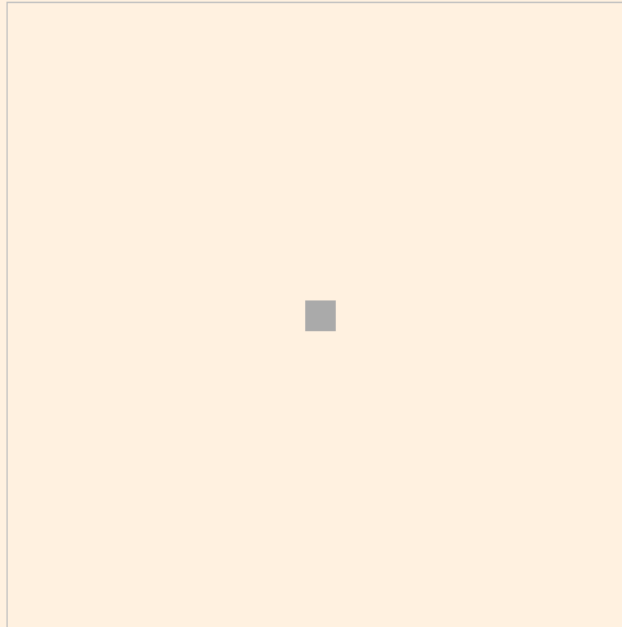


From: [FirstFT](#)
To: [Gaetjens, Philip](#)
Subject: Saudi-Tesla twist, US economic knockdown, Thirst for dealmaking
Date: Tuesday, 29 January 2019 8:07:17 AM

Saudi Arabia slashes exposure to Tesla

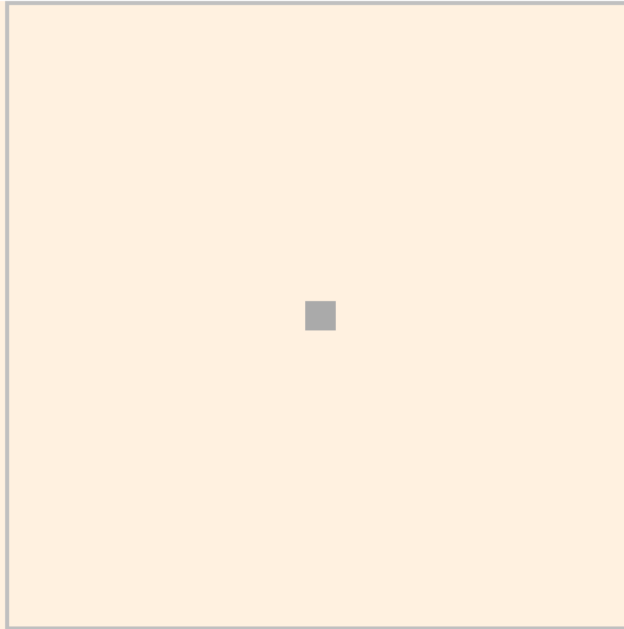


Saudi Arabia has [slashed its exposure to Tesla](#), less than four months after the electric carmaker's chief executive Elon Musk settled fraud charges over his claim that the kingdom was ready to back a management buyout.

The country's Public Investment Fund, overseen by the powerful Crown Prince Mohammed bin Salman, hedged most of its [4.9 per cent stake in Tesla](#) with the help of bankers at JPMorgan Chase after the market closed on January 17, according to four people with direct knowledge of the matter. This means that, although it still holds the shares, the PIF was left with little exposure if the stock price falls.

Marking the latest twist in the relationship between PIF and Tesla, the Saudis' new hedging arrangement has turned out to be well-timed. A day after it was put in place, Tesla stock fell sharply when Mr Musk revealed the group was [cutting 7 per cent of its workforce](#) and warned that it was facing a "very difficult" period. Even Wall Street fans of the company concede the outlook is [growing more uncertain](#) as economic prospects weaken.

