

The key news
and opinions
from the leading
weekend papers

Weekend CITY PRESS REVIEW

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Saturday

The Times

Battering for Darling's Budget

Alistair Darling's Budget was said to be 'in shreds' after new figures showed the UK economy shrank at its fastest rate for 30 years in the first quarter, losing 1.9%. The data has hit the Chancellor's Budget forecast that the economy would shrink by just 3.5% this year, with City economists and the IMF expecting the figure to be about 4% or more. ● Darling apparently learnt of the new GDP figures while waiting at Heathrow (in the Virgin Atlantic lounge) for his flight to meet other G7 finance ministers in Washington. The G7 ministers gave a cautious assessment of the global economy ahead of the meeting, suggesting that the worst of the recession may be coming to an end. But the Federal Reserve also warned that some US banks could still need extra capital to ride out the recession.

● *Comment:* Ian King thinks the real worry for the government is whether foreign investors will buy up all the gilts being issued to fund the public debt, especially as other countries including the US will also be seeking funds from China and elsewhere to meet their financing needs. ● Michael Portillo, a former Chief Secretary to the Treasury, explains the elaborate planning over many months that goes into any Budget, although he points out that the final few days are relatively calm once the data has gone to the printers for publication in the Red

Book. ● Daniel Hooker, a 17 year old schoolboy who won a 'Chance to be a Chancellor' competition, gives his own view of what was needed from the budget: short-term help for business and long-term structural reform.

● *Editorial:* The Times thinks David Cameron was right to accuse the government of dishonesty in the Budget, but he needs to be more transparent about his own plans for restructuring the State's finances. [pp. 1, 6-7, 61, 66, 2: comment]

Union action 'inevitable' after Royal Mail tells its workers to take pay freeze

A strike by Royal Mail workers is seen as 'inevitable' by its trade unions after the postal service decided to freeze pay for its 181,000 employees. A pay review had been due this month following the ending of an 18-month, 6.9% pay deal agreed when the unions last took strike action. [p. 54]

That was the week...

...when a latter-day Basil Fawlty, aka Steve Donnelly, and proprietor of the Supreme Motor Lodge in New Zealand, raised eyebrows with his decision to ban all bookings by residents of Wainuiomata after a fracas in the hotel caused by a sports team from the town. Trevor Mallard, an MP and resident of Wainuiomata who had his booking turned down, says of Donnelly: "I'm not surprised he's Australian." [*S. Times*]

Scrappage scheme offers hope to car industry as output hits historic lows

Car output fell 53.1% in March following the 59% decline in February, according to industry figures. This meant total production was down 56% in Q1 compared with last year, while commercial vehicle output was down 63% in the first three months. ● **Ford** said it hoped to break even within two years and would not need the US government support being offered to **General Motors** and **Chrysler**. [p. 58]

Holiday group suspends founder amid questions over use of company funds

Travelzest founder Chris Mottershead has been suspended by the Aim-listed company following an investigation into the 'potential misappropriation of company funds'. The sum involved is believed to be less than £500,000. Both Mottershead and group FD Colin McKinlay were approached recently about joining **TUI Travel** to run its Canadian operations. [p. 58]

WH Ireland suspends two directors to avert stand-off at annual meeting

WH Ireland has suspended executive deputy chairman Laurie Beevers and MD David Youngman ahead of this week's AGM because of a boardroom rift. The two directors are believed to be unhappy at the failure of a recent planned £16.2m takeover of **Blue Oar Securities**. [p. 60]

Jobs at risk as administrators called in at Bay Trading

Alexon has put its **Bay Trading** fashion chain into administration after credit insurers withdrew cover for its suppliers. The move, which could lead to over 1,000 job losses, was taken to protect Alexon's core brands according to CEO Jane McNally. The news came as latest official retail data for March shows sales 0.3% ahead of February's

figure and 1.5% higher than a year previously. ● **Amazon**, which reported a 28% increase in like-for-like sales in Q1, now achieves about 40% of its sales from non-core products such as jewellery and electricals. [p. 59]

Holiday home owners in line for sun-kissed windfalls

British owners of holiday homes on the Continent could get a tax windfall following the Budget. Under the Budget changes, owners of UK holiday homes rented out will lose the tax break worth about £4,000 a year, while owners of second homes that are rented out on mainland Europe can apply for the same tax rebate going back five years. [p. 61]

Nomura puts more jobs on the line as Lehman link-up triggers record loss for Japanese broker

Nomura is planning further redundancies to the 2,100 already made following the biggest full-year loss (of £5bn) reported by a Japanese financial institution since the start of the credit crisis. The loss covered significant charges incurred when it took over part of collapsed **Lehman Brothers** last year. Meanwhile, **HSBC** has closed its equities division in Japan with the loss of about 50 staff from its Tokyo head office. [p. 63]

Comment

...Patrick Hosking takes an imaginary look ahead to George Osborne's first few days as Chancellor after the Tories win the General Election next year, suggesting he will face a run on the pound and a downgrading of the UK economy by the credit rating agencies.

● The danger of the car scrappage scheme is that it simply brings forward purchases rather than actually increasing total demand. [p. 55]

Business feature

...Carol Lewis reports from Cambridge that the University city is surviving the recession much better than elsewhere as a result of its high-tech industrial base which means it has experienced the lowest increase in unemployment in the country. Only Oxford can boast more qualified workers than Cambridge. [pp. 64-65]

Briefs

Celebrity chef Gordon Ramsay has been left out of the latest *Sunday Times* Rich List because of concerns over the 'sustainability' of his restaurant empire. ● Mortgage lenders want National Savings & Investment to reduce savings rates because it is allegedly harming the supply of funds for new mortgages.

● German Chancellor Angela Merkel has urged Gordon Brown to press ahead with the £7bn Eurofighter order in spite of opposition from the Treasury. ● The Spanish unemployment rate reached a record 17.4% in Q1.

● **Dawson Holdings** has lost another distribution contract, this time from **IPC Media**. ● China has nearly doubled its gold reserves in the last five years, new figures reveal. ● Jamie Oliver has signed a licensing deal with **Churchill China** for it to produce crockery branded with the chef's name. ● US independent gas producer **Chesapeake Energy** has angered investors by paying founder and CEO Aubrey McClendon nearly US\$112m last year and sponsoring his basketball team with US\$3.5m.

