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FTSE 100 Market Report

17:38 07 Dec 2018

FTSE 100 closes higher on day after dreadful week for European benchmarks

Share Information

MarketTopic Synopsis:

A report on the major benchmarks and notable risers and fallers in London. .

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- FTSE 100 closes higher
- John Wood Group top Footsie riser
- Oil price rallies as Opec+ agrees on a production cut
- Resource stocks gain

FTSE 100 closed positively on Friday but closed more than 2.7% lower on the week as a whole.

In the US, major benchmarks are seeing red after the monthly non-farm payrolls report for November came in worse than expected.

The Dow Jones Industrial Average is off over 368 points, while the S&P 500 index is down around 41 points.

Footsie closed up around 74 points at 6,778, still well below the 7,000 level, while the FTSE 250 added over 90 to stand at 17,844.
The oil price also gained after OPEC and non-OPEC members decide to cut production by 1.2 million barrels per day

David Madden, analyst at CMC Markets UK, said: "It was been a dreadful week for European markets, and today's positive move can't mask the previous losses."

Oil services group John Wood Group (LON:WG. shares advanced over 4.4% to 628p to be the Footsie's top gainer on the day.

3.15pm: Opec agrees on a production deal
Resource stocks moved up the Footsie leader-board after Opec managed to find a production agreement at today's meeting.

The FTSE 100 was up 147 at 6,851, less than 20 points off its high for the day, with oilfield support services provider John Wood Group PLC (LON:WG.), top of the heap with a 6.3% gain.

"OPEC managed to get the deal it needed done, but only just. Brent has rallied firmly to reach $63 after members agreed with Russia and other allies to reduce combined daily production by 1.2m barrels. We've seen crude prices rally this hard because the deal is better than the 1m bpd [barrels per day] being talked up earlier," said Neil Wilson at Markets.com.

#brent Crude oil prices jump 5% as OPEC decides to cut production. Rally till 70 is likely. Recovery in crude is also supporting recovery in global stock markets.

#opecmeet #crudeoil pic.twitter.com/S3mqjjzqEs

— Profiquity Research (@profiquity) December 7, 2018
"The cut is a real positive after some fairly tough negotiations. The fact that the OPEC-Russia alliance is still holding matters as much as the details of the deal itself.

"It's probably a little better than the market had been expecting, but not by a lot. I'd still say that a deeper cut would be needed to really see oil rally back to $70. Indeed the rally has failed to top the daily peaks seen on Dec 4th and 5th, which is indicative of the fact the market is not fully bought into this deal as being enough to tilt the market fundamentally back into balance quickly. We need to see those highs scaled before we would be able to say this is the start of a sustained rally back to $70," Wilson asserted.

"The deal does though suggest we have something of a floor under Brent at $58, which is now forming very stiff support," he concluded.

The dollar was in the doldrums after the US jobs report, which lent support to commodities plays such as steel-maker Evraz plc (LON:EVR), up 6.6%, and miner Anglo American PLC (LON:AAL), up 5.4%.

2.00pm: Paradoxically, a slightly disappointing US jobs reading provides encouragement
There was talk before the release of the US jobs report that a disappointing reading might, paradoxically, be a good thing, and so it has proved.

The FTSE 100 was sitting at 6,793 before the figures were released and then kicked on to 6,804 in the next fifteen minutes, up 100 points on the day.

"The headline number was a touch shy of the consensus, but still a pretty decent report for a maturing expansion. Wage gains met expectations and aren't showing signs of spiralling into anything that would raise concerns at the Fed," suggested Brian Jacobsen, a senior investment strategist on at Wells Fargo Asset Management.

"Over the longer arch of this year, job gains have been robust at more than 200,000 per month. The BLS publishes a diffusion index showing how widespread the job gains are and those have been pointing to steady and widespread job gains, nowhere close to what you'd expect from an expansion that's showing its age.

"The broad narrative has shifted from synchronized global growth at the end of 2017 to synchronized slowing as we close out 2018. Provided businesses get a little reprieve on the trade situation, we could get another burst of growth in 2019," Jacobsen said.

Dovish Powell, might have surprised the market, but NFP and Wage Growth fell into the analyst range. The FED monetary stance remains unchanged and in line with the market assessment of the business cycle. The odds of the Dec hike are back to prior Dovish Powell. Happy stocks pic.twitter.com/RF4RczQG7B

— Tommaso Iaquone (@tommasoiaquone) December 7, 2018
Anthony Kurukgy, a senior sales trader at Foenix Partners, suggested the labour market has "once again proven that it remains robust enough to justify at least one more increase in short-term interest rates by the Federal Reserve later this month and with the futures market pricing in an 80% chance of that happening, it won't come as a surprise."

