

◆ **Live** Markets

Inflation to fall below 2pc by spring, say economists - latest updates



Inflation will fall below 2pc by April or May this year, economists have said, in a boost to mortgage holders hoping for interest rates to fall.

Economists at Deutsche Bank said that price rises could slow down sharply from the 3.9pc recorded for November, according to Deutsche Bank.

In a research note this morning, Deutsche Bank predicts that inflation will average 2.5pc in 2024, down from a previous forecast of 2.7pc.

The bank said inflation will drop “a little below 2pc in April and May” before hovering around 2pc to 2.5pc for the remainder of the year.

The Bank of England has raised interest rates to 16-year highs of 5.25pc in an effort to reduce inflation back down to its target of 2pc. Prices were rising at a pace of 11.1pc a year in October 2022, which was a 41-year high.

Governor Andrew Bailey told MPs today that Britain has not seen a jump in unemployment as a result, while household incomes have risen in recent months, limiting the blow from higher borrowing costs.

Read the latest updates below.

Indices

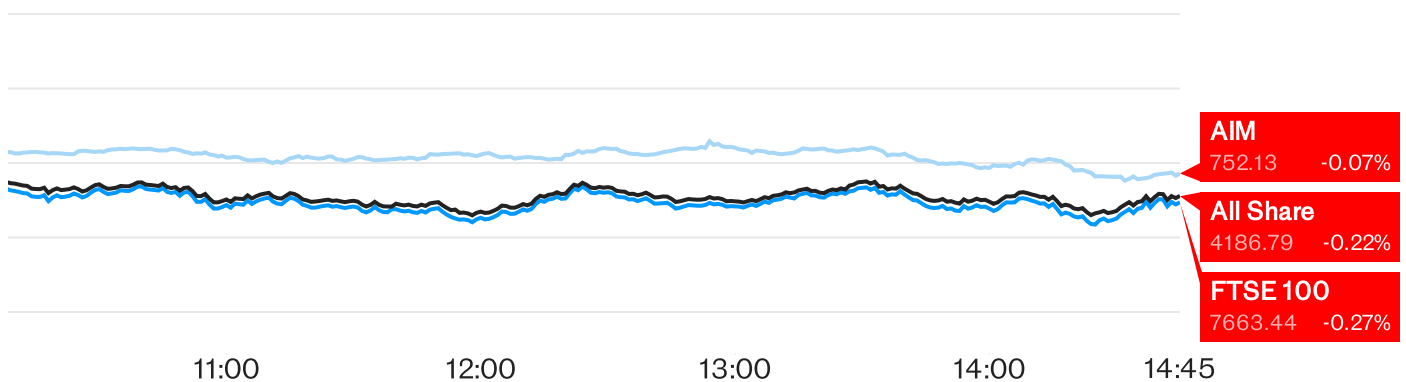
UK

World

Forex

Name	Last	+ / - %
FTSE 100	7663.44	-0.27%
FTSE 250	19294.12	0.00%
All Share	4186.79	-0.22%
SmallCap	6335.72	0.04%
AIM	752.13	-0.07%

— All Share — FTSE 100 — AIM



KEY MOMENTS

Chosen by us to get you up to speed at a glance

→ **2:40pm**

Bailey: Red Sea crisis has not impacted oil prices too badly

→ **12:07pm**

Sunak: New law to ensure Post Office victims 'exonerated'

→ **11:49am**

Vodafone goes down for thousands of customers

→ **10:21am**

Germany's property crisis 'about to get worse'

→ **7:31am**

Water giant Pennon strikes £380m deal for rival amid sewage backlash

LIVE REPORTING RELATED STORIES

Chris Price



10 January 2024 • 2:58pm

2:58PM

Markets have felt little impact from quantitative tightening, says Bank deputy governor

Quantitative tightening has had a “relatively small” impact on banks and markets, according to a Bank of England deputy governor.

Sarah Breeden said that the unwinding of the Bank’s vast balance sheet of bonds bought during the global financial crisis and the pandemic has only added 10 to 15 basis points to yields - the returns bond issuers promise to pay buyers of their debt.

She told the Treasury Select Committee:

The quantity of reserves, which are a key liquid asset for banks, will reduce as a result of quantitative tightening.

In addition, there’ll be fewer deposits in the economy which the banks will need to adjust to as well.

The Bank began its programme of quantitative tightening as a way of tightening the availability of debt in the economy, helping to reduce inflation toward its 2pc target.

2:40PM

Bailey: Red Sea crisis has not impacted oil prices too badly

The Governor of the Bank of England has said the current conflict in the Middle East has not affected oil prices as much as initially feared.

During a Treasury Committee session, Andrew Bailey said:

The world, unfortunately, is a pretty uncertain place. The potential for further global shocks is clearly there.

The events in the Middle East are obviously tragic from an individual point of view, interesting from an economic point of view ... if you take oil prices, it hasn't actually had the effect I feared it might.

But, obviously, it remains a very uncertain place.

Sarah Breeden, deputy governor for financial stability at the Bank, said: "The risk environment at the moment feels particularly challenging ... the set of circumstances that we currently face are extraordinary."

2:34PM

Wall Street edges higher ahead of inflation figures

The benchmark S&P 500 and the blue-chip Dow Jones Industrial Average were muted at the open as investors avoided big bets ahead of inflation reports and earnings from major lenders later in the week.

The Dow rose 27.75 points, or 0.1pc, at the open to 37,552.91.

The S&P 500 opened higher by 3.44 points, or 0.1pc, at 4,759.94, while the Nasdaq Composite gained 19.99 points, or 0.1pc, to 14,877.70 at the opening bell.

2:21PM

Higher wages and low unemployment have limited blow of high rates, says Bailey

Britain has not seen a jump in unemployment and household incomes have risen in recent months, limiting the blow from higher interest rates, Andrew Bailey has told MPs.

The Governor of the Bank of England told the Treasury Select Committee that there is less stress in the household borrowing and mortgage markets.

He said the sector is “nowhere near as stretched” as it was during the global financial crisis.

2:11PM

Workers clock in fewer hours than before Covid as sick notes surge

Workers are putting in fewer hours than before the pandemic around the world as the number of sick days surge, according to a new global report.

Our senior economics reporter **Eir Nolsøe** has the details:

People are clocking in fewer hours on average in all countries apart from those with low incomes, according to the International Labour Organisation (ILO), after a “significant” rise in sick days.