● **Nintendo** has launched a new game based on the complex Japanese legal system to help people prepare for a new role as 'lay judges' in serious criminal cases under new reforms. ● **Cranswick** added 39p to 630p following **Asda**, a major customer, reportedly boosting its Q1 sales by 15%. ● **Catlin** FD Christopher Stooke has sold shares worth £57,000 in the company. ● **Cantor Index** has a June contract-related spread of 467.2p-469.5p for **BP**, 479p, ahead of its Q1 figures on Tuesday. ● **Education Development International** added 16p to 85p after indicating that first half sales and profits would be ahead of expectations. ● *Market News*: **British Airways** lost 2.5p to 164p after potential merger partner **Iberia** warned it would make a loss this year, news that saw its shares fall 9% in Madrid. ● **Intercytex** put on 4p to 10p after disclosing that **Pfizer** was backing a stem-cell project to help cure a common form of blindness. [pp. 34, 54, 59, 62, 63, 67]

The Daily Telegraph

Blair's despair over 50p tax rate

Tony Blair is said to consider the new 50p top tax rate introduced in the Budget a 'terrible mistake', with friends suggesting he would have cut taxes rather than raised them. ● The shrinkage in the economy over the past six months has been the worst since official figures were first published in 1948. ● The Tories claim the government plans to spend £4bn on consultants over the next four years in spite of the promised efficiency drive. ● The National Housing Federation said a £100m Budget scheme to revive council housing would lead to just 900 homes being built over the next two years. ● Essex County Council is investing £50m in a new county bank to help lend to small businesses. ● New analysis suggests that white-collar professional workers in the private sector have been hardest hit by the recession so far. ● The latest *Sunday Times* Rich List suggests that the 1,000 individuals named have seen their collective wealth decline by more than half. ● Alistair Darling has urged US Treasury Secretary Tim Geithner to do more to purge US banks of their toxic assets. ● Richard Lambert, the former FT editor and now director-general of the CBI, described the Budget as a 'thumbs down' affair and does not share the Chancellor's optimism that recovery will start later this year. ● *Editorial: The Telegraph* thinks the Tories are finally becoming more confident about telling the public about the need to reduce state spending in the difficult years ahead. [pp. 1, 4, 5, 21, 27, 29: feature, 19: comment]

Doubts over Capital & Regional's future

Capital & Regional has warned in its accounts that there is 'material uncertainty' about its ability to survive

following a £516.3m full-year loss. The property investor and fund manager has been hit by the slump in the commercial property sector and could breach its banking covenants. [p. 29]

Comment

...Edmund Conway thinks the implication of the unprecedented level of government borrowing will mean a real economic feel-good factor is unlikely to return for many years as public spending is cut and interest rates increase, dampening down any 'green shoots' of recovery. But there was some good news among all the Budget documentation: the UK's birth rate is higher than for most other industrial countries, meaning that at least we will not face the same demographic crisis likely to savage Europe and Japan. [p. 29]

Business feature

...Graham Ruddick says that after another turbulent week for the carmakers, the UK's car scrappage scheme seems something of an irrelevance when set against the major restructuring soon likely to get under way. [p. 28]

Briefs

New FSA rules will make it easier in theory for consumers to switch bank accounts, with banks facing fines for treating their customers unfairly. ● The FTSE 100 surged 3.43% in spite of the poor economic news, with commodity and financial stocks rallying. ● **Amazon** revealed it had received a 'significant boost' from exploiting the weakness of the pound to sell cheap electronic goods to Europe. ● **Liberty** made a £7m loss last year in spite of a 9% rise in revenues to £50.2m. ● Frank DiPascali, Bernard Madoff's deputy, may seek a plea bargain by giving full details of the fraud. ● **Carphone Warehouse** is finally set to acquire **Tiscali's** UK business for less than half the figure rejected last year. ● Owen Van Natta has been appointed by **News Corporation** as CEO of **MySpace**. ● *Market News: Xstrata* surged 75p to 600p as mining stocks benefited from **JP Morgan Cazenove** upgrading the sector from neutral to outperform. [pp. 27, 29, 33]

The Independent

Unrepentant Brown defends Budget as a 'plan for recovery'

Gordon Brown sought to fight back against the widespread criticism of the Budget, arguing at a Welsh Labour conference on Friday that the higher taxes on the wealthy were necessary. Brown claimed measures set in train by the Budget would both protect and create 500,000 jobs. ● Alistair Darling was also talking up the economy when he arrived in Washington for the G7 finance summit. ● A survey by recruitment consultancy Morgan McKinley shows that nearly three-quarters of City workers received a bonus last year. ● *Editorial: The Independent* believes an economic and political era is coming to an end, but politicians are struggling to define the way ahead. [pp. 4, 49, 36: comment]

Outlook

...Jeremy Warner thinks it is 'touch and go' just how bad the UK's finances are likely to get as a result of the rising level of public debt, but the period of 'fiscal consolidation' after the next election is likely to be a lot tougher even than outlined in the Budget. ● The government's move to remove tax relief on pension contributions for those earning more than £150,000 a year will create new complexity and confusion and could end up costing more than it will raise. Such 'on-the-hoof' tax raids rarely succeed. [p. 51]

Business feature

...James Thomson reports that the expected gloom in the High Street is not as widespread as had been feared only recently, with higher than expected retail sales in March and several groups reporting relatively strong figures. But few retailers are willing to say publicly that the worst is over. [p. 53]

Briefs

Carphone Warehouse is believed to be among potential bidders for **Tiscali**'s UK business which has been put on the market again. ● Concerns are growing that beleaguered car manufacturers will be unable to absorb the impact on their margins from the car scrappage scheme. ● China has increased its gold reserves from 600 tonnes in 2003 to 1,054 tonnes at present.

● **Candover Investments** confirmed it was holding takeover talks with several groups. ● **Portmeiron Group** has bought the **Royal Worcester** and **Spode** brands for £3.2m. ● *Market News*: **Aviva** added 34p to 273p ahead of an interim management statement on Monday. [pp. 50, 52, 54]

The Guardian

G7 finance chiefs predict recovery will start this year

The G7 finance ministers and central bankers meeting in Washington suggested there were signs of stabilisation in the global economy, with recovery possibly starting later this year. Meanwhile, post-Budget opinion polls suggest support among 'Middle England' for the 50% tax rate on top earners. ● **Moody's** sought to reassure the gilts market that it had no plans to downgrade the UK's financial rating, given the comparatively low level of debt when the country entered recession. ● New EC guidelines this week will recommend bankers' bonuses are capped, with 'golden parachutes' limited to twice fixed pay. ● **Royal Bank of Scotland** is to take a book profit of £4.5bn from buying back some of its bonds, which will also enhance its capital cushion. [pp. 38, 14, 40]