Meanwhile, Saudi Arabia has [unveiled an ambitious \\$427bn](#) 10-year industrial plan as the kingdom seeks to move on from the scandal over the murder of journalist Jamal Khashoggi and demonstrate that it is pushing ahead with the crown prince's modernising drive. (FT)

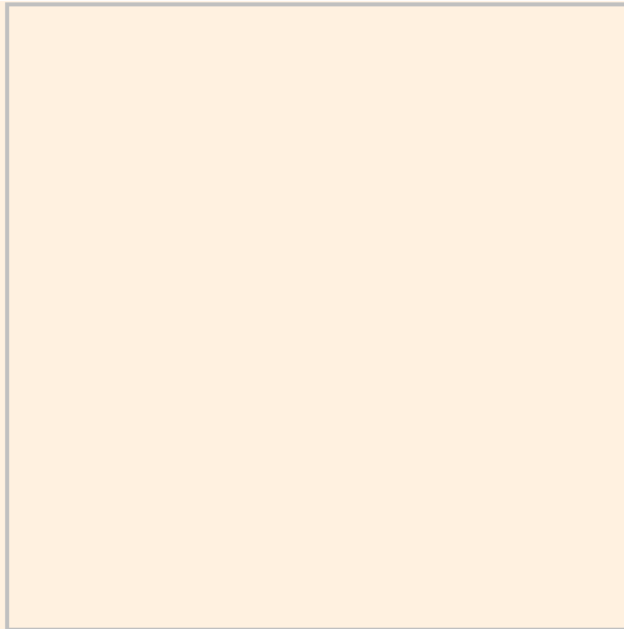


In the news

Economic knockdown The US government shutdown probably [shaved \\$8bn off US economic activity](#) in the current quarter, following a \$3bn reduction in the final quarter of 2018. The economic side-effects would have been increasingly damaging if the impasse had continued more than five weeks, the Congressional Budget Office has warned. (FT)

Huawei blast Beijing's envoy to the EU has [launched a blistering attack](#) on the "slander" and "discrimination" faced by Huawei and other Chinese companies in Europe, warning that efforts to exclude China from 5G mobile projects would be self-defeating. The [FT's editorial board claims](#) intelligence agencies prefer not to reveal what they know about security threats, making it difficult for Huawei to prove a negative. (FT)

Downstream disaster from Brazil dam Anger is [rising in Brazil](#) after the deadly collapse of a tailings dam owned by the country's biggest miner Vale claimed the lives of at least 60 people and left [hundreds missing](#). It's the [second mine disaster](#) of a Vale tailings dam in three years. As a result, Vale has [suspended its dividend](#), share buyback programme and bonus payments to top executives. Meanwhile, [mining stocks rallied](#) and [iron ore futures](#) jumped. (FT, BBC)



At least 20 dead in Philippines church bombing Two bombs at a Roman Catholic cathedral in southern Philippines have [killed at least 20 people](#) and injured dozens more during a Sunday Mass. The [Islamic State has claimed responsibility](#) for the bombings on Jolo island, where jihadist groups are active. (BBC, NPR)

More job cuts Tesco plans to [slash thousands of jobs](#) as the UK's largest supermarket retailer embarks on a major shake-up to cut costs. The grocer said about 9,000 positions were at risk but around half the workers affected were expected to be redeployed to new roles. (FT)

Caterpillar earnings The machinery maker provided evidence of how the [economic slowdown in China](#) is hitting industrial companies, with the company warning it expected no growth in sales in the country this year. With only a "modest" increase in worldwide sales now expected, Caterpillar projected disappointing earnings for 2019, sending its shares sharply lower. (FT)

Fight against 'fake news' Nick Clegg, in his first public appearance in [his new role](#), has said that while Facebook "undoubtedly made mistakes," the social network is "now entering a new phase of reform, responsibility and change." He announced that as part of its efforts to combat political disinformation, Facebook would [tighten its rules on political advertising](#) in Europe from March, forcing EU political parties to register with national campaign regulators in all EU states ahead of pan-European elections in May. (FT)

The day ahead

Doubts over date of parliamentary vote on Brexit On Tuesday, MPs are due to give an interim verdict on Theresa May's [plan B for Brexit](#), but a second meaningful vote may not happen until well into February. Crucially, MPs will also vote on amendments that would determine the process for agreeing to a deal, thereby forcing the prime minister's hand.