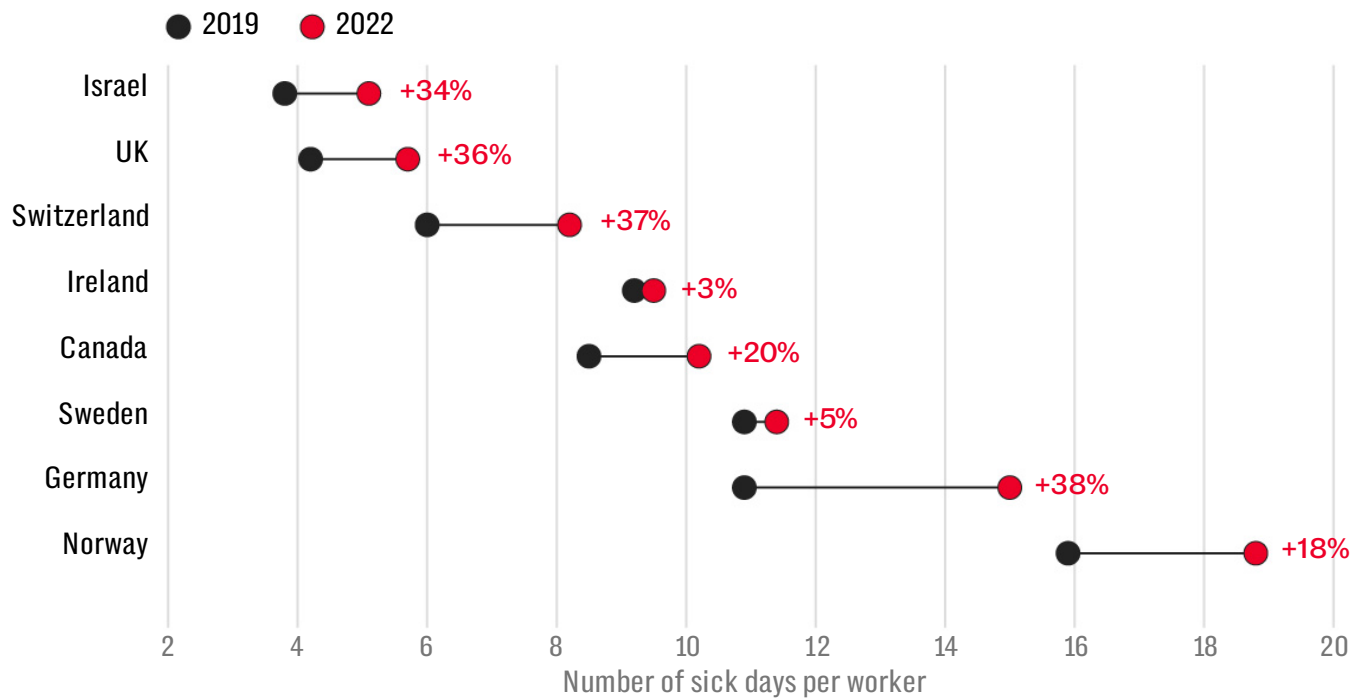
Sick days in the UK rose by 36pc between 2019 and 2022, according to the report. A record 185.6 million working days were lost because of sickness or injury in 2022, the Office for National Statistics (ONS) has previously said.

A surge in ill health has been blamed on long waiting lists for NHS treatment and a rise in mental health issues post-pandemic, as well as back problems.

Read how the ILO report **shows the issues are not unique to Britain.**

Sick days have jumped

Percentage increase



1:46PM

Transparent TVs are clear hit at CES show

Transparent TVs have been one of the talking points of the Consumer Electronics Show in Las Vegas, running this week.

Tech giant LG has created a massive live display of the screens at the centre of its booth as it looks to cement itself as a leader in this new TV technology.



People look at an exhibit of an LG transparent TV at the CES show in Las Vegas | CREDIT: AP Photo/John Locher



A show attendee sneaks a peek behind the world's first transparent TV made by LG | CREDIT: Jack Dempsey/AP Images for LG

1:28PM

Donald Trump's Scottish golf course hit by mounting losses

Donald Trump's Scottish golf course has been hit by mounting losses as the former US president continues to burn cash on the venture.

Our reporter **James Warrington** has the latest:

Trump International Golf Club Scotland, which owns the resort near Aberdeen, posted a loss of more than £738,000 in 2022.

That is deeper than the £697,000 loss recorded in the previous year, according to company filings.

The figures mark continued losses for the resort, which was built on 2,000 acres of coastal land overlooking the North Sea and which Mr Trump claimed would be the "world's greatest golf course".

Accounts for Golf Recreation Scotland, which owns the larger Turnberry golf course in Ayrshire, are overdue. That company posted losses of £14.7m in 2021.

Read what bosses have blamed for their woes.



Donald Trump at the official opening of his new multi-million pound Trump International Golf Links course back in 2022
| CREDIT: Andy Buchanan/AFP

1:14PM

Eton delays restart of school term after sewage block

Eton College has reportedly delayed the restart of its school term after telling parents the toilets in its boarding houses are backing up as a result of sewage problems yet to be resolved by Thames Water.

Pupils at the £50,000 a year private school had been due to return on Tuesday evening to begin lessons today but the college will instead run remote lessons, according to Bloomberg News.

In an email sent to parents, Eton said:

I am very sorry to say that Thames Water have just alerted us to the fact that their sewerage drains are back filling due to flood water.

The sewers in the centre of Eton won't cope with the arrival of nearly 1,350 boys.

We cannot safely operate as a school until Thames Water have resolved the issues around our sewerage drains.

Thames Water updated its website with a notice on January 8 that “the heavy rainfall of recent weeks and a high water table have put huge pressure on our sewers and pumping stations”.



Eton schoolboys in traditional tailcoats | CREDIT: Tim Graham/Getty Images

1:01PM

US markets subdued ahead of inflation figures

Wall Street stocks were mixed in premarket trading as investors braced for key inflation reports.

Traders have taken a step back since the start of the year to reassess the timing and pace of the monetary policy path after contrasting economic data and mixed signals from Federal Reserve officials.

Optimism surrounding interest rate cuts had driven much of the rally towards the end of 2023. The latest US inflation figures are published on Thursday.

Among megacap stocks, Amazon, Tesla, Nvidia and Advanced Micro Devices added between 0.5pc and 1pc in premarket trading, as yields on US Treasury bonds ticked lower.

