FINANCIAL TIMES

FRIDAY 11 DECEMBER 2020 | WORLD BUSINESS NEWSPAPER | EUROPE

Borrowed time
Bailout loans risk drowning French business in debt — BIG READ, PAGE 17

Digital defence line
Cyber laws need renewing to prevent a tech crash — JOHN THORNHILL, PAGE 19

Beware the froth
Investor optimism requires a shot of realism — MARKETS INSIGHT, PAGE 12

Bloc lines up
EU agrees to €1.8tn budget

Olivier Matthys/Reuters

European Commission leader Ursula von der Leyen, second left, speaks to French president Emmanuel Macron at yesterday's EU summit before the bloc finally agreed to its €1.8tn budget and post-pandemic recovery package.

Hungarian prime minister Viktor Orban, right, and his Polish counterpart Mateusz Morawiecki, second right, opened the door to the deal after dropping objections to a mechanism tying payments to rule of law principles.

Meanwhile, British prime minister Boris Johnson last night told the UK to start preparing for a no-deal Brexit after Brussels also published plans to keep trade moving if talks with the UK fail.

Full stories and analysis pages 2 & 3
Editorial Comment page 18

Briefing

▸ UK gives go-ahead to bank dividends
Britain's banking regulator has given lenders the green light to restart making dividend payments, nine months after it asked them to suspend payouts and preserve capital.— PAGE 6; LEX, PAGE 20

▸ Trump hails Israel-Morocco accord
Donald Trump tweeted "Another HISTORIC breakthrough today!" as Morocco and Israel agreed to "full diplomatic relations", the fourth regional deal to be brokered by the White House.— PAGE 4

▸ Vaccine news pushes oil back over $50

Brent crude jumped above $50 a barrel for the first time since March with some countries' rollout of virus vaccines outweighing concerns about swelling oil inventories.— PAGE 6

▸ World's richest banker dies, aged 82
Lebanese-born Joseph Safra, who — with estimated wealth of $27.2bn — had become the world's richest banker after building a business empire from his adopted home in Brazil, has died.— OBITUARY, PAGE 8

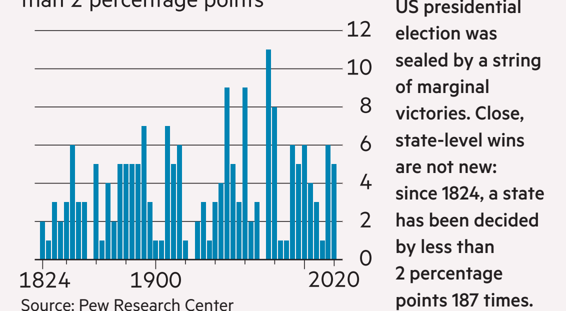
▸ Beijing curbs HK travel for US diplomats
China has halted visa-free tourist travel for US diplomats to Hong Kong in retaliation for sanctions from Washington, which accuse Beijing of violating democratic processes in the territory.— PAGE 4

▸ BlackRock pledges to push social issues
The world's largest asset manager has vowed to back more shareholder resolutions on climate and social issues at annual meetings, as it faces pressure to use its heft to change companies' behaviour.— PAGE 8

▸ Australia issues sub-zero treasury bills
Australia has sold short-term treasury bills at a negative yield for the first time, joining Japan and some European nations in being paid to borrow money from investors.— PAGE 11

Datawatch

Close call
Number of US states won by fewer than 2 percentage points



Source: Pew Research Center

Joe Biden's success in the US presidential election was sealed by a string of marginal victories. Close, state-level wins are not new: since 1824, a state has been decided by less than 2 percentage points 187 times.

Airbnb's $87bn market debut raises fears of fresh tech bubble

● IPO frenzy continues ● Chesky's stake worth $10bn ● Lossmaking group's shares double

RICHARD WATERS, DAVE LEE AND MILES KRUPPA — SAN FRANCISCO

Wall Street's bust-and-boom pandemic year will be capped by one of the biggest tech IPO bubbles in years, as shares in holiday-rentals company Airbnb started trading yesterday far above where they had been priced.

Shares in Airbnb started trading at $146, a leap from the $68 they were priced at late on Wednesday, and more than three times the $44-$50 range the company gave last week. The $146 price would value the lossmaking company at about $87.2bn, or more than twice the value of the world's largest hotel group, Marriott.

Coming the day after delivery company DoorDash pulled off an equally spectacular stock market debut, lifting its valuation above $70bn, Airbnb's performance sparked inevitable comparisons with the first internet bubble, which peaked more than 20 years ago.

A flood of cash has buoyed fast-growing tech stocks this year at a time when much of the stock market, and the global economy, is in the doldrums.

Zoom, the emblem of working from home and one of last year's hottest IPOs, at one stage hit a $160bn valuation. But the year's biggest IPO success of all could be a company few people have heard of — Snowflake, a San Francisco data analytics group. Its stock market value this week rose above $120bn, eclipsing the once dominant IBM.

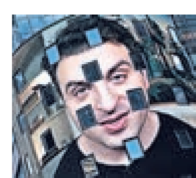
"[The first] internet bubble is increasingly the apt comparison," said Jay Ritter, an expert on IPOs at the University of Florida. "Back then the valuation of internet stocks was divorced from the general market. Once again we're seeing this detachment."

However, other analysts said that the latest stock market euphoria had been largely confined to the IPO market and a handful of hot stocks like electric-car maker Tesla, suggesting a different mentality was at work.

"This seems to be a phenomenon driven by IPOs — we're not back in 2000," said Richard Clarke, an analyst at Bernstein.

"It's at the end of the year, it's a great way of driving profits. You can't afford to miss out." Investors were partly looking for ways to bet on a rebound in the travel sector next year, he added.

Airbnb's splashy debut comes despite the damage to its business from the pandemic, which forced it to slash staff and raise an emergency financing round to stave off disaster early this year.



Brian Chesky, Airbnb's chief executive said of his group's earlier funding crisis: 'I don't know what else to say. I'm very humbled by it'

Brian Chesky, Airbnb's chief executive officer, struggled for words on CNBC as he looked back on the crisis. "That price would have priced us around 30 bucks," he said of the emergency financing round. "I don't know what else to say. I'm very humbled by it."

Mr Chesky will hold a stake worth more than $10bn based on Airbnb's opening price. He and his co-founders, Joe Gebbia and Nathan Blecharczyk, will retain 42.2 per cent of the voting rights in the public company.

Inside Business page 6
Elaine Moore page 19
Lex page 20

Facebook starts battle to fend off US break-up calls

Analysis ▸ PAGE 10; **Lex** ▸ PAGE 20

Lebanon's prime minister charged with criminal negligence over Beirut blast

CHLOE CORNISH — BEIRUT

The judge leading Lebanon's investigation into the catastrophic Beirut blast has charged the prime minister and three former ministers with criminal negligence causing hundreds of deaths.

Hassan Diab, the caretaker premier, is scheduled to be questioned next week by judge Fadi Sawan, who is heading the investigation. The judge will also question two former ministers of public works and transportation, Ghazi Zaiter and Yussef Fenianos, and former finance minister Ali Hassan Khalil.

About 200 people were killed and thousands wounded in August, when a stash of neglected chemicals in Beirut's port erupted in one of the biggest non-nuclear explosions in modern history.

The indictments, reported by the state-run National News Agency yesterday, are seen as a boost for the investigation, which was opened shortly after the explosion in August, but has been criticised for its slow progress.

"It's a positive development of course because, before, [the judge] was saying there was ministerial immunity," said Nizar Saghieh, director of The Legal Agenda, an advocacy organisation. Following pressure from protesters and legal campaigners, "he's realised he can do it [indict ministers]". Between 30 and 35 people have been charged, Mr Saghieh said.

Mr Diab's office said the prime minister had informed the judge that he had nothing to add to a statement he had given to the investigation as a witness. The prime minister had "said everything that he had to say", the office said, accusing the judge of violating Lebanon's constitution.

Earlier, the office said Mr Diab had a "clear conscience" and "clean hands".

Mr Diab, who was appointed prime minister in January, resigned days after the disaster. He has remained in a caretaker role because lawmakers have failed to form a new cabinet.

Some 2,750 tonnes of explosives-grade ammonium nitrate were brought into Beirut's port in 2014 by judicial order, over fears that the vessel in which they were contained would sink. Despite a paper trail of security and customs authorities raising the alarm, the chemicals were stored in a warehouse alongside flammable materials.

In August, President Michel Aoun admitted having been informed about the chemical stash. Although the ammonium nitrate had been left where it was for six years, no other prime minister has been charged.

Austria	€3.90	Malta	€3.70
Bahrain	Din1.8	Morocco	Dh45
Belgium	€3.90	Netherlands	€3.90
Bulgaria	Lev7.50	Norway	NKr40
Croatia	Kn29	Oman	OR1.60
Cyprus	€3.70	Pakistan	Rupee350
Czech Rep	Kc105	Poland	Zl 20
Denmark	DKr38	Portugal	€3.70
Egypt	E£45	Qatar	QR15
Finland	€4.70	Romania	Ron17
France	€3.90	Russia	€5.00
Germany	€3.90	Serbia	NewD420
Gibraltar	£2.90	Slovak Rep	€3.70
Greece	€3.70	Slovenia	€3.70
Hungary	Ft1200	Spain	€3.70
India	Rup220	Sweden	SKr39
Italy	€3.70	Switzerland	SFr6.20
Lithuania	€4.30	Tunisia	Din7.50
Luxembourg	€3.90	Turkey	TL19
North Macedonia	Den220	UAE	Dh20.00

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World Markets

STOCK MARKETS

	Dec 10	prev	%chg
S&P 500	3664.61	3672.82	-0.22
Nasdaq Composite	12371.08	12338.95	0.26
Dow Jones Ind	29958.93	30068.81	-0.37
FTSEurofirst 300	1521.11	1525.52	-0.29
Euro Stoxx 50	3525.30	3529.02	-0.11
FTSE 100	6599.76	6564.29	0.54
FTSE All-Share	3708.98	3697.66	0.31
CAC 40	5549.65	5546.82	0.05
Xetra Dax	13295.73	13340.26	-0.33
Nikkei	26756.24	26817.94	-0.23
Hang Seng	26410.59	26502.84	-0.35
MSCI World $	2627.53	2642.05	-0.55
MSCI EM $	1255.85	1254.23	0.13
MSCI ACWI $	630.89	633.81	-0.46

CURRENCIES

	Dec 10	prev		Dec 10	prev
$ per €	1.213	1.208	£ per $	0.754	0.747
$ per £	1.327	1.340	€ per £	1.094	1.109
£ per €	0.914	0.902	¥ per €	126.638	125.896
¥ per $	104.405	104.205	£ index	78.231	77.910
¥ per £	138.562	139.582	SFr per £	1.177	1.192
SFr per €	1.076	1.075			
€ per $	0.824	0.828			

COMMODITIES

	Dec 10	prev	%chg
Oil WTI $	47.17	45.52	3.62
Oil Brent $	50.58	48.86	3.52
Gold $	1841.75	1868.15	-1.41

INTEREST RATES

	price	yield	chg
US Gov 10 yr	105.49	0.93	-0.02
UK Gov 10 yr		0.20	-0.06
Ger Gov 10 yr		-0.60	0.00
Jpn Gov 10 yr	101.07	0.01	-0.01
US Gov 30 yr	117.28	1.67	-0.02
Ger Gov 2 yr	105.67	-0.77	0.01

	price	prev	chg
Fed Funds Eff	0.09	0.09	0.00
US 3m Bills	0.08	0.09	-0.01
Euro Libor 3m	-0.57	-0.57	0.00
UK 3m	0.04	0.03	0.01

Prices are latest for edition — Data provided by Morningstar

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INTERNATIONAL

Eurozone

ECB unveils fresh stimulus to aid recovery

Central bank to buy more bonds and extend offer of funding at negative rates

MARTIN ARNOLD — FRANKFURT

The European Central Bank has launched a fresh burst of stimulus to help the eurozone economy recover from the pandemic, promising to buy €500bn more bonds over a longer period and providing extra cheap funding for banks.

The lender increased the size of its pandemic emergency purchase programme from €1.35tn to €1.85tn and pushed back the end of its main crisis-fighting tool from next June until at least March 2022, while reinvesting any proceeds until at least the end of 2023.

Christine Lagarde, ECB president, said that if the economy recovered quickly from the pandemic the Pepp "need not be used in full", but it could be expanded even further if required.

The bank also extended until June 2022 its offer to finance banks at negative rates as low as minus 1 per cent, in effect paying them to borrow money, provided they maintain the credit flow.

The eurozone economy will contract 2.2 per cent in the fourth quarter and the downturn will continue into early next year, Ms Lagarde said, adding that inflation remained "disappointingly" low.

Although "risks remain tilted to the downside", they had "become less pronounced" since vaccines started to be rolled out, she said. "We have good reasons to believe that by the end of 2021 we will have achieved sufficient herd immunity so that . . . the economy will begin to function under more normal circumstances," she added.

> 'I don't think it will be enough and it is quite likely they will have to come back and do more'

Paul Diggle, an economist at Aberdeen Standard Investments, said Ms Lagarde's comments had "an unhelpful whiff of hawkishness", including her suggestion that Pepp may not be fully spent and her remark that ECB funding for banks had become "slightly more challenging".

The pandemic plunged the eurozone into its deepest recession for a generation and a double-dip downturn is expected in the final three months of 2020 after a fresh surge in infections.

The ECB cut its eurozone growth forecast for next year to 3.9 per cent and assumed there would be no post-Brexit trade deal between the UK and EU. But it raised its forecast for 2022 to 4.2 per cent, while predicting growth of 2.1 per cent in 2023. It also lowered its inflation forecast. It expects prices to rise 0.2 per cent this year, with the pace of growth increasing to 1.4 per cent in 2023, still under its target of just below 2 per cent.

The ECB kept its deposit rate unchanged at minus 0.5 per cent while extending many measures into 2022, including recently loosened collateral requirements and refinancing facilities for commercial lenders and other central banks.

"I understand what they are trying to do — giving markets more confidence — but I don't think it will be enough and it is quite likely they will have to come back and do more," said Randall Kroszner, a former US Federal Reserve governor who is now deputy dean of the University of Chicago's business school.

Frederik Ducrozet, a strategist at Pictet Wealth Management, said the decision was "underwhelming" and a sign of "compromise between dovish and hawkish members of the governing council".

See Editorial Comment

Rule of law

EU seals deal with Hungary and Poland to unlock €1.8tn budget

MICHAEL PEEL, MEHREEN KHAN AND SAM FLEMING — BRUSSELS

The EU has settled a dispute over its €1.8tn budget and post-pandemic recovery package after Hungary and Poland dropped objections to a new mechanism tying payments to rule of law principles.

Charles Michel, European Council president, announced the deal yesterday at a summit in Brussels, saying the accord meant the EU could now "start with the implementation and build back our economies."

Hungary and Poland were won over with a non-binding declaration designed to assure them they would not be singled out under the new rules, which allow EU funding to be held back when countries endanger the bloc's budget by violating the rule of law.

The agreement follows weeks of uncertainty, as the economic recovery package agreed by leaders in July was overshadowed by the threat of vetoes by Budapest and Warsaw. The dispute has exposed a deepening crisis over what critics see as the slide towards authoritarianism in Hungary, Poland and some other member states.

The agreement means the EU can push forward legislation aimed at enacting the seven-year budget, as well as the €750bn recovery fund, which should start paying out to stricken member states in the second half of next year.

The European Commission had been examining alternative plans to force through the recovery fund without Poland and Hungary — a fallback option that would have sent a damaging signal about the bloc's ability to unite behind a response to the crisis.

Yesterday's deal was unlocked after negotiators drafted an "interpretative declaration" to break the stalemate. The text is designed to give reassurances to Poland and Hungary that the rule of law mechanism will apply only to the next EU budget — starting from 2021. It also gives a role to the European Court of Justice to rule on the legality of the tool, if it is challenged by a member state in court even before it is used.

The ECJ would have to deliver its judgment before the European Commission draws up guidelines on how to trigger the mechanism — a requirement that would be likely to delay any sanctions process. The question of when measures to curb budget funds can come into force is significant for Viktor Orban, Hungary's prime minister, who faces national elections in 2022.

Earlier in the day, Mr Orban signalled he was on the cusp of dropping his objections, saying an agreement would be "good for the unity of the EU". Mateusz Morawiecki, prime minister of Poland, said the deal would be "a prerequisite to go forward with the process".

Angela Merkel, German chancellor, said as she arrived at the summit that finalising the accord and releasing the funds would be a "very important sign for the EU's ability to act".

Supporters of the compromise insist the EU has not capitulated to the demands of Warsaw and Budapest, because the text of the underlying proposed legislation remained unchanged.

Additional reporting by Guy Chazan in Berlin

Interview. Luigi Di Maio

Italy pledges to honour pandemic debts

Foreign minister commits to repayment but says EU rules on spending need changing

MILES JOHNSON AND DAVIDE GHIGLIONE
ROME

Italy must pay back all of the extra public borrowing it has taken on to combat the Covid-19 crisis and does not need to cancel any of its government debt, says Luigi Di Maio, foreign minister.

In an interview with the Financial Times, Mr Di Maio played down recent debate inside the government over the possibility that Rome could ask the European Central Bank to wipe out pandemic-linked borrowing.

He argued that the large public sector debt of the eurozone's third-biggest economy was sustainable. "The objective has to be a sustainable debt and a good debt," he said.

"There has been a great debate about the debt incurred during the pandemic. I believe instead that we must now focus on spending this money in the best productive way for Italy. We need to make sure that these debt investments can be repaid and that they are productive investments."

Italy's public debt is forecast to rise above 160 per cent of gross domestic product this year as a result of the sharp economic contraction caused by the pandemic and the big stimulus packages launched by the government to combat it.

Last month, a political adviser to Giuseppe Conte, prime minister, suggested the ECB should consider cancelling Italian government bonds it has bought to help the country recover.

Mr Di Maio, who as foreign minister is the most senior member of the formerly anti-euro populist Five Star Movement in the current coalition government, said that while Italy's debts should be honoured, the EU's public spending and borrowing rules, known as the stability and growth pact, were no longer fit for purpose.

"I believe that after this pandemic we can no longer think of the stability and growth pact as we have done in recent years. I believe that it will be unsustainable for any country. All countries, more or less, had to get into debt, and therefore the old parameters of the stability pact don't work. We could even review the temporary framework for state aid on some strategic sectors."

Reflecting: Luigi Di Maio, below, says Rome now sees the EU in a better light because of the recovery fund
Alberto Pizzoli/AFP/Getty

Mr Di Maio was previously joint deputy prime minister in a coalition government between Five Star and Matteo Salvini's anti-migration League party that repeatedly clashed with Brussels over Italy's budget deficit.

In October 2018, he staged an air-punching victory celebration from a balcony at the prime minister's residence in Rome when the government agreed to an increase in public spending, prompting a showdown with the European Commission.

Last year, he prompted a diplomatic row with France by meeting *gilets jaunes* protesters.

This year, Mr Di Maio stepped down as leader of the Five Star Movement, which has not yet appointed a permanent replacement. It continues to be roiled by public disagreement between moderates such as Mr Di Maio and a more radical wing that is uncomfortable with the party's support of its coalition partner, the centre-left Democratic party.

Now Mr Di Maio says that the Five Star Movement — whose MPs on Wednesday helped the coalition government pass a parliamentary vote on reforming the European Stability Mechanism that some of its politicians had threatened to block — has adjusted its once hostile approach to Europe.

"I believe that Italy should not be left in the hands of [Hungarian premier Viktor] Orban's friends, because what we saw on the veto for the recovery fund puts Italy and Europe in trouble," he said.

"The nationalism that was in season in the last two or three years, and that Italy is still living with, is a form of national selfishness that has done nothing but continuously prove to be harmful to Italy and the European Union.

"The Five Star Movement has become aware of its role [in Europe] and is trying to exercise it, reaching agreements with other political realities," Mr Di Maio added.

> 'All countries, more or less, had to get into debt, and therefore the old parameters of the stability pact don't work'

"This does not mean that everything is going well in Europe. Indeed [on] immigration and asylum, both as Italy and as a political party, we expect much more."

He praised European Commission president Ursula von der Leyen for her response to the Covid-19 crisis, and said that the perception of the EU in Italy had improved as a result.

"In Europe, what we have always asked for were expansive policies, no more austerity, and a different social policy, and I must say that for the pandemic the reaction was there," he said. "I am glad that Ursula von der Leyen apologised to Italy. She showed great sensitivity in the first phase of the pandemic.

"There was a time when the European institutions were scattered, [there was] a great crisis in the perception of the European Union. Instead, now there is a good perception of the European Union because of the recovery fund."

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Global trade

Covid-19 triggers 'perfect storm' for shipping supply chains

GEORGE STEER AND ROBERT WRIGHT
LONDON

The coronavirus pandemic has left some of the world's biggest shipping lines facing mounting backlogs and delays, straining international supply chains and threatening to disrupt global trade.

Operators say the container shipping industry — the backbone of global trade — is under severe pressure due to the combined impact of staff illness, quarantining and social distancing, along with soaring consumer demand and disruption to factory output caused by lockdowns.

Lars Jensen, chief planner of services for Maersk Line, the world's biggest container ship operator, said there was a "perfect storm" created by a mix of rising demand and reduced capacity in logistics systems.

"There's congestion in terminals," said Mr Jensen. "There's a shortage of truck drivers because some have not been able to drive. Particularly out of Asia, we see a part of that is linked also to the fact that a lot of companies are restocking."

As a result "productivity slows down", which "delays more ships, then we get a vicious circle", Mr Jensen said.

Vessels are waiting to berth at some key ports. On Tuesday, the Marine Exchange of Southern California, which monitors conditions at the two busiest US container ports, Los Angeles and Long Beach, reported 17 container ships at anchor waiting for berths. Another four vessels were due to arrive later that day, while only three were due to move into the port.

The port reported a record import volume of 506,613 containers in October — the latest figures available — up nearly a third from the same period last year.

In response, shipping lines are cancelling orders and diverting vessels.

Singapore, the world's second largest container hub, saw its rollover ratio — the proportion of cargo arriving at a port that is shipped on a different vessel than originally scheduled — reach 31 per cent in October, compared with 21 per cent at the same time last year, according to data provider Ocean Insights.

"The entire supply chain is under pressure," said Rolf Habben Jansen, chief executive at Hapag-Lloyd, another of the world's largest container shipping companies. "The market situation is extraordinary."

Covid-19 outbreaks can swiftly disrupt a port terminal's productivity by forcing large numbers of staff to isolate, he added: "We've had examples where in a port 600 port workers were put into quarantine . . . [Even] if that port was on top of its game, then within a week you have 10 vessels struggling to get alongside [the terminal's quays]."

CMA-CGM, the world's fourth-largest shipping line, last week announced it would not be accepting new bookings until the last week of December in order to "hopefully put us in a better situation for January".

All at sea: ships have been queueing to berth at Los Angeles port

But Philip Edge, chief executive of UK freight forwarder Edge Worldwide, said deferring orders would "only compound the problem" and lead to even higher freight rates later.

As the virus began to spread and global trade contracted at an unprecedented pace, shipping lines cancelled hundreds of sailings. As trade has rebounded recently, demand for goods shipped from Asia has built up and lines are operating at close to full capacity.

Since the middle of the year the pandemic-driven boom in ecommerce has contributed to a doubling of the rates to move containers, as measured by the Shanghai Containerized Freight Index.

Rates from Asia to the US west coast in particular have rocketed in recent months, and are at record highs.

Although Hapag-Lloyd has boosted capacity by more than a quarter of a million containers this year, Mr Habben Jansen said that pandemic-related disruption persisted: "We had too many boxes in the wrong places because of disturbances earlier in the year."

Gloom signals acrimonious denouement

Both sides downcast as Sunday becomes deadline to decide on further talks

GEORGE PARKER AND PETER FOSTER — LONDON
JIM BRUNSDEN — BRUSSELS

It was a dinner that was supposed to provide "political impetus" for a post-Brexit trade deal but Boris Johnson emerged from three hours of sterile talks with Ursula von der Leyen in Brussels with one British official muttering simply: "No deal."

The omens were bad from the start; from the moment on Wednesday night that Ms von der Leyen, the European Commission president, instructed Mr Johnson to put on his face mask, it was clear this was going to be an awkward encounter.

The photo-call brought the clash of political cultures into sharp relief: Mr Johnson, the champion of British sovereignty, baggy-suited, hair askew, alongside the sleek figures of Ms von der Leyen and her chief negotiator, Michel Barnier, defenders of the EU's rules-based order.

The jocular menu of scallops and turbot — a none-too-subtle nod to the row over post-Brexit fishing access to UK waters — seemed less amusing as the evening drew on.

British officials claim Mr Johnson had gone to Brussels hoping to find a compromise in talks that have stalled on a fair competition "level playing field" and fishing rights, but got nowhere. "They didn't really respond at all," lamented one person briefed on events.

A senior EU diplomat directly briefed on the dinner said Mr Johnson had demonstrated no obvious appetite to reach a deal, reproducing old proposals that failed to respect the basic principles of the EU single market. "It was described as an almost apathetic performance; the clear overall impression from the UK prime minister was that he was not going to compromise because that would be politically too costly," the diplomat said.

Two officials briefed on the talks said that Mr Johnson and Ms von der Leyen — neither of whom are known for their grasp of the negotiating details — did not engage in a private discussion.

Mr Barnier and UK counterpart David Frost were in the room throughout. The result was stalemate. Some British officials railed at Mr Barnier and Ms von der Leyen's refusal to budge and the tension was quickly relayed to the media.

The general conclusion, as dawn broke in Brussels and London yesterday, was that Britain's Brexit transition period would end in an acrimonious divorce, with no trade deal in place.

The pound fell more than 1 per cent against the dollar to $1.3246, while the chances of a trade deal before the end of the year slid to 43.4 per cent on the betting platform Smarkets, down from 64.5 per cent on December 7.

In spite of the gloom, there were glimmers of hope that a deal could be salvaged, not least because both sides want one and Lord Frost and Mr Barnier were instructed to carry on talking in Brussels. Downing Street said: "The PM does not want to leave any route to a possible deal untested." Both sides would take stock on Sunday to see if there was any point in further talks.

The issue of fisheries is principally a haggle: the number of years in which EU boats would be guaranteed continued access to UK waters and the amount of fish they could catch. Both sides believe the issue can be resolved.

The main sticking point remains the EU's insistence on an "evolution mechanism" to make sure that Britain does not undercut the European regulatory model in future, gaining a competitive advantage. The EU insists that if the UK fails to mirror improved regulations on the continent, it should have the right to impose punitive tariffs. Mr Johnson regards this plan as an unacceptable attack on British sovereignty.

But if Mr Johnson rejected a deal on those grounds, the economic rationale would be far from clear. He appears willing — under a no-deal scenario — to accept tariffs across the whole economy in just three weeks' time to avoid the theoretical risk of punitive tariffs on some goods under theoretical circumstances at some point in the future.

Jonathan Jones, former head of the UK legal service, argued that Mr Johnson's claim that Brexit was all about regaining sovereignty was also flawed. "The argument about 'sovereignty' is fatuous," he tweeted. "It is sovereignty which gives the UK power to enter into any trade deal (or choose not to). The question is what's the balance of benefits/obligations. If UK is not prepared to accept ANY obligations, well."

Britain argues that the proposal tabled by the EU is overly prescriptive, undermining the country's sovereign right to design its own regulations and leaving it vulnerable to unilateral "lightning" tariffs. Mr Johnson has specifically criticised the "automatic" nature of such a mechanism, seen by some in Brussels as a hint he might be willing to accept a compromise including some kind of arbitration mechanism.

As EU leaders met in Brussels yesterday for their quarterly summit, one senior EU diplomat said the mood was increasingly resigned to a "no deal".

"There is frankly a lack of trust, a lack of energy and a lack of commitment to reach a deal," a diplomat said.

"We're down to the bottom of our mandate, and the aspects of that mandate that protect the EU's internal market we won't let go. We can't ruin the EU. So what can we do?"

See Editorial Comment

In a jam: freight trucks queue on the main route into the port of Dover yesterday
Justin Tallis/AFP/Getty

> 'There is frankly a lack of trust, a lack of energy'
> Diplomat

No-deal contingency

Emergency plans revealed by Brussels to prevent chaos

JIM BRUNSDEN — BRUSSELS
GEORGE PARKER — LONDON

Brussels has published emergency plans to keep planes flying, trucks moving and prevent other chaos in the event that trade talks with Britain fail, as it warned of "significant uncertainty" over the fate of the Brexit talks.

The European Commission adopted the proposals yesterday, temporarily ensuring that airlines could continue to fly their normal routes between the EU and UK and that hauliers could continue to cross the English Channel after Britain leaves the single market on January 1.

"While the commission will continue to do its utmost to reach a mutually beneficial agreement with the UK, there is now significant uncertainty whether a deal will be in place on January 1 2021," the EU executive said.

Brussels had spent weeks resisting pressure from member states to publish the plans, arguing that doing so could disrupt the trade negotiations with Britain by giving the impression that the EU would create a safety net for when the country's Brexit transition period ends. But EU officials said the commission had been forced to act as little time remained until the end of the year.

The precariousness of the trade talks was underlined at a dinner on Wednesday between Boris Johnson, UK prime minister, and Ursula von der Leyen, commission president, that laid bare the gulf separating the sides.

Ms von der Leyen said yesterday that the bloc had a responsibility "to be prepared for all eventualities".

Brussels insisted it was doing the bare minimum necessary to prevent significant disruption for European citizens and businesses. The aim, it said, was to "provide a transitory solution, while negotiations on a future partnership continue, and not look to mitigate the negative impacts of Brexit in a sustained manner".

Josef Höger, detail from "View from garden towards the ruins and Liechtenstein Castle at Mödling," 1844
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Diplomatic relations

Trump hails Israel accord with Morocco

US president describes fourth deal in region as 'historic breakthrough'

KATRINA MANSON — WASHINGTON
HEBA SALEH — CAIRO

Morocco and Israel agreed to "full diplomatic relations" yesterday, in a US-brokered deal under which Washington recognises Moroccan sovereignty over the disputed territory of Western Sahara.

"Another HISTORIC breakthrough today!" Donald Trump, the US president, wrote on Twitter. "Our two GREAT friends Israel and the Kingdom of Morocco have agreed to full diplomatic relations — a massive breakthrough for peace in the Middle East!"

Mr Trump's administration has announced similar deals between Israel and the United Arab Emirates, Bahrain and Sudan, a significant shift in regional relations between Israel and Arab states that threatens to leave the Palestinians with dwindling support.

Jared Kushner, a senior aide to Mr Trump, and Mike Pompeo, secretary of state, have been putting pressure on Saudi Arabia to normalise ties, but the Gulf kingdom has expressed caution.

Benjamin Netanyahu, the Israeli prime minister, welcomed yesterday's announcement as "another great light of peace", saying there would be direct flights between the countries and the opening of diplomatic missions, according to Reuters.

Mr Kushner said Morocco was a "tolerant society" whose leaders had been good to Jewish people in the past, but that "for whatever reason, diplomatic relations did not exist" until now.

Morocco has controlled most of Western Sahara, a disputed desert territory, since 1975 when Spain, the occupying power pulled out. Since then the Polisario Front, an Algeria-backed movement, has been seeking independence for the territory. The UN has for decades been trying to organise a referendum on self-determination. Polisario announced last month that it was abandoning a ceasefire that ended 16 years of fighting with Morocco in 1991.

Mr Trump took the decision to recognise Western Sahara as Moroccan territory because of strong ties between the US and Morocco, and because there had been "no progress on a resolution" on the issue, said Mr Kushner. "This is something that's been talked about for a long time but it's something that seems inevitable at this point, it's something that we think advances the region and helps bring more clarity to where things are going."

But Robert Malley, former senior official in Barack Obama's administration, said the deal would strike many as unseemly. "It is the height of transactional diplomacy, in which an issue as important as relations with Israel is being used as a bargaining chip in pursuit of wholly unrelated goals," he said.

"As one of the persistent faultlines in regional integration and co-operation, the US is trampling over African equities for a short-term win for its Israel policy," said Judd Devermont, who was national intelligence officer for Africa during the Obama administration.

