





INTERNATIONAL

# Incursion fails to relieve pressure on Ukraine's eastern flank

## Kyiv still hoping Moscow will pull troops from Donetsk theatre to Russian region

CHRISTOPHER MILLER — SUMY REGION

Kyiv's forces have in two weeks seized more land in Russia than Moscow has in Ukraine all year — transforming perceptions about their capabilities and boosting morale among Ukrainians.

But that stunning operational success has yet to deliver one crucial objective: diverting Russia's manpower and easing pressure in the hottest battlefields in eastern Ukraine, where Moscow is steadily advancing.

Russian soldiers are still grinding their way through Ukrainian defences, capturing villages and towns and bringing Moscow closer to its stated goal of complete control of the Donetsk region in eastern Ukraine. Yesterday, Russian troops appeared to have captured nearly all of Niu-York town, entered nearby Toretsk and were encroaching on the logistical hub of Pokrovsk.

One Ukrainian artillery brigade commander in eastern Ukraine said part of the reason for the Russian advance was Kyiv moving its scarce resources north. His troops were back to rationing shells for their canons — the first time since US aid to Ukraine was held up by Congress — because ammunition had been reallocated for the incursion into Russia's Kursk region.

Ukraine has also moved upwards of 10,000 troops, including many of its elite airborne forces and mechanised brigades, from Donetsk and Kharkiv regions, where the fiercest battles are under way, according to officials involved with the operation.

At least 20 Ukrainian units are confirmed to be involved in the Kursk incursion, according to military analysts. Some of those were meant to be reserve forces to help shore up fracturing defensive lines and provide a reprieve for troops who have fought without rest for months or even years.

Even in the days before the move into Kursk, Ukrainian defences in Donetsk region were "showing cracks", said one senior Ukrainian official familiar with operations. He said that Russian forces had achieved "tactical success" in Donetsk and more advances were likely unless the situation changed.

With much of its reserves directed to Kursk, Ukraine will struggle to fill defensive gaps and counter various Russian threats, said Konrad Muzyka, director of Rochan Consulting, a Poland-based group that tracks the war.

"Russia doesn't have trouble mobilising troops, whereas Ukraine still has trouble mobilising the number needed to hold and conduct operations in Donetsk," he said.

Officers and infantry troops on the eastern front also now face even longer stints without rotations, several added.

Two lieutenants serving in a brigade that had been on the front in Donetsk region before being sent to Kursk said that in more than two years of fighting they had each only had a month-long break.

Another soldier said he had gone months fighting near Toretsk without any rest before being ordered to Kursk. "Nobody can ask [for a rotational



Defenders: Ukrainian troops prepare artillery near the town of Pokrovsk in Donetsk, but lines are stretched as comrades battle in Kursk — Reuters

south and east of Ukraine north to Kursk.

But these appeared to have been from the southern axis and occupied Crimea — locations that were not likely to have an impact on the situation in Donetsk. The Lithuanian defence ministry said some troops had also been moved from Russia's Kaliningrad exclave, which borders Lithuania and Poland.

Ukrainian soldiers and military analysts tracking the war said there had been no clear indication that Russia was moving a consequential amount of forces from the hottest area on the frontline in its east.

"Despite the successes of the defenders in the Kursk region, the Russians have not yet transferred their troops en masse from here," said Ukraine's 47th Mechanised Brigade. "Its main strike force remains."

Russia's forces appeared to have occupied all but a small district of Niu-York, according to Deep State, a Ukrainian analytical group with close ties to Ukraine's defence ministry. The Russians had also crept closer to Pokrovsk.

Home to more than 60,000 residents, Pokrovsk is a significant logistical hub for Ukraine's military and a linchpin for its defence of the rest of Donetsk region.

Over the weekend, Serhiy Dobriak, head of Pokrovsk city military administration, urged residents, particularly families with children and elderly people, to evacuate immediately. Compulsory evacuation of families with children from Pokrovsk started yesterday, according to regional authorities.

Maksym Zabelya, editor of the last remaining local newspaper in neighbouring Myrnohrad, said residents in his city had also started evacuating.

"People are leaving, taking their belongings. Many are even taking furniture," Zabelya said. Rental car businesses "are now the most sought-after" in the city where the population has nearly halved from 40,000 before the war.

A Russian bomb destroyed the city's tallest apartment building and a supermarket on Saturday, sending many more fleeing.

"We had no choice," said Viktor, a retired miner. Myrnohrad, he added, whose name translates as "city of peace", was being "wiped away".



break] now," he said. "We were the reserves but now we are here."

