FINANCIAL TIMES

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INTERNATIONAL NEWSPAPER OF THE YEAR

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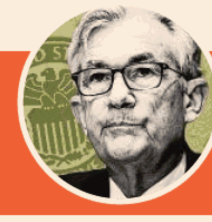
Defeating Erdoğan
Turkey's search for rival presidential candidate — BIG READ, PAGE 15

Speak up, Fed
Powell should be as direct as New Zealand's bank — GILLIAN TETT, PAGE 17



Yen again
Japan's currency is a cheap haven in uncertain times — MARKETS, PAGE 11

Covid recount
Estimate of deaths triples

A delivery worker rides a motorcycle through an empty crossroads in Shanghai yesterday. Covid-19 cases in the Chinese city, which is in its fifth week of strict lockdowns, have started to fall, suggesting that China's extreme steps to contain an outbreak are succeeding.

The World Health Organization yesterday tripled its estimation of the number of people who have died as a result of the coronavirus pandemic by the end of last year to nearly 15mn.

The WHO calculation is based on excess mortality, which demographers use to measure the real impact of the health crisis by comparing average death rates with those recorded during the pandemic.

Pandemic deaths page 4


Bloomberg

Musk enlists Ellison, Saudi prince and Binance to back Twitter bid

● Tesla chief raises $7.1bn ● Qatar fund contributes ● Share price rise defies Wall St trend

ARASH MASSOUDI, SCOTT CHIPOLINA AND JOSHUA OLIVER — LONDON
JAMES FONTANELLA-KHAN AND ANTOINE GARA — NEW YORK

Elon Musk has raised $7.14bn of funding for his $44bn buyout of Twitter from investors including Oracle co-founder Larry Ellison, crypto exchange Binance and asset management groups Fidelity, Brookfield and Sequoia Capital.

With the new financing, Musk will halve the margin loan he has taken with a group of lenders to $6.25bn and increase the equity portion to $27.25bn. The remainder of the purchase price will be paid with debt from global banks.

Binance chief executive Changpeng Zhao told the Financial Times his crypto exchange would offer Musk almost unconditional support for his takeover of Twitter, after a rapid deal that left the parties little time to discuss details. "It's more of a blank cheque," Zhao said after committing $500mn to Musk's bid.

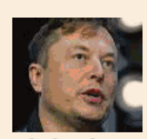
The Tesla chief has been engaged in a whirlwind effort to secure outside backing to join his bid for the social media platform, despite traditional private equity groups largely eschewing the transaction. The deal would transform Musk, a self-declared "free speech absolutist" with almost 91mn followers on the site, into a social media baron with control over how millions of people obtain news and information.

Saudi Prince Alwaleed Bin Talal Bin Abdulaziz Alsaud, already an investor in Twitter, will roll 35mn shares into the bid vehicle, which at the offer price equates to a $1.9bn stake.

"Great to connect with you my 'new' friend @elonmusk," the Saudi prince wrote on Twitter. "I believe you will be an excellent leader for @Twitter to propel & maximise its great potential."

Twitter shares rose more than 3 per cent yesterday, defying a US markets trend of falling stocks. Twitter stock has remained below the $54.20-per-share offer made by Musk, as investors have worried that he would not complete the deal. The entrepreneur would pay $1bn if he abandoned the transaction.

The biggest new backing for his purchase came from Ellison, who also sits on the board of electric-car maker Tesla, and is contributing $1bn. Venture capital business Sequoia is providing $800mn, and Dubai-based tech investment group Vy Capital $700mn.


Whirlwind effort: Elon Musk has attracted enthusiastic backing, including 'blank cheque' support from Binance

The QIA, Qatar's sovereign wealth fund, is contributing $375mn and marks the first government-backed investment in Musk's bid.

Zhao said Binance's investment came together in just over a week. "We, from our friends, heard that [Musk] was looking for third-party investors, and are we interested? We immediately said that we are," he said. "He didn't have a plan for Twitter. There isn't, like, a business plan. So it wasn't that type of discussion."

Musk also revealed that he was working to bring in additional equity investors, including billionaire Twitter co-founder Jack Dorsey, by giving existing shareholders an option to contribute their shares to the buyout.

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Briefing

▸ Japan PM links Ukraine to Taiwan safety
A resolute international response to Russia's invasion of Ukraine is key in deterring any Chinese aggression against Taiwan, Japan's prime minister Fumio Kishida said on a visit to London.— PAGE 2

▸ Shell reports record profit for quarter
Shell, Europe's largest energy company, has reported an all-time record quarterly profit of $9.1bn because of volatility in global energy markets following Moscow's attack on Ukraine.— PAGE 6

▸ AC Milan takeover battle looms

Former Goldman Sachs executive Gerry Cardinale's RedBird Capital Partners looks to have ignited a takeover battle by entering talks for Italian football club AC Milan.— PAGE 6

▸ Blow for German and French industry
Manufacturing orders in Germany and factory output in France fell more than expected in March, hit by the war in Ukraine, inflated commodity prices and China's Covid-19 lockdowns.— PAGE 2

▸ War hit pushes Swiss Re to loss
Reinsurer Swiss Re has reported a quarterly loss after accounting for an estimated $283mn initial hit from the war in Ukraine, including the confiscation or stranding of hundreds of aircraft.— PAGE 8

▸ Nordics nervous over Nato applications
Finland and Sweden are becoming increasingly nervous about aggressive moves from Moscow in the period between any application to join Nato and their final acceptance into the alliance.— PAGE 2

▸ Shopify stalls in ecommerce slowdown
Canadian software maker Shopify has reported its slowest ever growth rate as the slowdown in ecommerce from the pandemic-inspired boom ripples across the sector.— PAGE 6

Datawatch

Collective bargaining coverage
% of employees, 2019*

* Or latest available data
Source: International Labor Organization

More than a third of employees worldwide have their pay and conditions set by collective deals. It is above 75 per cent in much of Europe, but below 25 per cent in about half the countries for which data are available.

US business pressed to take sides on abortion

US corporations have long tried to stay out of the vehement debate over abortion law that divides the country. However, the leak of a draft Supreme Court ruling suggesting that justices will overturn the Roe vs Wade decision that guarantees women's reproductive rights nationwide will force many to take a position. Corporate America may fear the economic consequences of restrictions, but it is also wary of getting caught in the crossfire.

Caught in debate ▸ PAGE 9

BoE's recession warning feeds market jitters as S&P and Nasdaq reverse rally

FT REPORTERS

US markets yesterday reversed their powerful rally of the previous day after the Bank of England followed moves by the Federal Reserve to raise interest rates and warned of a British recession, feeding fears of a global contraction.

The tech-heavy Nasdaq tumbled 5 per cent by midday trading, marking its steepest fall since the peak of the pandemic in 2020, while the S&P 500 slid almost 4 per cent with every major sector in the red.

The S&P has fallen 13 per cent this year as prospects of higher borrowing costs and hot inflation have threatened corporate profits. The Nasdaq is down more than 20 per cent.

US government bonds also faced intense selling pressure, with the yield on 10-year Treasuries up to 3.1 per cent.

The sharp reversal from the previous session — when both US indices closed 3 per cent higher — comes as leading central banks withdraw crisis-era stimulus measures while concerns over global economic growth are mounting.

The BoE raised its main interest rate a quarter-point to 1 per cent yesterday, its highest since 2009. The increase came a day after the US Federal Reserve raised its rates by half a point — the first time it has done so in 22 years as the US also wrestles with soaring inflation.

Unlike the Fed, the BoE was not confident it could engineer a soft landing for the economy. Instead, gloomy BoE forecasts predicted the economy would contract 1 per cent in the fourth quarter. It warned that soaring energy bills were likely to push inflation to 10.2 per cent in the fourth quarter — the highest level in 40 years.

The bleak economic forecast took its toll on sterling, which was down more than 2 per cent against the dollar.

Andrew Bailey, BoE governor, said there would be a "very sharp slowdown" and he understood that higher energy prices and borrowing costs would hurt. "I recognise the hardship that this will cause," he said, blaming most of the pain on energy prices rather than higher borrowing costs.

Roger Lee, head of UK equity strategy at Investec, said the recession warning was "really the sum of all our fears" about the UK economy, adding: "Growth forecasts have been downgraded, inflation expectations have been upgraded and interest rates are still going up."

Reporting by Chris Giles, Adam Samson, Naomi Rovnick, George Steer and Ian Johnston in London and Eric Platt in New York

Fed aggression page 2

World Markets

STOCK MARKETS

	May 5	prev	%chg
S&P 500	4135.71	4300.17	-3.82
Nasdaq Composite	12310.63	12964.86	-5.05
Dow Jones Ind	32929.79	34061.06	-3.32
FTSEurofirst 300	1717.80	1728.56	-0.62
Euro Stoxx 50	3693.07	3724.99	-0.86
FTSE 100	7503.27	7493.45	0.13
FTSE All-Share	4145.57	4146.05	-0.01
CAC 40	6368.40	6395.68	-0.43
Xetra Dax	13902.52	13970.82	-0.49
Nikkei	26818.53	26847.90	-0.11
Hang Seng	20793.40	20869.52	-0.36
MSCI World $	2864.43	2809.82	1.94
MSCI EM $	1063.84	1069.24	-0.50
MSCI ACWI $	667.08	656.13	1.67
FT Wilshire 2500	5603.87	5443.59	2.94
FT Wilshire 5000	43762.55	42517.58	2.93

CURRENCIES

Pair	May 5	Prev	Pair	May 5	Prev
$ per €	1.053	1.055	€ per $	0.950	0.948
$ per £	1.237	1.250	£ per $	0.808	0.800
£ per €	0.851	0.844	€ per £	1.175	1.185
¥ per $	130.245	129.980	¥ per €	137.155	137.110
¥ per £	161.158	162.495	£ index	80.176	80.301
SFr per €	1.037	1.037	SFr per £	1.219	1.228

COMMODITIES

	May 5	prev	%chg
Oil WTI $	106.90	107.81	-0.84
Oil Brent $	109.57	110.14	-0.52
Gold $	1863.65	1869.70	-0.32

INTEREST RATES

	price	yield	chg
US Gov 10 yr	91.04	3.09	0.11
UK Gov 10 yr	120.81	1.96	0.00
Ger Gov 10 yr	91.01	1.05	0.08
Jpn Gov 10 yr	99.76	0.23	0.00
US Gov 30 yr	84.67	3.18	0.17
Ger Gov 2 yr	99.51	0.28	0.02

	price	prev	chg
Fed Funds Eff	0.20	0.08	0.12
US 3m Bills	0.89	0.91	-0.02
Euro Libor 3m	-0.58	-0.58	0.00
UK 3m	1.30	1.28	0.02

Prices are latest for edition — Data provided by Morningstar

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UK visit

Japan PM calls for resolve to deter Beijing

Kishida says allied unity on Ukraine needed to rein in threat to Taiwan

ROBERT WRIGHT — LONDON
DEMETRI SEVASTOPULO — WASHINGTON

Japanese prime minister Fumio Kishida has used a visit to London to stress the importance of a resolute international response to Russia's invasion of Ukraine in deterring potential future Chinese action against Taiwan.

Kishida issued the warning following a meeting with Boris Johnson, who yesterday also insisted there was a "direct read across" from recent events in Europe to East Asia.

The comments from the two prime ministers highlight international concerns about Chinese intentions towards Taiwan and come after talks in early March between UK and US officials over how best to deter any use of force against the island.

They will also fuel concerns in China that the war in Ukraine is promoting a more robust and united stance by US allies towards Beijing.

"Ukraine might be East Asia tomorrow," Kishida told a press conference at the end of his first trip to Europe since he took over as head of Japan's government in September. "We must show there are consequences to the attack, to violence by Russia."

A "resolute stance" on Ukraine would help ensure peace and stability in the Taiwan Strait, which was "fundamental to the stability of international society", he said. "We must collaborate and never tolerate any unilateral attempt to change borders by force in East Asia."

Analysts in the region say there is no indication big Chinese military action is imminent or planned in the near future against Taiwan, which Beijing considers part of its territory and has threatened to recover by force if necessary.

> 'We must collaborate and never tolerate any unilateral attempt to change borders by force'

However, the US is keen to boost co-operation with allies to raise awareness about what the administration regards as Beijing's increasingly assertive attitude towards the democratically governed island.

Japanese officials have over the past few years become more vocal in public about such concerns. Some have privately worried that Chinese president Xi Jinping may interpret US president Joe Biden's decision not to intervene directly in Ukraine as a signal Washington would not defend Taipei.

Admiral John Aquilino, the head of US Indo-Pacific Command, recently told the Financial Times the conflict in Ukraine should serve as a warning not to be complacent about the possibility of a Chinese attack on Taiwan.

Biden has been urging allies in Asia and Europe to take a strong stance against China over Taiwan. Last year, he convinced then Japanese prime minister Yoshihide Suga to include language about Taiwan in a joint statement — for the first time in five decades.

In comments to reporters at the start of his meeting with Kishida, Johnson said security in Europe was "indivisible" from the security of Asia and the Pacific.

"There is direct read across from the actions of autocratic, coercive powers in Europe to what may happen in East Asia," he said. "That's why we want to work more closely together."

Kishida said he would be making his points about the importance of a resolute response on Ukraine to Biden when the US president visits Tokyo as part of a trip to South Korea and Japan later this month.

US central bank. Inflation

Fed aggression fails to mask dovish undertones

Powell's comments after rate rise calm traders' fears over strength of future moves

COLBY SMITH — WASHINGTON

Federal Reserve: chair Jay Powell wavered little from his earlier optimism of achieving a 'soft or softish landing' Win McNamee/Getty Images

As Jay Powell tries to reframe how the Federal Reserve will tackle the highest US inflation in about 40 years, one of his most challenging tasks has been convincing investors of the central bank's commitment to doing so.

Having jettisoned an initially "patient" approach in favour of being "humble and nimble" about moving "steadily" towards tighter monetary policy settings, the Fed chair has embraced moving "expeditiously" towards "neutral" rates that will neither stoke demand nor constrain the economy.

Powell repeatedly invoked that message after Wednesday's rate-setting meeting, as he explained the Federal Open Market Committee's rationale for raising the federal funds rate by half a percentage point for the first time since 2000, to a new target range of 0.75 to 1 per cent.

But even as the Fed embraced a much more aggressive approach to tackling elevated inflation, investors detected dovish signals that suggested a less forceful central bank than financial markets had expected.

Heading into the meeting, the odds of the Fed delivering a 0.75 percentage point rate increase at a forthcoming meeting were creeping higher, as traders bet the Fed would keep all options on the table.

When asked about that possibility, Powell in effect ruled out such a big adjustment and instead signalled half-point rate rises at the next two meetings.

That sent US stocks soaring, with the S&P 500 and technology-heavy Nasdaq Composite both closing about 3 per cent higher. Government bonds also rallied, with the yield on the two-year Treasury note, which is particularly sensitive to central bank policy, dropping 0.13 percentage points to 2.64 per cent.

"Do I think that as Jay Powell entered the press conference that on his list of objectives was to ease financial conditions? I don't," said Nathan Sheets, global chief economist at Citigroup and a former under-secretary at the US Treasury. "I don't think if you were to compare it to other Fed meetings, or Fed rhetoric over time, that this was a dovish Fed, but when you compare it to some of the expectations of the market and some of the worries that were in the market, it was not as hawkish as some had feared."

The stock market rally ignited by scrapping the prospect of a larger rate rise undid some of the "good work" the Fed had accomplished in recent months, said Aneta Markowska, chief financial economist at Jefferies, as it guided financial markets to price in a much more hawkish policy path.

"Everything's rallying, but the more the markets celebrate, the more the Fed is actually going to have to lean against it," she warned.

Liz Ann Sonders, chief investment strategist at Charles Schwab, added that should it persist and "froth" return to the market, the Fed would have to go "a little bit harder" to tighten financial conditions. Powell also stopped short of acknowledging that interest rates would need to rise to a level that actively constrains economic activity in order to bring core inflation — running at an annual pace of 5.2 per cent, according to the central bank's preferred metric — back in line with its longstanding 2 per cent target.

Rather, he only admitted it was "certainly possible" rates would need to move above neutral in order to tame inflation but that the Fed "can't know that today". He added, however, that if warranted by the data, the Fed "will not hesitate" to do so.

"The reality is that they will have to go past neutral in order to slow the economy," said Seth Carpenter, who spent 15 years at the central bank but is now the global chief economist at Morgan Stanley. "The tricky part is slowing it that much, without slowing it so much that it tips over into a recession."

> 'The tricky part is slowing [the economy] that much, without slowing it so much that it tips over into a recession'

Complicating matters is what exactly the neutral rate is today, a level Powell admitted on Wednesday was "not something we can identify with any precision".

Fed officials broadly view neutral to be about 2 to 3 per cent, when inflation is at 2 per cent, but some economists argue it is much higher — potentially as much as 5 per cent — given the magnitude of price pressures.

Despite that challenge, Powell wavered little from his earlier optimism that the Fed can achieve a "soft or softish landing", not least because of the strength of household and corporate balance sheets as well as the historically tight labour market.

"It just seems like he painted this sort of fictional Goldilocks scenario that is going to somehow fix inflation without the Fed having to overshoot the neutral rate significantly or maybe not at all," Markowska said. "It doesn't really add up."

Gillian Tett see Opinion

Eurozone

Ukraine war and China lockdowns hit German and French output

MARTIN ARNOLD — FRANKFURT

German manufacturing orders and French factory output both fell more than expected in March, underlining how Russia's invasion of Ukraine, soaring commodity prices and Chinese coronavirus lockdowns are affecting the eurozone economy.

New orders for German industry fell 4.7 per cent in March, against the previous month, according to state office Destatis yesterday. The decline was bigger than the 1.1 per cent expected by economists, according to a Reuters poll.

The main driver was a 6.7 per cent fall in export orders for German manufacturers. Orders from outside the eurozone fell even more, dropping 13.7 per cent. Separate data showed real turnover in German manufacturing fell 5.9 per cent in March.

Production at several of Germany's biggest carmakers has been interrupted by a shortage of semiconductors and wiring harnesses made in Ukraine. Volkswagen said this week it had sold out of electric battery-powered cars in Europe and the US.

The overall decline in German industrial orders was modest compared with the 28 per cent monthly drop after the pandemic hit in April 2020, but followed disappointing retail sales figures published on Wednesday.

"These data aren't pretty," said Claus Vistesen at Pantheon Macroeconomics, predicting "a big fall in output" in the second quarter and "a near-standstill of economic activity in the second half of the year, if not a technical recession", defined as two consecutive quarters of negative growth.

Meanwhile, a 7.3 per cent fall in French car production dragged its overall factory output down 0.5 per cent in March. Expectations were for the figure to remain steady. The fall followed a downwardly revised 1.2 per cent drop in February, which took France back below pre-pandemic levels of industrial output.

Economists said China's lockdowns would increase supply chain issues and lead to lower export orders for European manufacturers in coming months.

"The restrictions in China [are] contributing to a further wave of bottleneck pressures in global supply chains and limiting domestic demand in a major region," European Central Bank chief economist Philip Lane said yesterday.

The latest S&P Global and Markit survey of eurozone purchasing managers on Wednesday found goods production activity increased marginally in April, the slowest rate for almost two years.

However, many manufacturers still have full order books after struggling to keep pace with demand during the pandemic due to supply bottlenecks.

"Companies do not yet have to worry about the recently weaker orders," said Marco Wagner at Commerzbank.

"The order backlog is still good. In the past one and-a-half years, companies have produced significantly less than would have been expected in view of the incoming orders," he added.

The latest EU business survey found German industry's order books had reached the equivalent of 4.5 months of production in the second quarter, the highest level recorded since 1985.

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Western alliance

Finland and Sweden fear vulnerable phase if they join Nato

RICHARD MILNE — OSLO
HENRY FOY — BRUSSELS

The Russian military plane that entered Sweden's airspace briefly last Friday was interpreted as an unsubtle warning as Swedes debated joining Nato alongside its neighbour Finland.

Russia has repeatedly warned of "serious military and political consequences that would require an adequate response" should the two Nordic nations apply for Nato membership, an increasingly likely prospect.

Joining Nato would mean Sweden and Finland were covered by the Article 5 collective defence commitment that ensures an attack on one member generates a response from the entire alliance. But what worries both countries is the period before they became official members, when no such guarantee would apply.

Much attention in Finland, the more advanced of the two Nordic countries in terms of preparation, has focused on how Nato and its 30 members could help it through a vulnerable period lasting months or even a year or more.

"Joining Nato would be a huge provocation," said one European diplomat.

Finns and Swedes are braced for any number of hybrid and cyber attacks from Russia, although few think a military confrontation is likely.

Their expectations of support from allies have also shifted in the months since Russia's invasion of Ukraine shook Europe's security order and forced both Nordic countries to rethink their non-aligned status. Talk was no longer about security guarantees but about assistance and vocal declarations of support once the applications were made from the likes of the US, UK and Nato itself.

"Everyone understands Article 5 guarantees are not on the table [but] that doesn't mean we can't improve regional security in other ways," said Henri Vanhanen, foreign policy adviser to the National Coalition party, Finland's main opposition. "There can be political declarations, information exchange, increased defence co-operation such as exercises in the Baltic Sea."

Finnish officials said they had been surprised not to have experienced more Russian mischief already, given Moscow would have to act quickly to be able to stop the Finns from applying to Nato.

Finland President Sauli Niinistö has promised an announcement by May 12, with expectations in Helsinki that an application would follow quickly. Russia has threatened to move nuclear weapons to its Baltic exclave of Kaliningrad, but Lithuania said Moscow might have done this already in 2018.

Allies: Swedish and Finnish tanks join a military exercise also involving 30,000 Nato troops in March

Robert Nurick, non-resident senior fellow at the Atlantic Council's Scowcroft Center for Strategy and Security, said possible security help for Sweden and Finland was a subject "very much on the mind of US government officials and the policy community".

"One of the main things will be what Sweden and Finland want, what they think they need, what they think will be useful without complicating their own internal debates," he said, adding that it would probably be a "balancing act" given Russia's warnings.

"One question will be: do we want to aggravate this?" he added.

Finnish officials said they wanted to avoid the impression they were sending Russia a message or punishing it, insisting their goal was to boost their own security. So a mixture of measures are likely, some to be announced, others kept hidden. Political declarations from the allies as well as Nato would be public. But, a Nato official added, other defence plans would remain secret.

Nato secretary-general Jens Stoltenberg said last week he expected processing the applications to "be quick" and the two countries could be formal invitees within two weeks, officials said.

But it would take far longer for all of Nato to sign off on the two new members. Ratifying North Macedonia, Nato's most recent addition, took nine months.

Anna Wieslander, the Atlantic Council's northern Europe director, said she would expect Nato and allies to hold exercises in the countries, while they could join the alliance's air-policing mission in the Baltics. She added the Joint Expeditionary Force, a UK-led group of 10 countries including Sweden and Finland, could provide reassurance.

‘Anaemic’ Russian progress signals descent into attritional conflict

Latest moves on battlefield suggest change in thinking from initial rapid advance strategy

SAM JONES — ZURICH
BEN HALL AND ROMAN OLEARCHYK — KYIV
FELICIA SCHWARTZ — NEW YORK

On April 19, after Russia announced it would focus its military efforts on south-eastern Ukraine, intensive air strikes and artillery bombardment rained down across the broad arc of the contact line from Izyum to Mykolayiv.

But the sound and fury have proved a passing spring storm: in the low-level fighting that ensued, Russia has slowly ground forward, despite expectations that a more concentrated use of force could tip the conflict in Moscow's favour after its failed assault on Kyiv.

Much about the war is still hard to read: the combat status of the "Joint Forces Operation" — the Ukrainian army group that forms the bulk of the battle-hardened force deployed in the eastern region of Donbas since the Russian annexation of Crimea in 2014 — is a critical unknown, for example.

What seems clear is that even with a vastly circumscribed set of military objectives — wound back from a plan for the lightning subjugation of the entire country — Russia, a would-be military equal of the US, is still faltering.

Russia is making "minimal at best progress", said one US defence official. "In some cases, quite frankly, the best word to describe it would be anaemic."

According to Oleksiy Arestovych, an adviser to Ukrainian president Volodymyr Zelensky, Vladimir Putin's revised aim is the total capture of the eastern provinces of Luhansk and Donetsk and the southern province of Kherson.

The Russian president had hoped to do so by the May 9 parade in Moscow, said Arestovych, a former military intelligence official.

But that now looked impossible, he said: "Russia [was] trying to advance 200km in 20 days, which is [in line with] their normal military doctrine. In 28 days they have moved only 25km."

Kremlin spokesman Dmitry Peskov dismissed claims that May 9, a commemoration of Russia's victory in the second world war, was a significant date in Moscow's military calculus.

But the shifting tone in Russian state media — where what was once only described as a limited, regional "special operation" is now being more openly discussed as a fight for national survival against the west — suggests Moscow is preparing for a longer campaign.

In such an endeavour, Russia still has advantages. "It's important to remember we have very little to judge the tempo of this conflict against, where you have two relative peers fighting over huge territory," said Sam Cranny-Evans at the Royal United Services Institute. "When you are talking about one very well-motivated side, versus a less well-motivated, but better-equipped side, imperfectly led, how do you assess what kind of pace operations should be going at to be successful or not?"

Russia's slow movement in the latest phase could be down to Ukrainian resistance but could also be deliberate, Cranny-Evans added. As Russian commanders have reconstituted their forces after April 19, they have sought to play to military strengths, particularly superior artillery power, but this in turn has dictated a change in pace and tactics.

Head start: a Ukrainian serviceman repairs a seized Russian tank near Izyum
STR/EPA-EFE/Shutterstock

"Artillery has become overwhelmingly important for the Russians. It is how they are delivering effects on the battlefield, but it is by nature slow because you are depending on artillery logistics," said Cranny-Evans.

In traditional Russian military doctrine, heavy artillery bombardment would be followed by rapid advances of tanks and infantry, but the resources for this are now in short supply, after the failed military campaign to overrun Kyiv in March. Russia's commanders may also be chastened by disasters their "bold" thinking created, some Nato officials believe. Russia appears to be using its superior artillery as a more methodical tool of attrition. According to Arestovych, Russia outnumbers Ukrainian artillery by a ratio of 5 to 1.

Oleksandr V Danylyuk, a defence and intelligence adviser to the Ukrainian government, said Russia had intensified its artillery strikes to exhaust Ukraine supply. "They want to reach the position where we have no ammunition at all so they can start their land offensive without fear of being destroyed," he said.

> ‘They want to reach the position where we have no ammunition at all so they can start their land offensive’

At some point, Russia may aim to shift the gear of such so-called "shaping operations", not least because of the west's intensifying efforts to supply Ukrainian forces with heavier weaponry.

Analysts and Ukrainian officials say there could be three likely areas of Russian focus: down from Izyum in the north; up towards Kryviy Rih; and towards Zaporizhzhia from the south.

Russia is concentrating resources in the north. According to a UK military intelligence report this week, Russia now has 22 battle groups in Izyum and will probably push south as the main thrust of its efforts to secure the Donbas.

Operations to take ground in Kherson may be more challenging: Russia does not appear to have sufficient forces based there to take Kryviy Rih and Zaporizhzhia, western officials said.

Meanwhile, the 50 Russian missile strikes that hit targets across Ukraine on Tuesday told their own story: targets included power plants and railways.

The Russians are trying to degrade Ukrainian frontline units' ability to "resupply and reinforce themselves", the US defence official said, adding that no western-supplied military aid appears to have been impeded. Either way, the targets, far behind the front lines, indicate that Moscow is no longer anticipating lightning advances. Russia's new "phase" in its invasion of Ukraine may well last into the summer.

See Opinion/Markets/Lex

Donor conference

Kyiv ends rift with Berlin as promises of $6bn extra aid flood in

ROMAN OLEARCHYK — KYIV
GUY CHAZAN — BERLIN

Ukraine received more than $6.5bn in pledges for humanitarian aid yesterday at a donors' conference in Warsaw and resolved a diplomatic spat with Berlin that scuppered a planned visit to Kyiv by Germany's president.

The conference, attended by EU officials and donors, governments and multinational companies, was co-hosted by Poland and Sweden.

Ukraine president Volodymyr Zelensky told the attendees by video: "Freedom must demonstrate that it protects and provides for people better than tyranny, which has enjoyed a massive flow of money for oil, gas and other raw materials for decades."

Zelensky said a "Marshall Plan" was needed to help Ukraine rebuild after the war. Last month, the Kyiv School of Economics estimated that economic losses since the beginning of the war were at least $564bn-$600bn.

At the conference, Ukraine prime minister Denys Shmyhal said his country had received over $12bn in weaponry and financial assistance since Russia invaded on February 24.

Ukraine finance minister Serhiy Marchenko told the Financial Times in a recent interview that Kyiv needed $5bn per month in assistance in the near term from western partners to fill budget gaps.

The diplomatic fallout with Berlin blew up last month after Kyiv pulled a planned trip to the Ukrainian capital by German president Frank-Walter Steinmeier, saying he would not be welcome.

Steinmeier's spokesperson said yesterday that he had phoned Zelensky and the "irritations of the past had been cleared up".

She said Steinmeier had "expressed his solidarity, respect and support for the courageous struggle of the Ukrainian people against the Russian aggressor". Both presidents described the conversation as "very important" and "very good".

Steinmeier had planned to visit Kyiv last month, together with the presidents of Poland and the Baltic states. Ukrainian politicians accuse Steinmeier, a former German foreign minister, of cosying up to Russia and pursuing a policy of appeasement towards the Kremlin.

He was also criticised for his support for the Nord Stream 2 pipeline that would have increased the volume of Russian gas pumped directly to Germany, bypassing Ukraine. The project has been suspended.

Andrij Melnyk, Ukraine ambassador to Germany, accused Steinmeier of "spinning a web of contacts" with Moscow and of sharing Russian president Vladimir Putin's dismissive view of Ukrainian nationhood.

Steinmeier's spokeswoman said he and Zelensky had "agreed to remain in close contact". She said Zelensky had personally invited Steinmeier and the German government to visit Kyiv.

A spokesman for Zelensky told Germany's Bild Zeitung he and Steinmeier had agreed "to leave the past behind".

Economic impact

Moscow projected to withstand Brussels' proposed oil embargo

NASTASSIA ASTRASHEUSKAYA — RIGA
POLINA IVANOVA — WARSAW
NICK PETERSON — LONDON

EU leaders' plans to impose a bloc-wide embargo on Russian oil carry political heft but some analysts believe it will not deliver the intended blow to Russia's economy.