Briefs

Alexon shares surged 18p to 50.5p after its **Bay Trading** fashion chain was put into administration. ● **Ford** reported a US\$1.4bn loss but said it did not need to seek US government support; meanwhile, **Volvo** warned that its European market could fall 50% this year as it revealed above estimate

losses of £374m in Q1. ● **Vodafone** and **O2** may be allowed to keep radio spectrum acquired in the 1980s, although they will not be able to bid for new spectrum unless they sell other holdings. ● **JJB Sports** is seeking to avoid collapse by agreeing new rent deals with more than 200 shop landlords. ● *Market News*: **InterContinental Hotels Group** added 38p to 672p as Panmure Gordon started coverage with a buy rating. [pp. 38, 39, 40]

The Daily Mail

Comment

...Alex Brummer in Washington (for the meeting of finance ministers) says that in spite of the optimism generated from better-than-expected Q1 banking results in the US, nobody really believes that banking is 'out of the hole' just yet. But at least the US system provides greater transparency into the side-deals undertaken during the height of the crisis, especially how **Bank of America** had its arm-twisted to take on **Merrill Lynch** in spite of its US\$15.84bn Q4 losses. Similar transparency should be available in the UK, especially the true story of why **Lloyds TSB** became locked into a disastrous deal to rescue **HBOS**. [p. 95]

Briefs

About half the record 4m Spanish unemployed have lost their jobs in the past year, new figures show. ● Italy and Spain may join Germany in urging Gordon Brown not to abandon the £8bn **Eurofighter** order because of the Treasury's concerns about public spending. ● The UK is to provide US\$15bn as part of US\$100bn of new funding for the IMF. ● Sir Paul Smith, the fashion entrepreneur, saw his earnings rise 8% to £3.9m last year as profits of **Paul Smith Group Holdings** increased from £11.7m to £15m. ● **Toshiba** is to cut 270 jobs at its Plymouth factory and relocate production to Poland. ● **WH Ireland** shares added 0.5p to 51p as two senior directors were suspended in a boardroom row. ● *Market News*: **AstraZeneca** surged 118p to £23.94 after EU regulators approved use of a new cancer treatment for adults;

Drax fell 9p to 518p as **Evolution** warned that Tuesday's update is likely to confirm poor trading this year. [pp. 94, 95, 96]

Daily Express

Morning Meeting

...Andrew Johnson thinks that the US and other governments must agree to allow cross-border mergers to help the beleaguered airline industry, especially as there seems no problem with allowing foreign ownership of car companies which are similarly under pressure. ● Market optimism in the face of worsening economic news seems premature as there is a long way to go before the recovery becomes reality. [p. 83]

Briefs

Upbeat comments from **Ford** in the US about cutting losses and costs helped the FTSE 100 index rise 138 points to 4156. ● **British Airways'** hopes of a deal with **Iberia** could be harmed by the Spanish airline's poor trading performance which puts it in a weaker bargaining position with BA. ● **Carphone Warehouse** is frontrunner to buy **Tiscali**'s UK broadband business for about £250m. ● **Liberty** said it was a 'retail sector beacon' after achieving 9% sales growth over the past year following an upgrade of its iconic Regent Street store. ● *Week of Dealing*: Director buying was seen at **Plastics Capital** and **Hilton Food Group**, with selling at **Tesco**. ● *Market News*: **Royal Dutch Shell** added 86p to £15.39 as result of higher oil prices and a fall in the value of the dollar. [pp. 83, 86]

Sunday

The Sunday Times

Bonfire of the billionaires wipes out £155bn fortune

The latest *Sunday Times* Rich List shows that the recession has wiped some £155bn off the fortunes of the country's 1,000 wealthiest individuals, the biggest annual fall since the list was first composed 21 years ago. Most of the losses have been suffered by the top 100, who collectively lost £92bn, with the biggest loser being Lakshmi Mittal whose worth dropped by £16.9bn. But he remains top of the list with £10.8bn. ● Focus reports on the financial burden that government borrowing will impose on the next generation. But it remains unclear whether the economy will bounce back from recession faster than expected or if the government will be forced to seek external help. But, either way, David Cameron cannot take winning the next election for granted. ● *Editorial: The Sunday Times* describes the Budget as 'shoddy and dishonest' and it will lead to years of austerity and tax increases. [pp. 1.1, 1.12-13: feature, 1.16:comment, Supplement]

We're fleeing high-tax Britain, say City tycoons

Hargreaves Lansdown co-founder Peter Hargreaves and **Pearl Group's** Hugh Osmond are considering quitting the UK because of the Chancellor's move to raise the top tax rate to 50%. ● David Smith and Iain Dey suggest that the government's attempt to blame the wealthy for the economic crisis will probably backfire, with less tax than expected likely to be raised and a potential exodus of those responsible for creating wealth. But everyone will inevitably face significant cuts in public spending and tax increases. ● Kate Walsh reports that the

recession is leading to hard times for graduates looking for work. ● Danny Fortson says the Budget has provided a much-needed boost to the green energy sector, while Rachel Bridge finds small companies welcoming the top-up credit insurance scheme, although they also believe it could go further. ● Matthew Goodman says the surprise tax increases for bingo and other gaming operators will inevitably cost jobs. ● Dominic O'Connell reveals that company cars costing more than £80,000 will face extra taxation, according to the fine print of the Budget. [pp. 3.1, 3.5, 3.7, 3.8, 3.9: features]

Rock to be sold by end of year

Northern Rock may be sold off by the end of the year to recover some of the billions used to nationalise the bank. Potential bidders willing to pay up to £2bn are likely to include private equity firms as well as **Virgin Money** and **National Australia Bank**. The sale will involve a break-up to isolate toxic debts, which the government will retain, with the retail and mortgage business being sold off. ● **Barclays Bank** is starting to seek a refinancing of its £20bn exposure to bond insurers. ● The **Bank of England** is drawing up contingency plans to rescue any building societies in danger of collapse. [pp. 3.1, 3.3]

Royal bonus for Sainsbury's King

J Sainsbury CEO Justin King is set for a £6m remuneration package after achieving strong annual sales growth, the best for five years. Although final details of his remuneration are still being worked out, it is expected to include £4m in bonuses and shares. ● **Pirc** will this week set out proposals for increased corporate governance,

including making the remuneration report vote at AGMs legally binding. ● Stefano Pessina is planning to split the roles of chairman and CEO at **Alliance Boots** to focus on strategy and development. [p. 3.1]

