	639.13	-	-0.37	1.42

Link Asset Services (UK)

65 Gresham Street, London, EC2V 7NQ

Order Desk and Enquiries: 0345 922 0044

Authorised Inv Funds

Fund	Bid	Offer	D+/-	Yield
LF Heartwood Balanced MA B Acc ✠	144.32	-	-0.05	0.35
LF Heartwood Cautious MA B Acc ✠	139.72	-	-0.19	0.43
LF Heartwood Defensive MA B Acc	114.83	-	-0.09	0.07
LF Heartwood Growth MA B Acc ✠	174.52	-	0.02	0.09
LF Heartwood Income MA B Inc ✠	111.72	-	0.01	3.05
LF Heartwood Income Plus MA B Inc ✠	116.85	-	-0.02	3.65
LF Seneca Diversified Growth A Acc	270.84	-	0.77	2.07
LF Seneca Diversified Growth B Acc	162.56	-	0.46	2.66
LF Seneca Diversified Growth N Acc	160.09	-	0.46	2.43
LF Seneca Diversified Income A Inc	94.13	-	0.10	4.83
LF Seneca Diversified Income B Inc	112.98	-	0.12	4.82
LF Seneca Diversified Income N Inc	111.39	-	0.12	4.82

Investment Adviser - Morant Wright Management Limited

Fund	Bid	Offer	D+/-	Yield
LF Morant Wright Japan A Acc ✠	403.71	-	-2.51	0.00
LF Morant Wright Japan A Inc ✠	395.25	-	-2.45	0.42
LF Morant Wright Japan B Acc ✠	434.38	-	-2.70	0.90
LF Morant Wright Japan B Inc ✠	402.51	-	-2.50	0.91
LF Morant Wright Nippon Yield A Acc ✠	430.14	-	-1.99	2.11
LF Morant Wright Nippon Yield A Inc ✠	355.32	-	-1.64	2.14
LF Morant Wright Nippon Yield B Acc ✠	451.01	-	-2.07	2.10
LF Morant Wright Nippon Yield B Inc ✠	372.64	-	-1.72	2.15

Lloyds Investment Fund Managers Limited (1000)F (JER)

PO Box 311, 11-12 Esplanade, St Helier, Jersey, JE4 8ZU 01534 845555

Other International Funds

Fund	Bid	Offer	D+/-	Yield
Lloydstrust Gilt	£ 12.2700xd	-	-0.0200	2.00

Lloyds Investment Funds Limited

Fund	Bid	Offer	D+/-	Yield
Euro High Income	€ 1.5880xd	-	-0.0010	3.08
European	£ 10.0000	-	-0.1000	0.54
High Income	£ 0.8622xd	-	-0.0011	4.41
International	£ 5.4730	-	-0.0320	0.27
North American	£ 21.9300	-	0.0100	0.00
Sterling Bond	£ 1.5170xd	-	-0.0020	2.85
UK	£ 7.4910	-	-0.0520	0.78

Lloyds Gilt Fund Limited

Fund	Bid	Offer	D+/-	Yield
Lloyds Gilt Fund Quarterly Share	£ 1.2880	-	-0.0020	1.58
Monthly Share	£ 1.2370xd	-	-0.0020	1.58

Lloyds Money Fund Limited

Fund	Bid	Offer	D+/-	Yield
Sterling Class	£ 52.5230	-	0.0000	-0.20

Lloyds Multi Strategy Fund Limited

Fund	Bid	Offer	D+/-	Yield
Conservative Strategy	£ 1.2190	-	0.0000	0.86
Growth Strategy	£ 1.7760	-	0.0010	0.67
Aggressive Strategy	£ 2.3980	-	0.0020	0.00
Global USD Growth Strategy	$ 1.6630	-	-0.0010	0.00

Dealing Daily

MMIP Investment Management Limited (GSY)

Regulated

Multi-Manager Investment Programmes PCC Limited

Fund	Bid	Offer	D+/-	Yield
UK Equity Fd Cl A Series 01	£ 2827.36	2852.51	-26.45	0.00
Diversified Absolute Rtn Fd USD Cl AF2	$ 1665.98	-	6.15	0.00
Diversified Absolute Return Stlg Cell AF2	£ 1652.56	-	3.95	0.00
Global Equity Fund A Lead Series	£ 1437.31	1443.06	-6.20	0.00

Marwyn Asset Management Limited (CYM)

Regulated

Fund	Bid	Offer	D+/-	Yield
Marwyn Value Investors	£ 432.07	-	-16.69	0.00

Emerging Markets Managed Accounts PLC (IRL)

emma@milltrust.com, +44(0)20 8123 8369, www.milltrust.com

Regulated

Fund	Bid	Offer	D+/-	Yield
Milltrust ASEAN A	$ 121.43	-	1.45	0.00
Milltrust India A	$ 181.31	-	-0.20	0.00
Milltrust Latin America A	$ 113.60	-	0.21	0.00
Milltrust Keywise China Fund	$ 164.27	-	2.50	0.00
Milltrust SEDCO MENA Fund (Class A) *	$ 100.56	-	0.90	0.00

Milltrust International Managed Investments ICAV (IRL)

mimi@milltrust.com, +44(0)20 8123 8369 www.milltrust.com

Regulated

Fund	Bid	Offer	D+/-	Yield
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

Fund	Bid	Offer	D+/-	Yield
Mir. - Glb Strat. Bd I USD	$ 109.69	-	0.15	0.00
Mir. - EqPanEuropeSm&Mid	£ 154.43	-	-1.12	0.00
Mir. - Eq UK High Income I GBP	£ 123.51	-	-0.31	0.00

Morgan Stanley Investment Funds (LUX)

6b Route de Trèves L-2633 Senningerberg Luxembourg (352) 34 64 61

www.morganstanleyinvestmentfunds.com

FCA Recognised

Fund	Bid	Offer	D+/-	Yield
US Advantage A F	$ 82.73	-	-0.17	0.00
Asian Equity A F	$ 56.48	-	-0.51	0.00
Asian Property A F	$ 20.65	-	-0.10	0.00
Emerg Europ, Mid-East & Africa Eq A F	€ 83.73	-	-1.04	0.00
Emerging Markets Debt A F	$ 87.05	-	-0.12	0.00
Emerging Markets Domestic Debt AX F	£ 12.35	12.35	-0.09	5.20
Emerging Markets Equity A F	$ 47.49	47.49	-0.37	0.00
Euro Bond A F	€ 16.15	16.15	0.01	0.00
Euro Corporate Bond AX F	£ 27.71	27.71	-0.09	1.29
Euro Strategic Bond A F	€ 46.34	46.34	0.00	0.00
European Currencies High Yield Bd A F	€ 24.64	24.64	-0.04	0.00
European Equity Alpha A F	€ 44.17	-	0.10	0.00
European Property A F	€ 34.51	34.51	0.22	0.00
Eurozone Equity Alpha A F	€ 12.79	12.79	0.03	0.00
Global Bond A F	$ 42.84	42.84	-0.10	0.00
Global Brands A F	$ 127.44	-	-0.67	0.00
Global Convertible Bond A F	$ 45.34	-	0.02	0.00
Global Property A F	$ 29.88	-	0.00	0.00
Indian Equity A F	$ 46.51	-	-0.32	0.00
Latin American Equity A F	$ 59.75	-	-0.40	0.00
Short Maturity Euro Bond A F	€ 20.42	20.42	0.01	0.00
US Dollar Liquidity A F	$ 13.15	-	0.00	0.00
US Growth A F	$ 104.81	-	-0.08	0.00
US Growth AH F	€ 70.09	70.09	-0.06	0.00
US Growth AX F	£ 74.94	74.94	-0.13	0.00
US Property A F	$ 67.08	-	0.02	0.00

Morgens Waterfall Vintiadis.co Inc

Other International Funds

Fund	Bid	Offer	D+/-	Yield
Phaeton Intl (BVI) Ltd (Est)	$ 492.68	-	21.41	0.00

Natixis International Funds (LUX) I SICAV (LUX)

FCA Recognised

Fund	Bid	Offer	D+/-	Yield
ASG Managed Futures Fund I/A (USD)	$ 102.78	102.78	-0.07	0.00
Harris Global Equity Fund R/A (USD)	$ 342.34	342.34	-1.15	0.00
Loomis Sayles Global Growth Equity Fund I/A (USD)	$ 135.81	135.81	-0.61	0.00
Loomis Sayles U.S. Growth Equity Fund I/A (USD)	$ 139.33	139.33	-0.01	0.00

Natixis Investment Funds (UK)