Gains in chipmakers were also helped as TSMC, the world's largest contract chipmaker, beat analysts' fourth-quarter revenue expectations.

In trading ahead of the opening bell, the Dow Jones Industrial Average was down 0.1pc, the S&P 500 was flat and the Nasdaq 100 was up 0.1pc.

12:50PM

Gender pay gap 'worsened by cost-of-living crisis'

The ongoing cost-of-living crisis is worsening the gender pay gap, research suggests.

Employment group Reed said its study found that the average woman worker needs a 55pc pay rise to live comfortably, compared to 31pc for men.

Its analysis of more than 17m job adverts and a survey of 5,000 workers indicated that they feel they need to earn £49,000 to live comfortably.

Reed said this was “alarmingly” ahead of their average pay.

As well as earning less money, the research also found that women are receiving fewer workplace benefits, with 65pc receiving company perks, compared to 75pc of men.

Karen Jackson, HR Director at Reed, said: “We all know the gender pay gap remains alive and strong, yet these results reveal how much more work needs to be done, and how much further women have been pushed behind due to the cost-of-living crisis.”

12:21PM

PM: Horizon scandal 'one of the greatest miscarriages of justice'

Rishi Sunak said the Government will introduce primary legislation to ensure those convicted as a result of the Horizon scandal are “swiftly exonerated and compensated”, the Prime Minister said.

Speaking at the start of Prime Minister’s Questions, he said:

Today I can announce that we will introduce new primary legislation to make sure that those convicted as a result of the Horizon scandal are swiftly exonerated and compensated.

We will also introduce a new up-front payment of £75,000 for the vital GLO (group litigation order) group of postmasters.

To the victims of the Horizon scandal. pic.twitter.com/jK9txzq9IU

— Rishi Sunak (@RishiSunak) [January 10, 2024](#)

12:16PM

HS2 costs could hit £66.6bn, MPs told

The estimated cost of building HS2 between London and Birmingham has soared to as much as £66.6bn, MPs have been told.

HS2 Ltd executive chairman Sir Jon Thompson told the Transport Select Committee that the estimated cost for Phase 1 is between £49bn and £56.6bn at 2019 prices, but adjusting the range for current prices involves “adding somewhere between £8bn and £10bn”.

In 2013, HS2 was estimated to cost £37.5bn (in 2009 prices) for the entire planned network, including now-scraped extensions from Birmingham to Manchester and Leeds.

Sir Jon said reasons for the cost increase include original budgets being too low, changes to scope, poor delivery and inflation.

He said: “This is a systemic problem. It’s not just about HS2, it’s about large projects that the Government funds.”



An aerial view of the Colne Valley Viaduct, which will carry the HS2 railway over the Colne Valley Regional Park

12:07PM

Sunak: New law to ensure Post Office victims 'exonerated'

Rishi Sunak has said a new law would be introduced so people wrongly convicted in the Horizon scandal are “swiftly exonerated and compensated”.

He was speaking as he faced MPs during Prime Minister’s Questions.



11:49AM

Vodafone goes down for thousands of customers

Thousands of Vodafone customers reported issue with their mobile network service today.

More than 3,500 people said they had been experiencing issues on the tracking website Downtdetector.

A Vodafone spokesman confirmed that some customers are still experiencing issues:

Some customers have experienced issues using our network. We’re sorry for the inconvenience.

We have identified and isolated the problem and for many affected customers normal service has now been restored.

Our team is working hard to resolve the issue as quickly as possible.



More than 3,500 Vodafone customers have reported issues with their service today | CREDIT: Angel Garcia/Bloomberg

11:37AM

Pound edges up ahead of Bailey's appearance in front of MPs

The pound has edged upwards ahead of an appearance by the Governor of the Bank of England in front of MPs, which will be closely watched for hints on the future path of interest rates.

Andrew Bailey will respond to questions from the Treasury Select Committee at 1.15pm on the Financial Stability Report published on December 6.

The pound has moved 0.1pc higher against the dollar ahead of his appearance to \$1.27. Against the euro, the pound edged down 0.1pc to 86p after rising to an almost one-month high on Tuesday.

Sterling has been supported so far this year by the reduction in traders' bets on the pace of interest rate cuts by the Bank of England. Money markets are currently pricing in

around 115 basis points (bps) of cuts in 2024, compared with 140 bps last Thursday, according to money market pricing.

Francesco Pesole, FX strategist at ING, said he expects Mr Bailey's tone on the future path of monetary policy to be in line with his words at the Bank of England's latest meeting.

He said: "Bailey focused on pouring cold water on rate cut bets."

11:24AM

Sainsbury's boss holding 'regular calls' with Government over Red Sea

The boss of Sainsbury's has said the supermarket giant has held "regular calls" with the Government over potential disruption as a result of shipments avoiding the Red Sea following a series of attacks.

Simon Roberts, chief executive of the retailer, said shipments of wine and general merchandise, which includes electricals, were among those facing delayed journeys.

In recent weeks, attacks by Houthi rebels on ships in the Suez Canal have seen the world's largest shipping firms halt shipments through the Red Sea, adding thousands more miles to journeys.

Last week, fashion retailer Next said stock deliveries and sales could be affected if the attacks continue to disrupt the vital shipping route.

Sainsbury's boss Mr Roberts said the business is working hard to reduce potential disruptions and costs from redirected shipments. He said:

Through the last three or four weeks our team have spent time working out how to get the impact to an absolute minimum.

The vast majority of container ships are instead going around the Cape of Good Hope which is making journeys 10 to 14 days longer.



Sainsbury's chief executive Simon Roberts said shipments of wine and general merchandise were facing delays over the attacks in the Red Sea | CREDIT: Paul Grover for The Telegraph

11:15AM

R&A chief Martin Slumbers to stand down with golf at crossroads

Martin Slumbers will stand down as R&A chief executive at the end of the year after nine years as one of golf's leading administrators, with the professional male game at a critical juncture.

Our golf correspondent **James Corrigan** has the latest:

Mr Slumbers will leave one of the most powerful roles in the sport – and the hunt for a successor is already under way.

Despite the timing of today's announcement – with the merger negotiations between the PGA Tour and the Saudi sovereign wealth fund on an apparent knife edge – Mr Slumbers's departure will create ripples through the corridors of power.