Agenda

...John Waples is in no doubt that the Budget has sent out the wrong message with its decision to raise taxes on higher earners. ● **ITV's** new CEO faces a tough task in proving not only that the business model is not outdated but also that the broadcaster can still connect with a highly mobile, digital audience. ● **Aviva's** double-digit yield may tempt those who believe it is on the road to a sustained recovery, although this week's new business figures will be flat. ● **BT** is quietly focusing on its interim and full-year results rather than the quarterly figures which encouraged short-termism and led the previous management to flatter the troubled global division's performance. ● **British Airways** should return to basics and focus on developing its core Heathrow asset rather than trying to chase deals which may never happen. [p. 3.6]

Economic Outlook

...David Smith thinks the Budget was a poor one, especially as the fundamental weakness in tax revenues remains. But radical surgery on the public sector will be needed sooner rather than later. This makes George Osborne's plan to raise the debate on which areas of state spending must be trimmed, a promising development. [p. 3.6]

American Account

...Irwin Stelzer says that top of President Obama's 'change list' is the way Americans consume energy, although he is also redesigning the tax system to create greater equality of income distribution. [p. 3.6]

Business features

...Ray Hutton reveals **Toyota's** plans for a new plug-in hybrid car which could rival the success of the Japanese company's Prius model. ● **Tricia Holly-Davis** reports on investor scepticism on the returns from environmental initiatives, except with regard to energy efficiency which can be more easily quantified. ● **Jenny Davey** talks to former **Tesco** executive Peter Durose, who quit his £250,000 a year job three years ago to open a luxury village grocers shop, but has now been forced to call it a day because of the recession.

...Nicola Smith says the forthcoming Indian elections could be key to further development of UK investment in the sub-continent, although Indian politicians are also concerned at the possible growth of protectionism hitting its exports. [p. 3.4] [pp. 3.10, 3.11]

Briefs

Fiat is hoping it can secure a rescue deal for **Chrysler** this week, with CEO Sergio Marchionne set to take over in a move underwritten by the Obama administration.

● **JJB Sports** founder Dave Whelan is in talks to acquire for around £10m a helicopter and the rights to the Slazenger golf brand from JJB, where creditors are also due to vote on a crucial restructuring plan this week.

● **Independent News & Media's** two largest shareholders, Sir Anthony O'Reilly and Denis O'Brien, have agreed to personally invest at least €30m as part of refinancing a €200m bond. ● Two investors in **LonZim**, **AMB Capital** and **Damille Partners IV** who together have a 27% stake, have called for the board to be sacked and the company broken up. ● Guy Hands' **Terra Firma** fund is considering a late bid for Gatwick Airport whose owner, **BAA**, is set to receive three offers on Monday valued at around £1.5bn. ● The **Four Seasons Healthcare**

Group, which is negotiating a debt for equity swap with its bankers, is inviting takeover offers. ● **Punch Taverns** has raised over £80m from pub sales in recent months, with details expected to be confirmed at this week's interims. ● **DSG International** is believed to be moving closer to a rights issue to raise up to £300m, although no final decision has been taken. ● **Freemantle Media**, which produces the Britain's Got Talent show on **ITV**, has agreed a deal with **YouTube** to show official clips of Scottish singer Susan Boyle. ● **Liberty International** is expected to announce a £500m fundraising this week. ● **ITV** is set to instruct headhunters within the next fortnight to find a new CEO to take on the executive role being given up by chairman Michel Grade, with the successful candidate not necessarily needing to come from within the television industry.

● Theme park operator **Merlin Entertainment** is expected to push for a £1bn float when markets recover, after achieving a 20% rise in operating profits last year to about £200m. ● **3i** is considering plans for a £700m fundraising to strengthen its balance sheet. ● Three companies – **Southern Water**, **Anglian Water** and **South East Water** – have reportedly received emergency cash injections recently from their backers to prevent them breaching banking covenants because of the decline in value of assets linked to the falling Retail Prices Index.

● **Unilever** is set for a buying spree and is currently eyeing the European Personal Care division of **Sara Lee**. Also on the shopping list is Russia's ketchup maker **Baltimor**, while Unilever is up against **Nestlé** for **Alpro Soya**. ● **Following Centrica's** swoop on 22% of **Venture Protection's** shares last month Venture's bankers, Rothschild, have been on the look out for a white knight. It is understood there may be interest from **Vattenfall**, **RWE** and **Dong Energy** although the latter's interest may have cooled. [pp. 3.1, 3.2, 3.3]

The Observer

City banks scoop huge pay increases

UBS and other banks are believed to be boosting salaries to compensate top performers for losing bonuses, with some equity traders said to have had their pay doubled to £250,000. City headhunters have confirmed the salary rises, especially at US banks.

● New research shows that top FTSE 100 executives secured huge increases in the value of their pension funds last year in spite of the downturn.

● **Philip Inman** reports that the Budget attack on pensions for the wealthy could mean the end for the final salary pension scheme.

● Former trade minister Lord Digby Jones says he was 'depressed and disappointed' by the Budget. ● *Editorial: The Observer* thinks the Tories are 'strangely silent' over how they would wield the axe on public services. [pp. B1, 8, B3: feature, 26: comment]

IMF forecasts long housing slump

The IMF believes the UK's housing market slump probably has a 'considerable distance left to run', with the Irish and Spanish markets also facing a lengthy property downturn.

● **Heather Stewart** wonders if the extra funding and responsibilities for the IMF will actually deliver help to the countries most in need, especially as its recent track record looks patchy. [pp. B1, B4-5: feature]

Comment

...Ruth Sunderland criticises Alistair Darling for his move to restrict pension contribution tax relief for high earners, which will add further complexity to an already complex system and harm confidence among both savers and companies. ● The male-dominated business world should welcome rather than fear the compulsory gender pay audits due to be

announced this week. [p. B3]

William Keegan

...thinks that while David Cameron did a great demolition job on the Budget, the Tories are 'manifestly' as confused by the economic crisis as everyone else. [p. B8]

Management

...Simon Caulkin says the government's public sector efficiency measures will probably fail as focusing on simply cutting costs usually just drives them higher. [p. B8]

Business features

...Tim Webb says **Unite** general secretary Tony Woodley is growing impatient with the government's lack of help for industry in the recession. Meanwhile, *Observer* correspondents report on the surge in industrial unrest, not only in the UK but in Europe, the US and even China. ● Nick Mathiason says the plight of debt-laden plastic surgery firm **Trans-form** is typical of the legacy left by private equity leveraged deals. ● *Media*: Peter Preston thinks that relaxing the rules on regional newspaper mergers provides the opportunity for better papers, even if there are fewer of them. ● John Naughton reports that **Apple's** iPhone is the one bright spot in an otherwise depressed mobile phone market. [pp. B6, B7, B10]