Authorised Funds

Fund	Bid	Offer	D+/-	Yield
DNCA European Select Equity Fund	£ 1.04	-	-0.01	-
Harris Global Concentrated Equity Fund	£ 1.70	-	-0.01	1.25
H2O MultiReturns Fund N/A (GBP)	£ 1.55	-	0.01	0.00
Loomis Sayles U.S. Equity Leaders N/A (GBP)	£ 2.34	-	0.00	0.00

New Capital UCITS Fund PLC (IRL)

Leconfield House, Curzon Street, London, W1J 5JB

www.newcapitalfunds.com

FCA Recognised

Fund	Bid	Offer	D+/-	Yield
New Capital Asia Value Credit Fund - USD Ord Inc	$ 94.33	-	-0.14	3.83
New Capital Asia Pacific Equity Income Fund - USD Ord Inc.	$ 112.58	-	1.37	2.34
New Capital Dynamic European Equity Fund - EUR Ord Inc.	€ 183.73	-	-1.79	2.59
New Capital China Equity Fund - USD Ord Acc.	$ 176.79	-	2.46	0.00
New Capital Global Value Credit Fund - USD Ord Acc.	$ 184.34	-	-0.30	0.00
New Capital Global Equity Conviction Fund - USD Ord Acc.	$ 125.49	-	-0.33	0.00
New Capital Strategic Portfolio UCITS Fund - USD Inst Acc.	$ 121.50	-	-0.04	0.00
New Capital Wealthy Nations Bond Fund - USD Inst Inc.	$ 115.38	-	-0.51	4.31
New Capital Swiss Select Equity Fund - CHF Ord Acc.	SFr 167.27	-	-0.96	0.00
New Capital US Growth Fund - USD Ord Acc.	$ 276.59	-	-0.04	0.00
New Capital All Weather Fund - EUR Inst Acc	€ 101.05	-	0.41	0.00
New Capital Dynamic UK Equity Fund - GBP Inst Acc.	£ 108.36	-	-1.22	0.00
New Capital US Small Cap Growth Fund - USD Inst Acc	$ 132.10	-	-0.02	0.00
New Capital Global Alpha Fund - USD Ord Inc	$ 106.42	-	0.06	0.31

Northwest Investment Management (HK) Ltd

11th Floor, Kinwick Centre, 32, Hollywood Road, Central Hong Kong +852 9084 4373

Other International Funds

Fund	Bid	Offer	D+/-	Yield
Northwest China Opps $ Class	$ 3126.49	-	92.75	0.00
Northwest $ Class	$ 2385.69	-	68.91	0.00

Oasis Crescent Management Company Ltd

Other International Funds

Fund	Bid	Offer	D+/-	Yield
Oasis Crescent Equity Fund	R 10.12	-	-0.09	0.00

Oasis Global Mgmt Co (Ireland) Ltd (IRL)

Regulated

Oasis Global Investment (Ireland) Plc

Fund	Bid	Offer	D+/-	Yield
Oasis Crescent Global Short Term Income Fund	$ 0.99	-	0.01	1.60
Oasis Global Equity	$ 30.72	-	-0.15	0.49

Oasis Crescent Global Investment Fund (Ireland) plc

Fund	Bid	Offer	D+/-	Yield
Oasis Crescent Global Equity Fund	$ 31.58	-	-0.16	0.41
Oasis Crescent Variable Balanced Fund	£ 10.33	-	-0.04	0.00
OasisCresGl Income Class A	$ 10.66	-	0.00	2.64
OasisCresGl LowBal D ($) Dist	$ 12.33	-	-0.02	0.00
OasisCresGl Med Eq Bal A ($) Dist	$ 13.03	-	-0.03	0.38
Oasis Crescent Gbl Property Eqty	$ 9.30	-	-0.04	1.81

Odey Asset Management LLP (CYM)

Regulated

Fund	Bid	Offer	D+/-	Yield
OEI Mac Inc GBP A	£ 153.16	-	7.91	0.00
OEI Mac Inc GBP B	£ 88.18	-	5.14	0.00
OEI MAC Inc USD	$ 814.80	-	41.98	0.00
Odey European Inc EUR	€ 354.44	-	17.34	0.00
Odey European Inc GBP A	£ 141.81	-	7.02	0.00
Odey European Inc GBP B	£ 80.39	-	3.98	0.00
Odey European Inc USD	$ 169.54	-	8.38	0.00
Giano Capital EUR Inc	€ 4624.46	-	263.45	0.00

Odey Asset Management LLP (IRL)

FCA Recognised

Fund	Bid	Offer	D+/-	Yield
Odey Pan European EUR R	€ 307.65	-	-0.64	0.00
Odey Allegra International EUR O	€ 163.80	-	0.02	0.00
Odey Allegra Developed Markets USD I	$ 164.05	-	0.08	0.00
Odey European Focus Fund	€ 18.91	-	-0.01	0.00
Odey Giano European Fund EUR R	€ 121.45	-	0.44	0.00
Odey Odyssey USD I	$ 93.64	-	-0.10	0.00
Odey Swan Fund EUR I	€ 42.03	-	0.29	0.00
Odey Absolute Return Focus Fund	$ 86.15	-	0.83	0.00

Odey Wealth Management (CI) Ltd (IRL)

www.odey.com/prices

FCA Recognised

Fund	Bid	Offer	D+/-	Yield
Odey Opportunity EUR I	€ 238.97	-	0.04	0.00

Omnia Fund Ltd

Other International Funds

Fund	Bid	Offer	D+/-	Yield
Estimated NAV	$ 1049.02	-	57.93	0.00

Optima Fund Management

Other International Funds

Fund	Bid	Offer	D+/-	Yield
Cuttyhunk Fund II Limited	$ 1627.36	-	-67.65	0.00
JENOP Global Healthcare Fund Ltd	$ 17.17	-	-0.05	0.00
OPTIKA Fund Limited - Cl A	$ 133.47	-	-0.79	0.00
Optima Fd NAV	$ 98.32	-	-1.47	0.00
Optima Discretionary Macro Fund Limited	$ 87.43	-	-0.61	0.00
The Dorset Energy Fd Ltd NAV (Est)	$ 18.70	-	-3.14	0.00
Platinum Fd Ltd (Est)	$ 109.71	-	-7.98	0.00
Platinum Fd Ltd EUR (Est)	€ 20.29	-	-1.53	0.00
Platinum Japan Fd Ltd (Est)	$ 70.56	-	-4.29	0.00
Optima Partners Global Fd	$ 16.81	-	-0.55	0.00
Optima Partners Focus Fund A	$ 18.15	-	0.35	0.00
Optima STAR Fund (hedged)	$ 107.43	-	-0.03	0.00
Optima STAR Long Fund	$ 145.18	-	-0.01	0.00

Oryx International Growth Fund Ltd

Other International Funds

Fund	Bid	Offer	D+/-	Yield
NAV (Fully Diluted)	£ 8.98	-	-0.01	0.00

Pictet Asset Management (Europe) SA (LUX)