Mr Devermont, now Africa director at the Center for Strategic and International Studies, said the decision to recognise Western Sahara would "pose an immediate problem for many African countries" as well as the African Union.

Labour market

US jobless claims rise sharply amid new virus restrictions

MATTHEW ROCCO — NEW YORK

New US jobless claims accelerated last week to their highest level since mid-September, jumping to 853,000 after a surge in coronavirus cases spurred a new round of shutdowns that stymied the labour market recovery.

Initial applications for unemployment benefits increased from a seasonally adjusted 716,000 in the previous week, the US labour department said yesterday. Economists were expecting a smaller rise to 725,000 claims.

There were 5.76m actively collecting state jobless aid as of November 28 compared with 5.53m a week earlier, bucking economists' expectations for another decline. The insured unemployment rate, considered an alternative measure of joblessness, rose to 3.9 per cent from 3.8 per cent.

Continuing claims had fallen for 10 consecutive weeks, from 12.7m in mid-September, although economists partly attributed the decline to unemployed workers exhausting regular benefits.

Pandemic Unemployment Assistance, a government programme that offers benefits to the self-employed and others who would not qualify for regular benefits, received 427,609 new claims last week on an unadjusted basis, compared with 288,234 a week earlier.

While some of the jump could be attributed to a backlog of claims after Thanksgiving, "the trend of more Americans losing jobs is clearly rising over the past month", said Robert Frick, corporate economist at Navy Federal Credit Union.

"The Thanksgiving holiday may still be wreaking some havoc with the data but the underlying picture is still one of weak labour market conditions as the coronavirus surges," analysts at Oxford Economics said.

The US added 245,000 jobs in November, the slowest rate of hiring since a combined 22m jobs were lost in March and April during the height of early coronavirus-related shutdowns.

The economy has now recouped 12.3m jobs.

The slowdown in jobs growth has stoked concerns that the labour market's rebound has stalled, at a time when many states are reimposing curbs on businesses in an effort to combat a rise in infections.

New applications for jobless benefits climbed the most in California and Illinois last week, based on advance figures that are not seasonally adjusted. The pace of claims also picked up in Texas, New York, Pennsylvania, Virginia and Georgia. Only five states and the US Virgin Islands reported a smaller number of first-time claims.

"Rising numbers of Covid-19 cases and the resulting containment measures are once again wreaking havoc on the economy," said James Knightley, chief international economist at ING.

The jobless claims report showed that 19m people were claiming benefits in all state and federal programmes as of November 21, down from 20.2m, according to unadjusted figures that are reported on a two-week delay.

In other economic data, consumer prices ticked up 0.2 per cent in November against the previous month. The consumer price index was flat in October. Economists had anticipated a 0.1 per cent gain last month.

Healthcare system. Funding shortfalls

Pandemic pressures fuel nurses' strike

New York staff halt work over labour shortages and poor personal protective equipment

TAYLOR NICOLE ROGERS — NEW YORK

Signs of stress: members of the New York State Nurses Association on the picket line outside the city's Montefiore New Rochelle Hospital this month
Mike Segar/Reuters

The Montefiore medical centre in the New York City suburb of New Rochelle is known as a safety-net hospital as it cares for patients regardless of their ability to pay. For nurses at the facility, that has translated into a crushing burden during the pandemic.

This month, about 200 union-represented nurses at the privately owned hospital staged a two-day strike, picketing against working conditions they said had made their lives nearly impossible.

As the number of Covid-19 patients surged, they claimed, the hospital pushed nurses to care for too many at a time and issued personal protective equipment that gave off a harsh chemical smell and left some staff with rashes.

"If you can safely care for one or two patients, but you're given four or five, you have to make some decisions about who you're going to rescue," said Judy Sheridan-Gonzalez, president of the nurses' union at the hospital. "That is just a horrible thing for health professionals to confront."

Shortages of staff and PPE have tormented healthcare workers nationally during the outbreak. But such problems are acute at overburdened hospitals serving poor and minority communities, said Dr Linda Aiken, a nursing professor at the University of Pennsylvania.

Each nurse in pre-pandemic New York City was responsible for an average of 6.5 patients, the highest anywhere in the state, found a study by Dr Aiken in the BMJ medical journal. New York state does not cap how many patients can be assigned to one nurse; California, in contrast, mandates that nurses care for no more than five each. Studies have shown that mortality rates jump 7 per cent for each additional patient a nurse is assigned. Hospitals do not typically make their staffing ratios public.

"This is a bad commentary on how US hospitals are trying to manage staffing even in normal circumstances," Dr Aiken said. "They're very much in love with this idea of just-in-time staffing and supplies. It's a manufacturing idea that doesn't work out in hospitals."

This keeps hospitals from maintaining stockpiles of PPE beyond the 90-day supply mandated by the state or scheduling more than the minimum number of workers, Dr Aiken pointed out.

Grim record

More than 3,000 Covid deaths reported in one day

The US reported more than 3,000 coronavirus deaths in a single day for the first time on Wednesday, as rising fatalities followed a record surge in cases and hospitalisations during the past month.

States attributed a further 3,054 deaths to the virus, according to the Covid Tracking Project, passing the 2,977 from the September 11 terrorist attacks in 2001.

The figure eclipsed the 2,752 deaths recorded on May 7, when states in the US north-east including New York and New Jersey were hardest hit. The national death toll stands at 280,454, the highest in the world by far.

Fatalities tend to lag behind cases and hospitalisations, and the latter two metrics have repeatedly set new peaks in recent weeks. Public health officials have asked people to stay at home during the holiday season and state leaders have reimposed curbs on businesses and social gatherings.

Hospitalisations hit a record 106,688 on Wednesday. States reported 209,822 new cases, below the single-day record of 224,831 set on Friday, and bringing infections confirmed over the past week to 1.43m. *Peter Wells, New York*

Ms Sheridan-Gonzalez, who works a few miles south of New Rochelle in a Montefiore hospital in the Bronx, New York City's poorest borough, said staffing shortages existed even before the pandemic. After Covid-19 hit, she said, conditions grew worse and some patients were left lying in their own waste until a nurse or assistant arrived.

"It's extraordinarily painful," she said, adding she was reminded of a dystopian film when she compared her emergency room with outposts of the Montefiore in wealthier suburbs. "It's like you see the rich in the sky and the poor in the ground," she said. "It's two worlds."

If the US does not bring the pandemic under control, Dr Aiken warned that the problems facing nurses in places like the Bronx could spread. "You expect this in minority-serving hospitals," Dr Aiken said. "What's unexplainable is how it's started to happen everywhere."

At least 213 registered nurses nationwide had died of Covid-19 by September, found National Nurses United, a union. They estimate another 258,768 had been infected. Nurses' mental health has also suffered, with 86 per cent of the 1,100 surveyed by non-profit Mental Health America citing anxiety.

At Montefiore New Rochelle, a nurse and an assistant died from Covid-19 this year, and a handful of older nurses were so afraid of getting sick that they retired early, Ms Sheridan-Gonzalez said.

'[Hospitals] would rather spend millions on their image, instead of ensuring we have enough nurses'

Bea Grause, president of the Healthcare Association of New York State, said member hospitals including Montefiore were working to recruit nurses from out of state and lure others out of retirement to avert shortfalls, but budgets are tight as bans on lucrative elective procedures earlier this year reduced revenues.

Marcos Crespo, a Montefiore executive, said before the strike that the nurses' union was "selfishly putting the community at risk and using Covid-19 as a political football". He said the hospital network had offered a pay rise, fully funded health insurance, tuition reimbursement and other benefits but would not negotiate on staffing levels.

Ms Sheridan-Gonzalez said their offers were "too little, too late".

"What has Montefiore done since June?" the union quoted New Rochelle nurse Maria Castillo on the second day of the strike. "They put a bunch of billboards up on the highway. They bought TV commercials calling us 'heroes'. They want the community to think they appreciate us. The reality is, they would rather spend millions on their public image, instead of making sure we have enough nurses to care for everyone!"

Dr Aiken said solutions could include state legislation to cap nurse-to-patient ratios and an expansion of reciprocal licensing agreements that allow nurses to move across state lines.

The hospitals did not comment.

Tit-for-tat sanctions

China curbs HK access for US diplomats

YUAN YANG — BEIJING

China has halted visa-free tourist travel for US diplomats to Hong Kong in retaliation for sanctions from Washington, which accuses Beijing of violating democratic processes in the territory.

Diplomats stationed in Hong Kong have work visas but US diplomatic passport holders not based in the territory have until now been able to travel there for holidays without visas.

Announcing the measure yesterday, Hua Chunying, China's foreign ministry spokesperson, warned the US to "stop meddling in Hong Kong's affairs and China's internal politics, stop walking further and further along this dangerous and mistaken path".

The travel curbs will also apply to the autonomous region of Macau, the former Portuguese colony neighbouring Hong Kong that is a gambling centre with significant investment from US casino groups.

China and the US have been engaged in tit-for-tat sanctions against each other's officials since Beijing abruptly imposed a national security law on Hong Kong in June. Critics said the law rolled back freedoms promised to the territory on its handover to China from the UK in 1997.

The US sanctions have hit some Hong Kong officials hard given the international reach of the dollar-based American financial system. Carrie Lam, Hong Kong's chief executive, has said she has no access to banking services as a result of the sanctions and is forced to keep "piles of cash" at home.

US diplomatic passport holders will lose the right to take holidays in Hong Kong without a visa

In addition to the travel curbs, Ms Hua said China would enforce unspecified "countermeasures" against those "US government officials, lawmakers, and NGO workers and their families" who have "displayed malicious behaviour and bear major responsibility on the Hong Kong question".

"It's very rare to see such actions from China," said Wu Xinbo, dean of the institute of international studies at Fudan University, saying he could not recall any similar sanctions on personnel from other countries.

Last week, Hong Kong jailed three young pro-democracy activists on charges related to protests last year that involved millions of the region's 7m people. Joshua Wong, the 24-year-old face of the pro-democracy movement, was sentenced to 13-and-a-half months in prison.

On Tuesday, Donald Trump's administration imposed sanctions on 14 high-level Chinese officials for allegedly violating democratic processes in Hong Kong, whose autonomy from the mainland was enshrined in a joint declaration signed by London and Beijing on the handover.

Additional reporting by Nian Liu in Beijing and Nicolle Liu in Hong Kong

Accounting fraud

Wirecard shorting ban put watchdog off scent

OLAF STORBECK — BERLIN

After BaFin, Germany's financial watchdog, decided early last year to ban the shorting of Wirecard shares and to file a criminal complaint against Financial Times journalists, senior staff at the country's audit oversight body concluded that fraud allegations against the payments company might have been unwarranted.

At a parliamentary hearing yesterday into the Wirecard scandal, Naif Kanwan, executive director for enforcement and market monitoring at Apas, the audit watchdog, told MPs: "My impression was: somebody is on the case, has been looking at the allegations and came to certain conclusions." He added that this "subconsciously influenced my thoughts about the matter".

Two weeks after the FT reported in late January 2019 that a senior Wirecard executive in Singapore was suspected of using forged and backdated contracts, BaFin, in an unprecedented move, banned the shorting of Wirecard shares for two months, the first such ban on an individual stock.

It brushed aside concerns from Germany's Bundesbank over the move. The central bank had told BaFin that such a decision could not be justified on the grounds of protecting financial stability.

In April 2019, BaFin reported two FT journalists to criminal prosecutors in Munich, accusing them of colluding with short sellers and manipulating financial markets. Prosecutors dropped their investigation this year after Wirecard collapsed in one of Europe's biggest postwar accounting frauds.

'My impression was: somebody is on the case, has been looking at the allegations'

Asked if he believed in early 2019 that FT journalists colluded with short sellers, Mr Kanwan pointed to BaFin's ban and criminal complaint. "These moves were in line with such a picture," he said.

Two weeks after the FT report was published in January, two senior employees of EY Germany, Wirecard's auditor, contacted Apas and briefed the watchdog about the Singapore allegations. Mr Kanwan stressed that the call from EY did not constitute an "early warning" by the auditor. "Both described the information that was publicly available in the press, and told us that they will address the issues during their annual audit," said Mr Kanwan.

Apas in early 2019 saw no indication EY might have violated its professional duties, said Mr Kanwan. He acknowledged the watchdog at the time was unaware of earlier allegations against Wirecard raised by short sellers in 2016 in the so-called Zatarra report. That only changed in October 2019 after the FT published internal Wirecard documents pointing to a concerted effort to fraudulently inflate sales and profits.

"As a lesson learned, we have improved our press monitoring," Mr Kanwan told MPs.

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China default shock Yongcheng's plight shows Beijing will no longer act as backstop for reckless borrowing ➜ ANALYSIS, PAGE 8

Watchdog says UK banks can resume paying dividends

- PRA pushed for suspension in March
- Guidelines set on size of distributions

MATTHEW VINCENT AND OWEN WALKER
LONDON

The UK banking regulator has given lenders the green light to resume dividend payments, nine months after it asked them to suspend shareholder payouts and preserve capital at the height of the pandemic.

The Bank of England's Prudential Regulation Authority said yesterday that its latest test of banks' capital positions had found they were resilient to "a wide range of economic outcomes, including economic scenarios that are materially more severe than current central expectations."

As a result, it has concluded that there was now scope for banks to recommence distributions to shareholders

> Payouts will be scrutinised to ensure the regulator's regime is applied in an appropriate fashion

"within an appropriately prudent framework."

Among the factors considered by the regulator were the recent approval and rollout of a vaccine in the UK, and the extension of government loan and furlough support schemes for businesses.

"We know more and things look better than March," one person familiar with the process said. "We are still in the midst of a pandemic and Brexit so, while the case for a full ban is weak, you do not want a huge amount of capital flowing out."

As part of the approval, the PRA set out guidelines to determine the size of a payout. It said it would "expect to be satisfied that any distributions would not create excess vulnerabilities to stress for a given bank or impede its ability to support households and businesses".

The regulator set a dividend limit of 25 per cent of a bank's cumulative profits over the previous two years or 0.2 per cent of its risk-weighted assets — whichever is the higher.

The PRA pressured banks in late March to suspend dividends and share buybacks until the end of 2020, and cancel any unpaid 2019 distributions, to prevent the depletion of capital at a time when lending was needed to support the economy. They were also asked to restrict cash bonuses to senior staff.

The regulator yesterday urged banks to use a "high degree of caution and prudence" when deciding on cash bonuses for senior staff. The watchdog said it would "scrutinise proposed payouts closely to ensure large banks have applied the PRA's rigorous remuneration regime in an appropriate fashion".

The UK's five largest banks initially resisted pressure from the BoE to halt their dividends voluntarily, but eventually announced they were cancelling dividends worth £7.5bn so they could "serve the needs of businesses and households".

UK bank share prices have fallen sharply as the economy suffered during the pandemic. Shares in Barclays are down 23 per cent since the start of the year, while HSBC's are down 32 per cent over the same period, Standard Chartered's and NatWest's both down 34 per cent and Lloyds' are 44 per cent lower.

EU banks were also prevented from paying out dividends this year and the European Central Bank is expected to decide whether it will lift its ban next week. The PRA had been in dialogue with the ECB prior to making its own decision yesterday. Swiss banks UBS and Credit Suisse have already announced their intention to resume dividend payments next year.

Additional reporting by Nicholas Megaw

See Lex

Spac track Supercar maker McLaren ponders blank-cheque listing in race to raise £500m

McLaren's Carlos Sainz Jr in qualifying for Formula 1's Styrian Grand Prix in Austria in July — Leonhard Foeger/Reuters

PETER CAMPBELL — WOKING

McLaren, the British supercar manufacturer, is in talks to raise up to £500m in fresh equity that could pave the way to a listing through a blank-cheque company.

A deal with a special-purpose acquisition company, or Spac, which is specifically used to take a private group public through a reverse merger, is one of the options the carmaker is considering to raise cash.

The pandemic-hit group, which has a long and illustrious racing heritage, wants to shore up and refinance its business over the coming 12 months.

This includes the possible sale of a minority stake in its racing arm, as well as options for the future of its applied division, which sells racing and car technology to third parties.

After laying off a quarter of its staff during the pandemic and raising emergency funding, the company is seeking ways to cut its debt pile before refinancing bonds that mature in 2022, said Mike Flewitt, McLaren Automotive chief executive.

"We need to restructure the total business," he said. "We went into this year having two very successful years in automotive, but the current business did not have the liquidity to survive this kind of crisis."

McLaren's sales over the first nine months of the year fell by more than 60 per cent to £389.2m, with its pre-tax loss swelling to £312.9m from £68.2m a year earlier. The automotive unit, which Mr Flewitt leads, accounts for more than 80 per cent of the business.

The company is in talks with several parties about raising £300m-£500m in equity over the next few months.

The business is "not ruling anyone out" and is considering investments from "individuals, family groups, sovereign wealth funds and private equity", as well as at least one US-based Spac, he said. A deal with a Spac would put McLaren alongside Aston Martin and Ferrari as a publicly listed supercar group.

Mr Flewitt said McLaren's investors would decide on the most appropriate new shareholder.

"We will look for investors who have a common vision to our shareholder base, both in terms of the structure, direction of the company and medium-term plans," he said.

McLaren is also pressing on with a sale and leaseback of its headquarters in Woking, Surrey. The cash raised will be used to pay down debt, which stood at £661m at the end of the third quarter, after the company raised £150m in an emergency loan over the summer. The company will then seek to refinance the remaining bonds next year, Mr Flewitt said.

See Lex

Brent crude breaches $50 for first time since March

ANJLI RAVAL — LONDON

Brent crude yesterday jumped above $50 a barrel for the first time since March with the rollout of Covid-19 vaccines outweighing concerns about swelling oil inventories.

The UK began a mass vaccination programme this week and it is expected that immunisations will start soon in the US and Canada, fuelling optimism of a recovery in oil demand.

"Fast-tracking vaccinations is raising hopes that oil demand will benefit quicker," said Bjornar Tonhaugen, head of oil markets at Rystad Energy.

Brent crude, the international oil benchmark, rose 4.3 per cent to $50.95 a barrel in afternoon trading in London. West Texas Intermediate, the US marker, increased 4.6 per cent to $47.63 a barrel.

Governments imposed lockdowns and travel bans earlier this year to curb the virus, slowing the global economy and leading to a collapse in oil demand that took Brent to an 18-year low.

The price crash reversed only after major producers, including the Opec cartel and Russia, called an end to a price war and agreed in April to a record 9.7m barrels a day in supply cuts to bring the market into balance. The reduction in output has since eased to 7.7m b/d.

Oil prices rose yesterday even though the most recent weekly report on US inventories showed a more than 15m barrel increase in stockpiles. This far exceeded expectations of a 1.4m barrel drop.

"It seems that cheap money, good sentiment on the stock market and hopes that demand will soon normalise thanks to corona vaccines count for more than the reality," said analysts at Commerzbank.

Traders and oil analysts are watching market moves more closely as the Opec+ group seeks to taper their curbs further, adding 500,000 b/d into the market from January.

The increase was much smaller than initially planned as delegates in last week's meeting took a cautious approach to avoid knocking the fragile recovery in oil prices off course.

Shares in global oil and gas companies, which have been hit dramatically this year amid market turmoil, rose on the back of the crude rally. Royal Dutch Shell jumped 3.7 per cent, BP increased 4.5 per cent, ExxonMobil rose 3.5 per cent and Chevron climbed 3.7 per cent.

Airbnb and DoorDash IPOs leave gig economy issues unresolved

INSIDE BUSINESS
TECHNOLOGY

Richard Waters

The gig economy — aka the sharing economy — has been one of the most important online phenomena of the decade. This week it also made a big splash on Wall Street, as the stock market listings of delivery company DoorDash and home rental company Airbnb met a euphoric reception.

But for a sector that is already getting long in the tooth, there are a surprising number of unresolved questions. Of particular interest this week: are these good businesses? And, as their sometimes deleterious impact on society prompts a backlash, will they make good businesses in future?

This is an important transitional moment. Following last year's initial public offerings of ride-hailing companies Uber and Lyft, the main exemplars of this new style of online marketplace are now on the public markets.

It's hard to argue with the gig economy's impact. In the year before they went public, the four companies generated more than $100bn worth of rides, deliveries and home rentals between them (though some bookings have fallen back during the pandemic).

Using apps to organise informal markets has undoubtedly resulted in important new forms of competition and unleashed extra resources in the economy. That includes giving more people scope to join a part-time labour force (this is the "gig" part of it) and extending the use of assets like private cars and homes (the "sharing" part).

But that has not translated into profits. Even the flattering financial metric these companies prefer — adjusted earnings before interest, tax, depreciation and amortisation — showed all four to be lossmaking in the 12 months leading up to their listings, with some $3.3bn in red ink between them.

So are their business models half-baked, or just half-evolved?

While Airbnb has a solid gross margin above 80 per cent, the pre-IPO range of 45-57 per cent for the other three shows how much their supposedly "light-weight" marketplace models are weighed down with the costs of trying to generate demand.

> Even the flattering financial metric these groups prefer showed they were lossmaking in the 12 months before listing

These include the subsidies that have been lavished on consumers during vicious battles for share. This may not have generated clear returns for shareholders, but it has undoubtedly generated consumer benefits. For many people, getting a ride whenever you want or ordering a meal from a smartphone are now just part of everyday life.

Regulation will undoubtedly increase costs further and limit the companies' room for manoeuvre. The benefits of labour market arbitrage — paying lower costs for informal workers — are likely to erode as the political heat intensifies.

Meanwhile, city authorities are starting to realise it may not be in their residents' best interests if the streets are full of empty ride share cars, apartments are unavailable for rent to local workers, and restaurants close down because of high fees charged by delivery companies.

The stock market has a way of exerting discipline. Even if the current euphoria rewards profitless IPO candidates, the pressure will build to hone and refine their business models. Uber's stock price has more than tripled since its low point in March but it is still not above making sensible financial decisions. This week, it gave up on its expensive in-house attempts to develop autonomous driving and flying cars.

There are two obvious avenues to get to profitability. Consolidation has already swept through the ride-sharing and delivery apps, and there is more to come. Survivors will be in a better position to raise prices.

The other avenue is to exercise their power as intermediaries to squeeze more for themselves out of the value chain. The history of the internet has been one of ceaseless disintermediation and reintermediation. That is, of newcomers cutting out old businesses to supposedly "free" consumers, before inserting themselves as the new bottlenecks. As they aggregate consumer orders, mobile apps are starting to find themselves in a powerful position.

This may not be a welcome development for some providers of services that are being sucked into the gig economy's orbit. Restaurants, for example, have come to rely on online ordering and deliveries during the pandemic. But if a handful of apps comes to represent a significant share of their sales — and if those apps have the power to redirect customers to other meal providers offering better terms — the results could be painful.

For investors in the newly public gig sector, it looks like being a work in progress for some time to come.

richard.waters@ft.com

REQUEST FOR EXPRESSIONS OF INTEREST

The Tranergy Parners & Co. Limited ("**Tranergy & Co.**") is inviting eligible Engineering, Procurement and Construction (EPC) providers, herein "**EPC Provider(s)**" to indicate their interest in providing EPC services for the development a 10 Million Standard Cubic Feet Gas Plant in Nigeria (herein "**the Assignment**").

Our client, a private limited liability company, with business interest and investment principally in the midstream petroleum industry in Nigeria (the '**Client**") has approved the development of a 10 Million Standard Cubic Feet Gas Plant (the "**Gas Plant**") along support ancillary infrastructure ("**Support Infrastructure**"), together (the "**Gas Facility**").

The main objective of this assignment is provide for the major construction, labor, timeline, budget and development of the Gas Facility in Nigeria. The EPC Provider will be selected in line with "Best Practices" with consideration in accordance with World Bank's Guidelines on Procurement of Goods, Works and Non-Consulting Services.

An interested EPC provider shall have relevant previous project experience in the development and completion of similar assignments and such experience will include similar developments of other hydrocarbon projects respectively. Relevant experience is the Sub-Sahara market will also be considered.

Upon receipt of expressions of interest, Tranergy & Co. will review submissions and advise successful EPC providers accordingly. We will also share additonal opportunity information thereafter in anticipation of detailed request for proposal from successful EPC providers.

Expressions of interest (max. 30 PDF pages, in English) must be forwarded by e-mail to o.ayodeji@tranergyco.com and received no later than 5pm, December 20, 2020. For enquiries contact – Oyinda Ayodeji, The Tranergy Partners & Co. Limited , 1st Floor Itiku House 28 – 30 McCarthy Street Onikan Lagos, Ikoyi Lagos, Nigeria +234 708 259 2542.

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IN THE HIGH COURT OF JUSTICE CR-2020-002341
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES
COMPANIES COURT (ChD)
IN THE MATTER OF
AMT MORTGAGE INSURANCE LIMITED
and
IN THE MATTER OF
AMTRUST INTERNATIONAL UNDERWRITERS DAC
and
IN THE MATTER OF
PART VII OF THE UK FINANCIAL SERVICES
AND MARKETS ACT 2000

NOTICE IS HEREBY GIVEN that AMT Mortgage Insurance Limited (**AMIL**) and AmTrust International Underwriters dac (**AIU**) presented an application to the Business and Property Courts of England and Wales, Companies Court in London (the **Application**) pursuant to Part VII of the UK Financial Services and Markets Act 2000 (the **Act**) for Orders:

(1) under section 111 of the Act sanctioning a scheme (the **Scheme**) providing for the transfer (the **Transfer**) to AIU of all of the insurance and reinsurance business written and/or assumed by AMIL; and
(2) making ancillary provisions in connection with the Scheme pursuant to sections 112 and 112A of the Act.

The Application was heard before Sir Alastair Norris on 26 October 2020 and the Orders sanctioning the Scheme and making ancillary provision in connection with the Scheme were granted. Pursuant to the Orders granted by Sir Alastair Norris, the Scheme became effective at 23:59 GMT on 31 October 2020.

In addition to any right to cancel provided for in the terms of any policy included in the Transfer, if your insurance policy is included in the Transfer, and the risk to which it relates is situated in an EEA State other than the United Kingdom, the laws of the EEA State concerned may give you a right to cancel your policy as a result of the Scheme. If you have such a right, you must exercise this right within 30 days starting from the date hereof or (if different) within the time limit specified by the laws of such EEA State.

11 December 2020
Norton Rose Fulbright LLP,
3 More London Riverside, London, SE1 2AQ, United Kingdom
Solicitors for AMT Mortgage Insurance Limited
and AmTrust International Underwriters dac
Ref: MJFF/1001059003

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Financials

BlackRock vows to push climate message

Asset manager plans more support for investor resolutions on change

ATTRACTA MOONEY — LONDON

BlackRock has vowed to back more shareholder resolutions on climate and social issues at annual meetings, as the world's largest asset manager faces growing pressure to use its clout to change companies' behaviour.

The $7.8tn asset manager has faced years of criticism after overwhelmingly backing management rather than voting for shareholder proposals on issues such as climate change.

However, BlackRock said yesterday that supporting investor resolutions will play an "increasingly important role in our stewardship efforts around sustainability". The shift in approach followed a "significant review" of its policies around AGM voting and discussions with companies, the New York-based group added.

The move is likely to have significant repercussions across the corporate world given BlackRock is a large shareholder in many public companies.

Sandy Boss, head of investment stewardship at the asset manager, said BlackRock had traditionally given companies the "benefit of the doubt" that they treated issues such as climate change seriously, but there is a "sense of urgency now" that businesses must take faster action.

"The dialogue with companies has changed so much in the course of this year," said Ms Boss, who joined the group in May and oversaw the review. "The pandemic risk has brought social risk to the forefront. Climate risk is at the forefront," she said.

The pledge comes less than a year after BlackRock chief executive Larry Fink said that sustainability would be at the heart of the group's investment strategy, warning that issues such as global warming posed huge financial risks for companies and investors.

Since then, however, critics have accused the asset manager of hypocrisy, after it failed to back several key climate resolutions in Australia and elsewhere at annual meetings this year.

Ms Boss said BlackRock has traditionally focused on engaging privately with companies as well as voting against directors.

But she added that BlackRock was now more willing to support shareholder resolutions because the wording of proposals has become "more specific", such as asking for a plan on how a company would manage climate risks.

The pledge was given a cautious welcome by critics. "It's clear that BlackRock's previous vague 'engagement' was not changing companies' approach to climate action," said Diana Best of the BlackRock's Big Problem campaign, a network of climate activist groups.

Ms Boss cautioned that BlackRock was not "pressing the button to support all climate resolutions", but "what we will do is support a proposal if it is reasonable".

Oil & gas

Church fund joins effort to force change on Exxon

ORTENCA ALIAJ, DEREK BROWER AND MYLES MCCORMICK

The Church of England has joined an investor campaign demanding sweeping changes at ExxonMobil, saying it was backing calls for the appointment of new directors and for the oil supermajor to develop a pragmatic strategy for the transition to cleaner fuels.

The Church Commissioners for England, who manage the CofE's investment fund, said yesterday they were "pleased to lend their support" to proposals from investment fund Engine No 1 designed to "re-energise ExxonMobil".

The announcement came a day after news that US hedge fund DE Shaw had acquired a sizeable stake in ExxonMobil and was pushing for the company to cut costs, adding another source of shareholder pressure on management.

New York-based DE Shaw, which has in recent years become more prominent as an activist, told Exxon it was concerned that the company's spending could put its dividend at risk, said people familiar with the matter.

The hedge fund was concerned that Exxon was underperforming rivals such as Chevron, which had managed to weather the industry's crisis better, the people said.

Energy groups are struggling to cope with the fallout from the pandemic and low oil prices.

DE Shaw's move emerged days after Engine No 1 launched its activist campaign against Exxon, at one time the biggest oil company, and named four people it wanted to nominate for board positions.

> The supermajor is enjoined to 'pivot its strategy to support the energy transition'

The activist pressure has been building amid perceptions that Exxon remains wedded to a model of increasing fossil fuel production, despite mounting doubts about long-term oil demand and deepening concerns about climate change.

Yesterday's backing from the Church Commissioners, which has previously campaigned for reform at Exxon, adds momentum to the effort.

Bess Joffe, head of responsible investment for the church fund, said that action was "urgently needed for the company to improve its ability to create long-term sustainable value and pivot its strategy to support the energy transition".

Exxon has dialled back spending since the pandemic and a Saudi-Russia price war prompted a historic crash, sending US oil prices negative in April and leaving producers across the country reeling.

It said last week that it would write off up to $20bn worth of assets in North America and Argentina.

The company has announced plans to cut spending next year, to $16bn-$19bn, before rising to $20bn-$25bn a year until 2025.

It originally planned to spend $30bn-$35bn a year.

Exxon plans to sack 14,000 workers, about 15 per cent of its workforce, by the end of 2022.

Despite the fallout, the group has rebuffed pressure to sacrifice its dividend. This year was the 37th in a row in which the company raised the payout.

The exact size of DE Shaw's stake in Exxon has not been divulged.

Mining. Bond defaults

Yongcheng woes show perils of reckless borrowing

HECG unit learns painfully that authorities no longer rush to rescue ailing enterprises

SUN YU IN YONGCHENG AND TOM MITCHELL — SINGAPORE

Washed out: workers refine coal at a coal washing facility in China, which is the largest producer and consumer of coal in the world — Nelson Ching/Bloomberg

Less than a decade ago, Yongcheng Coal and Electricity Holding was one of China's most celebrated energy groups.

It was blessed with ample reserves of high-grade coal at its mines in Henan. Government-controlled banks were eager to hand over cheap credit. At its height in 2013, the business's annual revenue was Rmb127.4bn ($19.5bn).

"We were the most profitable coal mine, with the highest salaries in the nation," said one Yongcheng executive.

All that has changed. Yongcheng, where the group is based, is today pockmarked with half-built and dilapidated buildings. Struggling workers at the company, many of whom have not been paid for months, have taken to packing and selling flour to make ends meet.

Yongcheng's woes did not take on national significance until last month, when the company defaulted on bonds worth Rmb3bn. That disturbed China's $15tn public debt market, the second-biggest, and kicked off defaults at other local-government-controlled businesses, which account for a big chunk of the economy. The defaults have ricocheted through the financial system. Analysts say state-linked companies face difficulties raising capital as a result. The episode has obliterated long-standing assumptions that authorities will bail out state-owned enterprises.