While Kyiv does not comment on casualties, the incursion has already come at a material cost: Ukraine lost at least 51 pieces of valuable military equipment, including German Marder vehicles, US-made Stryker vehicles and HIMARS rockets, compared with 27 such losses on the Russian side, according to open-source intelligence researcher Naalsio.

President Volodymyr Zelenskyy and his top general, Oleksandr Syrsky, have given reassurances that the eastern front is just as important as the Kursk incursion.

Zelenskyy said last week that Donetsk was where "most of the Russian attacks occur — and the maximum of our defensive attention is concentrated there". Syrsky said the situation in the east "remains difficult, but under control".

US officials said this week, without providing details, that they had seen signs of Russia moving forces from the

'Ukraine still has trouble mobilising the number [of troops] needed to hold and conduct operations in Donetsk'

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**Walmart special** Retailer trades at a hefty premium to the broader sector and the gap is unlikely to close any time soon → LEX

# Companies & Markets

## Canadian plan for operator of 7-Eleven likely to face scrutiny

- US and Japanese watchdogs on alert
- Fears for prices and labour market

JAMES FONTANELLA-KHAN — NEW YORK  
AND LEO LEWIS — TOKYO

US antitrust regulators are likely to challenge any proposal by Canadian retailer Alimentation Couche-Tard to combine with the Japanese operator of 7-Eleven, two people briefed on the matter said.

Regulators were concerned that any deal between them would increase prices and damage the labour market, they said.

A tie-up between Couche-Tard, which operates the Circle K brand, and Japan's Seven & i, which controls the world's biggest convenience store chain, would create one of America's largest retailers.

**'It's still early . . . as we don't have an agreed deal, but you can expect this deal to get challenged'**

The proposed deal, which would be the biggest takeover of a Japanese company attempted by a foreign buyer, was also likely to draw scrutiny in Tokyo, said two M&A lawyers in Japan.

US regulators have yet to examine the details of any proposal, as the two companies have not reached an agreement. But people close to them said any deal was expected to come under scrutiny over its potential impact on shoppers and employees.

"It's still early to make an assessment, as we don't have an agreed deal, but you can expect this deal to get challenged," said a person close to top US regulators.

Another person said that if the companies were to agree a deal, they would have to offer significant remedies or divestitures to obtain US approval.

A third person said a merger between Seven & i and Couche-Tard would be treated similarly to the \$24.6bn deal between US supermarket giants Kroger

and Albertsons. The Federal Trade Commission has sued to block the tie-up, alleging it would eliminate competition between the two, increase prices and harm product quality and consumer choice. On Monday, Kroger sued the FTC to unblock the deal.

7-Eleven operates more than 12,500 convenience stores in the US, while Couche-Tard has over 7,000, according to consultancy group Technomic. Combined, they would control nearly 20,000 stores across most US states, which would be nearly 10 times more than the next biggest convenience chain, Casey's, and employ more than 200,000 people.

Bankers close to Seven & i said the feasibility of a takeover was low and cited scrutiny by both US and potentially Japanese regulators if the foreign takeover became politicised. Convenience stores in Japan are widely regarded as critical infrastructure in the event of an earthquake.

However, lawyers who have worked on large cross-border deals said anti-trust objections in the US could be overcome by selling some stores.

A combination of Couche-Tard and Seven & i would risk raising the prices of beverages and food items as well as limiting the choice of jobs and employers in certain markets where the two companies compete directly with one another, said people close to the regulators.

Although many on Wall Street hope that antitrust enforcement will be eased under a new Harris or Trump administration, both US presidential candidates are expected to give a clear mandate to regulators that any deals that increase inflation or cut jobs should be blocked.

Seven & i agreed to acquire the Speedway petrol stations business for \$21bn in 2020, giving the Japanese company an even bigger footprint in the US.

Couche-Tard said on Monday it had bought 270 convenience stores from supermarket chain Giant Eagle.

## Take two Bronfman raises \$5.5bn to sweeten last-minute offer for Paramount and gatecrash Skydance Media deal



Robert Duvall and Marlon Brando in 'The Godfather', the 1972 film made by Paramount Pictures, the last big studio left in Hollywood — Paramount/Kobal/Shutterstock

JAMES FONTANELLA-KHAN, ANNA NICOLAOU AND ERIC PLATT — NEW YORK

**Edgar Bronfman Jr has raised up to \$5.5bn to sweeten a last-minute offer for Paramount and gatecrash the Hollywood company's agreed deal with Skydance Media, according to people with knowledge of the matter.**

The media investor made an initial \$4.3bn bid on Monday night before today's expiration of Paramount's 45-day "go shop" period, according to four people with knowledge of the move and a copy of the offer letter seen by the Financial Times.

