

Tuesday, 16th June, 1981.

The Gilt Edged market failed to carry through yesterday's firmness today, and activity was at a much lower level. The cut in the North Sea oil price which brought the sterling rate back slightly, combined with less firmness in the U.S. bond market than had been expected, tended to dampen investors' enthusiasm. After opening steady, prices generally eased away during the morning under the impact of a little profit-taking and by lunchtime falls of  $\frac{1}{4}$  -  $\frac{3}{8}$  were in evidence throughout the market. During the afternoon turnover was very small but just before the close a little stock came in and prices closed up to  $\frac{3}{8}$  down in shorts and  $\frac{5}{8}$  lower in longs.

The Industrial market opened slightly better, continuing yesterday's firm trend. However, initial investment interest was not sustained and prices reacted on renewed speculation of an impending large rights issue. Most sectors closed marginally higher on balance in fairly quiet trading conditions. Oil issues encountered buyers following the overnight decision to cut the price of North Sea crude oil. Property shares improved on hopes of lower interest rates. Clearing Banks and Insurance stocks continued to be well supported following a favourable broker's circular and also on takeover suggestions. In a firm Food sector, Tesco hardened prior to tomorrow's annual results. Kaffirs were dull in line with the weak gold price.

Financial Times Index (3.00 p.m.) 550.8 (up 3.0)

C.N.D. Sales and Purchases

NIL

BANK

Sales

NIL

Purchases

£ 9,472,000

Nett Purchases on balance

£

9,472,000