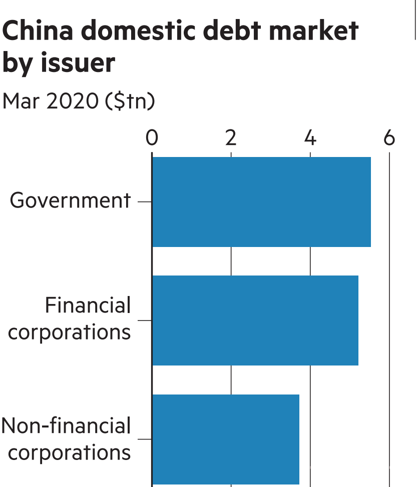
"The biggest impact has been on other state-owned issuers," said Chen Long at Plenum, a Beijing-based consultancy. "SOEs from Henan haven't been able to issue any bonds in the last few weeks. The longer their companies are not able to issue bonds, the bigger the problem."

Some think Yongcheng's difficulties are a harbinger of problems at other state-linked groups. Such a failure "could happen to any state-owned enterprise with weak fundamentals", said an investor who bought the group's bonds. "A lot more defaults could be in the pipeline."

Yongcheng's downfall was sown by the unravelling of its parent, Henan Energy and Chemical Group. HECG forced the miner to issue increasingly pricier bonds and borrow from the less-regulated shadow bank sector at a time when the credit environment was tightening. That transformed Yongcheng from what its bankers regarded as a low-risk borrower to a much riskier proposition with myriad creditors.

The woes can be traced to more than a decade ago when the parent launched an expansion into coal-derived chemicals. It earned HECG a spot on 2011's Fortune 500. HECG aimed to be a "world-class" group, Chen Xiang'en, president at the time, said of its pivot to high-end chemical products, which were to cause heavy losses. Prices of ethylene glycol, one of HECG's biggest products, have fallen almost two-thirds since it began making it in 2011, with little respite on the horizon. "China's coal chemical industry is facing an oversupply that could take many years to ease," said Qi Dan, an analyst at Baiinfo. HECG struggled to service its bank loans. It turned to China's nascent bond market, where it has raised Rmb60bn ($9.1bn) over the past five years. "We paid a price for expanding our footprint without taking into account profitability," said one HECG manager.

HECG began pressing Yongcheng, its best-performing subsidiary, to tap bond markets. Yongcheng has raised Rmb66bn in debt since 2018, typically paying interest of about 6 per cent.



But Yongcheng also turned to trust loans with rates between 6.5 and 7.5 per cent. According to people familiar with Yongcheng's fundraising activities, a significant portion of its bond and trust loan proceeds were used to pay off HECG's debts. Yongcheng was not forthcoming with its investors about this, often telling them it was raising cash to replenish working capital or pay down debt. China's National Association of Financial Market Institutional Investors last month accused four of Yongcheng's bond underwriters, its auditor, a rating agency and HECG of breaking capital market rules. Yongcheng and HECG declined to comment.

Some Yongcheng creditors say they knew the miner was propping up HECG, but assumed Henan's government would stand behind both groups because of their strategic importance to the local economy, which thrives on exports of coal and flour. But they did not anticipate the pandemic, which has hammered local government finance. "We knew HECG was dragging Yongcheng down," said one investor. "But HECG is the biggest SOE in Henan and the provincial government can't afford to let it go under."

Hopes of a full bailout from Henan are fading as the provincial government struggles with a growing fiscal deficit.

Two Yongcheng bondholders said HECG assured them early in November that the local government would inject Rmb15bn. But less than half of that has arrived, according to people with knowledge of the situation. "We maintained faith in government backing until the last moment," before the default, one of the investors said.

Since Yongcheng's default, more than 260 SOEs have suspended bond issues. Those that have gone ahead are having to pay higher interest rates. "Now that government guarantees are gone, underperforming SOEs must pay higher interest or they won't gain access to the credit markets," said the head of credit ratings at a Beijing-based bond investor.

For many employees, Yongcheng's fall has been a humbling experience. "Ten years ago I could earn Rmb12,000 a month when my friends at other companies made less than Rmb2,000," said a Yongcheng engineer who has been with the company 15 years but has not been paid for six months. He is selling flour to sustain himself. "Now I must live without a salary for half a year, and there is no update on when my next pay cheque will arrive."

Obituary

Prudent, publicity-shunning magnate who prized 'strength to sail safely through any storm'

Joseph Safra
Financier
1938-2020

Lebanese-born Joseph Safra, who became the world's richest banker after building a business empire from his adopted country Brazil, has died at 82.

The scion of a dynasty that started by financing caravans in Ottoman times from Syria, Safra followed his father to Brazil and helped build the family business into one of Latin America's biggest financial institutions.

Known for his discretion and conservatism, Safra chaired until his death the Safra Group, spanning banking, property, cellulose and bananas. Forbes estimated his wealth this month at $23.2bn, making him the 63rd richest person.

Safra Group said *Seu José*, as he was known to friends, was an "affable and perspicacious man who dedicated his life to his family, friends, business and social causes".

In the office, Safra was renowned for his attention to detail, an exacting work ethic and careful analysis of risk. "Even up there you will surely be watching the whole business carefully," Luiz Fernando Loureiro, a former employee of the bank, said on social media.

The Safras' property portfolio includes London's Gherkin, bought for £726m in 2014. In New York holdings include 660 Madison Avenue, which housed the Barney's department store until it filed for bankruptcy last year.

Safra shunned publicity. He rarely gave interviews, stayed out of the social columns, was married to the same woman all his life and eschewed the lifestyle of some fellow billionaires.

"His legacy in the development of the national economy will forever be marked in the history of Brazil, a country he adopted 58 years ago," Isaac Sidney, head of banking association Febraban, said. He was "an example as an entrepreneur and philanthropist".

Of a Sephardi Jewish family, Safra was born in Beirut in 1938 and was guided by his father Jacob, who left in the aftermath of the establishment of Israel, fearing war. Jacob chose Brazil as a haven and prospered in São Paulo, from where the family played a role in shaping global private banking.

Jacob's advice was the Safra Group's motto: "If you choose to sail upon the seas of banking, build your bank as you would your boat, with the strength to sail safely through any storm."

Rivals joked that Safra only lent to people who did not need the money. His prudence meant the empire avoided the need for bailouts in the financial crises that have punctuated Brazil's recent history, though critics complained it was sometimes slow to innovate.

> 'His legacy in development of the national economy will forever be marked in the history of Brazil'

Safra's oldest brother, Edmond, died in an arson attack in Monaco in 1999. Edmond's nurse, former Green Beret Ted Maher, was later convicted of starting the fire and jailed. The financier's untimely death led to a family battle over Edmond's banking assets, according to Brazil's O Estado newspaper.

After his brother Moise refused to sell his share in the family business, Joseph started a rival in São Paulo across the street called J. Safra, competing for the same clients. The pair only reached an agreement to resolve their differences when Moise sold out to Joseph in 2006.

In 2016, prosecutors charged Safra with corruption. They alleged that he knew of plans to bribe tax officials to drop the pursuit of large tax debts. Safra denied the allegations, and the charges were dropped. In Switzerland, the family's interests include J. Safra Sarasin, a private bank created out of the acquisition of Sarasin. Their interests include Safra National Bank of New York and a 50 per cent share of banana grower Chiquita, the latter acquired in 2014.

A philanthropist and arts patron, the banker maintained a mansion in São Paulo's Morumbi district, where gated communities rub up against a *favela*. "If I could go back in time I wouldn't have built such a big house," he once said.

Safra gave Rodin sculptures to a São Paulo museum and money to two hospitals, and funded construction of a synagogue. The Jacob Safra Foundation gave Einstein's manuscript on relativity to the Israel Museum in Jerusalem.

The banker spent his final years in Switzerland. Brazilian media reported that he was suffering from Parkinson's.

One of nine siblings, Mr Safra is survived by his wife Vicky, four children and 14 grandchildren. *Michael Stott and Bryan Harris*

FINANCIAL TIMES

HOW TO SPEND IT

12 DECEMBER 2020

RAMLA ALI'S FIGHT FOR THE FUTURE

IN THE SADDLE WITH THE SUSTAINABLE COWBOYS

ANGELINA JOLIE'S ACTION PLAN FOR AID

CAN CHARITY SURVIVE COVID-19? (YES, IT CAN)

THE SUPERLATIVE JOY OF THE FLOWER FLASH

SKY HIGH FARM'S MISSION TO FEED AMERICA

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FT Weekend

Facebook begins legal battle to avoid break-up

FTC and 48 state attorneys hope to convince courts that an allegedly 'buy or bury' approach has damaged competition

HANNAH MURPHY — SAN FRANCISCO
KIRAN STACEY AND KADHIM SHUBBER
WASHINGTON DC

Facebook's chief executive Mark Zuckerberg told his staff last October he would "go to the mat and fight" if the US tried to break up his empire. Now the wrestling match has begun.

On Wednesday, the Federal Trade Commission and a group of 48 US attorneys-general hit Facebook with its first antitrust charges on home soil. Citing scores of internal emails, the two lawsuits allege that Facebook has defended its social media monopoly for years with a "buy or bury" approach to its rivals, such as Instagram and WhatsApp.

If the FTC and the state attorneys-general can convince the courts that Facebook's allegedly anti-competitive behaviour has damaged the market, the default solution is nothing short of the dismantling of the company.

"We currently expect that [the remedy] will include divestiture of Instagram and WhatsApp," the FTC said.

William Kovacic, a former FTC chairman and a current law professor at George Washington University, said: "The FTC is all-in on the pursuit of the break-up. I think it is fully committed."

Joel Mitnick, a partner specialising in antitrust at law firm Cadwalader, Wickersham & Taft, said: "They are saying to the court that anything short of a really dramatic restructure is not going to cure the anti-competitive effects here. It's kind of an all-or-nothing roll of the dice."

> WhatsApp is 'legitimately a better product for mobile messaging'
> Mark Zuckerberg in a 2012 email

But the high-stakes legal battle will be a long one, and the case will be hard to prove. The FTC and the state attorneys-general have both accused Facebook of criminally breaching section 2 of the Sherman Act, one of the oldest and broadest antitrust laws in the US, which carries plenty of leeway for interpretation by the courts.

Perhaps in recognition of the complex and lengthy fight ahead, the social media company's share price fell by less than 2 per cent on the news.

To illustrate Facebook's allegedly anti-competitive behaviour, both cases focus on Facebook's acquisitions of Instagram in 2012 for $1bn and WhatsApp in 2014 for $19bn, cast by the complainants as a bid to neutralise threats. In its filing, the FTC repeatedly cites as evidence an internal email sent by Mr Zuckerberg in 2008 in which he says "it is better to buy than compete."

In 2012, an email from Mr Zuckerberg acknowledged that WhatsApp is "legitimately a better product for mobile messaging than even our standalone Messenger app" and that "[u]nfortunately for us, I don't think there's any way to directly minimise the advantage which is their momentum and growth rate".

After buying WhatsApp, emails then showed Facebook employees celebrating the acquisition of "probably the only company which could have grown into the next FB purely on mobile".

In another illustration of Facebook's allegedly anti-competitive behaviour, both the FTC and the state attorneys-general charge that it squashed rivals by first allowing access to its data and platform, and then removing access to anyone it saw as a threat.

The lawsuit from the state attorneys-general listed seven apps, including Vine, Path and Circle, that Facebook had cut off from its platform "without a legitimate business justification".

The state attorneys, led by New York's Letitia James, also argued that Facebook had hurt its users, even while providing free services, by forcing them to surrender more of their privacy than they might have done if there had been more competition.

This argument had been advanced by academics including Lina Khan of Columbia Law School, who helped write the recent influential report on antitrust in the technology industry for the House of Representatives' antitrust subcommittee. Ms Khan tweeted on Wednesday: "States' complaint also reveals a sophisticated understanding of harms. It notes FB entered [the] market by competing on privacy but degraded privacy once it had eliminated rivals [and] secured a safe monopoly position."

Facebook promised to defend itself "vigorously". In previous cases testing the Sherman act, the courts have recognised that monopolies are not unlawful if they are the result of superior skill. "The successful competitor, having been urged to compete, must not be turned upon when he wins," ruled the judge in a 1945 case regarding Alcoa.

In a statement on Wednesday, Facebook's general counsel Jennifer Newstead noted that the deals for both Instagram and WhatsApp had been cleared by regulators at the time, and accused the government of wanting "a do-over".

She argued that the success of both Instagram and WhatsApp should be credited to Facebook.

"The Instagram you see today is the Instagram that Facebook built, not the app it acquired. When Facebook bought Instagram, it had about 2 per cent of the users it has today, just 13 employees, no revenue and virtually no infrastructure of its own," she said, while pointing to the fierce competition that Facebook faces from Apple, Google, Twitter, Snap, Amazon, TikTok and Microsoft.

Still, some argue Facebook has a difficult defence. It must on the one hand prove that it would have been able to achieve its success in those areas even without those acquisitions, and at the same time explain why it paid such hefty fees for both companies.

"This case throws up a lot of interesting legal questions," said Doug Melamed, a law professor at Stanford and one of the lawyers who brought a 1998 antitrust case against Microsoft. "It looks on the face of it to be a pretty strong case, and certainly a more important one than the US case against Google."

In pushing for a break-up, the FTC has gone further than the Justice department's similar case against Google in October, which did not mention any specific remedies it was seeking.

The Facebook action also differs in other ways from that being brought against Google. In focusing on Google's partnership deals with other technology companies, which the DoJ said harmed competition, lawyers were leaning heavily on arguments already explored in the case against Microsoft 20 years ago.

But by focusing on mergers — especially ones it previously approved under the Obama administration — the FTC will have to prove a complex case, arguing that Facebook would not have been able to achieve its market power in photo sharing and messaging without buying Instagram and WhatsApp.

Others argue that a break-up would disrupt Facebook's services for users, and also hurt US competitiveness more broadly. "Companies and investors are going to lose faith in regulators if policymakers want to reverse course on prior decisions and call a mulligan this late in the game," said Robert Atkinson, president of Information Technology and Innovation Foundation, a non-partisan think-tank.

> 'Companies and investors are going to lose faith in regulators if policymakers want to reverse course'

However, the former FTC chairman Mr Kovacic said the Biden administration would probably feel extra pressure to aggressively pursue the case as a way of rebuilding its reputation after Big Tech had grown so powerful during the Obama era.

"To retreat from [seeking a divestiture] would be such an obvious betrayal of the evident purpose of the lawsuit . . . that if you're seen as backing off, wobbling at the knees, you lose your institutional legitimacy," he said. "The break-up possibility is genuine and feasible."

See Lex

Mark Zuckerberg's Facebook must prove it would have achieved its success in the same areas as Instagram and WhatsApp without those acquisitions — FT montage

Facebook's US ad revenues
Estimated ($bn)
Facebook exc. Instagram
Instagram
0 10 20 30 40 50
2018 19 20 21 22

Influence of Instagram and WhatsApp
Estimated users (m)
Instagram
WhatsApp
0 50 100 150
2020 21 22 23 24

Estimated share
WhatsApp (% of mobile phone messaging app users)
Instagram (% of social network users)
0 10 20 30 40 50 60
2020 21 22 23 24

Source: eMarketer

Legal Notices

2020 No. 366 COS
THE HIGH COURT
IN THE MATTER OF
ARCTIC AVIATION ASSETS DESIGNATED ACTIVITY COMPANY (IN EXAMINERSHIP)

AND IN THE MATTER OF
NORWEGIAN AIR INTERNATIONAL LIMITED (IN EXAMINERSHIP)

AND IN THE MATTER OF
DRAMMENSFJORDEN LEASING LIMITED (IN EXAMINERSHIP)

AND IN THE MATTER OF
TORSKEFJORDEN LEASING LIMITED (IN EXAMINERSHIP)

AND IN THE MATTER OF
LYSAKERFJORDEN LEASING LIMITED (IN EXAMINERSHIP)

AND IN THE MATTER OF
PART 10 OF THE COMPANIES ACT 2014

AND IN THE MATTER OF
NORWEGIAN AIR SHUTTLE ASA (IN EXAMINERSHIP)
AS A RELATED COMPANY WITHIN THE MEANING OF SECTION 517 AND SECTION 2(10) OF THE COMPANIES ACT 2014

NOTICE IS HEREBY GIVEN that pursuant to Part 10 of the Companies Act 2014, by Order of Mr Justice Quinn of the High Court made on 7th December 2020, Mr Kieran Wallace of KPMG, 1 Stokes Place, St Stephen's Green, Dublin 2, was appointed Examiner to each of (i) Arctic Aviation Assets Designated Activity Company, (ii) Norwegian Air International Limited, (iii) Drammensfjorden Leasing Limited, (iv) Torskefjorden Leasing Limited and (v) Lysakerfjorden Leasing Limited, each having their registered office at Ground Floor, Imbus House, Dublin Airport, Co. Dublin, and to Norwegian Air Shuttle ASA, as a related company, headquartered at Fornebu in Oslo, Norway.

Dated this 11th day of December 2020

WILLIAM FRY
Solicitors for the Examiner
2 Grand Canal Square
Dublin 2
Ireland

Australia and New Zealand Bank to Transfer Listing of US$300,000,000 perpetual capital floating rate notes (the "Notes") to London Stock Exchange

Notice is hereby given to the holders of the Notes (the "**Noteholders**") that Australia and New Zealand Banking Group Limited ("**ANZ**"), with agreement from Deutsche Trustee Company Limited (the "**Trustee**") as required by the trust deed dated 30 October 1986 constituting the Notes (the "**Trust Deed**"), will transfer the listing of the Notes from the Bourse de Luxembourg to the Main Market of the London Stock Exchange. The transfer will be achieved by the admission of the Notes to the Official List and to trading on the London Stock Exchange, followed by the delisting of the Notes from the Bourse de Luxembourg.

ANZ is transferring the listing of the Notes in accordance with Clause 12(l) of the Trust Deed (which confirms the basis upon which the listing can be transferred), in order to consolidate its debt listings in Europe under one exchange and reduce the corporate costs and burdens associated with the listing of its debt securities.

The Trustee expresses no opinion as to the contents or merits of this notice, makes no representation that all relevant information has been disclosed to the Noteholders herein and cannot accept liability for any loss caused by any inaccuracy of the contents of this notice.

Noteholders who have any questions about, or objections to, the transfer should notify ANZ in writing via email by 18 December 2020 at the email address specified below and provide proof of their holding of Notes.

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Travel & leisure

Tui hit by €3.2bn loss as it feels strain more than online rivals

ALICE HANCOCK

Tui has slumped to a €3.2bn loss after the pandemic forced it to slash holiday and cruise itineraries and seek aid from Berlin.

The tour operator, which also revealed it had net debt of €4.2bn, said yesterday it had managed to increase cost savings from €300m to €400m as it slimmed down its asset-heavy structure.

Revenues in the year to the end of September fell 58 per cent to €7.9bn, resulting in a €3.2bn pre-tax loss, down from a profit of €692m in 2019.

Last week it secured a €1.8bn financing deal from a consortium of investors, banks and Germany's support fund. As part of the funding, Tui's largest shareholder, Alexei Mordashov, will lift his 25 per cent stake. It is Tui's third government-backed financing since the crisis began, bringing the total to €4.8bn.

The group had €2.5bn of cash on its balance sheet at the end of November. It has fixed costs of €250m to €300m and said it had paid out about €140m in customer refunds over the summer. Tui, which has a fleet of 150 aircraft and 17 cruise ships, has struggled more than online rivals such as Love Holidays and On The Beach to cope with fallout from changing travel advice. It normally carries 21m travellers, which fell to 8.1m in the year to September 30.

Despite the promise of mass vaccinations before the 2021 summer season, chief executive Fritz Joussen said that demanding customers be inoculated before travelling would be "a mistake. It is not even 100 per cent clear if a vaccinated person is infectious or not".

Carriers such as Qantas and AirAsia have said that they are considering compulsory vaccination for passengers.

Tui said bookings for next year had picked up and 50 per cent of its holidays from May had been sold. It expected to recover to pre-pandemic levels in 2022.

On The Beach, which reported yesterday that it had fallen to a £46.3m pre-tax loss on revenues of £33.7m for the full year, said Tui was taking advantage of customers forced to postpone holidays from this year.

ft.com/lombard

Technology

Sony buys anime streaming service from AT&T for $1.2bn

KANA INAGAKI — TOKYO

Sony has agreed to buy AT&T's anime streaming service, Crunchyroll, for $1.2bn in its latest drive to expand its portfolio of video games, films and animation.

The sale would allow the US telecoms group to reduce its debt following last year's $85bn acquisition of Time Warner and focus its efforts on creating a streaming service, HBO Max, to rival Netflix.

The deal with Sony's Funimation Global Group coincides with an auction to sell AT&T's satellite division DirecTV as part of a review of its assets.

For Sony, the purchase of Crunchyroll is part of an acquisition drive led by chief executive Kenichiro Yoshida to cement its position as a supplier of content for films, music and games.

Its deal activity has expanded into animation and content for children with Sony's music unit 2018 purchase of a $185m stake in Peanuts.

Last year, Sony Pictures Television acquired Silvergate Media, the producer behind Netflix's *Hilda* and *Peter Rabbit* animated series, for $195m.

The group recently consolidated the anime streaming services of Sony Music Entertainment Japan's Aniplex with Sony Pictures Television's Funimation unit, bringing together French platform Wakanim and Australian distributor Madman Entertainment under the same group.

The addition of Crunchyroll gives the group a service with more than 3m subscribers. The platform boasts popular anime franchises such as *Naruto*.

Tony Vinciquerra, chief executive of Sony Pictures Entertainment, said: "We have a deep understanding of this global art form and are well-positioned to deliver outstanding content to audiences around the world."

Sony has been boosted by *Demon Slayer: Mugen Train*, which was produced by its anime and music production unit Aniplex.

It is on course to be the most profitable film produced in Japan after raking in ¥28.8bn ($276m) in the first 52 days following its release.

Fixed income. Borrowing costs

New York City to tap bond investors scrambling for yield

The largest US metropolis plans to use its $1.5bn bond offering to retire older debt — Gary Hershorn/Getty Images

Strong demand expected for debt sale despite rating agency warnings over downgrades

COLBY SMITH, ERIC PLATT AND PETER WELLS — NEW YORK

New York City is planning to tap the booming US municipal bond market for $1.5bn next week, even as rating agencies warn it faces the prospect of further downgrades of its debt.

Strong demand for the city's bonds and the low borrowing costs it is able to achieve despite the worsening state of its finances highlight how actions by the US Federal Reserve to hold down interest rates have eased the pressure on the country's largest metropolis.

Fitch warned this week that the coronavirus outbreak was causing long-lasting economic damage to New York.

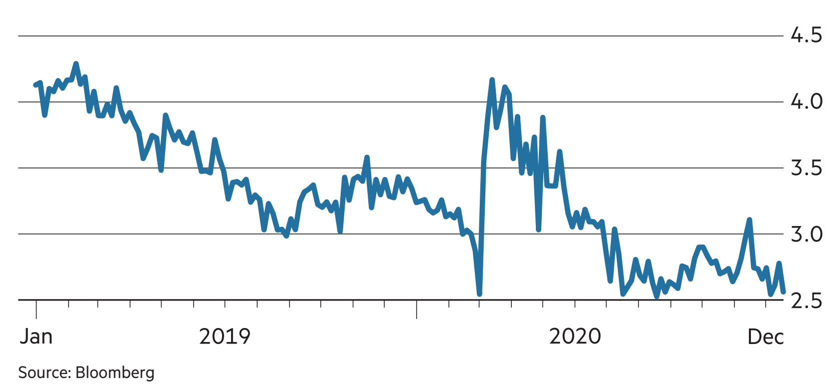
It cut the city's debt rating on Tuesday by one notch to double A minus and reaffirmed its negative outlook, an indication that another downgrade could be on the cards.

The move followed a decision earlier in the day by S&P Global, which lowered its rating outlook for New York City to negative from stable.

The deteriorating financial situation gripping the US economic hub and home to Wall Street has been worse than other parts of the country, Amy Laskey, an analyst with Fitch, said.

Ms Laskey noted that the city had only recovered 46 per cent of the jobs lost in the crisis, lagging behind the national average, and that its large tourism sector faced a protracted comeback.

"This view is informed by the weak rebound to date in employment, real estate transactions, tourism and mass transit usage," Ms Laskey said. "Very low rates of employees returning to offices and the potential for a longer-term trend of lower office usage could exacerbate current economic pressures on the city's credit profile."



The downgrade — across all of the city's $38bn of general obligation debt — came as congressional negotiations on a new economic stimulus package continued to snag on the issue of whether to include aid to state and local governments.

Policymakers have been stuck at an impasse since critical unemployment benefits expired in July with Republicans reluctant to offer additional assistance to states and cities.

Andrew Cuomo, the New York state governor, is pleading for financial aid from the federal government.

He said the consequences to the state and the families within it "are going to be devastating" if lawmakers were unable to agree a deal that includes aid.

The impact could include lay-offs of "several thousand" government workers, "dramatic tax increases" and New York City and the state having to borrow money "just to make the ends meet", Mr Cuomo said at a press conference on Wednesday.

He added that the MTA, the state-run transit system, might alone be forced to shed about 7,000 workers and would have to raise train and bus fares.

"Why you would want to lay off essential workers now, when you're just starting this ambitious vaccination programme, I have no idea," said Mr Cuomo. "A more obnoxious coincidence of facts you could not have."

The city's unemployment rate has remained elevated, with Fitch estimating the level at 17.5 per cent in October when adjusting for workers who have dropped out of the labour force.

That is roughly 7 percentage points above the median level for the 50 largest US metropolitan areas.

S&P Global analyst Nora Wittstruck said the rating agency saw a one in three chance that it would need to downgrade New York City's credit rating in the coming years. Service cuts by the MTA could hamper the region's economic recovery, she said.

> 'Why you would want to lay off essential workers now, I have no idea'

Both S&P and Moody's still give New York their third-highest possible rating, however — double A — and the city next week plans to borrow $1.5bn through a bond offering. The funds will be used to retire older, more expensive debt.

Reflecting rock-bottom interest rates and yields across the debt markets, investors have bid up the value of the city's debt this year.

A $355m bond that matures in 2031 was trading at 124.97 cents on the dollar on Wednesday, just below the year's high.

That pushed the yield on the bond down to 2.55 per cent, according to trading data collected by the Municipal Securities Rulemaking Board.

Congressional aid has already helped in part to bridge budgetary gaps exacerbated by coronavirus-related expenses. The city received $1.45bn from the Cares Act this year.

Fitch noted that the city was also allocated $2.65bn from the Federal Emergency Management Agency, which will help offset the $5bn in coronavirus-related expenses New York City estimates it will owe.

The MTA also received assistance from the government. It became one of two issuers to tap the Fed's $500bn municipal lending facility this year.

The facility, which was set up with the US Treasury department in order to support hard-hit state and local governments, is set to expire at the end of the month.

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Currencies

Pound falls after 'large gaps remain' in UK-EU trade talks

TOMMY STUBBINGTON AND CAMILLA HODGSON — LONDON

The pound dropped yesterday after the latest round of high-level trade talks between the UK and the EU failed to provide a breakthrough, extending a volatile run for the currency.

A UK government official said "very large gaps remain between the two sides" despite Wednesday's meeting between Boris Johnson and European Commission president Ursula von der Leyen. The two sides set a final Sunday deadline for a "firm decision" on any potential deal.

Sterling slipped 0.7 per cent against the dollar to $1.3302 by late afternoon in London and fell 1.1 per cent against the euro. But the level of the currency — which on Wednesday climbed near to its high for the year against the dollar — still implies a widespread assumption a deal will be struck, analysts said.

"I think people always expected this would go down to the wire," said Seema Shah, chief strategist at Principal Global Investors. "But the fact that the two sides seem quite far apart at this late stage is worrying for markets."

The pound has been buffeted by political developments over the past few days as traders try to work out whether

> 'The fact that the two sides seem quite far apart at this late stage is worrying for markets'

last-ditch negotiations will yield a trade agreement before the Brexit transition expires at the end of December.

That has sent implied one-month volatility for the currency to a level not seen since the aftermath of the coronavirus sell-off.

Brussels yesterday set out its contingency plans to prevent immediate disruption to a number of sectors in the event that a deal cannot be reached.

Chris Ralph, chief global strategist at wealth manager St James's Place, said there was significant "downside for sterling" but added that, for the pound to slide back to its March lows of around $1.15, there would "have to be a big falling out" and a chaotic end to Brexit talks.

The yield on 10-year UK gilts was flat at 0.2 per cent by late afternoon trading, having rallied earlier on as investors sought haven assets. They remained on track for their biggest weekly price gain in six months.

Gilts have been boosted in recent days by renewed wagers on the possibility of interest rate cuts from the Bank of England. A week ago, investors had unwound bets on the possibility of sub-zero rates as the arrival of Covid vaccinations fuelled optimism about the economic recovery.

But those wagers have begun to resurface amid the impasse in the trade talks. Two-year gilt yields slipped to their lowest in more than two months at minus 0.12 per cent.

Fixed income

Australia issues sub-zero treasury bills for first time in $1.1bn deal

JAMIE SMYTH — SYDNEY

Australia has sold short-term treasury bills at a negative yield for the first time in its history, joining Japan and a group of European nations that are being paid to borrow money from investors.

Investors snapped up A$1.5bn ($1.1bn) of three-month notes yesterday at an average yield of 0.01 per cent with some buyers at the auction receiving a yield of minus 0.1 per cent.

Australian yields have been hovering close to zero since the central bank cut its main interest rate to 0.1 per cent earlier this year to support the economy during the Covid-19 pandemic.

Analysts said the sale at a negative yield was probably a result of strong investor demand due to the surging Australian dollar, rather than a signal the country is moving rates to below zero in the near future.

"This buying may have come from offshore, from an investor motivated by current extremely low FX hedging costs, which add to the attractiveness of Australian dollar securities," said Andrew Ticehurst, an economist at Nomura.

The country's currency surged past a two year high of almost $0.75 yesterday against a backdrop of investor optimism about Australia's economic recovery and iron ore prices topping $150 per tonne for the first time since 2013.

Australia is benefiting from China's appetite for iron ore as Brazil, its main rival in supplying the steelmaking ingredient, struggles due to Covid-19 infections and mine closures.

Mr Ticehurst said Australia's highly rated, short-term government securities were viewed by investors as a "super-safe defensive asset" in what could be an illiquid and volatile period over the festive season and due to uncertainty about Brexit and Covid-19 vaccine developments.

A BHP freight train in Australia, which is enjoying high iron ore prices

Demand for the A$1.5bn worth of March 26 T-notes auctioned by the Australian Office of Financial Management was strong with the agency noting it was more than five times oversubscribed.

Australia's inflation-linked government bonds have previously traded at negative yields.

Shane Oliver, an economist at financial group AMP, said the negative yield on treasury bills was unusual as the Reserve Bank of Australia has said it is extraordinarily unlikely to take its cash rate below zero.

Given many other developed nations' treasuries are currently trading in negative territory, some investors in those countries may view Australian government securities as a bargain, Mr Oliver added.

According to Bloomberg data, just over $17.8tn worth of debt globally yields negative interest.

Equities

South Korean regulator threatens to jail short-sellers under new rules

SONG JUNG-A — SEOUL

South Korea plans to jail and levy hefty fines on traders that illegally bet against the country's stocks as part of a broader campaign against short-selling that has annoyed hedge funds.

Investors who break rules that outlaw so-called naked short-selling could be imprisoned for at least a year or have to cough up financial penalties of up to five times any profit they make on a trade, South Korea's top regulator the Financial Services Commission said yesterday.

Short-sellers profit from successfully betting that a security's price will fall. Naked short-selling refers to doing this without first borrowing or owning the underlying security.

The beefed-up punishments come after regulators in August extended a ban on all short-selling by another six months. The initial prohibition was implemented during a sharp sell-off in equities sparked by coronavirus early in the year.