15, Avenue J.F. Kennedy L-1855 Luxembourg

Tel: 0041 58 323 3000

FCA Recognised

Fund	Bid	Offer	D+/-	Yield
Pictet-Absl Rtn Fix Inc-HI EUR	€ 107.04	-	0.21	0.00
Pictet-Asian Equities Ex Japan-I USD F	$ 327.00	-	4.36	0.00
Pictet-Asian Local Currency Debt-I USD F	$ 170.57	-	-0.35	0.00
Pictet-Biotech-I USD F	$ 839.54	-	-2.65	0.00
Pictet-CHF Bonds I CHF	SFr 504.38	-	-0.13	0.00
Pictet-China Index I USD	$ 171.55	-	3.75	0.00
Pictet-Clean Energy-I USD F	$ 101.26	-	0.22	0.00
Pictet-Digital-I USD F	$ 412.64	-	0.20	0.00
Pictet-Em Lcl Ccy Dbt-I USD F	$ 190.37	-	-0.87	0.00
Pictet-Emerging Europe-I EUR F	€ 404.07	-	1.03	0.00
Pictet-Emerging Markets-I USD F	$ 730.30	-	0.83	0.00
Pictet-Emerging Markets Index-I USD F	$ 320.41	-	11.48	0.00
Pictet-Emerging Corporate Bonds I USD	$ 125.50	-	0.28	0.00
Pictet-Emerging Markets High Dividend I USD	$ 135.24	-	0.09	0.00
Pictet-Emerging Markets Sust Eq I USD	$ 114.36	-	1.22	0.00
Pictet-EUR Bonds-I F	€ 578.65	-	-0.23	0.00
Pictet-EUR Corporate Bonds-I F	€ 211.34	-	-0.15	0.00
Pictet-EUR Government Bonds I EUR	€ 161.65	-	-0.33	0.00
Pictet-EUR High Yield-I F	€ 273.61	-	0.18	0.00
Pictet-EUR Short Mid-Term Bonds-I F	€ 137.66	-	-0.10	0.00
Pictet-EUR Short Term HY I EUR	€ 126.75	-	0.42	0.00
Pictet-EUR Sov.Sht.Mon.Mkt EUR I	€ 101.63	-	0.00	0.00
Pictet-Euroland Index IS EUR	€ 152.71	-	-1.25	0.00
Pictet-Europe Index-I EUR F	€ 186.39	-	-1.18	0.00
Pictet-European Equity Selection-I EUR F	€ 746.90	-	-4.06	0.00
Pictet-European Sust Eq-I EUR F	€ 266.81	-	-1.53	0.00
Pictet-Global Bds Fundamental I USD	$ 130.52	-	0.26	0.00
Pictet-Global Bonds-I EUR	€ 161.08	-	0.75	0.00
Pictet-Global Defensive Equities I USD	$ 178.78	-	0.10	0.00
Pictet-ST Emerg Local Currency Debt-I USD F	$ 112.03	-	-0.17	0.00
Pictet-Global Emerging Debt-I USD F	$ 406.03	-	3.38	0.00
Pictet-Global Env.Opport-I EUR	€ 198.98	-	1.96	0.00
Pictet-Global Megatrend Selection-I USD F	$ 299.04	-	1.67	0.00
Pictet-Global Sust.Credit HI EUR	€ 149.05	-	-0.03	0.00
Pictet-Greater China-I USD F	$ 679.43	-	11.66	0.00
Pictet-Health-I USD	$ 285.59	-	1.42	0.00
Pictet-High Dividend Sel I EUR F	€ 165.51	-	1.48	0.00
Pictet-India Index I USD	$ 126.82	-	-0.98	0.00
Pictet-Indian Equities-I USD F	$ 611.45	-	-6.51	0.00
Pictet-Japan Index-I JPY F	¥ 18802.27	-	-157.70	0.00
Pictet-Japanese Equities Opp-I JPY F	¥ 12046.76	-	-106.72	0.00
Pictet-Japanese Equity Selection-I JPY F	¥ 17109.26	-	-165.33	0.00
Pictet-LATAM Lc Ccy Dbt-I USD F	$ 144.14	-	-0.15	0.00
Pictet-Multi Asset Global Opportunities-I EUR	€ 121.79	-	0.00	0.00
Pictet-Nutrition-I EUR	€ 211.31	-	2.51	0.00
Pictet-Pacific Ex Japan Index-I USD F	$ 443.55	-	5.50	0.00
Pictet-Premium Brands-I EUR F	€ 171.57	-	1.02	0.00
Pictet-Russia Index I USD	$ 81.16	-	-0.15	0.00
Pictet-Russian Equities-I USD F	$ 79.95	-	0.07	0.00
Pictet-Security-I USD F	$ 258.81	-	1.05	0.00
Pictet-Select-Callisto I EUR	€ 102.88	-	-1.95	0.00
Pictet-Small Cap Europe-I EUR F	€ 1358.79	-	-9.70	0.00
Pictet-ST.MoneyMkt-I	€ 139.42	-	0.00	0.00
Pictet-ST.MoneyMkt JPY I USD	¥ 101123.41	-	-1.22	0.00
Pictet-ST.MoneyMkt-ICHF	SFr 122.01	-	0.00	0.00
Pictet-ST.MoneyMkt-IUSD	$ 138.72	-	0.01	0.00
Pictet-Timber-I USD F	$ 209.97	-	2.33	0.00
Pictet TR-Agora I EUR	€ 123.97	-	0.05	0.00
Pictet TR-Corto Europe I EUR	€ 145.60	-	0.05	0.00
Pictet TR-Divers Alpha I EUR	€ 113.14	-	-0.04	0.00
Pictet TR-Kosmos I EUR	€ 110.41	-	-0.05	0.00
Pictet TR-Mandarin I USD	$ 166.23	-	0.50	0.00
Pictet-US Equity Selection-I USD	$ 244.56	-	-0.35	0.00
Pictet-US High Yield-I USD F	$ 164.49	-	0.56	0.00
Pictet-USA Index-I USD F	$ 247.83	-	0.11	0.00
Pictet-USD Government Bonds-I F	$ 638.48	-	0.44	0.00
Pictet-USD Short Mid-Term Bonds-I F	$ 131.23	-	-0.01	0.00
Pictet-USD Sov.ST.Mon.Mkt-I	$ 104.67	-	0.00	0.00
Pictet-Water-I EUR F	€ 324.18	-	3.81	0.00

Platinum Capital Management Ltd

Other International Funds

Fund	Bid	Offer	D+/-	Yield
Platinum All Star Fund - A	$ 130.67	-	-	-
Platinum Global Dividend Fund - A	$ 50.23	-	-	-
Platinum Global Growth UCITS Fund	$ 10.00	-	-	-

Polar Capital Funds Plc (IRL)

Regulated

Fund	Bid	Offer	D+/-	Yield
Automation & Artificial Intelligence CL I USD Acc	$ 10.69	10.69	0.01	-
Asian Financials I USD	$ 400.49	400.49	-2.42	0.00
Biotechnology I USD	$ 23.79	23.79	-0.07	0.00
European Income Acc EUR	€ 11.98	11.98	-0.07	0.00
European Ex UK Inc EUR Acc	€ 11.02	11.02	-0.08	0.00
Financial Opps I USD	$ 15.33	-	-0.02	1.71
GEM Income I USD	$ 12.90	-	-0.01	0.00
Global Convertible I USD	$ 13.04	13.04	0.01	0.00
Global Insurance I GBP	£ 5.92	-	0.01	0.00
Global Technology I USD	$ 41.51	-	-0.14	0.00
Healthcare Blue Chip Fund I USD Acc	$ 12.21	12.21	0.06	0.00
Healthcare Opps I USD	$ 43.33	-	0.09	0.00
Income Opportunities B2 I GBP Acc	£ 2.26	2.26	0.01	0.00
Japan Alpha I JPY	¥ 257.53	257.53	-0.81	0.00
Japan I JPY	¥ 2625.41	-	-11.11	0.00
North American I USD	$ 24.87	24.87	0.04	0.00
UK Absolute Equity I GBP	£ 20.40	20.40	0.08	0.00
UK Val Opp I GBP Acc	£ 11.77	11.77	0.02	0.00

Polar Capital LLP (CYM)

Regulated

Fund	Bid	Offer	D+/-	Yield
European Forager A EUR	€ 184.81	-	2.66	0.00

Private Fund Mgrs (Guernsey) Ltd (GSY)

Regulated

Fund	Bid	Offer	D+/-	Yield
Monument Growth 13/02/2018	£ 481.65	487.23	-0.66	3.18

Prusik Investment Management LLP (IRL)

Enquiries - 0207 493 1331

Regulated

Fund	Bid	Offer	D+/-	Yield
Prusik Asian Equity Income B Dist	$ 208.66	-	-0.78	3.22
Prusik Asia A	$ 289.88	-	1.10	0.00
Prusik Asian Smaller Cos A	$ 171.80	-	-0.94	0.00

Purisima Investment Fds (CI) Ltd (JER)

Regulated

Fund	Bid	Offer	D+/-	Yield
PCG B ✠	215.11	-	1.00	0.00
PCG C ✠	211.31	-	0.98	0.00

Ram Active Investments SA

www.ram-ai.com

Other International Funds

Fund	Bid	Offer	D+/-	Yield
RAM Systematic Emerg Markets Core Eq	$ 112.19	-	0.02	-
RAM Systematic Emerg Markets Eq	$ 194.98	-	0.23	-
RAM Systematic European Eq	€ 447.31	-	-1.77	-
RAM Systematic Global Shareholder Yield Eq	$ 133.23	-	-0.09	0.00
RAM Systematic Long/Short Emerg Markets Eq	$ 120.89	-	0.25	-
RAM Systematic Long/Short European Eq	€ 153.03	-	0.03	-
RAM Systematic North American Eq	$ 306.36	-	-0.11	-
RAM Tactical Convertibles Europe	€ 149.08	-	-0.16	-
RAM Tactical Global Bond Total Return	€ 144.73	-	-0.01	-
RAM Tactical II Asia Bond Total Return	$ 141.26	-	0.03	-

Robeco Asset Management (LUX)