The former Warner Music chief executive intends to improve these terms in the coming days after securing more commitments from a broad group of investors, two of those people said.

According to people close to the matter, Bronfman has secured commitments from investors including Fortress, which is controlled by Abu

Dhabi's Mubadala investment arm. Other backers include private equity group BC Partners, filmmaker Steven Paul, crypto entrepreneur Brock Pierce, and Nurali Aliyev, tech entrepreneur and grandson of a former ruler of Kazakhstan, these people said.

Bronfman, NAI, Skydance, Fortress and BC Partners declined to comment. Paramount, Paul, Pierce, and Aliyev could not immediately be reached for comment.

Bronfman's group is still pursuing further funding, one person familiar with the matter said.

The move to take on foreign investment is likely to attract the attention of the Committee on Foreign Investment in the US, which vets deals for national security risks. Paramount owns CBS News, which has potential restrictions related to foreign ownership.

In a letter to a special committee of Paramount directors on Monday, Bronfman's investor group said its offer

"represents a much more favourable outcome for Paramount stockholders and creates a far more viable public company than the Skydance deal."

"Our proposal eliminates the risks, uncertainties and costs of combining Paramount with Skydance," the letter added. However, it did not explain how Bronfman's group planned to address potential Cfius concerns.

It was also unclear how receptive the special committee, chaired by director Charles Phillips, would be to the new offer. Several people, including former and current board members, said that Phillips had in the past tried to torpedo Skydance's deal.

Bronfman's move is the latest twist in a long battle over the 98-year-old Paramount Pictures studio. The last big studio left in Los Angeles' Hollywood district produced classics such as *The Godfather* and *Titanic*.

Skydance, the studio founded by billionaire David Ellison, had agreed a

deal with Paramount in July but gave it until today to entertain a higher offer.

The Skydance deal offered more than \$8bn to acquire Paramount. It said it would first pay \$2.4bn to buy out Shari Redstone's National Amusements, which controls 80 per cent of the votes at Paramount despite owning only about 10 per cent of the company through a special type of voting share.

Following this, Skydance would combine with Paramount in a \$4.5bn deal in which it would offer \$15 a share to buy out up to half of the non-voting stock, and inject \$1.5bn into Paramount's balance sheet.

The initial Bronfman offer values NAI, the Redstone family holding company that has controlled Paramount since 1994, at \$2.4bn including debt, the people said. But it lacked any clear offer for Paramount's non-voting shareholders.

The Wall Street Journal first reported Bronfman's \$4.3bn offer yesterday.

## Australia offers a lesson on the role of biosecurity in food supply

INSIDE BUSINESS

ASIA-PACIFIC

Nic Fildes



becoming a threat that governments and companies need to prepare for. He pointed to the disruption in grain and fertiliser markets after Russia's full-scale invasion of Ukraine as an example of how food security is turning into a matter of national security.

Turner runs ExoFlare, an agritech start-up, and believes Australia can carve out a global role as the "Palo Alto networks of biosecurity" due to its long-established processes. He is not alone. A fundraising for ExoFlare last month was backed by Tesla chair Robyn Denholm's family office alongside supermarket chain Woolworths and Cultiv8's Agriculture and Food Technology Fund. Other investors include ex-Rabobank Australia chief executive Peter Knoblanche and, perhaps most tellingly, In-Q-Tel — a defence venture capital company linked to the CIA and an early investor in Palantir and Anduril.

ExoFlare's systems were used across 700 sites to help contain an outbreak of a milder form of bird flu in Australia this year. It triggered an egg shortage but could have been much worse. ExoFlare systems are used to track animal and people movements from affected farms so that sites can be locked down at speed while clean sites continue to operate.

ExoFlare, which was incubated by the agriculture technology accelerator SparkLabs Cultiv8, believes that the biosecurity threat — and opportunity — extends far beyond the farm gate. Its chief technology officer has Disneyland and shopping mall Westfield's owner on his CV and so has a deep experience in a different type of herd management.

Turner said the creation of digital

audit trails for agricultural products could soon have a significant impact on trade: countries with poor reputations for biosecurity will be able to provide assurance that goods are disease-free. ExoFlare is already looking to expand into cross-border freight data analysis.

Dennis Voznesenski, an economist with Commonwealth Bank of Australia, said biosecurity plays a critical role in a country's status as a "reliable supplier" of meat, grains and livestock but can also reduce the carbon intensity of canola, which is exported to Europe for use in biofuels, as Australia uses fewer chemicals to control pests and weeds. "Biosecurity can be both an indirect and direct selling point," he said.

