

# Stock exchange to use blockchain

LYNSEY BARBER

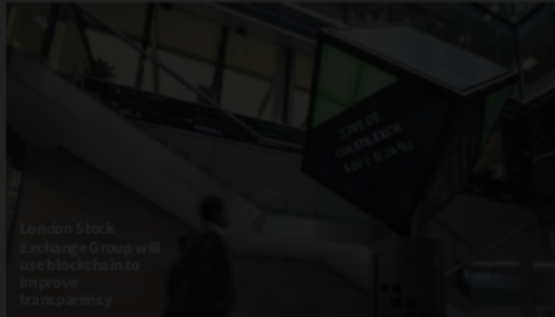
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LONDON Stock Exchange Group will use blockchain technology to help un-listed businesses make shareholding information more transparent.

It will use IBM's hyperledger technology to make the information of small and medium-sized private companies digital, which the exchange hopes can give them access to more mature investors.

A small trial will initially begin with Borsa Italiana, the Italian stock exchange. A shared registry of shareholder transactions and records will be held on the blockchain, but only between authorised participants such as issuers, investors and regulators, switching from traditional paper-based trading certificates.

"We are testing the use of blockchain technology in a financial business network where



London Stock Exchange Group will use blockchain to improve transparency

data segregation and confidentiality is vital," said chief operating officer and chief information officer of London Stock Exchange Group (LSEG), Chris Corrado.

LSEG joined the open source blockchain project Hyperledger in late 2015 along with IBM and other financial institutions.

It is also part of the Post-Trade Distributed Ledger Group of nearly 40 financial institutions, clearing houses and exchanges such as Euroclear, HSBC and CME Group, working on the technology.

But this is understood to be the first time it has put the technology to the test.

# Musk backtracks on Tesla share price warnings

LYNSEY BARBER

@lynseybarber

ENTREPRENEUR Elon Musk was forced to clarify comments yesterday that Tesla's share price is too high which sent stock sliding by around three per cent.

The Tesla chief told an audience it was "higher than we

have any right to deserve" and that he had "gone on record several times" saying this.

"I find it quite tough when there are very high expectations. I try to tamp down those expectations... The stock reflects a lot of optimism about where Tesla will be in the future," Musk went on to say.

He certainly did not think that the stock's movement is anything to go by.

But, he took to Twitter to reassure investors with a clarification.

"Tesla stock is obviously high based on past and present, but low if you believe in Tesla's future," he added.

# Younger shoppers mind the Gap as allegiances change

NEW RESEARCH from YouGov explores what can happen if a brand stagnates and doesn't offer a new generation of consumers what they want.

One brand our study touched on that was once seen as an untouchable high street force is Gap.

However, while the company still has a strong presence around the world, it is now no longer the regular choice for shoppers it once was.

This is not solely due to changing tastes or retail conditions. Our brand tracking data underlines how Gap's customers have grown older with the brand. However, they have not been replaced with more youthful consumers as those in younger age groups view the brand differently to the previous generation.

Gap's index score (which indicates overall brand health) among UK consumers demonstrates this. Looking at those over 25, its index score has remained relatively stable over the past five years, dropping only slightly (from 10 to eight). Yet, among those aged 18-24 the decline has been steeper. In July 2012 its index score was 11, before dropping to a low of four in July 2015. While it has improved slightly in the time since, reflecting efforts Gap has made to address the decline, it has not recovered to its former level yet.

In recent times several rivals to

Stephan Shakespeare



Gap have emerged and many younger customers see these brands as a more attractive proposition. Looking specifically at 18-24 year-olds' view of brands in the high-street fashion sector, Gap loses out in terms of impression score to the likes of Zara and H&M. Similarly, both also outstrip it in terms of value for money. Furthermore, Gap

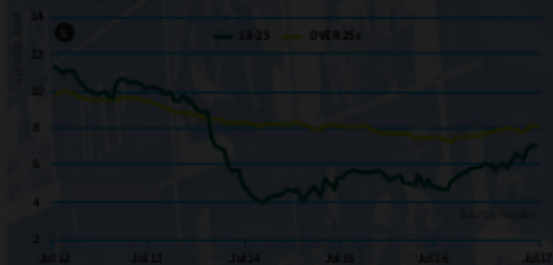
has also faced pressure from 'basics' competitor Uniqlo, as well as the obvious online threat from Asos.

This is important because YouGov data reveals that among all of those that would consider shopping at Gap, 78 per cent say they will happily switch shops for greater speed and convenience. Additionally, while more than three quarters (76 per cent) have favourite brands, they would choose a different one if it was on offer.

With bricks and mortar stores under threat, the need for Gap to reassert its relevance with younger shoppers is becoming even starker.

© Stephan Shakespeare is the chief executive of YouGov

MIND THE (AGE) GAP: YOUNG SHOPPERS DESERT THE BRAND



# THE OTHER LONDON STOCK EXCHANGE

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If you have a share certificate and would like to trade your shares, you can find a selection of the brokers who work with us at [www.nexexchange.com/brokers](http://www.nexexchange.com/brokers). These brokers are also able to help with services such as opening a share trading account, while electronic trading is also available through The Share Centre and Jarvis Investment Management. In June, four new brokers joined us, including Canaccord Genuity Wealth Management, who explain more on how to trade below.

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## REACH INVESTORS RAISE CAPITAL

# NEX Exchange

## HOW DO I TRADE SMALL CAPS?

It's the million-dollar question isn't it? And with the rise in the trend of DIY investing, more and more people are asking it.

So, you have your copies of the FT and City A.M. at the ready – what do you look for?

- **Liquidity:** smaller companies tend to be less liquid, so position size needs to take this into account. Ask your broker to provide an average volume over the last month or so.
- **Position size:** stocks can be volatile so ensure your position size is appropriate to how much money you have and your risk appetite – build a diversified pool of names.
- **Limit prices:** it's quite easy to get carried away – so it's sensible to set limit prices for stocks to ensure you know how much you might pay.
- **Do your homework:** are your stocks covered by analysts? If not, take a look at the latest accounts and investor updates. Make sure you look at fundamentals and not for the next "hot" stock.
- **Patience:** consider building your position over time, by getting your broker to work the order over a few days, or by building your position in bite size chunks over time.



But private investors fall into traps all the time – a lack of planning, a tendency to follow the herd etc. To trade properly, you need the time and the expertise. There's a lot to be said for specialist expertise, particularly with a quote driven market like NEX, which can be a challenge for private investors. So if you have opted to go it alone, be mindful of those traps.

© Adam Ross is an investment director at Canaccord Genuity Wealth Management, an award winning, holistic wealth manager, providing integrated wealth management services. Visit [canaccordgenuity.com](http://canaccordgenuity.com)

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