Restrictions on short-selling have confounded hedge funds, particularly as the benchmark Kospi Composite has surged nearly 90 per cent from its low in March on expectations of a swift economic recovery in South Korea.

"Sending someone to prison for short-selling sounds extreme," said Albert Yong, head of Petra Capital Management, a South Korean hedge fund. "It is nonsense that they still maintain a short-selling ban in the booming market. Stocks like Tesla have gone up so much despite heavy short-selling."

> 'Sending someone to prison for short-selling sounds extreme. It is nonsense they still maintain a ban'

Mr Yong added that the ban on short-selling has had a negative impact on South Korea's image as a capital market. It is one of three countries in the world that maintains such a ban, along with Malaysia and Indonesia.

Regulators are considering lifting the embargo on short-selling when its current extension expires in March, although naked short-selling will remain off limits.

Retail investors have generally been strong supporters of restrictions on funds taking bearish bets, which may have contributed to buoyant stock prices.

The Kospi Composite is trading at almost 14 times its projected earnings for the next 12 months — a near decade high.

Foreign investors have also been strong buyers of South Korean stocks such as tech groups Samsung Electronics and SK Hynix, pouring more than $4.4bn into the market in November — the highest monthly inflow in seven years. Foreign investors own more than a third of the country's stock market.

The tougher restrictions on short-selling are due to take effect three months after they are approved by South Korea's cabinet, which is likely within the next two weeks.

They also require that investors keep a record of all their short-selling transactions for five years. Regulators also plan to improve their monitoring systems.

The regulations were part of wider reforms of financial markets and investments that South Korea's parliament passed on Wednesday.

High valuations are a warning to equity investors

Ian Harnett

Markets Insight

The rationale behind the current optimism among many equity investors is shifting as markets emerge from the pandemic shock. In the yield-starved pre-Covid-19 world, a common mantra of the bulls was the acronym Tina — there is no alternative. Now that has mutated to Trina — there *really* is no alternative.

Investors remain overweight equities, even though US valuations are at levels last seen in the January 2000 dotcom boom. Are investors right to be so bullish when share prices are so high relative to earnings and cash flow?

Although every market rally derailment is different, there are common themes. The first is the role of implicit assumptions that may appear bullish but can also be seen as an important risk factor. Second, there is never a single cause — it is always the layering of risks and assumptions that leads to the ultimate crisis. The current complacency about global equities has many of these characteristics.

Inherent in the current market optimism are three crucial assumptions. First, valuations do not matter any more. Second, interest rates will stay low for an extended period. And third, loose monetary and fiscal policy combined with the Covid vaccine will return us to the "status quo ante" and the investment regime of the past five years.

The reality is that equity valuations always matter. Less so in the short run but more so in the long run. One benchmark is when the ratio of US share prices to earnings over the previous 12 months rises above 30.

Since 1950, whenever that threshold has been breached, the subsequent 10-year annualised returns for US equities have rarely been above 5 per cent and often below minus 5 per cent.

Our own valuation composite, which combines six common valuation metrics such as prices relative to earnings and cash flow, shows valuations more extended than at any time since January 2000.

A similar story is shown by the "Tobin's Q" ratio popularised by American economist James Tobin, which measures the market value of a company relative to the replacement cost of its assets. That is back to levels seen only once since 1950 — in January 2000.

The pushback to concerns raised about such levels is that traditional valuation metrics are less meaningful given that future earnings are discounted by rates now close to zero.

> I worry, however, that these bullish investors are looking to 'have their cake and eat it'

I worry, however, that these bullish investors are looking to "have their cake and eat it". They expect unemployment to fall and earnings to post a healthy recovery, yet expect policymakers to keep interest rates on hold and bond yields to remain low and stable.

But at what point will policymakers decide that they have done enough?

They will be keen to avoid a repeat of the "taper tantrum" in markets in 2013 when the US Federal Reserve signalled a tightening in policy.

But policymakers may find it hard to control longer term bond yields if current expectations of the economic and earnings recovery play out. The danger in relying on overvalued bonds to justify overvalued equity valuations is that any volatility in rates, driven by activity or inflation, could destabilise the equity market complacency. The combination of both bond and equity valuations being this stretched has only been seen twice since 1950, in 1998-99 and 1986-87. Neither of those periods ended well.

Implicit in the relaxed consensus about equities also appears to be a view that the vaccine will deliver an extension of the previous cycle and a return to the status quo ante. We suspect that a sell-off in early November of some of the faster rising stocks provided a warning shot that the world has changed.

Investors are now focusing on the scope for cheaper stocks to outperform as earnings become more plentiful and margins recover toward their 2018 peaks. However, a greater focus on value means a greater focus on valuations. Investors looking to buy cheaper "value" stocks will become more wary of buying growth stocks that command a premium because they have higher potential earnings.

The good news in 2021 is the likelihood of a meaningful economic recovery. The bad news, however, is that this very success could usher in a new investment regime that will probably challenge many of the assumptions on which current valuation optimism is based. Sometimes it isn't what you know is risky that is dangerous, it's the things that you think are safe but aren't that are the problem.

Ian Harnett is co-founder and chief investment strategist at Absolute Strategy Research. ASR co-founder David Bowers also contributed

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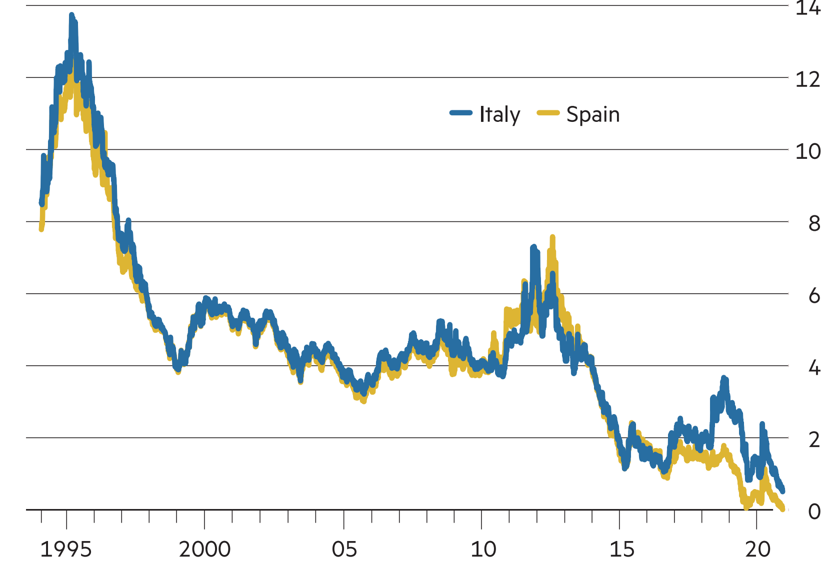
THE NEW AGENDA

The day in the markets

What you need to know

- Euro climbs near to high for year in wake of ECB meeting
- US stocks reverse early losses despite sharp rise in first-time jobless claims
- Brent crude climbs above $50 a barrel to nine-month high



Eurozone bond yields hovered around all-time lows and the euro rallied after the European Central Bank held rates steady and announced further asset purchases.

The single currency climbed 0.3 per cent to $1.2114, close to its high of the year, after the ECB said it would expand its €1.35tn emergency bond-buying programme by another €500bn and extend it to March 2022, broadly in line with consensus expectations.

The bank also kept its deposit rate unchanged at minus 0.5 per cent.

Italian, Spanish and Portuguese 10-year yields had fallen to their lowest levels on record ahead of the central bank's meeting but rose modestly after Christine Lagarde, the central bank's chief, said not all of the sum available under the bond-buying programme needed to be used "if favourable financing conditions can be maintained".

Eurozone yields were unlikely to rise much from here given the ECB was in effect promising it would do as much, or as little, bond buying as was necessary to hold down borrowing costs, said Lyn Graham-Taylor, strategist at Rabobank. "This has most of the characteristics of yield curve control," he said. "There's no set amount of monthly purchases, just a promise to keep financing costs down. The only thing that's missing is a formal target."

On Wall Street, stocks reversed earlier falls despite new data showing a sharp rise in first-time jobless claims last week.

The large-cap S&P 500 benchmark was flat by lunchtime in New York while the tech-heavy Nasdaq Composite was up 0.2 per cent.

Initial applications for US jobless benefits accelerated to 853,000 last week, from 716,000 the previous week, after a fresh surge in coronavirus cases spurred a new round of shutdowns that has stymied the labour market's recovery.

Optimism surrounding the rollout of Covid-19 vaccines helped to lift oil prices. Brent crude, the international benchmark, climbed 4.1 per cent to $50.87 a barrel, its highest level since early March.

WTI, the US marker, rose 3.3 per cent to $47.02 a barrel.

The pound extended its falls against the euro, sliding 1.1 per cent to €1.0966 as the deadline for a UK-EU trade deal approached with no agreement secured.

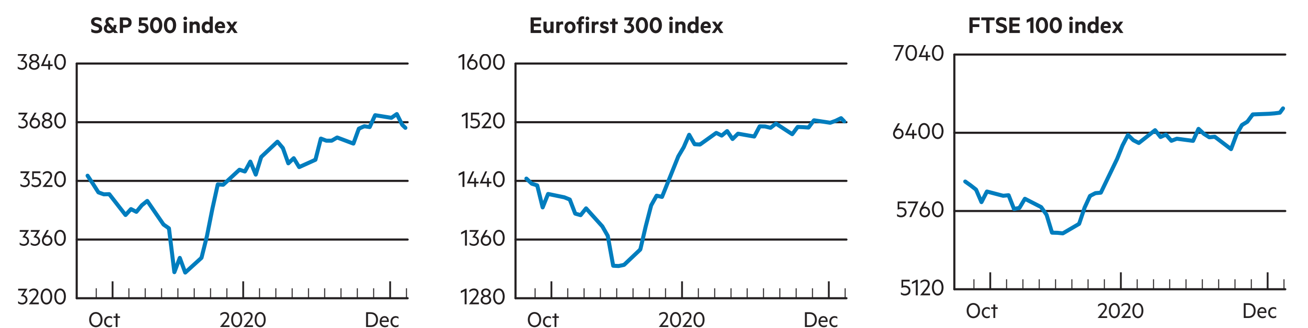
London's FTSE 100 rose 0.5 per cent while the region-wide Stoxx Europe 600 index fell 0.4 per cent and Frankfurt's Xetra Dax slipped 0.3 per cent. **Camilla Hodgson and Tommy Stubbington**

Markets update

	US	Eurozone	Japan	UK	China	Brazil
Stocks	**S&P 500**	**Eurofirst 300**	**Nikkei 225**	**FTSE100**	**Shanghai Comp**	**Bovespa**
Level	3664.61	1521.11	26756.24	6599.76	3373.28	114884.51
% change on day	-0.22	-0.29	-0.23	0.54	0.04	1.67
Currency	**$ index (DXY)**	**$ per €**	**Yen per $**	**$ per £**	**Rmb per $**	**Real per $**
Level	90.977	1.213	104.405	1.327	6.548	5.058
% change on day	-0.121	0.414	0.192	-0.970	0.159	-1.360
Govt. bonds	**10-year Treasury**	**10-year Bund**	**10-year JGB**	**10-year Gilt**	**10-year bond**	**10-year bond**
Yield	0.928	-0.604	0.010	0.200	3.270	6.830
Basis point change on day	-1.660	0.200	-0.520	-6.000	-1.600	-5.600
World index, Commods	**FTSE All-World**	**Oil - Brent**	**Oil - WTI**	**Gold**	**Silver**	**Metals (LMEX)**
Level	415.87	50.58	47.17	1841.75	24.09	3432.40
% change on day	-0.03	3.27	3.37	-1.41	-1.59	1.07

Yesterday's close apart from: Currencies = 16:00 GMT; S&P, Bovespa, All World, Oil = 17:00 GMT; Gold, Silver = London pm fix. Bond data supplied by Tullett Prebon.

Main equity markets



Biggest movers

%	US		Eurozone		UK	
Ups	Apache	9.45	Thyssenkrupp	4.59	Bp	4.46
	Occidental Petroleum	8.83	Saipem	2.81	Smith (ds)	3.79
	Diamondback Energy	5.96	Kerry Grp	2.76	Royal Dutch Shell	3.78
	Hess	5.68	Royal Dutch Shell	2.73	Royal Dutch Shell	3.69
	Devon Energy	4.81	Total	2.09	Hikma Pharmaceuticals	3.23
Downs	General Motors	-4.25	B. Sabadell	-3.41	Ocado	-7.18
	Martin Marietta Materials	-3.97	Societe Generale	-3.25	Persimmon	-6.37
	Borgwarner	-3.59	Commerzbank	-3.10	Barratt Developments	-5.10
	Host Hotels & Resorts	-3.52	Danske Bank	-2.91	Lloyds Banking	-4.24
	H&r Block	-3.02	Acs Const.	-2.89	Taylor Wimpey	-4.22

Prices taken at 17:00 GMT. Based on the constituents of the FTSE Eurofirst 300 Eurozone. All data provided by Morningstar unless otherwise noted.

Wall Street

DoorDash retreated after soaring on Wednesday during its initial public offering.

The San Francisco-based meal delivery company, which has flourished during the pandemic, reached a market value of $60bn in its public trading debut.

Tenet Healthcare rose on the announcement that it was acquiring up to 45 ambulatory surgery centres from SurgCenter Development.

Facebook fell after the Federal Trade Commission and 46 states brought antitrust cases against the social network, accusing the company of using its dominance to stifle competition and calling for penalties that could include a forced break-up.

Mark Haefele, chief investment officer for global wealth management at UBS, said these challenges could end up being just "short-term headwinds" for Facebook.

Alphabet had outperformed the Nasdaq since the Department of Justice lawsuit was filed in late October, said Mr Haefele, and the Senate would probably be split on the issue of Facebook after Joe Biden was sworn in as US president.

Edwards Lifesciences, the medical tech company that specialises in artificial heart valves, rose after projecting global sales of $4.9bn to 5.3bn for 2021 at its annual investor conference. *Ray Douglas*

Eurozone

A guidance increase buoyed Germany-based online meal-kit provider **HelloFresh**.

In a trading update, it raised its full-year 2020 revenue growth guidance to between 107 per cent and 112 per cent on a constant currency basis from 95 per cent and 105 per cent.

The company, whose shares have risen more than 200 per cent this year, said it continued to experience "exceptionally strong demand across most markets, partly influenced by the still ongoing Covid-19 pandemic and related lockdown measures".

Another guidance upgrade helped **Marimekko Oyj** hit a record high.

The Finnish fashion group said net sales were expected to be around the same level or slightly lower year on year and comparable operating profit was set to be higher than the year before.

Swedish security services group **Securitas** sank following a JPMorgan downgrade to "underweight" from "neutral" in a sector review of European business services.

"Securitas weathered the Covid-19 crisis well, helped by the late-cycle nature of the business and the extra sales generated due to the pandemic," said JPMorgan, but "we believe extra sales will be a drag into 2021 as Covid-19 work reduces, while in-person events might not fully recover." *Ray Douglas*

London

DS Smith, the packaging group, climbed after restoring its dividend following a rebound in demand for its products.

The payout will be 4p a share to be disbursed next May.

"This [online] trend is now contributing to the strong volume growth being seen throughout the whole business," the company said in its half-year results.

Sporting goods retailer **Frasers Group**, which is best known for its Sports Direct brand, soared after reporting pre-tax profit for the six months to October 25 of £106m, up from £90m in the same period a year earlier.

Nevertheless, RBC Europe analyst Richard Chamberlain gave Frasers an "underperform" rating.

Plans to upgrade its brand, store portfolio and online proposition would be "challenging", Mr Chamberlain said, while "department stores continue to face structural pressures".

A slide in sales sent pub group **Marston's** down as figures for the 12 months ending October 3 came in 30 per cent lower than last year at £821m.

However, "Marston's should be able to recover to around 85 per cent of pre-Covid profitability in fairly short order", said Stifel, citing the rollout of coronavirus vaccines.

The broker upgraded Marston's target price. *Ray Douglas*

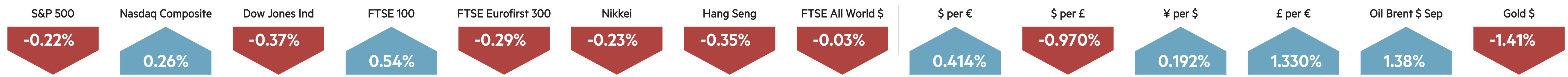
MARKET DATA

WORLD MARKETS AT A GLANCE

FT.COM/MARKETSDATA

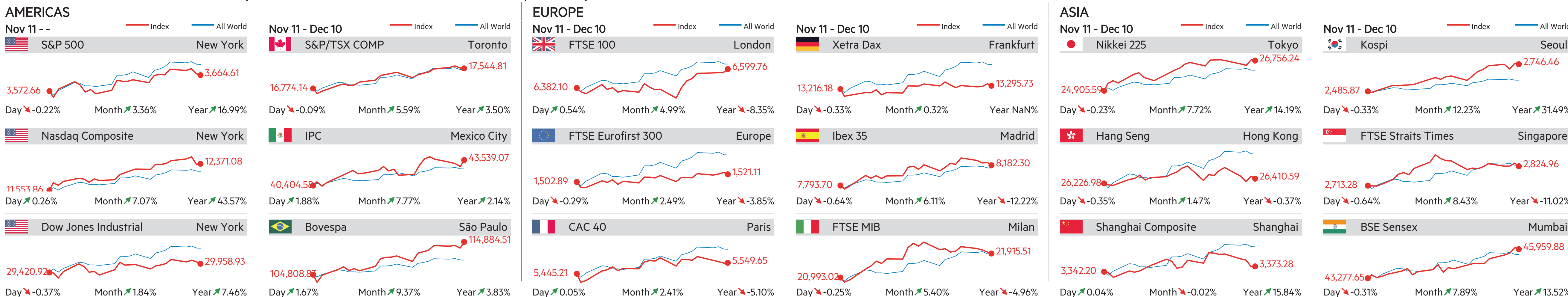
Change during previous day's trading (%)

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 $



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

AMERICAS | EUROPE | ASIA



Country	Index	Latest	Previous
Argentina	Merval	53509.42	51956.89
Australia	All Ordinaries	6917.10	6965.40
	S&P/ASX 200	6683.10	6728.50
	S&P/ASX 200 Res	5113.70	5149.20
Austria	ATX	2653.56	2669.98
Belgium	BEL 20	3680.11	3694.92
	BEL Mid	8282.56	8297.62
Brazil	IBovespa	114884.51	113001.16
Canada	S&P/TSX 60	1046.44	1048.13
	S&P/TSX Comp	17544.81	17559.86
	S&P/TSX Div Met & Min	681.56	682.45
Chile	S&P/CLX IGPA Gen	20732.22	20729.19
China	FTSE A200	13106.16	13117.71
	FTSE B35	9000.71	8986.96
	Shanghai A	3535.80	3534.44
	Shanghai B	238.81	238.50
	Shanghai Comp	3373.28	3371.96
	Shenzhen A	2358.16	2355.41
	Shenzhen B	1038.64	1037.29
Colombia	COLCAP	1383.59	1363.74
Croatia	CROBEX	2013.05	2011.29
Cyprus	CSE M&P Gen	68.46	68.68
Czech Republic	PX	976.64	990.33
Denmark	OMXC Copenahgen 20	1394.58	1406.91
Egypt	EGX 30	10987.39	11018.09
Estonia	OMX Tallinn	1299.60	1309.39
Finland	OMX Helsinki General	10761.43	10775.78
France	CAC 40	5549.65	5546.82
	SBF 120	4387.42	4388.62
Germany	M-DAX	29699.13	29620.95
	TecDAX	3114.43	3116.67
	XETRA Dax	13295.73	13340.26
Greece	Athens Gen	774.32	796.01
	FTSE/ASE 20	1853.66	1906.48
Hong Kong	Hang Seng	26410.59	26502.84
	HS China Enterprise	10415.72	10488.32
	HSCC Red Chip	3653.56	3672.08
Hungary	Bux	41103.01	40675.89
India	BSE Sensex	45959.88	46103.50
	Nifty 500	11141.35	11181.20
Indonesia	Jakarta Comp	5933.70	5944.41
Ireland	ISEQ Overall	7399.42	7427.28
Israel	Tel Aviv 125	1531.08	1510.33
Italy	FTSE Italia All-Share	23854.59	23900.73
	FTSE Italia Mid Cap	37428.13	37526.89
	FTSE MIB	21915.51	21969.59
Japan	2nd Section	6661.15	6682.52
	Nikkei 225	26756.24	26817.94
	S&P Topix 150	1497.65	1498.28
	Topix	1776.21	1779.42
Jordan	Amman SE	1592.67	1584.89
Kenya	NSE 20	1774.88	1780.30
Kuwait	KSX Market Index	6633.44	6603.51
Latvia	OMX Riga	1115.84	1121.95
Lithuania	OMX Vilnius	794.65	794.79
Luxembourg	LuxX	1307.08	1306.59
Malaysia	FTSE Bursa KLCI	1654.39	1646.53
Mexico	IPC	43539.07	42736.96
Morocco	MASI	11086.89	11036.51
Netherlands	AEX	618.10	619.72
	AEX All Share	894.78	897.98
New Zealand	NZX 50	12860.37	12889.40
Nigeria	SE All Share	35021.26	35033.74
Norway	Oslo All Share	1017.37	1006.88
Pakistan	KSE 100	42305.84	42204.03
Philippines	Manila Comp	7154.43	7102.66
Poland	Wig	56194.34	56632.69
Portugal	PSI 20	4795.47	4774.19
	PSI General	3573.45	3540.66
Romania	BET Index	9553.28	9532.93
Russia	Micex Index	3258.31	3211.66
	RTX	1404.68	1372.47
Saudi-Arabia	TADAWUL All Share Index	8643.97	8660.21
Singapore	FTSE Straits Times	2824.96	2843.07
Slovakia	SAX	345.26	347.95
Slovenia	SBI TOP	-	-
South Africa	FTSE/JSE All Share	59282.77	59291.75
	FTSE/JSE Res 20	57216.07	56651.05
	FTSE/JSE Top 40	54334.20	54349.61
South Korea	Kospi	2746.46	2755.47
	Kospi 200	369.37	371.47
Spain	IBEX 35	8182.30	8235.30
Sri Lanka	CSE All Share	6609.39	6605.09
Sweden	OMX Stockholm 30	1906.82	1926.42
	OMX Stockholm AS	759.37	764.35
Switzerland	SMI Index	10395.96	10430.02
Taiwan	Weighted Pr	14249.49	14390.14
Thailand	Bangkok SET	1482.67	1478.92
Turkey	BIST 100	1353.36	1350.32
UAE	Abu Dhabi General Index	5109.19	5076.99
UK	FT 30	2548.50	2526.80
	FTSE 100	6599.76	6564.29
	FTSE 4Good UK	6153.49	6131.29
	FTSE All Share	3708.98	3697.66
	FTSE techMARK 100	6158.13	6158.84
USA	DJ Composite	9980.83	10052.59
	DJ Industrial	29958.93	30068.81
	DJ Transport	12599.96	12803.02
	DJ Utilities	852.47	856.76
	Nasdaq 100	12371.08	12338.95
	Nasdaq Cmp	12371.08	12338.95
	NYSE Comp	14355.97	14374.08
	S&P 500	3664.61	3672.82
	Wilshire 5000	38460.06	38473.76
Venezuela	IBC	1298415.40	1314862.00
Vietnam	VNI	1030.91	1039.13
Cross-Border	DJ Global Titans ($)	426.08	426.17
	Euro Stoxx 50 (Eur)	3522.31	3529.02
	Euronext 100 ID	1100.97	1102.23
	FTSE 4Good Global ($)	9037.78	9035.55
	FTSE All World ($)	415.87	415.99
	FTSE E300	1521.11	1525.52
	FTSE Eurotop 100	2873.88	2878.82
	FTSE Global 100 ($)	2411.87	2407.24
	FTSE Gold Min ($)	2346.39	2402.17
	FTSE Latibex Top (Eur)	4440.00	4432.20
	FTSE Multinationals ($)	2632.36	2649.99
	FTSE World ($)	738.82	739.01
	FTSEurofirst 100 (Eur)	3922.78	3929.36
	FTSEurofirst 80 (Eur)	4822.07	4834.98
	MSCI ACWI Fr ($)	633.78	633.81
	MSCI All World ($)	2627.53	2642.05
	MSCI Europe (Eur)	1604.02	1601.15
	MSCI Pacific ($)	3030.03	2998.39
	S&P Euro (Eur)	1633.62	1637.51
	S&P Europe 350 (Eur)	1569.16	1574.81
	S&P Global 1200 ($)	2904.09	2908.83
	Stoxx 50 (Eur)	3099.95	3102.09

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

STOCK MARKET: BIGGEST MOVERS

[illegible]

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

UK MARKET WINNERS AND LOSERS

[illegible]

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

CURRENCIES

[illegible]

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

FTSE ACTUARIES SHARE INDICES

UK SERIES www.ft.com/equities

Produced in conjunction with the Institute and Faculty of Actuaries

[illegible]

FT 30 INDEX

	Dec 09	Dec 08	Dec 07	Dec 04	Dec 03	Yr Ago	High	Low
FT 30	2548.50	2526.80	2527.70	2549.00	2539.20	0.00	3314.70	1337.80
FT 30 Div Yield	-	-	-	-	-	0.00	3.93	2.74
P/E Ratio net	-	-	-	-	-	0.00	19.44	14.26

FT 30 since compilation: 4198.4 high: 19/07/1999; low 49.4 26/06/1940Base Date: 1/7/35

FT 30 hourly changes

[illegible]

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

FX: EFFECTIVE INDICES

[illegible]

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

[illegible]

FTSE GLOBAL EQUITY INDEX SERIES

[illegible]

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

FTSE 100 SUMMARY

[illegible]

UK STOCK MARKET TRADING DATA

[illegible]

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

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

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

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Time of FTSE 100 Day's high:11:57:00 Day's Low08:45:00 FTSE 100 2010/11 High: 4993.89(23/03/2020)
Time of FTSE All-Share Day's high:11:57:00 Day's Low08:45:00 FTSE 100 2010/11 Low: 4257.93(17/03/2020)
Further information is available on http://www.ftse.com © FTSE International Limited. 2013. All Rights reserved. "FTSE®" is a trade mark of the London Stock Exchange Group companies and is used by FTSE International Limited under licence. † Sector P/E ratios greater than 80 are not shown. For changes to FTSE Fledgling Index constituents please refer to www.ftse.com/indexchanges. ‡ Values are negative.

UK RIGHTS OFFERS

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

UK COMPANY RESULTS

[illegible]

Figures in £m. Earnings shown basic. Figures in light text are for corresponding period year earlier.
For more information on dividend payments visit www.ft.com/marketsdata

UK RECENT EQUITY ISSUES

Issue date	Issue price(p)	Sector	Stock code	Stock	Close price(p)	+/-	High	Low	Mkt Cap (£m)
12/04	2.84	AIM	HE1	Helium One Global Ltd	6.50	-1.00	8.90	3.75	9229.0
11/03	20.00	AIM	VRCI	Verici Dx PLC	45.50	-2.50	56.00	29.97	6449.5

