Cheer up, we're on a referendum roll – for now

James Ashton

CITY COMMENT

OPTIMISM abounds as the City gets back to work today. As traders shake the sand from their brogues, the gloom of Brexit is but a distant memory.

Just take a look at the data. Manufacturers are upbeat thanks to the weak pound boosting overseas orders, and the services sector is proving as reliable as ever. The FTSE 100 index trades at a level 15% higher than its immediate post-EU referendum trough in late June and the FTSE 250, a far better indicator of the health of UK Plc, has risen by a fifth over the same period.

The slump that so many experts predicted has yet to put in an appearance. Rather than a post-apocalyptic wasteland, are these the green shoots of autumn?

Some perspective is necessary. For the economy narrowly to avoid the recession that had looked likely later this year can be cause for only limited celebration. Much credit is due to the Bank of England's swift action. When markets may have been spooked by politicians' infighting, the interest-rate cut got consumers spending again.

Those pro-European Union business leaders, for whom the period of grief after the referendum could be measured in days, must emulate the shoppers and the staycationers by investing in new markets, new services and new staff if the only way is to be up from here.

Bosses can look positively on the stock-market flotations that were paused over summer and are now coming back on the agenda. Bankers gleeful at the fees in prospect are joined by the lawyers in hot demand as clients ask them to untangle what the future holds.

Accountants are having a good time of it, too. The note of caution from Deloitte senior partner David Sproul last week could not mask the boom his firm has been enjoying – with annual revenues growing at their fastest pace in a decade, double the rate of the previous year.

Winton Capital's David Harding – a big contributor to the Britain Stronger in Europe campaign – admitted to me nervousness but overarching optimism at what the future holds for London.

Solving the toughest problem faced by the capital lies many months ahead. As illustrated by the challenge laid down by Japan to Theresa May at the G20 summit in China yesterday, it is unclear how the UK can preserve the same unfettered access to the single market – the reason so many global firms base their regional headquarters here – after having voted to leave. At least we are off to a good start.

Let's harvest Apple's billions

TO salivate over the latest iPhone handset, to be unveiled on Wednesday, would be to miss the point.

For all the bells and whistles that Tim Cook and his colleagues have grafted on to its newest gadget, the real long-term growth opportunity for Apple now is in software, not hardware. Such a strategy is born of necessity. The Apple Watch underwhelmed, the launch of a car – driverless or otherwise – is years away and the iPhone product line is almost a decade old. Surely everyone who wants one has got one?

> 'The iPhone product line is almost a decade old. Surely everyone who wants one has got one?'

The company's last earnings statement is a reminder of just how reliant on the iPhone it remains. The device accounts for more than half of group sales.

Meanwhile, its services division – including the App Store, Apple Music and Apple Pay – makes up only 14% of the pie but is growing at 19% year on year. Of course, digital revenues are even harder to track than physical income. Pity the taxman and European Commission as they try to follow the money.

The real prize is not to clamp down on Apple but to persuade it to invest its offshore billions here before President Obama cuts the tax rate so they can be repatriated Stateside. In post-Brexit Britain, channelling that cash from mouldering in a low-interest savings account into some useful piece of hardware could be as valuable as striking any bilateral trade deal.

A peerage to whoever piques Apple's interest in building a nuclear power station or two. Think how beautifully designed they would be.

Green knighthood pressure to rise

IT is now 133 days since BHS fell into administration and 82 days since former boss Sir Philip Green told politicians at his Select Committee appearance he would "sort" the retailer's pension-fund deficit.

Those MPs reported back 42 days ago, coming to the conclusion that Sir Philip rushed through the sale to a buyer, Dominic Chappell, who was "manifestly unsuitable".

Only eight days ago, BHS closed its doors for the last time with pension matters up in the air. As the Houses of Commons returns, expect calls to strip Sir Philip of his knighthood to crank up a gear any day now.

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Making pots of dosh on a loan to Potash

EYEBROWS were raised in the City after a loan to African Potash from the wife of the AIM mining minnow's finance chief Neil Clayton was extended.

The £750,000 loan, agreed last December, bagged Katrina Clayton an upfront £60,000 fee as well as 1.5% monthly interest payments. Until last week, she had already made around £160,000 on the deal.

On Thursday, she agreed to a £37,500 "amendment fee" when the company, which was co-founded by controversial mining duo Andrew Groves and former England cricketer Phil Edmonds, altered the terms of the loan.

At this rate, it's only three more years before Clayton will have doubled her money.

■ IS this the sagest piece of advice from Omaha's special one? In a piece in praise of Warren Buffett's insightful annual letters, The New Yorker reminds Spy of this pronouncement: "If a CEO is enthused about a particularly foolish acquisition, his internal staff and his outside advisers will come up with whatever projections are needed to justify his stance. Only in fairy tales are emperors told that they are naked." Quite.

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Happy union ends in name-calling

THE perils of operating in a foreign language, Part 94: Japanese supermarket chains FamilyMart and Uny Group have merged to become the country's second-biggest supermarkets chain.

English and American visitors, however, might be put off shopping at the retailer, feeling that it lacks the warm welcome they may have come to expect.

The merged entity will be known as FU.

Real-estate staff suited to join the A-list

IT'S London fashion week this month, and the catwalk queens may have some unusual competition.

Some of London's biggest property companies are turning to celebrity-adored tailor David Newell to make over their staff.

The entrepreneur is used to styling A-listers like actor Jamie Foxx (pictured, left, with Newell) but will soon be getting his needle and thread out to dress workers at JLL and Cluttons as part of his new business aimed at the real-estate world, Newell Concierge.

Worth checking the label on the agent's suit when shaking on the latest eye-watering purchase, then.

Majestic's wine bargains had to be watered down

RED faces at Majestic Wine, and not due to too much vino. An email arrives cheering its latest bargain deals, but apologises for the delay over its catalogue mail-out.

A few hours, and glugs, later, a follow-up squeaks: "Oops. We've just sent you an email with very wrong prices…" complete with more expensive tipples. Time for a stiff drink.

■ A FUNNY old anecdote resurfaced on the pages of the FT about Prudential chairman Paul Manduca (pictured). As Pru's senior independent director, the erstwhile City gent was tasked with finding a new chairman for the group. He initially resisted doing the job himself before stepping down from the hiring process and getting picked for the gig. The stunt is now known as "doing a Manduca", a phrase many sharp-elbowed high-fliers will no doubt be familiar with.

■ THE Facebook rocket that went bang at Kennedy Space Center, Florida, the other day didn't actually explode, according to onsite cynics at Elon Musk's SpaceX outfit. It suffered an RUD – Rapid Unplanned Disassembly. Sounds like a dodgy Ikea flatpack.