Brussels proposed a measure on Wednesday to ban all imports of Russian oil by the end of the year. The plan, which needs the backing of all 27 members, is part of the sixth package of EU sanctions to undermine the Kremlin waging war on Ukraine by hitting the Russian economy.

But Sergey Aleksashenko, the former deputy governor of Russia's central bank, believes the ban is "not very powerful" as a measure, as prices for crude have risen substantially, counteracting the costs of losing the European market.

The Russian budget depends heavily on revenues from oil exports, which accounted for 45 per cent of total income in 2021. But the government will break even if Russian producers can sell their oil for $44 per barrel or more.

Sanctions have, at least on the face of it, made that more likely. Russia's key crude blend, Urals, is trading at $70 a barrel, and though that constitutes a hefty discount compared with Brent, it is far above Russia's budgetary needs.

The price of Brent, the oil industry benchmark, rose 5 per cent to $110.39 a barrel over the course of Wednesday after the EU had proposed the ban.

If an embargo is agreed, oil prices are likely to head even higher, allowing Russia to absorb the blow comfortably while placing a strain on Europe, which relies on it for 30 per cent of its oil.

Asian buyers are the most likely recipient of any surplus Russian crude. China's independent refiners are already buying more from producers in the country, but big state-owned commodity traders are shying away from purchases because of western sanctions.

Even so, analysts questioned whether a pivot to Asia was so easy to achieve. Sixty per cent of Russia's oil exports go to Europe, three times the quantity that goes to China, and pipeline infrastructure is geared mainly to piping oil west.

Craig Kennedy, an associate at Harvard University's Davis Center, said it remains unclear just "how much appetite" countries such as China have for importing Russian oil at a scale that would absorb current EU exports fully.

Capacity to carry oil to Asia by rail is even more highly constrained than usual, after an EU coal import ban already sent exporters scrambling to secure rail capacity to send additional coal volumes east.

"Russia will face infrastructure bottlenecks, uncertain demand and logistical challenges [to export oil to Asia]," said Maria Shagina, visiting senior fellow at the Finnish Institute of International Affairs. "Russia will continue selling oil to China and India but they will not be able to fully compensate the loss of the European market."

$44	$110.3
Minimum price per barrel that Russia needs to break even	Price of Brent crude after Brussels proposed the ban

Shagina added that while oil revenue would continue to flow to the Russian government, the sector "will no longer be the cash cow it historically was".

Sofya Donets, Russia and CIS economist at Renaissance Capital, said that while the immediate impact of the embargo was bearable for the Russian economy, the difficulties involved in pivoting sales to Asia meant the long-term impact could be more severe.

"In the short term this hit is largely an expected one, and compensated for by the spike in oil prices," said Donets. "In the long term, it will hit economic activity and the value of the rouble. But most of these impacts will become a reality with some delay in 2023."

Another part of the EU sanctions package, a limit on shipping insurance on vessels carrying Russian crude, is also significant. Robin Brooks, chief economist at the Institute of International Finance, said: "Sanctions on maritime insurance will cut tanker traffic lots, as few will ship without."

Kennedy agreed, pointing out that Russia was "unlikely to secure nearly enough tankers" to move all its EU oil exports to Asia, especially if "marine insurers, banks and vessel owners" refused to do business because of the sanctions risk.

Europe, meanwhile, is expected to increase its consumption of Middle East oil, but that could prove challenging. Most European refiners are set up to process the heavier Russian Urals crude blend rather than the lighter Middle Eastern kind.

Processing a different grade of crude oil may require adjustments at refineries, but the sort of investment needed for that to happen would run counter to environmental goals, a senior oil executive said.

Energy security

Hungary says plan to ban fuel imports threatens EU unity

MARTON DUNAI — BUDAPEST

Hungary has accused Brussels of threatening EU unity with its plans to impose an embargo on Russian oil imports, saying Budapest would not support proposals that would undermine its energy security.

Prime minister Viktor Orbán told European Commission president Ursula von der Leyen that Hungary was unable to support the plan "in its current form".

"If the commission insists on the adoption of its proposal, it will have to bear full responsibility for a historical failure in the course of European integration," Orbán said in a letter.

EU diplomats are wrangling over plans announced by Von der Leyen this week to phase out imports of Russian crude or refined oil, as part of a sixth package of sanctions against Moscow.

Landlocked Hungary, which relies heavily on Russian oil, and Slovakia would benefit from a longer phaseout period under the EU proposals.

But the package still went far beyond the EU consensus, Orbán wrote to von der Leyen. "[For] Hungary, the proposed sanctions require a serious upgrade in alternative supply infrastructure and a complete rearrangement of our refinery capacities," Orbán wrote. "These efforts take time and necessitate investment that is redundant and therefore cannot be financed on a market basis.

"Neither Hungary nor the EU as a whole is ready to adopt and implement the measures as proposed . . . Sanctions should be adopted at a time when all necessary preconditions are met in all member states," the letter added.

The sanctions were "diverting necessary national resources to redundant fossil fuel investments while relevant funding from the EU is only available to us on paper", Orbán added, alluding to disputes between Budapest and Brussels over the distribution of EU funds and the rule of law, which have delayed post-pandemic recovery cash.

The commission held talks with Hungary yesterday and EU diplomats remain hopeful that a deal can be reached within days, with possible concessions including EU money to build new infrastructure.

Additional reporting by Andy Bounds in Brussels

Coronavirus

WHO estimates pandemic deaths at 15mn

Health body says fatalities by end of 2021 were nearly three times the official toll

OLIVER BARNES — LONDON

The number of people who died as a result of the coronavirus pandemic by the end of last year may be nearly three times higher than previously thought, according to estimates by the World Health Organization.

The WHO calculation is based on an analysis of excess mortality, an approach used by demographers to measure the real impact of the health crisis that compares average death rates with those that were recorded during the pandemic.

By the close of 2021, there were 14.9mn excess deaths "associated directly or indirectly" with the pandemic recorded globally, according to the health body. That compares with the 5.4mn officially confirmed Covid-19 deaths in 2020 and 2021, according to research project Our World in Data.

"These sobering data not only point to the impact of the pandemic but also to the need for all countries to invest in more resilient health systems that can sustain essential health services during crises, including stronger health information systems," said Tedros Adhanom Ghebreyesus, WHO director-general.

Tedros said the WHO was working with "all countries to strengthen their health information systems to generate better data for better decisions and better outcomes".

Just 10 countries, including India, the US and Russia, account for 68 per cent of the total excess deaths across the two-year period.

The excess mortality calculations capture deaths "due to the disease" and those "due to the pandemic's impact on health systems and society", the WHO added.

A similar estimate from researchers at the University of Washington's Institute for Health Metrics and Evaluation, published in the Lancet in March, put the number of excess deaths at 18mn by the end of 2021. An analysis by The Economist estimates there have been 21.3mn excess deaths to date.

The range of the WHO estimate is from 13.3mn excess deaths in 2020 and 2021 to 16.6mn. The global health body used a combination of national death records and statistical modelling to produce the estimate.

Samira Asma, the WHO's assistant director-general for data, analytics and delivery for impact, said excess mortality was "an essential component to understand the impact of the pandemic".

"Because of limited investments in data systems in many countries, the true extent of excess mortality often remains hidden," said Asma, stressing that the WHO used "a robust methodology and a completely transparent approach".

Ibrahima Socé Fall, assistant director-general of emergency response at the WHO, said: "Data is the foundation of our work every day to promote health, keep the world safe and serve the vulnerable.

"We know where the data gaps are, and we must collectively intensify our support to countries, so that every country has the capability to track outbreaks in real time, ensure delivery of essential health services, and safeguard population health," he added.

Health check: testing under way in Shanghai, where a strict lockdown was ordered as part of Beijing's zero-Covid policy
Bloomberg

Supreme Court. Roe vs Wade

Abortion draft puts low-profile judge in spotlight

Champion of conservative causes thrust into centre of divisive and historic debate

STEFANIA PALMA — WASHINGTON

For years, Samuel Alito has been overshadowed in the public eye by Supreme Court conservative stalwarts such as Clarence Thomas and the late Antonin Scalia, a fellow Italian-American with a similar judicial philosophy.

But this week, Alito, 72, was propelled to the forefront of the court's six-member conservative wing after a bombshell draft opinion he wrote — revealing his intent to overturn the landmark Roe vs Wade abortion ruling — was obtained and published by Politico.

Even if it is not the court's final say on the matter, the draft has put the New Jersey native at the centre of one of the Supreme Court's most high-profile cases in recent history, as divisive as it is consequential.

"[Alito] has flown under the radar . . . he's [not] a household name among Americans," said Barbara Perry, Supreme Court and presidency scholar at the University of Virginia. "But he's now an important and key voice in this conservative supermajority on the court."

While the frenzy surrounding the unusual leak thrust Alito into the spotlight, court watchers say he has long been a forceful conservative voice, amplified after former president Donald Trump's appointment of three right-leaning justices shifted the bench's ideological balance from liberal to conservative.

While working for the Department of Justice during the Reagan administration, Alito expressed his disagreement with Roe in a 1985 memo. He was later part of a three-judge panel in the Third Circuit Court of Appeals that decided Planned Parenthood vs Casey, which invalidated a measure forcing women who sought abortions to alert their spouses. Alito dissented from that decision, later upheld by the Supreme Court in an important affirmation of Roe.

In 2010, four years after he was confirmed to the Supreme Court, Alito caused a stir by appearing to mouth the words "not true" as then president Barack Obama criticised a Supreme Court ruling on a campaign finance case during his State of the Union speech — a significant if brief breach of etiquette.

A decade later, Alito made more overtly political commentary in a 2020 speech before the Federalist Society, the influential conservative legal group. Covid-19 had "resulted in previously unimaginable restrictions on individual liberty", he argued, and served as a "constitutional stress test" that highlighted "disturbing trends that were already present before the virus struck".

Samuel Alito had expressed his disagreement with Roe in 1985 while working at the justice department

He warned religious liberty was "in danger of becoming a second-class right", citing cases such as the state of Washington notifying Ralphs — a pharmacy chain owned by an anti-abortion Christian family that refused to carry morning-after pills — to supply all contraceptives approved by US regulators or leave the state.

"I view [Alito] as the court's most consistent conservative culture warrior," said Duke Law School professor Neil Siegel. "He's also the most voluble and emphatic. Other justices may share his views, but they won't express them as predictably or as assertively."

Among the justices, Alito "most reliably gives voice to the anger of traditionalist Americans about . . . the increasingly secular nature of American society", Siegel said.

Alito's supporters have praised his intellect and distinguished legal career that led him to the Supreme Court appointment. "I was incredibly lucky . . . to watch someone with his intellectual calibre and writing abilities tackle some of the toughest legal questions that the country faces," said Barbara Smith, co-chair of the appellate and Supreme Court group at Bryan Cave Leighton Paisner, who clerked for Alito in the 2015-16 term.

Maryanne Trump Barry — Trump's sister, who served with Alito on the Third Circuit and has since retired from the judiciary — described him during his confirmation hearings as "a fair-minded man" who "reveres the rule of law".

After attending Princeton University and Yale Law School, Alito rose through the ranks of the justice department and was appointed US attorney for the district of New Jersey in 1987, where he was known for tackling organised crime. Three years later, George HW Bush, then president, nominated Alito to the Third Circuit appeals court, based in Philadelphia, where he served for 15 years.

Philadelphia was also home to another passion of Alito's that often features in his speeches and interviews: baseball. "He loves talking to his clerks about his hometown Philadelphia Phillies," Smith said. "He is quite funny. He's also incredibly warm and supportive of his law clerks."

Now, Alito has the power to shape one of the most polarising issues in the US. If Roe is overturned, about half of US states would be poised to outlaw abortion thanks to statutes that automatically come into force, according to the Center for Reproductive Rights.

Anti-abortion activists have fought to undo Roe for years, and a ruling such as the one Alito drafted would make him a hero to their cause.

Among those who are pro-abortion, he is being vilified — earlier this week, a flyer pinned to a lamp post by the Supreme Court in Washington read: "Sam Alito wants to kill pregnant women."

Additional reporting by Kiran Stacey in Washington

See FT View/Opinion/Companies

Foreign investment

European businesses warn of China exit over lockdown

ELEANOR OLCOTT — TAIPEI
ANDY LIN — HONG KONG
PEGGY HOLLINGER — FLORENCE

European business leaders in China have warned that Beijing's zero-Covid policy is threatening foreign investment, as the Chinese services sector plunged to its weakest level of activity in more than two years because of strict lockdown measures.

Twice as many European businesses are weighing a shift of investment out of China than were doing so at the start of the year, according to a late-April flash survey published yesterday by the EU Chamber of Commerce in China.

Around 23 per cent of the 372 European companies that responded to the survey said they were considering a move out of China, the highest level in a decade, said the chamber's president, Jörg Wuttke. Around 78 per cent said China was now less attractive for investment because of its Covid-19 policies.

"Zero tolerance doesn't work because the world has learned to live with Covid and China has to change strategy," said Wuttke. "We are trying to tell the Chinese government that if you don't change, we will vote with our feet."

The survey comes after dozens of companies, from Apple to Volkswagen, warned in recent days that lockdowns in China could disrupt supplies.

Businesses needed a road map for an exit from the zero-Covid policy, said Wuttke. "The predictability of the Chinese market is gone," he said. "That was the strength of China. The policy was always rational. This new dimension is like whack-a-mole."

China's "fence-sitting" on Russia's invasion of Ukraine was also affecting sentiment, he said. The survey found that 7 per cent of companies were considering shifting investment from China because of the war.

The impact of lockdowns on business was underlined yesterday by publication of the Caixin China services purchasing managers' index, which asks companies whether they experienced an increase or decrease in business activity compared with the previous month.

The index fell to 36.2 in April from 42 in March, its weakest level in more than two years and its second-sharpest fall since the survey was launched in 2005.

"The new round of Covid-19 outbreaks hit the service sector hard," said Wang Zhe, senior economist at the Caixin Insight Group, adding that supply and demand "contracted severely".

President Xi Jinping's zero-Covid policy has confined hundreds of millions of people to their homes for weeks and limited travel.

Several multinationals including Starbucks, Estée Lauder, Apple and Coca-Cola, have raised the alarm about the effect of the lockdowns, saying it would eat into their revenues in the world's largest consumer market.

The Caixin survey of 400 companies reported that they had been forced to lower prices because of sluggish consumer demand, while transportation and raw material costs had increased owing to intercity travel restrictions.

Local officials, who are fearful of importing coronavirus cases, have placed strict limits on intercity routes that enable the free flow of goods.

Some companies surveyed said they had laid off workers because of the collapse in demand and rising costs.

Public health

No let-up for North Koreans as Pyongyang maintains two-year Covid isolation

CHRISTIAN DAVIES — SEOUL

North Koreans have been warned that "not even a tiny crack or mistake is allowed when it comes to emergency quarantining", as the country persists with the extreme isolation policy it imposed early in the pandemic.

"Stay vigilant and strictly abide by quarantine regulations," said a report this week in state newspaper Rodong Sinmun, reminding citizens to wear face masks and to ventilate indoor areas.

"Even if the mistake was as negligible as the tip of a needle, it could deal a critical blow to the country's quarantine bases. Emergency quarantining is currently the foremost priority in our country," it added.

While in China, panicked local authorities have imposed lockdowns in response to outbreaks of the Omicron variant in several cities, Pyongyang maintains it has kept its population free from Covid-19 by sealing its borders. Information from inside North Korea is scarce, but the government is not believed to have confined citizens across the country to their homes. North Korea and Eritrea are the only two countries that have not initiated a Covid-19 vaccination programme.

Pyongyang's claims it has not recorded a single case have been widely ridiculed. But experts have argued that while it was highly unlikely the country had no infections at all, no evidence had emerged of any large-scale outbreaks.

Kee Park, a lecturer at Harvard Medical School who has worked inside North Korea, said the country had proved successful in keeping the virus out but that its approach would ultimately prove unsustainable. "A prolonged lockdown will lead to increased excess deaths caused by poor nutrition, food shortages, increasing poverty, degradation of health systems and the loss of humanitarian aid that will eventually exceed the number of deaths caused by the virus itself," said Park.

"China shows you can't have even a limited opening without the virus spreading," he added. "North Korea is going to have to open and I think they're going to be able to manage it, but they will need an aggressive vaccination programme."

North Korea's leader Kim Jong Un reacted to the emergence of coronavirus in early 2020 by sealing borders with China and Russia, tightening restrictions on internal movement and ejecting foreign diplomats and aid workers. Since then, the country has allowed only limited transport of freight from China, which must pass through specially constructed disinfection centres.

Kim's measures intensified the fallout from international sanctions imposed on North Korea in response to illicit nuclear and ballistic missile tests in 2017, as well as the effects of a series of droughts and floods.

Pyongyang has acknowledged it has a "food crisis", even last year extolling the virtues of the meat of black swans reared in state-run duck farms. The economy contracted 4.5 per cent in 2020, according to the Bank of Korea in Seoul, its sharpest decline since a famine killed millions in the 1990s.

Andrei Lankov, a North Korea expert and professor of history at Kookmin University in Seoul, said the regime's approach to the pandemic reflected a rational appraisal of the limitations of its health system. "North Korea is perhaps the best-placed country worldwide to do a quarantine-based policy as they have controlled the domestic movement of the population for decades."

Safety first: a worker sprays disinfectant in a Pyongyang store

He added: "They can close their borders without the need to worry about domestic political discontent and they are doing it as they assume that if there is an outbreak, many [will] die as the health system will be unable to cope."

Park said North Korea's rejection of Russian and Chinese vaccines did not reflect hostility to inoculations but rather its scepticism over the efficacy and safety of the jabs offered through the Covax facility. "They're not turning down all vaccines, they're turning down the vaccines they feel are inferior," said Park, noting North Korea also doubted the safety of AstraZeneca jabs.

Before the pandemic struck, between 95 and 97 per cent of North Korea's 25mn were immunised against diseases, including measles and polio, he added.

"They do want vaccines," he said. "If they're provided with mRNA vaccines like Pfizer or Moderna and in a sufficient amount to vaccinate their population, including the booster dose, I think the reply will be different."

South Korean intelligence officials have accused North Korean hackers of trying to steal information on vaccines and treatments from companies such as Pfizer, Johnson & Johnson and Novavax.

Even if it acquired tens of millions of mRNA vaccines, North Korea probably did not have the "cold-chain" infrastructure for them to be stored or distributed, said a western diplomat.

The Center for Strategic and International Studies think-tank in Washington has outlined several factors that could encourage Pyongyang to change course, such as the easing of curbs in China and South Korea, a worsening food crisis and the emergence of a new variant.

Eric Feigl-Ding, an epidemiologist at the New England Complex Systems Institute, warned Pyongyang could not keep the virus out for ever.

Silent treatment Samsung accused of failing to communicate a clean energy plan, to the detriment of its prospects ➔ COMPANIES

Companies & Markets

Shell follows sector rivals with bumper $9.1bn profit

- Soaring prices drive record quarter
- Oil and LNG activity powers gains

TOM WILSON — LONDON

Shell reported its highest ever quarterly profits as it capitalised on the volatility in global energy markets following Russia's invasion of Ukraine.

Adjusted earnings at Europe's largest oil company rose to $9.1bn in the first three months of the year, almost three times the $3.2bn it recorded a year earlier. That beat average analyst estimates of $8.7bn and was up from $6.4bn in the final three months of 2021.

The results complete a set of bumper earnings for the biggest energy companies, which have provoked renewed calls from UK politicians for a windfall tax on oil and gas profits. BP reported underlying profits of $6.2bn, its highest since 2008, while Norway's state-controlled Equinor saw its highest ever quarterly pre-tax earnings of $18bn.

> 'It's not just [Ukraine] war profit . . . the performance of the company has significantly strengthened'

Shell chief executive Ben van Beurden pushed back on the suggestion the oil and industry was just profiting from the conflict. "It's not just a war profit as some people would like to point out," van Beurden said. "It is very much also the performance of the company, which has significantly strengthened in the run-up and also during the pandemic."

Profits were driven by its oil production and integrated gas divisions, which generated $4.1bn and $3.5bn in adjusted earnings respectively, and by a strong performance from its traders.

Shell is the world's largest trader of liquefied natural gas and a big trader of oil. Prices for LNG, in particular, have soared as European efforts to reduce dependence on piped gas from Russia have increased competition for cargoes of the fuel. Shell produced 8mn tonnes of LNG in the first quarter and sold 18.3mn tonnes, it said.

Shell had been able to redirect some of its LNG to Europe to meet surging demand, chief financial officer Sinead Gorman said, resulting in trading and optimisation earnings that were similar to the previous quarter for gas and "significantly higher" for oil products.

Surging profits helped Shell reduce net debt to $48.5bn from $52.6bn at the end of last year but its spending plans are unchanged at $23bn-$27bn for 2022.

The UK-headquartered supermajor said it had completed $4bn of the $8.5bn in share buybacks announced for the first half of the year and expected shareholder distributions for the second half to be in excess of 30 per cent of cash flow from operations. Cash flow from operations for the first quarter was $14.8bn.

Shell had less exposure to Russia than European rivals BP and Total. Before the war, Russia was expected to contribute 5 per cent of Shell's oil and gas production in 2022, compared with 16 per cent for Total and 28 per cent for BP, according to investment bank Jefferies.

Nevertheless, it has a complicated set of business positions to unwind as it exits the country, including a 27.5 per cent stake in the Sakhalin-2 liquefied natural gas project with Gazprom, two other joint ventures with the state-owned company, a retail network, a lubricants business and a stake in the now shelved Nordstream 2 project.

Despite the lack of potential buyers, van Beurden insisted Shell was making "good progress" in its efforts to sell its Russian assets. "It is a commercial process, it is not abandonment," he said.

The planned exits resulted in post-tax charges of $3.9bn in the first quarter, the company said.

Modest output rise See Markets
Lex page 18

Pitched battle RedBird takes on Investcorp with talks to buy Elliott-owned AC Milan

In play: Genoa's Pablo Galdames, left, and Matteo Gabbia of takeover target AC Milan — Miguel Medina/AFP via Getty Images

JAMES FONTANELLA-KHAN — NEW YORK
SAMUEL AGINI — LONDON

Former Goldman Sachs executive Gerry Cardinale is in talks to acquire AC Milan, challenging asset manager Investcorp in a more than €1bn takeover battle for the Italian Serie A football club.

Cardinale's RedBird Capital Partners, which owns a minority stake in the parent company of English Premier League side Liverpool FC, is looking to buy AC Milan from US hedge fund Elliott Management, according to two people with knowledge of the matter.

Investcorp had been in exclusive talks to acquire the Italian club or take a minority stake. That period of exclusivity has lapsed, allowing Elliott to engage other buyers.

A person close to Elliott said that after rejecting multiple approaches in recent years, the US hedge fund was keen to sell the club and a deal could be reached within weeks.

Investor interest in AC Milan shows the enduring appeal of one of the most illustrious teams in world football. The *Rossoneri*, nicknamed after AC Milan's red and black striped shirts, have won Europe's top club competition seven times and are the best performers after Real Madrid, although the club's last victory was in 2007.

AC Milan have not won the Italian league title since 2011, having fallen behind rivals including the Agnelli family's Juventus and city rivals Inter Milan. However, the team are top of the league, two points ahead of Inter with three games to play.

Elliott has overseen a turnround at AC Milan, which this year returned to the Deloitte Football Money League ranking of European clubs by revenue for the first time since 2017-18. The club was 19th with €216mn of revenue in the 2020-21 season.

Former Italian prime minister Silvio Berlusconi had owned the club for two decades until he sold it to Chinese businessman Li Yonghong in 2017.

That takeover was funded with more than €300mn of high-interest loans from Elliott, which seized control in 2018 after Li defaulted.

RedBird's interest in AC Milan was first reported by Sky News.

RedBird took a minority stake in Fenway Sports Group, which owns Liverpool FC and the Boston Red Sox baseball team, in March last year.

The investment business, founded by Cardinale in 2014, also owns 15 per cent of the Rajasthan Royals cricket team, which plays in the Indian Premier League.

Toulouse FC, the French football team owned outright by RedBird, won promotion to the country's top division last month.

RedBird and Elliott declined to comment.

Ecommerce slowdown weighs on Shopify shares

SHOTARO TANI — LONDON

Shopify became the latest ecommerce company to suffer from the slowdown after the pandemic-fuelled boom yesterday when it reported first-quarter earnings below expectations and saw its shares drop by almost a fifth.

The Canadian company, whose software helps merchants and brands create an online storefront, yesterday reported sales for the three months to March up 22 per cent year on year to $1.2bn — its slowest growth rate yet.

The figures were marginally below consensus expectations of $1.25bn. The Ottawa-based company posted a net loss of $1.4bn, its second consecutive quarter in the red.

Shopify shares, which have lost more than 70 per cent of their value so far this year, dropped nearly 20 per cent in early trading yesterday, momentarily falling below $400 a share.

Shopify was one of the biggest winners from the pandemic as lockdowns pushed millions of small businesses to open online stores. However, the return of shoppers to bricks-and-mortar outlets has weighed on Shopify's outlook.

The group yesterday reiterated its confidence in the growth of ecommerce by agreeing to pay $2.1bn to acquire Deliverr, a San Francisco-based fulfilment start-up. The deal will be 80 per cent funded by cash, with the rest in Shopify shares. The acquisition is part of Shopify's effort to expand its logistics network in its battle against Amazon.

"I do not think people are moving away from online shopping," said Shopify president Harley Finkelstein. "Some of it was pulled forward over the past two years but online is still a very small percentage" of retail, he said.

For the first three months of 2022, Shopify reported gross merchandise volume — a measure of consumers' total spending through the group's network of stores — of $43.2bn, up 16 per cent year on year but only about half the growth rate registered in the previous quarter.

The company said revenue growth this year would be "lower in the first half and highest in the fourth quarter".

Shopify in April proposed a 10-for-1 share split and put forward a plan to protect founder and chief executive Tobi Lütke's voting power.

The changes propose setting and preserving his voting power at 40 per cent of the total for the group's outstanding shares.

End of the long bull market tarnishes the stock-based pay lottery

INSIDE BUSINESS
TECHNOLOGY
Richard Waters

It takes a while for expectations that build up during a long bull market to unwind. Things develop an air of inevitability, like a law of financial nature, and it becomes hard to remember that conditions were ever different.

In the tech world, stock-based pay has come to play that role. It is a little discussed but important part of the financial background with mutual benefits for companies, workers and investors. That has made it easy for the stock market to turn a blind eye to the effects of issuing so much stock. Until, that is, the music stops and things go into reverse.

Stock-based pay has long played a key role in the collective self-mythologising of an industry that reveres its own seat-of-the-pants risk-taking. Stock options were seen as a lottery ticket, the chance to strike it rich if you were lucky enough to join the next hot start-up.

Yet over the past decade, as the industry has matured, stock compensation has become more like a gravy train. Companies these days mostly give out restricted stock rather than options, meaning that workers only need to serve out their time — typically four years — to cash in the shares. The strong secular growth seen by many tech companies, along with the long bull market, has come to make stock pay as reliable as cash, and the numbers have soared.

Alphabet handed its workers restricted stock worth $20.6bn last year, more than twice as much as five years before. At Meta, the awards soared from $3.4bn to $18.1bn in the same period. Much of the increase was down to rising headcount but there has also been some pay inflation: the average stock award at Meta rose by a fifth to $277,000.

The long bull market made it easy for tech investors to ignore the impact of stock-based pay. Their attention was fixed on revenue growth rather than earnings per share.

For many companies, meanwhile, it became a way to conserve cash, particularly in the early years, while workers have enjoyed big gains while waiting for their stock benefits to vest. The Facebook awards from five years ago are more than doubled in value — that is, until the company's shares fell hard after last summer.

> Stock options were seen as a lottery ticket, the chance to strike it rich if you were lucky enough to join the next hot start-up

Similar hits to other tech stocks, particularly those of high-growth companies, have jeopardised the previous comfortable status quo. With competition for tech talent fiercer than ever, companies will need to offer much larger amounts of restricted stock, or make cash a larger part of their pay. And, as investors turn their attention from growth to earnings, the impact will be harder to ignore.

There is at least one piece of good news: turning away from options has made it easier to manage a high-growth tech company in a stock market downturn. When lower share prices leave options underwater they lose their value as retention tools, leaving companies with a difficult decision to make.

Google was one of the companies in this position after the 2008 financial crisis. Its answer: replace workers' old options with new ones at the lower share price. It was not welcome news to other shareholders — and it left workers with a big windfall when the stock price rebounded.

Not everyone has escaped this predicament. Peloton handed its workers options over stock with an aggregate value of nearly $500mn last year, as its share price was already heading south. The stock covered by those options is now worth only $91mn.

Owning restricted stock lessens the pain for workers, although it doesn't remove it entirely. Video conferencing app Zoom stopped issuing options in 2020 in favour of restricted shares. But the crash in the share prices of high-growth software companies in recent months means workers are far from insulated. At Zoom, $850mn in restricted stock given to workers last year is now worth only $325mn.

If the sharp tech stock retreat forces companies to turn more to cash as a form of compensation, the effects on profit margins could be significant. At database group Snowflake, the stock given to employees last year accounted for nearly a third of its total costs.

Cash has already started to assume a greater role in tech pay. After a year in which its share price went sideways, making stock awards less enticing, Amazon earlier this year said it was doubling the ceiling on the cash salaries it was prepared to offer workers. And Alphabet adopted a new bonus plan late last year that removes the caps on its cash bonuses.

For many others, competing for talent with some of the world's richest companies is about to get a lot more expensive.

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Insurance

Ukraine bill pushes Swiss Re to a loss

Reinsurer takes $283mn initial charge and says uncertainty remains high

IAN SMITH
INSURANCE CORRESPONDENT

Swiss Re has swung to a quarterly loss after putting the initial hit from the Ukraine war on its books at $283mn, the first estimate from a major reinsurer to include a view of likely aviation losses from the hundreds of planes confiscated by or stranded in Russia.

The group has run through a series of scenarios for how Ukraine-related losses could play out, chief financial officer John Dacey said yesterday. It expects losses in five areas: aviation claims; credit and surety losses stemming from soured debts and bankruptcies; marine claims, which would encompass damage to ships and ports; and political risk and violence, which would include damage to buildings.

"The uncertain dimension of insured losses remains very high, the validity of covers is going to be one of the areas that people will need to come to a landing on . . . and the potential for accumulating losses," Dacey said.

He warned of further losses in the coming quarters but said a "significant proportion" of the overall hit had been booked in the period.

The insurance industry is braced for spiralling payouts from the war. The base-case scenario from rating agency S&P Global Ratings is for $16bn of global insured losses due to the conflict, with half shared among reinsurance groups.