Turner believes biosecurity will soon be as important a topic in boardrooms as climate change and that companies could need to hire "chief biosecurity officers". He compared it to the early days of cyber security, when companies did not understand why they should pay for digital protection, and expects discussions on it to evolve in a similar way.

"In the early days of cyber we had firewalls, which is like Border Force stopping biosecurity at the border. Then it moved to antivirus, which is like checking for poor biosecurity practices. In the future we will move to genomics to look for anomalies which is like deep packet inspection," said Turner.

Another similarity is the interconnectedness of global food networks which, like communications systems, means that an issue, whether inadvertent or a deliberate attack, can have a devastating effect.

Biosecurity has a clear role to play in future food security and trade. With threats such as H5N1, Australia and other countries will need to be vigilant.

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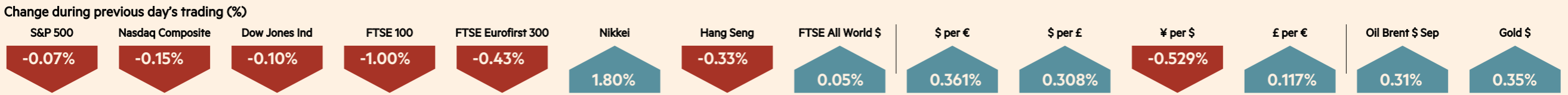




MARKET DATA

WORLD MARKETS AT A GLANCE

FT.COM/MARKETSDATA



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

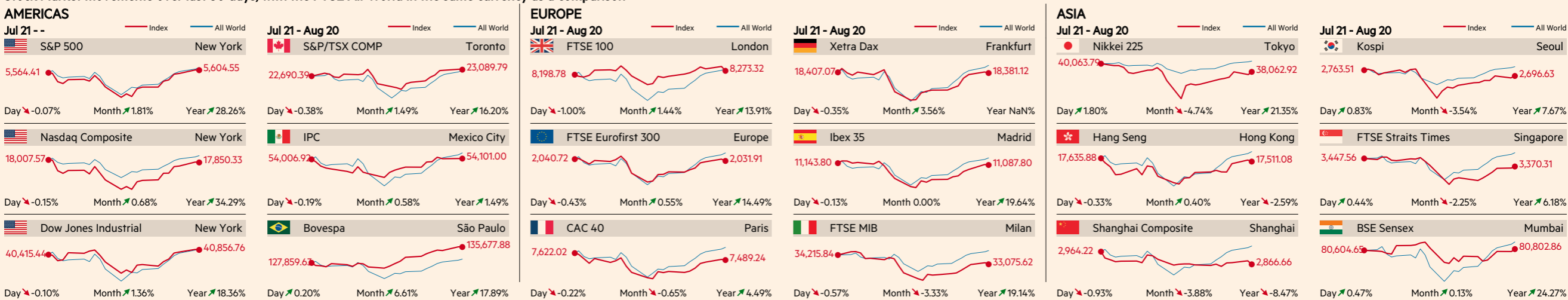


Table with columns for Country, Index, Latest, and Previous values for various global markets. Includes Americas, Europe, Asia, and other regional indices.

STOCK MARKET: BIGGEST MOVERS

Table showing biggest movers in AMERICA, EURO, and TOKYO markets. Columns include stock name, price, and % change.

UK MARKET WINNERS AND LOSERS

Table showing UK market winners and losers. Columns include company name, price, and % change.

CURRENCIES

Table showing currency exchange rates for Dollar, Euro, and Pound against various global currencies.

FTSE ACTUARIES SHARE INDICES

Table showing FTSE Actuaries Share Indices with columns for currency, closing price, and daily change.

FT 30 INDEX

Table showing FT 30 Index performance with columns for date, closing price, and daily change.

FTSE SECTORS: LEADERS & LAGGARDS

Table showing FTSE sector performance with columns for sector name, closing price, and daily change.

FTSE 100 SUMMARY

Table showing FTSE 100 summary with columns for closing price, daily change, and industry sectors.

FT WILSHIRE 5000 INDEX SERIES

Table showing FT Wilshire 5000 Index Series performance with columns for date, closing price, and daily change.

FTSE GLOBAL EQUITY INDEX SERIES

Table showing FTSE Global Equity Index Series performance with columns for date, closing price, and daily change.

FTSE Sector Indices

Table showing FTSE Sector Indices with columns for sector name, closing price, and daily change.

UK RIGHTS OFFERS

Table showing UK rights offers with columns for company name, amount, and latest date.

UK COMPANY RESULTS

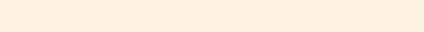
Table showing UK company results with columns for company name, turnover, and pre-tax profit.