But at 63, the former investment banker had trailed the likely date of his retirement ever since he took over the St Andrews hotseat from Peter Dawson in 2015.

Slumbers signalled his intention to do “five to 10 years” in the position and October will be the decade anniversary of when he was unveiled as Dawson’s successor, before shadowing his predecessor.

[Read about the legacy he will leave at the golf governing body.](#)



former investment banker Martin Slumbers had trailed the likely date of his retirement ever since he took over the St Andrews hotseat from Peter Dawson in 2015 | CREDIT: Jane Barlow/PA Wire

11:04AM

Hundreds of thousands to escape mortgage crisis in boost for house prices

More than one in 10 borrowers will escape the mortgage crisis unscathed, analysis suggests.

Our money reporter **Noah Eastwood** has the latest:

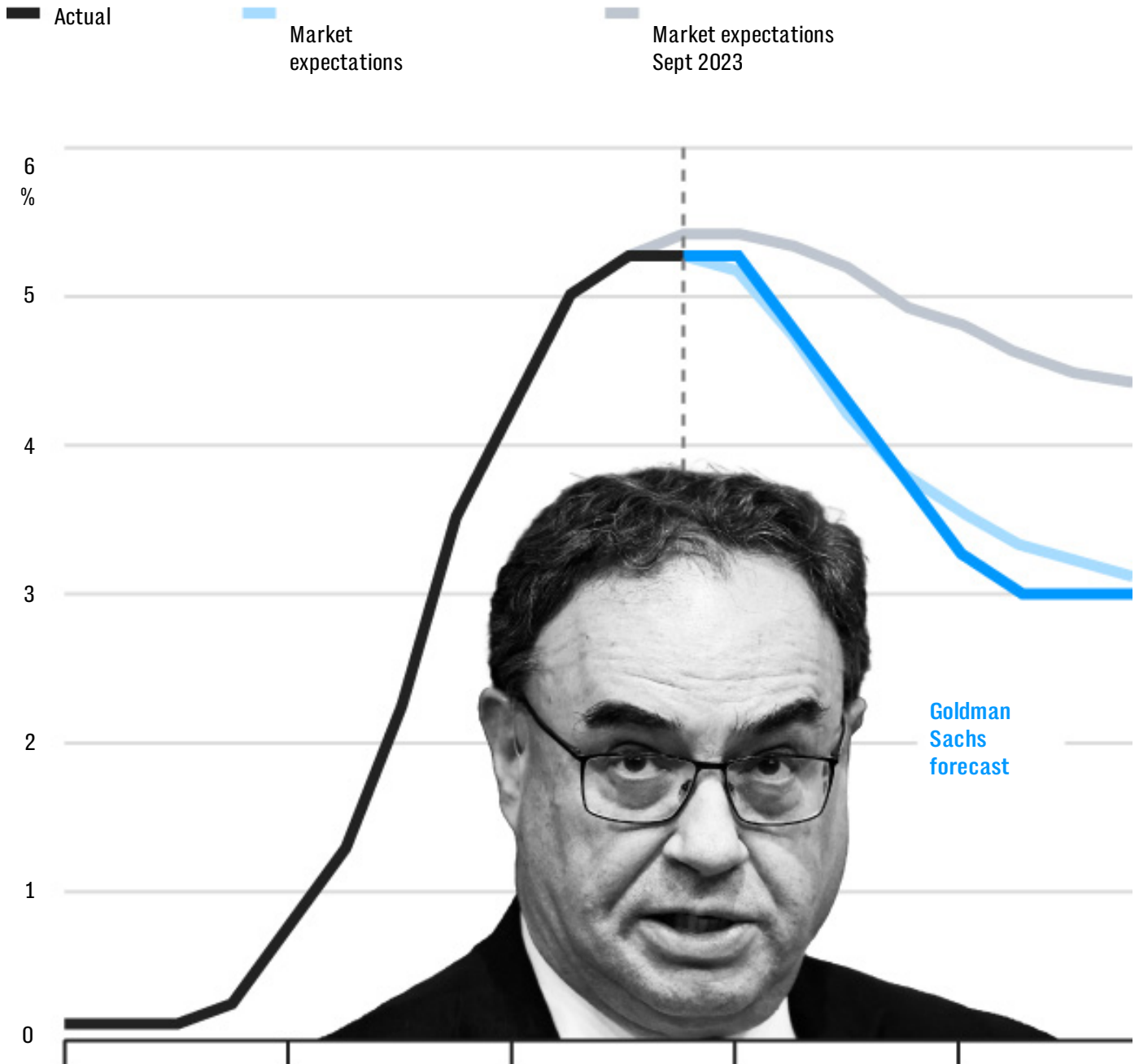
Some 1.6m out of more than eight million mortgage borrowers in Britain are locked into five-year fixed mortgages taken out around the pandemic property boom years when interest rates fell to historic lows.

They are not due to refinance until 2025 or after, when analysts now expect interest rates will have reverted back to far more manageable levels.

It means hundreds of thousands of people who took out loans to buy residential property from 2020 onwards are likely to escape the era of surging interest.

Read what it means for the property market.

Bank Rate to fall faster



10:42AM

German rail strikes add to travel misery

Hundreds of thousands of people face train cancellations across Germany as a three-day nationwide rail strike added to travel chaos in Europe's largest economy, where