'The validity of covers is going to be one of the areas that people will need to come to a landing on'

On Wednesday, Hannover Re, another large reinsurer, estimated its Ukraine losses at about €143mn — but excluded aviation from its numbers, saying that despite detailed discussions with clients it did not have sufficient information to estimate claims. Munich Re and Scor, two other big reinsurers, report next week.

There is still huge uncertainty as to the final bill for the insurance sector, especially in aviation, where a long legal fight is expected over whether policies should pay out. AerCap, the largest leasing company, said in March it had lodged a $3.5bn claim.

Insurance executives have also stressed the complexity for potential aviation claims. At AIG, which told analysts on Wednesday it had estimated an $85mn loss in the first quarter related to Russia and Ukraine, chief executive Peter Zaffino took analysts through a long list of the outstanding questions on the aviation cover, including whether actual losses have occurred and whether efforts have been made by leasing companies to mitigate their losses.

Dacey said there was a risk Swiss Re's estimate might rise "depending on the ultimate disposition of the aircraft and the engines which are in control of the Russian government", adding: "I would say . . . a number of these planes are still functioning and some are still flying."

The Ukraine charge, with $1bn of Covid and natural catastrophe losses, helped push Swiss Re to a $248mn net loss in the first quarter, from a $333mn profit in the same quarter last year.

Technology. ESG standards

Samsung faces mounting pressure on emissions

Reluctance to match green vows of rivals such as SK Hynix and TSMC clouds prospects

CHRISTIAN DAVIES — SEOUL

Samsung Electronics is under growing pressure over its inaction on fossil fuel emissions, as it falls behind rivals Apple and Taiwan chipmaker TSMC in environmental commitments.

Analysts and investors warn that Samsung's reluctance to match its competitors' pledges poses "systemic risks" to its future with customers and governments, which increasingly demand low-carbon supply chains.

Unlike Apple, TSMC and SK Hynix, Samsung has yet to make a public commitment to 100 per cent renewable electricity use worldwide.

The operations of the biggest smartphone and memory chip maker in South Korea and Vietnam, which together account for more than 80 per cent of the group's electricity consumption, are fuelled largely by coal and gas.

"On renewables, Apple is taking responsibility for global society in a big way, but we don't see the same thing happening in Samsung," said Park Yoo-kyung, head of Apac responsible investment and governance at Dutch asset manager APG.

"Samsung seems to think, 'We are a manufacturing company, we sell things, and our responsibility ends there.' That's a 20th-century business model and a 20th-century management philosophy."

Critics argue that Samsung has been reluctant to chart a path to decarbonisation because it relies on cheap electricity provided by Seoul's energy monopoly. In 2020, South Korea had the second-lowest share of renewable energy in the G20, just above Saudi Arabia, according to the International Energy Agency.

"If Samsung cannot meet ESG standards, it may not even become an option for overseas customers in the long term," said Kim Young-woo, an analyst at SK Securities. "Environmental problems will soon emerge as systemic risks in the form of non-tariff barriers."

According to a person with knowledge of Samsung's strategy, the company has made the decision in principle to sign up this year to the Re100 initiative, a global scheme to encourage companies to commit to 100 per cent renewable electricity.

The person said that the timing of any announcement had not been decided. But it is unclear if Samsung will match Apple by making a "Scope 3" commitment to have its entire supply chain powered by renewables.

Rain check: staff make their way to a Samsung site in Vietnam. The group has yet to address its reliance on coal and gas in the country
Nguyen Huy Kham/Reuters

"Samsung Electronics has already achieved 100 per cent renewable energy for all our operations in the United States, Europe and China," the company said. "We are exploring various ways to achieve 100 per cent renewable energy in other regions, even where securing renewable energy sources can be challenging."

At 29,532 tonnes of carbon dioxide equivalent in 2020, the greenhouse gas emissions of Samsung Electronics and its supply chain were roughly equivalent to those of Norway.

A review conducted by energy think-tank Ember found that solar and wind power accounted for 4.7 per cent of South Korea's electricity generation in 2021, less than half the global average.

"Even if the entirety of South Korea's solar and wind-generated power was supplied solely to Samsung Electronics, it would still not cover the company's global consumption," said Uni Lee, an analyst at Ember, citing Samsung's consumption figures from 2020.

Daul Jang, of Greenpeace East Asia, said Samsung was unwilling to wean itself off fossil fuels because it was able to buy electricity at cheap industrial tariffs from Kepco, South Korea's state energy monopoly.

"The price of electricity for industry in South Korea is too low, and its emissions trading scheme is too weak," said Jang, noting that Korean industrial companies paid less for electricity than their Chinese counterparts despite South Korea's gross national income per capita being more than three times China's.

Eric Christian Pedersen, head of responsible investment at Nordea Asset Management in Copenhagen, said the company had told shareholders it was "still working on a policy on this issue" but South Korea was not yet producing enough renewables to cover Samsung's needs.

The issues 'will soon emerge as systemic risks in the form of non-tariff barriers'
Kim Young-woo, SK Securities

Critics say it is Samsung's responsibility to commit proactively to securing renewables, given its market power and sway over Korean policymakers.

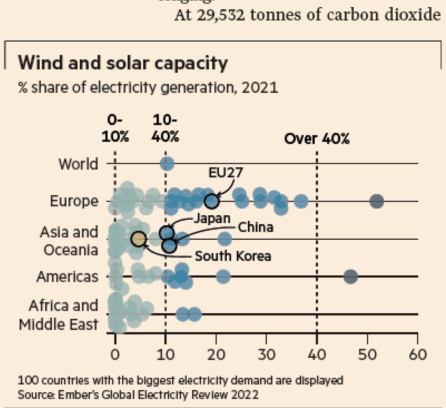
"In the US, because companies have already committed to buying renewables, producers have the right incentives to borrow and invest with the confidence that they are going to have consumers," said Jang. "Samsung not making the same commitment is holding up this process in South Korea."

But Samsung's reluctance to communicate its stance has left investors sceptical as to whether commitments will be implemented with sufficient vigour.

"It is hard to tell what Samsung is up to, as they aren't communicating any kind of climate and clean energy plan in the short or long term," said Kiran Aziz, head of responsible investments at Samsung shareholder KLP Asset Management in Oslo.

"Even with a new commitment, shareholders will look very closely to see how much depth there is, given the deafening silence to date."

Additional reporting by Song Jung-a



Banks

UniCredit books €1.3bn provision as it considers exit from Russia

SILVIA SCIORILLI BORRELLI — MILAN
OWEN WALKER — LONDON

UniCredit has put aside €1.3bn to cover potential losses due to its exposure to Russia as the Italian bank considers an exit from the country.

The Milan-based lender has a €1.9bn direct exposure to Russia, where it has operated since 2005 through UniCredit Bank Russia, which has more than 70 branches and thousands of staff.

The loan loss provision disclosure came yesterday as the bank reported a net profit of €1.2bn in the first quarter, up 48 per cent year on year.

UniCredit in April postponed the publication of its quarterly earnings by a week to manage its exposure to Russia. In the worst-case scenario, the Italian lender has warned it could face a loss of €5.3bn if its entire Russian business was wiped out, down from a previous estimate of more than €7bn. This includes derivatives and its €4.5bn cross-border exposure to Russian clients, net of guarantees worth about €1bn.

UniCredit is one of several western banks that is considering an exit from the Russian market as sanctions on Moscow due to its war in Ukraine make doing business in the country all but impossible for foreign companies.

Société Générale also provided an update on its Russian exposure yesterday, saying it had set aside a further €561mn of provisions for the first quarter, mainly tied to the Ukraine conflict.

'[The bank] is entering this period with a resilient and profitable model'
Andrea Orcel, chief executive

France's second-biggest bank also increased its cost of risk to as much as €1.9bn for the year in expectation of more customers defaulting on loans following the Russian invasion.

SocGen last month announced it was selling its entire 99.98 per cent stake in Rosbank, its Russian subsidiary, as well as its Russian insurance operations, to an investment company founded by billionaire Vladimir Potanin and would take a €3.1bn hit on the deal.

Fellow French bank Crédit Agricole yesterday announced a €389mn provision for its Russian exposure and said it was writing down €195mn for the total equity value of its Ukrainian business.

UniCredit chief executive Andrea Orcel said the bank's strong performance in the first three months of the year — which included a 12 per cent rise in revenue, excluding Russia, to €4.8bn — and its strong capital position would help it navigate the turmoil without having to review its three-year strategy and a €16bn capital distribution plan.

"We have maintained a very strong [capital] ratio of 14 per cent, which includes €1.6bn for the 2021 share buyback, dividend accrual and the negative impact of our exposure to Russia," he said.

"Whilst challenges undoubtedly lie ahead for the global economy due to the war in Ukraine and its broader impact, UniCredit is entering this period with a resilient and profitable model, and prudent capital and existing provisions."

Last month, Orcel said the bank was looking at ways to leave the country but the decision was complex and could take time.

See Lex

Financials

Wirecard ruling clears way for cash clawback

OLAF STORBECK — FRANKFURT

A German court has ruled invalid Wirecard's final two full-year financial statements in a landmark decision that opens the door for the collapsed payments group's administrator to reclaim €62mn in dividends and tax.

Yesterday's decision by a trade chamber of the Munich regional court is a new embarrassment for Wirecard's auditor EY, which signed off the accounts without realising half the company's revenue and billions in cash did not exist.

Wirecard, which at its peak had a market capitalisation of more than €24bn, imploded two years ago in one of Europe's biggest accounting scandals, leaving behind more than €3bn in debt.

Former chief executive Markus Braun, who is in custody awaiting trial, was this year charged alongside two former colleagues with fraud, breach of trust and accounting manipulation.

EY is under investigation by Germany's audit watchdog and Munich criminal prosecutors over a potential violation of professional duties. The Big Four firm denies any wrongdoing.

EY said yesterday it was not a party or defendant to the legal dispute over the veracity of the financial statements.

People with knowledge of the situation pointed out the court did not assess who was responsible for Wirecard's flawed annual financial statements.

However, the ruling makes it more likely that the administrator will also sue EY over its work, according to people familiar with the matter. The auditor is already facing an avalanche of lawsuits from investors who say they relied on the firm's unqualified audits.

Wirecard's administrator, Michael Jaffé, is now likely to reclaim dividend and tax payments made by the company on the basis of the false annual reports. The biggest single item is €47mn in dividends that were paid to investors in 2018 and 2019.

A person familiar with the administrator's thinking stressed Jaffé would only try to recover dividends from large shareholders, rather than retail investors, adding that about 75 per cent of the payouts appeared to be recoverable.

"Small and retail investors won't be significantly affected," the administrator said in a statement yesterday.

This is likely to lead to yet another clash with Braun who, as Wirecard's single largest shareholder with a 7 per cent stake, received about €3mn in dividend payments during 2018 and 2019.

Braun denies any wrongdoing and regards himself as one of the fraud's many victims. A spokesperson for him declined to comment.

Large fund managers such as DWS and Union Investment, which suffered huge losses from big positions in Wirecard, may also face claims from the administrator. Jaffé is also trying to recover €15mn in German corporation tax that Wirecard paid on fake profit.

Technology

Hikvision shares hit by US sanctions threat

JENNIFER CREERY — HONG KONG

Hikvision's share price fell 10 per cent yesterday after Washington moved to impose tough sanctions on the Chinese surveillance camera maker accused of facilitating human rights abuses.

The company's Shenzhen-listed shares ended trading down by the maximum daily limit to Rmb38.24 as Chinese markets returned from a three-day holiday.

The Financial Times reported this week that the Biden administration was preparing to target the world's largest manufacturer of surveillance equipment, according to four people familiar with the discussions. They said a final decision had not been made.

The move would make Hikvision the first large Chinese technology group to be hit with human rights-related sanctions from the US and could have wide-ranging implications for the countries and consumers that use its cameras.

Hikvision said in a statement: "The potential action by the US government, as reported, remains to be verified. We believe any such sanction should be based on credible evidence and due process. We look forward to being treated fairly and without bias."

Washington has accused the Hangzhou-based group of enabling repression and supplying equipment to detention camps in the north-western region of Xinjiang, where Chinese authorities detained an estimated 1mn Uyghurs and other ethnic minorities. Beijing has denied allegations of abuses and defended the existence of the camps as "vocational education and training centres". Both the Trump and Biden administrations have accused it of genocide.

The monitoring camera maker is said to be a supplier to Xinjiang camps

Hikvision posted total revenue of Rmb81.42bn ($12.3bn) last year, with year-on-year growth of 28.1 per cent, and Rmb22bn in the first quarter of this year on the back of strong demand for surveillance technology to create "safe" and "smart" cities at home and abroad.

The Trump administration in 2019 put Hikvision and other Chinese entities, including Huawei, on a blacklist that prevented American companies from selling them equipment over what it viewed as potential security threats.

Tech research group Top10VPN estimates more than 1,000 cities use Hikvision cameras. The company's top international markets are Vietnam, the US, Mexico, the UK and Brazil.

COMPANIES & MARKETS

Corporations caught in US abortion debate

Few American businesses have spoken out on the Supreme Court's draft ruling so far, and those that have face a 'fraught conversation'

ANDREW EDGECLIFFE-JOHNSON

Polarisation: a protest in Providence, Rhode Island, on Tuesday after news the US Supreme Court was poised to overturn Roe vs Wade
David Goldman/AP

The prospect of the Supreme Court reversing the reproductive rights it granted to all Americans in 1973 has put the country's largest employers in a position that almost all of them had hoped to avoid.

Chief executives have become increasingly vocal in the country's biggest debates, from voting rights to gun control, infuriating rightwing politicians who accuse corporate America of embracing "woke" liberal causes. Abortion had been the exception.

"If you think business people want to get involved with abortion, you need your head examined," Richard Edelman, head of the eponymous public relations group, said after the leak of the draft ruling that would overturn the Roe vs Wade precedent that has protected abortion access for almost 50 years.

That leak, however, means "they have no choice" but to take a position, he added.

The news that brought protesters on to the streets was greeted with near silence in the country's largest boardrooms, prompting public statements by only a few major companies.

"We know this is a fraught conversation; it's not something we enter into lightly," said jeans brand Levi Strauss, one of the few companies to respond.

Abortion was "a tough issue", echoed Brian Moynihan, the chair and chief executive of Bank of America. Roe vs Wade was "the settled law of the land", he told CBS, before adding the caveat that his opinion did not reflect that of all of his employees.

The reluctance to engage in one of the country's deepest social divides has raised questions about the limits of corporate activism.

"Not saying anything is saying something," said Laura Gitman, chief operating officer of BSR, a group that advises businesses on their social responsibilities. "By not speaking up they are [implicitly] supporting the restrictions."

But Gitman added she expected more companies to take public positions against the rollback of abortion rights as they face pressure from employees, customers and investors and as labour shortages highlight the need to make it easier for women to work.

Earlier bills restricting abortion access in Texas, Oklahoma and other states had built expectations of the possibility of the Supreme Court ruling this way, said Jennifer Stark, senior director of corporate strategy for the Tara Health Foundation, which funds pro-abortion groups.

"There's been kind of this hurricane forming off the coast," she said. "We have been working with businesses behind the scenes to brace for impact for quite some time."

Activists were engaging companies through an economic lens, she said, describing abortion access as "fundamentally an issue of economic stability, empowerment and economic justice".

That argument was echoed in the few corporate statements opposing the prospective Supreme Court ruling.

'Not saying anything is saying something. By not speaking up they are [implicitly] supporting restrictions'

Laura Gitman, below, chief operating officer of BSR

"Efforts to further restrict or criminalise [abortion] access would have far-reaching consequences for the American workforce, the US economy and our nation's pursuit of gender and racial equity," Levi Strauss said, adding they would set back the gains women have made in the workplace since 1973 and disproportionately affect women of colour.

Caitlin Knowles Myers, a Middlebury College economics professor who was one of 150 economists to submit a brief to the court, said the draft ruling had not addressed the "decades of rigorous evidence" that access to abortion was "inexorably intertwined" with women's economic lives.

"Men and women earn pretty similarly up until they become parents, then women's earnings fall off a cliff by about 33 per cent," Myers said.

The Institute for Women's Policy Research estimates state-level abortion restrictions already cost state economies $105bn a year by reducing women's participation in the labour force and their earnings.

Groups such as the US Chamber of Commerce have also highlighted the role that a lack of affordable childcare is playing in parents leaving the workforce at a time when a record 11.5mn positions remain unfilled.

However, economic and workplace equity arguments have struggled to sway anti-abortion Americans or Republican politicians.

Chief executives were now "more worried about the reprisals from opportunistic politicians", said Jeffrey Sonnenfeld, a Yale School of Management professor, who pointed to the battle Walt Disney found itself in with Florida's governor Ron DeSantis over his administration's LGBTQ policies.

Abortion could be another fight that fractures relations between leading companies and the Republican party, despite continued alignment on many tax and regulatory issues. Tara Health's Stark said: "It poses a larger question for businesses to think about their alignment with elected officials when elected officials are willing to do things which destabilise their workforce and their communities."

Sonnenfeld said: "The CEOs have to tell these politicians to stop dividing the nation on these wedge issues." Chief executives would rather their trade associations took a public stand on their behalf than face the risk of becoming personally targeted in the battle over abortion, he added. However, the largest US business groups have remained silent. The Chamber of Commerce said it had no comment, while the Business Roundtable said it did not have a position on the issue.

While some advisers said companies were waiting to see the Supreme Court's final ruling before commenting, a few responded with statements that emphasised practical ways they could help employees affected by state abortion bans, rather than taking a position on their merits.

Amalgamated Bank said it would cover airfares and hotel expenses for employees and their dependants who needed to travel out of state to access reproductive healthcare. Amazon promised to pay up to $4,000 a year in travel expenses for medical treatments, including abortions, Reuters reported.

Companies making such plans have experienced a backlash, however, with one legislator in Texas warning Citigroup that the state could prevent the bank from underwriting municipal bonds after it adopted a similar policy.

The bank's stance also promoted a question at its annual meeting last month, accusing it of "a gross misuse of funds" to support something that many shareholders "find highly morally objectionable".

The response from Jane Fraser, Citi's chief executive, illustrated the issue's sensitivities. "We know this is a subject that people feel passionate about. I want to be clear that this benefit isn't intended to be a statement about a very sensitive issue," she said.

Companies would now face more scrutiny of the abortion policies of individual states in which they have operations, BSR's Gitman said. As new legislation is proposed to restrict access, some could withhold investment or locate employees elsewhere, she added.

Middlebury College's Myers agreed: "There are plenty of people who . . . might end up wanting to move. It will be another way our country segregates itself."

See Opinion

Financials

Apollo profits beat expectations in first results since transformational Athene deal

ANTOINE GARA — NEW YORK

Apollo Global Management beat profit expectations in its first results since its merger with life insurance company Athene in January, a deal that transformed the private equity giant into a $32bn financial conglomerate.

Yesterday, Apollo reported a $1.2bn adjusted pre-tax profit, with $670mn earned from its newly acquired Athene operations. It also generated $310mn from the management fees it collects and $187mn from selling investments profitably, including a one-time gain stemming from the merger.

After taxes, Apollo generated $915mn in adjusted net income, or $1.52 a share, beating analysts' estimates.

Chief executive Marc Rowan said: "Our first-quarter results are a milestone event for Apollo following our merger with Athene in January."

The results underscore how Apollo is set to diverge in coming years from its publicly traded peers, as it bets on its expanding business of managing debt investments on behalf of life insurance and fixed annuity policyholders.

Some 58 per cent of the New York-based investment group's adjusted net income was attributed to "spread" earnings, the difference between how much Apollo made investing annuity premiums and what it owed to Athene's annuity policyholders.

Most private equity firms, such as Blackstone and Carlyle Group, emphasise their management fees and "carried interest" derived from overseeing large investment funds capitalised by pensions and sovereign wealth funds. Now, just 42 per cent of Apollo's earnings come from such sources, compared with a majority at its rivals.

Founded in 1990 by billionaires Leon Black, Josh Harris and Rowan, Apollo is one of the private equity industry's largest investors, with $86bn in assets dedicated to corporate buyouts.

'The yield business is a scale business. We can only grow as fast as we can generate assets'

But the group, which manages $513bn in assets, has made the bet that its expertise deploying insurance float — cash from customer premiums Apollo invests but does not own — into moderately earning but reliable fixed income securities will win the favour of stock market investors.

Marc Rowan: Apollo chief has made a significant bet on credit investing

While Apollo's shares have fallen by a quarter in 2022, Blackstone is down 15 per cent and the S&P 500 has dropped just 9.4 per cent.

Rowan helped form Athene more than a decade ago to acquire distressed insurance assets for Apollo to manage. Athene, which went public in 2016, also counted Apollo as a minority shareholder.

By the time Apollo decided to buy all of Athene in 2021, it accounted for about two-fifths of the firm's assets.

Apollo's huge bet on credit investing also comes as the Federal Reserve raises interest rates to fight inflation. Some $37bn, or 20 per cent, of Athene's portfolio is invested in floating rate debts. Apollo expects to earn as much as $40mn in extra profits for every 25 basis points that rates are increased.

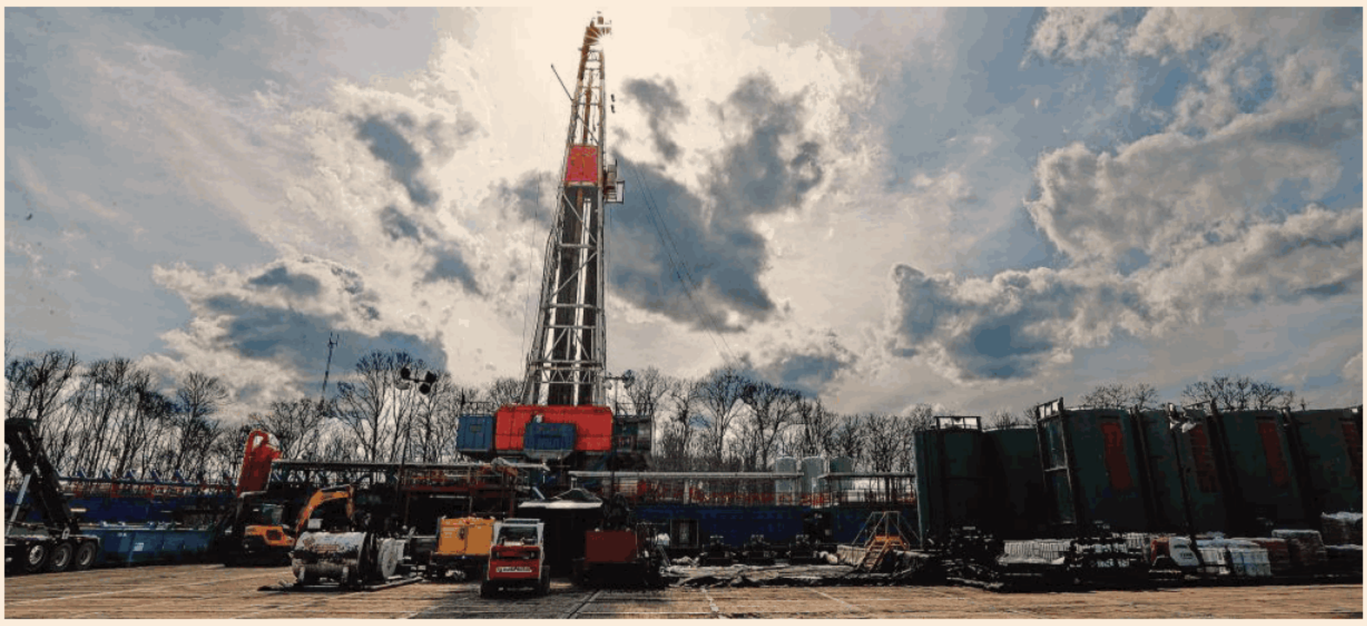
At the Milken Global Conference in Beverly Hills on Monday, Rowan highlighted credit investments, fuelled by Apollo's newly integrated Athene unit, as the firm's engine of growth.

"The yield business is a scale business," he said. "We can only grow as fast as we can generate assets."

Additional reporting by Sujeet Indap in New York

Commodities. Overseas shipments

US natural gas prices surge as Europe spurns Russia energy



New horizons: US shale gas producers are attracting higher demand from LNG plants serving overseas markets Keith Srakocic/AP

Henry Hub benchmark more than doubles this year amid export rise and sluggish output

DEREK BROWER — NEW YORK

The US economy's long era of cheap shale gas is showing signs of fading with prices hitting the highest in more than a decade and Europe and Asia ready to pay more to import American supplies.

The Henry Hub natural gas benchmark settled at $8.415 a million British thermal units on Wednesday, more than double the price at the start of the year and far above the $3 average of the previous 10 years.

A persistent source of demand are plants that liquefy the gas for export overseas. The coastal facilities, a critical piece of Europe's plans to cut Russian supplies after Moscow's invasion of Ukraine, have been running at maximum capacity during the rally.

Shale gas producers, whose headlong growth in the 2010s depressed prices and made US liquefied natural gas export projects viable, have also been slow to increase output in response to the market surge.

Demand from LNG plants has averaged more than 12.3bn cubic feet of gas a day (equivalent to 127bn cubic metres a year) since the start of March — about 17 per cent more than last year and almost as much as is consumed by the US residential sector, according to Refinitiv.

More shipments are anticipated this year as Cheniere Energy expands an export plant in Louisiana and rival Venture Global opens one in the state.

The Energy Information Administration forecasts LNG exports, which began on the Gulf of Mexico in 2016, will increase another 25 per cent between 2021 and 2022.

Gas in the US remains far cheaper than in Europe, where prices were almost $37 a million Btu this week, or in Asia, where they were $23.50.

The disparity creates an incentive to add more export plants.

US energy infrastructure companies NextDecade and Energy Transfer this week announced long-term gas sales contracts for two proposed projects in Texas and Louisiana, respectively.

The US and EU recently signed an agreement in which the US would ship 50bn cubic metres a year of added LNG to Europe by 2030, almost 50 per cent more than the US's current export capacity.

The extra LNG demand comes as US electricity consumption is on the rebound, driving domestic gas consumption.

Combined with sluggish production growth from shale gasfields, it has left US gas stockpiles at their lowest seasonal level in three years and well below the five-year average.

"Inventories are low and exports are high because of Ukraine," said Andrew Gillick, energy strategist at Enverus, a consultancy. "And so prices are rising too. It's as simple as that."

Consumers in the US are feeling the pinch. "But for LNG, the price of Henry Hub would be $3.50 a million Btu," said Paul Cicio, president of the Industrial Energy Consumers of America, a trade group that has long criticised US LNG exports.

Cicio said some of his group's member companies had been trying to expand manufacturing capacity but could not because of higher natural gas prices.

Fertiliser, paper, cement and glass manufacturers were among those most exposed, he said.

Some Democratic politicians have also urged a rethink of foreign sales of US gas that flows on LNG tankers and in pipelines to Mexico and Canada.

In February, a group of senators wrote to US energy secretary Jennifer Granholm urging her to take "swift action to limit US natural gas exports".

The senators said: "We understand there are geopolitical factors and global and regional markets to consider. However, the administration must also consider the potential increase in cost to American families because of higher export volumes."

Analysts said that, as long as Asian and European prices remain elevated, heavy gas users in the US will continue to enjoy a competitive advantage.

"For industrial consumers, [the US] is still a better place than the rest of the world," said Peter Rosenthal, head of power at consultancy Energy Aspects.

Cheniere on Wednesday reported a jump in first-quarter revenue as it exported a record number of cargoes in the period, 75 per cent of them to Europe.

The biggest US LNG group also raised its profit forecast for the year by almost 20 per cent.

The US gas price surge has been good news for shale producers. Chesapeake Energy, which went bankrupt in mid-2020, on Wednesday reported record quarterly free cash flow in the first three months of the year.

EQT, the country's biggest producer, last week raised its free cash flow guidance for the year by 50 per cent "given the positive fundamental backdrop for natural gas prices".

But shale gas companies have been slow to boost production, despite higher commodity prices.

"Producers are not responding because everyone is so focused on capital discipline," said Rosenthal, who added that a "Covid hangover" was still causing labour shortages and late winter outages in areas such as North Dakota were also hindering drillers.

Research firm Rystad Energy said publicly listed shale producers this year would increase free cash flow — income left after subtracting for outflows and asset maintenance — 70 per cent this year, to a record high above $830bn. But their capital spending would rise only 11 per cent to $286bn.

The amount of cash from operations reinvested by shale companies this year would be just 26 per cent compared with more than 70 per cent in previous years.

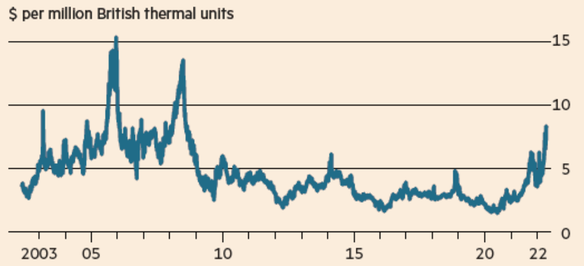
Rising operating costs were another deterrent to a boost in supply, analysts said.

"Well costs are going higher, inflation is rampant, margins are going to be crushed," Gillick said. "It's not so easy to increase drilling, even if Europe needs the gas."

> 'Inventories are low and exports are high because of Ukraine — so prices are rising'

US natural gas prices are at 14-year highs

$ per million British thermal units



Source: Energy Information Administration

Commodities

Opec+ sticks with modest output rise despite doubts over Moscow

TOM WILSON

Opec and its allies agreed to a modest crude output increase even as a growing international boycott of Russian oil cast doubt on Moscow's ability to continue to meet the cartel's targets.

The Opec+ group, which has included Russia since 2016, said yesterday it would aim to raise production by another 432,000 barrels a day in June, continuing with the monthly plan agreed in July last year to gradually replace output cut at the start of the pandemic.

A day after the European Commission proposed a phased-in ban on all imports of Russian crude and refined products into EU member states by the end of the year, Brent crude, the international benchmark, rose nearly 3 per cent yesterday to trade at more than $113 a barrel before later surrendering some gains.

Immediately after the invasion of Ukraine, oil rallied to a 14-year-high of $139 a barrel but then pulled back as Russian oil continued to flow and new coronavirus-induced lockdowns curbed demand in China, the world's biggest oil importer.

In a statement following the meeting, the Opec+ group said it noted "the continuing effects of geopolitical factors and issues related to the ongoing pandemic" but that the outlook pointed to "a balanced market".

> 'They are having to pretend that Russian production isn't about to fall off a cliff'

Analysts said Opec+ was choosing to ignore the impact that the expanding boycott of Russian energy was expected to start to have on crude production in the country.