Briefs

ITV is believed to have lost around £1m in advertising revenue on YouTube video uploads of Susan Boyle's performance on Britain's Got Talent as a result of the failure to reach an agreement with **Google**, YouTube's owner. ● **Go-Ahead Group** has called for free bus passes for older people to be restricted, arguing that a 'blank cheque' for such travel is unsustainable. ● **Independent News & media** is in urgent talks with its lenders over the repayment of a €200m bond on 18 May. ● **Vantage Capital Management** may call **Chelsea FC** player Frank Lampard as a witness over the claim by Lampard's financial adviser Paul Kemsley for £85,000 compensation over a disputed dollar forex trading position. ● **Punch Taverns** is this week expected to reveal plans for a revamp of 25% of its pubs to help close the performance gap with rival **Mitchells & Butlers**. ● Windfarm developers off the East Anglian and Essex coasts could get a boost from research showing that wind speeds have risen so much that 50% more electricity could be generated than thought likely a decade ago. ● Co-operative Financial Services and charity WWF-UK are launching a campaign to force oil companies including **Shell** and **BP** to disclose future carbon liabilities from the exploitation of tar sands. According to the Co-op, tar sands activities "threaten to create a new class of toxic investment". [pp. 9, 12, B1, B2]

The Sunday Telegraph

Allies turn on Brown over Budget

Business ambassadors Sir Richard Branson and Lord Digby Jones, appointed by Gordon Brown to promote the UK overseas, have joined in the criticism of the Budget's attack on the wealthy as being motivated by revenge. ● A Treasury modelling exercise on the impact of a 50% rate for high earners suggested that 69% would find ways to avoid paying. ● *Analysis*: Patrick Hennessey says the new tax rate has divided the Cabinet, especially the Blairite wing. ● Nigel Lawson believes that the new 50% tax rate will drive money from the economy rather than add to Treasury revenues. ● Louise Armitstead reports the City's view that Budget could hamper efforts to recover from the financial crisis, especially if key players decide to quit the UK. ● *Editorial: The Sunday Telegraph* says we will all still be paying for Gordon Brown's attachment to 'statist dogma' for decades to come. [pp. B1, 1, 4: analysis, B5: feature, 20: comment]

ITV shareholders in secret talks about Grade successor

Institutional investors in ITV have held secret meetings with potential successors to Michael Grade and they will press for Grade to announce his departure timetable as soon as a CEO appointment is made. Although names have not been revealed, the involvement of key investors highlights the sense of urgency. [p. B1]

Former Citigroup chairman in frame for UKFI post

Ex-Citigroup chairman Sir Win Bischoff is among the potential candidates to become chairman of **UK Financial Investments**, replacing

Pearson chairman Glen Moreno.

● US banks could be forced to raise US\$70bn in new capital following the Fed's stress-testing of their reserves, analysts believe. ● The G20's plan to raise an extra US\$1.1 trillion funding for the IMF is already facing problems due to disagreements between members as to how to finance it. [pp. B2, B3]

Comment

...Mark Kleinman says the recent spate of M&A activity reflects the fact that companies with funds available are still keen to snap up opportunities, although overall the deal-making scene remains very quiet. ● It is virtually impossible to overstate the anger within the business community over last week's Budget. ● **Marks and Spencer** chairman Sir Stuart Rose is apparently annoyed that **J Sainsbury** CEO Justin King is already been crowned as his successor. [p. B4]

Economic Agenda

..Liam Halligan thinks that David Cameron must soon start showing a new approach to solving the economic crisis to reassure the international debt markets that the Tories are a safer bet to lead the country out of recession. [p. B4]

International Viewpoint

...Ambrose Evans-Pritchard thinks that a capital crisis, if it reaches the point of countries going bust, could expose Europe's 'deep fatigue' and reduce the Old World, with the possible exception of the US, to a backwater as the world axis moves East. [p. B4]

Business feature

... Jonathan Sibun says a **Diageo** merger with **LVMH** would prove attractive and is clearly top of CEO Paul Walsh's wish-list, although it remains to be seen whether LVMH's Bernard Arnault is willing to negotiate. [p. B7]

Briefs

3i is considering a discounted £700m rights issue, although the board has not yet formerly approved the plan. ● Internet entrepreneur Michael Murphy is to become executive chairman of **Quidco**, a rewards site for online shoppers, after staging a management buy-in. ● Michael Spencer's private vehicle **IPGL**, whose investments include **City Index** and **Origin Asset Management** as well as a 20% stake in **Icap**, has been refinanced with a £200m loan from **HSBC**. ● **BAA** may struggle to get the £1.6bn-plus sought for Gatwick airport after **Standard & Poor's** reportedly told one of the three bidders that they could not raise more than £800m in debt finance and retain an acceptable rating. ● **CVC** has rejected a number of offers to acquire its stake in **Formula One** motor racing, according to Bernie Ecclestone. ● Judge Loretta Preska, who had been due to oversee a legal action by local authority pension funds against **Royal Bank of Scotland** for allegedly misleading investors, has been forced to step down from the case because her husband had previously provided legal advice to RBS. [pp. B1, B2, B3]

The Independent on Sunday

Bankers revolt over bonuses at Deutsche

Deutsche Bank is facing a revolt by senior directors over CEO Josef Ackermann's decision to refuse his bonus, a move which meant they had to follow suit. Ackerman, due to retire in May next year, is already believed to have lined up a position at a bank in his native Switzerland. [p. 77]

Hollick clears decks with ITV in his sights

Lord Hollick has reduced his roll at **Kohlberg Kravis & Roberts**, leading to speculation he could replace Michael Grade at **ITV**. Hollick, former CEO of **United Business Media**, has recently switched from being a partner to adviser at **KKR**. [p. 77]

Comment

...Margareta Pagano says the everyday evidence of wasteful public spending gives an opportunity for David Cameron to show he has the guts to cut the State down to size. ● Both **Debenhams** and **H&M** have discovered that even in a recession, women will still chase 'cheap and cheerful' designs to lighten the mood. ● **Barclays Bank** independent director Sir Richard Broadbent was guilty of Orwellian doublespeak in his message to shareholders last week on bonuses. Such obfuscation can only increase suspicion. [p. 85]

Economic View

...Sean O'Grady fears that the person really running the UK economy at the end of next year could be Dominique Strauss-Kahn, MD of the **IMF**, which may by then have been called in to bail us out. ● **Essex County Council** should rethink its involvement in a local bank which takes it into areas outside its expertise. [p. 84]

Budget Review

...Hamish McRae thinks the best case scenario following the Budget is for a solid global recovery next year, possibly starting as early as this autumn. But the worst case is no recovery, leading to Western economies, including the UK, being propped up by the IMF. ● Margareta Pagano reports concerns among entrepreneurs that investors will be deterred from backing projects in the UK by the government's new tax onslaught against the wealthy. ● Mark Leftly does not think the promised public efficiency gains will actually materialise. ● David Strahan believes the government remains addicted to oil in spite of trying to promote its green credentials. [pp. 12-13, 80-81]