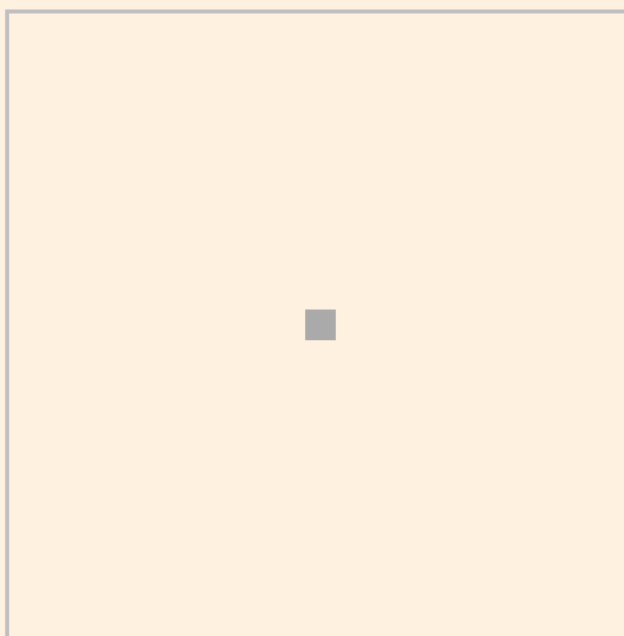
(FT)

Corporate earnings Apple investors are bracing for more bad news when the tech giant reports on Tuesday, with analysts warning that the abrupt drop-off in iPhone sales at the end of last year could continue throughout 2019. LVMH, the world's biggest luxury goods group with China as its key market, will also be reporting its earnings for 2018. (FT)

Keep up with the important business, economic and political stories in the coming days with the FT's [Week Ahead](#).

What we're reading

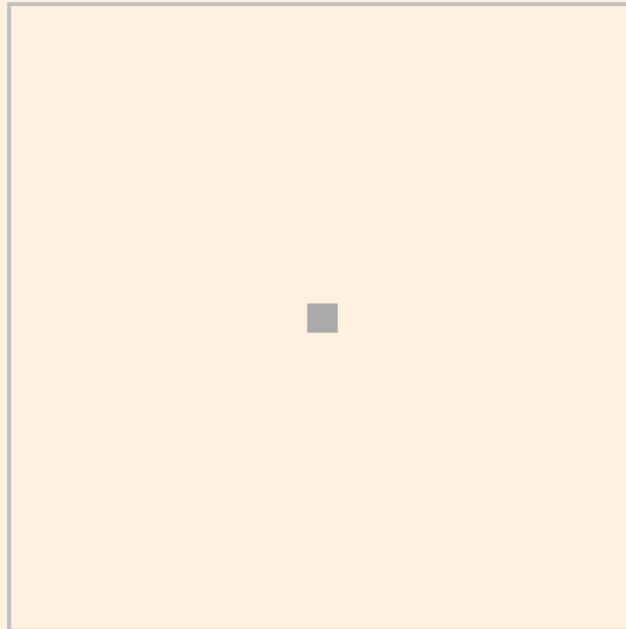
The debt machine, part 3 As scrutiny of the \$1.2tn [leveraged loan](#) market has increased, the focus has turned to the market's main source of support: so-called "collateralised loan obligations". In [part three of our series](#), we illustrate how Wall Street's debt machine is being powered by a familiar engine — securitisation. (FT)



Secrets of Japan's rail success In Britain, [railway privatisation](#) is deeply controversial, bringing high prices for an unreliable service on a chaotic, patchwork network that sucks in public subsidies. Yet in Japan, the sale of JR East and its regional siblings is regarded as a triumph. The bulk of Japan's ultra-reliable railway network operates without a single yen of public subsidy. (FT)

Giuliani defence puzzler Bewildering statements by Donald Trump's lawyer Rudy Giuliani have [stirred speculation](#) even among his friends about his conduct. Is there a method to the seeming madness of his defence of the US president? As the pressure intensified with [the arrest](#) of Mr Trump's longtime confidant Roger Stone in the ongoing Russian probe, Mr Giuliani's response has startled many including veteran defence lawyers. (FT)