UK RECENT EQUITY ISSUES

Table showing UK recent equity issues with columns for issue date, price, and stock code.

Figures in £m. Earnings shown below figures in light text are for corresponding period year earlier.

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

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MARKET DATA

FT500: THE WORLD'S LARGEST COMPANIES

Main market data table with columns for country, company name, price, change, and various financial metrics. Includes sections for FT500, FT 500: TOP 20, FT 500: BOTTOM 20, and various international indices.

Table of interest rates for various countries and currencies, including US, UK, Euro, and Japan.

Table of bond indices, including FTSE, CREDIT INDEX, and various international bond indices.

Table of interest rates for the market, showing rates for different maturities and currencies.

Table of volatility indices, including VIX, VXZ, and other market volatility measures.

Table of gilts and UK cash market, showing yields and prices for various UK government securities.

Table of bonds: index-linked, showing yields and prices for various index-linked bonds.

Table of interest rates: official, showing rates for various countries and currencies.

Table of bonds: benchmark government, showing yields and prices for various benchmark government bonds.

Table of commodities, including energy, metals, and other commodity prices.

Table of bonds: ten year govt spreads, showing yields and spreads for various ten-year government bonds.

Table of bonds: high yield & emerging market, showing yields and prices for various high yield and emerging market bonds.

Table of bonds: global investment grade, showing yields and prices for various global investment grade bonds.

Table of commodities: precious metals (PM London Fix), showing prices for gold, silver, and other precious metals.

Table of commodities: bulk commodities, showing prices for various bulk commodities.

Table of volatility indices: global, showing yields and prices for various global volatility indices.

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MANAGED FUNDS SERVICE

Table listing various investment funds such as Algebris Investments, Blue Whale Growth Fund, and Cantab Asset Management Ltd, including their bid, offer, and yield percentages.

Brooks Macdonald International Fund Managers Limited (JER) advertisement featuring the BM logo and details of their fund management services.

Artemis Fund Managers Ltd (1200F) advertisement featuring the Artemis logo and details of their fund management services.

Brown Advisory advertisement featuring the Brown Advisory logo and details of their investment advisory services.

Ashmore advertisement featuring the Ashmore logo and details of their fund management services.

CG Asset Management Limited advertisement featuring the CG logo and details of their asset management services.

EdenTree Investment Management Ltd advertisement featuring the EdenTree logo and details of their investment management services.

Dragon Capital advertisement featuring the Dragon Capital logo and details of their investment services.

Guinness Global Investors advertisement featuring the Guinness logo and details of their investment services.

Milltrust International advertisement featuring the Milltrust logo and details of their investment services.

Table listing various investment funds such as Janus Henderson Global Equity Fund, Mirabaud Asset Management, and Ruffer LLP, including their bid, offer, and yield percentages.

Findlay Park Funds advertisement featuring the Findlay Park logo and details of their fund management services.

Dodge & Cox Worldwide Funds advertisement featuring the Dodge & Cox logo and details of their worldwide fund services.

Fundsmith Equity Fund advertisement featuring the Fundsmith logo and details of their equity fund services.

Marwyn Asset Management Limited advertisement featuring the Marwyn logo and details of their asset management services.

McIntroy & Wood Portfolios advertisement featuring the McIntroy & Wood logo and details of their portfolio management services.

Private Fund Mgrs (Guernsey) Ltd advertisement featuring the Private Fund Mgrs logo and details of their private fund management services.

Prusik Investment Management LLP advertisement featuring the Prusik logo and details of their investment management services.

Purisma Investment Fds advertisement featuring the Purisma logo and details of their investment fund services.

Trojan Asset Mgt advertisement featuring the Trojan Asset Mgt logo and details of their asset management services.

Toscaland Asset Management LLP advertisement featuring the Toscaland logo and details of their asset management services.

Tray Asset Mgt advertisement featuring the Tray Asset Mgt logo and details of their asset management services.

Table listing various investment funds such as Mirabaud Asset Management, Ruffer LLP, and Rubrics Global UCITS Funds, including their bid, offer, and yield percentages.

Mirabaud Asset Management advertisement featuring the Mirabaud logo and details of their asset management services.

Oasis Crescent Global Investment Funds advertisement featuring the Oasis Crescent logo and details of their investment fund services.

M & G Securities advertisement featuring the M & G logo and details of their securities services.

MMIP Investment Management Limited advertisement featuring the MMIP logo and details of their investment management services.

Platinum Capital Management advertisement featuring the Platinum logo and details of their capital management services.