Business features

...Sophie Hardach reveals that France's **Credit Municipal**, a public pawnbroker set up in the 17th century, is still thriving in the 21st. ● Richard Northedge reports that falling bloodstock prices has made buying racehorses more attractive. [pp. 82, 83]

Briefs

Remy Martin achieved a record turnover of €818m in the year to March, up 10% on a year ago in spite of the recession. ● **Euler Hermes** is facing legal action from a private-equity-backed former **Woolworths** supplier after allegedly refusing to pay out on a £1m claim relating to the collapsed store chain. ● **Geronimo Inns** has secured £10m funding from its private equity owner and banks to acquire six London pubs from **Punch Taverns**. ● Online car insurer **Swiftcover** has now decided to insure musicians after initially refusing to cover them in spite of using punk rock idol Iggy Pop in its advertising. ● Budget estimates show that the government will be forced to pay more than £10bn a year between 2014 and 2018 to companies under PFI schemes instead of the previously forecast £9.5bn. ● **Bank of America** CEO Ken Lewis will come under pressure at this week's AGM to quit following the acquisition last year of loss-making **Merrill Lynch**. ● **LonZim** could be suspended from Aim this week if rebel investors oust the board at the AGM, warned CEO David Lenigas. ● Italian PM Silvio Berlusconi has written to Gordon Brown urging him to go ahead with the **Eurofighter** deal in spite of Treasury opposition. ● Research from Employment Law Advisory Services suggests that having a woman board director reduces the risk of business failure by more than 20%. [pp. 77, 78, 79]

The Mail on Sunday

ITV told: Grade will have to go
Potential candidates to become new ITV CEO have made it clear they would not take the job if Michael Grade remains as non-executive chairman. They are concerned that Grade would resist any radical changes the incoming chief would want to make to revive the ailing broadcaster. [p. 45]

Comment

...Lisa Buckingham says that the complexity of public sector pension fund schemes means that few are willing to challenge the subsidy from private to public sector employees that highly-regarded pensions expert Ros Altmann believes is 'one of the biggest unrecognised pensions scandals.'
● Increased corporate social responsibility programmes from companies such as **Cadbury**, **Wal-Mart** and **Tesco** reflect the fact that big business is finally starting to recognise the long-term benefits from such activity. [p. 48]

Markets & Economics

Taking Stock: Simon Watkins says **Aviva's** Q1 numbers this week and any comments it makes about business will be a vital bellwether for the insurance sector and the wider market.

Economics: Dan Atkinson wonders if the **IMF** may yet be forced to come to the UK's aid if the public finances and balance of payments deteriorate further.

Outlook: **Guinness Peat Group** is seeking shareholder support at the **Adnams** AGM on Monday for changes to the 'archaic' dual share structure. [p. 54]

Briefs

Experian estimates that 1.5m motorists might want to take advantage of the government's car scrappage scheme, although funding for only 300,000 is available. ● UK banks and the **Bank of England** will be effectively forced to fund the government's massive public borrowing plans. ● **Rank Group** has told the government that casino poker games could be driven underground by the increase in tax. ● **JJB Sports** creditors are due to vote this week on a restructuring deal. ● Figures on Wednesday are expected to show public sector pay still rising ahead of the government's 2% target. ● The **Britannia Building Society** is confident members will back the merger with the **Co-op** at this week's meeting. ● IT security company **NCC Group** claims **Apple's** iPhone is easy to hack in to. ● The FSA is investigating **Cru Investment Management** with £400m of investors funds. ● The **Crown Estate** is opposing **TK Maxx's** move to take over the former **Virgin Megastore** in Piccadilly Circus. ● **Autologic** has ended its dispute with **Unite** over union recognition. ● **Whitehead Mann** has closed three offices and made about 10% of its staff redundant since the start of the year. ● New **Rio Tinto** chairman Jan du Plessis has agreed to meet institutional investors opposed to the **Chinalco** deal next month. ● **Dong Energy** is to go-ahead with a £1.2bn windfarm off the Cumbrian coast. ● **Qinetiq** is set to sell its Cerberus sonar system for £20m. ● **HMV** could show the impact of the **Woolworths** closure with better-than-expected results this week. ● Houlihan Lokey estimates that 25% of European companies acquired by private equity could default on their debts next year; meanwhile, trading in **Endemol** debt is said to be as low as 30p in the pound. ● The **IMF** could 'name and shame' the UK over the state of the public finances. ● **Liberty International** may seek a £500m fundraising this week. ● **Alexon** reportedly rejected an approach for collapsed **Bay Trading** from rival chain **Select** just two months ago. ● Mobile phone operators have until Thursday to agree the allocation of new radio spectrum. ● The EC is set to issue guidelines for greater disclosure by private equity firms and hedge funds. ● **Independent News & Media** may ask shareholders to pledge assets to help with a bond refinancing. ● **Jessops** said its banks were continuing to support the struggling retailer. [pp. 45, 46, 47, 48, 49, 5, 51, 52, 53, 54]

Sunday Express

Comment

...Tracey Boles thinks that since a generation is being saddled with unprecedented levels of public debt, a new economic model is badly needed. But nobody in government appears to understand this and it is time ministers 'woke up and smelled the coffee'. ● Some building societies are believed to have just a month to prove their creditworthiness or face being downgraded by **Moody's**, although it is clear we are seeing the societies dividing into the 'good' and 'bad' ones, just as with the banks. ● The Budget failed to address the real problems facing the pubs sector, with eight closing down every week. [p. F2]

Briefs

Tesco is seeking to increase sales of UK-sourced food by £375m to over £1bn in the next two years. ● **Chrysler** faces a key deadline this week: to restructure or face going into Chapter 11. ● An unnamed Asian investor will decide this week whether to rescue **Leyland DAF**. ● **Formula One** chief Bernie Ecclestone says the British Grand Prix will be relocated to South Korea or India if Donnington Park fails to find funding for the race. ● **UK Coal** is set to post a £13m loss this week but will claim prospects are improving. ● **Qinetiq** is leading a bid to build a £700m military education college in Wales which could create up to 4,000 jobs. ● **Diageo** is likely to use its 34% stake in **Moet Hennessey** to block any bids for the group. ● The government is planning to sell £20bn of unwanted property assets. ● Banks are set to earn £250m in fees for helping with the Treasury's £220bn gilt sales. ● Michael Spencer's **IPGL** investment vehicle lost £28.2m last year due to a tax bill and heavy losses at City Index. ● **Arcadia** is set to sign Jasmine Le Bon to launch a fashion collection for its **Wallis** brand. ● The **Etihad** airline is hoping to form a codeshare agreement with either **United Airlines** or **American Airlines**. ● **NM Rothschild**, the adviser to **Independent News & Media**, is racing to get an agreement with bondholders ahead of Thursday's annual results. ● **Pearl Group** is in dispute with its lenders over a planned debt-for-equity swap. [pp. f1, F2, F3]