US non-farm payrolls rose 155,000 in November versus forecasts of between 190,000 and 198,000. There were a net 12,000 downward revisions to the past two months' data.

"Manufacturing employment was good, rising 27,000, but services saw slower gains than hoped," reported Dutch finance house, ING.

"However, markets shouldn't be too disappointed as the fact that there aren't enough workers was almost certainly a major factor.

"The rate of jobs growth has accelerated in 2018 to average 206,000 per month versus 182,000 in 2017, but it will slow next year, partly for this very reason," it added.

1.35pm: FTSE 100 rouses itself again as US jobs numbers undershoot expectations
The FTSE 100 was up 106 at 6,810 after the US November jobs report sprang a small surprise.

In November, 155,000 new jobs were created in the US, less than the 190,000 economists had been expecting.

The jobless rate was unchanged at 3.7%. Average earnings were up 6 cents to US$27.35 an hour.

1.15pm: The Footsie sees its gains pared as market braces itself for non-farm payrolls data
The top-shares index was showing signs of apprehension ahead of the release of US jobs data at 1.30pm.

The FTSE 100 was up 85 at 6,789, almost 40 points below its intra-day high.

Spread betting quotes were pointing to the Dow Jones opening at around 24,778 and the S&P at 2,679; the former closed last night at 24,948 and the latter at 2,696.

"For one negative omen, it's a Friday; and it's a US monthly payrolls Friday to boot," noted Ken Odeluga at City Index.

"It's also the day on which the situation that triggered the latest flight from risk will come to an inflexion point of sorts. Huawei's arrested CFO, Meng Wanzhou, will face a bail hearing in Vancouver. China's foreign ministry is reiterating Beijing demands that she be released," Odeluga noted.

"The authority for conveyance of China's displeasure is going up the official food chain. China's embassy in Ottawa was the highest agency to have issued a reproach before last night. The progression shows Beijing is prepared to keep a tacit link with trade negotiations and Huawei going, regardless of official optimism that Saturday's accord will lead to a lasting deal. Investors will be alert to any sign that the Commerce Ministry could weigh in. That would be another deleterious signal for chances of a deal," Odeluga suggested.

#BREAKING URGENT: #Kuwait??????? oil minister leaves #OPEC meeting amid deadlock in oil production cut talks pic.twitter.com/kpDxTz5D3l

— SRB BREAKING NEWS (@news_srb) 7 December 2018
The price of Brent crude for February delivery rose 92 cents on US$60.98 as the meeting of the Opec+ countries takes place today with the oil producers still searching for an accord on production levels.

Royal Dutch Shell (LON:RDSB) perked up in response to the firmer oil price, adding 2.2% at 2,352.5p. Oilfield support services provider John Wood Group (LON:WG.) was also wanted, despite JP Morgan shaving 10p off its price target to 770p; the shares rose 2.2% to 614.6p.

Iran Says Does not Endorse OPEC Production Cut Plan
Informed sources in OPEC say Iran has declined to join the group's production cut plan either symbolically or literally. The sources also said no agreement had so far been struck between OPEC members. pic.twitter.com/zlDz8G8FEv

— IranOilMinistry (@VezaratNaft) 7 December 2018

11.45am: Expectations re consumer prices see inflation rate rising to highest level since November 2013
There was mixed news on inflation expectations on Friday.

Expectations for the year ahead rose to a five-year high in November but inflation expectations eased back on both a two-year and five-year horizon.

Howard Archer, chief economic advisor to the EY ITEM Club, said it was mixed news for the Bank of England's Monetary Policy Committee (MPC) to digest.

"The MPC will likely have hoped that consumer price inflation standing at 2.4% in October and September, compared to a peak of 3.1% in November 2017 would have led to a softening of near-term inflation expectations.

"Specifically, consumer price inflation is seen at 3.2% over the next year, which is up from 3.0% in the August survey and 2.9% in the May survey. This is the highest level since November 2013 and above the long-term (1999-2018) average of 2.7%," Archer observed.