Superfund Asset Management GmbH advertisement featuring the Superfund logo and details of their asset management services.

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Morningstar logo and website information, including the URL www.morningstar.co.uk.

Guide to Data section providing information on fund prices, representation, and professional advice.

Guide to pricing of Authorised Investment Funds section explaining how fund prices are determined and how to buy.

OEIC: Open-Ended Investment Company section explaining the structure and benefits of OEICs.

Exit Charges section explaining the costs associated with exiting an investment.

Time: Some funds give information about the timing of price quotes and how to interpret them.

The symbols are as follows: section explaining the meaning of various symbols used in fund listings.

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# Lex.



**Nic Fildes**  
Australia offers a lesson on the role of biosecurity in food supply  
INSIDE BUSINESS

## Walmart might not be a good proxy for US retail industry



**W**almart is often seen as a bellwether for the US retail sector and consumer behaviours. Little wonder: the company, which generated \$64.8bn in revenue last year, is the country's biggest bricks-and-mortar retailer by sales.

Walmart's strong second-quarter results and bumped-up full-year guidance last week suggest that good times lie ahead for the company.

However, it is not necessarily the best proxy for the wider retail sector. What is good for Walmart is often bad for rivals. Investors who bid up shares of other retailers such as Target, Macy's and Gap on the back of Walmart's earnings may be setting themselves up for disappointment as more retailers prepare to report their results.

Walmart's size and business mix make it unique among US retailers. For starters, it has a huge US grocery business, which generated 60 per cent of the revenue at Walmart US last year. Being a purveyor of cheap groceries has proved to be a sweet spot in the current climate.

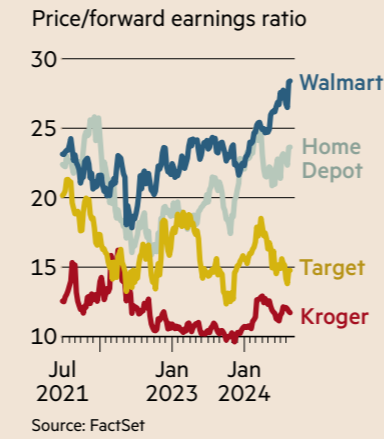
While the rate of inflation in the US has eased, day-to-day life in the country continues to be much more expensive than before the pandemic. Food prices, for example, went up 25 per cent between 2019 and 2023, according to government data. They rose faster than housing, medical care and all other major categories apart from transport during this period.

This means that even as US households are cutting back on everything from Big Macs and caramel frappuccinos to trips to Disneyland, bargain-hunters are still packing the aisles of Walmart. More middle- and higher-income shoppers are doing their grocery runs there.

### Retail rivals



### Walmart trades at premium to wider US sector



At the same time, lower-income consumers are snapping up more of the company's private-label food offerings.

Like-for-like sales at Walmart US climbed 4.2 per cent year on year during the second quarter.

At Home Depot, the only other major US retailer to report results so far, they declined 3.6 per cent. The DIY retailer expects the metric to drop between 3 and 4 per cent for the year.

Walmart raised its forecasts for full-year sales and adjusted operating income.

Selling groceries is a low-margin business. Walmart is able to keep

prices low on food because of all the side-businesses it runs. Third-party online marketplace, digital advertising and Amazon Prime-like membership schemes — these are fast-growing and more profitable. Few other bricks-and-mortar retailers can claim to be able to do the same.

Walmart's share price performance reflects this. The stock is up nearly 40 per cent this year and hit a record on Monday. At 29 times forward earnings, Walmart is also trading at a hefty premium to the broader retail sector. Do not expect the gap to close soon.

## China's nuclear energy push lights up shares in power generators

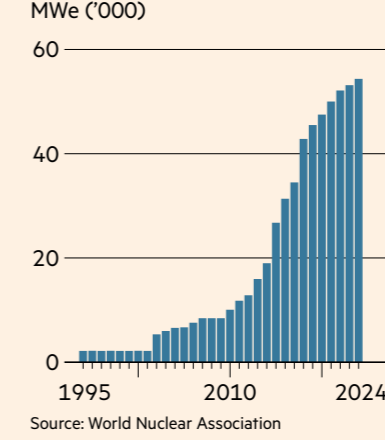
China's electricity consumption is rising. In the summer especially, heatwaves and air conditioning usage are driving record-breaking levels of electricity production.

It is the global leader in solar and wind power installations. But China's coal consumption continues to rise too. Coal generated a record 5,760 terawatt hours of electricity last year. Increasingly, cleaner nuclear energy is seen as the answer.

This week the Chinese government approved a record 11 nuclear reactors across five sites, according to state-run media. The total investment is reported to be at least \$31bn.