Weena 850, 3014 DA Rotterdam, The Netherlands

www.robeco.com/contact

FCA Recognised

Fund	Bid	Offer	D+/-	Yield
Asia-Pacific Equities (EUR)	€ 157.01	-	-3.84	0.00
BP US Premium Equities (EUR)	€ 234.83	-	0.20	0.00
BP US Premium Equities (USD)	$ 272.16	-	0.25	0.00
Chinese Equities (EUR)	€ 97.17	-	-0.61	0.00
Em Stars Equities (EUR)	€ 221.24	-	1.61	0.00
Emerging Markets Equities (EUR)	€ 191.81	-	1.75	0.00
Glob.Consumer Trends Equities (EUR)	€ 194.33	-	0.37	0.00
High Yield Bonds (EUR)	€ 144.76	-	0.27	0.00
New World Financials (EUR)	€ 67.28	-	0.14	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

Fund	Bid	Offer	D+/-	Yield
LF Ruffer European C Acc	575.50	-	-4.74	0.31
LF Ruffer European C Inc	106.16	-	-0.88	-
LF Ruffer European O Acc	566.03	-	-4.70	0.00
LF Ruffer Equity & General C Acc	446.06	-	-2.79	0.04
LF Ruffer Equity & General C Inc	411.24	-	-2.58	0.04
LF Ruffer Equity & General O Acc	438.75	-	-2.77	0.00
LF Ruffer Equity & General O Inc	407.08	-	-2.57	0.00
LF Ruffer Gold C Acc	145.59	-	1.61	0.60
LF Ruffer Gold C Inc	88.11	-	0.97	-
LF Ruffer Gold O Acc	143.14	-	1.57	0.36
LF Ruffer Japanese C Inc	114.91	-	-2.01	-
LF Ruffer Japanese C Acc	244.51	-	-4.28	0.23
LF Ruffer Pacific C Acc	369.15	-	-0.36	0.94
LF Ruffer Pacific C Inc	103.80	-	-0.10	-
LF Ruffer Pacific O Acc	362.76	-	-0.38	0.64
LF Ruffer Total Return C Acc	438.72	-	-6.30	1.55
LF Ruffer Total Return C Inc	295.25	-	-4.24	1.56
LF Ruffer Total Return O Acc	431.48	-	-6.23	1.54
LF Ruffer Total Return O Inc	290.24	-	-4.19	1.56

S W Mitchell Capital LLP (IRL)

Regulated

Fund	Bid	Offer	D+/-	Yield
SWMC European Fund B EUR	€ 17472.68	-	435.37	0.00
SWMC Small Cap European Fund B EUR	€ 15609.93	-	77.77	0.00

RobecoSAM (LUX)

Tel. +41 44 653 10 10 http://www.robecosam.com/

Regulated

Fund	Bid	Offer	D+/-	Yield
RobecoSAM Sm.Energy/A	£ 16.99	-	0.05	1.22
RobecoSAM Sm.Energy/N	€ 15.18	-	0.06	0.00
RobecoSAM Sm.Materials/A	£ 206.87	-	1.78	1.25
RobecoSAM Sm.Materials/N	€ 209.90	-	1.97	0.00
RobecoSAM Sm.Materials/Na	€ 141.14	-	1.32	1.24
RobecoSAM Gl.Small Cap Eq/A	£ 112.30	-	0.42	1.09
RobecoSAM Gl.Small Cap Eq/N	€ 196.41	-	0.89	0.00
RobecoSAM Sustainable Gl.Eq/B	€ 213.33	-	0.23	0.00
RobecoSAM Sustainable Gl.Eq/N	€ 186.94	-	0.21	0.00
RobecoSAM S.HealthyLiv/B	€ 183.23	-	-0.58	0.00
RobecoSAM S.HealthyLiv/N	€ 173.56	-	-0.54	0.00
RobecoSAM S.HealthyLiv/Na	£ 130.87	-	-0.52	1.38
RobecoSAM S.Water/A	£ 233.87	-	0.50	1.41
RobecoSAM S.Water/N	€ 198.84	-	0.60	0.00

Rubrics Global UCITS Funds Plc (IRL)

www.rubricsam.com

Regulated

Fund	Bid	Offer	D+/-	Yield
Rubrics Emerging Markets Fixed Income UCITS Fund	$ 137.37	-	-0.07	0.00
Rubrics Global Credit UCITS Fund	$ 15.82	-	0.00	0.00
Rubrics Global Fixed Income UCITS Fund	$ 161.65	-	-0.02	0.00
Q Rubrics India Fixed Income UCITS Fund	$ 11.45	-	-0.01	0.00
Rubrics India Fixed Income UCITS Fund	$ 98.19	-	-0.05	0.00

Schroder Property Managers (Jersey) Ltd

Other International Funds

Fund	Bid	Offer	D+/-	Yield
Indirect Real Estate SIRE	£ 141.23	147.71	-0.34	-

Slater Investments Ltd (UK)

www.slaterinvestments.com; Tel: 0207 220 9460

FCA Recognised

Fund	Bid	Offer	D+/-	Yield
Slater Growth	512.75	544.03	1.72	0.00
Slater Income A Inc	160.85	160.85	-0.20	0.00
Slater Recovery	233.17	247.39	0.79	0.00
Slater Artorius	195.87	195.87	-0.60	0.24

Standard Life Wealth (JER)

PO Box 189, St Helier, Jersey, JE4 9RU 01534 709130

FCA Recognised

Standard Life Offshore Strategy Fund Limited

Fund	Bid	Offer	D+/-	Yield
Bridge Fund	£ 1.8459	-	0.0103	1.98
Global Equity Fund	£ 2.3297	-	0.0180	0.87
Global Fixed Interest Fund	£ 0.9934	-	0.0028	4.20
Income Fund	£ 0.5540	-	0.0026	3.31
Sterling Fixed Interest Fund	£ 0.8621	-	0.0051	3.45
UK Equity Fund	£ 2.1356	-	0.0054	3.09

Stenham Asset Management Inc

www.stenhamassetmanagement.com

Other International Funds

Fund	Bid	Offer	D+/-	Yield
Stenham Credit Opportunities A Class USD	$ 114.88	-	0.97	0.00
Stenham Equity UCITS USD	$ 182.11	-	-6.33	0.00
Stenham Growth USD	$ 223.84	-	1.21	-
Stenham Healthcare USD	$ 204.00	-	2.49	0.00
Stenham Managed Fund USD	$ 119.15	-	0.76	0.00
Stenham Quadrant USD A	$ 418.39	-	0.63	-
Stenham Trading Inc USD	$ 120.55	-	0.18	-
Stenham Universal USD	$ 448.36	-	0.65	-
Stenham Universal II USD	$ 164.38	-	0.17	0.00

E.I. Sturdza Strategic Management Limited (GSY)

Regulated

Fund	Bid	Offer	D+/-	Yield
Nippon Growth Fund Limited	¥ 123187.00	-	2197.00	0.00
Strat Evarich Japan Fd Ltd JPY	¥ 90561.00	-	-4979.00	0.00
Strat Evarich Japan Fd Ltd USD	$ 895.42	-	-49.27	0.00

E.I. Sturdza Funds PLC (IRL)

Regulated

Fund	Bid	Offer	D+/-	Yield
Nippon Growth (UCITS) Fd - B	¥ 97453.00	-	2424.00	0.00
Strategic China Panda Fd - USD	$ 3731.18	-	65.90	0.00
Strategic Euro Bond Fd - Acc	€ 1126.85	-	0.18	0.00
Strategic Europe Value Fd - EUR	€ 208.66	-	-1.71	0.00
Strategic European Smaller Companies Fd - EUR	€ 1381.16	-	-5.18	0.00
Strategic Global Bond Fd - USD	$ 1044.94	-	0.21	0.00
Strategic Global Quality Fd - USD Inst	$ 139.51	-	0.78	0.00
Strategic Quality Emerging Bond Fd - USD	$ 1058.41	-	0.55	0.00
Strategic US Momentum and Value Fd - USD Class	$ 861.22	-	-0.72	0.00
Strategic Japan Opportunities Fund	¥ 62753.00	-	1595.00	-
Strategic Beta Flex Fund	€ 1018.24	-	0.92	0.00

Superfund Asset Management GmbH

www.superfund.com, +43 (1) 247 00

Regulated

Fund	Bid	Offer	D+/-	Yield
Superfund Green EUR SICAV	€ 961.03	-	2.68	0.00
Superfund Red EUR SICAV	€ 789.20	-	1.58	0.00
Superfund Blue EUR	€ 775.40	-	4.62	0.00

Other International Funds

Fund	Bid	Offer	D+/-	Yield
Superfund Green Gold SICAV	$ 1073.74	-	-1.32	0.00
Superfund Red Silver SICAV	$ 414.49	-	-0.83	0.00