"The meeting is happening in a little bit of a parallel universe because they are having to pretend that Russian production isn't about to fall off a cliff," said Paul Horsnell, head of commodities research at Standard Chartered.

Russian oil output has already fallen from 11mn b/d in March to 10.1mn b/d over the first 19 days of April, according to the research group OilX, and is expected to fall further.

India, in particular, has significantly stepped up purchases of discounted Russian oil as western buyers have turned away.

Indian imports of Moscow's flagship Urals crude rose to 627,000 b/d in April from zero in February.

China is also expected to increase its purchases of Russian oil. But Asian buyers will struggle to absorb all of the 2.2mn b/d of crude and 1.2mn b/d of products that Russia previously shipped to Europe. As demand for Russian crude dries up, production is expected to further decline.

The next Opec+ meeting is scheduled for June 2.

Financial services

ICE expands in mortgage tech with $13bn acquisition of Black Knight

PHILIP STAFFORD — LONDON
NIKOU ASGARI — NEW YORK

Intercontinental Exchange has deepened its push into the US housing market data business, striking the largest deal in its history by agreeing to purchase mortgage software company Black Knight for $13.1bn.

Atlanta-based ICE said it would pay $85 per share for the company, a roughly 35 per cent premium to Black Knight's trading price before the deal was announced.

The $10.5bn cash portion will be funded by newly issued debt as well as cash on hand.

Shares in Black Knight jumped 14.5 per cent on the news while ICE, which is best known as the owner of the New York Stock Exchange, fell 4 per cent.

ICE's move strengthens its grip on the data and software that undergirds the residential mortgage market in the US at a time when home prices have been soaring.

Less than two years ago, it bought mortgage-lending software provider Ellie Mae for $11bn from private equity group Thoma Bravo, which was then ICE's largest purchase since chief executive Jeffrey Sprecher founded it in 2000 as an energy trading platform.

The purchase also marked a decisive pivot away from ICE's mainstay as the owner of some of the world's biggest stock and futures exchanges, clearing houses and index providers.

Mortgage technology accounted for about a fifth of ICE's $7.1bn in total revenue last year.

Black Knight provides data on areas including bankruptcy and loan servicing to lenders. The deal gives the Florida-based company a $16bn enterprise value.

The purchase would make it easier for borrowers and lenders to agree mortgages while helping homeowners lower their monthly payments and reduce the likelihood of default, ICE said.

Sprecher added that Black Knight fitted into his company's long-term strategy of turning old-line financial services into lucrative high-tech operations.

"ICE's simple mission has been to make analogue and opaque financial transactions more digital and transparent," he said.

Through a string of acquisitions, ICE has transformed into one of the world's largest exchanges. It bought the Chicago Stock Exchange in 2018, Interactive Data Corp for $5.2bn in 2015 and NYSE Euronext for $11bn in 2013.

The Black Knight deal is expected to provide $200mn worth of cost synergies over five years and to close in 2023, pending regulatory approval.

See Lex

ICE is best known as the owner of the New York Stock Exchange

Asset management

Archegos mulled becoming Deutsche's biggest shareholder through HNA stake

OLAF STORBECK — FRANKFURT
ORTENCA ALIAJ — LONDON

Archegos Capital Management in 2018 considered becoming the largest shareholder in Deutsche Bank by taking over a stake controlled by Chinese conglomerate HNA.

The family office, which imploded in 2021, received information about HNA's stake that Archegos believed came from Deutsche Bank chair Paul Achleitner, according to two people familiar with the matter.

Those people, and a third person with direct knowledge of the matter, added that Achleitner at the time was wooing Archegos co-founder Bill Hwang as the bank searched for an investor to replace HNA, which was in trouble and later collapsed.

Hwang pleaded guilty in 2012 to charges of wire fraud and last week was hit with new criminal charges in the US, which he denies.

Deutsche Bank said Achleitner "did not have any detailed knowledge of the shareholding structure of HNA" and "did not ask anyone to address Archegos as a potential buyer of the HNA stake".

A person familiar with the matter said Achleitner could not rule out mentioning the opportunity to buy the HNA stake at a meeting with Hwang in early 2019, adding that HNA's stake was subject to public debate at the time.

The acquisition of HNA's stake in Deutsche Bank would have turned Hwang into the single largest shareholder of a bank, which at the time had €1tn in assets but was just worth less than €20bn on the stock market.

> The family office received a briefing about the structure and embarked on 'long night' of frantic calculations

HNA was holding a 7.6 per cent stake through an opaque chain of offshore companies. It had borrowed heavily to fund its Deutsche Bank investment and pledged the bank's shares as collateral to Swiss bank UBS. The position was hedged against large swings in Deutsche Bank's share price with a complex derivatives structure.

Archegos was approached by a confidant of Achleitner, who suggested the family office could buy the stake from HNA and replace the Chinese group as Deutsche Bank's single biggest shareholder, according to the people familiar with the matter.

Archegos also received a briefing about the structure and embarked on "a long night" of frantic calculations, trying to assess if such a transaction made economic sense.

Hwang eventually vetoed the idea, deciding it did not fit with his typical investment profile, according to two people with knowledge on the matter.

But Hwang later met Achleitner and Deutsche Bank chief executive Christian Sewing and from 2019 built an undisclosed 2 per cent position in Germany's biggest bank, the Financial Times reported in March.

Hwang, who is accused by authorities of using Archegos as an "instrument of market manipulation and fraud", borrowed large sums from lenders, including Deutsche Bank, to amass multibillion-dollar positions in companies. Lawyers for Archegos and lawyers for Hwang did not respond to requests for comment.

The day in the markets

What you need to know

- S&P 500 and Nasdaq shed gains as relief after Fed's rate decision fades
- 10-year US Treasury yield jumps back above 3 per cent
- US Dollar index hovers close to a 20-year high

US stocks and bonds fell sharply yesterday, reversing a big rally from the previous session, as a burst of relief following the US Federal Reserve's latest interest rate decision faded.

The S&P 500 dropped more than 3 per cent, having closed 3 per cent higher on Wednesday in the equity benchmark's best one-day performance since May 2020. More than 90 per cent of the stocks in the index slid yesterday.

The tech-heavy Nasdaq Composite fell 5 per cent, representing one of its biggest drawdowns over the past two years.

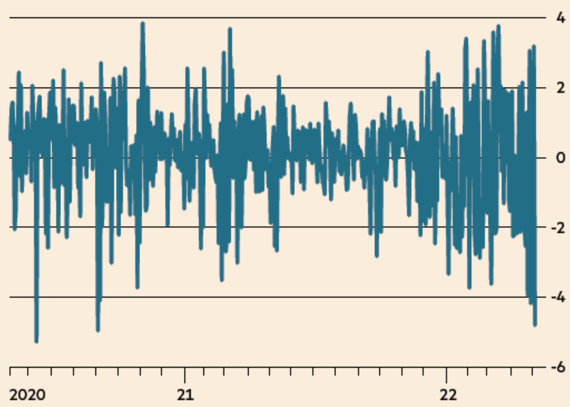
The US central bank on Wednesday announced its first 0.5 percentage point interest rate rise in more than 20 years, in a widely telegraphed move, while Fed chair Jay Powell also appeared to rule out 0.75 percentage point increases at upcoming meetings.

"It was not a really a dovish signal but market sentiment is beaten up, the most pessimistic it's been in decades, so it wasn't surprising to see a bounce from such levels of pessimism," said Trevor Greetham, head of multi-asset at Royal London, referring to Wednesday's moves.

"But you've still got a nasty backdrop, where central banks are not your friend," he added. "What really needs to change to sustainably improve market conditions is inflation," which hit a 40-year high of 8.5 per cent in March.

Nasdaq on track for worst day since 2020

Daily % change



Source: Refinitiv

Despite the Fed chair's comments, traders yesterday increased their bets that the Fed would more aggressively lift interest rates including with a possible jumbo 0.75 percentage point rise in June.

The S&P has fallen more than a tenth this year while the Nasdaq is down more than 20 per cent.

The yield on the 10-year US Treasury note, which investors use as a yardstick for valuing many other financial assets, jumped 0.12 percentage points to 3.06 per cent. Yields on Treasury bonds, which move inversely to prices, have been volatile as the uncertain path of inflation and interest rates complicates the case for the fixed income-paying securities.

Powell said a neutral monetary policy position was "not something we can identify with any precision". He also "sounded very determined to raise rates until he sees progress on inflation", said Rose Ouahba, head of fixed income at Carmignac. "And [he] did not give a sense of where the Fed needs to stop."

The US Dollar index, which measures the currency against six others, rose 1 per cent, holding close to a 20-year high.

Naomi Rovnick, Eric Platt and Hudson Lockett

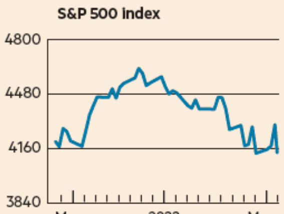
Markets update

	US	Eurozone	Japan	UK	China	Brazil
Stocks	**S&P 500**	**Eurofirst 300**	**Nikkei 225**	**FTSE100**	**Shanghai Comp**	**Bovespa**
Level	4135.17	1717.80	26818.53	7503.27	3067.76	104863.53
% change on day	-3.84	-0.62	-0.11	0.13	0.68	-3.21
Currency	**$ index (DXY)**	**$ per €**	**Yen per $**	**$ per £**	**Rmb per $**	**Real per $**
Level	103.259	1.053	130.245	1.237	6.623	5.021
% change on day	0.655	-0.190	0.204	-1.040	0.542	0.127
Govt. bonds	**10-year Treasury**	**10-year Bund**	**10-year JGB**	**10-year Gilt**	**10-year bond**	**10-year bond**
Yield	3.087	1.045	0.225	1.964	2.828	11.879
Basis point change on day	11.150	7.600	0.000	0.000	-0.600	-8.100
World index, Commods	**FTSE All-World**	**Oil - Brent**	**Oil - WTI**	**Gold**	**Silver**	**Metals (LMEX)**
Level	427.55	109.57	106.90	1863.65	22.60	4690.30
% change on day	-2.73	0.81	0.55	-0.32	-0.15	0.62

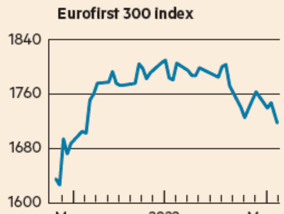
Yesterday's close apart from: Currencies = 16:00 GMT; S&P, Bovespa, All World, Oil = 17:00 GMT; Gold, Silver = London pm fix. Bond data supplied by Tullett Prebon.

Main equity markets

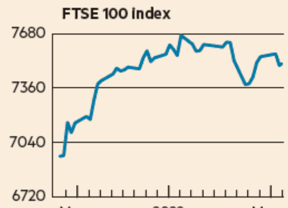
S&P 500 index



Eurofirst 300 index



FTSE 100 index



Biggest movers

%	US		Eurozone		UK	
Ups	Booking Holdings	4.01	Airbus	6.30	Aveva	4.89
	Kellogg	3.84	Inditex	2.65	Mondi	4.29
	Albemarle	3.65	Grifols	2.47	Endeavour Mining	4.17
	Twitter	3.28	Legrand	2.46	Shell	3.06
	Charter Communications	1.79	A.p. Moller - Maersk B	2.10	Avast	2.91
Downs	Cognizant Technology Solutions	-11.78	Hann.rueck	-6.29	Hikma Pharmaceuticals	-9.01
	Ebay	-10.35	Allianz	-5.92	Ocado	-6.93
	Ball	-10.26	Coloplast	-5.52	Admiral	-6.90
	Loln National	-10.05	Credit Agricole	-3.79	Itv	-5.02
	Apa	-9.25	Bbva	-3.77	Antofagasta	-4.77

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

Online crafts platform **Etsy** dropped sharply despite reporting first-quarter revenue that was better than expected.

Sales rose 5.2 per cent year on year to $579.3mn, which beat the Refinitiv-compiled estimate of $575.4mn.

Sentiment was soured by its forecast for the current quarter with revenue expected to land between $540mn and $590mn, the midpoint of which missed Wall Street estimates.

Falling for similar reasons was fellow online platform **eBay**.

It posted first-quarter revenue and earnings per share of $2.48bn and $1.05, respectively, which edged past the $2.44bn and $1.03 that were forecast by Credit Suisse.

But for the second quarter, eBay expected its revenue to range from $2.35bn to $2.40bn, which fell short of the $2.42bn analysts had expected.

The lowered outlook was "primarily due to ongoing macroeconomic headwinds around inflation", said the broker, "as well as the geopolitical uncertainty in eastern Europe".

Rounding off a difficult session for online retail specialists, ecommerce platform **Shopify** also retreated.

Its earnings came in at 20 cents per share in the first quarter, missing market estimates by almost 70 per cent.
Ray Douglas

Europe

Disappointing results pushed France's **CGG** down more than 18 per cent.

The manufacturer of geophysical equipment reported first-quarter revenue of $175mn, down from $209mn a year earlier.

Sophie Zurquiyah, chief executive, said she expected "an acceleration of our clients' decision-making and spending, particularly in the second half of the year", prompting the group to stick with its 2022 financial objectives.

Austrian energy company **Verbund** retreated following a report in Tiroler Tageszeitung newspaper in which chancellor Karl Nehammer raised the idea of an ad hoc tax on energy operators.

The article did not come as a surprise to analysts at Citi, who concluded that "a scenario of higher power prices for longer increases the risk of [a] windfall profit tax" for groups such as Verbund.

Aerospace group **Airbus** rallied after releasing "better than expected" first-quarter results, said Deutsche Bank.

From revenue of €12bn, the group generated operating profit of €1.3bn, which was way above the Refinitiv-compiled estimate of €705mn.

Airbus also announced plans to increase production of its A320 family of aircraft, in "a positive, bold move . . . despite ongoing supply-chain constraints" said Deutsche. *Ray Douglas*

London

Daily Mirror publisher **Reach** tumbled almost 21 per cent after revealing that it had "experienced reduced advertiser demand and lower average yields" during the past two months.

This was down to the war in Ukraine, which had significantly reduced "the level of 'brand safe' content for news publishers". Rising prices were also a concern, especially for paper. "Since the middle of March, we have seen further inflation in operating costs, particularly within print, where the impact of newsprint increases will now exceed our previous expectations," said the company.

S4 Capital, the digital marketing group run by ex-WPP chief Martin Sorrell, leapt 12 per cent on news that its delayed full-year results would be published today.

The confirmation came after the group announced in March that its results would not be released on time because auditors PwC said "they were unable to complete the work necessary".

Hikma fell sharply after trimming its guidance for its generics business.

For 2022, the pharma group expected the unit's revenue to land between $710mn and $750mn while its core operating margin would be about 20 per cent. This equated to a 9 to 13 per cent decline in divisional revenues against earlier guidance of 8 to 10 per cent growth, said Numis. *Ray Douglas*

Yen will become a cheap haven for uncertain times

Zach Pandl

Markets Insight

The yen has been the worst performing major currency this year, sliding about 12 per cent against the dollar, and underperforming even the Turkish lira and Argentine peso.

Relative to a basket of trading partner currencies and adjusted for inflation, the yen has fallen to levels last seen in the early years of the Reagan Administration, before the 1985 Plaza Accord.

But this state of *enyasu* (weak yen) will probably be shortlived. The yen is an undervalued haven asset at a time of rising recession risks around the world and structural threats to the dollar.

It will find support from long-horizon investors looking to protect their capital. If global inflation pressures remain high, the Bank of Japan will eventually allow bond yields to rise rather than let the currency spiral downward.

Recent yen depreciation reflects shorter-term, cyclical factors: sharply rising bond yields in the US and Europe, higher commodity prices that lead to a larger import bill for Japan and the Omicron Covid wave, which has held back the economic reopening process throughout Asia.

The BoJ was right to say last week that Japan's cyclical position — low core inflation and a more limited rebound in economic output — warrants an easier monetary policy stance compared with its G10 peers.

But structurally the Japanese economy is not that different from other developed markets. It had an earlier and larger real estate bubble and bust but the pattern was largely the same as in the west over the past decade.

Japanese inflation has been low but inflation rates elsewhere moved closer to Japan-like levels over the last business cycle. Between 2010 and 2019, Japan's consumer price index inflation averaged 0.5 per cent compared with 1.4 per cent in the euro area, 1.1 per cent in Sweden, and zero in Switzerland.

Over that same period, Japan's real per capita growth in gross domestic product averaged 1.3 per cent, slightly above the average of the rest of the G10.

Japan has the attributes of a natural "haven". Most importantly, it is a wealthy nation with a large stock of foreign assets. Japan holds about ¥1,260tn ($9.6tn) in foreign assets compared with liabilities of about ¥850tn.

This net international asset position amounts to roughly 75 per cent of Japan's GDP.

> The BoJ was right to say Japan's cyclical position warrants an easier monetary policy stance

The Japanese government has a large debt stock but this is held mostly as assets by its residents and the BoJ. The Japanese nation is not going broke and its large current surpluses over the years mean the currency is not vulnerable to sudden capital flight.

Investors should be warier of Japanese bonds than the currency. If we have entered a period of stubbornly high global inflation pressures, Japan will not be immune. Between 1960 and 1989, when US inflation averaged 5.0 per cent, Japanese inflation averaged 5.6 per cent — there is nothing about Japan that implies permanently low inflation.

Muted wage growth and price inflation trends in the country won't change overnight. Inflation expectations appear anchored at relatively low levels.

It may take repeated upside inflation surprises for the Japanese public to expect a steadily rising price level. But this now seems a meaningful risk. Most other economies experienced a wave of price pressures as they reopened.

For the BoJ, which has been trying to secure an end to deflation for years, this should be good news. Bringing underlying inflation closer to the central bank's 2 per cent target will allow it to move nominal interest rates back above zero and improve policy flexibility.

Governor Haruhiko Kuroda should be preparing for his victory lap. Ending negative rates and a policy of yield curve control — which effectively caps 10-year government bond yields at 0.25 per cent — would be no tragedy. Instead, it would signal that officials successfully ended deflation through a sustained cross-government macro policy campaign.

The yen may very well experience further depreciation pressure over the coming weeks. We are in a complex and volatile period for global markets. But beyond the near-term, there are a number of paths to recovery for the yen.

In a recession, US Treasury yields and commodity prices would likely come down, narrowing interest rate differentials with Japan and lowering the cost of its commodity imports. If global inflation remains high, low interest rates in Japan will eventually move up toward the levels in other developed markets.

Investors can expect a rebound in the yen over time and should consider owning this haven asset as a hedge against global recession and other tail risks.

Zach Pandl is co-head of foreign exchange strategy for Goldman Sachs

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 $
-3.84%	-5.05%	-3.32%	0.13%	-0.62%	-0.11%	-0.36%	-2.73%	-0.190%	-1.040%	0.204%	0.829%	1.20%	-0.32%

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

AMERICAS

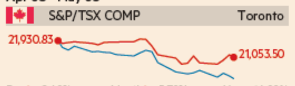
Apr 06 - - Index — All World

S&P 500 — New York

Day -3.84% Month -8.59% Year -0.74%

Apr 06 - May 05 — Index — All World

S&P/TSX COMP — Toronto



Day -2.49% Month -5.79% Year 6.99%

Nasdaq Composite — New York

Day -5.05% Month -13.30% Year -9.33%

IPC — Mexico City

Day -1.63% Month -8.90% Year 4.55%

Dow Jones Industrial — New York

Day -3.32% Month -4.87% Year -3.73%

Bovespa — São Paulo

Day -3.21% Month -11.83% Year -12.34%

EUROPE

Apr 06 - May 05 — Index — All World

FTSE 100 — London

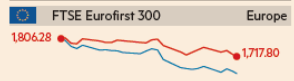
Day 0.13% Month -1.37% Year 6.68%

Apr 06 - May 05 — Index — All World

Xetra Dax — Frankfurt

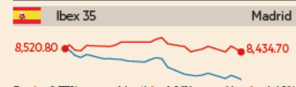
Day -0.49% Month 0.79% Year NaN%

FTSE Eurofirst 300 — Europe



Day -0.62% Month -5.14% Year 0.98%

Ibex 35 — Madrid

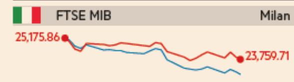


Day -0.77% Month -1.01% Year -4.48%

CAC 40 — Paris

Day -0.43% Month -5.39% Year 1.87%

FTSE MIB — Milan



Day -0.60% Month -3.30% Year -0.96%

ASIA

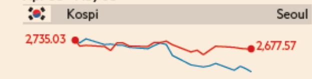
Apr 06 - May 02 — Index — All World

Nikkei 225 — Tokyo

Day -0.11% Month -3.05% Year -6.91%

Apr 06 - May 05 — Index — All World

Kospi — Seoul



Day -0.11% Month -2.27% Year -14.38%

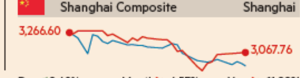
Hang Seng — Hong Kong

Day -0.36% Month -7.52% Year -27.13%

FTSE Straits Times — Singapore

Day -0.17% Month -2.14% Year 5.18%

Shanghai Composite — Shanghai



Day 0.68% Month -6.55% Year -11.00%

BSE Sensex — Mumbai

Day 0.06% Month 40783.14% Year 15.40%

Country	Index	Latest	Previous
Argentina	Merval	88581.05	89401.35
Australia	All Ordinaries	7639.20	7564.80
	S&P/ASX 200	7364.70	7304.70
	S&P/ASX 200 Res	5796.20	5710.90
Austria	ATX	3151.27	3256.74
Belgium	BEL 20	4097.29	4065.34
	BEL Mid	10183.82	10239.34
Brazil	IBovespa	104863.53	106343.74
Canada	S&P/TSX 60	1251.10	1281.56
	S&P/TSX Comp	20657.17	21184.95
	S&P/TSX Div Met & Min	1641.05	1568.38
Chile	S&P/CLX IGPA Gen	25141.56	25065.46
China	FTSE A200	10601.87	10645.43
	FTSE B35	9000.71	8988.98
	Shanghai A	3215.10	3193.33
	Shanghai B	291.85	291.32
	Shanghai Comp	3067.76	3047.06
	Shenzhen A	1979.02	1965.65
	Shenzhen B	1051.82	1044.47
Colombia	COLCAP	1261.61	1260.21
Croatia	CROBEX	2013.05	2011.29
Cyprus	CSE M&P Gen	68.46	68.68
Czech Republic	PX	1318.49	1322.37
Denmark	OMXC Copenahgen 20	1743.10	1741.43
Egypt	EGX 30	11047.70	10718.22
Estonia	OMX Tallinn	1907.73	1901.55
Finland	OMX Helsinki General	10891.29	11029.19
France	CAC 40	6368.40	6395.68
	SBF 120	4950.10	4972.54
Germany	M-DAX	29374.37	29696.37
	TecDAX	3076.36	3065.11
	XETRA Dax	13902.52	13970.82
Greece	Athens Gen	888.80	900.35
	FTSE/ASE 20	2150.20	2181.23
Hong Kong	Hang Seng	20793.40	20869.52
	HS China Enterprise	7117.75	7137.63
	HSCC Red Chip	3904.01	3934.47
Hungary	Bux	42515.32	43170.67
India	BSE Sensex	55702.23	55669.03
	Nifty 500	14395.50	14393.35
Indonesia	Jakarta Comp	7228.91	7228.91
Ireland	ISEQ Overall	7156.47	7274.39
Israel	Tel Aviv 125	2022.08	2021.39
Italy	FTSE Italia All-Share	25941.28	26125.34
	FTSE Italia Mid Cap	41738.40	42247.58
	FTSE MIB	23759.71	23902.06
Japan	2nd Section	7228.27	7239.06
	Nikkei 225	26818.53	26847.90
	S&P Topix 150	1641.38	1643.16
	Topix	1898.35	1899.62
Jordan	Amman SE	2408.07	2366.17
Kenya	NSE 20	1806.64	1800.64
Kuwait	KSX Market Index	6633.44	6601.51
Latvia	OMX Riga	973.80	943.46
Lithuania	OMX Vilnius	911.49	912.62
Luxembourg	LuxX	1647.06	1665.30
Malaysia	FTSE Bursa KLCI	1582.98	1600.43
Mexico	IPC	50592.98	51432.83
Morocco	MASI	13136.65	13136.65
Netherlands	AEX	696.19	699.88
	AEX All Share	953.37	957.84
New Zealand	NZX 50	11747.57	11675.21
Nigeria	SE All Share	49636.94	48607.76
Norway	Oslo All Share	1017.37	1006.88
Pakistan	KSE 100	45249.41	45533.30
Philippines	Manila Comp	6868.92	6802.73
Poland	Wig	55588.25	56695.38
Portugal	PSI 20	5789.51	5831.68
	PSI General	4222.86	4261.87
Romania	BET Index	12453.52	12445.70
Russia	Micex Index	2401.26	2373.16
	RTX	1136.77	1114.13
Saudi-Arabia	TADAWUL All Share Index	13733.87	13643.91
Singapore	FTSE Straits Times	3343.57	3349.27
Slovakia	SAX	382.40	382.40
Slovenia	SBI TOP	-	-
South Africa	FTSE/JSE All Share	69082.65	70357.58
	FTSE/JSE Res 20	74904.58	75670.13
	FTSE/JSE Top 40	62902.26	63573.87
South Korea	Kospi	2677.57	2680.46
	Kospi 200	353.85	353.32
Spain	IBEX 35	8434.70	8520.80
Sri Lanka	CSE All Share	7567.55	7598.04
Sweden	OMX Stockholm 30	1985.13	2011.12
	OMX Stockholm AS	808.21	818.05
Switzerland	SMI Index	11877.27	11880.24
Taiwan	Weighted Pr	16696.12	16565.83
Thailand	Bangkok SET	1643.30	1652.29
Turkey	BIST 100	2475.54	2430.55
UAE	Abu Dhabi General Index	8333.19	8358.50
UK	FT 30	2515.90	2538.20
	FTSE 100	7503.27	7493.45
	FTSE 4Good UK	6669.31	6667.85
	FTSE All Share	4145.57	4146.05
	FTSE techMARK 100	6025.20	6043.88
USA	DJ Composite	11308.91	11669.20
	DJ Industrial	32929.79	34061.06
	DJ Transport	14995.14	15533.38
	DJ Utilities	997.02	1011.30
	Nasdaq 100	12849.55	13535.71
	Nasdaq Cmp	12310.63	12964.86
	NYSE Comp	15578.13	16119.61
	S&P 500	4135.71	4300.17
	Wilshire 5000	41307.15	43050.56
Venezuela	IBC	5656.73	5660.01
Vietnam	VNI	1360.68	1348.68
Cross-Border	DJ Global Titans ($)	459.01	476.67
	Euro Stoxx 50 (Eur)	3693.07	3724.99
	Euronext 100 ID	1219.91	1226.19
	FTSE 4Good Global ($)	10095.18	10438.38
	FTSE All World ($)	427.55	439.57
	FTSE E300	1717.80	1728.56
	FTSE Eurotop 100	3324.27	3340.33
	FTSE Global 100 ($)	2657.72	2755.12
	FTSE Gold Min ($)	2228.63	2204.39
	FTSE Latibex Top (Eur)	4440.00	4432.20
	FTSE Multinationals ($)	2886.33	2833.25
	FTSE World ($)	773.36	796.34
	FTSEurofirst 100 (Eur)	4488.25	4517.92
	FTSEurofirst 80 (Eur)	5139.42	5177.50
	MSCI ACWI Fr ($)	667.06	655.13
	MSCI All World ($)	2864.43	2809.82
	MSCI Europe (Eur)	1769.22	1785.21
	MSCI Pacific ($)	2737.37	2734.47
	S&P Euro (Eur)	1720.21	1734.21
	S&P Europe 350 (Eur)	1766.32	1779.09
	S&P Global 1200 ($)	3069.52	3169.59
	Stoxx 50 (Eur)	3636.51	3851.87

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

STOCK MARKET: BIGGEST MOVERS

AMERICA ACTIVE STOCKS	stock traded m's	close price	Day's change	LONDON ACTIVE STOCKS	stock traded m's	close price	Day's change	EURO MARKETS ACTIVE STOCKS	stock traded m's	close price	Day's change	TOKYO ACTIVE STOCKS	stock traded m's	close price	Day's change
Tesla	130.6	878.00	-74.62	Shell	291.2	2293.00	68.00	Unicredit	327.9	8.58	0.18	Nippon Yusen Kabushiki Kaisha	729.4	9790.00	330.00
Amazon.com	80.2	2334.38	-184.19	Bp	186.2	418.90	8.00	Allianz Se Na O.n.	317.6	200.90	-12.65	Softbank	677.9	5290.00	21.00
Apple	74.0	157.73	-8.30	Glencore	166.6	484.10	1.90	Asml Holding	306.8	335.15	-0.29	Toyota Motor	580.4	2228.00	-7.50
Advanced Micro Devices	68.5	93.87	-5.56	Astrazeneca	148.7	10512.00	8.00	Sanofi	301.6	82.16	-0.09	Tokyo Electron	554.8	54790.00	-680.00
Nvidia	49.1	186.91	-16.43	Hsbc Holdings	143.8	5481.00	-11.00	Totalenergies	272.0	49.55	0.72	Murata Manufacturing	463.5	8202.00	408.00
Microsoft	42.5	276.22	-13.76	Unilever	125.4	3630.00	8.00	Nestle N	262.2	120.30	0.79	Nintendo Co.	457.3	58500.00	-1410.00
Meta Platforms	40.4	208.32	-15.09	Anglo American	122.8	3521.00	13.50	Stellantis	244.5	12.73	-0.09	Keyence	431.0	52240.00	-610.00
Alphabet	22.3	2316.01	-129.22	Rio Tinto	118.3	5008.00	-7.40	Asml Holding	243.9	537.90	2.50	Mitsui O.s.k.lines	423.6	3255.00	185.00
Alphabet	18.8	2326.38	-125.12	Barclays	113.4	149.82	-0.74	Santander	239.8	2.69	-0.08	Hitachi	377.6	6480.00	408.00
Twitter	17.3	50.67	1.61	British American Tobacco	112.4	3347.50	29.00	Airbus	226.0	109.04	6.46	Sony	375.4	11160.00	-60.00

