

Wednesday, 6th May, 1981.

The Gilt Edged market opened rather steadier this morning following its large fall of yesterday. In initial dealings a few buyers appeared and the market began to look slightly firmer with rises of $\frac{1}{8}$ - $\frac{1}{4}$. This recovery however soon petered out and sellers reappeared to push prices downwards once more. By lunchtime the original small improvement had been replaced by nett losses of about $\frac{1}{4}$ in shorts and up to $\frac{1}{2}$ in long-dated stocks. Following the banking figures at 2.30, prices fell again by a further $\frac{1}{4}$, but on further consideration of the inherent distortions caused by the Civil Servants' strike, a number of buyers appeared at the lower levels and prices steadied. By the close of business shorts had recovered somewhat to close up to $\frac{3}{8}$ down in the longer shorts, while the shorter shorts showed little change on the day. Longs however closed at the lowest levels with losses of up to $\frac{3}{4}$.

The Industrial market opened cautiously following yesterday's sharp decline. Prices tended to move slightly higher initially on technical considerations but most sections reacted on lack of follow through. In later trading publication of the money supply figures added to the decline. Oil shares failed to maintain the higher levels, while Insurance issues reacted despite the better than expected figures from General Accident. J. Sainsbury moved ahead on the excellent figures but profit-taking caused the price to revert to overnight levels, while P and O., Ultramar and Tricentrol all moved lower on balance, on their results. Kaffir shares were selectively better, where changed, on the gold fix price.

Financial Times Index (3.00 p.m.) 571.5 (down 5.4)

<u>C.N.D.</u>	Sales	£	989,000
	Purchases	£	385,000
	Nett Sales on balance	£	604,000

<u>BANK</u>	Sales		NIL
	Purchases	£	10,695,000
	Nett Purchases on balance	£	10,695,000