Thirst for dealmaking Carlos Brito, the chief executive of Anheuser-Busch InBev, is facing one of his toughest challenges — how to [manage the company's debts](#), while changing AB InBev's culture from one focused on deals and wringing out efficiencies to one that excels at persuading people to drink more beer. To calm fears of its massive debt pile, the company is considering listing a minority stake in its [Asian operations](#), which would speed debt-reduction. (FT)



MBA day The FT's global MBA rankings of 2019 are out. For all the movement within the list this year, there is little change in the [mix of countries](#) represented. The pound's devaluation following the Brexit referendum in 2016 has made British MBAs relatively cheap and attractive, while a decline in applications in US schools last year didn't stop the same names making the top 10. Check out the [full list](#). (FT)

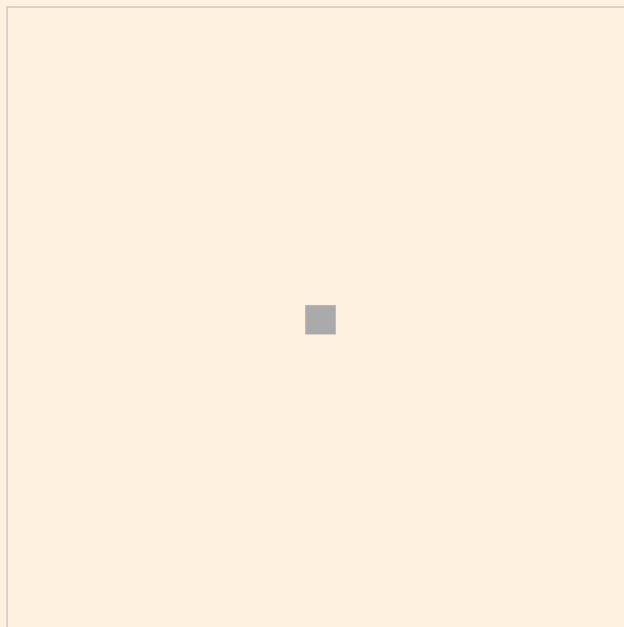
'Influencers' are not our friends The messy overall failure of the Fyre Festival has exposed the unchecked power of online stars or social media influencers to generate a buzz. The FT's [Andrew Hill writes](#) that the alternative to clamping down on hidden endorsements is to assume everyone is being paid, in cash or in kind, to hustle, scam, bamboozle and hoodwink. (FT)

Michelle Obama is a pop star The former US first lady's memoir *Becoming*, which landed on store shelves on November 13, [has broken records](#). It has held on to the number one spot on the Amazon's most sold book rankings without faltering. Meanwhile, her book tour has become another blockbuster which has been said to be "more comparable to a rock star's tour than any other book tour or public speaking tour". (FT)

Video of the day

Rise and fall of bike sharing in China The FT explains how bike sharing companies like

Ofo and Mobike have gone from start-up to unicorn status to the edge of bankruptcy in just three years. (FT)



Markets at 0504 PST

Indices

Hong Kong	▲ +0.03% at 27,577	Nikkei 225	▼ -0.60% at 20,649
S&P 500	▼ -0.97% at 2,639	Eurofirst 300	▼ -0.96% at 1,391
Topix	▼ -0.68% at 1,556	Russell 2000	▼ -0.70% at 146
Nasdaq	▼ -1.24% at 7,076	FTSE 100	▼ -0.91% at 6,747
Shanghai	▼ -0.18% at 2,597	MSCI EM	▼ -1.11% at 42

Commodities

Brent Crude	▼ -2.60% at 60.04	Comex Gold	▲ +0.29% at 1,301.10
Copper	▼ -1.77% at 2.69	Crude Oil	▼ -2.85% at 52.16
Bloomberg commodity	▼ -1.48% at 79.87	Corn	▼ -0.13% at 379.75

Currencies

€ / \$	▲ +0.10% at 1.1423	\$ / ¥	▼ -0.16% at 109.3600
£ / \$	▼ -0.33% at 1.3158	€ / £	▲ +0.43% at 0.8681

Bond yields

US 10 yr	▼ -0.021 at 2.730	UK 10 yr	▲ 0.009 at 1.277
Japan 10 yr	0 at 0.000	Bund 10 yr	▼ -0.002 at 0.205
US 2 yr	▼ -0.019 at 2.581		