Toscafund Asset Management LLP (UK)

www.toscafund.com

Authorised Funds

Fund	Bid	Offer	D+/-	Yield
Aptus Global Financials B Acc	£ 4.49	-	0.00	4.26
Aptus Global Financials B Inc	£ 3.52	-	-0.01	4.41

Toscafund Asset Management LLP

www.toscafund.com

Other International Funds

Fund	Bid	Offer	D+/-	Yield
Tosca A USD	$ 387.31	-	27.36	-
Tosca Mid Cap GBP	£ 287.86	-	-5.72	-
Tosca Opportunity B USD	$ 420.58	-	-9.31	-
Pegasus Fund Ltd A-1 GBP	£ 69.20	-	-0.98	0.00

TreeTop Asset Management S.A. (LUX)

Regulated

TreeTop Convertible Sicav

Fund	Bid	Offer	D+/-	Yield
International A	€ 331.98	-	-1.17	0.00
International B	$ 444.48	-	-1.72	0.00
International C	£ 139.75	-	-0.50	2.43
International D	€ 290.89	-	-1.04	2.33

TreeTop Global Sicav

Fund	Bid	Offer	D+/-	Yield
Global Opp.A	€ 175.51	-	-0.57	0.00
Global Opp.B	$ 187.24	-	-0.89	0.00
Global Opp.C	£ 246.01	-	-0.39	0.00
Sequoia Equity A	€ 167.74	-	-0.57	0.00
Sequoia Equity B	$ 188.09	-	-0.90	0.00
Sequoia Equity C	£ 215.24	-	-0.29	2.69

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

Fund	Bid	Offer	D+/-	Yield
Trojan Global Income O Acc	103.13	-	-0.07	2.65
Trojan Global Income O Inc	99.56	-	-0.07	2.73

UBS Asset Management (UK)

5 Broadgate, London, EC2M 2QS

Client Services 0800 358 3012, Client Dealing 0800 358 3012

www.ubs.com/retailfunds

Authorised Inv Funds

OEIC

Fund	Bid	Offer	D+/-	Yield
UBS Global Emerging Markets Equity C Acc	£ 0.84	-	-0.01	0.74
UBS Global Optimal C Acc	£ 0.98	-	0.00	0.47
UBS UK Opportunities C Acc	£ 0.87	-	0.00	1.63
UBS US Equity C Acc	£ 1.18	-	0.01	0.14
UBS S&P 500 Index C Acc	£ 0.80	-	0.00	1.47
UBS Targeted Return C Acc	£ 13.63	-	0.00	1.26
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	3.89
UBS Corporate Bond UK Plus C Inc Net	£ 0.53	-	0.00	4.16
UBS Global Allocation (UK) C Acc	£ 0.79	-	0.00	1.62
UBS Global Enhanced Equity Income C Inc	£ 0.45	-	0.00	6.17
UBS US Growth C Acc	£ 1.25	-	0.01	0.00
UBS Emerging Markets Equity Income C Inc	£ 0.53	-	0.00	3.89
UBS FTSE RAFI Dev 1000 Index J Acc	£ 142.62	-	0.67	2.37
UBS MSCI World Min Vol Index J Acc	£ 146.34	-	0.82	2.22

Unicapital Investments (LUX)

Regulated

Fund	Bid	Offer	D+/-	Yield
Investments IV - European Private Eq.	€ 130.12	-	-34.78	23.06
Investments IV - Global Private Eq.	€ 187.03	-	-45.04	10.43

Value Partners Hong Kong Limited (IRL)

www.valuepartners-group.com, fis@vp.com.hk

Regulated

Fund	Bid	Offer	D+/-	Yield
Value Partners Asia Dividend Stocks Fund A USD	$ 7.86	-	0.05	0.00
Value Partners Classic Equity Fund USD Z Unhedged	$ 15.56	-	-0.01	0.00
Value Partners Classic Equity Fund CHF Hedged	SFr 15.43	-	-0.01	0.00
Value Partners Classic Equity Fund EUR Hedged	€ 15.69	-	-0.02	0.00
Value Partners Classic Equity Fund GBP Hedged	£ 16.31	-	-0.01	0.00
Value Partners Classic Equity Fund GBP Unhedged	£ 18.52	-	0.06	0.00
Value Partners Classic Equity USD Unhedged	$ 19.33	-	-0.01	0.00
Value Partners Global Emerging Market Bond Fund	$ 10.51	-	0.05	0.00
Value Partners Global Emerging Market Equity Fund	$ 10.95	-	-0.15	-
Value Partners Greater China Equity Fund	$ 12.15	-	-0.08	0.00
Value Partners Health Care Fund HKD Class A Unhedged	HK$ 11.78	-	0.08	0.00
Value Partners Health Care Fund USD Class A Unhedged	$ 11.91	-	0.08	0.00

Waverton Investment Funds Plc (1600)F (IRL)

waverton.investments@citi.com

FCA Recognised

Fund	Bid	Offer	D+/-	Yield
Waverton Asia Pacific A USD	$ 23.55	-	0.02	0.62
Waverton Global Equity Fund A GBP	£ 19.14	-	-0.04	0.24
Waverton Global Strategic Bond Fund A USD	$ 8.70	-	0.00	4.93
Waverton UK Fund A GBP	£ 13.50	-	-0.05	1.82
Waverton Equity Fund A GBP	£ 18.92	-	0.08	0.00
Waverton Sterling Bond Fund A GBP	£ 9.42	-	-0.01	4.40

WA Fixed Income Fund Plc (IRL)

Regulated

Fund	Bid	Offer	D+/-	Yield
European Multi-Sector	€ 120.99	-	0.54	3.89

Yapi Kredi Asset Management (TUR)

www.yapikrediportfoy.com.tr Tel: + 90 (212) 385 48 48

Other International Funds

Fund	Bid	Offer	D+/-	Yield
Eurobond Fund	TRY 0.104620	-	0.000343	-
Koc Affiliate and Equity Fund	TRY 0.979140	-	0.874863	-
DPM Bonds and Bills Fund (FX)	$ 1.054112	-	0.949835	0.00

Yuki International Limited (IRL)

Tel +44-20-7269-0207 www.yukifunds.com

Regulated

Yuki Mizuho Umbrella Fund

Fund	Bid	Offer	D+/-	Yield
Yuki Mizuho Japan Dynamic Growth	¥ 10330.00	-	-45.00	0.00
Yuki Japan Low Price	¥ 49489.00	-	-59.00	0.00
Yuki Japan Value Select	¥ 21909.00	-	39.00	0.00

Yuki Asia Umbrella Fund

Fund	Bid	Offer	D+/-	Yield
Yuki Japan Rebounding Growth Fund JPY Class	¥ 40047.00	-	-15.00	0.00
Yuki Japan Rebounding Growth Fund USD Hedged Class	$ 1566.40	-	-0.69	0.00

Zadig Gestion (Memnon Fund) (LUX)

FCA Recognised

Fund	Bid	Offer	D+/-	Yield
Memnon European Fund I GBP	£ 167.71	-	-1.49	0.00

Data Provided by

MORNINGSTAR®

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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.

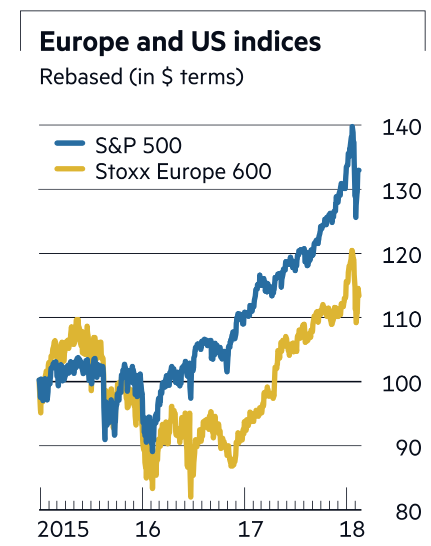
Investors can be given no definite price in advance of the purchase or sale being carried out. The prices appearing in the newspaper are the most recent provided by the managers/operators. Scheme particulars, prospectus, key features and reports: The most recent particulars and documents may be obtained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

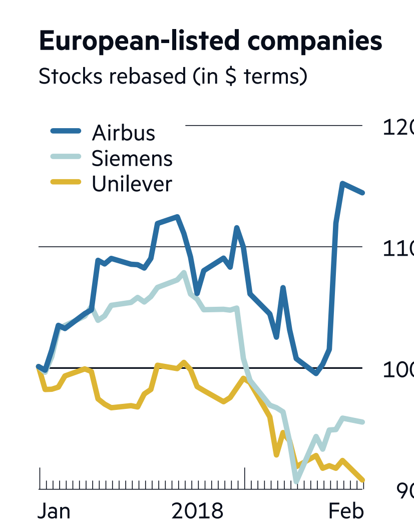
Charges for this advertising service are based on the number of lines published and the classification of the fund. Please contact **data@ft.com or call +44 (0)20 7873 3132** for further information.