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

MARKET DATA

FT500: THE WORLD'S LARGEST COMPANIES

Stock	Price	Day Chg	52 Week High	52 Week Low	Yld	P/E	MCap m
Australia (A$)							
ANZ♦	23.17	-0.13	27.29	14.10	6.02	16.69	49460.67
BHPBilltn	42.48	-0.25	42.94	24.05	4.75	18.93	94049.05
CmwBkAu	83.09	-0.09	91.05	53.44	5.10	20.85	110786.02
CSL	301.29	-2.85	342.75	242.67	0.96	45.53	103022.16
NatAusBk	23.54	0.10	27.49	13.20	6.15	24.17	58210.05
Telstra	3.04	-0.03	3.94	2.66	3.24	20.19	27172.86
Wesfarmers	50.14	-0.11	50.67	29.75	3.00	35.56	42726.3
Westpc♦	19.99	-0.08	25.96	13.47	3.92	32.05	54260.22
Woolworths	39.51	-0.28	43.96	32.12	2.57	43.55	37573.41
Belgium (€)							
AnBshInBv	58.38	0.15	75.26	29.03	2.19	-119.87	119901.36
KBC Grp	60.44	0.02	73.56	33.44	1.65	17.21	30526.05
Brazil (R$)							
Ambev	15.64	0.38	19.58	10.36	3.10	28.14	48657.86
Bradesco♦	23.53	0.80	32.45	14.05	0.98	8.25	20633.49
Cielo	3.78	0.09	9.07	3.23	0.73	25.00	2030.49
ItauHldFin♦	27.65	0.53	32.79	19.46	2.89	14.41	27106.53
Petrobras♦	28.47	1.21	33.23	10.50	1.71	-8.57	41893.87
Vale	84.31	1.61	85.22	32.45	4.80	32.48	88090.24
Canada (C$)							
BCE	58.06	-0.33	65.28	46.03	5.54	23.57	41285.84
BkMontrl	97.50	-0.83	104.75	55.76	4.15	14.59	49567.13
BkNvaS	68.41	0.05	75.26	46.38	5.05	12.68	65166.88
Brookfield	53.58	0.38	60.48	31.35	1.16	-397.56	66356.37
CanadPcR	432.00	-3.67	444.49	252.00	0.78	26.22	45624.23
CanImp	111.72	-0.04	112.37	67.52	4.98	13.53	39262.35
CanNatRs	31.82	0.67	42.57	9.80	5.07	-66.44	29550.84
CanNatRy♦	140.14	-1.58	149.11	92.01	1.58	30.06	78410.34
Enbridge	43.48	0.46	57.32	33.06	7.12	46.34	69240.44
GtWesLif	29.41	-	35.60	18.88	5.74	10.97	21454.25
ImpOil♦	25.40	0.63	35.80	10.27	3.39	-43.31	14661.33
Manulife	22.86	-0.29	27.78	12.58	4.65	11.63	34868.87
Nutrien	62.51	-1.70	64.98	34.80	3.76	281.64	27975.08
RylBkC	106.41	0.16	109.42	72.00	3.84	14.25	119137.48
Suncor En	23.76	0.71	45.12	14.02	5.37	-5.79	28494.27
ThmReut	102.30	-1.23	115.66	75.91	1.91	20.90	39976.26
TntoDom	72.47	0.10	76.10	49.01	4.05	14.63	103493.87
TrnCan	57.95	0.05	76.58	47.05	5.36	12.54	42836.02
ValeantPh	30.80	-1.06	36.02	14.01	-	-4.20	8158.48
China (HK$)							
AgricBkCh	2.84	-0.05	3.50	2.38	7.49	4.59	11262.7
Bk China	2.65	-0.03	3.39	2.33	8.44	4.12	28589.62
BkofComm	4.11	-0.12	5.68	3.66	8.97	4.00	18565.04
BOE Tech	0.60	0.01	0.80	0.47	-	-4.05	15.40
Ch Coms Cons	3.76	-0.06	6.63	3.74	7.24	3.39	2143.36
Ch Evrbrght	2.94	-0.02	3.97	2.40	8.48	4.34	4809.04
Ch Rail Cons	4.74	-0.04	9.99	4.74	5.13	3.10	1269.72
Ch Rail Gp	3.49	-0.07	5.05	3.45	5.61	2.91	1894.42
ChConstBk	5.81	-0.09	6.85	4.93	6.43	5.13	180209.61
China Vanke	26.10	-0.40	34.75	21.65	4.53	6.24	6376.03
ChinaCitic	3.27	-0.06	4.78	2.93	8.60	3.46	6278.49
ChinaLife	17.26	-0.10	22.90	11.64	4.99	8.15	16569.86
ChinaMBank	47.95	-0.05	53.25	29.80	2.93	11.43	28400.32
ChinaMob	44.95	-0.25	70.00	44.50	7.80	7.40	118741.01
ChinaPcIns	29.00	-0.50	32.50	17.90	4.88	9.37	10383.51
ChMinsheng	4.31	-0.04	6.06	3.85	10.04	3.80	4626.5
ChMrchSecs	22.73	0.16	26.04	13.10	-	20.85	25764.67
Chna Utd Coms	4.70	-0.05	6.24	4.66	1.27	27.06	21919.65
ChShenEgy	14.58	0.06	16.88	11.94	10.18	6.25	6392.8
ChShpbldng	4.20	-0.02	5.60	3.98	-	-111.88	11728.03
ChStConEng	5.14	-0.01	6.20	4.76	3.55	5.16	32384.08
ChUncHK	4.38	-0.04	7.37	3.84	3.98	9.31	17290.39
CNNC Intl	4.67	-0.02	5.19	4.02	2.58	14.08	11101.6
CSR	2.89	-0.05	6.10	2.87	6.07	7.27	1629.75
Daqin	6.81	0.09	8.26	6.32	6.96	9.72	15462.06
Gree Elec Apl	0.11	0.00	0.26	0.07	-	-0.04	4.75
GuosenSec	13.28	0.08	16.14	10.38	1.49	18.18	16630.91
HaitongSecs	6.53	-0.08	9.58	5.79	-	6.08	2872.43
Hngzh HikVDT	45.00	1.29	50.07	27.00	1.54	32.75	55635.91
Hunng Pwr	2.75	-0.11	4.15	2.24	5.90	21.25	1667.65
IM Baotou Stl	1.19	0.02	1.39	1.04	-	-116.05	5757.02
In&CmBkCh	4.74	-0.06	6.11	3.96	6.48	5.14	53077.16
IndstrlBk	20.28	-0.17	22.07	14.93	3.71	7.09	60752.75
Kweichow	1832.9	-7.10	1875	960.10	0.92	52.33	351642.58
Midea	0.80	-0.02	1.17	0.58	-	-2.07	22.19
New Ch Life Ins	31.40	-0.55	37.30	20.45	5.20	6.62	4189.21
PetroChina	2.32	-0.03	4.23	2.16	6.48	19.66	6315.11
PingAnIns	94.55	0.10	101.00	69.00	2.60	11.71	90847.56
PngAnBnk	18.65	-0.06	20.88	11.91	-	15.24	55273.02
Pwr Cons Corp	3.97	-0.01	4.88	3.40	0.99	8.72	6756.96
SaicMtr	23.76	0.08	28.80	16.90	3.66	13.10	42395.77
ShenwanHong	0.07	0.00	0.10	0.03	-	-0.23	73.49
ShgPdgBk	9.82	-0.09	12.69	9.22	6.03	6.10	44020.57
Sinopec Corp	3.32	-0.04	4.85	2.95	6.74	8.97	10928.17
Sinopec Oil	2.18	0.08	2.59	1.67	-	100.34	4009.48
Denmark (kr)							
DanskeBk	100.10	-3.00	123.60	68.04	-	10.62	14064.39
MollerMrsk	12785	-15.00	12970	4976	1.14	37.30	19652.42
NovoB	425.55	-6.40	467.90	331.70	2.01	24.23	125698.56
Sweden (SKr)							
AtlasCpcoB	374.20	-13.60	393.30	223.20	1.72	31.53	17289.78
Ericsson	104.50	-1.00	110.15	59.54	1.39	24.86	38016.38
H & M	186.15	-0.20	214.35	98.13	2.53	107.15	32195.33
Investor	589.40	-3.20	604.60	370.10	2.14	5.91	31787.81
Nordea Bk	73.73	-0.43	86.73	48.00	-	12.95	35356.65
SEB	89.70	-1.34	104.90	59.80	-	12.25	23047.99
SvnskaHn	84.98	-1.46	113.80	71.70	-	11.13	19568.78
Swedbank	157.28	-1.18	162.70	99.14	-	14.19	21081.4
Telia Co	35.13	-0.09	42.41	30.29	5.74	48.35	17011.4
Volvo	191.75	-2.35	207.90	95.00	-	23.99	35926.47
Switzerland (SFr)							
ABB	23.95	-0.08	25.50	14.11	3.17	114.34	58532.54
CredSuisse	11.35	-0.27	13.80	6.18	1.21	7.48	31315.95
Nestle	99.90	-0.12	112.62	83.37	2.72	21.27	324423.04
Novartis	81.30	0.01	96.38	65.09	3.41	28.89	226085.83
Richemont	75.32	-0.46	81.66	44.64	2.55	43.92	44318.37
Roche	305.90	-0.35	357.85	265.75	2.96	20.35	242252.08
Swiss Re	81.64	-0.44	117.05	52.68	7.07	-18.43	29217.7
Swisscom	477.40	-1.30	577.80	446.70	4.57	15.05	27876.06
Syngent	453.40	0.90	471.20	402.50	-	28.99	43035.76
UBS	12.56	-0.34	13.50	7.00	2.62	9.07	54635.35
Zurich Fin	365.70	2.00	439.90	248.70	5.43	17.51	62022.52
Taiwan (NT$)							
Chunghwa Telecom	108.50	0.50	120.00	103.00	3.90	25.47	29831.03
Formosa PetChem	93.20	-0.50	104.50	66.10	3.11	207.58	31466.25
HonHaiPrc	87.70	-0.70	101.50	65.70	4.68	11.55	43090.06
MediaTek	709.00	-21.00	763.00	273.00	2.83	41.78	39956.8
TaiwanSem	512.00	1.00	525.00	235.50	1.91	27.88	470542.55
Thailand (THB)							
PTT Explor	43.00	-	47.75	23.60	4.90	24.74	40899.35
United Arab Emirates (Dhs)							
Emirtestele	17.26	0.06	17.32	11.04	4.76	16.32	40865.7
United Kingdom (p)							
AscBrFd	2271	9.00	2730	1554	1.51	39.43	23860.86
AstraZen	8103	91.00	10120	5871	2.68	55.13	136193.38
Aviva	323.80	-9.40	430.20	205.70	2.93	5.90	17246.26
Barclays	141.76	-4.14	192.99	73.04	-	12.34	32103.42
BP	284.75	12.15	508.43	188.52	9.87	-3.44	75319.54
BrAmTob	2924	15.00	3507	2362.5	5.27	10.56	72352.03
BSkyB	1727.5	1.50	1740	893.50	0.76	36.60	38843.72
BT	135.70	-2.60	209.20	1.02	3.40	8.93	17868.85
Compass	1458.5	9.50	1995.5	865.80	2.74	22.47	31833.65
Diageo	3002	43.50	3297	2050.6	2.33	50.12	100298.22
GlaxoSmh♦	1417.4	18.60	1857	1284	5.64	11.21	92510.42
Glencore	239.05	1.35	258.30	109.76	3.34	-11.81	45763.5
HSBC	403.15	0.15	602.90	281.50	1.93	-47.38	107277.03
Imperial Brands	1576	29.50	2072	1142	13.11	17.45	19948.36
LlydsBkg	35.67	-1.58	73.66	23.59	-	20.98	34118.03
Natl Grid	890.00	-9.40	1073.8	789.13	5.37	24.32	39646.78
Natwest Group	161.10	-6.70	265.00	90.54	-	25.17	25583.89
Prudential	1298	8.00	1509	682.80	2.86	31.95	44569.87
ReckittB	6590	106.00	8191.3	5130	2.65	-17.04	61589.54
RELX	1821.5	17.00	1613685	1382.86	2.51	27.77	46707.09
RioTinto	5525	156.00	5563	2954	5.53	15.49	98345.37
RollsRoyce	127.00	-2.65	246.60	0.54	1.24	-1.23	3134.74
RylDShlA	1434.8	51.00	2338.59	878.10	6.72	-8.63	87538.94
Shire#	4690	111.00	4780	2944	0.58	11.63	56567.13
StandCh	477.70	2.30	739.40	334.25	-	23.84	20901.04
Tesco	230.60	4.10	260.40	202.00	3.97	21.80	25057.94
Vodafone	133.74	1.10	158.50	92.76	5.73	-48.28	47344.4
WPP	772.40	-12.00	1085.5	450.00	2.94	-4.15	12978.87
United States of America ($)							
21stC Fox A	29.02	-0.22	39.74	19.81	1.63	10.67	9832.38
3M	172.95	-2.35	182.55	114.04	3.47	19.75	99758.46
AbbottLb	106.69	0.37	115.14	61.61	1.35	55.28	189093.26
Abbvie	107.19	-1.48	109.15	62.55	4.42	22.50	189241.15
Accenture	245.80	-0.97	253.93	137.15	1.29	31.43	161953.45
Adobe	476.54	-7.20	536.88	255.13	-	60.55	228606.72
AEP	82.82	-0.78	104.97	65.14	3.47	20.90	41110.8
Aetna	-	-	-	-	-	-	-
Aflac	45.16	0.04	54.04	23.07	2.52	6.91	31722.43
AirProd	267.15	-3.42	327.89	167.43	2.01	28.85	59047.25
Alexion	118.28	0.54	128.57	72.67	-	26.92	25885.04
Allergan	193.02	0.03	202.22	114.27	1.54	-25.19	63659.11
Allstate	104.81	-0.38	125.92	64.13	2.08	7.20	31869.37
Alphabet	1766.61	-11.25	1843.83	1008.87	-	33.28	531120.39
Altria	42.70	-0.28	51.78	30.95	8.13	106.65	79354.5
Amazon	3112.13	7.93	3552.25	1626.03	-	88.64	1561514.91
AmerAir	17.47	0.31	30.78	8.25	1.18	-1.23	10566.3
AmerExpr	121.06	-0.63	138.13	67.00	1.09	29.19	97477.75
AmerIntGrp	39.67	-0.28	56.42	16.07	3.47	-6.83	34172.42
AmerTower	220.57	1.13	272.20	174.32	2.02	50.79	97979.79
Amgen	228.00	-1.85	264.97	177.05	2.81	17.90	132734.44
Anadarko	72.77	0.56	76.23	40.40	1.50	-63.37	36563.54
Anthem♦	315.23	-3.21	338.20	171.03	1.19	15.84	78399.06
Aon Cp	206.86	-0.19	238.19	143.93	0.87	25.97	47291.58
Apple	123.28	1.50	137.98	53.15	0.66	36.61	2095982.15
ArcherDan	49.18	-0.66	52.05	28.92	2.98	16.99	27363.21
AT&T	30.76	-0.70	39.55	26.08	6.94	19.84	219197.19
AutomData	172.07	-1.77	182.32	103.11	2.17	29.10	73786.02
Avago Tech	412.02	-4.20	426.70	155.67	3.04	76.45	166662.64
BakerHu	22.08	0.09	31.26	20.09	3.24	-1.40	11412.93
BankAm♦	28.71	-0.09	35.72	17.95	2.57	13.85	248364.17
Baxter	79.66	0.36	95.19	69.10	1.20	43.84	40691.79
BectonDick	241.92	1.96	286.72	197.75	1.39	79.59	70164.39
BerkshHat	340337	-164.00	352500	239440	-	23.46	220941.34
Biogen	245.14	0.39	374.99	223.25	-	7.88	37722.53
BkNYMeln	41.01	0.22	51.60	26.40	3.10	8.80	36336
BlackRock	697.66	-4.02	721.82	323.98	2.09	22.58	106400.62
Boeing	234.68	2.62	351.40	89.00	1.80	-29.01	132481
Booking Holdings	2118.58	11.47	2170.03	1107.29	-	62.16	86766.26
BrisMySq	60.40	-0.52	68.34	45.76	3.06	-196.12	136666.46
CapOne	94.33	-0.59	107.59	38.00	1.41	44.61	43146.27
CardinalHlth	55.64	-0.51	60.69	39.05	3.57	17.04	16325.92
Carnival	22.48	-0.22	51.94	7.80	4.41	-2.18	16194.78
Caterpillar	177.22	-2.85	183.81	87.50	2.39	28.58	96276.23
Celgene	108.24	0.11	110.70	58.59	-	12.71	77035.98
CharlesSch	50.11	-0.44	51.81	28.00	1.50	19.52	90061.54
Charter Comms	653.57	9.49	681.71	345.67	-	50.65	130631.39
Chevron Corp	93.13	2.69	122.72	51.60	5.58	-14.78	173903.83
Chubb	153.62	0.59	167.74	87.35	2.04	29.69	69339.54
Cigna	214.96	-2.05	224.96	118.50	0.02	14.67	77656.21
Cisco	44.48	-0.21	50.28	32.40	3.23	16.66	187950.88
Citigroup	59.51	0.56	83.11	32.00	3.52	11.32	123897.42
CME Grp♦	182.90	0.52	225.36	131.80	1.85	29.69	65658.81
Coca-Cola♦	53.16	-0.17	60.13	36.27	3.15	26.83	228451.62
Cognizant	78.66	-0.35	81.11	40.01	1.12	28.38	42054.86
ColgtPlm	84.77	0.02	86.41	58.49	2.11	26.38	72662.2
Comcast	50.44	-0.82	52.49	31.71	1.83	22.03	230302.93
ConocPhil	43.40	0.70	67.13	20.84	3.97	-38.09	46556.99
Corning♦	36.95	-0.71	38.44	17.44	2.39	138.44	28230.17
Costco	372.84	-1.46	393.15	271.28	0.72	41.70	164505.25
CrownCstl	159.15	0.76	180.00	114.18	3.10	96.89	68639.76
CSX♦	89.64	-2.09	93.71	46.81	1.17	24.26	68555.96
CVS	72.43	-1.11	76.44	52.04	2.83	11.66	94798.06
Danaher	223.81	0.97	248.32	119.60	0.33	50.94	158986.03
Deere	251.59	-3.24	265.87	106.14	1.22	29.00	78841.96
Delphi	17.02	0.31	18.51	5.39	-	-7.42	1469.67
Delta	42.17	0.06	62.48	17.51	1.96	-2.48	26893.26
Devon Energy♦	16.35	0.75	26.98	4.70	2.51	-2.42	6254.33
DiscFinServ	83.22	0.03	87.43	23.25	2.17	24.87	25506.62
Disney	153.53	-0.90	157.46	79.07	0.62	-164.30	277963.77
DominRes♦	74.46	0.16	90.89	57.79	5.15	27.17	60744.34
DowDupont♦	30.52	-0.65	48.38	30.06	3.83	-7.69	68559.76
DukeEner♦	91.60	0.21	103.79	62.13	4.26	32.57	67413.8
Eaton	115.44	-2.45	123.67	56.42	2.58	33.07	46014.38
eBay♦	49.31	-0.19	61.06	26.02	1.29	14.42	33991.21
Ecolab	224.49	-1.42	231.36	124.60	0.86	53.34	64078.16
Emerson	81.18	-0.42	82.00	37.75	2.63	23.62	48512.51
EOG Res	54.96	2.00	89.54	27.00	2.47	-101.01	32062.48
EquityResTP	60.55	-0.72	87.53	45.43	4.03	23.13	22539.93
Exelon	40.87	-0.22	50.54	29.28	3.79	16.38	39868.04
ExpScripts	92.33	-3.47	101.73	66.93	-	11.10	52061.19
ExxonMb	43.99	1.19	71.37	30.11	8.12	54.93	185978.88
Facebook	274.53	-3.39	304.67	137.10	-	30.46	659961.6
Fedex	289.45	-5.88	305.66	88.69	0.96	55.03	76005.94
FordMtr	9.18	-0.27	9.58	3.96	3.35	-223.56	35871.54
Franklin	24.06	0.08	27.60	14.91	3.57	10.93	12140.47
GenDyn	150.84	-3.30	190.08	100.55	2.89	13.32	43286.88
GenElectric	11.30	-0.09	13.26	5.48	0.36	28.22	98986.56
GenMills	58.62	-0.71	66.14	46.59	3.31	15.81	35836.39
GenMotors	42.54	-1.89	46.71	14.33	2.88	37.72	60887.83
GileadSci	60.66	-0.16	85.97	57.04	4.52	60.30	76043.78
GoldmSchs	243.00	0.18	250.46	130.85	2.11	13.64	83607.44
Halliburton♦	19.94	0.43	25.47	4.25	2.32	-3.91	17627.1
HCA Hold	161.15	1.22	164.22	58.38	0.53	15.89	54529.08
Hew-Pack	23.36	0.17	23.93	12.54	2.98	12.98	32084.88
HiltonWwde	105.27	-1.43	116.73	44.30	0.29	-89.17	29206.77
HomeDep	264.56	-1.02	292.95	140.63	2.19	23.94	284825.5
Honywell	211.64	-0.60	213.82	101.08	1.75	29.58	148504.78
HumanaInc	403.20	-4.94	474.70	208.25	0.62	12.58	53360.07
IBM	125.93	-0.86	158.75	90.56	5.30	13.89	112210.82
IllinoisTool	202.56	-4.02	224.69	115.94	2.20	29.94	64112.76
Illumina	346.95	9.19	404.20	196.78	-	78.42	50654.7
Intcntl Exch	109.61	-0.56	110.71	63.51	1.10	29.41	61522.31
Intel	50.55	0.48	69.29	43.61	2.65	9.67	207153.9
Intuit	362.12	-2.06	380.50	187.68	0.59	51.75	95145.52
John&John	152.31	-0.79	157.00	109.16	2.64	23.33	400962.57
JohnsonCn	45.15	-0.64	47.58	22.78	2.47	43.33	32681.61
JPMrgnCh	119.99	-1.06	141.10	76.91	3.08	15.26	365761.51
Kimb-Clark	135.20	-0.56	160.16	110.66	3.22	19.11	45986.48
KinderM	14.65	0.04	22.58	9.42	7.18	285.29	33153.26
Kraft Heinz♦	34.08	-0.15	36.37	19.99	4.82	-82.98	41660.96
Kroger	31.08	-0.13	37.22	26.72	2.08	9.37	24066.02
L Brands	40.82	-0.76	42.17	8.00	2.23	-14.12	11352.39
LasVegasSd	57.80	-0.19	74.29	33.30	2.77	-56.87	44149.27
LibertyGbl	23.98	-0.21	25.17	15.24	-	-7.89	4347.88
Lilly (E)	159.31	1.31	170.75	117.06	1.85	25.44	152393.01
Lockheed♦	357.54	-3.81	442.53	266.11	2.76	14.88	100033.88
Lowes	160.27	0.14	180.67	60.00	1.39	20.99	117429.83
Lyondell	88.19	-0.36	95.82	33.71	4.89	24.20	29446.65
Marathon Ptl	43.94	1.30	62.14	15.26	5.30	-2.80	28589.59
Marsh&M	115.49	-0.41	120.97	74.34	1.63	28.27	58575.44
MasterCard	333.18	-3.67	367.25	199.99	0.47	48.73	329338.58
McDonald's♦	207.25	-1.45	231.91	124.23	2.54	30.58	154420.53
McKesson♦	177.67	-1.02	187.67	112.60	0.95	13.45	28526.68
Medtronic	112.91	-0.04	122.15	72.13	1.97	34.25	151979.11
Merck	83.13	-0.34	92.64	65.25	3.01	17.88	210321.76
Metlife♦	47.27	-0.37	53.28	22.85	4.04	5.69	42540.57
Microsoft	211.20	-0.60	232.86	132.52	0.99	33.18	1596776.75
Mnstr Bvrg	88.05	0.15	88.89	50.06	-	38.64	46483.07
MondelezInt	57.24	-0.48	59.96	41.19	2.10	26.30	81862.52
Monsanto	-	-	-	-	-	-	-
MorganStly	63.89	-0.49	65.43	27.20	2.25	10.51	115580.63
MylanNV	15.86	0.31	23.11	12.75	-	29.73	8586.21
Netflix	499.69	6.09	575.37	290.25	-	78.64	220758.34
NextEraE♦	73.45	-0.22	83.34	43.70	1.90	36.14	35973.5
Nike	137.31	-1.48	140.57	60.00	0.71	81.97	172297.86
NorfolkS	235.98	-4.88	247.98	112.62	1.64	29.62	64730.76
Northrop	300.86	-2.87	385.01	263.31	1.89	19.98	50158.17
NXP	158.25	0.93	167.27	58.41	0.97	-296.45	44270.37
Occid Pet♦	21.10	1.71	47.58	8.52	12.11	-1.51	19650.38
Oracle	59.24	-0.49	62.60	39.71	1.61	18.85	178365.01
Pepsico	145.24	-0.45	147.20	101.42	2.80	28.02	200715.36
Perrigo♦	48.41	-0.08	63.86	40.01	1.88	-942.93	6606.86
Pfizer	41.77	-0.08	43.08	26.41	3.69	26.25	232197.02
Phillips66	70.45	1.68	114.95	40.04	5.25	-11.09	30772.57
PhilMorris	84.64	0.03	90.17	56.01	5.71	16.69	131811.22
PNCFin	142.61	-0.67	161.79	79.41	3.31	18.85	60424.01
PPG Inds♦	143.01	-2.39	149.88	69.77	1.49	30.68	33778.41
Praxair♦	164.50	-0.99	169.75	140.00	2.29	39.25	47306.22
ProctGmbl	135.79	-0.62	146.92	94.34	2.32	25.29	336705.68
Prudntl	79.46	-0.77	97.24	38.62	5.56	-258.01	31466.16
PublStor	217.43	-2.21	240.75	155.37	3.78	32.64	38011.58
Qualcomm♦	156.81	0.79	161.07	58.00	1.66	33.79	177346.46
Raytheon	116.96	-5.47	233.48	103.00	2.98	10.60	32566.46
Regen Pharm	481.27	-7.37	664.64	328.13	-	17.19	50464.53
S&P Global	325.43	-1.85	379.87	186.06	0.81	31.76	78298.46
Salesforce	221.42	0.85	284.50	115.29	-	87.59	202599.3
Schlmbrg♦	23.53	0.16	41.14	11.87	5.45	-3.02	32754.47
Sempra Energy	128.50	-0.46	161.87	88.00	3.36	16.48	37068.43
Shrwin-Will	714.95	-5.70	758.00	325.43	0.74	33.86	64934.53
SimonProp	89.90	-0.94	150.06	42.25	7.53	14.71	29498.69
SouthCpr	58.93	-0.55	61.34	23.43	2.44	34.58	45557.21
Starbucks	104.51	4.11	105.20	50.02	1.63	86.88	122172.19
StateSt	70.66	-2.10	85.89	42.10	3.02	10.96	24928.69
Stryker	236.00	0.07	242.51	124.54	1.00	49.87	88686.6
Sychrony Fin	32.54	0.19	38.18	12.15	2.78	14.41	18996.6
T-MobileUS	130.86	-0.26	134.24	63.50	-	48.10	162421.7
Target	172.90	-1.17	181.17	90.17	1.54	24.75	86583.68
TE Connect	117.99	-0.83	120.18	48.62	1.69	-323.09	39024.32
Tesla Mtrs	611.11	6.63	654.32	67.86	-	1131.72	579267.16
TexasInstr	162.10	-0.67	167.24	93.09	2.28	29.85	148793.83
TheTrvelers♦	136.29	1.38	141.87	76.99	2.52	15.19	34522.18
ThrmoFshr	470.40	9.02	532.57	250.21	0.19	37.56	186434.09
TimeWrnr	98.77	0.82	103.89	85.88	1.54	15.09	77269.69
TJX Cos	66.02	-0.70	66.89	32.72	1.06	116.59	79265.67
Truist Financial Corp	47.53	-0.35	56.92	24.01	3.89	16.02	64070.67
UnionPac♦	202.03	-3.85	211.14	105.08	1.97	25.07	136141.73
UPS B	164.84	-4.34	178.01	82.00	2.57	30.51	117897.01
USBancorp	45.84	-0.01	61.11	28.36	3.76	14.79	69055.13
UtdHlthcre♦	339.98	-4.44	367.95	187.72	1.41	19.02	322575.32
UtdTech♦	86.01	-5.36	158.44	69.02	2.69	144.88	74498.84
ValeroEngy	60.21	1.41	98.03	31.00	6.55	-977.47	24551.15
Verizon	60.72	-0.74	62.22	48.84	4.18	13.38	251269.23
VertexPharm	223.01	-1.37	306.08	197.47	-	21.28	57991.05
VF Cp♦	86.86	-1.27	100.25	45.07	2.27	-352.55	33875.77
ViacomCBS	36.05	-0.39	43.04	10.10	2.73	16.33	20367.51
Visa Inc	207.41	-2.18	217.65	133.93	0.60	36.71	351691.84
Walgreen♦	41.59	-0.18	59.78	33.36	4.39	80.69	35929.68
WalMartSto♦	147.44	-0.29	153.66	102.00	1.47	23.26	417808.53
WellsFargo	29.14	0.09	54.56	20.76	5.74	72.77	120458.35
Williams Cos♦	21.92	-0.08	24.17	8.41	7.40	112.38	26601.8
Yum!Brnds	106.51	-0.06	107.70	54.95	1.76	30.25	32130.67
Venezuela (VEF)							
Bco de Vnzla	55000	-4000.00	59990	1000.00	430.01	-	185.75
Bco Provncl	1000000	-	1000000	94000	-	-9.30	99.85
Mrcntl Srvcs	1000000	-1000000.00	2000000	99999.93	0.04	-1.69	56.37

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 %
Occid Pet	21.10	19.39	1.71	8.83	4.71	28.7	70.44
Softbank	8306.00	7489.00	817.00	10.91	1051.00	14.5	16.83
EOG Res	54.96	52.96	2.00	3.78	6.79	14.1	30.41
Denso	5720.00	5869.00	-149.00	-2.54	587.00	11.4	13.72
Suncor En	23.76	23.05	0.71	3.08	2.42	11.3	24.54
Sinopec Oil	2.18	2.10	0.08	3.81	0.22	11.2	20.44
Halliburton	19.94	19.51	0.43	2.20	1.92	10.7	38.73
Lilly (E)	159.31	158.00	1.31	0.83	15.20	10.5	8.65
ShenwanHong	0.07	0.06	0.00	6.56	0.01	10.2	20.37
Repsol	8.95	8.86	0.09	1.04	0.82	10.1	16.14
Hind Unilevr	2350.45	2292.20	58.25	2.54	211.15	9.9	10.22
KoreaElePwr	23800.00	22400.00	1400.00	6.25	2100.00	9.7	16.38
ImpOil	25.40	24.77	0.63	2.54	2.19	9.4	15.29
Nissan Mt	561.30	574.10	-12.80	-2.23	48.20	9.4	45.87
ExxonMb	43.99	42.80	1.19	2.77	3.78	9.4	19.30
SBI NewA	269.55	270.35	-0.80	-0.30	22.60	9.2	22.80
Imperial Brands	1576.00	1546.50	29.50	1.91	127.00	8.8	-98.82
ITC	212.70	205.40	7.30	3.55	16.75	8.5	23.09
AmerAir	17.47	17.16	0.31	1.78	1.38	8.5	41.03
Phillips66	70.45	68.77	1.68	2.44	5.43	8.4	21.26

Based on the FT Global 500 companies in local currency

INTEREST RATES: OFFICIAL

Dec 10	Rate	Current	Since	Last	Mnth Ago	Year Ago
US	Fed Funds	0.00-0.25	15-03-2020	1.00-1.25	1.50-1.75	1.25-1.50
US	Prime	4.75	30-10-2019	5.25	5.25	4.25
US	Discount	2.65	30-09-2019	2.75	2.75	1.75
Euro	Repo	0.00	16-03-2016	0.00	0.00	0.00
UK	Repo	0.10	19-03-2020	0.25	0.75	0.25
Japan	O'night Call	0.00-0.10	01-02-2016	0.00	0.00--0.10	0.00--0.10
Switzerland	Libor Target	-1.25-0.25	15-01-2015	-0.75--0.25	-1.25--0.25	-1.25--0.25

INTEREST RATES: MARKET

Dec 10 (Libor: Dec 09)	Over night	Change Day	Change Week	Change Month	One month	Three month	Six month	One year
US$ Libor	0.08263	0.000	0.002	-0.001	0.14788	0.22063	0.25075	0.33588
Euro Libor	-0.58757	-0.003	-0.002	0.000	-0.59129	-0.56857	-0.53371	-0.49700
£ Libor	0.04425	0.000	-0.002	-0.004	0.02400	0.03688	0.03950	0.11225
Swiss Fr Libor				0.008	-0.84700	-0.79040	-0.74280	-0.62340
Yen Libor				0.024	-0.10967	-0.10400	-0.06167	0.05100
Euro Euribor				-0.003	-0.55200	-0.54500	-0.52400	-0.50700
Sterling CDs					-	-	-	-
US$ CDs					-	-	-	-
Euro CDs					-	-	-	-

Dec 10	Short term		7 Days notice		One month		Three month		Six month		One year	
Euro	-0.74	-0.44	-0.70	-0.40	-0.86	-0.56	-0.70	-0.40	-0.67	-0.37	-0.67	-0.37
Sterling			0.45	0.55	0.70	0.80	0.78	0.88	0.82	0.97	0.89	1.04
Swiss Franc	-	-	-	-	-	-	-	-	-	-	-	-
Canadian Dollar	-	-	-	-	-	-	-	-	-	-	-	-
US Dollar	0.07	0.37	-0.02	0.28	0.02	0.32	0.09	0.39	0.12	0.42	0.19	0.49
Japanese Yen	-0.20	0.00	-0.15	0.05	-0.60	-0.10	-0.30	0.00	-0.25	0.05	-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
Crude Oil†	Dec	46.23	0.63
Brent Crude Oil‡		50.58	1.60
RBOB Gasoline†	Dec	1.30	0.02
Heating Oil†		-	-
Natural Gas†	Dec	2.43	0.01
Ethanol♦		-	-
Uranium†		-	-
Carbon Emissions‡		-	-
Diesel†		-	-
Base Metals (♠ LME 3 Months)			
Aluminium		2053.00	17.00
Aluminium Alloy		1860.00	60.00
Copper		7868.00	176.50
Lead		2083.00	-10.00
Nickel		17405.00	720.00
Tin		19460.00	0.00
Zinc		2862.00	9.50
Precious Metals (PM London Fix)			
Gold		1841.75	-26.40
Silver (US cents)		2408.50	-39.00
Platinum		1023.00	-1.00
Palladium		2318.00	0.00
Bulk Commodities			
Iron Ore		158.25	7.50
GlobalCOAL RB Index		80.50	-0.25
Baltic Dry Index		1161.00	39.00

Agricultural & Cattle Futures		Price*	Change
Corn♦	Mar	426.75	3.25
Wheat♦	Mar	596.75	12.75
Soybeans♦	Jan	1169.00	10.00
Soybeans Meal♦	Jan	381.90	2.40
Cocoa (ICE Liffe)✠	Mar	1724.00	1.00
Cocoa (ICE US)♥	Mar	2537.00	-27.00
Coffee(Robusta)✠	Jan	1325.00	13.00
Coffee (Arabica)♥	Dec	115.10	0.00
White Sugar✠		400.90	-7.90
Sugar 11♥		14.83	-0.12
Cotton♥	Mar	73.49	0.38
Orange Juice♥	Jan	125.25	-0.85
Palm Oil♣		-	-
Live Cattle♣	Dec	107.45	-0.53
Feeder Cattle♣	Jan	134.88	
Lean Hogs♣	Feb	66.20	0.65

	Dec 09	% Chg Month	% Chg Year
S&P GSCI Spt	396.86	7.53	-6.26
DJ UBS Spot	75.32	1.84	-4.07
TR/CC CRB TR	172.28	7.19	-10.58
M Lynch MLCX Ex. Rtn	231.14	-9.84	-33.05
UBS Bberg CMCI TR	13.20	4.85	-4.74
LEBA EUA Carbon	30.62	16.12	22.58
LEBA CER Carbon	0.29	3.57	52.63
LEBA UK Power	235.00	-93.27	-78.12

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

BONDS: HIGH YIELD & EMERGING MARKET

Dec 10	Red date	Coupon	S*	M*	F*	Bid price	Bid yield	Day's chge yield	Mth's chge yield	Spread vs US
High Yield US$										
HCA Inc.	04/24	8.36	BB-	Ba2	BB	113.75	4.24	0.00	0.12	-
High Yield Euro										
Aldesa Financial Services S.A.	04/21	7.25	-	-	B	71.10	28.23	0.00	0.64	25.98

