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WEEKEND



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House price slowdown poses risk

Credit squeeze might hinder Europe growth

By Ralph Atkins in Frankfurt and Laura Dixon in Brussels

An unexpectedly sharp slowdown in house prices resulting from the global credit squeeze poses a significant risk to growth in Europe, the European Commission said yesterday.

The European Union's executive arm forecast a cooling in growth from 2007 to 2008 but said continuing financial market

turmoil meant the risks were "clearly tilted to the downside".

The comments came as global stock markets experienced their worst week since the credit crunch hit. The FTSE 100 fell 3.5 per cent on the week, its biggest weekly fall since July, while the FTSE Eurofirst 300 was down 3.1 per cent, its worst performance since March.

In the US, the technology-heavy Nasdaq 100 was 5.9 per cent down - its sharpest decline since 2002. The S&P 500 was off 3.2 per cent in midday trading.

Bond markets, meanwhile,

moved to price in the near certainty of a quarter-point interest rate cut when the US Federal Reserve meets in December, and a 75 per cent chance of a second such cut at the Fed's January meeting.

Wachovia, the fourth-largest US commercial bank, yesterday became the latest big financial institution to warn of continuing losses in the credit markets after it said the value of its complex mortgage-related securities had sunk by more than 60 per cent.

A worsening of the financial turmoil was identified by

Brussels as one of the threats that could hit housing markets in Europe as well as the US "thereby deepening and prolonging the ongoing corrections".

So far, those European countries that saw the fastest growth in house prices, such as the UK, Spain, Ireland and France, have generally seen an orderly slowdown this year.

But the Commission's latest EU economic forecast hinted at policymakers' fears of a sharper adjustment. A special section on past house price cycles warned that while other regions were

sometimes more volatile, "the historical experience suggests that major housing downturns have also had a substantial macroeconomic impact in the EU".

Overall, the Commission expected European economic growth to "hold up reasonably well". Financial market turbulence would hit investment and consumption growth before it petered out.

Tighter financing conditions were likely to affect mainly construction investment and "thereby accelerate the ongoing correction of the housing market

in some countries like Spain and Ireland".

EU growth will slow from 2.9 per cent this year - slightly higher than expected in September - to 2.4 per cent next year and in 2009, says the Commission.

Growth in the 13-country eurozone would drop from 2.6 per cent this year to 2.2 per cent next year and 2.1 per cent in 2009.

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Musharraf puts curbs on Bhutto and party activists

By Farhan Bokhari in Islamabad and agencies



Fully-fledged field provides plenty to obsess about

ACCESSORIES

Nick Foulkes reviews the latest gadgets to accompany the horolophile's collection

The joy of having a watch collector in your life is that you always know what to buy them for a birthday or a Christmas present. The downside is that you might not always be able to lay your hands on the £317,000 necessary to buy the Girard Perregaux Vintage 1945 Jackpot tourbillon wristwatch with full fruit machine functionality. By comparison, the £2,700 for a pair of Girard Perregaux cufflinks depicting the brand's highly recognisable tourbillon bridge assembly seems eminently more affordable.

The past 10 years have seen the wristwatch become a lifestyle product, and part of that transition has been the growth of watch-related accessories. There once was a time when the watch collector was a marginal figure for whom one would buy a loupe, a set of watchmaker's screwdrivers and perhaps a pair of white gloves with which to handle particularly precious timepieces, while gloating, Gollum-like, over them.

However, nowadays watch collecting is a fully-fledged field of connoisseurship. As well as caring about his boat or his plane, today's fashion-conscious plutocrat will want to make sure they are wearing the right watch, be it a rare Patek Philippe or a vintage Rolex Paul Newman Daytona. And in terms of watch accessories, he is constantly on the lookout for the gadgets that will set him apart from other horolophiles – collectors, whether of contemporary art, classic cars or post 1945 branded strap watches, are nothing if not competitive.

The most amusing watch accessory I have yet seen came to my notice while touring the atelier of FP Journe earlier this year. Mr Journe is one of haute horlogerie's most inventive characters and as such it was natural that he came into the orbit of Roland Iten.

Mr Iten is the man behind a miraculous invention: a belt buckle in gold and titanium with five axles and 128 moving parts, as well as "friction control", "leather ceinture deformation control" and "leather ceinture flow carriage", which basically translates as enabling the wearer to let out his belt by up to 35mm without having to undo it – all that is required is to flip the buckle

over. He showed me a watch strap buckle that achieves more or less the same end result, allowing the wearer to adjust his watchstrap by millimetres, to compensate, for example, for the changing size of the wearer's wrist in extreme heat. At a stroke Mr Iten has liberated man from the tyranny of the holes punched in the leather strap that allow only the most approximate of adjustments to the nearest half centimetre or so.

Mr Iten's creation is typical of the sort of complex and thoughtful solution to problems that you never even knew existed that intrigue and engage the modern horolophile. For instance, there is the famous watchcuff shirt engineered – and engineered is the right word for it – by Angelo Galasso. Galasso is the designer behind Flavio Briatore's

'A cuff with an aperture through which it is possible to view one's watch without needing to pull up one's sleeve'

Billionaire clothing range and one of his key contributions to the canon has been a cuff with an aperture through which it is possible to view one's watch without needing to pull up one's sleeve. The inspiration for this sort of sartorial refinement must have been the predilection of the late Italian industrialist Gianni Agnelli to wear his watches strapped around his shirtcuff.

It is to another Italian, Sandro Colarieti, that the watch world owes the debt of popularising the great labour saving device that is the watch winding box. Scatolo del Tempo is the name given to the brand of watch boxes with rotating cushioned pads that appeared during the 1990s. The arrival of this useful little gadget coincided with the rise in popularity of complicated watches, and as every horolophile knows, there is little that is more irritating than having to reset your perpetual calendar if it runs out of power, even the "simple" complication of a moonphase indicator, while pleasurable to wear, is a pain to reset

accurately. With a watch winder the watch rotates slowly allowing the rotor of a self-winding watch to remain in motion and power up the timepiece. These days, prices for pretty watch-winders run to hundreds, if not thousands of pounds, housed as they are in boxes of inlay and marquetry with glass panels through which their revolutions can be observed.

However, the best and biggest watch-winder I have yet to come across is from German safemaker Stockinger. Called the Atlas, it occupies the sort of footprint that its name suggests. Built along the lines of the Pyramid of Cheops this is the sort of item that can withstand the attentions of the most modern burglar while looking entirely in keeping with your Candy & Candy-style, superbly specified bachelor apartment. The standard version houses winders for a mere 20 watches, but offers non-moving storage space for another 220 timepieces that are housed in luxuriously upholstered drawers.

At somewhere north of €100,000, with another €10,000 to deliver and install it, no one would call the Atlas cheap, but after a few simple calculations it begins to offer value for money: divide the cost – say €120,000 all in to be on the safe side (excuse the pun) – by the 240 watches you can store inside it and you arrive at a figure of around €500 per watch. Given that most of these timepieces will have just one day's wear a year, that means 364 days in the Atlas, in other words just over €1 per watch per day – and that's just for the first year.



Gently does it: the ITEN Belt Buckle