Analysis. Equities

The Big Short is riveting but few can claim to understand the plot

Ray Dalio's Bridgewater has leapt into these positions at a time when sentiment on Europe's economy has greatly improved — Brian Snyder/Reuters





Source: Thomson Reuters Datastream

Bridgewater's bets against the likes of Unilever and Airbus have spawned many theories

MILES JOHNSON

Few things have had the ability to set chins wagging among European market watchers so much as the largest hedge fund's unveiling of a $22bn bet against Europe's biggest companies.

Since Bridgewater, run by outspoken founder Ray Dalio, started to disclose short positions against Europe-listed companies including Unilever, Airbus, and Siemens, speculation has been rife over what could be behind the closely-followed fund's thinking.

Bridgewater, which eschews stock-picking and is known for investments based on top-down analysis of macroeconomic trends, has so far remained silent on the logic behind its vast trade.

The Connecticut-based fund declined to comment on the positions.

Why would a fund known for its sweeping macro views and not for stock-specific or industry research end up selling short shares in Moncler, a luxury skiwear brand that happens to be listed in Italy but derives 40 per cent of its sales in Asia, and just 14 per cent in Europe?

While hedge funds normally keep such trades closely guarded secrets, Bridgewater has been required to reveal the exact size and timing of its bets against each company, due to disclosure rules unique to Europe.

That has sparked a number of theories as to why Bridgewater would have decided to jump into such an outsized bet at a time when sentiment towards a fast-growing European economy has markedly improved.

"They have been quite secretive about it," says one large US-based investor in hedge funds. "It looks like they are broadly just replicating the broad European index, and are doing a basket trade of stocks. I don't think they would have a stock-specific view on anything given their style, but at this point we don't have the full picture."

The most common interpretation of the disclosures has been that of a macro-driven bet against Europe by the fund. The fund's timing for its Italy-focused bets, which comes ahead of the country's general election, has also not been lost on those trying to decode the thought process.

Davide Serra, at London-based hedge fund manager Algebris, earlier this week said how Mr Dalio's "big short" against Italian banks was going to "lose money", as he believed the country's lenders were on a path to recovery.

Yet it remains unclear whether Mr Dalio's trade, though big, is a short. Bridgewater often makes bets across different asset classes and markets that may be combined into an overall exposure.

This means the bets against European companies may be hedged against a corresponding position, meaning the popular interpretation that Mr Dalio is "short Europe" is incorrect.

If, however, Mr Dalio's $22bn bet is in indeed an outright wager driven by some sort of macro insight, then he has in many cases ended up shorting companies that in fact have far more economic exposure to the rest of the world than Europe.

One macro factor that might influence investors' thinking on Europe has been the region's strong currency, which weakens the value of the overseas earnings of multinational companies. This week BlackRock, the largest asset manager by assets, upgraded its outlook for US groups due to their earnings growth, while shifting to "neutral" on Europe.

Jonathan Stubbs, an equity strategist at Citi, notes how many of Europe's largest companies are so internationally diversified that many do not even earn the majority of their profits in Europe. As such, making a macro-driven bet based on observations about Europe's outlook would not fit very well with these multinationals.

"Europe has a lot of world champions, first-class companies that are more global than they are European," he says. "They just happen to be domiciled in Europe, but really their profitability is driven by events outside Europe."

> One macro factor that might influence investors' thinking has been Europe's strong currency

The last public statement made by Mr Dalio about markets saw him declare at Davos last month that the US economy was in a "goldilocks period" and that stimulus would probably result in a "market blow-off", warning how "if you're holding cash, you're going to feel pretty stupid".

Yet in spite of this seemingly positive view on at least the US economy, some of the companies that Bridgewater has disclosed short bets against worth hundreds of millions of dollars, such as Sanofi, listed in France, generate more of their revenues in the US than in Europe. Others, such as Airbus, only make a third of their sales in Europe.

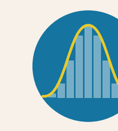
Speaking in general about Europe's markets, Mr Stubbs notes how using stock indices to express macro views has become increasingly less precise due to the diluted exposure of many listed companies to local economic conditions.

"There are fewer gaps between different countries than there were," he says. "What typically drives country performance are local macro conditions, local rates and local politics. You could argue that all of those are less significant now in Europe than they have been in the past".

Tail risk

Two ways to read Mrs Watanabe's equities spree

LEO LEWIS



It's not often that the October 1987 "Black Monday" crash that eviscerated the biggest stock exchanges finds itself lit by the cosy glow of nostalgia, but these are counterintuitive times.

The week that began on February 5 this year opened (in the view of some observers) with ominously abrupt capitulations by the Dow Jones Industrial Average, FTSE 100 and Nikkei 225. But by the week's end, Japanese individual investors had completed their biggest one-week splurge of net buying in history — an impressive ¥745.8bn. The last time Mrs Watanabe — the nickname for Japan's household investor — came close to being this ravenous for domestic stocks, with net buying of ¥650bn, was the week after Black Monday.

Brokers have, understandably, scrambled to declare this historical echo a rallying cry. Despite five years of Abenomics, a stunning recovery in the stock market since 2012, corporate governance reform and the launch of various tax-efficient schemes to promote household share ownership, Mrs Watanabe has not, until now, bitten anything like this convincingly. Sure, she has a history of contrarian buying, but if this is the start of the sustained retail buy-in the authorities have prayed for, the Nikkei 225 could start challenging the 30,000 level.

And why not? You'd have to be older than 50 to have experienced Japan's 1980s bubble implosion as an adult and carry the associated risk-averse trauma; for a generation now in its late 20s, working life has only ever seen rising markets. In a piece written this month, Mizuho strategists identified a more fundamental shift in the behaviour of Japanese retail punters, with the Nikkei in sight of 26-year highs, older Mrs Watanabes may find it easier to trade the top of the market because they have finally freed themselves of unrealised losses from decades earlier. As Mizuho notes, a net ¥1tn flowed into investment trusts last December, despite the market highs.

And yet, if that record week does represent Japan's great retail investment turnround, there may be cause for concern. On an annual basis, Mrs Watanabe was a meaningful buyer in only two years: 1990 and 2008, the two worst years since 1949 in which to load up on Japanese equities. They have, as another strategist puts it, "a preternatural ability to recognise and catch falling knives".

It might just be the great Japanese retail investment turnround

Capital markets

Fear of legal challenges under New York law holds back US growth of green bond issues

KATE ALLEN

Companies seeking to raise green-labelled finance are avoiding the US market over fears that supposedly environmentally friendly debt will not meet the country's strict legal standards, which aim to protect investors from mis-selling.

Much of the paperwork involved in raising a green bond — including environmental standards, use of proceeds and an independent assessment of the issuer's credentials — is not included in the formal legal documentation when the bond is sold.

That leaves the seller of such debt and the banks and lawyers acting on the deal vulnerable to legal challenges under New York law, according to several bankers and advisers involved in the green bond industry.

One banker who has advised on green bonds said: "Very few issuers are issuing in the US because they are afraid of the potential for litigation — that some bright hedge fund could come up with a way of arguing they have not met their use of proceeds requirements or something."

Half of the green, social and sustainability labelled bonds sold in 2017 came from Europe, the Middle East and Asia, according to figures from Dealogic and Bloomberg. Less than one-fifth came from North America.

The pool of socially responsible investment products in the US has risen from $3.7tn in 2012 to $8.7tn last year, according to Moody's, but lags behind Europe, where the market topped $12tn last year. The US market is dominated by state and local government borrowers and other agencies, such as Fannie Mae, which topped the Climate Bonds Initiative's US issuer charts last year, raising $25bn of green-labelled mortgage-backed securities. These borrowers abide by strict auditing standards.

Less than a fifth of green bonds sold in 2017 came from North America

The question of how issuers can convince investors of their environmental credentials is becoming a pressing topic. Poland last month became the first nation to issue a second green bond, a move that was criticised by some investors who felt Warsaw's policy agenda undermined its green qualifications.

Issuers who access the New York capital markets must comply with the Securities and Exchange Commission's Rule 144a, which is stricter than the SEC's equivalent legal standard for issuing offshore, known as Regulation S, according to advisers who work with bond issuers. Capital raising in the European markets is covered by Regulation S.