BONDS: GLOBAL INVESTMENT GRADE

Dec 10	Red date	Coupon	S*	M*	F*	Bid price	Bid yield	Day's chge yield	Mth's chge yield	Spread vs US
US$										
FleetBoston Financial Corp.	01/28	6.88	BBB+	Baa1	A-	129.00	2.54	-0.01	-0.05	-
The Goldman Sachs Group, Inc.	02/28	5.00	BBB+	A3	A	117.21	2.47	0.00	0.32	-
NationsBank Corp.	03/28	6.80	BBB+	Baa1	A-	127.69	2.72	-0.01	0.06	-
GTE LLC	04/28	6.94	BBB+	Baa2	A-	128.27	2.80	0.00	-0.11	-

Everything Morningstar

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

MANAGED FUNDS SERVICE

Aberdeen Standard Capital (JER)
PO Box 189, St Helier, Jersey, JE4 9RU 01534 709130
FCA Recognised
Aberdeen Standard Capital Offshore Strategy Fund Limited

Fund	Bid	Offer	D+/-	Yield
Bridge Fund	£2.2109	-	0.0151	1.71
Global Equity Fund	£3.1329	-	0.0326	1.05
Global Fixed Interest Fund	£0.9933	-	-0.0003	4.16
Income Fund	£0.6436	-	0.0049	2.46
Sterling Fixed Interest Fund	£0.9304	-	0.0054	2.87
UK Equity Fund	£1.9845	-	0.0042	2.76

Aegon Asset Management UK ICVC (UK)
3 Lochside Crescent, Edinburgh, EH12 9SA
0800 358 3009 www.aegonam.com
Authorised Funds

Fund	Bid	Offer	D+/-	Yield
Global Equity GBP B Acc	£ 3.11	-	-0.01	0.00

Aegon Asset Management Investment Company (Ireland) (IRL)
1 North Wall Quay Dublin 1, Ireland +35 3162 24493
FCA Recognised

Fund	Bid	Offer	D+/-	Yield
Absolute Return Bond B GBP Acc	1155.15	-	0.77	1.61
High Yield Global Bond A GBP Inc	511.95	-	-0.43	4.49
High Yield Global Bond B GBP Inc	1095.90	-	-0.90	5.23
Global Equity Income B GBP Acc	2099.57	-	18.32	0.00
Global Equity Income B GBP Inc	1455.44	-	-8.32	3.19
Global Equity Market Neutral Fund - B Acc GBP	£ 12.23	-	-0.06	0.00
Global Sustainable Equity B Acc GBP	£ 27.59	-	0.02	0.00
Global Sustainable Equity C Acc GBP	£ 27.98	-	0.02	-
Inv Grd Gbl Bond A Inc GBH	628.45	-	0.60	1.81
Short Dated High Yld Bd B Acc GBP	£ 11.03	-	0.00	0.00
Short Dated High Yld Bd C Acc GBP (Hdg)	£ 11.13	-	-0.01	0.00
Strategic Global Bond A GBP Inc	1120.77	-	2.57	2.70
Strategic Global Bond B GBP Inc	749.58	-	1.52	3.45

Algebris Investments (IRL)
Regulated

Fund	Bid	Offer	D+/-	Yield
Algebris Financial Credit I EUR	€187.37	-	0.08	0.00
Algebris Financial Credit R EUR	€163.07	-	0.06	0.00
Algebris Financial Credit Rd EUR	€109.77	-	0.04	4.74
Algebris Financial Income I EUR	€155.08	-	1.11	0.00
Algebris Financial Income R EUR	€143.67	-	1.02	0.00
Algebris Financial Income Rd EUR	€ 94.91	-	0.68	3.61
Algebris Financial Equity B EUR	€111.83	-	0.40	0.00
Algebris IG Financial Credit B EUR	€110.73	-	-0.02	0.00
Algebris IG Financial Credit R EUR	€109.92	-	-0.02	0.00
Algebris Global Credit Opportunities I EUR	€129.37	-	-0.02	0.00
Algebris Global Credit Opportunities R EUR	€127.29	-	0.00	0.00
Algebris Global Credit Opportunities Rd EUR	€127.29	-	0.00	0.00
Algebris Core Italy I EUR	€117.71	-	-0.19	0.00
Algebris Core Italy R EUR	€110.15	-	-0.18	0.00
Algebris Allocation I EUR	€103.50	-	-0.05	0.00

The Antares European Fund Limited
Other International

Fund	Bid	Offer	D+/-	Yield
AEF Ltd Usd	$556.78	-	0.49	0.00
AEF Ltd Eur	€520.99	-	0.32	0.00

Arisaig Partners
Other International Funds

Fund	Bid	Offer	D+/-	Yield
Arisaig Asia Consumer Fund Class A (Ex-Alcohol) shares	$123.98	-	-0.47	0.00
Arisaig Asia Consumer Fund Limited	$123.35	-	-0.55	0.00
Arisaig Global Emerging Markets Consumer Fund	$ 16.39	-	-0.13	0.00
Arisaig Global Emerging Markets Consumer UCITS	£ 12.85	-	-0.01	-
Arisaig Global Emerging Markets Consumer UCITS STG	£ 14.50	-	-0.10	-
Arisaig Latin America Consumer Fund	$ 25.36	-	-0.62	0.00

Artemis Fund Managers Ltd (1200)F (UK)
57 St. James's Street, London SW1A 1LD 0800 092 2051
Authorised Inv Funds

Fund	Bid	Offer	D+/-	Yield
Artemis Corporate Bond I Acc	£ 1.13	-	0.00	1.68
Artemis Target Return Bond I Acc	£ 1.06	-	0.00	-

Ashmore Investment Management Limited (LUX)
2 rue Albert Borschette L-1246 Luxembourg
FCA Recognised

Fund	Bid	Offer	D+/-	Yield
Ashmore SICAV Emerging Market Debt Fund	$ 92.52	-	0.04	4.86
Ashmore SICAV Emerging Market Frontier Equity Fund	$162.59	-	-0.67	1.49
Ashmore SICAV Emerging Market Total Return Fund	$ 82.04	-	-0.01	4.15
Ashmore SICAV Global Small Cap Equity Fund	$203.94	-	1.16	0.02
EM Active Equity Fund Acc USD	$157.85	-	-0.46	0.00
EM Equity Fund Acc USD	$142.40	-	0.20	0.00
EM Mkts Corp.Debt USD F	$ 91.31	-	0.16	5.64
EM Mkts Loc.Ccy Bd USD F	$ 79.59	-	-0.07	4.55
EM Short Duration Fund Acc USD	$118.98	-	0.12	0.00

Atlantas Sicav (LUX)
Regulated

Fund	Bid	Offer	D+/-	Yield
American Dynamic	$6530.53	6530.53	154.76	0.00
American One	$6346.25	6346.25	85.33	0.00
Bond Global	€1500.92	1500.92	-9.12	0.00
Eurocroissance	€1209.26	1209.26	-8.91	0.00
Far East	$1188.00	-	-7.13	0.00

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	£ 0.50	-	0.00	2.17

Brooks Macdonald International Fund Managers Limited (JER)
5 Anley Street, St Helier, Jersey, JE2 3QE
+44 (0) 1534 700 104 (Int.) +44 (0) 800 735 8000 (UK)
Brooks Macdonald International Investment Funds Limited

Fund	Bid	Offer	D+/-	Yield
Euro High Income	€1.5677	-	0.0017	2.50
High Income	£0.8881	-	0.0041	3.77
Sterling Bond	£1.8858	-	0.0093	2.06

Brooks Macdonald International Multi Strategy Fund Limited

Fund	Bid	Offer	D+/-	Yield
Cautious Balanced Strategy	£1.3474	-	-0.0003	0.00
Growth Strategy	£1.9485	-	-0.0028	0.00
High Growth Strategy	£2.6762	-	-0.0044	0.00
US$ Growth Strategy	$1.8858	-	-0.0004	0.00

Dealing Daily. Initial charge up to 2%

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	£ 1.55	1.55	0.00	0.03
Diversified Income 2 Units GBP Inc	£ 1.50	1.50	0.01	0.03
Diversified Income 3 Units GBP Inc	£ 1.51	1.51	0.01	0.03

CG Asset Management Limited (IRL)
25 Moorgate, London, EC2R 6AY
Dealing: Tel. +353 1434 5098 Fax. +353 1542 2859
FCA Recognised
CG Portfolio Fund Plc

Fund	Bid	Offer	D+/-	Yield
Absolute Return Cls M Inc	£131.11	131.11	-0.35	1.35
Capital Gearing Portfolio GBP P	£35607.14	35607.14	-114.30	-
Capital Gearing Portfolio GBP V	£174.14	174.14	-0.56	-
Dollar Fund Cls D Inc	£169.65	169.65	-0.66	1.43
Dollar Hedged GBP Inc	£106.42	106.42	-0.18	1.31
Real Return Cls A Inc	£207.35	207.35	-0.83	1.61

Chartered Asset Management Pte Ltd
Other International Funds

Fund	Bid	Offer	D+/-	Yield
CAM-GTF Limited	$317340.81	317340.81	4462.86	0.00
CAM GTi Limited	$846.51	-	-8.59	0.00
Raffles-Asia Investment Company	$ 1.53	1.53	0.08	1.96

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	€ 14.99	-	0.02	0.00
EUR Accumulating Class (H)	€ 11.62	-	-0.02	0.00
EUR Distributing Class	€ 11.77	-	0.01	3.74
EUR Distributing Class (H)	€ 9.09	-	-0.01	3.77
GBP Distributing Class	£ 12.95	-	-0.05	3.85
GBP Distributing Class (H)	£ 9.57	-	-0.02	4.09
USD Accumulating Class	$ 13.06	-	-0.02	0.00

Dodge & Cox Worldwide Funds plc-Global Stock Fund

Fund	Bid	Offer	D+/-	Yield
USD Accumulating Share Class	$ 24.92	-	-0.06	0.00
GBP Accumulating Share Class	£ 30.60	-	-0.17	0.00
GBP Distributing Share class	£ 21.12	-	-0.12	1.23
EUR Accumulating Share Class	€ 30.98	-	-0.01	0.00
GBP Distributing Class (H)	£ 12.14	-	-0.03	0.98

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

Fund	Bid	Offer	D+/-	Yield
USD Accumulating Share Class	$ 30.85	-	-0.12	0.00
GBP Accumulating Share Class	£ 35.82	-	-0.25	0.00
GBP Distributing Share Class	£ 21.87	-	-0.15	0.95
EUR Accumulating Share Class	€ 33.11	-	-0.06	0.00
GBP Distributing Class (H)	£ 12.78	-	-0.06	0.97

Dragon Capital
www.dragoncapital.com
Fund information:info@dragoncapital.com
Other International Funds

Fund	Bid	Offer	D+/-	Yield
Vietnam Equity (UCITS) Fund A USD	$ 24.33	-	-0.28	-

Enniskmore Smaller Cos Plc (IRL)
5 Kensington Church St, London W8 4LD 020 7368 4220
FCA Recognised

Fund	Bid	Offer	D+/-	Yield
Enniskmore European Smlr Cos NAV	£133.64	-	-0.56	0.00
Enniskmore European Smlr Cos NAV	€148.17	-	0.15	0.00

Enniskmore European Smlr Cos Hedge Fd
Other International Funds

Fund	Bid	Offer	D+/-	Yield
NAV	€527.24	-	8.77	0.00

Equinox Fund Mgmt (Guernsey) Limited (GSY)
Regulated

Fund	Bid	Offer	D+/-	Yield
Equinox Russian Opportunities Fund Limited	$184.85	-	11.87	0.00

Euronova Asset Management UK LLP (CYM)
Regulated

Fund	Bid	Offer	D+/-	Yield
Smaller Cos Cls One Shares	€ 52.62	-	0.18	0.00
Smaller Cos Cls Two Shares	€ 34.52	-	0.11	0.00
Smaller Cos Cls Three Shares	€ 17.39	-	0.05	0.00
Smaller Cos Cls Four Shares	€ 22.36	-	0.07	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
Fidelity American Fund W-ACC-GBP	£ 53.65	-	-0.01	0.31
Fidelity Cash Fund Y-ACC-GBP	£ 1.02	-	0.00	0.66
FE Emrg Europe, Middle East and Africa Fund W-ACC-GBP	£ 2.35	-	0.03	4.21
Fidelity Global Enhanced Income Fund W-ACC-GBP	£ 2.08	-	0.04	3.68
Fidelity Global Focus Fund W-ACC-GBP	£ 33.56	-	0.08	0.20
Fidelity Global High Yield Fund Y-ACC-GBP	£ 15.46	-	-0.06	3.65
Fidelity Japan Fund W-ACC-GBP	£ 5.05	-	0.04	0.58
Fidelity Japan Smaller Companies Fund W-ACC-GBP	£ 4.32	-	0.00	0.35
Fidelity Select 50 Balanced Fund PI-ACC-GBP	£ 1.15	-	0.00	0.83
Fidelity Special Situations Fund W-ACC-GBP	£ 33.62	-	-0.17	3.43
Short Dated Corporate Bond Fund Y-ACC-GBP	£ 11.08	-	0.01	3.86
Fidelity Sustainable Water & Waste W Acc	£ 1.11	-	0.01	-
Fidelity Sustainable Water & Waste W Inc	£ 1.11	-	0.01	-
Fidelity UK Growth Fund W-ACC-GBP	£ 3.34	-	-0.05	1.14
Fidelity UK Select Fund W-ACC-GBP	£ 3.17	-	0.01	2.36

Institutional OEIC Funds

Fund	Bid	Offer	D+/-	Yield
Europe (ex-UK) Fund ACC-GBP	£ 7.10	-	0.11	0.55

Findlay Park Funds Plc (IRL)
30 Herbert Street, Dublin 2, Ireland Tel: 020 7968 4900
FCA Recognised

Fund	Bid	Offer	D+/-	Yield
American EUR Unhedged Class	€128.80	-	-1.16	-
American Fund USD Class	$155.60	-	-1.81	0.00
American Fund GBP Hedged	£ 78.43	-	-0.91	0.00
American Fund GBP Unhedged	£116.15	-	-1.65	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	$ 45.59	-	-0.09	-
Foord Global Equity Fund (Lux) | R	$ 16.94	-	-0.05	-

Regulated

Fund	Bid	Offer	D+/-	Yield
Foord Global Equity Fund (Sing) | B	$ 20.76	-	-0.07	-
Foord International Trust (Gsy)	$ 45.38	-	-0.08	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 14.24	-	0.03	9.35
Franklin Emg Mkts Debt Opp GBP	£ 9.34	-	0.01	6.20
Franklin Emg Mkts Debt Opp SGD	S$ 20.50	-	0.03	4.49
Franklin Emg Mkts Debt Opp USD	$ 16.31	-	0.03	6.42

GAM
funds@gam.com, www.funds.gam.com
Regulated

Fund	Bid	Offer	D+/-	Yield
LAPIS GBL TOP 50 DIV.YLD-Na-D	£100.91	-	0.01	3.25
LAPIS GBL F OWD 50 DIV.YLD-Na-D	£100.40	-	-0.01	0.70

Genesis Investment Management LLP
Other International Funds

Fund	Bid	Offer	D+/-	Yield
Emerging Mkts NAV	£ 7.21	-	-0.16	0.00

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	£ 0.49	-	0.00	0.00
Holiday Property Bond Ser 2	£ 0.62	-	0.00	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	€ 23.74	-	0.14	0.00
IVI European Fund GBP	£ 28.51	-	0.03	0.33

Janus Henderson Investors (UK)
PO Box 9023, Chelmsford, CM99 2WB Enquiries: 0800 832 832
www.janushenderson.com
Authorised Inv Funds

Fund	Bid	Offer	D+/-	Yield
Janus Henderson Instl UK Idx Opps A Acc	£ 0.96	-	0.00	-

M & G Securities (1200)F (UK)
PO Box 9038, Chelmsford, CM99 2XF
www.mandg.co.uk/charities Enq./Dealing: 0800 917 4472
Authorised Inv Funds

Fund	Bid	Offer	D+/-	Yield
M&G Charibond Charities Fixed Interest Fund (Charibond) Inc	£ 1.25	-	0.00	2.24
M&G Charibond Charities Fixed Interest Fund (Charibond) Acc	£ 42.92	-	0.07	2.20
M&G Charity Multi Asset Fund Inc	£ 0.84	-	0.01	4.28
M&G Charity Multi Asset Fund Acc	£ 92.74	-	0.43	4.11

MMIP Investment Management Limited (GSY)
Regulated
Multi-Manager Investment Programmes PCC Limited

Fund	Bid	Offer	D+/-	Yield
UK Equity Fd Cl A Series 01	£2121.55	2155.20	31.89	0.00
Diversified Absolute Rtn Fd USD Cl AF2	$1560.95	-	-30.80	0.00
Diversified Absolute Return Stlg Cell AF2	£1471.35	-	-29.07	0.00
Global Equity Fund A Lead Series	£1484.91	1489.79	-23.47	-

Marwyn Asset Management Limited (CYM)
Regulated

Fund	Bid	Offer	D+/-	Yield
Marwyn Value Investors	£340.40	-	-14.66	0.00

Milltrust International Managed Investments ICAV (IRL)
mimi@milltrust.com, +44(0)20 8123 8316 www.milltrust.com
Regulated

Fund	Bid	Offer	D+/-	Yield
British Innovation Fund	£121.92	-	2.89	0.00
MAI - Buy & Lease (Australia)	A$102.95	-	-0.80	0.00
MAI - Buy & Lease (New Zealand)	NZ$ 97.26	-	-0.02	0.00
Milltrust Global Emerging Markets Fund - Class A	$111.57	-	-0.13	0.00
The Climate Impact Asia Fund (Class A)	$112.68	-	5.26	-

Milltrust International Managed Investments SPC
em@milltrust.com, +44(0)20 8123 8316, www.milltrust.com
Regulated

Fund	Bid	Offer	D+/-	Yield
Milltrust Alaska Brazil SP A	$ 74.22	-	-1.91	-
Milltrust Laurium Africa SP A	$ 95.70	-	0.34	-
Milltrust Marcellus India Fund	$115.21	-	1.11	-
Milltrust Singular ASEAN SP Founders	$150.22	-	0.16	-
Milltrust SPARX Korea Equity SP A	$158.32	-	1.85	-
Milltrust VTB Russia Fund SP	$119.38	-	0.30	-
Milltrust Xingtai China SP A	$135.47	-	-0.71	-

New Capital UCITS Fund PLC (IRL)
Leconfield House, Curzon Street, London, W1J 5JB
www.newcapitalfunds.com
FCA Recognised
New Capital UCITS Funds

Fund	Bid	Offer	D+/-	Yield
New Capital China Equity Fund	$271.21	-	2.74	-
New Capital Dynamic European Equity Fund	€130.08	-	0.54	0.00
New Capital Dynamic UK Equity Fund	£115.13	-	0.19	-
New Capital Global Alpha Fund	£117.26	-	0.02	0.00
New Capital Global Equity Conviction Fund	$199.99	-	0.63	-
New Capital Global Value Credit Fund	$161.03	-	-0.04	0.00
New Capital Japan Equity Fund	¥1803.84	-	8.10	0.00
New Capital US Growth Fund	$438.29	-	1.03	0.00
New Capital US Small Cap Growth Fund	$220.05	-	3.77	0.00
New Capital Wealthy Nations Bond Fund	$155.80	-	-0.03	0.00

Oasis Crescent Management Company Ltd
Other International Funds

Fund	Bid	Offer	D+/-	Yield
Oasis Crescent Equity Fund	R 11.05	-	0.03	0.21

Oasis Global Mgmt Co (Ireland) Ltd (IRL)
Regulated
Oasis Crescent Global Investment Fund (Ireland) plc

Fund	Bid	Offer	D+/-	Yield
Oasis Crescent Global Short Term Income Fund I - Class A Dist	$ 0.99	-	0.00	2.00
Oasis Crescent Global Equity Fund	$ 35.05	-	-0.07	0.25
Oasis Crescent Variable Balanced Fund	£ 9.50	-	0.01	0.00
OasisCresGl Income Class A	$ 11.08	-	0.00	-
OasisCresGl LowBal D ($) Dist	$ 12.63	-	-0.05	0.81
OasisCresGl Med Eq Bal A ($) Dist	$ 13.76	-	-0.02	0.32
Oasis Crescent Gbl Property Eqty	$ 7.95	-	-0.05	-

Omnia Fund Ltd
Other International Funds

Fund	Bid	Offer	D+/-	Yield
Estimated NAV	$621.90	-	60.56	0.00

Oryx International Growth Fund Ltd
Other International Funds

Fund	Bid	Offer	D+/-	Yield
NAV (Fully Diluted)	£ 9.10	-	-0.52	0.00

Orbis Investments (U.K.) Limited (GBR)
28 Dorset Square, London, NW1 6QG
www.orbis.com 0800 358 2030
Regulated

Fund	Bid	Offer	D+/-	Yield
Orbis OEIC Global Cautious Standard	£ 10.42	-	-0.02	0.03
Orbis OEIC Global Balanced Standard	£ 15.56	-	-0.04	0.00
Orbis OEIC Global Equity Standard	£ 19.68	-	-0.07	0.00
Orbis OEIC UK Equity Standard	£ 8.06	-	0.01	0.00

Platinum Capital Management Ltd
Other International Funds

Fund	Bid	Offer	D+/-	Yield
Platinum All Star Fund - A	$132.45	-	-	-
Platinum Global Growth UCITS Fund	$ 13.34	-	0.03	0.00
Platinum Essential Resources UCITS Fund SICAV USD Class E	$ 7.91	-	-0.01	0.00
Platinum Global Dividend UCITS Fund	$ 55.46	-	0.17	0.00

Polar Capital Funds Plc (IRL)
Regulated

Fund	Bid	Offer	D+/-	Yield
Automation & Artificial Intelligence Cl I USD Acc	$ 17.28	17.28	-0.15	0.00
Asian Financials I USD	$445.11	445.11	-0.43	0.00
Biotechnology I USD	$ 37.06	37.06	-0.61	0.00
Emerging Market Stars I USD Acc	$ 14.87	-	0.07	0.00
European Ex UK Inc EUR Acc	€ 11.56	11.56	0.04	0.00
Financial Opps I USD	$ 13.38	-	0.05	2.05
GEM Income I USD	$ 12.88	-	0.02	0.00
Global Convertible I USD	$ 16.84	16.84	-0.15	0.00
Global Insurance I GBP	£ 7.13	-	0.00	0.00
Global Technology I USD	$ 84.62	-	-1.22	0.00
Healthcare Blue Chip Fund I USD Acc	$ 15.65	15.65	-0.04	0.00
Healthcare Opps I USD	$ 62.77	-	-0.80	0.00
Income Opportunities B2 I GBP Acc	£ 2.33	2.33	0.00	-
Japan Value I JPY	¥109.99	109.99	0.45	0.00
North American I USD	$ 30.60	30.60	-0.22	0.00
UK Val Opp I GBP Acc	£ 11.64	11.64	-0.12	0.00

Polar Capital LLP (CYM)
Regulated

Fund	Bid	Offer	D+/-	Yield
European Forager A EUR	€185.24	-	17.13	0.00

Private Fund Mgrs (Guernsey) Ltd (GSY)
Regulated

Fund	Bid	Offer	D+/-	Yield
Monument Growth 08/12/2020	£514.46	519.46	11.50	-

Prusik Investment Management LLP (IRL)
Enquiries - 0207 493 1331
Regulated

Fund	Bid	Offer	D+/-	Yield
Prusik Asian Equity Income B Dist	$180.54	-	0.37	-
Prusik Asia Emerging Opportunities Fund A Acc	$184.67	-	1.38	-
Prusik Asia Fund U Dist.	£228.45	-	-1.44	0.00

Purisima Investment Fds (CI) Ltd (JER)
Regulated

Fund	Bid	Offer	D+/-	Yield
PCG B ✠	287.30	-	-4.30	0.00
PCG C ✠	280.70	-	-4.21	0.00

Ram Active Investments SA
www.ram-ai.com
Other International Funds

Fund	Bid	Offer	D+/-	Yield
RAM Systematic Emerg Markets Eq	$207.76	207.76	0.57	-
RAM Systematic European Eq	€460.53	460.53	1.18	-
RAM Systematic Funds Global Sustainable Income Eq	$129.26	129.26	0.37	0.00
RAM Systematic Long/Short Emerg Markets Eq	$101.87	101.87	-0.10	-
RAM Systematic Long/Short European Eq	€128.47	128.47	0.01	-
RAM Systematic North American Eq	$347.22	347.22	-1.99	-
RAM Tactical Global Bond Total Return	€156.07	156.07	-0.12	-
RAM Tactical II Asia Bond Total Return	$156.16	156.16	0.02	-

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	787.54	-	7.63	0.05
LF Ruffer European C Inc	143.71	-	1.39	0.09
LF Ruffer European O Acc	768.06	-	7.40	0.00
LF Ruffer Equity & General C Acc	495.23	-	8.94	0.18
LF Ruffer Equity & General C Inc	452.91	-	8.17	0.18
LF Ruffer Equity & General O Acc	483.02	-	8.70	0.00
LF Ruffer Equity & General O Inc	447.19	-	8.04	0.00
LF Ruffer Gold C Acc	295.28	-	1.55	0.00
LF Ruffer Gold C Inc	178.71	-	0.94	0.00
LF Ruffer Gold O Acc	287.89	-	1.50	0.00
LF Ruffer Japanese C Inc	166.12	-	-2.30	0.08
LF Ruffer Japanese C Acc	356.98	-	-4.93	0.08
LF Ruffer Pacific & Emerging Markets C Acc	393.87	-	5.25	0.79
LF Ruffer Pacific & Emerging Markets C Inc	107.34	-	1.43	0.82
LF Ruffer Pacific & Emerging Markets O Acc	383.79	-	5.10	0.51
LF Ruffer Total Return C Acc	501.65	-	2.90	0.84
LF Ruffer Total Return C Inc	324.64	-	1.88	0.84
LF Ruffer Total Return O Acc	489.23	-	2.80	0.84
LF Ruffer Total Return O Inc	316.42	-	1.81	0.85

Rubrics Global UCITS Funds Plc (IRL)
www.rubricsam.com
Regulated

Fund	Bid	Offer	D+/-	Yield
Rubrics Emerging Markets Fixed Income UCITS Fund	$142.82	-	-0.16	0.00
Rubrics Global Credit UCITS Fund	$ 17.73	-	0.00	0.00
Rubrics Global Fixed Income UCITS Fund	$182.22	-	-0.19	0.00

Slater Investments Ltd (UK)
www.slaterinvestments.com; Tel: 0207 220 9460
FCA Recognised

Fund	Bid	Offer	D+/-	Yield
Slater Growth	644.90	644.90	3.07	0.00
Slater Income A Inc	126.14	126.14	-0.61	5.22
Slater Recovery	300.04	300.04	0.77	0.00
Slater Artorius	266.77	266.77	0.84	0.00

Stonehage Fleming Investment Management Ltd (IRL)
www.stonehagefleming.com/gbi
enquiries@stonehagefleming.com
Regulated

Fund	Bid	Offer	D+/-	Yield
SF Global Best Ideas Eq B USD ACC	$237.18	-	-1.67	-
SF Global Best Ideas Eq D GBP INC	£268.64	-	-2.56	-

Toscafund Asset Management LLP (UK)
www.toscafund.com
Authorised Funds

Fund	Bid	Offer	D+/-	Yield
Aptus Global Financials B Acc	£ 3.74	-	0.01	4.35
Aptus Global Financials B Inc	£ 2.61	-	0.01	5.58

Toscafund Asset Management LLP
www.toscafund.com

Fund	Bid	Offer	D+/-	Yield
Tosca A USD	$306.77	-	-23.55	-
Tosca Mid Cap GBP	£180.86	-	27.47	-
Tosca Opportunity B USD	$274.77	-	41.76	-
Pegasus Fund Ltd A-1 GBP	£ 43.14	-	6.53	0.00

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 Ethical O Acc	118.89	-	0.53	0.10
Trojan Ethical O Inc	118.66	-	0.53	0.09

WA Fixed Income Fund Plc (IRL)
Regulated

Fund	Bid	Offer	D+/-	Yield
European Multi-Sector	€127.18	-	-0.10	3.16

Zadig Gestion (Memnon Fund) (LUX)
FCA Recognised

Fund	Bid	Offer	D+/-	Yield
Memnon European Fund - Class U2 GBP	£195.50	-	-1.95	0.00

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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.

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A Scrooge to lift the spirits

THEATRE
Sarah Hemming

There is a moment in **A Christmas Carol** at London's Bridge Theatre when Simon Russell Beale's Scrooge tries to join in a boisterous party game at which he is a spectral visitor. It's one of the shorter passages in this simple, excellent production, but it speaks volumes. Scrooge is already behaving as a spirit, unable to interact in flesh and blood with his relatives, but suddenly longing to join them. That's something we all understand in a keen and particular way this Christmas. Loss has haunted the year and the festive season is fringed with shadows of what we might have been doing.

That sense of missed potential impacts the theatre world too. While some are now able to open for Christmas, many remain closed, and theatres opening do so in uncertain conditions and with sharp awareness of their less fortunate colleagues. A bittersweet mix of emotions courses through the London shows that have opened this week.

To the Bridge first, along with the three spirits that will visit the miserly old Scrooge and release his shrunken humanity from the cash box in which he has locked it away. Nicholas Hytner's production is one of dozens on offer right now: Dickens's story of darkness conquered and priorities changed feels highly charged this year. Hytner opts for a form of narrative theatre: the three actors deliver Dickens's text but slip in and out of character to speak the dialogue. That brings gains and losses: we get to savour the author's deliciously rich prose, but you do sense the cast working hard to keep the ball in the air during the longer passages.

They more than lift it, however. Russell Beale is immensely touching as Scrooge. Taking his cue from Dickens's description of "the cold within him", he is, at first, a man clenched and stiff. But as the story unfolds, Russell Beale unstacks, Russian-doll like, the younger Scrooges hidden within the man: the damaged little boy, the eager young employee, the businessman who loses sight of all goals bar profit.

Around him, Patsy Ferran and Eben Figueiredo shape-shift wittily. There's a shared enjoyment with the audience in the make-believe of dramatic storytelling: taking on a "portly" Victorian gentleman, the slight Ferran quickly stuffs a bundled-up scarf inside her jacket, only to whip it back around her neck to play the meek Bob Cratchit.

Projections from Luke Halls and Zakk Hein, together with Gareth Fry's soundscape, sculpt the mood and when Scrooge is finally able to join that party game for real, his puppy-like joy strikes a chord. ★★★★★

The Almeida's reopening show, **Nine Lessons and Carols** (written by Chris Bush with the cast over lockdown), faces up to many of the same themes as *A Christmas Carol*: loneliness, loss, regret and inequality. It's a curious, original and potent digest of the year we've been through. The title refers to the seasonal church service, but the show quickly leaves that concept behind, save for the fact that it interleaves storytelling and music (by Maimuna Memon) to move towards hope. And above all, this glowing, moving piece of theatre both celebrates and mourns the act of gathering.

It's simply staged and softly lit, with the audience ranged around a circular platform and fringed by neatly stacked woodpiles against the theatre's brick walls — we could be assembled in some Nordic retreat to tell stories round a fire. Six actors slip on and off stage to deliver solos, duets, trios, choruses, sometimes linked, sometimes standalone. By turns angry, funny, desolate and soothing, it's subtly acted, and deftly choreographed by Rebecca Frecknall.

There's an ongoing tussle between two black characters about a Black Lives Matter march; in another (bitingly funny) thread, an advertising team brainstorms ghastly Christmas commercials. Lonely individuals talk about baking banana bread (Elliot Levey) or finding a dog (Luke Thallon) which turns out to be anything but man's best friend. A delivery man (Toheeb Jimoh) walks us through his pandemic: "The world didn't stop because you did." Tough, tender and timely. ★★★★☆

Self-isolation is something the two characters in **The Dumb Waiter** know all about. It's the mark of a good play that it finds new echoes every time it is played and in Pinter's text, which opened at Hampstead Theatre 60 years ago, the depiction of two sequestered individuals, pacing out the hours and awaiting instructions from authority, has acquired another layer this year.