UK inflation expectations hit five-year high - BoE: The British public's expectations for inflation in a year's time have risen to a five-year high but fewer people expect an interest rate hike over the next 12 months, a Bank of England survey showed on… https://t.co/aLxOldT1k0 pic.twitter.com/Jn90flBado

— PMA Accountants (@PMA_Accountants) December 7, 2018
"Inflation is seen at 2.8% over a two-year horizon, which is slightly down from 2.9% in both the August and May surveys. It is broadly in line with the long-term (1999-2018) average of 2.7%.

"Inflation is seen at 3.5% over a five-year horizon, this is down marginally from 3.6% in both the August and May surveys which had been the highest reading since the November 2013 survey; it is above the average of 3.2% over 2009-2018.

"The survey showed consumers currently believe the inflation rate is 3.1%, which is up from 2.9% in the August survey and the same as in the May survey; it is clearly above the latest actual rate which was 2.4% in October.

"The survey also reveals that 53% of the public expect interest rates to rise over the next 12 months; this was down modestly from 58% in the August survey (which may have been lifted by the fact that the Bank of England had just hiked rates from 0.50% to 0.75% at the early-August MPC meeting)," he added.

The FTSE 100 ebbed a little following the release of November Bank of England/TNS quarterly survey, just about holding on to a triple-digit rise at 6,806 - up 102 points.

The pull-back may have had more to do with expectations of a soft start on Wall Street ahead of the release at 1.30pm of the non-farm payrolls data for November.

"Wall Street managed to stage something of a recovery during Thursday's session, pulling back impressively from the test of recent lows, but despite Asian markets also making progress, index futures suggest that the week could yet end on something of a downbeat note," noted James Hughes at AXI Trader.

"We do, however, have non-farm payrolls plus the accompanying wage data due for release ahead of the opening bell and the detail here could yet provide some meaningful direction for stocks. Critically the market will be looking for any clues that the Federal Reserve can accelerate any pause in the series of rate hikes we've been seeing of late.

"Trade tensions continue to cast something of a shadow over sentiment so with that in mind, Chinese import and export data that is due for publication over the weekend break is likely to find itself under scrutiny. No significant deviation from expectations here will certainly soften criticism that Trump's tariffs alone are impacting the Chinese economy, although bigger issues - such as the divergence of opinion over last week's G20 summit and the US issued extradition warrant for Huawei's CFO - continue to linger," he continued.

"Wall Street seems to be sliding lower and tensions like these will only accelerate any selling pressures," he concluded.

11.00am: The Footsie storms past 6,800, with Tesco leading the way after upgrade
Having blasted its way back above 6,800, the Footsie seems intent on consolidating its gains.

The FTSE 100 was up 118 at 6,822 with supermarkets group Tesco PLC (LON:TSCO) leading the way with a 4.9% gain at 203.3p after BNP Paribas upgraded the stock to 'neutral' from 'underperform'.

The house-builders are still going well, despite underwhelming house price data.

"The Halifax reported that house prices slumped 1.4% month-on-month in November. Prices had previously risen 0.7% month-on-month in October, after a particularly sharp drop of 1.3% month-on-month in September. There had earlier been a decline of 0.2% in August following three significant month-on-month increases, including 1.2% in July," reported Howard Archer, the chief economic adviser to the EY ITEM Club.

"Housing market activity continues to struggle to gain any real momentum. Admittedly, the Bank of England reported that mortgage approvals for house purchases rose to a nine-month high of 67,086 in October after dipping to 65,726 in September from 66,397 in August. Mortgage approvals have improved modestly overall from a 2018-low of 63,211 in March (which had also been the second lowest level after December 2017 since August 2016). Nevertheless, at 67,086 in October, mortgage approvals look relatively sluggish. They are 17.2% below their long-term (1993-2018) average of 81,046," Archer noted.

Just in:$GBPUSD Halifax House Price Index m/m: -1.4%, expected: 0.3%, previous: 0.7%
next events: https://t.co/WWm6PDmVBq #FOREX

— AIRDROP FX (@ArifarFx) December 7, 2018
"We suspect that the housing market will be relatively lacklustre over the coming months - although there are varying performances across regions with the overall national picture dragged down by the poor performance in London and parts of the South East.

"Consequently, we expect that overall house price gains across the UK over 2019 will be limited to around 2.0%. If the UK leaves the EU in March without a Brexit "deal", house prices will likely fall modestly in 2019.

"House buyers will also likely be concerned about further interest rate hikes over the coming months - even if they are likely to be gradual and limited. It should also be kept in mind that the share of outstanding mortgages on variable interest rates has fallen to a record low around 35%, which is half the peak level of 70% in 2001," Archer predicted.