Sean Kidney, chief executive of the Climate Bonds Initiative, said the onshore SEC rules "freak everyone out".

Rule 144a includes strict liability standards and a rigorous disclosure approach; by contrast Reg-S involves relatively limited disclosure in terms of the use of proceeds, according to capital markets lawyers.

"Under the SEC rules you have to put the green bond documents into the filings and so the legal implications are much more serious than in Europe," Mr Kidney said. "There's also a more litigious culture and so companies tend to be reluctant to expose themselves."

Commodities

Washington seeks export opportunities for oil as it pursues 'energy dominance' agenda

ANJLI RAVAL

The US is forging ahead with a plan to boost oil and gas exports as part of a push by Donald Trump's administration for "energy dominance", a top government official said.

A boom in oil and natural gas production linked to the technological revolution that unlocked vast energy reserves from shale rocks in recent years has propelled US exports.

"We are going to seek every export opportunity that we could possibly have for American businesses," Dan Brouillette, US deputy energy secretary, said in London yesterday.

The US is set to become the world's biggest oil producer this year, with output well above 10m barrels a day, surpassing Saudi Arabia and overtaking Russia, energy agencies have forecast.

Shale producers are enjoying a second wave of growth after a three-year downturn, helped by a rebound in oil prices as Opec and allies outside the production cartel seek to bolster the market.

"We are certainly going to seek markets for these products," Mr Brouillette said on the sidelines of the International Petroleum Week conference, adding that the US was pushing those nations that were big oil consumers to diversify their mix of imports. "We would urge countries not to become over-reliant on certain . . . sellers of product," he said.

The US oil sector successfully lobbied for an end to a decades-old restriction on crude exports in 2015, that has seen barrels flow as far as Asia, often competing with traditional Middle East and Russian suppliers.

Crude exports have surged since the ban was lifted, averaging just over 1.5m barrels a day in November.

Companies selling US natural gas have also been keen to access foreign markets for their supplies. Shipments of this gas supercooled into a liquid, known as liquefied natural gas, are expected to dominate the US export flows. US government data showed that LNG exports averaged close to 2bn cubic feet a day last year.

> 'We would urge countries not to become over-reliant on certain . . . sellers of product'

Analysts say the US is using rising energy exports to bolster Washington's geopolitical influence, although Mr Brouillette said these were commercial transactions. "The US could provide an alternative [to other big producer countries]," he said.

Last year, Donald Trump, US president, promised Poland that it would help wean the nation off energy imports from Russia.

In his conference speech yesterday, Mr Brouillette said: "We are poised to become a net energy exporter within the next decade.

"This spells not just energy independence for America, but this spells energy dominance. Complete energy security," he added, saying that the US sought to rely less on unstable and often hostile producer countries.

Mr Trump has sought to spur domestic production through controversial rollbacks of environmental regulations and greater energy leasing in federal territories. But he is largely benefiting from a boom he inherited.

The US is on track to become a net oil and gas exporter by 2022, the US energy department's statistics arm said in its annual energy outlook.

Mr Brouillette's comments echo those of energy secretary Rick Perry, who last year said: "An energy-dominant America will export to markets around the world, increasing our global leadership and our influence."

Markets & Investing

FINANCIAL TIMES

The day in the markets

What you need to know

- US cautious after long weekend
- Treasury yields rise ahead of auctions
- Dollar continues to edge higher
- Brent oil and gold retreat

Wall Street made a cautious return from the long weekend break in the US, with the Dow Jones Industrial Average snapping a six-session winning streak, as Walmart shares tumbled in response to disappointing results and as participants kept a wary eye on developments in the Treasury market.

It was a better day for European bourses, even as financials lagged behind following a sharp slide for HSBC. Energy stocks were mixed as oil prices struggled to find a clear direction.

Meanwhile, the **dollar** maintained its upward track, with the dollar index pulling further away from a three-year low struck at the end of last week, defying broad expectations for a renewed bout of weakness for the currency.

The euro softened as German producer prices data and the Zew economic sentiment survey came in on the weaker side of expectations, and speculation mounted about a successor to European Central Bank president Mario Draghi.

"The dollar has started reversing recent losses, but this correction should remain limited and mainly driven by technical factors," said analysts at Morgan Stanley. "The upcoming $258bn US debt auction and uncertainties concerning Wednesday's Federal Reserve minutes release have pushed bond yields higher overnight."

Indeed, **yields** were higher across the curve, with that on the 10-year note moving back towards to last week's four-year high of 2.944 per cent, as participants positioned for this week's deluge of new supply.

The Treasury yesterday sold a total of $96bn of three- and six-month bills at the highest interest rates for these maturities in more than nine years. It was due to auction two-year notes later in the day, with sales of longer maturities scheduled for later in the week.

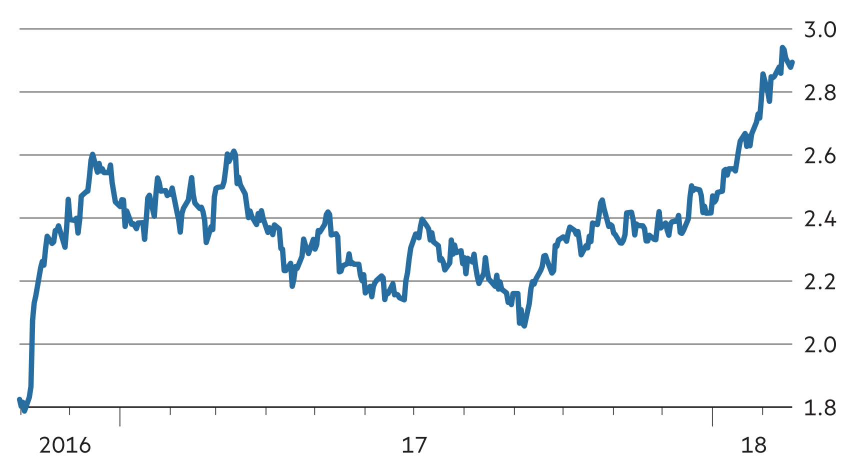
John Hardy at Saxo Bank said the auctions would offer an important test of the "weak dollar" narrative.

"If we see weak auctions, it would confirm that the market is concerned about the US fiscal outlook this year and that the US will struggle to fund its current account deficit without much higher yields," he said.

The firmer tone of the dollar helped push **gold** down sharply to its lowest point in almost a week. *Dave Shellock*

Markets keep wary eye on outcome of Treasury auctions

10-year US Treasury yield



Source: Thomson Reuters

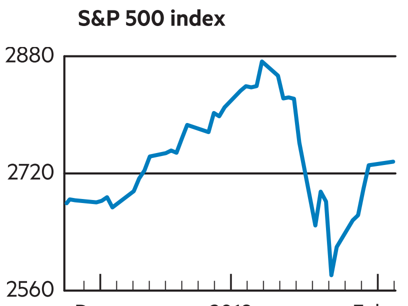
Markets update

	US	Eurozone	Japan	UK	China	Brazil
Stocks	**S&P 500**	**Eurofirst 300**	**Nikkei 225**	**FTSE100**	**Shanghai Comp**	**Bovespa**
Level	2736.06	1489.89	21925.10	7246.77	3199.16	86122.01
% change on day	0.14	0.56	-1.01	-0.01	0.45	1.57
Currency	**$ index (DXY)**	**$ per €**	**Yen per $**	**$ per £**	**Rmb per $**	**Real per $**
Level	89.641	1.234	107.115	1.401	6.344	3.249
% change on day	0.607	-0.484	0.563	0.143	0.000	0.521
Govt. bonds	**10-year Treasury**	**10-year Bund**	**10-year JGB**	**10-year Gilt**	**10-year bond**	**10-year bond**
Yield	2.906	0.732	0.061	1.585	3.910	9.845
Basis point change on day	2.830	0.100	0.500	-1.700	0.000	1.000
World index, Commods	**FTSE All-World**	**Oil - Brent**	**Oil - WTI**	**Gold**	**Silver**	**Metals (LMEX)**
Level	345.06	65.64	62.18	1339.85	16.57	3428.10
% change on day	-0.09	0.15	-0.27	-0.50	-0.90	-1.05

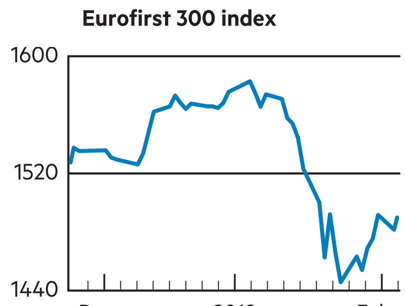
Yesterday's close apart from: Currencies = 16:00 GMT; S&P, Bovespa, All World, Oil = 17:00 GMT; Gold, Silver = London pm fix.