FirstFT was written by [Rachel Ramirez](#), [Mercedes Ruehl](#), and [Chris Nuttall](#).
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From: [Josh Frydenberg](#)
To: [Department](#)
Subject: FW: Letter from Nick Clegg, Facebook
Date: Tuesday, 18 June 2019 10:55:00 PM
Attachments: [NC.AZ - Congratulations letter to Treasurer Frydenberg.pdf](#)

From: s47F
Sent: Tuesday, 18 June 2019 10:54:48 PM (UTC+10:00) Canberra, Melbourne, Sydney
To: Josh Frydenberg
Cc: Mia Garlick
Subject: Letter from Nick Clegg, Facebook

Hello,

Please find the attached letter from Nick Clegg, Vice President of Global Affairs and Communications at Facebook.

All the Best,

s47F

Executive Assistant to Nick Clegg
Global Affairs & Communications

s47F [@fb.com](#)

s47F

15 June, 2019

The Hon Josh Frydenberg MP
The Treasurer of Australia
PO Box 6022
Parliament House
CANBERRA ACT 2600

Dear Treasurer,

On behalf of Facebook, I'd like to congratulate you on your success in the 2019 Australian federal election, and your re-appointment as Treasurer.

It is a great honour to serve in government, and I wish you well as you continue in the role of Treasurer.

During the next term of government, Facebook looks forward to working constructively with you and your government for the benefit of Australians.

We are currently working together with government, experts and industry around the world on a clear framework of rules for regulation of the internet with respect to privacy, harmful content and numerous other areas. We are also working with multi-stakeholder bodies such as the OECD on the base erosion and profit shifting process.

We are honoured that our services are useful to so many Australian households and businesses. More than 16 million Australians use Facebook every month, and there are more than 13 million Australian accounts on Instagram. Our [Connecting Benefits](#) report found that more than 50 percent of Australian small and medium businesses use Facebook to connect with customers, find staff and export to other markets, generating \$16.8 billion worth of Gross Value Added in 2017 alone.

During the next term of government, you will be looking at many issues that relate to Facebook, including responding to the Australian Competition and Consumer Commission's Digital Platforms Inquiry once it is finished, and implementing data portability in Australia through the Consumer Data Right. In a [recent opinion piece in the Washington Post](#), our CEO Mark Zuckerberg said the Internet needs new rules, including for data portability. We would welcome the opportunity to work with you as you consider these issues.

We also recognise the importance of a strong news ecosystem in Australia. That is why, earlier this year, we [announced](#) an investment of A\$5 million in the Australian news ecosystem, as part of our ongoing support for the industry. As part of this commitment, we will partner with the Walkley Foundation to bring the Facebook Journalism Project News Accelerator to Australia. This program provides training, coaching and project funding for news organisations, to help them connect with — and monetise — their audiences both on and off Facebook. In addition to the accelerator, we are furthering our support of Australia's journalism community through sponsorship of the Walkley Awards and the Foundation's mid-year celebration that showcases courage, independence, creativity and emerging talent in Australian journalism. We are also contributing to the Foundation's upcoming media literacy pilot program for Australian secondary school students.

I know that online safety is a key area of interest for the Government, as evidenced by the Liberal Party's Election Plan to Keep Australians Safe Online. The safety of users on our platform is paramount. We would be happy to brief you on our work and investment in Australia to make sure people are safe on our platform. We have many initiatives in Australia, including our [Digital Ambassadors program](#) with PROJECT ROCKIT, Australian participation at our [2019 Global Safety Summit](#), and a partnership with the Office of the eSafety Commissioner for our [pilot](#) to combat the non-consensual sharing of intimate images. To honour National Reconciliation Week 2019, we also launched a partnership with the Alannah and Madeline Foundation on the [Safe Sistas initiative](#), together with the Stars Foundation, to promote online safety to young indigenous women.

We also look forward to continuing to work with your government in combatting the spread of terrorist and violent extremist content. You may be aware that, on 15 May, [Facebook joined up with other tech companies](#) to support the global Christchurch Call and commit to a nine-point plan that sets out concrete steps to stop the spread of terrorist and violent extremist content. We have also [announced restrictions to Facebook Live](#) to limit our services from being used to cause harm or spread hate, [announced a ban](#) on praise, support or representation of white nationalism and white separatism, and taken [new steps to manage problematic content](#) on the platform.