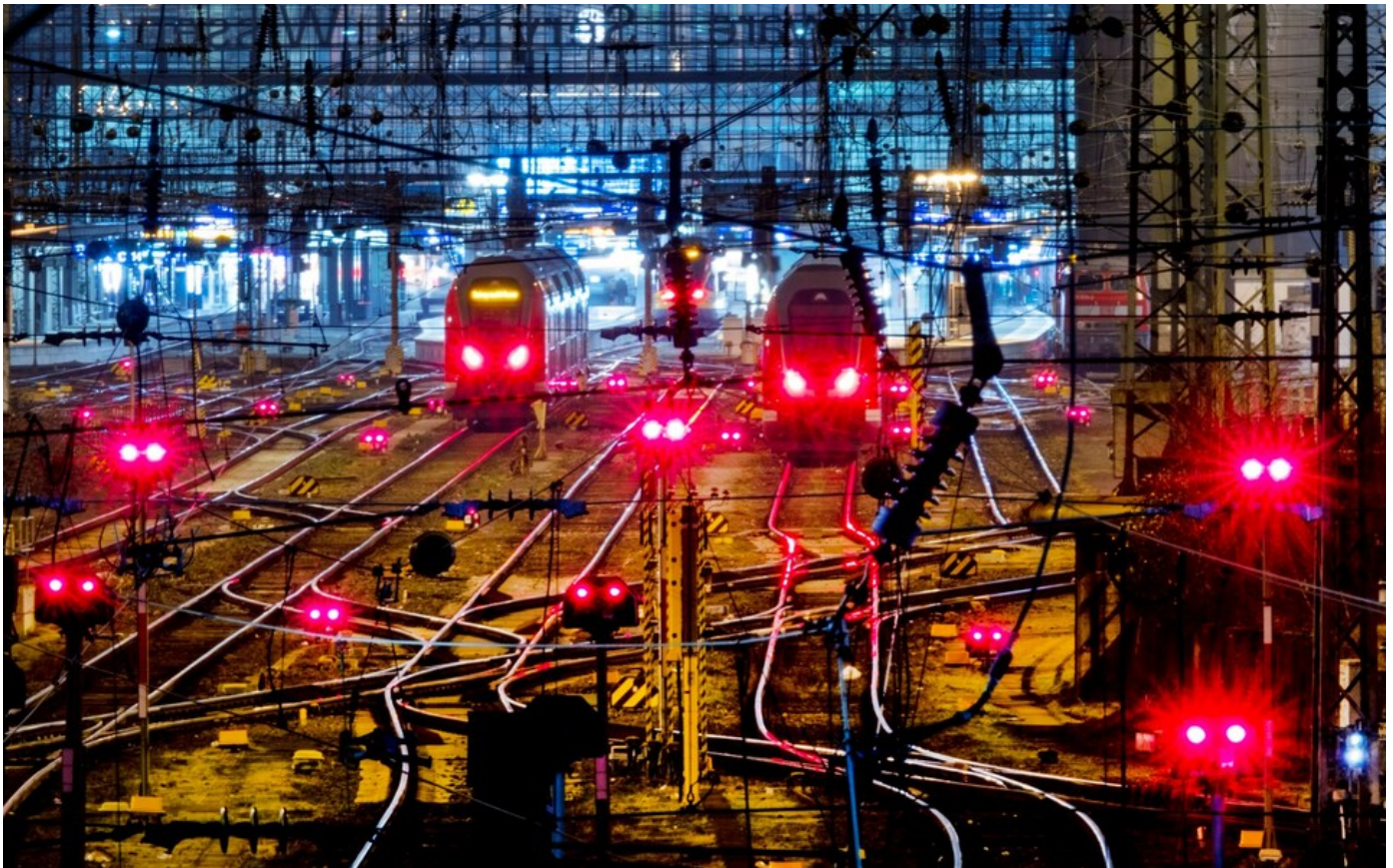
farmers' protests have blocked highways and snarled traffic.

The strikes, called by the GDL train drivers' union from today until Friday evening, have forced national rail operator Deutsche Bahn to run only stripped-back emergency timetables.

One in five long-distance high-speed rail services were running and regional services have been "massively thinned out", a Deutsche Bahn spokesperson told reporters at Berlin's central station, empty of its usual crowds.

At Cologne railway station in western Germany, commuters wrapped up against freezing temperatures checked departure boards for timetable changes.

It comes as the head of the German farmers' association DBV vowed to ramp up their protests, after convoys of tractors and trucks blocked roads across the country earlier this week.



Trains are parked outside the central train station in Frankfurt as strikes get underway | CREDIT: AP Photo/Michael Probst

10:21AM

Germany's property crisis 'about to get worse'

The outlook for Germany's construction sector is grim for 2024, according to two prominent research institutes, in a further bad sign for the nation's struggling property industry.

German construction spending is set to fall this year for the first time since the financial crisis, according to a study by the DIW economic institute.

A separate survey by the Ifo economic institute showed sentiment in residential construction at an all-time low.

For years, the property sector in Germany and elsewhere in Europe boomed as interest rates were low and demand was strong.

But a rapid rise in rates and costs put an end to the upsurge, pushing some developers into insolvency as bank financing dried up and deals froze.

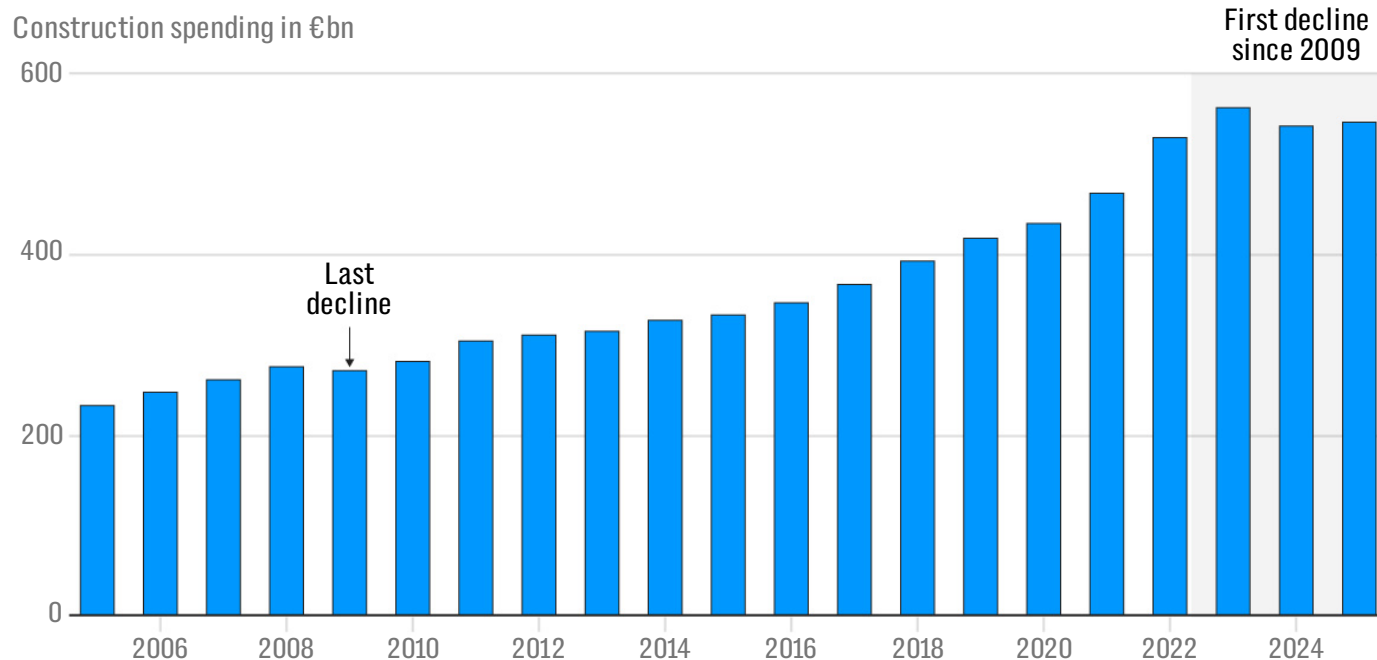
Laura Pagenhardt, an author of the DIW study, said: "The slump in the construction industry is taking longer than expected."