BIGGEST MOVERS	Close price	Day's change	Day's chng%	BIGGEST MOVERS	Close price	Day's change	Day's chng%	BIGGEST MOVERS	Close price	Day's change	Day's chng%	BIGGEST MOVERS	Close price	Day's change	Day's chng%
Ups				**Ups**				**Ups**				**Ups**			
Booking Holdings	2187.66	84.33	4.01	Trainline	303.70	25.80	9.28	Airbus	109.04	6.46	6.30	Alps Alpine Co.	1313.00	158.00	13.68
Kellogg	70.46	2.61	3.84	Morgan Advanced Materials	289.00	15.50	5.67	Sartorius Ag Vzo O.n.	352.30	13.80	4.08	Hitachi,	6480.00	408.00	6.72
Albemarle	223.34	7.87	3.65	Puretech Health	177.40	9.20	5.47	Inditex	20.88	0.54	2.65	Mitsui O.s.k.lines,	3255.00	185.00	6.03
Twitter	50.67	1.61	3.28	Londonmetric Property	253.60	12.00	4.97	Siemens Health.ag Na O.n.	53.32	1.26	2.42	Nec	5330.00	280.00	5.54
Charter Communications	456.35	8.01	1.79	Aveva	2294.00	107.00	4.89	A.p. Møller - Mærsk B A/s	2881.91	59.14	2.10	Murata Manufacturing ,	8202.00	408.00	5.23
Downs				**Downs**				**Downs**				**Downs**			
Cognizant Technology Solutions	74.42	-9.94	-11.78	Virgin Money Uk	159.70	-17.80	-10.03	Allianz Se Na O.n.	200.90	-12.65	-5.92	Z Holdings	464.00	-50.60	-9.83
Ebay	48.79	-5.63	-10.35	Hikma Pharmaceuticals	1685.50	-167.00	-9.01	Prosus	42.24	-2.32	-5.22	Advantest	8560.00	-430.00	-4.78
Ball	74.68	-8.54	-10.26	Hiscox Ltd	875.00	-81.80	-8.55	Orsted A/s Dk 10	12.98	-0.58	-4.25	Resona Holdings, .	545.60	-19.30	-3.42
Loln National	58.53	-6.54	-10.05	Lancashire Holdings	390.60	-33.40	-7.88	Adyen	1480.40	-65.40	-4.23	Ajinomoto Co.,.	3278.00	-107.00	-3.16
Apa	41.02	-4.18	-9.25	Domino's Pizza	308.80	-23.80	-7.16	Umg	21.60	-0.90	-4.00	Toyota Tsusho	4555.00	-140.00	-2.98

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

UK MARKET WINNERS AND LOSERS

FTSE 100	May 05 price(p)	%Chg week	%Chg ytd	FTSE 250	May 05 price(p)	%Chg week	%Chg ytd	FTSE SmallCap	May 05 price(p)	%Chg week	%Chg ytd	Industry Sectors	May 05 price(p)	%Chg week	%Chg ytd
Winners				**Winners**				**Winners**				**Winners**			
Aveva	2294.00	11.7	-	Johnson Matthey	2271.00	21.3	9.6	Enquest	36.35	12.9	92.5	Oil & Gas Producers	7801.01	5.9	36.4
Bp	418.90	8.0	26.2	Chemring	367.50	9.7	23.2	Card Factory	63.50	12.4	7.4	General Industrials	6332.70	3.9	-
Mondi	1566.50	7.2	-	Energean	1286.00	9.0	48.2	Sig	40.00	8.8	-15.7	Mining	11257.34	2.5	-
Flutter Entertainment	8500.00	5.7	-	Auction Technology	932.00	8.0	-	Petrofac	143.80	8.2	27.3	Aerospace & Defense	4616.91	2.4	10.6
Shell	2293.00	4.9	39.8	Trainline	303.70	7.4	8.7	Abrdn China Investment	552.00	7.0	-	Chemicals	13348.13	1.8	-
Endeavour Mining	2022.00	4.7	28.2	Trustpilot	109.60	4.5	-	Avon Protection	1100.00	6.8	-3.9	Tobacco	34780.15	0.7	18.7
Dcc	6256.00	4.0	3.1	Darktrace	437.30	3.6	-	Riverstone Energy	668.00	6.7	41.5	Banks	3123.86	0.7	2.6
Smurfit Kappa	3400.00	3.9	-	Diversified Energy	122.50	3.2	17.6	Sif Realisation Fund	13.55	6.1	-	Electricity	11622.61	0.4	15.3
Bae Systems	760.00	3.9	38.5	Convatec	214.20	2.5	13.1	Hyve	78.10	6.0	-	Electronic & Electrical Equip.	9506.40	-0.2	-
Smiths	1510.50	3.5	-4.9	Tullow Oil	56.85	2.4	25.1	Lamprell	28.05	5.5	-22.7	Food & Drug Retailers	4003.67	-0.2	-8.3
Standard Chartered	565.00	3.2	26.3	Mitie	54.90	2.4	-	Capita	24.12	5.3	-	Household Goods	12762.07	-0.4	-28.4
Hsbc Holdings	508.00	2.8	13.0	Templeton Emerging Markets Investment Trust	147.20	2.4	-	Vpc Specialty Lending Investments	92.70	5.1	0.2	Industrial Metals	7376.85	-0.6	16.0
Losers				**Losers**				**Losers**				**Losers**			
Hikma Pharmaceuticals	1685.50	-16.9	-	Tritax Big Box Reit	215.40	-12.6	-	Luceco	130.40	-30.1	-	Real Estate Investment Trusts	3068.14	-6.9	-
Segro	1187.50	-12.7	-	4imprint	2440.00	-12.2	-	Reach	126.30	-21.8	-	Nonlife Insurance	2840.13	-5.6	-
Howden Joinery	686.40	-11.7	-	Domino's Pizza	308.80	-11.5	-	Ao World	69.35	-20.7	-	Industrial Engineering	14040.06	-4.9	-
Ocado	830.00	-8.9	-	Molten Ventures	626.00	-11.1	-	Restaurant	53.20	-15.2	-	General Financial	12109.39	-4.8	4.8
Admiral	2321.00	-8.0	-	Watches Of Switzerland	908.00	-10.8	-39.0	Petra Diamonds	112.00	-10.4	56.6	Health Care Equip.& Services	8493.92	-4.2	2.6
Avast	523.20	-7.9	-	Bytes Technology	407.40	-10.1	-	Headlam	335.00	-9.5	-	Personal Goods	26215.50	-3.6	-
Dechra Pharmaceuticals	3352.00	-6.2	-	Cranswick	3100.00	-9.9	-	Marston's	69.10	-9.1	-4.8	Life Insurance	6444.66	-3.1	-
Entain	1405.50	-5.8	-	Direct Line Insurance	231.40	-9.8	-	Funding Circle Holdings	68.20	-9.1	-	Real Estate & Investment Servic	2611.75	-3.0	-
Natwest	210.20	-5.7	-7.0	Indivior	298.60	-9.7	16.6	Kin And Carta	211.50	-8.0	-	Industrial Transportation	3213.15	-2.6	-
Kingfisher	238.10	-5.6	-	Hg Capital Trust	388.00	-9.3	-7.7	Int Personal Finance	90.00	-8.0	-	Food Producers	6123.43	-2.3	-9.1
Antofagasta	1446.50	-5.6	7.4	Jtc	704.00	-9.3	-	Wickes	181.60	-7.3	-	Software & Computer Services	1749.06	-2.3	-
Hargreaves Lansdown	885.20	-5.6	-	Network Int Holdings	242.60	-9.3	-	Montanaro Eur Smaller C. Tst	136.20	-7.3	-	Gas Water & Multiutilities index	6551.09	-2.0	10.1

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

CURRENCIES

May 5	Currency	DOLLAR Closing Mid	DOLLAR Day's Change	EURO Closing Mid	EURO Day's Change	POUND Closing Mid	POUND Day's Change
Argentina	Argentine Peso	116.1590	0.1440	122.3216	-0.0571	143.7291	-1.3078
Australia	Australian Dollar	1.4015	-0.0001	1.4759	-0.0026	1.7342	-0.0181
Bahrain	Bahrainin Dinar	0.3770	0.0002	0.3970	-0.0005	0.4665	-0.0046
Bolivia	Bolivian Boliviano	6.9100	-	7.2766	-0.0124	8.5501	-0.0885
Brazil	Brazilian Real	5.0213	0.0064	5.2877	-0.0023	6.2131	-0.0564
Canada	Canadian Dollar	1.2818	-0.0017	1.3498	-0.0041	1.5860	-0.0185
Chile	Chilean Peso	866.0250	6.5500	911.9701	5.3509	1071.5744	-2.9037
China	Chinese Yuan	6.6227	0.0357	6.9741	0.0257	8.1946	-0.0402
Colombia	Colombian Peso	4095.0000	33.7500	4312.2519	28.2316	5066.9419	-10.2569
Costa Rica	Costa Rican Colon	665.8800	-0.1100	701.2068	-1.3143	823.9254	-8.6662
Czech Republic	Czech Koruna	23.3456	-0.0179	24.5841	-0.0609	28.8866	-0.3215
Denmark	Danish Krone	7.0647	0.0109	7.4395	-0.0012	8.7415	-0.0768
Egypt	Egyptian Pound	18.4843	0.0302	19.4649	-0.0014	22.8715	-0.1990
Hong Kong	Hong Kong Dollar	7.8494	0.0006	8.2659	-0.0135	9.7125	-0.0998
Hungary	Hungarian Forint	361.9250	2.7933	381.1261	2.2952	447.8272	-1.1435
India	Indian Rupee	76.2575	-0.1700	80.3032	-0.3166	94.3571	-1.1892
Indonesia	Indonesian Rupiah	14497.0000	-	15266.1268	-26.0767	17937.8632	-185.6631
Israel	Israeli Shekel	3.4199	0.0327	3.6013	0.0284	4.2316	-0.0029
Japan	Japanese Yen	130.2450	0.2650	137.1549	0.0452	161.1584	-1.3369
..One Month		130.2449	0.2647	137.1549	0.0452	161.1582	-1.3372
..Three Month		130.2445	0.2639	137.1550	0.0454	161.1579	-1.3381
..One Year		130.2414	0.2577	137.1545	0.0444	161.1582	-1.3407
Kenya	Kenyan Shilling	115.8500	-	121.9962	-0.2085	143.3468	-1.4838
Kuwait	Kuwaiti Dinar	0.3068	0.0002	0.3231	-0.0003	0.3796	-0.0037
Malaysia	Malaysian Ringgit	4.3485	-0.0050	4.5792	-0.0131	5.3806	-0.0619
Mexico	Mexican Peso	20.2020	-0.0370	21.2738	-0.0754	24.9969	-0.3050
New Zealand	New Zealand Dollar	1.5530	-0.0006	1.6354	-0.0034	1.9217	-0.0206
Nigeria	Nigerian Naira	415.7500	0.7500	437.8067	0.0430	514.4275	-4.3874
Norway	Norwegian Krone	9.4843	0.0745	9.9875	0.0615	11.7354	-0.0284
Pakistan	Pakistani Rupee	185.7000	-	195.5519	-0.3342	229.7755	-2.3785
Peru	Peruvian Nuevo Sol	3.7731	-0.0335	3.9732	-0.0422	4.6686	-0.0903
Philippines	Philippine Peso	52.4075	-0.0875	55.1879	-0.1866	64.8463	-0.7806
Poland	Polish Zloty	4.4533	0.0182	4.6895	0.0112	5.5102	-0.0343
Romania	Romanian Leu	4.6990	0.0100	4.9482	0.0021	5.8142	-0.0477
Russia	Russian Ruble	65.4250	-0.4250	68.8960	-0.5660	80.9535	-1.3693
Saudi Arabia	Saudi Riyal	3.7509	-	3.9499	-0.0067	4.6412	-0.0480
Singapore	Singapore Dollar	1.3844	0.0029	1.4578	0.0006	1.7130	-0.0141
South Africa	South African Rand	15.9701	0.1151	16.8173	0.0926	19.7605	-0.0607
South Korea	South Korean Won	1266.2500	-	1333.4283	-2.2785	1566.7923	-16.2183
Sweden	Swedish Krona	9.9221	0.0586	10.4485	0.0440	12.2772	-0.0538
Switzerland	Swiss Franc	0.9852	0.0025	1.0374	0.0009	1.2190	-0.0095
Taiwan	New Taiwan Dollar	29.4805	-0.0450	31.0445	-0.1005	36.4776	-0.4338
Thailand	Thai Baht	34.0625	-0.4425	35.8696	-0.5281	42.1472	-0.9895
Tunisia	Tunisian Dinar	3.1031	0.0079	3.2677	0.0027	3.8396	-0.0299
Turkey	Turkish Lira	14.8600	0.0595	15.6484	0.0360	18.3870	-0.1159
United Arab Emirates	UAE Dirham	3.6731	-	3.8679	-0.0066	4.5448	-0.0470
United Kingdom	Pound Sterling	0.8082	0.0083	0.8511	0.0073	-	-
..One Month		0.8082	0.0083	0.8509	0.0073	-	-
..Three Month		0.8083	0.0083	0.8507	0.0073	-	-
..One Year		0.8090	0.0084	0.8494	0.0074	-	-
United States	United States Dollar	-	-	1.0531	-0.0018	1.2373	-0.0128
..One Month		-	-	1.0529	-0.1971	1.2373	-0.0128
..Three Month		-	-	1.0525	-0.1971	1.2374	-0.0128
..One Year		-	-	1.0504	-0.1970	1.2382	-0.0127
Vietnam	Vietnamese Dong	22956.0000	-12.0000	24173.9168	-53.9413	28404.5720	-309.0299
European Union	Euro	0.9496	0.0016	-	-	1.1750	-0.0101
..One Month		0.9495	0.0016	-	-	1.1749	-0.0101
..Three Month		0.9491	0.0016	-	-	1.1746	-0.0101
..One Year		0.9469	0.0017	-	-	1.1734	-0.0101

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

FTSE ACTUARIES SHARE INDICES

UK SERIES www.ft.com/equities

Produced in conjunction with the Institute and Faculty of Actuaries

	£ Strlg May 05	Day's chge%	Euro Index	£ Strlg May 04	£ Strlg May 03	Year ago	Div yield%	Cover	P/E ratio	X/D adj	Total Return
FTSE 100 (100)	7503.27	0.13	6869.34	7493.45	7561.33	7039.30	3.40	2.00	14.74	108.05	7540.14
FTSE 250 (250)	20089.96	-0.64	18392.61	20219.48	20520.76	22385.90	2.48	2.67	15.09	184.61	16407.80
FTSE 250 ex Inv Co (179)	20684.17	-0.75	18936.62	20840.10	21178.27	23329.63	2.50	1.06	37.81	196.78	17226.37
FTSE 350 (350)	4177.55	0.01	3824.60	4177.02	4218.60	4031.07	3.26	2.07	14.80	56.79	8334.55
FTSE 350 ex Investment Trusts (277)	4108.23	0.03	3761.14	4106.86	4147.04	3933.75	3.31	1.82	16.56	57.17	4234.67
FTSE 350 Higher Yield (113)	3635.11	0.47	3327.99	3618.01	3646.90	3264.38	4.16	1.64	14.60	58.29	8109.74
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Hourly movements	8.00	9.00	10.00	11.00	12.00	13.00	14.00	15.00	16.00	High/day	Low/day
FTSE 100	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
FTSE 250	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
FTSE SmallCap	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
FTSE All-Share	4209.18	4200.30	4187.49	4181.97	4193.99	4209.12	4204.12	4194.77	4162.39	4212.43	4142.69

Time of FTSE 100 Day's high:07:05:30 Day's Low15:26:00 FTSE 100 2010/11 High: 7672.40(10/02/2022) Low: 6959.48(07/03/2022)
Time of FTSE All-Share Day's high:07:10:00 Day's Low15:26:00 FTSE 100 2010/11 High: 4296.96(10/02/2022) Low: 3862.39(07/03/2022)

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FT 30 INDEX

	May 05	May 04	May 03	Apr 29	Apr 28	Yr Ago	High	Low
FT 30	2515.90	2538.20	2560.50	2535.90	2535.20	0.00	2880.10	2300.60
FT 30 Div Yield	-	-	-	-	-	0.00	3.93	2.74
P/E Ratio net	-	-	-	-	-	0.00	19.44	14.26

FT 30 hourly changes

8	9	10	11	12	13	14	15	16	High	Low
2538.2	2570.8	2560.2	2557.8	2563.1	2565.3	2556.6	2548.5	2527.5	2586.7	2515.9

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

FT WILSHIRE 5000 INDEX SERIES

	May 04		May 04
FT Wilshire 5000	43762.55	FT Wilshire Mid Cap	5784.62
FT Wilshire 2500	5603.87	FT Wilshire Small Cap	5341.67
FT Wilshire Mega Cap	5607.71	FT Wilshire Micro Cap	5251.28
FT Wilshire Large Cap	5637.44		

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FTSE SECTORS: LEADERS & LAGGARDS

Year to date percentage changes

Oil & Gas Producers	36.34	FTSE 100 Index	1.61	Industrials	-15.57
Oil & Gas	36.21	NON FINANCIALS Index	0.57	Life Insurance	-15.69
Oil Equipment & Serv	23.50	Beverages	31.66	Nonlife Insurance	-16.13
Tobacco	18.75	FTSE All{HY-}Share Index	-1.48	Real Est Invest & Se	-18.48
Mining	15.59	Consumer Goods	-3.93	Construct & Material	-18.75
Electricity	15.22	Beverages	-4.14	Chemicals	-19.14
Pharmace & Biotech	13.95	Media	-6.02	Food & Drug Retailer	-19.22
Health Care	13.27	Food Producers	-8.69	Support Services	-20.67
Utilities	11.33	Financials	-8.87	Software & Comp Serv	-20.67
Gas Water & Multi	10.02	FTSE SmallCap Index	-9.61	Industrial Transport	-21.00
Aerospace & Defense	10.00	Travel & Leisure	-9.88	Technology	-21.03
Basic Materials	9.09	Personal Goods	-10.11	Electronic & Elec Eq	-22.22
Mobile Telecomms	8.27	Real Est Invest & Tr	-10.38	Industrial Eng	-23.07
Telecommunications	7.94	Financial Services	-11.30	Tech Hardware & Eq	-24.57
Fixed Line Telecomms	7.44	Consumer Services	-13.42	Leisure Goods	-25.96
Health Care Eq & Srv	3.85	Household Goods & Ho	-14.15	General Retailers	-27.12
Banks	2.41	Equity Invest Instr	-14.41	Automobiles & Parts	-37.53
		FTSE 250 Index	-14.44	Industrial Metals &	-78.12

FTSE GLOBAL EQUITY INDEX SERIES

May 5 Regions & countries	No of stocks	US $ indices	Day %	Mth %	YTD %	Total retn	YTD %	Gr Div Yield	May 5 Sectors	No of stocks	US $ indices	Day %	Mth %	YTD %	Total retn	YTD %	Gr Div Yield
FTSE Global All Cap	9457	748.35	1.6	-7.2	-11.6	1183.20	-11.0	2.0	Oil Equipment & Services	23	293.36	3.3	3.3	25.4	529.79	27.0	3.9
FTSE Global All Cap	9457	748.35	1.6	-7.2	-11.6	1183.20	-11.0	2.0	Basic Materials	371	658.29	0.7	0.7	-2.1	1181.83	-0.5	4.1
FTSE Global Large Cap	1876	668.79	1.6	-7.5	-11.9	1089.90	-11.3	2.0	Chemicals	181	884.84	1.7	1.7	-8.7	1537.87	-7.7	2.4
FTSE Global Mid Cap	2254	967.97	1.5	-5.7	-9.8	1439.40	-9.2	2.1	Forestry & Paper	20	301.14	0.5	0.5	-1.3	600.20	0.6	3.1
FTSE Global Small Cap	5327	999.96	1.6	-7.1	-12.6	1423.38	-12.1	1.8	Industrial Metals & Mining	94	538.18	0.2	0.2	-2.7	996.96	-0.9	6.4
FTSE All-World	4130	439.57	1.6	-7.2	-11.5	735.95	-10.9	2.0	Mining	76	1025.91	-0.3	-0.3	10.2	1930.36	12.9	5.6
FTSE World	2671	796.34	1.8	-7.2	-11.3	1789.80	-10.7	2.0	Industrials	781	509.04	1.4	1.4	-15.3	802.07	-14.7	1.8
FTSE Global All Cap ex UNITED KINGDOM In	9162	791.01	1.7	-7.2	-11.8	1227.00	-11.2	2.0	Construction & Materials	146	603.51	0.3	0.3	-18.3	1002.67	-17.7	2.1
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[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) [illegible] of EDHEC Business School As of January 2nd 2006, FTSE is basing its sector indices on the Industrial Classification Benchmark - please see www.ftse.com/icb. For constituent changes and other information about FTSE, please see www.ftse.com. © FTSE International Limited. 2013. All Rights reserved. "FTSE®" is a trade mark of the London Stock Exchange Group companies and is used by FTSE International Limited under licence.

FTSE 100 SUMMARY

FTSE 100	Closing Price	Day's Change	FTSE 100	Closing Price	Day's Change
3I Group PLC	1308.5	3.00	Intertek Group PLC	5162	84.00
Abrdn PLC	185.50	-2.65	Itv PLC	71.14	-3.76
Admiral Group PLC	2321	-172.00	Jd Sports Fashion PLC	128.05	-0.45
Airtel Africa PLC	148.00	2.80	Kingfisher PLC	238.10	-3.50
Anglo American PLC	3521	13.50	Land Securities Group PLC	733.80	12.20
Antofagasta PLC	1446.5	-72.50	Legal & General Group PLC	246.90	-2.30
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

UK STOCK MARKET TRADING DATA

	May 05	May 04	May 03	Apr 29	Apr 28	Yr Ago
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

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

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UK RIGHTS OFFERS

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

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

UK COMPANY RESULTS

Company		Turnover		Pre-tax		EPS(p)		Div(p)		Pay day	Total	
Arix Bioscience	Pre	0.340	0.477	61.084L	126.301	48.000L	95.600	0.00000	0.00000	-	0.000	0.000
Directa Plus	Pre	8.615	6.434	3.385L	4.657L	0.060L	0.070L	0.00000	0.00000	-	0.000	0.000
East Imperial	Pre	2.779	1.719	5.370L	0.972L	1.990L	0.400L	0.00000	0.00000	-	0.000	0.000
Endeavour Mining	1st	686.200	601.000	50.700	173.200	0.170L	0.350	0.00000	0.00000	-	56.000	74.000
Fandango Holdings	Int	0.000	0.000	0.044	0.093L	0.030	0.070L	0.00000	0.00000	-	0.000	0.000
Home REIT	Int		-	38.306	-	7.430	-	1.37000	-	Jun 10	1.370	-
Keystone Positive Change Investment Trust	Int			40.487L	1.386L	65.690L	2.320L	0.00000	2.40000	-	4.000	6.400
Nostrum Oil & Gas	Pre	195.285	175.939	5.602	401.837L	0.140L	1.970L	0.00000	0.00000	-	0.000	0.000
Pebble Beach Systems Group	Pre	10.620	8.393	1.497	1.095	1.200	1.000	0.00000	0.00000	-	0.000	0.000
Petards Group	Pre	13.574	13.001	0.502	1.238L	1.510	1.010L	0.00000	0.00000	-	0.000	0.000
Shell	1st	84204.000	55665.000	10776.000	8237.000	0.940	0.730	25.00000	16.85200	Jun 27	98.000	64.100
Trainline	Pre	188.513	67.084	15.542L	106.762L	2.490L	19.100L	0.00000	0.00000	-	0.000	0.000
Virgin Money UK	Int	849.000	699.000	315.000	72.000	13.700	2.800	2.50000	0.00000	Jun 21	2.500	0.000

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

UK RECENT EQUITY ISSUES

Issue date	Issue price(p)	Sector	Stock code	Stock	Close price(p)	+/-	High	Low	Mkt Cap (£m)
04/08	10.00		ARA	Aura Renewable Acquisitions PLC	12.25	-0.06	18.50	11.00	128.6
04/08	1000.00		FINS	Financials Acquisition Corp	995.00	12.50	1000.20	989.90	19215.9
04/08	30.00		1SN	First Tin PLC	24.50	-2.00	31.50	23.00	6505.6
04/07	4.00		AJAX	Ajax Resources PLC	4.60	0.09	5.20	4.50	215.6
03/25	100.00		BRS	Beacon Rise Holdings PLC	250.00	-	0.00	0.00	280.5