To make sure Facebook is ready and well-placed to assist and constructively work with your government, we intend for Joel Kaplan, Facebook's Vice President of Global Public Policy, who joined Facebook after serving as Deputy Chief of Staff to President George W. Bush, to visit Australia in the coming months to meet with you.

Please do not hesitate to contact our local public policy team to discuss any issues of importance to you. Mia Garlick, our Director of Public Policy for Australia, New Zealand and Pacific Islands, can be reached at s47F [@fb.com](#) or s47F .

Best wishes,

Nick Clegg

Sir Nick Clegg

From: [FirstFT](#)
To: [Gaetjens, Philip](#)
Subject: Iran hit with new sanctions, Race to 5G, Facebook's assault on finance
Date: Tuesday, 25 June 2019 7:54:27 AM

Trump signs executive order to hit Iran with new sanctions

Donald Trump has signed an executive order [imposing new US sanctions](#) against senior Iranian officials, including its supreme leader, amid escalating tensions between the two countries.

The US president said the “hard-hitting” fresh sanctions would deny Iran’s top officials from accessing financial instruments. He added that while Washington did not seek conflict with Iran, the US “cannot ever let Iran have a nuclear weapon”. “I think a lot of restraint has been shown by us but that doesn’t mean we’re going to show it in the future,” Mr Trump said.

The Iranian state television said that the US was using “the empty excuse” of Tehran’s nuclear activities. The Trump administration’s move is likely to be viewed as highly provocative in Iran and will fuel suspicions that Washington is pushing for regime change in the Islamic republic.

But the way Mr Trump has described the circumstances surrounding his decision to [abort strikes](#) on Iran, minutes before they were set to occur, and his other contradictory remarks about the crisis in the Gulf, have created a perception of [chaotic decision-making](#) in the White House.

The new sanctions came hours after Mr Trump accused other world powers of failing to protect vital Middle East shipping lanes and urged them to boost maritime security after a [spate of oil tanker attacks](#). (FT)

In the news

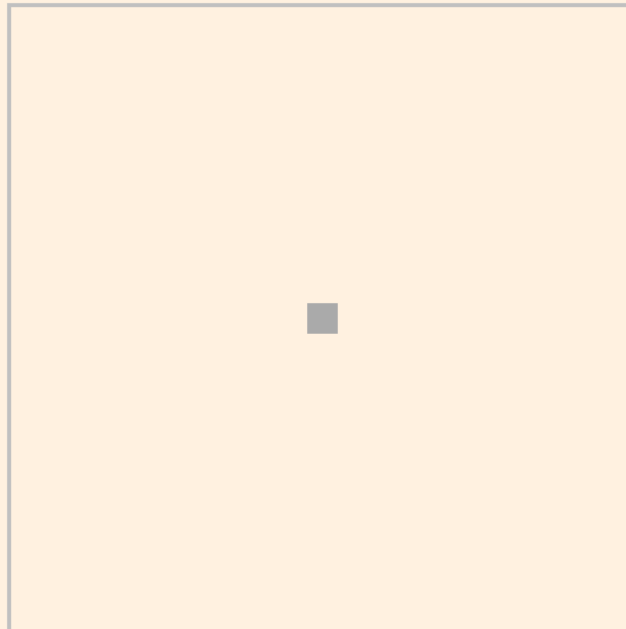
Trade barriers rise New trade obstacles imposed by G20 economies [threaten to crimp](#) the global economy, the World Trade Organization said in a report on Monday. [G20 nations](#) enforced higher tariffs, placed import bans and new customs procedures for exports — affecting goods worth \$335.9bn. (FT)

[Sign-up here for FT's Free Trade newsletter to understand developments in global commerce.](#)

Hunt for loopholes to beat China tariffs US companies are turning to their lawyers for

help in [containing the costs of the tariffs](#) on goods from China, looking for legal loopholes to help avoid or reduce duties without shifting production to other countries. These companies have already issued a series of [warnings](#) about the economic fallout from the trade war. (FT)

