



THE GREAT UNRAVELLING

How the UK government shook the markets

BIG READ, PAGE 8

Gilt prices this week faced extreme volatility after the UK chancellor's fiscal statement, until the Bank of England intervened to stabilise the market

FT Montage/Getty

Putin raises nuclear stakes with annexation of 4 Ukraine regions

◆ Sham referendums the pretext ◆ Threats made to Kyiv allies ◆ Nato sees 'serious escalation'

MAX SEDDON — RIGA

Vladimir Putin has annexed four regions in south-eastern Ukraine and vowed to use "all the means" at Russia's disposal to defend the territory in a speech that marked a further escalation in his war against Kyiv and his resentment at its western allies.

In a ceremony marking the move yesterday, Russia's president called on Ukraine to negotiate an end to the war — but reserved his strongest ire for Kyiv's "real masters" in the west, which he accused of trying to "destroy" Russia.

The annexations are a dramatic attempt to raise the stakes in the con-

flict by bringing them under Russia's nuclear umbrella. The move "represents the most serious escalation since the start of the war", Nato secretary-general Jens Stoltenberg said.

In response, the US slapped sanctions on Elvira Nabiullina, governor of Russia's central bank, as part of a new package of measures.

In a statement, G7 foreign ministers condemned the "illegal annexation".

President Volodymyr Zelenskyy of Ukraine meanwhile announced his country's formal application for accelerated accession to Nato.

In a 37-minute speech in the Kremlin's ornate St George's Hall, Putin said an

attack on the four regions, which he said he now considered part of his country's territory, would be treated as an attack on Russia and met with full force.

"We will defend our lands with all the means at our disposal and do everything to protect our people. This is our great liberating mission," he said.

Putin said Russia was willing to hold peace talks with Ukraine but declared the four regions — Donetsk, Luhansk, Kherson and Zaporizhzhia — off limits in any future negotiations following hastily organised sham "referendums".

"People made their choice, an unambiguous choice," Putin said, describing the votes, which were met with interna-



Vladimir Putin: 'We will defend our lands with all the means at our disposal and do everything to protect our people'

national condemnation, as "the will of millions of people".

As he spoke, Ukrainian troops pushed farther east in Donetsk, coming close to surrounding the town of Lyman, a key staging ground for Russian forces.

The Kremlin has said it could treat Ukrainian attempts to retake the regions as an attack on its sovereignty and respond by using tactical nuclear arms.

Although Putin did not make reference to Russia's nuclear arsenal, he accused the US of setting a "precedent" in bombing Hiroshima and Nagasaki at the end of the second world war.

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Why I am selling my legacy

Pharrell Williams exclusive

HTSI



Katie Martin

The bond market love-in is over

THE LONG VIEW



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Accusations of top-level cheating rock chess world

The shock defeat this month of world chess champion Magnus Carlsen, who many regard as the best player ever, by teen Hans Niemann, above, might have been celebrated as the arrival of a new force in the ancient game of strategy. But the St Louis match, which ended a 53-game unbeaten run for the Norwegian, has instead sparked bitter claims of cheating, legal threats and wild conspiracy theories — amplified by Elon Musk — that involve sex toys.

Stalemate • PAGE 3

Hong Kong's new luxury flats stand empty as housing prices plummet

CHAN HO-HIM — HONG KONG

Not a single new apartment was sold last week at an event publicising an 800-flat development in Hong Kong, in a sign of the sagging real estate market forcing the city's tycoons to resort to property firesales.

Private-home prices plummeted to the lowest level since February 2019, according to the latest government data.

Analysts and insiders are expecting home prices to drop 10 per cent or more this year, despite the Chinese territory finally scrapping tough mandatory hotel quarantine requirements.

"Now is definitely winter for the property market," said Sammy Po, chief executive of Hong Kong-based Midland Realty's residential division. "Prospective buyers prefer a wait-and-see attitude."

Po said that in the latest batch of 139 new apartments put on offer at residential project South Land, not one had been sold since the latest round of sales began on September 20. The project has 800 apartments.

Even incentives such as HK\$12,000 (US\$1,500) of coupons at Michelin-starred restaurants for the first five buyers were unable to generate interest. In contrast, its previous round of sales last year saw strong demand, with more than 2,200 people vying for 160 flats.

At Miami Quay, a real estate project in a redeveloped urban area in Kowloon — jointly built by Hong Kong family-owned conglomerates including Henderson Land Development and New World Development — agents said that only two out of 139 units were sold on the first day of sale in August.