Alice Hamilton's incisive production is perfectly period, whistling us back to the dowdy late 1950s. Ben and Gus are in a dingy basement room (dung-coloured wallpaper, courtesy of designer James Perkins), equipped with two beds and a kitchenette. Their exact mission is never explained, but we take it that they are hitmen, awaiting instructions for a job. They squabble, complain, and respond to mysterious commands that arrive in the "dumb waiter" lift.

Pinter's strategy of less-is-more leaves you free to read into the drama: could they already be dead? Or in prison? What meaning can we see in their relationship with the faceless boss who controls their lives? Meanwhile the playwright demonstrates his great skill at suggesting powerplay through trivia, with simple exchanges about matches or crockery revealing the disparity between the two men.

Alec Newman plays the older, more senior Ben, cultivating a relaxed seen-it-all-before toughness as he lounges on the bed, issuing orders to his junior partner, Gus, who, in Shane Zaza's performance, is more jittery, constantly fidgeting. But Ben's *sangfroid* is soon shattered when the strange demands from above start arriving and before long the two men resemble two mice, hustling for supremacy under the nose of a waiting cat. It doesn't quite deliver the full simmering terror of the play, but this is a fine, meticulous revival of a drama that distils the unnerving brilliance of Pinter's early writing. ★★★☆☆

A rather different double act is on view in **Potted Panto** at the Garrick. Daniel Clarkson and Jefferson Turner rattle through half a dozen of the best-known pantomimes while offering a bluffer's guide to this most curious form of entertainment. It's an amiably silly show, cannily deploying all the trappings of pantomime — mess, slapstick, call-and-response ("Oh yes he did") and audience interaction (suitably socially distanced). There is a mild interrogation of the dubious morality of some of the fairy tales and some droll incorporation of the "new normal" (no waking princesses with a kiss, for instance).

It could be a little bewildering for the tiniest audience members, who might not be up to speed with the stories that are the basis of the pastiche. But this is a blast of exuberant nonsense designed purely to cheer people up. Scrooge — new Scrooge, that is — would love it. ★★★★☆

bridgetheatre.co.uk
almeida.co.uk
hampsteadtheatre.com
nimaxtheatres.com

Above: Simon Russell Beale and Patsy Ferran in 'A Christmas Carol'. Left: Jefferson Turner, left, and Daniel Clarkson in 'Potted Panto'
Manuel Harlan; Geraint Lewis

Maimuna Memon, left, and Naana Agyei-Ampadu in 'Nine Lessons and Carols'

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What should the museums of tomorrow be?

Leaders of institutions from all over the world address the future in a new book. Georgina Adam reports

Among all the victims of the pandemic, museums have been particularly hard hit, with their finances cratering and major lay-offs already implemented or to come. In the UK, Tate has announced that it is cutting 120 jobs "to survive the crisis", while cutbacks continue across museums in the US.

But the pandemic is only the latest blow in what has been a dramatic series of shocks to museums, throwing into question their role in society, their governance and even their very existence. These shocks have ranged from the ethics of sponsorship, accusations of racial injustice and lack of diversity, decolonisation issues to turmoil about the very definition of a museum.

The US cultural strategist András Szántó chose the Covid lockdown to examine these problems. This summer he interviewed 28 museum leaders from 14 countries. He asked them what the role of museums should be — today and in the future — what models they are looking at, how they are grappling with the issues they are facing, what has to change and what must be preserved. The result is a book, *The Future of the Museum: 28 Dialogues*.

Szántó's choice of interviewees was, he says, deliberately tilted towards younger voices, and while all are museum leaders, the way they got there is sometimes startling. Most trod the classic art history/curatorial path, but one was formerly a competitive boxer (Adam Levine of the Toledo Museum of Art, Ohio), another studied nanotechnology (Anton Belov of Garage, Moscow) and another worked for a luxury goods company before directing a museum (Sonia Lawson of Palais de Lomé, Togo).

The institutions they lead are as diverse; they range from New York's immense Metropolitan Museum of Art and London's venerable Royal Academy, to museums that don't yet exist — Hong Kong's long-delayed M+, the billion-dollar, spaceship-shaped Lucas Museum of Narrative Art being built in Los Angeles — or the "museum without a ceiling", the High Line in New York.

So what should a museum be? "They should be artist-led and audience-focused," answers Rhana Devenport of the Art Gallery of South Australia; "A site for bringing people together around art and artists," — Koyo Kouoh of Cape Town's Zeitz Museum of Contemporary Art; "Democratic spaces to learn, debate and advance social change" — Anne Pasternak, Brooklyn Museum; "A platform for engagement with art" — Max Hollein, New York's Met.

One dialogue, with Axel Rüger of the Royal Academy, specifically addresses the question of the museum as a business. Rüger came to London after directing the private Van Gogh Museum in Amsterdam.

Only 13 per cent of its income is from public subsidies — all the rest self-generated, but, as he notes: "Van Gogh is a global rock star. If you can't make money with Van Gogh, you should try a different business." He continues: "Museums are subject to economic realities that are not all that different from the commercial businesses . . . there is an urgent need for [museums] to become more professional."

While in Amsterdam, he launched a successful commercial venture, the *Meet Vincent van Gogh Experience*, an immersive video-based travelling show that appeals to younger audiences — even if it makes traditionalists shudder.

Interestingly, when Szántó asked other directors what models they were looking at, the answers were generally not other museums. Pixar, German car companies and Red Bull were mentioned by Belov, of Moscow's private Garage Museum of Contemporary Art: "I always try to learn how things work outside the museum field . . . When it comes to marketing, I looked at how Red Bull . . . built their brand," he says.

Levine cited Netflix: "People love serialised content; imagine if museums found a way to have each program build off the previous one, and if we figured out a way to distribute that through digital media in a way that was binge-worthy." Eugene Tan of the Singapore Art Museum suggests crowdfunding and imagines museums with shareholders.

Utopian that may be, but the interviewees had many visions of the future museum. What is sure is that the old model, as a storehouse of artefacts, is pivoting towards a different, and more active role in many of today's issues. Museums in the future will be more fluid, open, inclusive, experiential, and engaged with their community. A museum will become: "a town square", in the words of María Mercedes González of the Museo de Arte Moderno de Medellín in Colombia. And, as a result, as Thomas Campbell of the Fine Arts Museums of San Francisco says: "We have to shed the mindset of colonialism and exploitation."

'The Future of the Museum: 28 Dialogues' by András Szántó is published in Europe by Hatje Cantz and will be available worldwide from January 2021

'Learn, debate and advance social change': Brooklyn Museum in New York
Jonathan Dorado

'Bringing together': Cape Town's Zeitz Museum of Contemporary Art

France fears looming pain for the economy

Paris was quick to provide emergency cheap loans to businesses as the damage caused by the pandemic become apparent. But as the economy weakens again, it is now assessing if more radical steps are needed.

By David Keohane and Leila Abboud

It took the head of Europe's biggest car rental company just over an hour to convince France's industry minister that it needed a bailout.

Europcar's chief executive Caroline Parot carried a grim message in March just before the Covid-19 pandemic forced the country into lockdown: as travel bans risked crushing the business, without access to cash to cover fixed costs, Europcar could be in real trouble. "The bottom line is that we have no more customers," Ms Parot told minister Agnès Pannier-Runacher.

Ms Parot was one of the first chief executives to make such a plea in the monolithic building that houses France's finance ministry. She would not be the last.

As shops closed and infections climbed, a parade of French companies clamoured for liquidity to get themselves through an unprecedented crisis.

In response, the government quickly pledged up to €300bn to a state-guaranteed loan programme, mobilising means rarely seen outside of wars, aimed at preventing the pandemic from crashing the economy.

Dubbed the *prêt garanti par l'état* (PGE), the scheme, spearheaded by finance minister Bruno Le Maire, aimed to funnel cash to companies to help them through what was then hoped would be a short lockdown. Along with a generous furlough programme, the PGE was the most potent weapon in France's arsenal as it fought to prevent the pandemic from causing mass unemployment and bankruptcies.

Across Europe, the coronavirus pandemic forced one of the most intense periods of state intervention seen in decades. France was one of the countries best prepared to act, given its long history of *dirigisme* and the strong ties between the bureaucracy and industry.

'We have no more customers,' Europcar head Caroline Parot told officials when applying for a PGE loan in March

Ms Pannier-Runacher was among a small group of bureaucrats who piloted the response using WhatsApp groups, Zoom calls and a committee buried in the bowels of the finance ministry that made life-and-death calls about the worst-off companies.

As one of the first applicants, Europcar was a test case for the government and the banks as they thrashed out the loan programme. Ms Pannier-Runacher threw her weight behind saving it.

"We were not going to let this company go to the wall since it is well managed, offers a service that France needs and employs around 8,000 people," she says. "The government had to do something."

With many economies weakening again amid an infection resurgence and mass vaccination still months off, governments are urgently evaluating what policies have worked so far, how much stimulus to continue extending, and whether to leave some companies and industries to fend for themselves.

France's experience with the PGE programme is illuminating because it shows the limits of cheap loans alone as a way to help companies survive as the crisis lengthens. The state is already debating whether more radical steps are needed, such as cancelling PGE debt, converting some into longer loans indexed to company performance or even taking stakes in some struggling companies. The challenge will be finding solutions that work not only for big firms but the more than 580,000 smaller businesses that have received loans. France will also have to get approval from Brussels, as it did for the PGE scheme, to ensure that any modifications do not break state aid rules.

"Putting this huge amount of liquidity on the table . . . has been a success," says Philippe Martin, chairman of the French Council of Economic Analysis. "But the big question now is the next step. It's not enough to just freeze the economy."

Trading blow

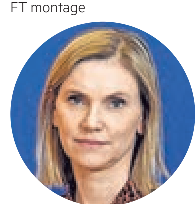
Across Europe, governments have used a mix of loans, furlough schemes, rent and tax holidays and grants to try to protect citizens and businesses.

But some entered the crisis with healthier economies than others, allowing them to spend more. Spain has mobilised €53.8bn in direct additional government spending and cancelled taxes since the crisis began, according to think-tank Bruegel, but that is less than a quarter of Germany's "bazooka" of €284bn. On that same measure, Italy marshalled a response roughly half of France's €124bn.

In France, the aid cushioned the blow of the first phase of the pandemic. Insolvencies this year are roughly 40 per cent below 2019 levels, according to UBS, while unemployment rose by about 1 per cent to 9 per cent overall by the end of September.

Top: President Emmanuel Macron has vowed that 'everything will be done to protect our workers and our companies'. Below: industry minister Agnès Pannier-Runacher is part of the team making calls about the worst-off companies. PGE loans worth €126bn have been issued so far. Bottom right: with its products in high demand, Marseille soapmaker Fer à Cheval plans to use its €450,000 loan to upgrade production machinery

FT montage



But job losses are now accelerating. More than 35,000 lay-offs have been announced since the start of September, according to Paris-based consultancy Trendeo, while government figures show that average weekly lay-offs are some 80 per cent higher since September than from March to the end of August.

Some deterioration is down to the second lockdown imposed in late October, forcing shops, gyms, theatres and restaurants to close. Officials pledged more help by expanding aid schemes like the PGE and introducing new ones, such as tax credits to landlords who grant rent holidays to commercial tenants.

Nevertheless, many small business owners reacted with deep anger. In Toulouse and Bordeaux they held protests where they dressed in black and played dead in front of the town hall. Their *cri de coeur* was clear: they did not want more aid, especially not debt that they could not pay back. They just wanted to be able to trade, especially during the key Christmas shopping season.

The situation has begun to test the limits of President Emmanuel Macron's vow — first made in March and then often repeated — that "everything will be done to protect our workers and our companies, whatever the cost."

Some critics of France's approach say the reckoning for weak businesses has only been delayed, not prevented. They pointed out the risk of creating so-called zombie companies which, hampered by high debt and weak profitability, cannot invest and create jobs. If the money hose was kept on too long, it could actually weaken France's economy.

"It's the calm before the storm," says Mr Martin. "Eventually we'll have to see business fail, and we want some to fail as that's normal and healthy for an economy, but the question is when and how to manage it."

Staying afloat

The PGE scheme was born out of a flurry of meetings as France headed into its first lockdown in March. Many of the French officials working on the economic response to the pandemic had also been in government during the 2008 financial crisis. They feared that financial markets would freeze up as they did then, turning a liquidity crisis into a solvency crisis.

To send a strong message that the government would backstop the economy, they pushed for an eye-catching €300bn for the loan scheme. "We didn't know then financial markets would remain open," says one top Elysée official. "We wanted to prevent irreversible consequences from a temporary crisis."

Companies of any size or type could ask for loans worth up to three months of sales based on 2019 performance, or based on wage bills for new companies.

No capital payments were due in the first year and the loans could run for up to five years. In case of default, the state would cover 70-90 per cent of the loan amount, thus protecting the banks.

As officials rushed to send funding to struggling businesses, they found themselves negotiating the early loan applications, such as from Europcar and retailer Fnac-Darty, while the programme itself was still being finalised.

Ms Pannier-Runacher likened it to "playing a tennis match while you were still painting the lines on the court".

The government had a secret weapon to help on tough cases: a little-known finance ministry committee called CIRI. Created in 1982, its role was to mediate between struggling companies and their lenders. Led by a restructuring expert called Louis Margueritte, CIRI has been busy with about 60 new dossiers this year, up from the usual 25 to 40.

When banks and companies fought over loan terms, CIRI had the influence to force a compromise, says one head of a French investment bank. "Sometimes you need someone with a big stick . . . who is able to say 'Do you want to piss off the French state? Yes or no?' That's the job of CIRI."

The PGE money began to flow in April and loans worth €126bn have so far been issued. Small companies applied by going directly to their banks. The government guarantee was automatic, and for companies with fewer than 5,000 workers and less than €1.5bn in sales, it would cover 90 per cent of defaults.

Nearly 90 per cent of the 622,167 loans given out to date have gone to businesses with fewer than 10 employees, with an average loan size of €91,000. Only 2.8 per cent of all eligible applications were rejected by the banks.

Loans to big companies had to be approved by the finance ministry because they were often politically significant and concerned more jobs. There have been 40 such loans at an average size of €379m. Some got far more: €5bn to carmaker Renault, €4bn to airline Air France, and €1bn to shipping group CMA-CGM.

The state granted its guarantee to most borrowers with no strings attached. But it did order the biggest companies not to pay dividends or buy back shares in 2020, and imposed environmental targets on Air France.

Fnac-Darty, an electronics, books and home appliances retailer, squirrelled away a €500m loan obtained in mid-April as it waited to see the damage caused by lockdown. Then something surprising happened: online sales began to boom so it did not need to spend the PGE immediately. Finance director Jean-Brieuc Le Tinier was still glad to have it: "It reassured everyone. We paid all our vendors on time."

Fer à Cheval, a 164-year-old Marseille soapmaker, was another that did not need to spend its loan to survive. Owner Raphaël Seghin saw his profits jump 20-fold this year to almost €1m as demand for hygiene products spiked. He plans to use his €450,000 loan to replace rusted machinery on a soap production line.

According to business lobby Medef, many companies are treating their PGEs as a pandemic security blanket. In a recent survey of 989 firms, 60 per cent still had at least three-quarters of the money left.

Others were forced to spend their loans almost immediately. Conforama, a heavily indebted furniture retailer owned by South African group Steinhoff International, was already fragile before the pandemic. It used a chunk of its PGE to pay for a lay-off plan affecting 1,900 workers that was negotiated with its unions in late 2019.

Conforama's case also showed how much power the state and CIRI wielded. When the first lockdown began, the group asked for a €320m loan but its banks were wary of lending more without Steinhoff contributing capital. They pushed for any fresh loans to be conditional on Conforama selling itself to BUT, France's number two player.

> 'Putting this huge amount of liquidity on the table . . . has been a success. But the big question now is the next step. It's not enough to just freeze the economy'

> 'Sometimes you need someone with a big stick . . . who is able to say "Do you want to piss off the French state? Yes or no?"'

The negotiations dragged on for months before CIRI brokered a complicated solution in which Steinhoff agreed to sell Conforama France to BUT's parent Mobilux. Mobilux would in turn inject €200m in capital and €50m in loans into the business, unlocking €300m in state-backed loans.

Mr Margueritte defends CIRI's approach. "We're here to advocate for the best solution to protect jobs and economic activity. That can be either with an existing shareholder . . . or with a new one or another structure," he says. "There are no taboos."

Loans and lay-offs

CIRI was also involved in what was the most contentious PGE loan — Europcar.

The banks knew that concessions they granted the rental company would set a precedent, so they pushed hard for creditors to take losses. Two of France's biggest banks, Société Générale and BNP Paribas, warned Mr Margueritte that the PGE alone would not solve the company's problems. Europcar resisted and won the support of CIRI, which coaxed the banks to grant the €220m loan in May with few strings attached.

But over the summer it became clear that Europcar's business was worse off than Ms Parot had feared when she initially turned to the finance ministry. With tourists thin on the ground, the group quickly burnt through its PGE.

In September, it was forced into the debt restructuring talks it had hoped to avoid. Europcar agreed in late November to give up over 90 per cent of its equity to its creditors in exchange for them wiping out money they were owed and injecting cash.

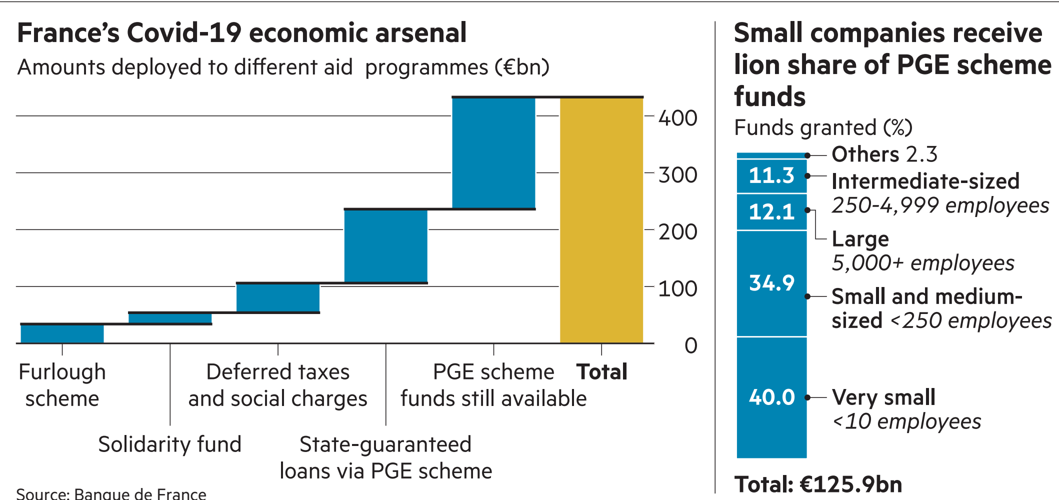
"We couldn't keep fighting two battles, the pandemic and the restructuring, at the same time," says Ms Parot, adding that Europcar could now start to rebuild its business.

Nevertheless, Europcar faces more difficult times ahead and may have to close outlets and lay off staff.

That threat hangs above many French companies, especially small ones hard hit by the second lockdown. Shops were allowed to reopen on November 28, but bars and restaurants will have to wait until January 20 to know their fates.

David Marciano, the owner of La Piscine bar in northern Paris, worries that people will party over the holidays and further delay his reopening. "I am scared there will be a third wave," he says.

His unspent €100,000 PGE is waiting in reserve. Mr Marciano is sure of one thing: he will not be taking on any more debt. "I'm not going to pile PGE on top of PGE. This money isn't a gift."



FINANCIAL TIMES
'Without fear and without favour'
FRIDAY 11 DECEMBER 2020

ECB prepares for next stage of virus support

Monetary stimulus is necessary but cannot do all the work

Viable vaccines have injected optimism into financial markets, shifting discussions among many economists from how to cope with a crisis to how to support the recovery. The European Central Bank's decision to beef up its stimulus policies yesterday provided a reminder that, while the worst possible economic outcomes may have become less likely, it will be a long road back to even the "new normal".

Increasing monetary stimulus at this point is sensible. A second wave of coronavirus infections in the eurozone, already among the world's worst-affected regions, has hit growth and employment. The reinstatement of lockdowns risks a double-dip recession in the currency bloc.

This is why the central bank announced a €500bn increase in the size of its main quantitative easing programme as well as extending the duration of its main crisis-fighting tools by nine months. It also announced a further three targeted long-term refinancing operations, as it calls its subsidies designed to encourage further bank lending. The central bank's objective is to "preserve favourable financing conditions for all sectors", said president Christine Lagarde in yesterday's press conference.

The central bank sensibly laid the groundwork for more long-term support to the economy, too. The eventual rollout of vaccines will provide the most effective economic relief measures but until that point the currency bloc will continue to need monetary support; the ECB's forecasts for growth in 2020 were increased, but those for 2021 were revised down.

Ms Lagarde justified the nine-month extension to the stimulus programmes by the expectation that "we will have reached sufficient herd immunity to hope that by the end of 2021 the economy will function under more normal circumstances". Analysts, however, interpreted the additional stimulus as a commitment to more long-term support and an admission that extraordinary policy could be needed for years. The ECB forecasts that inflation in 2023 will still be below its 2 per cent target.

The ECB cannot shoulder the entire burden of supporting the eurozone recovery. Market moves have already lessened the effectiveness of existing schemes: the euro is trading at its highest level against the dollar for more than two years — a development the central bank said it was "very carefully" monitoring.

This appreciation makes the bloc's exports less competitive and imports deflationary pressure. The latest figures show that prices are already falling in the eurozone: in November they were 0.3 per cent lower compared with the previous year. This was the fourth consecutive month of prices falling in the currency bloc.

Increasing asset purchases through its quantitative easing programme will have only a small impact on the real economy, given how low borrowing rates already are: Spain issued a 10-year bond with a negative interest rate for the first time ahead of the ECB's policy announcement. This may be why the ECB has become far bolder in its use of targeted long-term refinancing operations that pay banks if they lend more to the real economy.

Ultimately fiscal policy and a compromise on the €1.82tn EU-wide pandemic recovery fund will be more helpful for supporting the eventual recovery than any further marginal changes to already low interest rates. Either way the politicians in Brussels, however, can be reassured that the ECB will continue to do its part.

Standing on the edge of the Brexit precipice

A no-deal outcome will hurt Britain more than the EU

The Brexit clock is ticking towards midnight. Three weeks before the UK's transition period ends, the mood in talks on a future EU trade deal is bleak. A no-deal outcome, on top of a pandemic that has taken a grim toll of lives and livelihoods, would be a failure of statecraft with grave economic consequences. The harm would be worse for Britain, given the proportion of its trade that goes to the EU, but EU members would be damaged, too. Any last chance of a deal will depend on a preparedness by both sides not just to compromise, but to understand each other better.

London and Brussels have consistently underestimated the strength of the other's core concerns. Prime minister Boris Johnson sees the 2016 Leave vote as about sovereignty above all — the expression of an urge for the UK once again to be master of its own destiny and shape its own rules. The economic cost of failing to secure a deal is, for him, a secondary consideration. For the EU, safeguarding its 450m-strong single market, which depends on adherence to strict regulations to function, is paramount.

Mr Johnson opted for a minimalist, "Canada-style" deal in large part because it seemed to promise the UK maximum sovereignty. But the comparison is misleading. The UK argues that, since it is only asking for the same as Canada, it should not have to accept more onerous safeguards. That ignores Britain's proximity and vastly greater volume of trade with the EU compared with Canada's — requiring tougher controls to ensure the UK cannot become an unfair competitor.

Thin as it is, moreover, the deal the UK is pursuing goes further than Canada's by including zero tariffs and quotas on all goods — especially agriculture and fish — other trade facilitation measures, and some services. Mr Johnson missed an opportunity here. He could have used the argument that Britain was in fact seeking a "Canada-plus" agreement to justify concessions on the need to accept EU rules.

The EU may give ground on fisheries, giving Mr Johnson cover to shift elsewhere. But Ursula von der Leyen, European Commission president, made clear over dinner on Wednesday what negotiators have said for months: the 27-nation bloc will not do a deal without robust level playing field arrangements. That does not necessarily mean entirely dynamic alignment with EU market rules, forcing the UK to mirror every change. But it does mean going beyond British commitments simply not to roll back rules, and accepting an evolving agreement that ensures free and fair competition over time.

Securing an agreement will require some concessions from the EU; the French and the Dutch have, at the last moment, tightened the level playing field demands. But the UK is the weaker party.

As with the withdrawal agreement a year ago, Mr Johnson will have to find ways to make the bigger compromise while selling the deal as a triumph of hardball negotiation. As with the Northern Ireland border last year, a solution might involve arrangements allowing him to claim formal, de jure, sovereignty while conceding, de facto, much of what the EU demands.

Time is desperately short to find a solution. But if there is even the slimmest chance of a deal, talks should continue beyond the Sunday "deadline" that has now been set and Mr Johnson should engage with European heads of state including France's Emmanuel Macron and Germany's Angela Merkel. The health of the post-virus recovery, and hundreds of thousands of jobs in the UK and in the EU, are now hanging in the balance.

Letters

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Rules must change on pursuit of quick profits

To Martin Wolf's well-targeted criticism of Milton Friedman (Opinion, December 9) should be added the important distinction between pursuit of long-term and of short-term profits.

Even long-term profit-seeking by corporations can have socially adverse effects, as Mr Wolf explains, but short-term profit-seeking is much more likely to do so. The collapse of Arcadia and Debenhams illustrates how pursuing near-term gains for current owners by borrowing not to invest but to pay dividends creates long-term risks for workers, customers and government — and potentially for future owners — that current owners are able to ignore.

The business corporation has been a greater force for social good in countries like Germany and Japan where it is harder to buy and sell companies like commodities than is the case in the UK and US.

The corporation was also a greater force for social good in the UK and the US in the long period of "managerial capitalism" that succumbed in the 1980s to the shareholder (and stock-option) value-maximisation revolution.

The rules of the game, that Messrs Friedman and Wolf both mention, need to be changed in the UK and the US in ways that force company owners to recognise, and base their decisions on, the long-term consequences of their short-term actions.

Adrian Wood
Emeritus Professor of International Development, University of Oxford, Oxford, UK

Leave boardrooms free to do what they do best

The arguments Martin Wolf presents ("Milton Friedman was wrong on the corporation", Opinion, December 9) are simply irrelevant to the bold claims made by the article's title. Friedman's theory back in the 1970s was simply that the responsibility of businesses is to increase their profits so long as they stay within the "rules of the game".

Even if Mr Wolf's criticisms were correct — and they are not — his arguments have nothing to do with Friedman's hypothesis. If the rules of the game are inefficient, as Mr Wolf claims, then fixing these rules is perfectly consistent with Friedman's position.

Mr Wolf would need to explain why imposing vague and unaccountable benchmarks will not imperil the primary social responsibility of businesses to provide the goods and services people want in the manner they want them produced.

There is also a troubling logical inconsistency that undermines his position further. The column accuses corporations of undue political influence, which is allegedly undermining democracy.

If this is a problem, then wouldn't giving corporate boardrooms the authority to determine important social policies, such as the right global climate change policies, make this situation worse?

Wayne Winegarden
Senior Fellow, Business and Economics Pacific Research Institute Pasadena, CA, US

Antipathy to Friedman is fuelling ethical investment

Martin Wolf ("What can the world learn from Covid?", Opinion, November 25) demonstrated in a few hundred words why we must "reject the false choice between human life and economics" to misquote Barack Obama.

This week he explained why it was wrong to hold up profits as the only legitimate goal of corporations (Opinion, December 9).

It is true to say Milton Friedman's ideas have been under attack for quite a while, and one result has been the movement towards ethical investment. Ironically, the market mechanism can be one tool to foster moral leadership, but there is a long way to go.

Moral strength has rarely, if ever, been a feature of the battles over corporate leadership.

It is time for investors (and others) to change that!

Peter Hulsroj
Hornbaek, Denmark

Social infrastructure is also vital to recovery plan

UK chancellor Rishi Sunak plans to set up a national infrastructure bank to "channel billions of pounds into capital projects" (Report, November 21).

We write to urge the chancellor to broaden his vision. The regeneration of Britain's "national infrastructure" must include investment in "social infrastructure" such as childcare, schools and universities, regional theatres, orchestras, common spaces and local sports.

The pandemic has shown these economic activities are just as vital to society and the economy as the physical infrastructure of asphalt roads, green energy and safe bridges. And research demonstrates that investment in care has multiplier effects many times those of investing in construction, while generating far fewer greenhouse gas emissions. Furthermore, these investments can be kickstarted in less time than construction projects.

Under-investment in social infrastructure before the pandemic was a false economy; it would be even more so as we move into the recovery phase. Channelling money into Britain's social infrastructure and especially into its care, education, arts and training sectors would create jobs, generate income for workers, the Treasury, and the wider economy, and contribute to a more robust and sustainable economy.

Patrick Allen,
Chair
Danny Dorling
Susan Himmelweit
Ann Pettifor
Robert Skidelsky
Council Members of the Progressive Economy Forum London NW1, UK

Retail crisis hits councils and pension funds too

Interesting as the Big Read by Jonathan Eley and George Hammond was, describing the accelerating problems in the bricks-and-mortar segment of the retail sector ("Can the UK high street survive the retail crisis?", December 5), I feel that there were two rather large elephants in the room not being mentioned.

Melanie Leech is quoted as pointing out that any lowering of rents could place mortgages in jeopardy and leave vast acreages of retail property in the hands of the banks. This would have two major implications which I do not believe the FT has covered to any extent.

First, non-domestic rates are mostly based on the rental values of properties. So, if those rents drop, the taxation income available to local authorities from NDR will also drop.

Some councils were so ill-advised as to participate during the boom in tax increment financing (TIF), which allows local authorities to fund infrastructure by borrowing against future tax revenues generated by businesses in their area. They will now find that they are having to repay those costs with their tax bases decreasing not incrementally increasing.

Second, many pension funds, large and small, are directly or indirectly invested in both retail and other commercial properties.

If those values diminish as seems pretty well inevitable, then the pension funds could find some elephant-sized holes in their assets.

Nina Baker
Glasgow, Scotland

An old hand's maxim on fusion still holds good

On the recurrent topic of fusion ("Sites sought for Step change in energy supply", Report, December 3) I recall a comment from a speech made by the late Sir Walter Marshall in the 1980s when he was chairman of the Central Electricity Generating Board.

"There will come a time when we get as much energy from a fusion reactor as we put in. Then there will come a time when we get more energy out than we put in.

"However, there will never come a time when we get as much money out as we have put in."

Sounds about right, after all we are already using a free and existing fusion reactor. It's called the sun and is the power source behind all renewables (and actually for fossil fuels too). Not a bad deal really.

Dennis Jones
West Lulworth, Dorset, UK

On the farm, antibiotic resistance is working well

The "FT Health: Future of Antibiotics" Special Report (FT.com, December 2) provides useful insights into the troubling problem of antibiotic resistance. Two areas deserve more attention — where resistant bacteria is transferred and which approaches are working.

Most studies show that antimicrobial resistance transfer overwhelmingly happens in healthcare settings — hospitals, GP practices, etc. For example, the European Centre for Disease Prevention and Control wrote that "75 per cent of disease linked to resistant bacteria is due to healthcare-associated infections".

We need significantly more research into how bacteria transfers in healthcare settings and more concerted action in the healthcare sector to prevent this.

An example of success lies in the agricultural sector, which is outperforming other sectors in terms of responsible antibiotic use. In the US and the EU, authorities report reductions in antibiotic use in livestock of 34 per cent and 38 per cent since 2011 and 2015. These reductions reflect a move from treatment of disease to disease prevention, as evidenced by increasing animal vaccination rates and better on-farm biosecurity. This successful preventive approach should serve as an example to other sectors.

Carel du Marchie Sarvaas
Executive Director, HealthforAnimals Brussels, Belgium

Goodbye to high-density open-plan offices

Pilita Clark is absolutely right to suggest in "Here's what the office of 2021 should look like" (Opinion, December 7) that post-Covid, we have the opportunity to transform the workplace environment. Given that where, what and how we work has changed dramatically in the past nine months, we can rethink the purpose of the physical office and redesign it accordingly.

As workplace designers, we know that if hybrid working is to become the new norm for many people, the workplace has to be better than home: there has to be a positive pull.