"Brexit uncertainty to blame for stagnant prices."@samueltombs on U.K. Halifax House Price Index, November #PantheonMacro

— Pantheon Macro (@PantheonMacro) December 7, 2018
Real estate investment trust Land Securities Group PLC (LON:LAND) was outperforming a rampant Footsie, rising 3.2% to 832.4p after it announced the acquisition of a 1.6 acre site in Lavington Street, SE1 for £87.1mln from a private company.

9.30am: House-builders shrug off lacklustre house price data
While house-builder Berkeley Group Holdings PLC (LON:BKG) cheered the market this morning with an upbeat trading statement, there was less cheery news for the sector.

The latest Halifax House Price Index showed that UK house prices in November fell 1.4% month-on-month and 1.1% quarter-on-quarter quarterly but increased by 0.3% year-on-year.

The annual growth rate is the lowest since December 2012.

"In many parts of Britain, the flatline is turning into a fall," declared Jonathan Hopper, the managing director of Garrington Property Finders.

So, great news for those looking to get on the property ladder, then, but also for what Hopper calls "strategic buyers".

"The chronic shortage of supply put a floor under house prices for much of the year, but after months of inertia, we're seeing increasing numbers of strategic buyers flexing their muscles and preying on favourable market conditions.

"Their ability to make chain-free, cash offers for homes in good areas is helping them secure discounts and nudging down average prices.

"As a result, sellers who need to move urgently are often having to accept sUBStantial reductions.

"In such a buyer's market, other would-be sellers are hunkering down and waiting until things improve before listing their home for sale.

"As the Christmas slowdown approaches, that delicate balance is unlikely to shift until there is greater clarity about Brexit and Britain's economic prospects for 2019," Hopper opined.

Meanwhile, Berkeley Group's shares were up 2.8% after its trading statement, although that was less than the gains secured by sector peers Taylor Wimpey PLC (LON:TW.) and Barratt Developments PLC (LON:BDEV), which were up 3.6% and 3.2% respectively.

"These are strong results from Berkeley. Upgraded profits and a balance sheet that looks even more resolute has given the group the confidence to promise a steady flow of shareholder returns all the way out to 2025," said George Salmon, an equity analyst at Hargreaves Lansdown.

"However, there's only so much the group can do to look after its share price. Sentiment will remain closely tied to the Brexit barometer, since London could well be in the eye of the storm should a disorderly departure trigger a housing meltdown.

"While the shares remain something of a binary bet on Brexit in the short-term, looking further afield Berkeley's niche operating model and enviable track record mean we think it should be a long-term winner," he added.

The FTSE 100 was up 108 at 6,812, a few points off its high for the day.

8.40am: Bounce back
As expected, London has seen a number of bargain hunters return to the market after yesterday's shake-out.

The FTSE 100 was up 60 points at 6,764 as fears that the simmering trade war between the US and China would flare up again following the arrest of the chief financial officer of Huawei start to recede.

"Though Beijing are very much displeased with the arrest of Huawei exec Meng Wanzhou - China's media labelled her detention as 'despicable' - the fact the country nevertheless announced it was 'immediately' applying the trade truce measures agreed with the US appears to have helped reassure the markets that the relationship between the two superpowers hasn't yet reverted back to its warmongering worst," said Connor Campbell at Spreadex.

"Granted, that announcement came on Thursday morning, so it perhaps isn't directly linked to the rebound; however, now that the dust has settled somewhat on Wanzhou's arrest, investors may be taking a slightly more measured approach to the whole issue," Campbell suggested.

Primark-owner Associated British Foods PLC (LON:ABF) was not participating in the advance after it warned of challenging trading at Primark in the run-up to Christmas.

"Ahead of today's AGM, the conglomerate ABF has issued a brief trading update that will strike fear into Fashion retailers, as it has warned that, although the first 8 weeks of trading for the group were in line with expectations, 'during November Primark trading was challenging, in a tough retail market, but with careful inventory management and improved margins, our expectation for the increase in Primark profit is unchanged'," wrote independent retail analyst, Nick Bubb.

ABF's shares were down 2.1% at 2,300p.

Yo, @Primark how do you spell stationery? ???????????? pic.twitter.com/Ao5VjIUcVJ

— Hannah Beth (@hannahbethblogs) December 7, 2018
There was a better response to the update from house-builder Berkeley Group Holdings PLC (LON:BKG).

The shares rose 1.8% to 3,380p after it raised profit guidance.