Shares of CGN Power Co, the listed unit of state-owned China General Nuclear Power Corp, are up 55 per cent this year. It is the biggest beneficiary of the latest push, receiving approvals for six reactors. Shares of China National Nuclear Corp, which has received approval for three reactors, are up 50 per cent in the past six months.

### China ramps up nuclear power capacity



Coal still accounted for nearly 60 per cent of the country's electricity supply last year, according to industrial association China Electricity Council. The country's existing nuclear power capacity, from 56 reactors, accounted for about 5 per cent of total demand.

Although it has encountered fewer problems with nuclear buildouts than some countries, there are hurdles.

On the plus side, China has become mostly self-sufficient in the design and construction of nuclear reactors. The challenge lies in other parts of the supply chain, especially in fuel processing and radioactive waste management where it still needs to build infrastructure. A shortage of specialists is another pressing issue, with the country estimated to need up to 6,000 industry professionals each year in the next decade — triple the current number available.

China. In some cases, the civil protests were enough to suspend construction. Fears over seismic risk and potential reactor damage are not unfounded: large earthquakes have occurred before — a magnitude 7.9 earthquake, for example, which hit southwestern Sichuan province in 2008 and left nearly 90,000 dead or missing.

The rise in the shares of local nuclear plant operators reflects expectations for more approvals. But investors should pay closer attention to the risks that still need to be addressed.

### Public sector funding is needed to reignite Europe's VC market

Europe's biggest venture capitalists are a long way from Sand Hill Road. While Silicon Valley's artery of financiers pumps money into US start-ups, governments take up the slack across the ocean.

Last year, 37 per cent of European VC funding came from government agencies, excluding sovereign wealth funds. That is almost double the proportion that came from family offices and private individuals, the next biggest source of funding.

This state involvement reflects a lack of institutional money. Europe offers fewer big university endowment cheques or funds keen to diversify into VC. Pension funds contribute 70 per cent of VC investment in the US, according to the British Business Bank, versus just a tenth in the UK.

The BBB takes up some of the slack

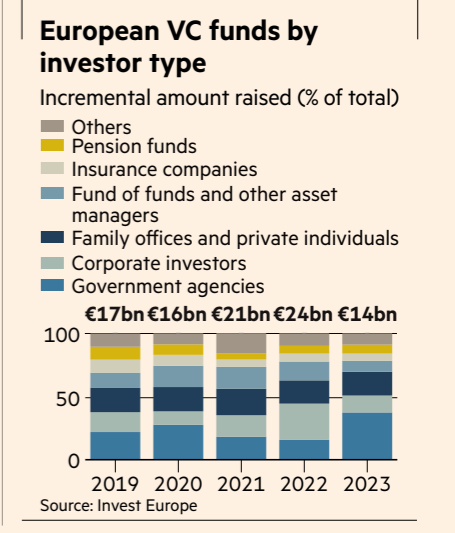
through its commercial unit, British Patient Capital, investing in both start-ups and via VC funds. It aims to crowd in more private investment, defraying risk and providing an anchor. Last week's record \$1.3bn raise from Revolut backer Balderton Capital is a case in point. About \$90m of that, admittedly only 7 per cent, comes courtesy of BPC.

The public sector is needed to reignite Europe's VC market after a lousy 2023. VC funding virtually halved year on year to levels last seen in 2016, in real terms. Investors into funds of the past three or four years are waiting on returns to recycle back into new vehicles.

This year's inflow may be saved by the hype around artificial intelligence. But that trend could falter, based on the experience of the big tech companies, which have spooked shareholders with hefty spending plans, and China's AI start-ups, whose funding has already been through at least one AI winter.