Pandemic restrictions have made

travelling to Hong Kong difficult for mainland Chinese investors, while Beijing's imposition of a national security law has led to an exodus of residents.

Interest rate increases coupled with a weak economy in the territory have further hit sentiment.

Charles Chan, Hong Kong-based managing director of valuation and professional services at real estate agency Savills, estimated a drop in home prices this year at up to 15 per cent. The downward trend might extend into next year, he said.

Citigroup analysts said that Singapore's private residential market is expected to rise 9 per cent in 2022.

The city state and rival hub to Hong Kong had eased Covid-19 measures much earlier than the Chinese territory. Additional reporting by Hudson Lockett
House & Home separate section

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World Markets

| STOCK MARKETS | | | | CURRENCIES | | | | GOVERNMENT BONDS | | | | | |
|------------------|----------|----------|-------|------------|---------|---------|------|------------------|---------|-----------|-------|-------|-------|
| | 30 Sep | Prev | %Chg | Pair | 30 Sep | Prev | %Chg | Yield (%) | 30 Sep | Prev | Chg | | |
| S&P 500 | 3842.95 | 3840.47 | 0.06 | \$/£ | 0.980 | 0.977 | 0.3 | 1.021 | 1.024 | US 2 yr | 4.14 | 4.20 | -0.06 |
| Nasdaq Composite | 10785.96 | 10727.51 | 0.45 | \$/€ | 1.116 | 1.103 | 1.2 | 0.836 | 0.908 | US 10 yr | 3.73 | 3.74 | -0.01 |
| Dow Jones Ind | 29140.51 | 29225.61 | -0.29 | \$/¥ | 0.878 | 0.885 | -0.8 | 1.140 | 1.130 | US 30 yr | 3.71 | 3.69 | 0.02 |
| FTSE 100 | 1537.22 | 1519.16 | 1.15 | €/¥ | 144.745 | 144.595 | 0.1 | 141.880 | 141.219 | UK 2 yr | 3.90 | 4.38 | -0.48 |
| Euro Stoxx 50 | 3317.98 | 3279.04 | 1.19 | \$/₹ | 161.578 | 159.553 | 1.2 | 75.356 | 73.967 | UK 10 yr | 4.13 | 4.14 | -0.01 |
| FTSE 100 | 6893.81 | 6881.59 | 0.18 | \$/₹/₹ | 0.964 | 0.958 | 0.7 | 1.059 | 1.052 | UK 30 yr | 3.81 | 3.96 | -0.15 |
| FTSE All-Share | 3763.48 | 3745.11 | 0.49 | | | | | | | JPN 2 yr | -0.05 | -0.05 | 0.00 |
| CAC 40 | 5952.34 | 5876.97 | 1.51 | | | | | | | JPN 10 yr | 0.25 | 0.25 | 0.00 |
| Xetra Dax | 12114.38 | 11975.55 | 1.16 | | | | | | | JPN 30 yr | 1.29 | 1.40 | 0.00 |
| Nikkei | 25937.21 | 26422.05 | -1.83 | | | | | | | GER 2 yr | 1.75 | 1.76 | -0.03 |
| Hang Seng | 17222.83 | 17165.87 | 0.33 | | | | | | | GER 10 yr | 2.11 | 2.18 | -0.07 |
| MSCI World \$ | 2401.32 | 2438.78 | -1.54 | | | | | | | GER 30 yr | 2.09 | 2.15 | -0.06 |
| MSCI EM \$ | 673.29 | 678.35 | -0.29 | | | | | | | | | | |
| MSCI ACWI \$ | 557.88 | 555.81 | -1.40 | | | | | | | | | | |
| FT Wilshire 2500 | 4736.23 | 4841.29 | -2.17 | | | | | | | | | | |
| FT Wilshire 5000 | 36886.59 | 37809.61 | -2.18 | | | | | | | | | | |

| CRYPTO | | | | COMMODITIES | | | |
|--------------|----------|----------|------|--------------|---------|---------|-------|
| | 30 Sep | Prev | %Chg | | 30 Sep | Prev | %Chg |
| Bitcoin (\$) | 19617.80 | 19600.00 | 1.1 | Oil WTI \$ | 90.50 | 81.23 | -9.90 |
| Ethereum | 1357.81 | 1335.94 | 1.6 | Oil Brent \$ | 86.18 | 87.18 | -1.15 |
| | | | | Gold \$ | 1654.80 | 1652.15 | 0.16 |

Prices are latest for edition
Data provided by Morningstar

A Nikkei Company

Hello, 14.36%.



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