READ Berkeley raises profit guidance after "resilient" start to the year amid housing market slowdown

Berkeley Group ups FY19 pre-tax profit guidance by 5%+, reiterates guidance for next 2 years; NAV +8%, net cash +25%; Forward sales -14%; £280m per annum in buybacks/divs extended to 2025. Good start to year, short term outlook uncertain on Brexit + other headwinds in London/SE.

— Mike van Dulken (@Accendo_Mike) December 7, 2018 Proactive news headlines:
ImmuPharma PLC shares rose on Friday as the biopharma firm revealed that the managed access programme (MAP) for Lupozor, its late-stage treatment for auto-immune disease Lupus is progressing as planned. The AIM-listed firm said that following analysis of the regulatory processes in EU countries, it is planned to begin patient recruitment for the programme in France and UK.

Eurasia Mining PLC (LON:EUA) told investors that it has now been given notice to pay a one-time license payment terms. Earlier this week, the company announced the official issue of a mining permit for the Monchetundra project.

Tower Resources PLC (LON:TRP) told investors that a contractor has been hired for the upcoming NJOM-3 well at the Thali project offshore Cameroon. Vantage Drilling International will supply the Topaz Driller jack-up rig and drilling services to deliver the well, with operations expected in the second quarter of 2019.

S & U PLC (LON:SUS), the specialist motor finance and bridging loan company, expects full-year results to be broadly in line with expectations despite a slowdown in the used car market.

Sound Energy PLC (LON:SOU) has now kicked off the drilling of the TE-10 well at the Tendrara project in eastern Morocco. It is the second of a planned three well exploration programme at Tendrara, and, it is located around 25 kilometres away from Tendrara's currently anticipated production area.

Bushveld Minerals PLC (LON:BMN) has been given a severe rap over the knuckles by AIM's disciplinary committee. The vanadium miner was fined £700,000, which was reduced to £490,000, and received a public censure for breaches of two of AIM's listing rules.

Cash-strapped Myanmar-focused social media group MySQUAR Limited (LON:MYSQ) has temporarily shut down some of its operations to conserve cash. It will delist from AIM on Monday, having been unable to appoint a new Nomad.

Botswana-based copper miner Cradle Arc PLC's (LON:CRA) future was placed in severe doubt last night after a proposed US$4mln loan fell through. Mining at the Mowana site has been suspended with trading in the junior's shares also halted.

Kore Potash PLC (LON:KP2), the potash development company whose flagship asset is the 97%-owned Sintoukola Potash Project, announced that the Mining Convention covering the proposed staged development of the Kola and Dougou Mining Licences has been gazetted into law following ratification by the Parliament of the Republic of the Congo.

Rambler Metals and Mining PLC (LON:RMM) (TSXV:RAB) announced that on November 26 it closed its previously announced financing transaction with CE Mining III Rambler Limited of US$25mln in the form of senior secured convertible loan notes. The group said the proceeds received will be used by the company to strengthen its working capital position and for general corporate purposes.

Europa Oil & Gas (Holdings) PLC (LON:EOG) said it raised gross proceeds of approximately £0.3mln through its open offer priced at 3p a share that it launched last month, with approximately 29.77% of qualifying shareholders taking up their entitlements. The AIM-listed UK and Ireland-focused oil and gas exploration and production company announced on 20 November that it had raised £4.0mln via a placing of around 133.33mln new ordinary shares also at 3p each.

Sunrise Resources PLC (LON:SRES) announced that further to the company's announcement last month, the company has appointed Beaumont Cornish as its AIM Nominated Adviser with immediate effect. SVS Securities Limited will continue to act as a broker to the company.

6.50am: Stocks tipped to open higher
Taking heart from yesterday afternoon's rally by US stocks, the FTSE 100 was expected to claw back some of yesterday's heavy losses this morning.

Spread betting quotes suggest the blue-chip index will open at around 6,786, after plunging 218 points to close at 6,704 on Thursday.

"We're expecting a strong bounce back at the open in Europe following what was another brutal day on Thursday, as investors become increasingly jumpy in this period of market uncertainty," said Craig Erlam at Oanda.

"There may be a number of risk factors contributing to all of this but I wonder whether it will ultimately be down to the Fed to calm everything down in a couple of weeks. Already market expectations of a rate hike this month have moderated a little - now standing at 78% according to Reuters - and I think people are more and more coming around to the idea that the Fed will be much less hawkish in its assessment than it has been.

"Today's US jobs report could have a big part to play in this," Erlam suggested.