§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
Prudential♦	957.20	-29.60	1592.27	953.60	1.23	15.55	30643.53
ReckittB♦	6362	4.00	6709	4905.16	2.74	-27.53	55435.07
RELX♦	2375	28.00	2634.82	1582.5	2.01	31.33	56634.71
RioTinto	5481	-11.00	6876.26	4354	9.17	5.73	90960.08
RollsRoyce	81.74	-1.48	161.91	81.69	-	55.61	1881.06
Shell PLC	2293	68.00	2325	1282.78	2.64	12.08	130431.74
StandCh♦	565.00	-3.80	590.00	406.20	1.57	12.67	23047.87
Tesco	271.70	-	304.10	221.70	3.68	20.74	27526.04
Unilever	3630	8.00	4924	3267.5	3.99	18.64	55325.73
Vodafone	123.46	0.56	142.74	106.30	6.27	-276.20	40747.7
WPP	1009.5	-3.00	1231.5	868.80	2.38	25.65	15815.03
United States of America ($)							
21stC Fox A	36.30	-0.74	44.95	34.16	1.18	16.09	11463.77
3M	149.54	-4.69	208.95	139.74	3.62	16.18	85097.06
AbbottLb♦	112.47	-3.23	142.60	105.36	1.46	31.25	196928.48
Abbvie♦	150.57	-1.02	175.91	105.56	3.15	25.55	265949.52
Accenture♦	299.24	-15.62	417.37	276.88	1.13	33.26	198226.84
Activision Bli.♦	78.69	-0.55	99.46	56.40	0.55	25.04	61526.25
Adobe	398.08	-25.27	699.54	394.04	-	42.87	188092.8
Advanced Micro	93.87	-5.56	164.46	72.50	-	39.98	152076.12
AEP	99.40	-1.32	104.81	80.22	2.76	21.94	51046.29
Aflac	58.02	-1.66	67.20	51.28	2.08	9.94	37374.43
AirProd♦	239.49	-8.00	316.39	216.24	2.29	27.54	53099.1
Allstate	130.70	-2.98	144.46	106.11	2.26	8.43	36379.83
Alphabet	2316.01	-129.22	3030.93	2193.62	-	22.60	696570.05
Altria	55.89	-0.51	57.05	42.53	5.75	45.66	101192.05
Amazon	2334.38	-184.19	3773.08	2315	-	39.43	1187546.92
AmerAir	18.64	-0.99	26.04	12.44	-	-6.60	12103.71
AmerExpr♦	171.95	-5.88	199.55	149.89	0.91	18.78	129484.95
AmerIntGrp	62.11	-1.83	65.73	44.54	1.88	6.28	50076.04
AmerTower	241.58	-4.06	303.72	220.00	1.97	46.72	110228.75
Amgen	233.46	-2.64	258.81	198.64	2.75	24.86	124714.32
Amphenol Corp	71.34	-2.60	88.45	64.13	1.00	31.11	42599.86
Analog Devices	158.21	-6.56	191.95	143.81	1.61	58.15	82793.69
Anthem	500.30	-9.99	533.68	355.43	0.83	22.14	120614.72
Aon Cp	281.88	-10.22	341.98	223.19	0.64	55.60	59866.77
Apple	157.73	-8.30	182.13	122.25	0.50	28.63	2552807.67
Applied Materi.	113.98	-4.83	167.06	107.90	0.76	17.21	100689.32
Aptiv	105.22	-5.21	180.81	94.75	-	59.37	28504.36
ArcherDan	88.61	-2.54	98.88	56.91	1.53	20.25	49861.54
AT&T	19.76	-0.19	25.57	16.62	9.62	7.84	141469
Autodesk	197.10	-6.65	344.39	180.19	-	95.41	42924.31
AutomData	218.81	-10.07	248.96	187.29	1.60	37.08	91407.76
AutoZone	1962.95	-91.63	2267.4	1367.96	-	19.42	38962.34
Avago Tech	582.22	-21.44	677.76	419.14	2.36	35.99	237709.46
BakerHu	31.39	-1.45	39.78	19.23	2.10	-127.26	30905.84
Bank of NY	43.45	-1.35	64.63	41.77	2.73	11.49	35068.77
BankAm	37.04	-1.58	50.11	35.40	1.92	11.36	2984268.86
Baxter	72.30	-0.90	89.70	69.72	1.37	31.28	36405.12
BectonDick	255.92	2.38	277.29	229.24	1.20	48.47	72878.61
BerkshHat	478000	-16343.00	544389.26	407773.23	-	8.80	293351.95
Biogen	203.03	-7.08	468.55	192.67	-	21.37	29733.42
BlackRock	629.67	-35.57	973.16	610.00	2.40	18.03	95536.32
DiscFinServ	116.94	-3.65	135.69	100.07	1.47	7.18	32854.65
Disney	111.95	-4.24	187.58	111.01	-	71.25	203819.91
Dollar General	233.35	-8.56	262.21	185.15	0.66	24.88	53386.95
DominRes	82.16	-0.35	88.78	70.37	2.80	28.19	66604.97
DukeEner	109.52	-0.99	116.33	95.48	3.25	24.32	84319.39
DuPont	65.78	-3.00	86.28	64.35	1.67	22.29	33449.95
Eaton	149.06	-0.87	175.72	139.12	1.86	30.56	59474.94
eBay	48.79	-5.63	81.19	48.77	1.35	140.54	27677.88
Ecolab	167.30	-6.57	238.93	154.85	1.06	46.84	47897.33
Edwards Lifesc.	102.79	-5.86	131.73	87.32	-	47.28	63909.86
Eli Lilly	290.15	-4.75	314.00	188.17	1.07	51.90	275688.8
Emerson	89.10	-2.24	105.99	83.42	2.08	21.30	53005.59
EOG Res	122.48	-2.29	127.95	62.81	1.20	16.78	71698.5
Equinix	712.46	-19.68	885.26	662.26	1.47	141.03	64843.71
EquityResTP	78.12	-2.11	94.32	71.37	2.82	24.96	29371.09
Exelon	46.80	-1.12	50.71	29.10	2.99	29.44	45870.41
ExxonMb	88.85	-2.85	92.05	52.10	3.59	18.04	376154.69
Fedex	205.99	-3.50	319.90	192.82	1.27	12.13	53388.12
Fidelity NIS	100.91	-3.39	153.40	85.00	1.41	164.86	61628.84
Fiserv	99.60	-2.94	119.86	89.91	-	54.79	64942.02
FordMtr	14.45	-0.54	25.87	11.28	0.63	3.55	57042.05
Franklin	24.62	-2.19	38.27	24.45	4.19	7.13	12305.63
GenDyn♦	240.35	-2.57	254.99	182.66	1.78	22.78	66746.42
GenElectric	77.79	-2.64	116.17	72.61	0.38	-26.20	85620.18
GenMills	70.49	-0.32	73.80	56.67	2.67	20.38	42449.93
GenMotors	39.51	-1.66	67.21	37.25	-	6.46	57615.1
GileadSci	61.44	-0.64	74.12	57.19	4.22	13.64	77038.8
GoldmSchs	310.04	-14.07	426.16	302.21	1.92	5.71	106482.24
Halliburton	36.11	-1.97	42.60	17.82	0.46	24.25	32570.35
HCA Hold	220.64	-4.16	279.02	199.76	0.79	11.41	65195.68
Hew-Pack	37.94	-1.46	41.47	26.11	2.02	7.49	39959.43
Hilton Worldwi.	149.39	-2.00	167.99	114.70	-	112.01	41579.97
HiltonWwde	149.39	-2.00	167.99	114.70	-	112.01	41579.97
HomeDep	299.97	-15.35	420.61	293.59	2.03	20.94	309973.54
Honywell	199.42	-6.43	236.86	174.42	1.73	27.60	135751.76
HumanaInc	431.36	-10.98	475.44	363.73	0.59	20.83	54564.19
IBM	135.86	-1.54	152.84	114.56	4.40	28.54	122197.28
IDEXX Laborato.	385.03	-26.28	706.95	378.49	-	49.01	32438.55
IllinoisTool	207.94	-5.07	248.11	195.25	2.07	26.75	64856.49
Illumina	292.43	-15.25	526.00	291.34	-	63.51	45937.12
Intcntl Exch	104.55	-5.31	139.79	103.00	1.15	15.94	58593.58
Intel	45.15	-1.40	58.42	43.50	2.81	10.17	184597.91
Intuit	408.34	-39.58	716.86	385.66	0.57	55.97	115483.65
John&John	175.82	-4.38	186.69	155.72	2.18	24.64	462653.07
JohnsonCn	54.58	-1.94	81.69	51.80	1.92	27.28	38358.81
JPMrgnCh	122.61	-4.49	172.96	118.22	2.83	8.74	360445.23
Kimb-Clark	137.28	-1.86	144.53	117.32	3.03	28.09	46253.13
KinderM	18.74	-0.54	20.19	15.01	5.23	26.30	42496.74
KLA Corp	332.65	-16.73	442.44	285.89	1.07	18.74	49643.04
Kraft Heinz	43.03	-0.29	44.95	32.79	3.40	57.44	52666.65
Kroger	53.93	-1.84	62.78	35.79	1.33	26.95	38880.19
LasVegasSd	35.28	-1.78	60.34	31.26	-	-25.58	26957.77
LibertyGbl	23.19	-0.58	30.58	22.40	-	1.08	4061.29
Raytheon	95.66	-2.10	106.02	79.00	1.91	40.59	142267
Regen Pharm	632.25	-28.61	747.42	478.40	-	9.62	68300.73
S&P Global	348.10	-16.22	484.21	347.37	0.81	30.46	120800.05
Salesforce	171.63	-13.85	311.75	167.55	-	125.74	169976.34
Schlmbrg	41.61	-0.99	46.27	25.90	1.10	34.51	58814.1
Sempra Energy	160.92	-3.60	173.28	119.56	2.50	43.93	50812.45
Shrwin-Will	274.56	-7.97	354.15	233.32	0.73	43.06	71421.65
SimonProp	121.90	-2.68	171.12	113.41	5.36	19.51	40024.93
SouthCpr	61.62	-3.31	83.29	54.92	4.74	15.36	47637.81
Starbucks	78.05	-3.59	126.32	73.38	2.15	23.09	89515.55
StateSt	70.23	-2.53	103.76	66.47	2.84	10.69	25782.5
Stryker	239.03	-6.94	281.16	230.16	0.99	50.22	90390.17
Sychrony Fin	38.99	-1.15	52.49	33.76	2.06	5.81	19553.05
T-MobileUS	128.08	-4.29	150.20	101.51	-	58.17	160009.06
Target	229.91	-7.52	268.98	184.00	1.27	17.68	106603.33
TE Connect	127.00	-4.17	166.44	120.22	1.42	18.89	40916.08
Tesla Mtrs	878.00	-74.62	1243.49	546.98	-	196.14	909616.71
TexasInstr	170.12	-6.11	202.26	160.50	2.26	22.54	156873.41
TheTrvelers	171.92	-3.53	187.98	144.44	1.85	12.99	41254.1
ThrmoFshr	551.58	-11.40	668.94	438.72	0.17	31.03	215910.19
TJX Cos	61.40	-2.67	76.94	57.92	1.56	24.66	72110.25
Truist Financial Corp	48.74	-2.03	66.10	47.98	3.49	11.93	64768.49
Twitter	50.67	1.61	73.34	31.30	-	-198.09	38690.47
UnionPac	230.32	-6.77	278.94	195.68	1.70	25.34	144646.75
UPS	178.40	-5.40	233.72	175.22	2.09	13.30	130832.88
USBancorp	48.71	-1.83	63.01	47.85	3.30	10.45	72362.97
UtdHlthcre	490.39	-17.23	553.29	383.12	1.04	29.69	460451.34
ValeroEngy	123.47	-4.76	129.14	58.85	2.90	59.54	50387.66
Verizon	47.74	-0.63	59.85	45.55	4.85	9.82	200490.99
VertexPharm	265.94	-7.76	292.75	176.36	-	32.31	67956.7
VF Cp	49.85	-2.20	90.48	49.70	3.61	17.89	19386.75
Visa Inc	206.50	-8.02	252.67	186.67	0.59	37.42	339841.05
Walgreen	43.59	-0.87	55.96	41.80	4.02	6.91	37651.89
WalMartSto	151.86	-2.21	160.77	132.01	1.34	33.81	418023.69
Walt Disney	111.95	-4.24	187.58	111.01	-	71.25	203819.91
Waste Manage.	158.52	-3.81	170.18	136.97	1.33	40.45	65818.62
WellsFargo	43.61	-2.12	60.30	41.47	1.26	9.64	165297.26
Williams Cos	35.62	-1.27	37.05	23.53	4.21	31.44	43385.57
Workday	195.43	-12.33	307.81	193.59	-	1765.91	38304.28
Yum!Brnds	115.38	-3.11	139.85	111.63	1.58	24.24	33252.52
Zoetis♦	172.50	-4.37	249.27	165.22	0.53	44.22	81383.13
Zoom	100.88	-8.11	406.48	94.51	-	24.31	24945.3
Venezuela (VEF)							
Bco de Vnzla	0.44	-0.04	594.00	0.27	210.95	-	353.33
Bco Provncl	1.80	-	798000	1.70	-	0.00	148.63

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

Based on the FT Global 500 companies in local currency

FT 500: BOTTOM 20

Based on the FT Global 500 companies in local currency

INTEREST RATES: OFFICIAL

INTEREST RATES: MARKET

May 05 (Libor: May 04)	Over night	Change Day	Change Week	Change Month	One month	Three month	Six month	One year
US$ Libor	0.33029	0.000	0.000	0.013	0.84514	1.40614	2.01957	2.74843
Euro Libor	-0.64957	-0.064	0.000	0.001	-0.61943	-0.58057	-0.55600	-0.48571
£ Libor	0.18063	-0.005	0.000	0.015	1.02070	1.29890	1.78890	0.81363
Swiss Fr Libor				-0.002	-0.77540	-0.75300	-0.70280	-0.55320
Yen Libor				0.000	-0.05347	-0.01754	0.03015	0.04867
Euro Euribor				-0.001	-0.54400	-0.42700	-0.20500	0.23400
Sterling CDs				0.000	0.50000	0.63000	0.78500	
US$ CDs				0.020	0.95000	1.36000	1.88000	
Euro CDs				0.000	-0.55000	-0.52000	-0.36000	

May 05	Short term		7 Days notice		One month		Three month		Six month		One year	
Euro	-0.73	-0.43	-0.71	-0.41	-0.70	-0.40	-0.67	-0.37	-0.51	-0.21	-0.11	0.19
Sterling					0.45	0.55	0.58	0.68	0.71	0.86	0.90	1.05
US Dollar	0.69	0.89	0.73	0.93	0.85	1.05	1.26	1.46	1.78	1.98	2.46	2.66
Japanese Yen	-0.30	-0.10	-0.25	-0.05	-0.20	0.00	-0.15	0.05	-0.10	0.20	-0.05	0.25

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

BOND INDICES

	Index	Day's change	Month's change	Year change	Return 1 month	Return 1 year
Overall(£)	324.61	-0.17	-0.67	-10.33	-4.28	-9.55
Overall(€)	224.38	-0.33	-0.45	-9.04	-3.79	-9.54
FTSE						
Sterling Corporate (£)	-	-	-	-	-	-
Euro Corporate (€)	104.47	-0.05	-	-	0.54	-1.73
Euro Emerging Mkts (€)	682.66	-1.77	-	-	-9.33	8.96
Eurozone Govt Bond	110.04	-0.19	-	-	-0.34	-0.64

CREDIT INDICES	Index	Day's change	Week's change	Month's change	Series high	Series low
Markit iTraxx						
Crossover 5Y	451.98	17.74	34.29	105.56	451.98	330.24
Europe 5Y	94.09	2.66	4.92	20.61	94.09	70.55
Japan 5Y	67.93	0.00	1.87	10.22	67.96	57.71
Senior Financials 5Y	104.52	2.06	4.94	20.68	104.52	79.74
Markit CDX						
Emerging Markets 5Y	269.90	-13.34	-2.85	37.35	292.42	219.01
Nth Amer High Yld 5Y	430.72	-13.08	-20.68	46.18	461.86	362.83
Nth Amer Inv Grade 5Y	78.46	-2.04	-3.76	10.93	83.69	63.80

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

COMMODITIES

www.ft.com/commodities

Energy		Price*	Change	Agricultural & Cattle Futures		Price*	Change
Crude Oil†	Jun	109.09	1.29	Corn♦	May	804.00	5.75
Brent Crude Oil‡		109.57	0.88	Wheat♦	May	1066.25	0.00
RBOB Gasoline†	Jul	3.67	0.02	Soybeans♦	May	1681.50	12.25
Natural Gas†	Jun	8.42	0.04	Soybeans Meal♦	May	431.40	2.80
Base Metals (♠ LME 3 Months)				Cocoa (ICE Liffe)⊕	May	1710.00	-31.00
Aluminium		2931.00	-54.00	Cocoa (ICE US)♥	May	2637.00	0.00
Aluminium Alloy		2580.00	-170.00	Coffee(Robusta)⊕	May	2147.00	39.00
Copper		9462.00	-48.00	Coffee (Arabica)♥	May	221.05	0.00
Lead		2274.00	-16.00	White Sugar⊕		523.90	7.20
Nickel		30030.00	-585.00	Sugar 11♥		18.72	0.11
Tin		40600.00	-105.00	Cotton♥	Jul	152.72	-2.17
Zinc		3888.50	-81.50	Orange Juice♥	Jul	176.30	0.95
Precious Metals (PM London Fix)				Live Cattle♣	Jun	134.93	-0.33
Gold		1863.65	-6.05	Feeder Cattle♣	May	134.88	-
Silver (US cents)		2259.50	-3.50	Lean Hogs♣	May	102.50	2.60
Platinum		972.00	10.00				
Palladium		2227.00	-3.00		May 04	% Chg Month	% Chg Year
Bulk Commodities							
Iron Ore		142.90	-1.18	S&P GSCI Spt	767.88	4.61	48.05
Baltic Dry Index		2644.00	159.00	DJ UBS Spot	131.40	4.06	42.40
Richards Bay ICE Futures		299.65	24.55	TR/CC CRB TR	334.57	5.66	55.51
				LEBA EUA Carbon	58.91	-1.98	129.94
				LEBA UK Power	1048.00	-37.43	-39.60

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

BONDS: INDEX-LINKED

	Price May 04	Yield May 04	Yield Prev	Month return	Value stock	Market	No of stocks
Can 4.25%' 26	119.33	0.019	-0.013	-0.63	5.25	71964.12	8
Fr 2.10%' 23	108.99	-4.853	-4.839	0.32	18.05	280671.12	17
Swe 1.00%' 25	122.70	-1.757	-1.816	-0.33	35.15	212829.00	6
UK 0.125%' 24	109.64	-4.718	-4.708	0.01	15.24	740747.01	31
UK 2.50%' 24	373.41	-3.764	-3.753	-0.10	6.82	740747.01	31
UK 2.00%' 35	288.33	-1.946	-1.988	-1.07	9.08	740747.01	31
US 0.625%' 24	104.02	-1.698	-1.607	-0.17	40.98	1680952.71	46
US 3.625%' 28	122.42	-0.130	-0.095	-0.74	16.78	1680952.71	46

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

BONDS: TEN YEAR GOVT SPREADS

	Bid Yield	Spread vs Bund	Spread vs T-Bonds		Bid Yield	Spread vs Bund	Spread vs T-Bonds
Australia	3.55	2.71	0.64	Netherlands	0.88	0.04	-2.03
Austria	1.20	0.35	-1.71	New Zealand	3.81	2.97	0.90
Canada	2.89	2.05	-0.02	Norway	2.84	2.00	-0.07
Denmark	1.23	0.39	-1.68	Portugal	1.32	0.48	-1.59
Finland	1.20	0.36	-1.71	Spain	1.69	0.84	-1.22
Germany	0.84	0.00	-2.07	Sweden	-1.21	-2.05	-4.12
Italy	-0.02	-0.86	-2.93	Switzerland	0.63	-0.21	-2.28
Japan	0.18	-0.66	-2.73	United States	2.91	2.07	0.00

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

BONDS: HIGH YIELD & EMERGING MARKET

May 05	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
Emerging US$										
Peru	03/19	7.13	BBB+	A3	BBB+	104.40	2.60	-	-	0.34
Colombia	01/26	4.50	-	Baa2	BBB-	109.50	2.33	0.16	0.52	1.28
Brazil	04/26	6.00	-	Ba2	BB-	115.15	2.78	-0.01	0.65	1.73
Poland	04/26	3.25	-	A2	A-	111.22	0.98	0.03	0.16	-0.07
Mexico	05/26	11.50	-	Baa1	BBB-	149.00	1.61	0.00	-0.12	0.56
Turkey	03/27	6.00	-	Ba2	BB+	101.26	5.82	0.00	0.17	3.07
Turkey	03/27	6.00	-	B2	BB-	102.88	5.43	0.14	0.83	4.38
Peru	08/27	4.13	BBB+	A3	BBB+	103.50	3.66	0.01	-0.02	0.80
Russia	06/28	12.75	-	Baa3	BBB	168.12	2.48	0.07	0.05	-
Brazil	02/47	5.63	-	Ba2	BB-	101.48	5.52	0.08	0.80	-
Emerging Euro										
Brazil	04/21	2.88	BB-	Ba2	BB-	103.09	0.05	0.01	-0.09	-1.19
Mexico	04/23	2.75	BBB+	A3	BBB+	107.76	0.76	0.00	-0.07	-1.56
Mexico	04/23	2.75	-	Baa1	BBB-	106.48	-0.26	-	-	-0.36
Bulgaria	03/28	3.00	BBB-	Baa2	BBB	117.04	1.00	0.02	-0.15	-1.42

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

VOLATILITY INDICES

	May 05	Day Chng	Prev	52 wk high	52 wk low
VIX	31.76	6.34	25.42	38.93	14.10
VXD	24.82	9.25	15.57	45.37	2.67
VXN	37.71	5.73	31.98	44.05	18.01
VDAX	31.59	1.11	30.49	93.30	-

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

BONDS: BENCHMARK GOVERNMENT

	Red Date	Coupon	Bid Price	Bid Yield	Day chg yield	Wk chg yield	Month chg yld	Year chg yld
Australia	11/22	2.25	100.35	1.61	0.19	0.51	0.44	1.52
	05/32	1.25	80.71	3.55	0.15	0.49	0.42	-
	02/50	1.00	99.24	1.31	0.11	0.35	0.34	0.83
Austria	02/29	0.50	95.48	1.20	0.04	0.22	0.09	1.41
	02/47	1.50	98.10	1.59	0.01	0.12	0.02	1.05
Belgium	06/27	0.80	99.20	0.96	0.05	0.20	0.06	1.32
	06/47	1.60	92.67	1.97	0.01	0.13	0.02	1.15
Canada	03/25	1.25	96.07	2.71	-0.07	0.13	0.03	2.05
	06/30	1.25	88.24	2.89	-0.04	0.12	0.08	1.42
	12/48	2.75	97.39	2.89	0.00	0.07	0.13	0.85
Denmark	11/29	0.50	94.79	1.23	0.04	0.20	0.06	1.34
	11/52	0.25	71.92	1.38	0.04	0.16	0.03	0.91
Finland	09/24	0.00	98.80	0.51	0.05	0.20	0.04	1.14
	09/29	0.50	95.08	1.20	0.04	0.19	0.06	1.37
France	05/28	0.75	98.16	1.07	0.05	0.19	0.05	1.30
	05/48	2.00	102.85	1.86	0.01	0.13	0.02	1.07
Germany	08/29	0.00	94.08	0.84	0.04	0.18	0.04	1.21
	08/50	0.00	74.17	1.06	0.01	0.11	0.00	0.75
Greece	01/23	3.50	102.37	0.28	-0.02	0.08	-0.02	0.59
	01/28	3.75	106.84	2.46	0.07	0.41	0.11	1.95
Ireland	10/22	0.00	100.22	-0.48	0.00	0.06	0.00	0.09
	05/26	1.00	100.66	0.83	0.04	0.18	0.05	1.24
	02/45	2.00	102.37	1.87	0.01	0.14	0.02	1.17
Italy	02/25	0.35	96.87	1.52	0.14	0.42	0.20	1.58
	05/30	0.40	103.33	-0.02	0.16	0.27	0.27	0.45
	03/48	3.45	104.71	3.18	0.05	0.21	0.07	1.40
Japan	04/25	0.05	99.99	0.05	0.00	0.00	0.01	0.00
	12/29	0.10	99.39	0.18	0.00	-0.01	0.02	0.15
	12/49	0.40	86.64	0.95	0.00	0.00	0.02	0.31
Netherlands	07/27	0.75	99.35	0.88	0.05	0.18	0.05	1.31
	01/47	2.75	132.08	1.23	0.01	0.11	0.00	0.95
New Zealand	05/31	1.50	82.49	3.81	0.11	0.19	0.18	2.12
	09/40	2.50	128.27	1.62	0.06	0.17	0.08	0.70
Norway	08/30	1.38	89.31	2.84	0.07	0.15	0.08	1.44
Poland	01/23	2.50	97.38	6.29	0.00	0.61	0.25	6.19
	07/27	2.50	80.88	6.99	0.11	0.42	0.19	5.87
	04/47	4.00	71.40	6.30	0.00	0.00	0.00	4.20
Portugal	04/27	4.13	113.31	1.32	0.07	0.26	0.11	1.49
Spain	10/22	0.45	100.35	-0.26	0.01	0.06	0.03	0.29
	10/29	0.60	92.42	1.69	0.08	0.27	0.10	1.45
	10/46	2.90	107.92	2.47	0.05	0.23	0.06	1.20
Sweden	06/30	0.13	117.43	-1.21	0.06	0.32	0.13	0.32
	03/39	3.50	121.24	2.01	0.06	0.36	0.20	1.28
Switzerland	04/28	4.00	120.09	0.54	0.02	0.10	0.00	0.98
	06/29	0.00	95.59	0.63	0.01	0.10	-0.01	0.97
United Kingdom	07/23	0.75	99.04	1.55	0.02	0.15	0.08	1.50
	07/27	1.25	97.60	1.73	0.02	0.15	0.07	1.24
	07/47	1.50	87.87	2.12	0.02	0.14	0.04	0.84
United States	-	-	-	-	-	-	-	-
	03/25	0.50	93.58	2.82	-0.14	0.06	-0.05	2.25
	02/30	1.50	90.24	2.91	-0.07	0.10	0.01	1.41
	02/50	0.25	92.69	0.53	-0.03	0.09	0.09	0.52

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

BONDS: GLOBAL INVESTMENT GRADE

May 05	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	-
United Utilities PLC	08/28	6.88	BBB	Baa1	A-	130.43	2.62	-0.07	-0.22	-
Barclays Bank plc	01/29	4.50	A	A1	A+	96.46	5.02	0.00	0.02	-
Euro										
Electricite de France (EDF)	04/30	4.63	A-	A3	A-	137.45	0.82	-0.01	0.10	-
The Goldman Sachs Group, Inc.	02/31	3.00	BBB+	A3	A	124.42	0.68	0.00	-0.11	-
The Goldman Sachs Group, Inc.	02/31	3.00	BBB+	A3	A	121.70	0.93	0.00	0.02	-
Finland	04/31	0.75	AA+	Aa1	AA+	111.08	-0.27	0.00	-0.05	-0.87
Yen										
Mexico	06/26	1.09	-	Baa1	BBB-	98.73	1.34	-0.02	-0.14	0.27
£ Sterling										
innogy Fin B.V.	06/30	6.25	BBB	Baa2	A-	137.45	2.19	-0.03	0.02	-
innogy Fin B.V.	06/30	6.25	BBB	Baa2	A-	128.68	3.20	0.00	-0.01	0.40

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

GILTS: UK CASH MARKET

May 05	Price £	Red Yield	Change in Yield Day	Week	Month	Year	52 Week High	52 Week Low	Amnt £m
Tr 1.75pc '22	100.27	0.94	-6.93	-2.08	17.50	4600.00	103.34	100.25	29.68
Tr 0.75pc '23	99.20	1.42	-7.79	-0.70	2.90	2740.00	101.08	98.95	34.04
Tr 0.125pc '24	97.53	1.57	-6.55	0.00	3.97	881.25	100.03	97.17	34.43
Tr 2pc '25	101.36	1.58	-5.95	0.64	6.76	652.38	118.47	99.56	38.68
Tr 0.125pc '26	94.67	1.60	-5.88	1.27	8.84	357.14	99.56	94.12	34.20
Tr 1.25pc '27	97.99	1.65	-4.62	1.85	10.74	223.53	105.60	97.45	39.69
Tr 0.875pc '29	93.56	1.80	-2.17	4.05	15.38	140.00	103.32	93.11	42.24
Tr 4.25pc '32	120.94	1.95	-1.02	4.28	16.77	107.45	138.01	120.73	39.06
Tr 4.25pc '36	125.32	2.13	0.47	4.93	18.33	90.18	147.98	125.00	30.68
Tr 4.5pc '42	138.45	2.17	0.46	4.83	18.58	70.87	169.96	138.12	27.46
Tr 3.75pc '52	136.75	2.10	1.45	5.53	18.64	61.54	180.27	136.06	24.32
Tr 4pc '60	153.21	1.99	1.53	5.85	20.61	63.11	213.01	151.95	24.34

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

GILTS: UK FTSE ACTUARIES INDICES

Price Indices Fixed Coupon	May 05	Day's chg %	Total Return	Return 1 month	Return 1 year	Yield
1 Up to 5 Years	84.34	0.24	2409.31	-0.11	-2.65	1.58
2 5 - 10 Years	165.53	0.31	3458.95	-1.42	-6.30	1.79
3 10 - 15 Years	187.57	0.09	4228.39	-2.89	-8.80	2.07
4 5 - 15 Years	169.86	0.24	3644.22	-1.91	-7.10	1.91
5 Over 15 Years	299.82	-0.49	5062.83	-6.31	-14.30	2.08
7 All stocks	161.54	-0.05	3554.17	-3.24	-8.96	2.01

Index Linked	May 05	Day's chg %	Month chg %	Year's chg %	Total Return	Return 1 month	Return 1 year
1 Up to 5 Years	323.55	0.35	0.63	6.87	2713.24	0.63	8.07
2 Over 5 years	745.00	-0.99	-9.34	-6.96	5658.17	-9.34	-6.63
3 5-15 years	512.28	0.00	-2.77	2.04	4120.92	-2.77	2.80
4 Over 15 years	935.17	-1.45	-12.18	-11.04	6901.98	-12.18	-10.85
5 All stocks	674.64	-0.83	-8.23	-5.47	5223.85	-8.23	-5.06

Yield Indices	May 05	May 04	Yr ago		May 05	May 04	Yr ago
5 Yrs	1.63	1.71	0.38	20 Yrs	2.20	2.17	1.31
10 Yrs	1.97	1.99	0.89	45 Yrs	1.91	1.88	1.17
15 Yrs	2.16	2.15	1.18				

Real yield	inflation 0% May 05	Dur yrs	Previous	Yr ago	inflation 5% May 05	Dur yrs	Previous	Yr ago
Up to 5 yrs	-3.91	2.00	-3.73	-2.87	-4.38	2.01	-4.21	-3.19
Over 5 yrs	-1.53	22.30	-1.57	-2.11	-1.55	22.35	-1.59	-2.13
5-15 yrs	-2.17	9.24	-2.17	-2.51	-2.26	9.25	-2.26	-2.61
Over 15 yrs	-1.43	27.92	-1.48	-2.06	-1.44	27.93	-1.50	-2.08
All stocks	-1.56	19.96	-1.60	-2.12	-1.58	20.04	-1.63	-2.15

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

FILM

Danny Leigh

Disney ventures into new dimensions

Witchcraft and corpses and blood, oh my. Such is the stuff of **Doctor Strange in the Multiverse of Madness**, fresh off the Fordist production line of Marvel Studios. Many people will already see every Marvel film as a horror movie. Here the further adventures of urbane mystic-superhero Stephen Strange, played again by Benedict Cumberbatch, come the closest the company has to outright genre scares. Check the credits. If Marvel directors are often merely first among hired hands, Hollywood veteran Sam Raimi is allowed a creative signature, delivering a family-friendly take on the chills that made his name with 1981 cult favourite *The Evil Dead*.

Keep a less gory classic in mind as well: *The Wizard of Oz*. Raimi's tale too is one of multiple identities and furious witches. (His last film as a director was a belated prequel, 2013's *Oz the Great and Powerful*.) For Judy Garland's Dorothy, it was all a dream. For Strange, vice versa. His nightly visions are revealed to be glimpses of actual alternate realities.

Life remains a step ahead of art. Cumberbatch and Strange have crossed dimensions already, a quirk of intellectual property rights meaning the character was last seen in the till-ringing *Spider-Man: No Way Home*. That movie was produced by Sony in a different corner of the business multiverse from Marvel's parent company, Disney.

The film reflects the newest phase of Disney's dominance. A sprawling cosmos of parallel realities makes a neat likeness for the Marvel model — one that increasingly spans movies and TV. In an assertive bit of cross-pollination, the antagonist here is witchy Wanda Maximoff (Elizabeth Olsen), herself last seen in streaming spin-off *WandaVision*. A spoiler warning: her double-edged persona has now turned wholly wicked. You will need a Disney+ subscription to understand why. Anything less will only heighten the nagging feeling that so often comes with the massed backstories of Marvel, that of sitting an exam after not enough revision.

Even Cumberbatch at times looks confused. His spry performance holds the movie together, the coiffured arrogance of his former surgeon landing in the sweet spot between comic preen and lonely pathos. Despite the dead weight of assumed knowledge, the basic plot is so simple — one long chase — as to leave Raimi space to have fun as well. The first *Doctor Strange* came with a psychedelic tint. The sequel nudges into the far-out too. At one point, Cumberbatch plummets through a string of oddball universes, morphing en route into a gloop of brightly coloured paint.

Above: from left, Xochitl Gomez, Benedict Wong and Benedict Cumberbatch in 'Doctor Strange in the Multiverse of Madness'. Left: Joe Corré takes a torch to punk memorabilia in 'Wake Up Punk'

You want more of that kind of madcap invention. What you get instead still feels novel for the context, a haunted house of horror imagery from a gumbo of sources: Raimi's own filmography, *Carrie* (a lot), even Cumberbatch's role in the celebrated Danny Boyle stage production of *Frankenstein*.

It can be easy to get carried away with signs of independent thinking from a Marvel movie. The house style remains sacred: headachy green-screen, grunting battles, knowing quips. "We'll get you back on the lunchbox," a sweet-talking Strange tells Wanda. It all comes back to merch. But Raimi's affable creepshow at least tweaks the formula — and 10-year-olds may now pause unnerved for just a moment before retrieving their carrot sticks.

In UK and US cinemas now

Where would we be without chemistry? The title of *Bourne*-ish thriller **The Contractor** suggests a solo operation, and the story finds Chris Pine cast as James Harper, a US special forces lifer left out in the cold. Pine is that underrated resource, a credible action hero who can convince as a human being.

But the film leans hard on a double act too. The cue is *Hell or High Water*, the fine 2016 neo-Western in which Pine and Ben Foster played Texan brothers fallen on desperate times. *The Contractor* isn't a patch on that film, but someone behind the scenes was clearly a fan, reuniting the pair and providing the movie's best moments in the process.

Still, Pine takes centre stage, his performance mirroring the brisk efficiency with which the story unpacks itself. See James the doting husband and father; James the hyper-competent soldier, managing a knee wrecked in action; James brusquely discharged for illicit use of painkillers. What that leaves is the lucrative murk of the private military, now home to former comrade Foster. Here the characters aren't biological brothers, but fraternally bonded anyway. The easy mesh of the actors sells us the relationship: Foster the tinder-dry joker to Pine's quiet man.

In *Hell or High Water* the plot unfolded in the aftershock of the 2008 financial crash. Now the economic crisis is that facing American veterans. Enter Kiefer Sutherland as the garrulous boss of a private security firm.

The real world lends the movie gravity — but only for so long. With Pine and Foster sent to Berlin on a rabbit-hole mission, director Tarik Saleh pivots into a straightforward shoot 'em up. No disaster. Saleh is good at the visual mechanics, adroit in using a real city as backdrop. Chaos deftly spills across Alexanderplatz and the banks of the Spree.

Beneath *The Contractor* is the trace of a more ambitious film, one that would have driven the dramatic stakes higher than the curiously muted affair we end up with. Pine and Foster make it pop even then — but, as their characters learn, not every job deserves professional excellence.

On Prime Video in the UK now

The Israeli air strikes on the Gaza Strip of May 2021 were not subject to censorship. The international press reported every day of the bombardment, begun in response to Hamas rocket attacks, following in turn the eviction of Palestinians from contested East Jerusalem. TV news broadcast the images of crumbled apartment blocks that open the sorrowful documentary **Eleven Days in May**. Then the world's attention moved on.

A year later, British director Michael Winterbottom and Palestinian filmmaker Mohammed Sawwaf do what the news cycle is not designed to. They rewind, pause and begin again, slower now and in scalding close-up.