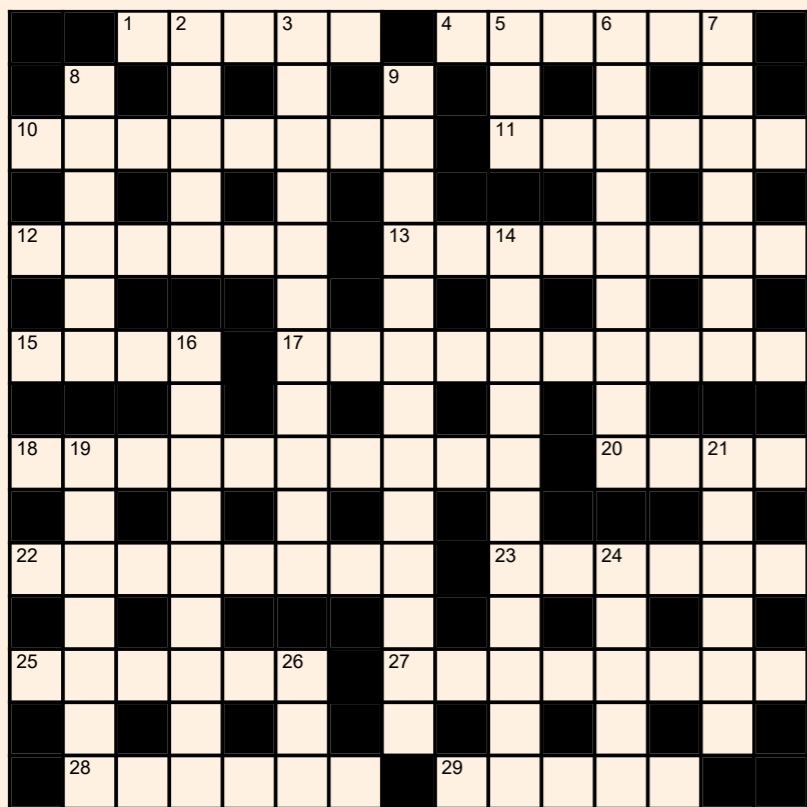
Government funding should prove more stable in these ructions. But there are drawbacks: taxpayers may not reap the extraordinary returns on offer from success stories. BPC, which invests £5m to £10m into start-ups, has to bow out comfortably before financing Series C or even B.

Even so, the numbers point to a qualified success. BPC's total £3bn investment — in both start-ups and funds — has crowded in £10bn of commitments from the private sector. Europe is not the US, with big and bountiful funds. Government money is an imperfect long-term solution but is helping address that reality.



## NIKKEI Asia The voice of the Asian century

### CROSSWORD No 17,820 by IO



**Fifteen solutions identify all the members of a family**

**ACROSS**

- 1 Even characters occupying harbour in Hamburg agreed capital (5)
- 4 Fungi, say, set in brew (6)
- 10 It may transport baby moggy around Weatherfield, so Spooner says (8)
- 11 Prominent part of range gets excellent grades (6)
- 12 Really I want to retain director (6)
- 13 Alloy gypsy brought into market place (8)
- 15 Doing work above (4)
- 17 Aid in pool moves to close cycling season (5,5)
- 18 On board, hearties having vintner's stock to share with whimsy (10)
- 20 Stunt that may deceive drug addict (4)
- 22 Maybe cabby collects old party animal? (8)
- 23 Diamond geezer perhaps reading primer for heroic verse (6)
- 25 In which man is about to mask his face? (6)
- 27 Dishonourable folk suspect songwriter's lost it (8)
- 28 Retro music, poetry etc — or where performers stand? (6)
- 29 Issues over naturism at prime sites (5)

**DOWN**

- 2 In debt re-establishing storage structure (1-4)
- 3 Pickpocket quit square having picked up £1,000 bundle (4,7)
- 5 Projected date for delivering letter (3)
- 6 That keeps a Bible class rolling (9)
- 7 Malicious gossip quickly read *Hello?* (7)
- 8 Lifted not unlawful cases of wood (6)
- 9 Murder the same holy cow! (5,3,5)
- 14 Castle one should initially bear in mind (11)
- 16 East European eats pastries I go on about filling (9)
- 19 Biscuit to go with cheeses not all off one's trolley (7)
- 21 Capital games during which I exhibit human behaviour (6)
- 24 Went into battle? No female should (5)
- 26 Lining a river to catch fish (3)

Solution 17,819

**JOTTER PAD**

M	A	R	M	O	T	P	O	E	T	I	C	A	L
A	O	J	X	E	O	O	O	O	O	O	O	O	O
K	A	O	L	I	N	C	O	Q	A	U	V	I	N
E	K	B	B	N	R	E	G	G	G	G	G	G	G
S	H	E	R	W	O	O	D	S	O	I	R	E	E
D	R	A	L	L	S	I	S	S	S	S	S	S	S
O	H	I	O	G	O	B	I	D	E	S	E	R	T
E	B	G	T	S	L	S	L	S	L	S	L	S	L
E	A	S	T	L	O	N	D	O	N	O	A	T	H
G	A	A	T	R	B	O	O	O	O	O	O	O	O
O	F	F	I	C	E	V	E	N	O	M	O	U	S
I	R	K	G	S	C	R	T	T	T	T	T	T	T
S	H	O	W	R	O	O	M	V	O	Y	A	G	E
T	Z	O	Z	C	T	S	S	S	S	S	S	S	S
S	P	E	E	D	C	O	P	Y	O	D	E	L	S



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