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Profiles

The Times

Arch-dealmaker of Debenhams is back in fashion with the City

Rob Templeman, CEO of **Debenhams**, can celebrate a good week after the shares closed the week 50% higher at 84p and the group saw a sell-out of a new Julian MacDonald leopardskin dress which became the fastest-selling item in the chain's history. The improved performance has helped restore Templeman's reputation with the City, having been seen as primarily a dealmaker rather than a good operating executive. But industry observers believe that Templeman, with a reputation for toughness in his wheeling and dealing, is in his element as a retailer in challenging times. [p. 57]

The Daily Telegraph

'Masochist' puts his imprint on Jessops

David Adams, executive chairman of **Jessops**, is also non-executive chairman of **Moss Bros** and was until recently a director of **Whittard of Chelsea**. All three chains share common characteristics in that they are medium-sized specialists that developed out of their comfort zone and hit trouble. Adams says trading has improved at Jessops since the crisis of last autumn, while a debt-for-equity swap is seen as the most likely option to stabilise the retailer's finances. Meanwhile, Jessops was forced to issue a statement on Friday saying it was unaware of any reason for a sudden rise in the share price. [p. 32]

The Sunday Times

Stoke City's biggest gambler

Peter Coates, chairman of **Bet365**, has used his wealth to bankroll his hometown football club, **Stoke City**, which now appears likely to remain in the Premier League even though it is among the most unfancied teams in the top division. Coates, 71, was born into poverty but established a reputation as a canny entrepreneur, earning fortunes from stadium catering in the 1970s and betting shops in the 1980s. But it was the move into online gambling with Bet365 which meant he is one of the few individuals in the latest *Sunday Times* Rich List to rise up the rankings. But while he is the company's figurehead, the actual business was conceived and developed by his children, Denise and John. [p. 3.4]

The Observer

Internet pirates beware: this man is out to stop you

David Lammy, the minister responsible for intellectual property rights, is seeking to orchestrate a deal between the creative industries and internet companies to prevent illegal online file-sharing. But he is struggling to find consensus on how to tackle the problem, with media companies now clamouring for legal action following the success of the Pirate Bay trial in Sweden. Lammy believes that intellectual property rights will assume an even greater importance in the emerging digital economy. [p. B9]

The Sunday Telegraph

The Brit who wants to build a new Google

Mark Dixon, founder and CEO of **Regus**, says he really wants to build the next **Google** or **Microsoft** – companies that provide tools that people can use in their businesses. Dixon claims to have reinvented the Regus business model since the company nearly collapsed in the wake of the dotcom boom and bust, making Regus more resilient in a recession through the development of such schemes as pay-as-you-go office rentals. [p. B7]

The Mail on Sunday

If you choose your pals to be on the board, you're going to get your own opinions, reinforced

Barbara Cassani, founder of the **Go** budget airline and currently chairman of the **Jurys Inns** hotel chain, has strong views on the role of non-executive directors. She says it is important to have directors offering different points of view, although the usual philosophy in many boardrooms is 'don't rock the boat'. Cassani says she likes working for private equity backed businesses such as Jurys because the owners sit at the board table and everyone knows exactly where they are going. [p. 53]

Tip bits

The Times

Tempus: Nick Hasell sees no reason why companies with high exposure to public sector spending (led, according to Goldman Sachs analysis, by **Mouchel**, **Eaga** and **Babcock International**), should, be worried in the short-term by the Budget given that the Chancellor expects public spending to rise 5.5% this year, the strongest pace of growth since 1991. But the medium term the outlook for such exposure to the State may prove less rosy for such companies and their shareholders.

Personal Investor: David Budworth thinks specialist real estate investment trusts (reits) such as the **Local Shopping Reit** and **Primary Health Properties** are worth a look for their yield, with most of the property sector's bad news already factored into their prices. [p. 67, 80]

The Daily Telegraph

Brokers' Tips: Buy **Halfords** at 322p, says WH Ireland; Buy **Bunzl** at 490p, says Charles Stanley; Buy **Aggreko** at 526p, says Panmure Gordon; Buy **SIG** at 134p, says Davy Stockbrokers; Buy **Pace** at 151p, says Altium Securities. ● Hold **Marston's** at 157p, says Deutsche Bank; Hold **Burberry Group** at 331p, says Citigroup. ● Sell **French Connection** at 63p, says Seymour Pierce; Sell **SAB Miller** at £10.79, says Bank of America/Merrill Lynch. [p. Y6]

The Independent

No Pain, No Gain: Derek Pain has added recovery play **Clarity Commerce Solutions** to his portfolio at 29.5p, his first addition since buying Whitbread last summer. He is also considering adding **Healthcare Locums** and **Marston's**. [p. 63]

The Daily Mail

Investment Extra: Ian Lyall says hold **Intertek**, tipped last January at 799p and now £10.18 on bid speculation, because of its 13.7p a share final dividend. But this is not due to be paid until 19 June, so nervous investors should set a new stop-loss at about 950p to at least lock in some profits if the price collapses before then.

Brokers' Tips: Buy **Alternative Networks** at 114p, says Investec; Buy **Smiths News** at 90p, says Oriel; Buy **Spring Group** at

41p, says KBC Peel Hunt; Buy **Ultra Electronics** at £11.70, says Evolution. ● Sell **Lavendon** at 160p, says Panmure Gordon; Sell **Rexam** at 293p, says Oriel; Sell **Schroders** at 760p, says Singer Capital Markets; Sell **Sports Direct** at 70p, says Investec. [p. 97]

Daily Express

Taking Stock: David Shand reveals that stock market historian David Schwartz believes that we are already months into a new bull market, although another catastrophic event such as trouble at a major bank could mean that all bets are off. ● Fund managers believe that the likely dividend cut at **BT** could be followed by other income stocks under pressure, including **United Utilities**, **Drax** and **National Grid**.