At least 60 children were killed in that week and a half. Sawwaf and Winterbottom take a powerfully stripped-down approach, focused not on the political and religious justifications but only the timeline of loss. A mosaic of eulogies to those children is patiently created. Surviving parents and siblings appear, but the tributes are mostly built around family snapshots and camera-phone videos, with brief biographical sketches narrated by Kate Winslet.

This child, we learn, was 13 years old or five, 17 or two; they taught their sister to swim or loved cats or supported Real Madrid; some among the teenagers planned to study pharmacy or journalism. They died buying vine leaves for dinner or playing with friends or while they slept. Sometimes the film cuts to brief social media footage of the same child, bloodied and unmoving.

> Cumberbatch plummets through universes, morphing into a gloop of brightly coloured paint

The effect is as stark as it sounds, a quiet howl of outraged humanism. Amid the endless misery of Gaza, hawkish voices may ask: why discuss children alone? The answer surely lies in those fleeting biographies, so short they could only be a prelude to the future, yet the lives concerned are still somehow fodder for a 55-year war.

The ceasefire came on May 20. Both Israel and Hamas declared victory.

In UK cinemas now

The Sex Pistols credit card was launched by Virgin Money in 2015. One design featured the artwork for their debut single "Anarchy in the UK", another the cover of their album *Never Mind the Bollocks, Here's the Sex Pistols*. For the punk true believer, things only got worse the following year, the subculture's 40th anniversary attracting a Museum of London retrospective supported by then mayor Boris Johnson.

Doctor Strange in the Multiverse of Madness
Sam Raimi
★★★☆☆

The Contractor
Tarik Saleh
★★★☆☆

Eleven Days in May
Michael Winterbottom, Mohammed Sawwaf
★★★★☆

Wake Up Punk
Nigel Askew
★★★☆☆

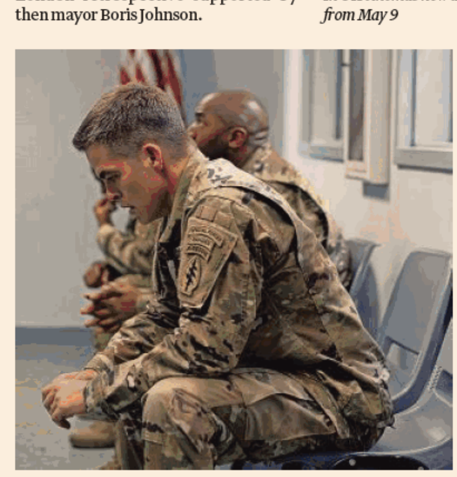
Arson was perhaps to be expected. The job fell to Joe Corré, son of late Sex Pistols manager Malcolm McLaren and fashion designer Vivienne Westwood. In 2016, Corré set fire to an estimated £5mn worth of original memorabilia, including many Westwood pieces from fabled clothes shop Sex.

The stunt was pitched as a protest against the commodification of punk, the related evils of consumer capitalism and the fetishisation of the past. Six years later, the whole shebang is documented in Nigel Askew's mixed bag of a film, **Wake Up Punk**. The time lag feels of a piece with the general air of a movie being made by accident, another layer of irony in an attack on nostalgia likely to draw a crowd of nostalgists.

But the thesis that emerges — a young generation still short-changed by the old — is hard to argue with. And Westwood remains a bracing nonconformist, her ideas pearls of unconventional wisdom. Prophetic too. She points out the doleful fate of punk's rebellion, folded into a traditional English self-image: Sex Pistol John Lydon would soon declare himself a Brexit supporter, Prime Minister Johnson a fan of The Clash.

It also becomes clear just how much of the movement's real jagged edge was always down to her, a contribution sidelined by cultural historians. The woman herself seems untroubled. For her at least, hindsight truly is best left in ashes.

In UK cinemas now and on digital release from May 9



Left: Chris Pine plays a soldier in crisis in 'The Contractor'. Below: 'Eleven Days in May' tells of lives cut short in Gaza

FT BIG READ. TURKEY

An economy in turmoil offers a loose alliance of rivals its best chance to oust the president yet, but critics worry they will make a historic mistake by choosing the wrong candidate to face him.

By Laura Pitel

From left, three prominent members of the opposition: Ekrem İmamoğlu, Kemal Kılıçdaroğlu and Mansur Yavaş
FT montage: AFP/Getty Images

The race to defeat Erdoğan

If there were any doubts about Kemal Kılıçdaroğlu's determination to be the man to take on Turkey's president, Recep Tayyip Erdoğan, they were dispelled when he took the podium of the nation's parliament last week.

Addressing fellow members of his Republican People's Party (CHP), the bespectacled 73-year-old declared he was gunning for a "big fight" against the rising poverty, crushing inflation and painful injustice that are ravaging the country. With a critical election due within the next 13 months, he warned unnamed rivals within his opposition alliance: "Either join me or get out of my way."

The former bureaucrat, who has led the party of Turkey's founding father, Mustafa Kemal Atatürk, since 2010, has undergone a transformation in recent years. Long mocked by Erdoğan as a serial loser at the polls, he oversaw a stunning victory in municipal elections in 2019 when the opposition won control of Istanbul, Turkey's biggest city, and Ankara, its capital.

Most importantly, he is credited with building and holding together a diffuse alliance of opposition parties united behind the goal of defeating the man who has spent almost 20 years at the country's helm, first as prime minister and then as president.

That decision to work together — combined with simmering public discontent over the state of the economy and growing unease about the country's 3.6mn Syrian refugees — offers the president's rivals their best ever chance of victory, according to political analysts.

Berk Esen, a visiting fellow at the German Institute for International and Security Affairs in Berlin, believes conditions should be ripe for a historic change. "The ruling party is divided, you have the opposition coming together. The economic situation is really worsening and I don't see how Erdoğan can reverse this cycle," he says.

And yet, with the crucial vote due sometime before June 2023, there is growing concern that the alliance risks squandering the opportunity that lies before it.

Russia's invasion of Ukraine has amplified the misgivings. Although the war has put fresh strain on the Turkish economy, which risks being hit by soaring oil and gas prices, it has also boosted the importance of Turkey in the eyes of fellow Nato members after years of tension with the west.

Erdoğan has taken the opportunity to play a role as mediator between Kyiv and Moscow and, while striving not to anger Vladimir Putin, has limited the Russian military's use of Turkish waters and airspace. A defence company co-owned by his son-in-law supplied armed drones to Ukraine. The Turkish president enjoyed a small bounce in the polls in March as the crisis burnished his image as an important international player, though there are signs this is already fading.

The outcome of last month's Hungarian elections, where an alliance of six opposition parties failed to beat Viktor Orbán, offered further warnings.

"If you asked me last year, I would have said: it's in the bag, Erdoğan is going to lose," says one opposition official. "Now I'm much less sure." The biggest fear for some in the opposition is that Kılıçdaroğlu will insist on nominating himself to run against Erdoğan — and that the Turkish president will eat him alive.

Kılıçdaroğlu "is dying to run", says a senior official from one of the five other opposition parties working together with the CHP. "I have no doubt that he would make the best president of all of the possible candidates. But he has the lowest chance of winning." Esen sees Kılıçdaroğlu as "a great kingmaker" but argues: "He's not a king."

Statesman, firebrand, kingmaker

Whoever is chosen to run against the Turkish president will face a wily and experienced politician who remains one of the country's most popular political figures despite having ushered in runaway inflation that reached almost 70 per cent in April.

In recent years, Erdoğan has also gained unprecedented control over Turkey's institutions, from the courts to the central bank, and has repeatedly used those powers to manipulate the electoral system in his favour. In March, he changed the country's electoral laws in a way that could politicise the oversight of vote counts.

> 'If you asked me last year, I would have said: it's in the bag, Erdoğan is going to lose. Now I'm much less sure'

The last two attempts to defeat him in a presidential contest failed miserably when the largely secular opposition failed to win over his religious, conservative base, even as younger and more urban voters grew disillusioned with his government. The last time the opposition fielded a joint presidential candidate, in 2014, Erdoğan won by a 13-point margin.

Yet opinion polls consistently suggest there are two potential candidates who could secure a clear win in a head-to-head race against the 68-year-old president. They are Mansur Yavaş and Ekrem İmamoğlu, the opposition mayors of Ankara and Istanbul.

Yavaş, 66, has achieved sky-high approval ratings by focusing relentlessly on improving public services in a city that was for years run by an eccentric Erdoğan ally who wasted public money on statues of dinosaurs and a giant theme park.

Conservative and nationalist, but also reserved and statesmanlike, Yavaş is well placed to win over Erdoğan voters, his supporters argue. He could also oversee the opposition's plan to abolish the presidential system of governance that Erdoğan instated in 2018 and restore the role of parliament.

"He could be a great father figure to go down in history as the guy who put Turkey back to a normal regime," says Suat Kınıklıoğlu, a former ruling party member of parliament who ran one of Yavaş's previous electoral campaigns. "He would be willing to play that role."

Most political analysts, however, see Istanbul mayor İmamoğlu as the stronger candidate. The 51-year-old, a self-described social democrat who can recite from the Koran, is more overtly political and has the potential to appeal to a broader spectrum of voters.

"He's popular, he's young, he's energetic. He can handle Erdoğan and Erdoğan would look old facing him," says Ali Çarkoğlu, a political scientist at Istanbul's Koc University. "He loses his temper from time to time but that's even a good selling point in Turkish politics."

İmamoğlu has also chalked up experience of fighting contested elections. That matters when many in the opposition are fearful that Erdoğan will resort to underhand tactics in a bid to hang on to power. In 2019, when İmamoğlu was narrowly elected mayor of Istanbul, a job Erdoğan himself used as a springboard into national politics, the president cancelled the results of the election, claiming fraud. İmamoğlu won the rematch by a landslide.

But the mayor's opponents claim he is "too ambitious" to be trusted with the task of dismantling the powerful executive presidency Erdoğan has built for himself — a task that would require the winning candidate to work actively to undermine the importance of their own role.

"He could be another Tayyip Erdoğan," says a senior official at one of the smaller opposition parties. "No one wants that. Once you're in that job, with all those powers, you can do anything you want." Asked to comment on that jibe, a person close to İmamoğlu said his only shared traits with Erdoğan were a Black Sea heritage and a stint playing football in his youth. "Apart from those two things, they have nothing in common."

Besides the statesman Yavaş and the populist İmamoğlu stands the more technocratic Kılıçdaroğlu. Though it is rarely openly discussed, many believe that the fact that Kılıçdaroğlu hails from Turkey's Alevi minority — which has a long history of tensions with the Sunni Muslim majority — would be ruthlessly exploited by Erdoğan to mobilise his voter base.

Though he has recently discovered a taste for acts of civil disobedience — such as refusing to pay his electricity bill in protest at rising prices — critics say Kılıçdaroğlu lacks the charisma to energise the electorate and beat a street fighter like Erdoğan. Kılıçdaroğlu and his allies counter that popularity should not be the sole criteria. "We are not electing a pop star," he told journalists in December. "It needs to be someone who can both hold the alliance together and oversee the transformation of the state."

Even so, in order for the state to be transformed, the opposition must first win power — and there are plenty who say they must not only win, but win big to avoid the messy scenario of a contested outcome.

"It's not at all clear that Erdoğan is willing to step down if he loses," says one western diplomat. "It could be very fraught — especially if the result is close."

Horse-trading

The final decision will ultimately come down to a behind-the-scenes negotiation between the group of opposition leaders known as the "table of six". As the second most powerful leader at that table, Meral Akşener, head of the rightwing IYI party, will play a critical role. She has ruled herself out as a presidential candidate, saying she would prefer to be prime minister in a future opposition government.

According to one senior IYI official, Akşener is eager to field a challenger who could easily beat Erdoğan in the first round of a presidential race, rather than risking a run-off. There are signs she favours İmamoğlu, whom she last year compared to Mehmed the Conqueror, the Ottoman Sultan who captured Constantinople in 1453.

But like her counterparts in the smaller parties of the alliance, she must make a complicated calculation about which candidate can win and which best suits her own political ambitions.

Beyond the horse-trading, a key consideration is the need to appeal to Turkey's large Kurdish minority. The pro-Kurdish Peoples' Democratic party (HDP), which is expected to secure around 12 per cent of the national vote, is not part of the alliance — it is considered too toxic, especially by the rightwing parties, due to what the government calls its links to an outlawed Kurdish militia.

But any opposition candidate will need the HDP's blessing, which explains why Erdoğan has sought to drive a wedge between the party and the rest of the opposition. A fresh military operation launched against Kurdish militants in Northern Iraq in April, and broadly supported by every major party except the HDP, is already serving that purpose.

Of the three men, Kılıçdaroğlu or İmamoğlu are more likely to appeal to the HDP base, according to Reha Ruhavioğlu, director of the Kurdish Studies Center in the Kurdish-majority city of Diyarbakir. Yavaş, the Ankara mayor, is a former member of an ultranationalist party, which would probably alienate Kurdish voters. The HDP's jailed former leader, Selahattin Demirtaş, has signalled that his first choice would be the "inclusive" İmamoğlu.

Waiting game

Whether or not Kılıçdaroğlu ends up being the one to face Erdoğan, he will be critical to the opposition's efforts to navigate the choppy waters ahead.

"He is the one keeping all guys at the table together, says Ayşe Çavdar, an anthropologist who has spent decades researching religious conservatives in Turkey. Kılıçdaroğlu could win, she believes, if İmamoğlu offers his "very strong" public backing.

İmamoğlu, a CHP member, has repeatedly doffed his cap to the party leader in recent weeks, while also saying he trusts the six opposition leaders to make "the right decision" on the eventual candidate.

Yet for now, the opposition has sought to delay the process. Özer Sencar, head of the polling agency Metropoll, worries that it is wasting precious time. Erdoğan could yet decide to call a snap election in the autumn, he says, if the president thinks conditions are favourable enough or that he can mitigate them, perhaps with a slew of populist giveaways such as a fresh increase to the minimum wage.

If so, he warns, the opposition will have left it very late to begin the huge task of getting a campaign up and running and, in particular, putting together an economic programme that convinces the public that they can fix the economy — something polling suggests they have so far failed to do.

Kılıçdaroğlu's detractors suspect him of delaying on purpose in the hope that he will narrow the polling gap with his rivals. They accuse him of surrounding himself with loyalists who lack the guts to confront him with the truth that he is too risky a choice to be the campaign's frontman. The danger, they say, is that Kılıçdaroğlu and his allies make a historic miscalculation by insisting that he should be the candidate.

That view is rejected by Fethi Açıkel, a member of the CHP executive committee who insists his party chair fully grasps what is at stake. "Of course he is the natural candidate for us and will not shy away if nominated," Açıkel says. "But don't forget that, in past elections, he has allowed others to run instead of him. He is both very strategic and very humble. He knows we need to win."

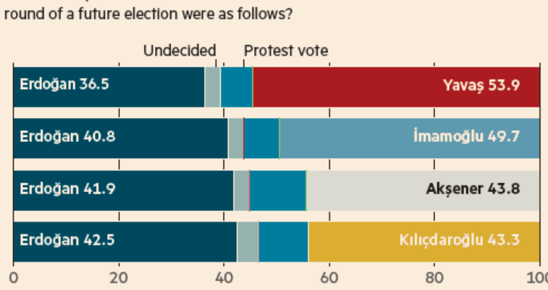
Like many of Kılıçdaroğlu's supporters, Açıkel argues the party leader "deserves" the candidacy in recognition of the work he has done for Turkish democracy in recent years.

But, if he is to break Erdoğan's grip on Turkish politics, critics say that will simply not be enough. "He deserves it, it's true," says Sencar, the pollster. "But is it more important to be the candidate, or to win?"

Additional reporting by Funja Güler

Possible election scenarios

Who would you vote for if the candidates in the second round of a future election were as follows?



Source: Metropoll

The presidential contenders

Kemal Kılıçdaroğlu, 73
Leader of the Republican People's Party (CHP)
Fans say: Elder statesman perfectly placed to hold together a diverse alliance of parties — and to oversee the return to a parliamentary system.
Critics say: He cannot win.

Ekrem İmamoğlu, 51
CHP mayor of Istanbul
Fans say: Popular, energetic politician who can appeal to religious conservatives and Kurds.
Critics say: His personal ambition risks upsetting the delicate balance in the alliance.

Mansur Yavaş, 66
CHP mayor of Ankara
Fans say: Has gravitas and the ability to pull conservatives and nationalists away from Erdoğan's ruling alliance.
Critics say: As a former member of an ultranationalist party, he will struggle to win over Kurds.

The powerbrokers

Meral Akşener, 65
Leader of the rightwing IYI party
Has ruled herself out as a presidential candidate but could play crucial role in deciding the nominee. Must balance her own desire to become a powerful prime minister in a future coalition government (easier with a weaker president) with the need to pick a strong winner.

Selahattin Demirtaş, 49
Jailed former leader of the pro-Kurdish Peoples' Democratic Party (HDP)
Iconic among the country's Kurdish voters, he ran in the 2018 presidential election from his prison cell. Could choose to throw his weight behind a joint presidential candidate, upping their chances of beating Erdoğan in the first round.

Demirtaş and Akşener are pictured below

The FT View

FINANCIAL TIMES
'Without fear and without favour'

Reversing Roe vs Wade would shatter women's rights

There is no easy way to undo a ruling that would hobble access to abortion

It is hard to overstate the magnitude of the leaked Supreme Court draft majority opinion to overturn Roe vs Wade. The landmark decision has enshrined the constitutional right to abortion for almost 50 years, supported by roughly two-thirds of Americans. The draft suggests the court will completely reverse the 1973 decision, which was always an imperfect fudge. As with pregnancy itself, it seems conservative justices deem there can be no half measures. The effect will be to deprive millions of women in abortion-hostile states of a right taken for granted in nearly all democracies, leaving a patchwork of states where abortion will remain legal.

Justice Samuel Alito's argument to allow states to restrict abortion after half a century of nationwide protection is a radical departure from accepted court practice, in the ostensible pursuit of jurisprudential purism; a stark example of the perfect being the enemy of the good. Cloaked in the mantle of federalist freedom, it will deny women bodily freedom, as conservative states rush to enact laws to ban or severely curtail abortion, including after rape and incest. At least half of states are expected to do so if Roe is reversed.

But outlawing the procedure will not stop abortions, just safe ones. Bans condemn women — particularly the poor, rural or vulnerable who cannot travel to other states — to unimaginable choices: between dubious pills and knitting needles; between treatment for a botched procedure and fear that an abortion provider will face life imprisonment — the same sentence a rapist might face.

This in a country that despite its wealth and medical advances suffers from one of the highest maternal and infant mortality rates in the developed world — where race makes a disproportionate difference to outcomes. Curtailing abortion will merely cement these appalling statistics. Easy access to sex education, contraception, social care, midwifery and parental leave — all policies that could help reduce abortion in the first place — is already patchy.

If Roe is overturned, other protections that followed it will be vulnerable. Contraception and gay marriage are among the rights that could also be targeted by a conservative-dominated court that is morphing into a berobed legislature that cannot be unseated.

The question is what can be done about it. The answer must start with an understanding of how America's apex court feels able to go against public opinion with such impunity. It has been the work of decades of Christian activism and planning. Meanwhile, lawmakers have been reluctant to codify abortion — hence the need for a court-made compromise in the first place.

There is no easy way to undo Roe's reversal. The obvious remedy is a federal law enshrining the right to choose, but that would not clear the Senate's 60-vote filibuster. Democrats will undoubtedly use the ruling to galvanise voters in November's midterm elections. But there could be a high turnout for Republicans among Bible-belt enthusiasts.

> The only lasting solution will be to out-organise the Christian right. On this, Democrats have been amateurs

The danger is America heads towards a critical impasse where the inbuilt veto power of the minority frustrates the majority. Every step available to the Democrats, such as expanding the court from nine to 15 justices, or imposing term limits on federal judges, is fraught.

The beauty of the system has been flexibility. But its success rested on informal conventions that no longer hold, including judges' integrity and rewards for bipartisanship. The only lasting solution will be to out-organise the Christian right. Sentiment is little match for the power of organisation. On this, Democrats have been amateurs. America's viability as a liberal democracy will depend on their ability to correct that glaring defect.

ft.com/opinion

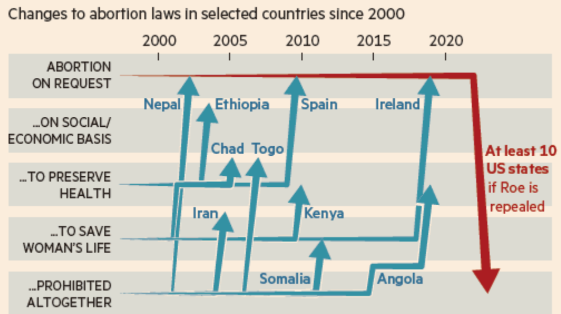
Opinion Data Points

America is at risk of exacerbating its most shameful statistic

John Burn-Murdoch

Repealing Roe vs Wade would give millions of US women less access to abortion than many Sub-Saharan African countries

Changes to abortion laws in selected countries since 2000



Source: Center for Reproductive Rights

If the US Supreme Court goes ahead with the repeal of Roe vs Wade later this year, the fallout will be far-reaching. Abortion would almost certainly become illegal or heavily restricted in 22 states and would be under severe threat in at least four others.

As such, 27mn women of childbearing age would have their reproductive rights rolled back by 50 years. By this summer, most of them may find themselves living under broadly the same abortion rules as those in Sierra Leone, Congo-Brazzaville and just 22 other countries worldwide.

The most damning part of such an enormous backward leap is who would bear the brunt of the ban, and what this tells us about the dire state of maternal health in the world's richest healthcare system.

In 2019, there were 23.8 abortions carried out per 1,000 non-Hispanic black women in the US, compared to 11.7 among Hispanic women and 6.6 among white women. In 1994, one in four US abortion patients had an income below the federal poverty line. By 2014, it was one in two. In other words, a ban would disproportionately affect black women and those least able to afford to cross state boundaries for the procedure.

The negative socio-economic impacts of unwanted births are well-established. A study led by Diana Greene Foster at the University of California, San Francisco found that US women denied an abortion are more likely than peers who receive one to experience long-term economic hardship.

Women's health is also at stake. Many think abortion a much riskier procedure than birth but this is wrong. In 2020, 861 US women lost their lives during or immediately after pregnancy, for a rate of 23.8 maternal deaths per 100,000 live births. Over the past six years, there have been 0.41 abortion-related deaths per 100,000 legal abortions, an almost 60-times smaller risk.

Along with deaths from guns and opioids, maternal mortality must rank as one of the US's most shameful statistics. Its rate of 23.8 deaths per 100,000 live births ranks 36th out of the 38 OECD countries, behind the likes of Chile, Turkey and Lithuania, and ahead of only Colombia, Latvia and Mexico.

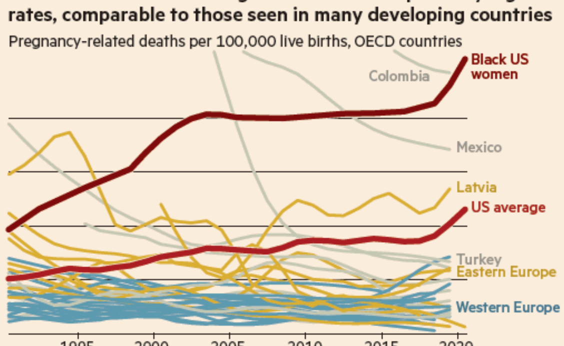
Moreover, the maternal mortality rate for non-Hispanic black US women is more than double that, at 55.3 deaths per 100,000. So the group most likely to be directly affected by a ban would also pay a far steeper cost in terms of health. An invaluable 2021 study by sociologist Amanda Jean Stevenson at the University of Colorado, Boulder, quantified this at a 33 per cent increase in pregnancy-related deaths among black women following a ban, and a 21 per cent rise across women of all races.

As is almost invariably the case, when something bad happens in the US, it happens disproportionately to black people and those on low incomes. The repeal of Roe vs Wade is no exception, though the harms will be felt by every woman. The US may claim to be a developed nation, but when it comes to women's health, this could not be further from the truth.

john.burn-murdoch@ft.com

Black US women die during childbirth at exceptionally high rates, comparable to those seen in many developing countries

Pregnancy-related deaths per 100,000 live births, OECD countries



Sources: OECD, US CDC

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Privatising Channel 4 will needlessly weaken UK media

Despite the welcome sweeteners to assist public service broadcasters in the white paper ("Television rules revamp to offer more bargaining power to BBC, ITV and C4", Report, April 28), nothing detracts from the very unwelcome and profoundly ill-informed decision to sell Channel 4 to a private bidder.

The assertion by Julia Lopez, minister of state for media, data and digital infrastructure, that C4 needs private ownership to survive is ludicrous. It has by far the biggest youth audience of any channel, is building financially buoyant online services to underpin its broadcast output, and last year generated its biggest ever surplus — in marked contrast to Netflix and some of the other much-vaunted streaming services that are suddenly revealing the fragility of their business models.

Channel 4 has contributed to the global success of British television over the past 40 years. This is because it has had a clear public-service obligation to address audiences and commission content from all over the UK (what some might call levelling up). It does these things — and most of the really interesting and pioneering ones lose money — because it is not only publicly regulated but publicly owned. It can afford to take risks because it carries no debt nor needs to satisfy the whims of shareholders or — it's likely fate if privatisation goes ahead — the whims of some media mogul on the west coast of the US.

The public-service media structure is the foundation on which has been built a hugely successful and profitable industry that projects a powerful and attractive image of "global Britain".

This proposal is not just about the future of C4; it is about the core structure of our media and therefore of our culture. To needlessly weaken that structure — whether it is motivated by a government desire for revenge, as has been suggested — is an act of irresponsible self-harm.

Patrick Younge
Chair, British Broadcasting Challenge
London W5, UK

Why breaking up HSBC should not be hard to do

Announcing first-quarter results last week, HSBC group chief executive Noel Quinn presented an upbeat picture of the bank's performance. Yes, profit before tax was down but reassuringly, he said, "our strategy is on track". Further, he was "encouraged" by the first-quarter outcome.

In February last year Quinn stated his strategic goal was "to move the heart of the business to Asia". So the numbers revealed — reported profit before tax of \$4.2bn to which Asia contributed \$2.8bn and the UK \$1.2bn — should provide proof of strategic success. Sadly, it is evidence of continuing strategic failure.

Since the acquisition of Midland Bank in 1992, successive HSBC leaders have sought to dilute the Asian contribution to the group's profits and utterly failed as the latest results attest. Vast resources have been squandered in pursuit of what was at one point advertised as "The World's Local Bank".

It is unsurprising in these circumstances that major shareholder Ping An should be encouraging the HSBC board to break up the group ("HSBC break-up call as biggest investor grows weary of century-old dual focus", Report, April 30).

Over the years there have been occasional debates about restructuring with one group chief executive, Michael Geoghegan, planning to move the head office to Hong Kong before he left the group in December 2010.

Quinn's words at the HSBC annual general meeting in London on April 29 underlined the confusion between the group's aspirations and the reality. The group, he insisted, is "a global institution serving our clients on a global basis".

HSBC had a worldwide presence, he said, "one of those is Asia, one of those is the Middle East and one of those is the UK". That does leave a few significant gaps.

Time to listen to Ping An. Breaking up should not be hard to do.

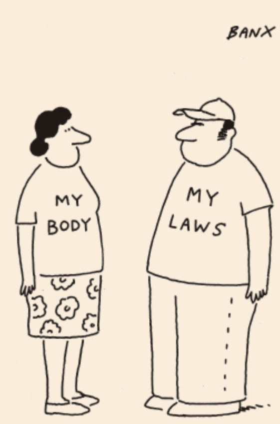
David Hall
Former Head of Communications for Asia, HSBC, Hong Kong

Hong Kong government must also back the split

The political risks of being a UK and a Hong Kong bank is increasing for HSBC (Report, May 4). It should not be just Ping An calling for the bank to be split up. The Hong Kong government should also make the same request.

HSBC is the largest bank in Hong Kong. The turbulence to the financial system in Hong Kong can be reduced after the split in case of any economic sanctions imposed by the US and UK on China and thus Hong Kong.

Tony SK Li
Hong Kong



Extending sanctions to ship insurance poses risks

Gillian Tett (Opinion, April 29) suggests that the global impact of sanctions against Russia could be enhanced by bans on the provision of property and indemnity (or liability) insurance to vessels carrying Russian oil.

The impact of UN Security Council sanctions on maritime transportation was considered during a symposium hosted by Singapore and Australia in September 2014.

At the time, the UN Security Council sanctions on Iran included, under resolution 1929 (2010), a requirement that states prevent the provision of insurance or reinsurance of activities that could contribute to Iran's nuclear programme.

A subsequent Security Council report, prepared with the support of King's College London, included a number of practical proposals that insurers could adopt.

These covered screening of entities, which might for example be shipping or trading companies, so that during the course of a policy's validity, insurers could check whether an entity had been designated under the sanctions regime, and how in that event a policy is terminated.

The report made the point that it was in the interests of society as a whole to ensure that vessels had access to reliable insurance that would cover, for example, an oil spill.

Port authorities generally require evidence of liability coverage before permitting vessel entry and denying access to those with policies offered by reputable companies could drive vessels to seek substandard policies that might not pay out as required in the event of an accident.

There are of course no UN security council sanctions on Russia, but the point may still apply.

Jonathan Brewer
Visiting Professor, King's College London
New York, NY, US

Here's a simple reform for Britain's tax domicile rules

The Chartered Institute of Taxation rightly points out that a residence test on its own will not be a satisfactory replacement for the current domicile test ("Non-dom reforms require more than a residence test", Letters, April 29).

An alternative approach might be to retain the domicile test but to abolish "domicile of origin".

This provides an individual with his or her father's domicile automatically at birth. Also when a domicile is abandoned (without a new one being established), the domicile of origin is revived.

This change would eliminate unexpected outcomes that give rise to public outrage.

This reform was recommended by the Law Commission in 1985 but never implemented. Maybe it should be revisited as a simple but effective reform.

John Wosner
London NW4, UK

Time to make disclosure of food waste mandatory

Last week British prime minister Boris Johnson called on his cabinet to come up with new "non-fiscal" ideas for tackling the rapidly escalating cost of living crisis ("Cabinet split over cutting food tariffs after grocery bills climb 5.9% in a year", Report, April 27).

Here's another idea for the prime minister — and it doesn't have to cost him a penny: release the (much delayed) consultation for proposed regulation mandating UK businesses to publish their food waste data.

According to recent statistics, the UK food industry wastes 3.6mn tonnes of food each year that was originally intended for consumption.