Hopes that the Fed might slow down its planned programme of interest rate hikes were behind yesterday afternoon's strong rally in US markets.

READ Dow mostly recovers from its drop by the closing bell on report the Fed may halt hikes
The tech-heavy NASDAQ Composite actually ended the day in positive territory, up 30 points (0.42%) at 7,188 while the Dow had pared its losses to 79 points (0.32%) at 24,948 while the S&P 500 was down just 4 points (0.15%) at 2,696.

Asian markets picked up the baton this morning, with the Nikkei 225 in Tokyo advancing 177 to 21,679 and the Hang Seng in Hong Kong more or less unchanged at 26,159.

In London, Berkeley Group Holdings PLC (LON:BKG) is expected to report a decline in first-half earnings as the housebuilder contends with a slowdown in the London and southeast housing market.

For the first half, UBS expects pre-tax profit to fall 34% year-on-year to £357mln and revenue to drop 13% to £1.41bn. Its estimates include a £35mln contribution from accounting changes related to IFRS 15.

The broker expects net cash of £758mln after the payment of £44mln in dividends and £191mln in share buybacks in the period.

"Given weakness in the London market we expect cash due on forward sales to have reduced sequentially to ~£2bn (April: £2.2) and the total order book including cash deposits received to £2.8bn (April: £3.1bn).

"Given the high cash balance and high proportion of cash returns allocated to buybacks, we think a higher interim dividend than the implied 8.4p (post buy back) could be announced."

AJ Bell first day dealings
Investment firm AJ Bell will announce the final pricing of its initial public offering when conditional dealings are due to begin on the London Stock Exchange.

The online stockbroker last month set the price range at between 154p and 166p, giving it a valuation of between £626mln and £675mln.

Across the pond, as alluded to above by Craig Erlam, the November jobs report is scheduled to be released with the non-farm payrolls data is expected to show US employers added 199,000 jobs in November, compared to 250,000 the previous month, and the unemployment rate remained unchanged at 3.7%.

The focus could be on wages, however, with economists expecting a 0.3% month-on-month rise in average hourly earnings in November following a 0.2% increase in October.

Elsewhere, the Opec meeting apparently now becomes something called Opec+.

"The meeting proves even more important now as the original OPEC meeting yesterday failed to deliver any final deal on production cuts," suggested Danske Bank.

"A press conference is tentatively scheduled for 13:00 CET, but history shows this could well be postponed if negotiations prove difficult," the Scandinavian corporate bank added.

Significant announcements expected on Friday:
Interims: Berkeley Group PLC (LON:BKL)

AGMs: Associated British Foods plc (LON:ABF)

Economic data: US non-farm payrolls; US average hourly earnings; US wholesale inventories; University of Michigan consumer sentiment index

Around the markets

- Sterling: US$1.2774, down 0.08 cents
- 10-year gilt: yielding 1.105%
- Gold: US$1,244.40 an ounce, up 80 cents
- Brent crude: US$59.50 a barrel, down 56 cents
- Bitcoin: US$3,395.43, down US$232.36

City Headlines: The Times

- The cost of insuring against future price swings in pound soared as investors avoided making big bets on the currency because of uncertainty around Brexit.
- The FTSE 100 endured its worst day since Britain's vote to leave the EU yesterday as the arrest of Huawei CFO shattered fragile investor hopes of an easing of trade wars.
- The US investigation into Huawei ensnared HSBC last night after it emerged that a Chinese telecoms executive was arrested as part of inquiries into an alleged scheme to use the banking system to evade US sanctions against Iran.
- Oil prices tumbled more than 2% to about $60 a barrel last night after the Opec cartel of producer nations failed to agree a deal to curb output.
- Bankers working on the £264 million rights issue of Kier Group face a nervous wait before its closing later this month as shares in the company fell below the price at which they are attempting to sell new stock.
- Royal Bank of Scotland has warned that it will move a fifth of its investment banking business to the Continent in

the event of a hard Brexit.

The Daily Telegraph

- The collapsed newspaper publisher Johnston Press has been accused of a "rush" to complete a pre-pack administration that handed control to its lenders and allowed them to avoid pension liabilities.
- South African restaurant chain Nando's has registered bumper sales as it continued its global expansion.
- EasyHotel has recorded a year of soaring revenues and underlying profits but warned that trading could come under pressure in 2019 amid uncertainty over Brexit.

Daily Mail

- Fishing Republic last night filed for administration after failing to raise enough cash from investors to stave off collapse.

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