Klaus Wohlrabe, head of surveys at Ifo, added: "The prospects for 2024 are bleak."

It comes as the latest official data from Eurostat shows that house prices fell by 2.1pc across the eurozone in the third quarter of last year, declining by 1.4pc in Germany compared to the previous three months.

Germany's construction sector set to shrink

Spending expected to decline for first time since financial crisis



9:50AM

Bitcoin swings after fake tweet on SEC approval

Bitcoin has been volatile after a fake social media message was posted on the US securities regulator's account indicating wider trading measures for the digital token had been given the go-ahead

The Securities and Exchange Commission (SEC) said someone briefly accessed its X social media account and posted a false message saying it had approved exchange traded funds (ETFs) for bitcoin, a move eagerly awaited by the crypto industry.

The SEC said it had not yet approved spot bitcoin ETFs.

Bitcoin slid 0.9pc to \$45,693.10 and was down to £35,912.95 after surging to a 21-month peak of \$47,897 (£37,568.84) on the fake post.

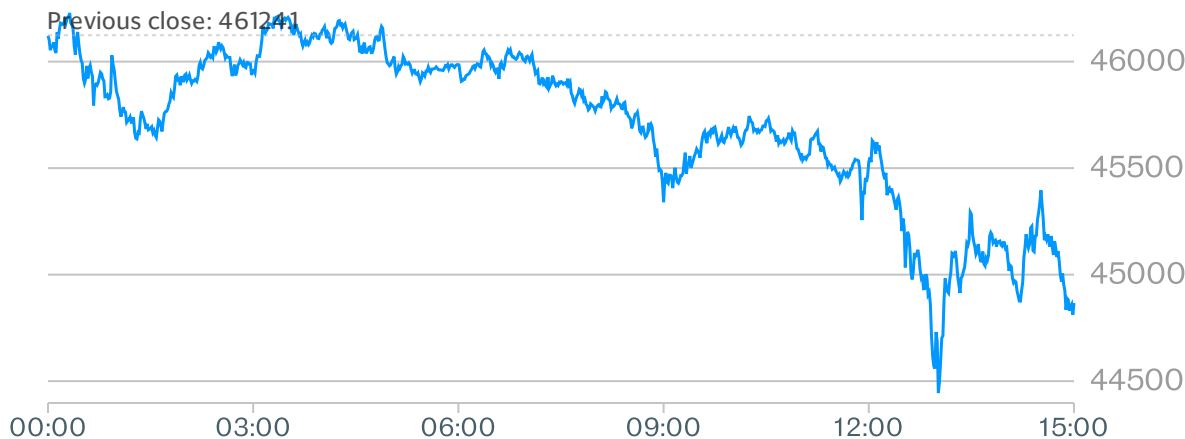
Anticipation of a positive SEC decision on ETFs, which is likely to draw billions in new investments, has boosted bitcoin prices in the past two months.

Chris Weston, head of research at Pepperstone, said: "The reality is most who have followed the saga have moved on and the green light from the SEC is fully priced."

Bitcoin

- Day
- Week
- Month
- 3 mths
- 6 mths
- 1 year
- 5 years

Last	Change	+ / - %	Time
44810.5	-1313.5	-2.85%	15:00:57



1 week	1 mth	3 mths	YTD	1 year
-0.36%	1.80%	62.38%	5.97%	161%

[Find more information on The Telegraph](#)

9:38AM

Oil slips despite fresh Red Sea attacks

Oil prices have edged downward even as more attacks on vessels in the Red Sea raised the risk that Middle East supply could be disrupted.

Brent has slipped 0.3pc toward \$77 a barrel, while West Texas Intermediate dropped 0.3pc to near \$72.

Crude has seesawed since the start of the year, rising and falling on alternate days, as traders attempt to gauge the outlook for the coming year.

On Tuesday, the American Petroleum Institute said nationwide inventories fell 5.2m barrels last week.

Meanwhile, Iran-backed Houthi rebels launched further attacks on merchant vessels in the southern Red Sea.

The market has been supported by Opec+ supply cuts, tensions in the Middle East including the Red Sea, and outages in Libya.

However, a deep reduction in official prices by Saudi Arabia has suggested that there is underlying weakness.

Brent crude oil

Day

Week

Month

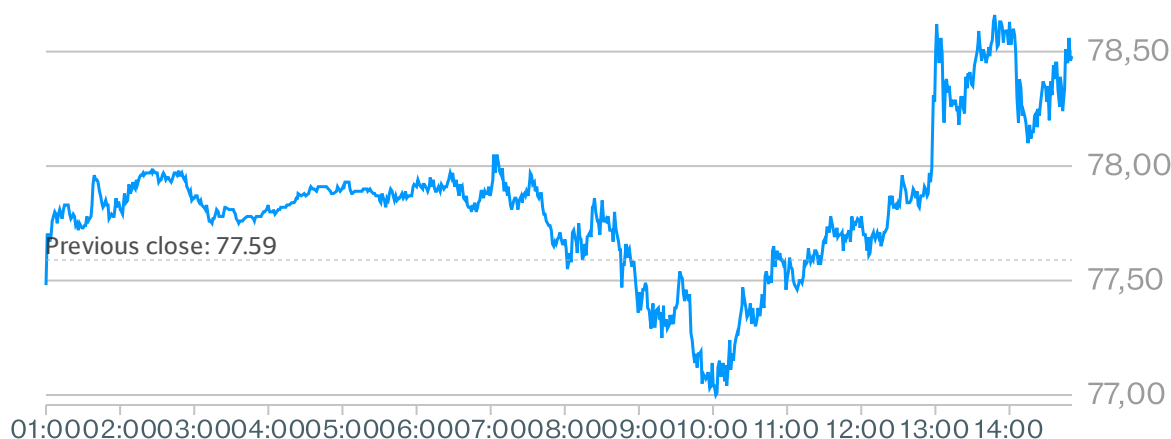
3 mths

6 mths

1 year

5 years

Last	Change	+ / - %	Time
78.48	+0.89	1.15%	14:50:42



1 week	1 mth	3 mths	YTD	1 year
3.41%	3.48%	-10.97%	1.87%	-1.47%

[Find more information on The Telegraph](#)

9:18AM

Bond yields edge down after sharp rally to start the year

Government borrowing costs have eased slightly after the rises in bond yields so far this year.