Ones to watch: **Patsystems** has stalled at 18.5p after a recent surge, although it remains cash generative with a strong sales pipeline. ● Buy **May Gurney**, 159.5p, given its long-term maintenance contracts which provide visibility and good cash flow. [p. 86]

The Sunday Times

Inside the City: Jenny Davey reveals research from HSBC analysts into the impact of 'shock' statements from the corporate sector that trigger a significant sell-off in the shares, with the latest figures suggesting we may have already seen the low point for negative newsflow from corporates. ● The problem with **Tesco's** struggling US business is not the scale of the operation – which turns over less money than **Tesco's** Newcastle store – but the fact that senior executives are highly incentivised around the US venture's success. If there is no chance of bumper payouts in 2013-14 as hoped, then some could seek other opportunities. The sale last week by **Tesco's** US CEO Tim Mason of 630,000 shares has added to the speculation. *Sharewatch:* **Thorntons** surged 15% to 90p last week after a strong Easter for sales of its chocolate eggs, but it is unclear how much further it can now go.

Directors' Deals: **Interserve** non-executive director David Thorpe has bought shares worth £25,000 in the group. [pp. 3.14, 3.13, 5.9]

The Observer

Market Forces: Richard watchman says sell **Hammerson** as CEO John Richards appears to have gone to ground rather than trying to sell assets to cushion the group against a prolonged slump. ● **AstraZeneca** CEO David Brennan should avoid the temptation to go for a big acquisition to make up for the loss of patents on blockbuster drugs, especially since a new report from ABN Amro points out that such mergers rarely pay off in the drugs sector. ● **Taylor Wimpey's** result this week will be awful, but key interest will be whether it sees any 'green shoots' of recovery. [p. B8]

The Sunday Telegraph

Sunday Questor: Garry White says buy **Randgold Resources**, £33.62, given its exploration and production potential. ● Buy **Cape**, 109p, as a speculative recovery play. ● Buy **Compass**, 336p, which appears to be managing the downturn rather better than French rival **Sodexo**. [p. B9]

The Mail on Sunday

Midas: Joanne hart says buy **Experian** which has a good reputation with brokers and whose credit risk services are likely to be increasingly in demand. ● *Update:* Hold **Abcam**, tipped in February at 600p and now 640p.

Ask Andy: Andy Brough of Schroders is a buyer of **Babcock International** below 400p and a seller at above 450p. [p. 52]

Investors Chronicle

Buy **European Goldfields** at 150p; analysts believe it has an underlying value of 200p a share as well as plenty of cash in the bank. ● Buy **Hampson** at 88p; attractively priced for the medium-term as the rating already discounts sector uncertainty. ● Buy **SciSys** at 39p; the turnaround is well under way, with a substantial order book and potential bid-interest from a well-funded buyer. ● Sell **Fresnillo** at 463p; in spite of its attractions it looks vulnerable to a fall in the silver price, with the shares looking 'toppy' against other silver mining plays such as **Hochschild**. ● Sell **Luminar** at 180p; the recent rally on recovery hopes looks premature as it may be vulnerable to a correction when the market's appetite for cyclical stocks is sated. ● Sell **Majestic Wine** at 178p; recent price gains may prove unsustainable as the impact of the recession leaves its tradi-

tional customers looking to trade down.

Updates: Keep buying **Halfords**, tipped on 11 September 2008 at 292p and now 322p.

● Keep buying **Globo**, tipped on 3 March 2008 at 13.5p and now 10p. ● Keep buying **Chesnara**, tipped on 3 April 2008 at 168p and now 147p. ● Keep selling **Aveva**, recommended as a sell on 3 November 2008 at 800p and now 555.5p.

● **Telford Homes**, recommended as a sell on 22 August 2008 at 103p, now looks high enough at 50p.

News' Tips: Budget: Increased public sector outsourcing and efficiency drives should benefit the sector, leaving **Capita**, **Serco** and **Connuaght** all buys. ● Real Estate: corporate property bonds offer attractions for long-term investors, although that are not easy to buy or trade. ● Pubs: keep selling **Punch Taverns**, 98p, and **Enterprise Inns**, 119p, while profits should be taken at **Mitchells & Butlers**. ● Metals: Sell **Rio Tinto**, £23.72, as significant risks remain. ● Mining:

Avocet looks good value at 69p following the Wega Mining acquisition. ● Pharmaceuticals: Buy **GlaxoSmithKline** for its yield and possibly more deals to come following the US\$3.6bn takeover of **Stiefel**.

● **Aquarius Platinum**: high enough given the vulnerability of the platinum sector near-term. ● **Hargreaves Lansdown**: fairly priced at 194p as a result of trading at a 'chunky' 19 times prospective earnings per share. ● **London & Stamford**: keep buying at 116p as there is no shortage of potential recovery deals in the property sector.

Feature Tips: Algy Hall identifies five investment trusts worth backing for exposure to a recovery in stocks, especially small-caps. The five are: **Invesco English & International** (Manager: Andy Crossley) **Standard Life UK Smaller Companies** (Harry Nimmo), **Gartmore Growth Opportunities** (Gervais Williams); **Gartmore Fledgling** (Gervais Williams) and **Henderson Smaller Companies** (Neil Hermon).

Results' Tips: Buy **Gulfsands Petroleum**, 198p; Buy **Gas Turbine Efficiency**, 26p; Buy **Kenmare Resources**, 13p; Buy **China Food**, 32.5p; Buy **Velosi**, 73p; Sell **Peter Hambro**, 524p; Buy **Faroe Petroleum**, 72p; Buy **AT Communications**, 14.5p.

Funds' Tip: Tip of the Week: Buy **Directors' Dealing Investment Trust** (formerly Eaglet Investment Trust), 197p, for its defensive positioning and new strategy which has been successfully back-tested.

Chart Tips: Ideas of the Week – IC: Brent Crude: expect more downside with a possible retest of US\$36. ● FTSE 100: the charts suggest the imminent start of the next leg downwards. ● Long Gilt Future: an upwards

trend could soon resume. ● Sterling/Swiss Franc: the Swiss franc is set for a rally against the pound.

Ideas of the Week – City: **Diageo**: Davin McAnaney at paddypowertrader sees an opportunity to go long as a bullish crossover may be imminent. ● Dow Jones Industrial Average: David Linton at Udata says the old saying about 'selling in May' really appears to work based on historical data. ● Travel & Leisure: Steve Mayne at Montague Pitman sees a short-selling opportunity at **Greene King**. ● Industrial Metal (Lead): Nicole Elliott at Mizuho Corporate Bank says use any dips in the price of lead towards US\$1,300 as buying opportunities. [pp. 48, 50, 46, 47, 49, 51, 11, 14,16, 17, 18, 31-34, 58, 60, 61, 62, 63, 66, 74, 75]

Weekend

CITY PRESS REVIEW

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