Race to 5G The Chinese government handed out [commercial licences](#) to its three telecom carriers and a cable television network to roll out the next generation of mobile internet. China threatens to overtake the US in building networks that will enable everything from instant film downloads to self-driving cars. (FT)



H2O Asset Management cuts exposure The London-based [subsidiary](#) of French bank Natixis has [suffered a €1.4bn drop](#) in assets across six of its funds and is trying to deter investors from pulling out more money. The firm battles a crisis triggered by an outsized bet on debt linked to a controversial German financier, Lars Windhorst, a flamboyant entrepreneur with a history of legal troubles. (FT)

Can Sydney be the next tech and green hub? Australian enterprise software developer Atlassian wants [Sydney to challenge New York](#) and London by creating a A\$500m (\$343m) technology cluster in the city alongside local government, ultimately fuelling a start-up ecosystem. (FT)

Olympics win sponsorship gold Coca-Cola and China's Mengniu Dairy have signed a [record sponsorship](#) deal with organisers of the Olympic Games worth a combined \$3bn. They would jointly sponsor the event between 2021 and 2032 — securing the [financial future](#) of the world's biggest sporting gathering. Meanwhile, [Milan-Cortina](#) is set to host the 2026 Winter Olympics.(FT)

Higher taxes for the ultra-rich A group of US billionaires including hedge fund manager George Soros and Facebook co-founder Chris Hughes has come out in support of a [tax](#)

on the [super-wealthy](#), as economic inequality emerges as one of the defining issues of the 2020 election. (FT)

US regulators examine Deutsche ‘bad bank’ Officials at the Federal Reserve have asked senior executives at Deutsche Bank to explain their “[bad bank](#)” plan. The proposals, [revealed by the FT](#) last week, would see Germany’s biggest bank shrink or close large parts of its trading business outside continental Europe. (FT)

Eldorado seals Caesars merger deal US casino operator Caesars Entertainment [has agreed to merge](#) with rival Eldorado Resorts in a \$17.3bn deal to create the US’s largest gaming company. Carl Icahn, the activist investor and biggest shareholder in Caesars, [has agitated](#) for a sale after increasing his stake to 15 per cent in March. (FT)

VAR under spotlight England [advanced](#) to the quarter-finals of the Women’s World Cup with a 3-0 victory over Cameroon in an ill-tempered soccer game that saw the African side protest two video assistant refereeing decisions which went in favour of their opponents. England will cross swords with Norway in the next round. Meanwhile, the US also went through to the last eight after [beating](#) Spain 2-1. They will next face France who [defeated Brazil](#) 2-1. (BBC)

Sign-up for Moral Money

Gillian Tett, the FT’s US editor-at-large, [explains](#) why investors should pay attention to environmental, social and governance principles and introduces the FT’s latest newsletter [Moral Money](#), your guide to the investment and business revolution you can’t afford to ignore. [Sign up here](#).

The day ahead

Race for UK’s next prime minister The leadership contest for the governing Conservative party is now down to the last two candidates, with former UK foreign secretary Boris Johnson facing his successor in that role, Jeremy Hunt. [Hustings before the party](#) faithful have begun and a postal ballot of about 160,000 Tory members gets under way. [Robert Shrimmsley](#) has a list of questions which party members should insist they get answers to from the candidates. (FT)



FirstGroup woes In its extraordinary general meeting, the UK transport company's stand-off with US activist investor Coast Capital is [set to come to a head](#). Shareholders will vote on [Coast's proposal](#) to sack six of the company's 11 directors and replace them with seven nominees of its choice, including the former UK transport minister Steve Norris. (FT)

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What else we're reading

Facebook's assault on finance Flawed, derided, feared: [Facebook's proposed virtual currency](#) has already provoked a backlash. But might Facebook's Libra be a "long overdue" attack by Big Tech on the financial industry? And Nick Clegg, Facebook's head of communications, [dismissed allegations](#) that misuse of the social network influenced the Brexit referendum result. (FT, Guardian)



Perilous time to launch Global Britain For the FT's chief foreign affairs commentator [Gideon Rachman](#), Brexit is an idea for a bygone era and its claim to contemporary relevance now rests on the slogan "Global Britain". Rachman [argues](#) that a series of optimistic assumptions of the 1990s no longer apply, such as assuming a world that is moving towards free trade, rather than against it. (FT)