If as Ms Clark predicts, a major reason to go into an office is to meet colleagues, then it can become a focus for social connections and collaboration. And with this, the way we measure the value of space becomes more holistic, encompassing employee wellness and happiness. As a result of moving on from the more traditional metric of space per person, we will see a more flexible approach to layouts and a reversal of the pre-Covid trend towards high-density open-plan desking. The watchword is to be nimble — in planning and responding to changing circumstances.

As Ms Clark acknowledges, there will be a myriad of possibilities, different for everyone and every business.

Racheal Cadey
Founder and Principal Edge Architecture & Design London SE1, UK

Correction

● Hydrogen is not an inert gas as incorrectly stated in an article on December 9.

We owe a debt to a reformer French president

Notebook
by Anne-Sylvaine Chassany

One of the stories often told in my family is that I was kissed, as a toddler, by Valéry Giscard d'Estaing.

"Giscard", who died last week aged 94, allegedly blessed me with his presidential touch on June 9, 1978, when he visited my Corsican maternal village. Four years into his first term as French president the 52-year-old was touring the island where an emerging local nationalist movement was targeting the state properties and villas built by continentals on its pristine coastline with explosives. An outdoor banquet for 250 guests was held under the plane trees. My mother, a councillor, was able to chat with the president, who showed an interest in her work. She held me in her arms and the rest was history.

I never took any pride in this anecdote however. Those of us born under "VGE" did not think much of him. In the schoolyard we would mock his pompous air and imitate his slow elocution by turning the "s" into "ch" — *Bonchoir Madame, Bonchoir Mademoiselle, Bonchoir Monchieur*. We were more the children of his successor, François Mitterrand. One of my earliest political memories is a friend chanting *"Tonton, Tonton"* (Mitterrand's nickname).

In the decades following his defeat by his Socialist opponent in 1981, Giscard stayed in the background of French political life, unappreciated. In 2005 he re-emerged to lead the campaign for a European constitution, only for it to be rejected by his own countrymen in a referendum. A survey in 2014 showed that while most French people had a positive opinion of the veteran politician, only 8 per cent said he had been a good president — compared with 36 per cent for Charles de Gaulle and 27 per cent for Mitterrand. (His life-long centre right rival, Jacques Chirac, fared the same.)

His death has been an unusually low key affair for a president: there was a national day of mourning on Wednesday, but for the first time under the fifth Republic, no national ceremony. He did not want any and was buried privately.

In retrospect we have been ungrateful. Giscard's social reforms, after student-led protests of May 1968, freed French society from the shackles of Gaullism. No other president would affect our lives as he did.

Thanks to him, I was able to vote at 18, not 21. We learnt to take free contraception for granted. A law decriminalising abortion (defended in parliament by his formidable health minister Simone Veil) meant that my friend could terminate an unwanted pregnancy without risking her life. His reform reinstating divorce by mutual consent — a provision voted for during the Revolution before being removed — liberated many unhappy couples, including my own parents. Rape was criminalised during his mandate.

Another member of the VGE cohort, current president Emmanuel Macron seemed to acknowledge as much last week. He belonged to a generation that "has not always appreciated the extent to which Valéry Giscard d'Estaing had, for them, changed France," Mr Macron said.

The forgotten legacy of VGE has been a cautionary tale for all the presidents who followed, but perhaps most for the current occupier of the Elysée Palace. Since his spectacular political ascent, Mr Macron has been dubbed the new Giscard for his youth — VGE was elected at the age of 48, Macron at 39 — and because he too ran on a centrist platform. The two graduates of Ena — the elite school for grooming technocrats — launched blitz campaigns with small liberal parties, promising to shake the old world up. Mr Macron also put the EU at the heart of his mandate.

In recent days, parallels have again been drawn between the two men. There is indeed a sense of déjà vu: at the end of his term, as France confronted mounting economic difficulties, Giscard retrenched in the Elysée. His technocratic style began to feel irksome. His centrism became tinged with centre-right conservatism.

Terror attacks prompted him to pass legislation to boost police powers that was decried by the left as curtailing civil liberties. Eventually he grew disconnected from many young voters who then shunned him when he sought re-election. Sound familiar? Mr Macron might take comfort in the thought that history rarely repeats itself, or he could try to learn the lessons of the VGE era.

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Opinion

Like the financial crisis, the pandemic is a gift to populists

POLITICS
Philip Stephens

For a fleeting moment after the 2008 financial crisis, received wisdom held that the damage wrought by anything-goes financial capitalism presaged a reshaping of the market economy. The bankers would be reined in and the playing field remade to distribute more fairly the gains from technological innovation and globalisation.

These good intentions dissolved when central banks set the printing presses running in defence of the status quo. The enduring consequences of the crash turned out to be political. By exposing the inequalities of Washington consensus economics, the crash gathered up a ready army of supporters for populists of both the right and left to rail against elites. Government austerity programmes cut wages and suppressed welfare payments, compounding the grievances of society's left-behinds. The popular insurgencies feeding the UK's Brexit decision and Donald Trump's election as US president were scarcely coincidental.

Four years later, and nearly a year into the coronavirus pandemic, the skies suddenly seem to have brightened. Vaccines have brought into sight if not the elimination of Covid-19 then at least the capacity to bring it under control. It is perfectly possible to imagine that by mid-2021, at least in rich societies, life will have returned to something like normal. Economies will pick up, unemployment will start to fall and borders will reopen. To the extent that the virus persists, it will be manageable.

There have also been shards of light on the political front. Mr Trump's palpable disdain for the rule of law and other basic democratic values has been a gift to authoritarians everywhere. Democracy had been on the back foot, challenged even in the EU by rising illiberalism in formerly communist states. How to make the case for tolerant, open societies when the leader of the world's most powerful democracy cannot hide his admiration for Russia's Vladimir Putin?

The simple fact of Joe Biden's US election victory changes this calculus. The president-elect, with a long record of backing a rules-based international system, wants the world's liberal democracies to make common cause. There is a lot of rhetoric here, but it matters that

> Governments' reflex has been to cut spending programmes skewed towards the least well off

the autocrats have lost an ally in the White House and that the words about democracy are now on the right side of the argument.

The danger is that history may repeat itself. We are told that the damaging legacy of the Covid-19 pandemic, like that of the financial crash, will be economic, visible once more in mountains of government debt. Yet a narrow counting of the cost in dollars and euros risks obscuring once again the potentially higher political risks.

Trillions of dollars have been spent to soften the shock on output and employment of lockdowns. The UK alone has allocated £280bn to meet this cost. Tax revenues have shrunk. The vast majority of businesses have cut back investment. Even with most economies still in some form of lockdown, finance ministries across the world have started drawing up fiscal retrenchment programmes to restore sustainable budgets.

What's worrying is that, as happened in the aftermath of the crash, such plans envisage the cost of any post-Covid-19 austerity falling heavily on the least affluent — the people most hurt by the pandemic — through cuts in public spending.

The biggest victims of Covid-19 have been the low-paid, the unskilled and those in insecure jobs — a great number of them in hospitality industries and the so-called gig economy. Higher up, a large proportion of skilled employees have been able to adapt to remote working or been cushioned by government-financed furlough programmes. Many of the relatively affluent have seen their savings swell during lockdowns.

A sensible official response would see any budgetary tightening delayed until economies have clawed back fully the economic output lost to the pandemic. It would then ensure that, where retrenchment is needed, it comes in the form of broad-based increases in taxes for those on middle and high incomes. Instead, the finance ministry reflex has been to cut spending programmes that are skewed towards the least well off. In such cases, the left-behinds are asked to pay twice.

Nothing could be better calculated to give populism a second wind. The 2008 crash exposed the inequalities of laissez faire financial capitalism. Covid-19 has underlined the frightening precariousness of life near the bottom. If politicians are serious about rescuing democracy, they must start by restoring a measure of fairness to the operation of the market economy.

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Ask yourself if a Covid wealth tax is a good idea

ECONOMICS
Chris Giles

The repeated failure of wealth taxes around the world does not demonstrate they cannot work. Equally, the longevity and stability of such taxes in Switzerland does not prove they are a good idea. As such, it was welcome this week that a self-styled wealth tax commission in the UK examined the question afresh.

The non-government group concluded that an annual wealth tax was undesirable, being extremely expensive and difficult to levy, while also damaging incentives to save and giving a huge boost to the wholly unproductive industry of tax avoidance. Instead, it recommended a one-off "Covid recovery tax", which its opinion polling said was highly popular among British people and could collect large sums of money.

The commission is certainly correct in arguing that a one-off levy is more efficient than an ongoing wealth tax. People would not be able to avoid it by changing their savings behaviour, and the administrative burden would be lower. It would be the right tax to levy if the UK or any other country was facing a need to reduce public debts quickly in the face of high interest rates or an impending default. Yet none of this is relevant as a response to the Covid-19 crisis, where government borrowing has been easy and, at negative real interest rates, pays for itself.

Even if there was a need for one-off revenues, the evidence on a wealth tax's popularity is highly questionable, since

> Should the levy be aimed at (a) a rich young banker, or (b) an NHS consultant recovering from the virus?

it falls into the trap of the public always favouring those taxes which sound like charges that only other people pay.

To test your attitude to the proposed wealth tax, take the following quiz on who should pay more.

Should it be: (a) a rich young banker driving her new Lamborghini to and from her riverside penthouse; or (b) an NHS consultant convalescing after weeks on a ventilator having contracted Covid-19 trying to save lives?

How about: (a) the business owner whose motto is "you only live once" and plans for the government to look after him in retirement; or (b) the business owner who's horrified by the idea of reliance on the state for his pension or social care?

And finally: (a) the playboy Russian son of an oligarch with a rented home in Mayfair; or (b) a headteacher living in one of London's comfortable suburbs?

If your answers for who should pay more were mostly (b), the one-off wealth tax is a levy you should support. If they were mostly (a), such a tax is unlikely to work.

The NHS doctor would pay more because the present day value of his pension could easily exceed £2m, while the mortgage on the penthouse and the leased sports car ensures the banker pays nothing. In the second question, the wealth tax by definition puts a higher charge on the prudent person who spends tomorrow rather than today. And, third, a very rich young person living off an allowance in a rented home would not be deemed remotely wealthy by this tax.

If the politics of such a tax simply would not work, the economics is not much better. A one-off wealth tax might be difficult to avoid, but this efficiency gain comes with the fundamental equity problem that it does not levy a charge on lifetime wealth. That leaves one generation — those close to retirement age — bearing most of the burden.

An annual wealth tax has the opposite problem. It is more equitable, but has huge administrative costs that undermine its efficiency and legitimacy unless levied at extremely low rates.

But most of all, a wealth tax is unnecessary. Sensible income, expenditure, property and inheritance taxation can raise the revenues required to repair any holes in the public finances and redistribute income and wealth as society demands. The answer to the difficulty of tax reform is not dreaming up new taxes.

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The clear, yet overlooked, risk of a tech crash

TECHNOLOGY
John Thornhill

Technology has been an indispensable tool in our response to the Covid-19 pandemic and the consequent economic slump. Doctors have adopted telemedicine. School children have been taught in digital classrooms. Billions of us have communicated, shopped, worked and been entertained mostly online.

But unless we are careful, our increased reliance on technology may magnify, rather than minimise, the next global crisis. Just like the Covid-19 pandemic, that risk falls into the category of entirely foreseeable, yet largely unforeseen. We know how this story could play out even if we have not yet read the script.

Our ubiquitous use of technology has already outstripped our ability to manage it safely. Unless we upgrade our security, governance and regulatory regimes, we will remain worryingly vulnerable to the crippling of critical infrastructure, either by malicious design or by default. Call it a tech crash.

The events this week at FireEye signal the inherent risks. The US cyber security company's job is to protect its clients from hackers, but it was itself hacked. FireEye pointed the finger at a state-sponsored attacker "who primarily sought information related to certain government customers".

Alarmingly, the hackers stole the tools used by FireEye's "red team" which hacks into its clients' systems to highlight their own vulnerabilities. The company is now scrambling to deploy countermeasures.

Cyber weapons have already become an accepted part of many states' armouries given their cheapness, effectiveness and deniability. Their use has been examined in a chilling, new HBO documentary, *The Perfect Weapon*, based on a book by David Sanger.

The film highlights how the US and Israel were the first to realise the power of cyber weapons, unleashing the Stuxnet malware against Iran to degrade its nuclear weapons programme in 2007. "Stuxnet was the first time a major state used a powerful cyber weapon in an aggressive way," Amy Zegart, the co-director of the Centre for International Security and Co-operation at Stanford University, says in the film.

But that successful attack opened a Pandora's box of troubles that may now be impossible to slam shut. The Iranians, North Koreans, Russians and Chinese rapidly concluded that cyber war was an asymmetrical game against a country as big, open and digitally exposed as the US.

In 2014 there was a damaging Iranian cyber attack on the casino empire of Sheldon Adelson, the American tycoon who had openly called for a nuclear bomb to be dropped on Iran. North Korean hackers then inflicted serious damage on Sony Pictures in anger at the release of a film mocking the dictator Kim Jong Un. They later released the WannaCry ransomware, exploiting flaws in Microsoft software to hit more than 155 countries.

Russians have launched cyber attacks against Ukraine, incapacitating electricity grids, subway systems and airports. They also hacked the Democratic National Committee during the 2016 US presidential election campaign and released stolen emails to WikiLeaks.

Chinese hackers have cracked open the US Office of Personnel Management accessing nearly 22m files. According to experts quoted in the film, they have also been attempting to hack into Covid-19 vaccine programmes and have been deliberately feeding an "infodemic" of disinformation about the pandemic in the US.

> We should worry about the internet's systemic instability. Its governance is unnervingly flimsy

Given all this, it is little wonder that US defence officials have for years been warning about the dangers of a "cyber Pearl Harbor" that could take down critical infrastructure, even as they contemplate unleashing devastating cyber attacks of their own.

But it is not just state-on-state cyber conflict that is alarming. We should also worry about the internet's systemic instability, given its governance is unnervingly flimsy. Ingenious, short-term patches have stayed in place a remarkably long time while long-term fixes have never materialised.

Satya Nadella, Microsoft's chief executive, argues that societal trust in technology has been degrading because of growing concerns about cyber security, privacy, internet safety and the ethical use of artificial intelligence. "Given the inevitability of tech playing a much more central role, we need to build more trust," he said this week.

Corporate engineering teams should take more responsibility for developing systems to ensure security and reinforce trust, Mr Nadella said. But we also need new regulations and institutions.

Our governance structures remain stuck in the analogue age. We either need to reimagine their scope or invent new ones. We could start with a World Data Organisation to agree protections for personal data and secure international data flows. The digital equivalent of a US Food and Drug Administration might be charged with preapproving algorithms used in sensitive areas, such as healthcare and the judicial system. And a Digital Geneva Convention could establish the limits of cyber war.

William Gibson, the science-fiction writer who coined the term cyber space, told me earlier this year that we may be the last generation to draw any distinction between our offline and online worlds. He is doubtless right. It is time we governed our physical and virtual worlds as one.

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Airbnb's red-hot IPO may bring it problems too

COMPANIES
Elaine Moore

Airbnb's comeback from near-distressed company to red hot initial public offering is one of the most extraordinary tech stories of the year. For investors, the San Francisco travel platform is now a way to bet on the world returning to normal after the pandemic. But there is a problem that even a vaccine cannot solve. The bigger Airbnb grows, the more unhappy many key external groups become.

In fact, Airbnb is a perfect example of the conundrum faced by all businesses whose success imposes burdens on the wider community. Think of the neighbours who live beside popular Airbnb rental properties and complain about the noise of wheelie suitcases trundling back and forth. Or the small guesthouses and B&Bs that must compete with Airbnb prices while complying with regulations the tech company can sidestep. Or city regulators that accuse Airbnb of pricing out local homebuyers in favour of holiday lets.

Asking for forgiveness instead of permission, or neither, is standard for an ambitious start-up. But scrappy resourcefulness looks more sinister in a big business. As Airbnb completes its initial public offering — the buzziest in a year of big deals — these third-party tussles should not be ignored.

Some fights have been very close to home. Airbnb's distinctive headquarters is modelled on a number of the platform's popular listings, meaning it is full of the quirky wallpaper and cosy furnishings that make up the quintessential Airbnb aesthetic.

But the design, intended as flattery, came off as creepy to some of its own hosts. A French couple were so unhappy that a multibillion-dollar tech company's HQ contained a replica of their home that they told BuzzFeed they felt as though Airbnb was "branding their company with our life". Airbnb no longer copies homes without their owners' say-so.

The IPO is Airbnb's chance to define itself more positively. Like many tech companies, it combines a cute origin story with gargantuan growth. What began as two renters offering space on an airbed has become the world's fourth largest accommodation business, by rooms booked per night. It claims its potential market is worth $3.4tn.

> Scrappy resourcefulness looks more sinister in a big business than in a start-up

The listing documents make it clear that Airbnb is marketing itself as a socially responsible company. It devotes large chunks of text to the work that it does to "serve the communities in which we operate".

Such virtue signalling is important. When rideshare company Uber went public it was fighting multiple regulatory fires, which weighed on the share price. Airbnb's policy team, led by Bill Clinton's former political adviser Chris Lehane, has tried to smooth such problems ahead of the listing. As of October 2019, 70 per cent of the 200 biggest cities that the company operates in were regulated in some form.

Regulation can hamper growth. Listings in San Francisco halved after changes were made in 2018. But it can also offer reassurance to hosts and guests. Airbnb would have had a more difficult time recovering from the early days of the pandemic if it had fewer deals in place with cities.

So why is Airbnb still losing money? In the first nine months of 2020 it reported a net loss of $697m on revenue of $2.5bn. As a platform, it should not be particularly expensive to run: it has no flying car unit to fund, for example. Yes, lockdowns battered the travel sector: Airbnb's $31bn valuation was knocked down to $18bn, and in May it laid off 25 per cent of its workforce. Yet even before the pandemic it made a loss.

The crisis seems to have imposed greater discipline. In addition, the speed of recovery has been remarkable. Sharp cost cuts and a rise in domestic bookings meant that by the third quarter, Airbnb recorded an unexpected profit. Analysts at equity research house Redburn believe that it could soon beat Marriott and Expedia to become the second biggest accommodation business behind Booking.com.

Investors will probably focus on this growth, not recurring losses. But costs will rise again if Airbnb starts promoting ancillary business lines again. Then there is Jony Ive, Apple's former chief design officer turned Airbnb collaborator. His services, as yet undisclosed, will not be cheap.

This does not mean the stock will be a dud. Airbnb is a truly disruptive company that has unlocked extra income for homeowners and democratised holiday accommodation. But the float signals that Airbnb is a maturing tech platform, with all the scaled network advantages that confers. Social consent for its activities is about to become as conditional as it is for the rest of Big Tech.

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Airbnb: up, up and away

Airbnb has capped a wild year with a smash hit market debut. The home rental pioneer's stock opened at $146 on its first day of trading on the Nasdaq. This is over twice the initial public offering price of $68 per share and far above the original range of $44-$50 per share that was set by the company last week.

At $146 per share, Airbnb's implied market capitalisation of more than $87bn makes it more valuable than leading online travel website Booking.com. This is quite a feat considering Booking.com pulled in three times more revenue and made a hefty $4.86bn in net profits last year, against Airbnb's $674m in net losses.

Travel trends are on Airbnb's side. The lengthy rollout of Covid-19 vaccines means that, in the short term, travel will continue to be marked by limited mobility.

Persistent wariness over crowded hotels and planes will benefit home-rental websites like Airbnb. So will the company's exposure to holidaymakers rather than to business travellers. Its geographical spread — none of its top 10 cities made up more than 2.5 per cent of revenues or 1.5 per cent of listings — is another plus.

Once people can travel freely, pent-up demand for trips could give the company a further boost. Just as well. To satisfy investors it will need growth, and lots of it. Yet, even if Airbnb can return to its pre-pandemic revenue growth rate of about 30 per cent a year, it will take seven years to reach the size of Booking.com. The latter also has an ebitda margin of around 40 per cent. It has already arrived at the destination that Airbnb is travelling towards.

Frothy valuations in tech stocks are all the rage. Tesla's valuation topped $600bn this week, making it six times bigger than General Motors and Ford Motor combined.

DoorDash, the lossmaking food delivery company, hit a market capitalisation of $60bn after the share price popped 85 per cent on its trading debut on Wednesday.

Compared to fellow newly listed stock DoorDash, Airbnb has a proven path to profitability as long as management continue to keep a lid on costs. Yet, for Airbnb to justify its lofty valuation it will need more than fiscal discipline. It needs outlandish growth.

The frenzied debut suggests that investors looking for a bargain should stay at home.

UK bank payouts: happy Brexitmas

It's not quite a case of "Happy Christmas, war is over". But the decision of the Prudential Regulation Authority to allow UK banks to pay out to shareholders for 2020 shows that financial normality is slowly returning. The decision also implicitly asserts an important social contract: when private investors finance a quasi-public utility like banking, it is reasonable to grant them a return.

The announcement was supposedly timed to help boards wrestling with end-of-year capital planning. But it was also a small fillip for the City less than two working days before a no-deal Brexit could become an inevitability. Bankers and investors will still moan that the PRA's so-called "guide rails" for payouts are too restrictive.

Banks will be permitted to pay shareholders up to 25 per cent of two years' profits, defined minutely to narrow loopholes that bankers would otherwise exploit. Equally, lenders can offer up to 20 basis points of risk-weighted assets. The latter stricture could well function as an upper limit for most lenders.

A bank with profits of £1bn and RWAs of £300bn could therefore pay out £250m or £600m. Consider, instead, NatWest Group, a state-controlled lender that is awash with capital that it cannot currently reduce. Its common equity tier one ratio is a heady 18.2 per cent of RWAs. Its target range is 13-14 per cent.

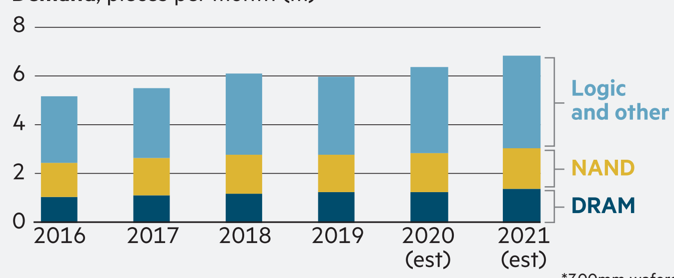
NatWest would be permitted to pay out up to £350m to shareholders for the pandemic year, according to Lex sums. Compare that with a distribution of just over £1bn for 2019. The disparity would be even bigger for a bank that was in better shape last year, notably HSBC.

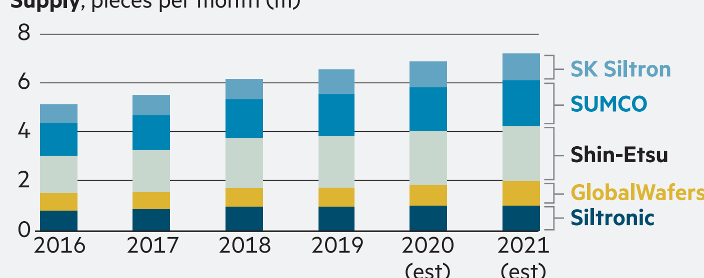
It is sensible to return lenders to greater control of their capital in stages. The transparency of the formula also reduces the danger that the regulator may have to reject specific payout plans, implying that the lender is financially fragile. A very British compromise.

Siltronic/GlobalWafers: silicon rally

A planned takeover of Siltronic by GlobalWafers would create the second-largest manufacturer of silicon wafers. Oversupply has weighed on both profits and share prices in the industry. But rising demand is expected to trim excess capacity. Consolidation would help accelerate the process

Silicon wafer market*





FT graphic Source: UBS

Oversupply limits returns

Source: Refinitiv *300mm wafers

Spare a thought for unflashy silicon wafers. Without them electronic chips could not be manufactured. Wafer-maker shareholders tend to get overlooked too. Germany's Siltronic received confirmation of a takeover offer from Taiwan's GlobalWafers yesterday. The price reflects weak profits in an industry that is suffering overcapacity.

Siltronic shareholders should resist selling out too early. GlobalWafers is offering €125 per Siltronic share in cash — a 50 per cent premium to the past three month average. At about nine times expected ebitda it is in line with peer valuations. But it is well below the €160 that Siltronic shares traded at in 2018, when its operating margins peaked at 33 per cent. The next year the margin fell 10 percentage points. Overcapacity rose from about 1 per cent to about a tenth.

The pandemic has raised demand for chips as reliance on online technology grows. Share prices in manufacturers such as Qualcomm and TSMC have soared by half or more this year. But those of wafer makers like Siltronic trod water due to excess capacity. Deals would help. A Siltronic/GlobalWafers combination would become the second-biggest manufacturer.

Consolidation should close any capacity gap to below 5 per cent, thinks UBS. The faster the gap shrinks the sooner the next investment cycle will arrive. A focus on larger, more economical 450mm wafers should bolster profits. The potential is tantalising A larger GlobalWafers would reap the benefits of a tighter demand-supply balance. GlobalWafers has put on €2bn in value since the deal announcement. Siltronic's gain is just €400m. Even given different market values, that looks unbalanced. If Siltronic gets even halfway to analysts' estimated 2023 margins of 26 per cent (they are 16 per cent today) it merits a €150 price. The logic is sound — but achieving a higher price probably will not be easy. Any offer needs 65 per cent shareholder approval. Wacker Chemie holds about 30 per cent of Siltronic and has already committed to the tender. Siltronic shareholders could, and should, do better. But investors in GlobalWafers are more likely to prosper.

McLaren/supercars: fast money

For some supercar makers the highest octane fuel is cash. Just ask Britain's McLaren about money's combustibility when developing high-performance vehicles. The privately owned UK business, known for its Formula One racing team, needs to put up to £500m in the tank after the pandemic drained its resources. A listing via a special acquisition company is one option.

Once, McLaren hoped to catch up with rival Ferrari. Now just staying on the track would do nicely. McLaren's revenues have fallen 60 per cent this year to September, leaving it with large pre-tax losses of nearly £313m. This is multiples higher than last year.

The pandemic closed showrooms and kept people off the roads. While McLaren did manage an emergency loan of £150m in the summer, much of that is gone. Available cash was down to £78m at September. Capital spending has been cut by 38 per cent to £172m this year. For now, heavy investment in McLaren's new hybrid models has peaked.

Hopes for a vaccine-inspired recovery in luxury consumption is tempered with no-deal Brexit concerns. However, McLaren has more insulation than most carmakers. It depends most on North America and the UK (11 per cent of global registrations) for sales. The rest of Europe accounts for much less.

Other supercar makers are also struggling, but McLaren's problems stand out. Ferrari has so far only suffered a small dip in revenues this year. McLaren is also unusual in aiming to produce high-performance cars without a partnership with a large carmaker. Daimler has a one-fifth stake in Aston Martin, and an engine tie-up. Lotus has China's Geely, while Volkswagen backs Lamborghini.

An exclusive, independent business model may earn McLaren respect from its fans, who applaud Ferrari's exclusivity. To avoid becoming the plaything of a billionaire or a global carmaker, McLaren now needs to achieve more cash flow efficiency.

Facebook/FTC: burning platform

Only the paranoid survive, said Silicon Valley legend and Intel co-founder Andy Grove. Mark Zuckerberg may be the prototypical tech villain in 2020, but nearly a decade ago his company, Facebook — now accused by US regulators of snuffing out smaller challengers — felt like a vulnerable underdog itself.

"People love nice big photos," he wrote in a 2011 internal Facebook email. Problem was that Instagram, an upstart smartphone photo app, was wildly popular. Facebook "was getting its ass kicked", wrote another company executive in an email.

Mr Zuckerberg's company bought Instagram for $1bn. Partly because of that canny acquisition, its market capitalisation is now $800bn.

The US Federal Trade Commission and 46 state attorneys-general have alleged Facebook acquired Instagram and the messaging app WhatsApp to stifle competition and innovation. They also allege that the platform froze out competing apps from accessing its infrastructure.

Remedies which the authorities could consider include breaking up the company.

A competition inquiry might prompt action to diminish Facebook's influence and scale. But the dilemmas presented by Big Tech are complex. Antitrust enforcement against a single business is no silver bullet. In the early 2010s Facebook feared Google and Apple, far more established competitors, crushing it with their heft. At the same time it faced threats from upstarts such as Twitter and Instagram.

Facebook believes that its success has made it a target for grandstanding regulators. True, but irrelevant to the inquiry. A single company with such vast influence, even if legitimately gained, must be assessed for broader harmfulness.

Any paranoia Mr Zuckerberg may currently feel could be a little soothed by the necessary corollary: the whole of Big Tech should receive the same critical scrutiny.

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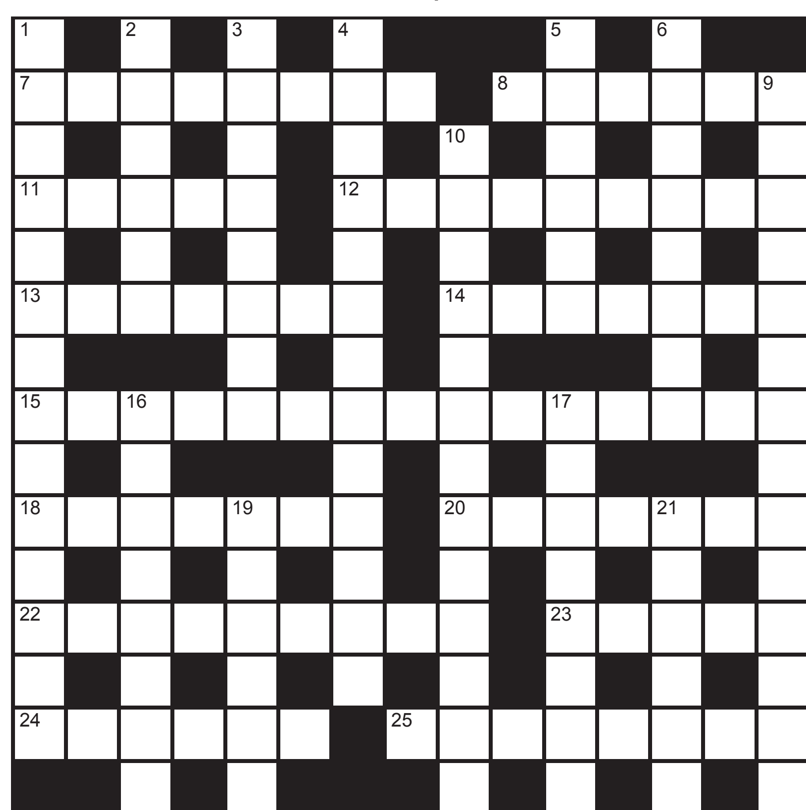

ACROSS

7 Touring group had so fallen apart in quarrel (4,4)
8 Occupant of No. 10 keeping repetitious performance for now (3,3)
11 Dance in African location given new ending (5)
12 Lacking information as one suffering power cut? (2,3,4)
13 A cop crossing street in danger? (2,5)
14 An ugly drunk outside hotel, a wild beast (7)
15 Absent-minded performance that results from a baddy getting needled? (3,6,6)
18 More insane knight, say, going around India (7)
20 Troublemaker meets fools – shortly there's deadlock (7)
22 Folk may naughtily process them for absent colleagues – scam tried out (9)
23 Old characters journey back to meet flood survivor (5)
24 Journalist about to face ordeal with hate being shown (6)
25 Not all islanders enjoy writer of fairy stories (8)

DOWN

1 Erratic don, past being able to change, wouldn't make decision (14)
2 Big buildings around eastern district of London (6)
3 Adventure ceased sadly with the old man locked up inside (8)
4 Van booked to visit out-of-town areas? (6,7)
5 Soldiers meeting fine author (6)
6 Street artist having what could be seen as item of summer wear (5-3)
9 Decide to have lipstick etc – and no turning up with casual denims! (4,2,4,4)
10 Desperate news noted as it is broadcast (2,4,4,3)
16 Judge has landed property – this writer's entertained (8)
17 Sanctions a very quiet ramble first thing on Sunday (8)
19 Boxed, so as to be safe (2,4)
21 Rock mostly split over time (6)

JOTTER PAD

Solution 16,656

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