The yield on the benchmark 10-year UK gilt - the return the Treasury promises to pay buyers of its debt - has fallen slightly to 3.76pc, having risen by 23 basis points so far this year.

It comes as traders reassessed their bets on significant rate cuts from major central banks in Europe and the United States in 2024 on the back of slowing inflation.

Money markets are pricing in a cut by the Bank of England by May, while the odds of the European Central Bank cutting interest rates in March has fallen to about 40pc.

9:01AM

Eurozone faces weak prospects and recession, says ECB vice president

The eurozone may have entered a recession at the end of last year and its prospects remain weak, a European Central Bank chief has warned.

Vice President Luis de Guindos said the recent rapid slowdown in inflation is likely to take a pause now.

He said in a speech in Madrid:

Soft indicators point to an economic contraction in December too, confirming the possibility of a technical recession in the second half of 2023 and weak prospects for the near term.

Incoming data indicate that the future remains uncertain, and the prospects tilted to the downside.

Mr de Guindos repeated the ECB's guidance that its record high interest rates of 4pc would be maintained for a "sufficiently long duration" to bring inflation back down to the ECB's 2pc target.

Investors expect at least five rate cuts this year with the first move coming in March or April, a timeline several policymakers have called excessive given lingering price pressures.



European Central Bank president Christine Lagarde with vice president Luis de Guindos, who said the eurozone could have been in recession at the end of 2023 | CREDIT: Alex Kraus/Bloomberg

8:47AM

Sainsbury's slump drags down FTSE 100

The FTSE 100 fell as investors await comments from Bank of England governor Andrew Bailey later today.

The blue-chip index was down 0.3pc, while the midcap FTSE 250 index was up 0.1pc.

The main driver of losses were the shares of Sainsbury's that dropped 5pc to the bottom of FTSE 100 despite revealing a Christmas sales boost.

Britain's second biggest supermarket group kept its profit forecast for the full year, following a 7.4pc increase in underlying sales in the key Christmas quarter.

Greggs soared by 9.4pc to the top of the FTSE 250 as the British baker reported a better-than-expected 9.4pc rise in like-for-like sales in the fourth quarter, driven by the demand for seasonal products.

Persimmon rose 2.7pc even as the housebuilder acknowledged that housing market conditions would remain challenging this year amid broader economic woes.

The broader homebuilders index climbed 0.8pc.

Andrew Bailey is due to speak at 3.15pm in front of Parliament's Treasury Committee about the Bank of England's half-yearly Financial Stability Report.

Sainsbury (J) PLC

Day

Week

Month

3 mths

6 mths

1 year

5 years

Last	Change	+/- %	Time
289.0	-16.9	-5.52%	14:45:37

Previous close: 305.9



1 week	1 mth	3 mths	YTD	1 year
-3.28%	-1.97%	17.03%	-4.49%	22.75%

Find more information on The Telegraph

8:21AM

Gas prices rise after more Red Sea attacks

Gas prices have moved higher as fresh attacks in the Red Sea indicated disruptions will remain for a prolonged period.

Dutch front-month futures - the benchmark European contract - rose as much as 3.1pc to more than €31 per megawatt hour while the UK equivalent gained as much as 3.3pc to 79p per therm.

Houthi rebels carried out their 26th attack on commercial shipping lanes in the region since November 19.

US and UK forces shot down 21 drones and missiles fired by the Iranian-backed rebels in what Defence Secretary Grant Shapps described as the “largest attack from the Iranian-backed Houthis in the Red Sea to date”.

The attacks come as the number of container ships using the route was down 90pc in the first week of January compared to a year ago, according to research by the London-based shipping services company Clarksons.

Gas prices are also being pushed higher by colder temperatures, which are expected to remain over the UK and Europe for at least another week.



US and UK forces shot down 21 drones and missiles fired by the Iranian-backed rebels in the Red Sea | CREDIT: ELEXIA MORELOS/US Department of Defense/AFP via Getty Images

8:07AM

UK markets open lower

The FTSE 100 fell at the open as traders nervously await key US inflation data and the start of the “earnings season” as companies begin reporting their financial results later this week.

The UK’s blue-chip index was down 0.4pc to 7,663.37 while the midcap FTSE 250 dropped 0.6pc to 19,269.02.

FTSE 100

Day

Week

Month

3 mths

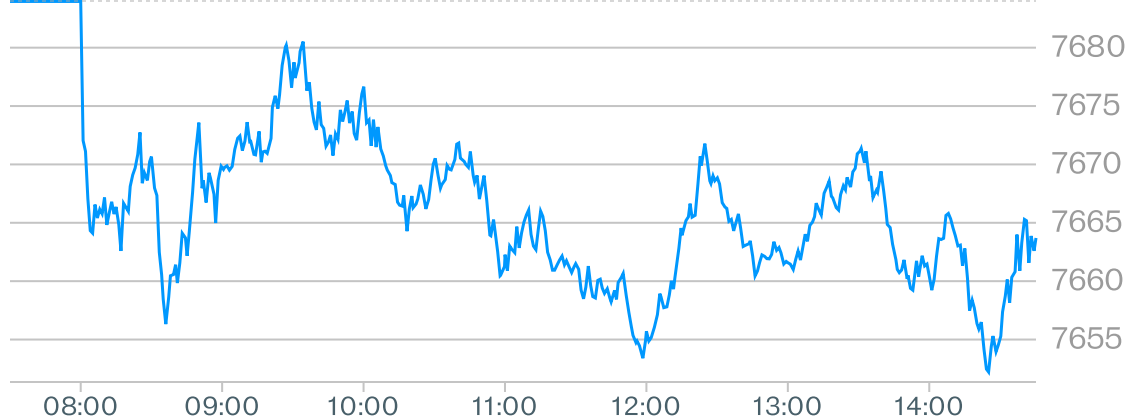
6 mths

1 year

5 years

Last	Change	+ / - %	Time
7663.4	-20.52	-0.27%	14:45:29

Previous close: 7684.0



1 week	1 mth	3 mths	YTD	1 year
-0.75%	1.44%	2.29%	-0.90%	-0.80%

Find more information on The Telegraph

8:02AM

Post Office scandal solution 'imminent' says minister

Postal services minister Kevin Hollinrake said an announcement on the Horizon scandal is “imminent” and the Government believes it has a “solution”.