Main equity markets

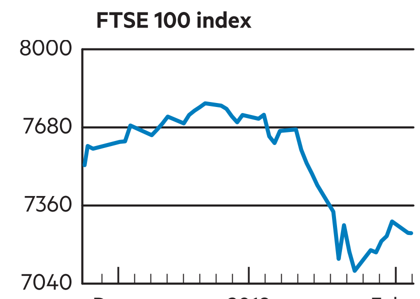
S&P 500 index



Eurofirst 300 index



FTSE 100 index



Biggest movers

%	US		Eurozone		UK	
UPs	Noble Energy	9.82	Covestro Ag O.n.	3.33	Evraz	5.02
	Mosaic (the)	6.72	Asml Holding	3.24	Smith (ds)	2.74
	Allegion	6.06	Telecom Italia R	3.07	Standard Life Aberdeen	2.39
	Chipotle Mexican Grill	4.33	Bollore	3.01	Ashtead	2.33
	Qorvo	4.24	Telecom Italia	3.01	Schroders	1.96
Downs	Wal-mart Stores	-9.32	Kerry Grp A Eo-,125	-4.66	Bhp Billiton	-4.58
	Genuine Parts	-3.59	Edf	-3.34	Hsbc Holdings	-3.09
	Gap	-2.80	Edp	-2.45	Intercontinental Hotels	-2.75
	Kroger (the)	-2.72	Carrefour	-1.86	Wpp	-2.47
	Expeditors Int Of Washington	-2.68	Aib Eo -,625	-1.85	Reckitt Benckiser	-2.42

Prices taken at 17:00 GMT. Based on the constituents of the FTSE Eurofirst 300 Eurozone

Wall Street

Mixed fortunes for US retailers exerted contrasting pulls on a broadly negative day for New York stocks as Walmart was set for its worst day in more than two years while Home Depot posted upbeat results on higher customer traffic.

Walmart slid as much as 10 per cent after its fourth-quarter results showed a surprise slowdown in ecommerce sales and a weaker than expected gross margin. The world's largest retailer reported quarterly earnings shy of analysts' estimates and said online sales slowed in the crucial holiday quarter.

Walmart has invested heavily in its online operations as it attempts to make up ground on Amazon. Its shares were up 6 per cent in 2018 before the results and climbed 42 per cent last year.

Meanwhile, **Home Depot** has boosted sales the old-fashioned way: by attracting more customers and encouraging them to spend more when they arrive.

Results for the world's largest home-improvement retailer showed customer transactions rose 2 per cent year on year in the fourth quarter and the average amount spent by customers rose 5.5 per cent from a year ago to $64.

Home Depot's share advanced on the news, having jumped 41 per cent last year. *Mamta Badkar*

Eurozone

European shares shook off a brief mid-morning dip to see the leading bourses finish positively as the euro fell nearly 0.5 per cent against the dollar, buoying the stocks of exporters.

The blue-chip Euro Stoxx 50 index closed up 0.8 per cent, boosted by industrial and tech groups, with 41 of its constituent companies rising.

They were led by **ASML**, which makes components for the semiconductor industry. The Dutch group announced on Monday it was expanding its management board. ASML shares climbed 3 per cent on the day.

Elsewhere among Dutch stocks, **Ahold Delhaize** was the Euro Stoxx 50 laggard, slipping 0.9 per cent. The food retailer announced the completion of a €47m tranche of its €2bn share buyback programme.

In a positive day for industrials, France's **Saint-Gobain**, a construction materials manufacturer, rose 3 per cent. Paris' CAC 40 index gained 0.6 per cent.

Madrid's Ibex 35 rallied 0.9 per cent, with Spanish clothing maker **Inditex**, the world's largest fashion retailer and owner of high-street brand Zara, gaining 3 per cent to its highest level since early February's broad market sell-off.
Chloe Cornish

London

BHP Billiton was the FTSE 100's biggest faller after its interim results showed coal mining costs creeping higher. BHP also rejected Elliott Advisors' calls to collapse its dual-listed structure.

Weaker than expected full-year earnings put HSBC under pressure with investors also spooked by guidance that positive currency effects will be partly offset by rising costs.

InterContinental Hotels slipped after announcing that a new efficiency programme will take precedence over further cash returns to shareholders this calendar year.

Spire Healthcare jumped in late trading amid renewed speculation that **Mediclinic**, its 29.9 per cent shareholder, might sell its stake, after having abandoned plans in late November to buy the UK hospitals operator. Under Takeover Panel rules, Mediclinic is barred until May from making another approach.

Ocado climbed after Peel Hunt speculated about its potential to win licensing agreements with US grocers including Kroger and Walmart.

Dunelm was a faller after interim earnings from the homewares retailer flagged that losses at WorldStores, its recently acquired furniture division, will be wider than hoped. *Bryce Elder*

Look past reappointment of Kuroda for Japanese groups not reliant on BoJ

Henny Sender

Markets Insight

Japanese prime minister Shinzo Abe's decision earlier this month to give Haruhiko Kuroda a second term as Bank of Japan governor was greeted by some economists as a move that offered welcome continuity.

At first glance investors might cheer the reappointment, too. The quantitative easing policies pursued by Mr Kuroda have helped send the Topix up more than 70 per cent since he took the helm at the BoJ, and been a key part of the policy mix for an Abe government keen to steer the economy away from the threat of deflation.

Underlining the scale of the BoJ's monetary easing, in addition to holding 46 per cent of all long-dated government bonds, or ¥418tn in total, the bank has also spent ¥24tn on exchange traded funds and another chunk on real estate investment trusts. The Government Pension Investment Fund and Japan Postal Savings have added to its firepower.

In a sign of the financial engineering that has flourished under the BoJ's policies, corporate buybacks in Japan surged 48 per cent in the 12 months to January from a year ago.

But any celebration at continuity at the BoJ needs tempering. When it comes to companies, the central bank's policies have been marked by a lack of discrimination between the strong and the weak. The near dead have been kept alive to the detriment of the more robust. Abenomics is, in part, the latest incarnation of a conveyor system in which everything moves together.

In the long term, more of the same policy mix from Mr Kuroda should ultimately be bearish for investors if official support from the likes of the BoJ is the only reason for the lofty level of financial asset prices. That's because it makes the sort of structural reform that would give more fundamental support for the market less likely — companies have less incentive to change.

Fortunately for investors, Abenomics is not the only narrative in Japan today.

Japan is still home to a group of companies with a leading edge in technologies including robotics and semiconductor chips.

The likes of Rohm Semiconductor and Tokyo Electron have outperformed the Nikkei in the past 12 months, helping to carry the rest of the country. Their exports have added to the country's foreign exchange reserves, just as their earnings have provided a more fundamental lift to the stock market.

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While the prime minister and his central bank governor appear intent on doing everything they can to weaken the yen, many companies have taken steps to diversify their production to make them less vulnerable to the currency.

There are also signs that Japan Inc is finally becoming more serious about focusing on core operations and letting go of less crucial business lines.

For example, in 2013, Panasonic sold its Panasonic Health business to US private equity firm KKR. At first glance it appeared that the conglomerate was selling a fast-growing "sunrise" business to subsidise its slowing "sunset" consumer electronic operations, as it grappled with an onslaught from Chinese rivals such as Midea. Now though, the move looks a wise one. By keeping a 20 per cent stake in the unit, Panasonic rode alongside KKR as it improved the profitability of the business. Today KKR has marked the value of that acquisition at more than five times its original investment cost by growing the business and merging it with a unit of Bayer AG, making it one of its most profitable transactions ever.

(Meanwhile, Panasonic then ploughed the proceeds into its battery division, a sunrise business in which it has a competitive advantage that it lacked in the health unit.)

Since the Panasonic transaction, KKR has bought Hitachi Koki — a power tool maker carved out from the Hitachi Group — as well as Calsonic Kansei from a group of shareholders including Nissan for $4.5bn.

KKR is now looking at Japanese companies for a big part of the investments it will make out of its new $9.3bn Asia fund in the belief that such carve outs are likely to occur with increasingly frequency, according to Joe Bae, its head of Asia. Hitachi and Panasonic have also outperformed the Nikkei index over the past 12 months

KKR's rivals are taking notice. Historically Blackstone, for instance, has seen Japan as a source of money for its funds rather than fertile ground for deals. But it recently hired a new head of Japan and is looking for investments there.

The lesson is that companies that actively control their own fate are likely to be more successful in the long term than those that simply rely on the efforts of Messrs Abe and Kuroda. Monetary policies that lift all corporate boats can only obscure initiative for so long.

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