Meanwhile 7mn people across the UK are struggling to put food on the table, a number that will no doubt rise as the economic storm clouds continue to gather.

Mandatory disclosure of food waste data would have a transformative impact on the volume of food redistributed across UK communities — helping it reach those people who need it, instead of ending up in the bin.

At a time when many families are struggling to afford to eat, it is simply criminal that British businesses are continuing to get away with astronomical amounts of food waste without facing any repercussions.

The redistribution of food waste alone won't solve the UK's food poverty crisis, but more accountability among our biggest commercial organisations would be an important and long overdue step in the right direction.

Tessa Clarke
Co-founder and Chief Executive
Olio free-sharing app
Hullavington, Wiltshire, UK

One-on-one is not the only approach to mental health

With one in six children now suffering with mental ill health and an additional 1.5mn under-18s needing new or additional help as a result of the pandemic (Big Read, May 2), it is easy to think that more counsellors and mental health teams are the best way to solve this crisis.

This is too slow. Digital solutions already exist that are changing young people's lives. Through Covid, while Child and Adolescent Mental Health Services were at the brink of collapse, our peer support app, which is shown to have improved mental health, provided 6,000-plus young people a month with access to safe and anonymous support via their smartphones.

It's immediately accessible and those who use it report feeling better, less alone and able to self-manage their mental health. We support young people with a broad spectrum of disorders, from self-harm to autism, and we engage the hardest-to-reach young people in the UK. Of that group, 18 per cent have attention deficit disorder, 16 per cent are autistic and 4 per cent are in the social care system.

Digital solutions are accessible, scalable and they work. We need to challenge the assumption that one-to-one counselling is the only solution. When digital solutions are ignored, young people lose out.

Kerstyn Comley
Co-founder, MeeToo, London SE1, UK

What links Steve Bannon, Archegos and Wirecard?

Jeffrey Fessel's lament over the FT's use of obscure words (Letters, April 29) cites, inter alia, "grifters" and "autarky".

Anyone who has been following the past two years' reporting on responses to supply chain disruptions and has not come across autarky, or decades of reporting on Donald Trump and not come across grifter has not been paying attention.

Grifter is a marvellous American word, possibly related to graft, with connotations of a sophisticated swindle accomplished by skill, finesse and wit.

The pages of the FT have no shortage of stories in which grift or grifter would be apposite (Archegos, Steve Bannon or Wirecard anyone?)

I will confess, however, I had to look up "gongorist" and "resile".

Peter Rose
New York, NY, US

Plaudits for mining rich seam of puns

Loved the witty headline in the Lex column — "Rio Tinto: ferrous weals". (April 21).

Steve Lemon
Woodbridge, Suffolk, UK

Opinion

Expanding Nato will deepen Europe's east-west fissure

WORLD AFFAIRS
Anne-Marie Slaughter

Nearly three months on from Vladimir Putin's invasion of Ukraine, we should all beware the geopolitical machinations ahead. World leaders are contemplating the redivision of Europe in ways that will further threaten long-term peace.

Finland and Sweden are deciding on whether to make a formal application to join Nato. Public opinion among Finns and Swedes is now running over 50 per cent in favour of joining, a sharp upwards increase in traditionally neutral Sweden and traditionally careful Finland, which has a roughly 800-mile border with Russia. While President Joe Biden has been publicly non-committal, Julianne Smith, US ambassador to Nato, has welcomed the possibility.

All parties should take a deep breath and slow down. The threat of Russia invading either Finland or Sweden is remote. But admitting them to the military alliance will redraw and deepen Europe's 20th-century divisions in ways that will probably preclude far bolder and braver thinking about how to achieve peace and prosperity in the 21st.

Nato's immediate aim should be to help Ukrainian forces push Putin far enough back that he is willing to engage in serious peace negotiations. But what does a positive peace look like? Putin will never come to the negotiating table just to ratify a defeat. Turning Russia into North Korea through sanctions will simply push it closer to China. Moreover, a weak and humiliated Russia just means a permanent spoiler in European and global politics.

The real question here has to be how to get to the best outcome for all of Europe: a Europe "whole and free" and "at peace", as George HW Bush proclaimed in Berlin in 1989. Russia is part of that continent. Europe ends and Asia begins at the Ural Mountains. Historical efforts to locate the "centre of Europe" have landed on spots in Poland, Ukraine, and Belarus. Russia belongs to both Europe and Asia, but nearly 80 per cent of its population and almost all its major cities are west of the Urals.

The 20th-century divide between eastern and western Europe was ideological rather than geographical. It was the line, with subsequent adjustments, between areas controlled by Soviet troops at the end of the second world war and those controlled by other allied nations. It became the line between capitalism and communism, democracy and totalitarianism.

> The continent will never be peaceful unless it integrates Russia into its economic and security structures

Since 1989 that line has become primarily a military division between Nato and Russia, and secondarily an economic partition between Moscow and the EU. Russia seeks to prevent countries formerly part of the USSR from joining either grouping. The only way out of that stalemate is to develop security and economic institutions that all European countries can eventually join.

Business leaders should think in the same way, focusing on people rather than geopolitics. It is striking that when the Drucker Institute cross tabulated the companies that rank the highest in the Management Top 250 with Yale professor Jeffrey Sonnenfeld's ranking of how companies have responded to the war in Ukraine, the best companies got lower grades because they have not pulled out of Russia completely. PepsiCo, for instance, is still selling baby formula in Russia and keeping on its employees there. These companies are balancing their responsibilities to both the Ukrainian and Russian people — even if that might raise uncomfortable questions about which side they're on.

US, UK and EU leaders should specify that in return for military and economic support, Ukraine must be willing to negotiate about its own security guarantees, language rights for Russian-speaking Ukrainians, and a future European security architecture. Finnish and Swedish leaders should announce that although they have long seen the virtues of military neutrality, Putin's aggression has caused them to rethink. This should prompt new security discussions, including a potential agreement between the US, UK, all the Nordic states and any other willing European countries, to come to one another's defence if attacked.

Putin has made "a new European security architecture" a dirty phrase, a term of capitulation, as Ukrainian president Volodymyr Zelensky regularly suggests. But Europe will never be truly peaceful unless it integrates eastern European nations, including Russia, into its economic and security structures. That will not happen with Putin in office, nor perhaps under his immediate successors. But let us not condemn the Russians, the Ukrainians, the Moldovans, the Georgians, the Belarusians, and so many others to yet another century of exclusion.

The writer is chief executive of the New America think-tank

The Fed owes America some plain-speaking

Efi Chalikopoulou

FINANCE
Gillian Tett

This week financiers' eyes have been firmly fixed on the Federal Reserve. No wonder. On Wednesday the US central bank raised rates at the most aggressive pace for 22 years, as Jay Powell, Fed chair, finally acknowledged the obvious: inflation is "much too high".

But as investors parse Powell's words, they should spare a thought for a central bank on the other side of the world: the Reserve Bank of New Zealand.

In recent years, this tiddler has often been an unlikely harbinger of bigger global trends. In the late 20th century, for instance, the RBNZ pioneered inflation targeting. More recently, it embraced climate reporting ahead of most peers.

Last year, it started tightening policy before most counterparts. And this week it went further: its latest financial stability report warns of a "plausible" chance of a "disorderly" decline in house prices, as the era of free money ends.

Unsurprisingly, the RBNZ also said it hopes to avoid a destabilising crash. But the key point is this: the Kiwi central bankers know they have an asset bubble on their hands, since property prices have jumped 45 per cent higher in the last two years and "are still estimated to be above sustainable levels". This reflects both ultra-low rates and dismally bad domestic housing policies.

And it is now telling the public and politicians that this bubble needs to deflate, hopefully smoothly. There is no longer a Kiwi "put" — or a central bank safety net to avoid price falls.

If only the Fed would be as honest and direct. On Wednesday Powell tried to engage in some plain speaking, by telling the American people that inflation was creating "significant hardship" and that rates would need to rise "expeditiously" to crush this. He also declared "tremendous admiration" for his predecessor Paul Volcker, who hiked rates to tackle inflation five decades ago, even at the cost of a recession.

However, what Powell did not do was discuss asset prices — let alone admit that these have recently been so inflated by cheap money that they are likely to fall as policy shifts.

A central bank purist might argue that this omission simply reflects the nature of Powell's mandate, which is to "promote maximum employment and stable prices for the American people", as he said on Wednesday. In any case, evidence about the short-term risk of asset price falls is mixed.

Yes, the S&P 500 has dipped into correction territory twice this year, with notable declines in tech stocks. However, the American stock indices actually rallied 3 per cent on Wednesday, after Powell struck a more dovish tone than expected by ruling out a 75 basis point rise at the next meeting.

And there is no sign of any fall in American property prices right now. On the contrary, the Case-Shiller index of home prices is 34 per cent higher than it was two years ago, according to the most recent (February) data.

However, it beggars belief that Powell could crush consumer price inflation while leaving asset prices intact. After all, one key factor that has raised these prices to elevated levels is that the Federal Reserve's $9tn balance sheet almost doubled during the COVID-19 pandemic (and has expanded it nine-fold since 2008.)

And, arguably, the most significant aspect of the Fed's decision on Wednesday is not that 50bp rise in rates, but the fact that it pledged to start trimming its holdings of mortgages and treasuries by $47.5bn each month, starting in June — and accelerate this to a $90bn monthly reduction from September.

> A dozen years of loose policy has left many investors (and households) addicted to easy money

According to calculations by Bank of America, this implies a $3tn balance sheet shrinkage (quantitative tightening, in other words) over the next three years. And it is highly unlikely that the impact of this is priced in.

After all, QT on this scale has never occurred before, which means that neither Fed officials nor market analysts really know what to expect in advance. Or as Matt King, an analyst at Citibank, observes: "The reality is that tightening hasn't really started yet."

Of course, some economists might argue that there is no point in the Fed spelling out this risk to asset prices now, given how this might hurt confidence. That would not make Powell popular with a White House that is facing a difficult election, Nor would it help him achieve his stated goal of a "soft" (or "softish") economic landing, given that consumer sentiment has wobbled in recent months. But the reason why plain speaking is needed is that a dozen years of ultra-loose policy has left many investors (and households) addicted to free money, and acting as if this is permanent. Moreover, since the Fed has repeatedly rescued investors from a rapid asset price correction in recent years — most recently in 2020 — many investors have an innate assumption that there is a Fed "put".

So if Powell truly wants to emulate his hero Volcker, and take tough measures for long-term economic health, he should take a leaf from the Kiwi book, and tell the American public and politicians that many asset prices have been pumped unsustainably high by free money. That might not win him fans in Congress. But nobody ever thought it would be easy to deflate a multitrillion dollar asset price bubble.

And the Fed has a better chance of doing this smoothly if it starts gently and early. Wednesday's rally shows the consequences of staying silent.

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Only free societies can combat disinformation

TECHNOLOGY
John Thornhill

If the purpose of creating a governmental disinformation unit is to increase trust in the information flow of a free society then the launch of the US Disinformation Governance Board did not go well.

A terse announcement last week, first flagged in a Politico newsletter, that the Department of Homeland Security was setting up a specialist board to address disinformation was followed by faltering attempts to explain exactly what it would do and how it would be run. In essence, it appears a modest effort, led by respected digital expert Nina Jankowicz, to co-ordinate different departments to focus on the issue. But a cackle of conspiracy theories soon erupted among Fox TV commentators and Republican senators. The board was soon equated with George Orwell's Ministry of Truth.

However cack-handed the launch, the board is addressing a pressing problem: how can democracies protect themselves against hostile authoritarian nation states intent on turning the openness of free societies against them? The issue has acquired all the more resonance since Russia's propaganda-heavy assault on Ukraine and Elon Musk's proposed takeover of Twitter. Free speech absolutists such as Musk want to curtail almost all moderation of online content. That amounts to unilateral disarmament on disinformation, say critics.

The obvious problem with disinformation is how to categorise it. The conjugation tends to go: I believe trusted information, you are misled by misinformation, and they propagate disinformation. But even one-eyed sophists would find it difficult to explain away the Kremlin's blatant manipulation of western opinion. The activities of Russia's troll factories, such as the Internet Research Agency in St Petersburg, have been repeatedly exposed. Other regimes, such as Saudi Arabia, have unleashed Twitter trolls and even plotted to recruit a mole inside the company, according to the New York Times.

The Poynter Institute for Media Studies has identified 52 countries where governments have taken steps to counter misinformation. One of the most interesting initiatives is in the EU. After Russia's seizure of Crimea in 2014, it created the East StratCom Task Force. With a staff of more than 40, working in 15 languages, the task force monitors and exposes Russian disinformation. To date, it has compiled a public database of nearly 14,000 samples, ranging from alleged British involvement in the recent Bucha massacres in Ukraine to claims that Covid-19 vaccines have killed more people than the virus.

> Even one-eyed sophists would find it difficult to explain away the Kremlin's blatant manipulation

The task force's mission is to raise public awareness of disinformation, to debunk false information and promote media literacy. "Russia has been deliberately, constantly and systematically targeting the EU," says Peter Stano, the EU's lead foreign policy representative. "After 2014, member states woke up."

Although democratic governments can help educate citizens to be more sceptical of suspect stories — "pre-bunking" disinformation — and can debunk conspiracy theories too, there are clear limits as to how far they should go. Surreptitious attempts to shape a partisan narrative will backfire. Some civil society organisations can, and do, take a far more proactive role. Open-source intelligence organisations, such as Bellingcat, have publicly challenged the Kremlin's line on the poisoning of the Russian opposition leader Alexei Navalny in 2020 and war crimes in Ukraine.

One other intriguing example is Moonshot, a for-profit start-up founded in 2015, that aims to disrupt disinformation networks and challenge online extremism. Employing the same techniques that consumer companies use to reach online customers, Moonshot identifies internet users who read extremist websites and engages with them. It uses personalised advertisements, encouraging these users to read alternative materials and even speak to counsellors. "We need to counteract harmful speech with more speech. These people are not necessarily extremists, they are family and neighbours," says Vidhya Ramalingam, Moonshot's co-founder.

The war against disinformation will never be won, but that does not mean giving up the fight. For too long, democratic governments have been naive, allowing hostile regimes to exploit the openness of technological platforms and free societies to peddle corrosive lies. It is the collective responsibility of governments, tech companies, civil society, the media and millions of individual users to maximise the advantages of free speech. As they say in the software business: "Given enough eyeballs, all bugs are shallow."

The writer is founder of Sifted, an FT-backed media company covering European start-ups

Twitter's bubbles are a blight on Westminster

POLITICS
Sebastian Payne

Woke up, fell out of bed, dragged my thumb through Twitter instead. For Westminster's inhabitants, it is the modern morning routine. After coffee, reading the email briefings, more coffee, the day moves on with a scroll through the news feeds. And that is when the outrage descends.

The UK's political bubble, itself contained within Twitter's self-selecting bubble of users, is becoming insufferable. What was once an easy way of exploring the news — and an irreverent way of debating it — has turned into a factional cesspit. There is no irony, nuance or compassion for altering points of view. But its damage to the politics and policy is real and deep.

For MPs, Twitter has become a constant focus group on what (allegedly) matters: more immediate than scavenging through postbags, far less time-consuming than knocking on doors. Finding out what colleagues, journalists and voters think has never been easier. Yet Twitter is phenomenally unrepresentative. According to the London School of Economics, Twitter has 16mn UK users and the largest demographic is 18 to 29 year-olds. During the last election, the Hansard Society reckoned Twitter skewed significantly towards pro-Remain Labour party supporters.

Its immediacy, however, is one of the chief reasons politics has such a shrunken horizon. Issues come and go within hours. When a controversy or gaffe starts trending, parties are forced to react. Take the government's rail plan published last November: nearly £100bn, the biggest investment in British railways in decades. Twitter cried betrayal because the eastern leg of High Speed 2 was paused; the rest of the announcement was lost.

> Issues come and go within hours. When a controversy or gaffe starts trending, parties are forced to react

Serious policy debate is futile. Shouting produces the most clicks. And the damage is clear. Twitter convinced Labour MPs they should nominate Jeremy Corbyn to contest the leadership to "widen the debate". After last year's Hartlepool by-election, Twitter prompted a crisis for current leader Sir Keir Starmer, whose reshuffle could be seen collapsing in real time. The vicious army of "cybernats" — extreme online Scottish secessionists — are a poor advert for the independence cause.

In conversations with party insiders who will run the next general election campaigns, I was struck that strategists cited Twitter as the biggest impediment to their team winning. A figure close to Starmer says, "If I could just do one thing in the party, I would get every Labour MP off Twitter." An influential member of the shadow cabinet concurred: victory will be decided by "whether or not we're a party that's dominated by the Twitter conversation". The MP adds, "All of us as MPs should spend less time on Twitter and spend more time knocking on doors in marginal seats."

On the Tory side, the party has discounted Twitter for winning votes. One aide said, "It's only useful to shape the media conversation." Boris Johnson follows the dictum of David Cameron, who remarked, "too many tweets might make a twat". The prime minister never looks at Twitter. "He's barely spent one minute, let alone five minutes on there," one senior No 10 figure says.

The obvious prescription is for MPs to wean themselves off the dopamine hit that comes with going viral. But aside from the fact that a mass logging off won't happen, some upsides would be lost. Remnants of the old political Twitter occasionally remain: informative exchanges, interesting people, a useful stream of news and some fun.

As this week's local election results filter through, Twitter will be at its worst. If Labour makes gains, avid left-wingers will vent: not good enough! If the Tories make big losses, Johnson's enemies will call on him to resign. None of that matters. Almost nothing on Twitter really matters. The sooner Westminster realises it, the healthier politics will become.

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Lex.

Twitter: @FTLex

Shell: seeking a tax pax

It was a week of firsts for Shell. A new chief financial officer, Sinead Gorman, presented her first set of hard numbers in its first-quarter results yesterday. Those, too, set a precedent. The Anglo-Dutch oil group boasted its best-ever ebitda result in that period and the top quarterly out-turn since June 2008.

She must help her boss Ben van Beurden perform a tricky balancing act. Shareholders hunger for payouts, while some politicians hope to divert surfeit cash flow towards other perceived societal priorities.

Certainly, Shell gushes profit from every unit, including its downstream products division, which included a strong trading result. This business's $2bn of ebitda gets credit for the group's pleasant earnings surprise.

Adjust its earnings for various write-offs, including those for its abandoned Russian operations, and the oil major had returns on average capital employed of more than 10 per cent, well above its cost of capital. All this for 3.4 times (including net debt) its estimated ebitda.

BP, too, had excellent quarterly results this week. And so, some in Westminster howl for windfall taxes. Lex generally opposes these as investment hindrances. But arguing that any such tax would curb production of oil and gas makes it sound like a carbon tax.

That is not so far from the oil producer's thinking process. Shell already weighs down any prospective project's internal rate of return with carbon costs. It may well have its own global internal estimate but says it varies by country. That must be rising if Europe's emissions trading system is anything to go by. Its carbon price topped €91 per tonne this week, up 82 per cent over 12 months. The new UK contract trades at a similar value.

Just tipping its overflowing free cash flow coffers into the pockets of Shell shareholders via increased buybacks is hard for UK ministers to defend. A hint of better than expected payouts later in the year helped boost the share price 4 per cent on the day, first among its peers. Yet a Janus-like approach by US and European governments to the energy sector — harangued over both climate change and supply shortfalls — only encourages inertia. Eventually, worries about economic recession should temper commodity prices and any fury over Big Oil's profits. No wonder investors are greedy for all they can get this year.

Etsy: fee fighters

Macramé plant holder makers of the world unite. Online marketplace Etsy's decision to raise transaction fees from 5 per cent to 6.5 per cent last month led to a shortlived seller strike. The fight mirrors an argument over fees between app creators and the app platforms owned by Apple and Google. But while regulators bear down on app fees, Etsy sellers should brace themselves for even higher charges.

The 18,000 or so sellers who downed tools make up a tiny fraction of Etsy's 7.7mn active sellers. The bid to raise revenue has not been derailed just yet.

Etsy would like to frame the increase as part of a plan to take on larger rivals such as Amazon. Chief executive Josh Silverman claims it will enable Etsy to increase marketing, which should raise sales all round. It also argues that it earns its fee by showcasing creators, processing payments and facilitating client engagement. But the move is also a buffer for Etsy against falling sales.

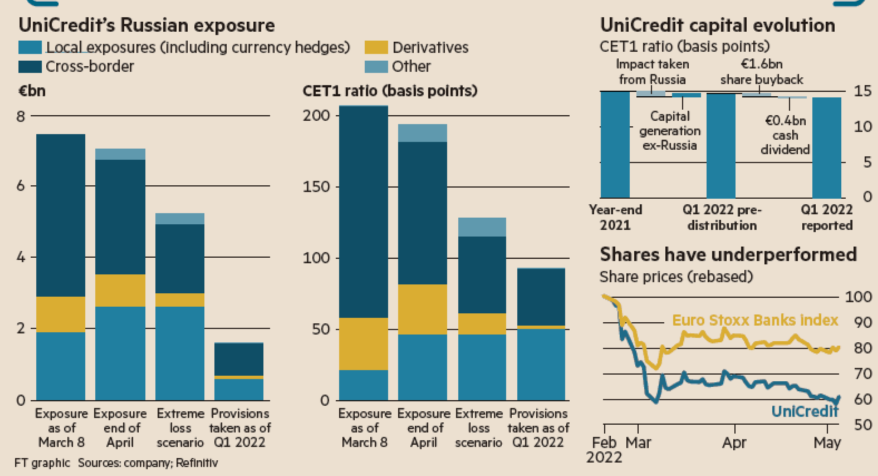
Launched in 2005, Etsy has carved out a niche as a place where individuals sell handcrafted items. That helped growth at a time when larger retailers were struggling to manage supply chain problems. Sales of masks and homeowners stocking up on furnishings also bumped up revenue in the pandemic. The company's share price rose more than 500 per cent between 2020 and late 2021, enabling it to spend $1.6bn accessing younger customers by buying second-hand shopping platform Depop.

But buyer growth has slowed and is expected to go into reverse as inflation bites. That leaves Etsy to seek more revenue from sales. In the first quarter, the total value of sales rose 3.5 per cent while revenue rose 5.2 per cent, meaning Etsy's take-rate has improved.

In the second quarter the company forecasts that gross merchandise sales could be a tenth lower than the previous year. Claims of a total addressable market as large as $2tn look increasingly unrealistic. Without a rise in buyers, the company's only move is to claw back more from sellers.

UniCredit: rushing out

The Italian bank has a sizeable exposure to Russia from its business in the country and related cross-border loans. It managed to reduce the latter by swapping some loans with Russian banks. The bank's conservative provisioning provided reassurance about its plan to return capital to shareholders.



FT graphic Sources: company; Refinitiv

Bank investors are not a complicated breed. They want minimal risk and steady returns. Chief executive Andrea Orcel delivered greater clarity on both in a matter of fact way at UniCredit's first-quarter results yesterday.

The plan set in motion last year to return €16bn of capital to shareholders by 2024 is still on track. He also reported progress in resolving one of the largest Russia exposures in European banking.

That has been responsible for a 40 per cent fall in the value of UniCredit shares since the invasion of Ukraine began.

These are now trading at 0.4 times book value or around the lows of the pandemic. A commitment to begin the first €1.6bn tranche of buybacks imminently sent shares up 6 per cent yesterday. In market value, that is a modest rise compared with the magnitude of expected capital returns. That hints at the risk posed by second order impacts from the war in Ukraine.

UniCredit reduced its direct exposure to Russia by swapping cross-border loans with unsanctioned Russian banks. That resulted in €2bn of de-risking.

Total exposure to Russia fell from €7.4bn in March to €7bn which also includes losses on currency hedges.

Of this amount, UniCredit thinks €5.2bn would be lost in the worst-case scenario, which assumes that 40 per cent of cross-border exposures could be recovered.

That hit in full would be equal to 128 basis points of common equity tier one capital. UniCredit chose, conservatively, to provide for 72 per cent of that in the first quarter.

Including confirmed buybacks and dividends, that leaves the CET1 ratio at 14 per cent, well above UniCredit's 12.5 per cent minimum target. That more than covers the planned additional €1bn of buybacks later this year.

Investors should not count on that, even as the Russian risks recede.

Hindrances include more CET1-eroding loan loss provisions or regulatory obstinance on signing off buybacks. The likelihood of both are increasing with the risk of a recession in Europe.

ICE/Black Knight: borrowed time

The US mortgage industry is not an obvious place to put money right now. Rapidly rising interest rates, galloping house prices and still tight inventory have made it difficult for Americans to buy a home.

Enter Intercontinental Exchange. The owner of the New York Stock Exchange has faith in the technology side of the housing market. It is buying mortgage software firm Black Knight in a cash and stock deal valued at $16bn, including debt. Best known as an exchange operator, ICE has pushed into the mortgage market in recent years.

It bought Black Knight rival Ellie Mae in 2020 for $11bn, including debt. It also owns Simplifile and Mers — both track mortgage records.

The process of taking out a mortgage is tedious and time-consuming in the US. ICE has sensibly concluded that software that can quicken the process will be in demand, eventually.

But ICE cannot escape a shrinking mortgage market. Mortgage loan originations are expected to drop by 35.5 per cent this year, according to the Mortgage Bankers Association.

Shares in nonbank mortgage lenders — including Quicken Loan owner Rocket Company and UWM — have both shed about 39 per cent of their value so far this year. Revenue from ICE's mortgage technology unit — about a fifth of group total last year — fell 13 per cent during the first quarter.

ICE will pay up to expand. Its $85 cash and share offer represents a 33 per cent premium to Black Knight's trading price before the deal was announced.

The bid values Black Knight at around 20 times 2022 adjusted ebitda. It paid around 23 times for Ellie Mae.

Even so, taxed and capitalised, annual cost savings of $200mn tot up to perhaps $1.4bn, small compared to the $3.3bn in premium it is paying.

To justify the deal, ICE will need to find ways to monetise the huge trove of data it has on borrowers.

Otherwise, ICE will have mortgaged some of its future earnings on the outlook of the US housing market.

Musk/Twitter: backing band

Decades of low interest rates, now being rapidly unwound, created vast fortunes for risk asset holders. The breadth and depth of that wealth is apparent in the group that has agreed to buy Twitter alongside Elon Musk.

On Thursday, a securities filing revealed the Tesla chief executive had more than $7bn in equity commitments to fund the $44bn deal, from top-tier venture capital firms, multibillionaires, sovereign wealth funds and crypto pioneers as well as more obscure operators. A privately owned Twitter may well be a good place to ride out the reckoning in public markets. And it might be fun going to board meetings chaired by the irascible Musk. One new Twitter backer, Binance, the crypto exchange estimated to be worth more than $100bn, admitted it had done little due diligence.

Elon Musk secured $13bn of debt for the Twitter buyout lent against the company and then personally committed $33.5bn to the deal. Originally, that figure was a $12.5bn margin loan secured against his Tesla ownership. The rest was a $21bn equity commitment. Yesterday the breakdown changed as the loan was reduced to $6.25bn and the equity commitment raised by the same amount. Musk, according to filings from last week, sold $8.5bn-worth of his Tesla shares.

Among the boldfaced names announced as co-investors are the likes of Sequoia Capital, Andreessen Horowitz, Fidelity and Larry Ellison, the latter who committed $1bn. Prince Alwaleed Bin Talal of Saudi Arabia, also said he would contribute his existing shares at a value of $1.9bn.

Some of these firms have principals who are politically aligned with Musk. Still, their presence, along with debt investors, is likely to force him to run a commercially successful platform and plan an eventual liquidity strategy. Who knows where market valuations will be then. But for this group, it may be comforting that it will not affect their standard of living either way.

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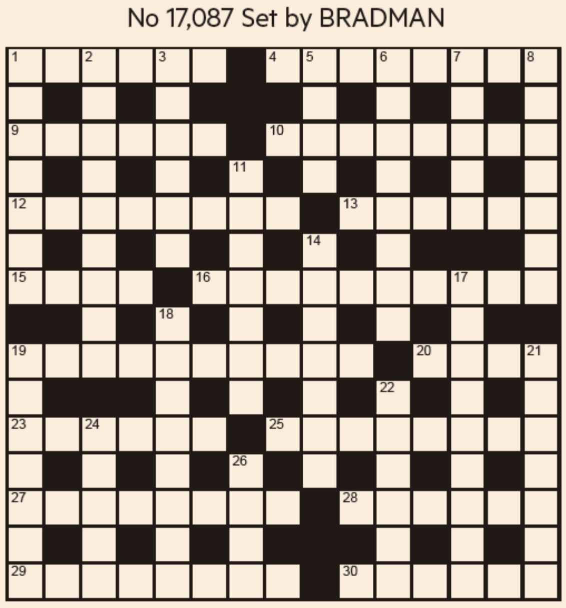
CROSSWORD

No 17,087 Set by BRADMAN



ACROSS
- **1** Little boy turned to father with longing (6)
- **4** Happy church always not quite full (8)
- **9, 16** Orange food gets coloured blue ridiculously (6,10)
- **10** Town getting 3, having iron-reinforced construction (8)
- **12** Compositions making man money, from what we hear (8)
- **13** Gun encountered in journey across river (6)
- **15** Mark, heartless child with relation of similar age (4)
- **16** See 9
- **19** Organised meeting disrupted – get embarrassed about it (10)
- **20** Author has alternative to 9,16, putting monstrous sister off (4)
- **23** Room with views regularly blocked off? Check out! (6)
- **25** Swimmer is ravenous, eating loudly (8)
- **27** Carol, concealing sulk, is gushing (8)
- **28** See 26
- **29** Failure could be satirised with one being taken off (8)
- **30** Drooping eye – bit of problem to little girl (6)

DOWN
- **1** Philosopher rushed up after 6 (7)
- **2** One of five children, outwardly smart, peering (9)
- **3** Feature of map that may be associated with 10 (6)
- **5** The athlete in the race? Quite the opposite (4)
- **6** Flower on head of delightful daughter that's performed (8)
- **7** Female given bit of paint is a picture (5)
- **8** Baddie's first to be thrown off boat (7)
- **11** Dog on heather, not lying straight? (7)
- **14** Hear member of aristocracy fight – an old-fashioned player (7)
- **17** Deceitful types watch clock maybe (3-6)
- **18** Like people who have left their chairs? (8)
- **19** Naughty verse I'd modified? (7)
- **21** Fruits in fancy case invaded by bird (7)
- **22** A note about duck on the pond? (6)
- **24** Observes small vessel inside larger one (5)
- **26, 28** An eccentric noble with improper yen for a queen (4,6)

JOTTER PAD

Solution 17,086