Mr Hollinrake told Sky News he could not promise a “particular timeframe” as a decision “has not been finalised”.

“We’re very, very close,” he said, refusing to “speculate” as to whether an announcement might come as soon as this afternoon.



Former Post Office workers celebrating outside the Royal Courts of Justice in 2021 after their convictions were overturned by the Court of Appeal | CREDIT: Yui Mok/PA Wire

7:58AM

Completions slump by a third at Persimmon in 'challenging' market

Persimmon revealed completions of new homes slumped by a third last year, although the drop was less than it had previously expected.

The housebuilder revealed it sold 9,922 properties last year, down from 14,868 in 2022, in what chief executive Dean Finch called “challenging market conditions”.

Its average selling price increased by 3pc to £255,750 while bosses said it has begun the new year with private forward sales ahead of 2023.

It said in a trading update: “We anticipate market conditions will remain highly uncertain during 2024, particularly for first-time buyers and with an election likely this year.

“However, mortgage rates are beginning to ease, and the response to our recent Boxing Day campaign has been positive, generating a substantial number of leads for our sales teams.

“Encouragingly, build costs continue to moderate which will benefit completions in 2024.”



Persimmon said completions were ahead of previous expectations, although they were down by a third last year | CREDIT: Chris Ratcliffe/Bloomberg

7:49AM

Greggs plans to open 160 stores as cost pressures ease

High street bakery chain Greggs has revealed plans to open up to another 160 stores in the year ahead as it cheered a strong end to 2023.

The group opened a record 220 new shops over 2023, with 33 closures and 42 relocations leaving it with 145 new sites on a net basis and taking its total estate to 2,473.

Greggs is set to open between 140 and 160 new shops on a net basis in 2024 as it looks to give customers more convenient access to its stores.

It posted a 9.4pc rise in like-for-like sales across its own-managed shops in the fourth quarter, with comparable store growth of 13.7pc overall in 2023.

The final quarter performance marks a slowdown on the 14.2pc growth seen in the previous three months as Greggs said there was less contribution from price inflation.

The company said cost pressures were continuing to ease back, with expectations for a “more stable cost base in the coming year”.

Roisin Currie, chief executive of Greggs added: “We enter 2024 with plans to continue to invest in our shops and expand supply chain capacity.”



Greggs plans to open another 160 stores over the next year | CREDIT: Hollie Adams/Bloomberg

7:46AM

Sainsbury's boosts sales as food and drink price rises ease

Sainsbury's has revealed a jump in sales over the key Christmas period, with improved grocery sales volumes as food and drink inflation slowed down.

However, the supermarket witnessed a drop in trade for clothing and in its Argos business.

The UK's second largest supermarket chain said total retail sales, excluding fuel, grew by 4.9pc over the six weeks to January 6, with grocery sales rising by 8.6pc.

The strong grocery performance helped to offset a 4.2pc decline from Argos - driven by the closure of its Argos Ireland business - and a 6pc fall for Christmas clothing sales.

It came as total retail sales, excluding fuel, grew 6.5pc over 16 weeks to January 6.

Simon Roberts, chief executive of Sainsbury's, said:

We enter 2024 with strong momentum and next month we will share our updated strategy, building on all we've done to put food back at the heart of Sainsbury's over the last three years.

There is a lot to be excited about and we remain absolutely committed to deliver for our customers, colleagues and shareholders.

Read which items helped spark the Christmas boost for Sainsbury's.



Sainsbury's has a strong Christmas at it increase sales volumes | CREDIT: REUTERS/Henry Nicholls

7:31AM

Good morning

A water company has splashed out £380m on buying a rival utilities company despite campaigners urging it to invest in fixing sewage discharge problems.

Pennon, which owns South West Water, has bought Sumisho Osaka Gas Water UK, the holding company of Sutton and East Surrey Water.

Chief executive Susan Davy said the takeover would expand the company's water supply across Southern England "building on our successful similar acquisitions of

Bournemouth Water and Bristol Water alongside the adoption of water supply in the Isles of Scilly”.

The company was fined £2.15m in April last year for illegally dumping sewage into rivers and the sea in Devon and Cornwall, following an investigation by the Environment Agency that found South West Water culpable for significant environmental harm.

Last year Ofwat said South West Water had fallen short of its expectations on customer and environmental performances linked to bonuses.

This year the regulator will be able to block companies from paying out bonuses from customer bills.

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What happened overnight

Japanese stocks hit a near 34-year high while other Asian equities meandered around one-month lows and bond markets traded cautiously ahead of US inflation data due this week.

Japan’s Nikkei - which had its best year for a decade in 2023 - climbed 2pc to break above 34,000 for the first time since 1990.

Exporters led the charge, helped by a softening yen to end at 34,441.72, while the broader Topix index gained 1.3pc to 2,444.48, its highest since 1990.

The rally contrasts with China, where the blue chip CSI300 slid to a five-year low.

Bitcoin steadied after spiking when an unauthorised post from the US Securities and Exchange Commission's X account said it had approved bitcoin exchange-traded funds.

The S&P 500 and Dow lost ground and closed lower on Tuesday, as investors assessed the timing and size of any Federal Reserve interest rate cuts in 2024 ahead of inflation data this week.

Expectations the Fed could begin cutting rates as soon as March have been slowly decreasing.

The Dow Jones Industrial Average of 30 leading American companies fell 0.42pc, closing at 37,525.16. The S&P 500 lost 0.15pc, closing at 4,756.50, while the Nasdaq Composite index gained 0.09pc, closing at 14,857.71.

The benchmark 10-year yield on US Treasury bonds was up slightly at 4.017pc.

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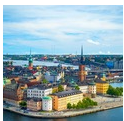
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