Recession proof? A long economic recovery is not necessarily a good one argues [Rana Foroohar](#) as America's current economic expansion will become one of its longest ones since 1854. She considers recessions to be a natural and normal part of capitalism, not something to be avoided at all costs. (FT)

Should you cry at work? Here is one vital job leaders do: take a tangled load of emotions from team members and run them through a cycle so staff can return, rinsed and refreshed, to the task in hand, [Andrew Hill writes](#). (FT)

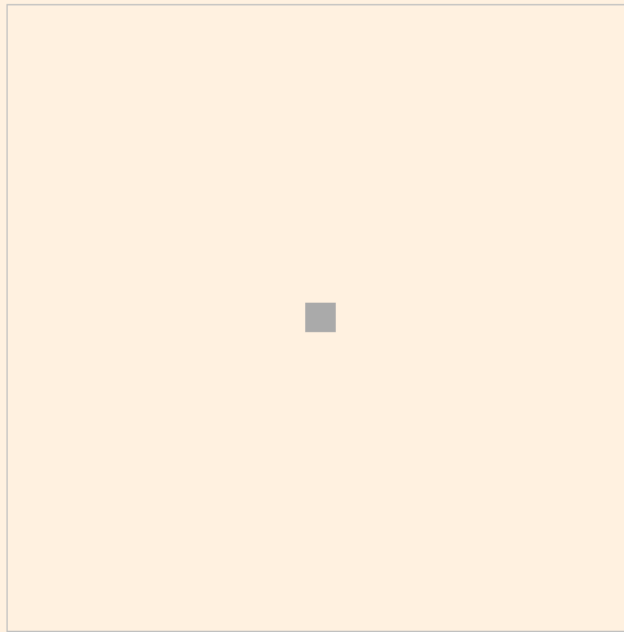
France's most divisive rooster His name is Maurice, and he is the subject of a lawsuit in Saint-Pierre-d'Oléron and a symbol of a [perennial French conflict](#) — whether France's countryside serves merely as a charming holiday backdrop, or a living link to the country's rural heritage for the people who actually inhabit it. (New York Times)

The end of expertise? [Specialised workers](#) are increasingly being replaced, a dynamic familiar to anyone in an organisation seeking to "do more with less". But the pursuit of efficiency may result in the knowledge economy devaluing knowledge, as one writer discovers on board the USS Gabrielle Giffords. (The Atlantic)

Video of the day

Erdogan loses political gamble As the [opposition wins](#) with a resounding victory in the re-run of Istanbul's mayoral election, Turkey's [President Recep Tayyip Erdogan](#) faces a

resurgent opposition, US tensions and a struggling economy. (FT)



Markets at 0553 PST

Indices

Hong Kong	▲ +0.14% at 28,513	Nikkei 225	▲ +0.13% at 21,286
S&P 500	▼ -0.17% at 2,945	Eurofirst 300	▼ -0.25% at 1,512
Topix	▲ +0.12% at 1,548	Russell 2000	▼ -1.21% at 152
Nasdaq	▼ -0.32% at 8,006	FTSE 100	▲ +0.12% at 7,417
Shanghai	▲ +0.21% at 3,008	MSCI EM	▼ -0.14% at 43

Commodities

Brent Crude	▼ -0.58% at 64.82	Comex Gold	▲ +1.57% at 1,418.10
Copper	▼ -0.15% at 2.70	Crude Oil	▲ +0.56% at 57.75
Bloomberg commodity	▲ +0.81% at 79.48	Corn	0% at 446.75

Currencies

€ / \$	▲ +0.02% at 1.1398	\$ / ¥	0% at 107.2800
£ / \$	▼ -0.06% at 1.2731	€ / £	▲ +0.07% at 0.8951

Bond yields

US 10 yr	▼ -0.045 at 2.021	UK 10 yr	▼ -0.003 at 0.814
Japan 10 yr	▲ 0.001 at -0.154	Bund 10 yr	▲ 0.006 at -0.303
US 2 yr	▼ -0.039 at 1.741		



FirstFT was written by [Priyanka Vora](#) [Eli Meixler](#) and [Gordon Smith](#). The Editor is [Neil Maxwell](#)
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