

Wednesday, 10th June, 1981.

With press comment on the banking figures largely favourable and with sterling holding its recent relative improvement, the Gilt Edged market opened somewhat better this morning. A few buyers were in evidence early and prices responded with shorts improving to show rises of $\frac{1}{4}$ - $\frac{3}{8}$ and longs of about $\frac{1}{2}$. During the middle part of the day the market became quiet and prices in the longs drifted back from the best levels. During the afternoon however buyers appeared again, encouraged by a cut in a small U.S. bank's prime rate to $19\frac{1}{2}$. By the close the whole market had improved to show rises of around $\frac{1}{2}$ on the day.

The Industrial market opened selectively firmer following satisfaction with yesterday's banking figures. Prices, however, after improving initially, failed to maintain the better levels on lack of investment interest, with all sections turning easier to close lower on balance. B.P. remained a nervous market on continuing rumours of a possible rights issue, while Eagle Star were marked down 7 pence on the announcement that Allianz had increased their holding to 28.1% following yesterday's tenders and other Insurance shares moved lower in sympathy. Banking shares reacted after the recent rises, while Kaffir issues remained a neglected sector. Pegler Hattersley were marked higher on the better than expected figures, while Westland Air failed to impress, despite the good results.

Financial Times Index (3.00 p.m.) 541.7 (down 3.9)

<u>C.N.D.</u>	Sales		NIL
	Purchases	£	673,000
	Nett Purchases on balance	£	673,000
<u>BANK</u>	Sales	£	82,813,000
	Purchases		NIL
	Nett Sales on balance	£	82,813,000