

Thursday, 18th June, 1981.

The combination of the large B.P. Rights Issue and an indifferent performance by U.S. bonds initially brought about idle conditions and slightly easier prices in the Gilt-Edged market. At the opening the market was $\frac{1}{8}$ - $\frac{1}{4}$ easier but saw a little selling during the morning and eased away somewhat to show falls of up to $\frac{5}{16}$ in shorts and $\frac{5}{8}$ in longs by lunchtime. The money figures made little difference to prices, but in the later afternoon reports of lower bond prices in New York brought in a few sellers and shorts closed generally up to $\frac{3}{8}$ down while longs were $\frac{3}{4}$ - $\frac{1}{8}$ easier on the day.

The Industrial market opened lower as the long expected rights issue from British Petroleum finally materialised. Although business conditions were quiet, most sectors weakened during the day through lack of support and prices closed around the worst levels. Oil shares were depressed by the British Petroleum cash call for £600 million on the basis of one new share for every seven old at a price of 275p. Among steady Building issues, English China Clays were firm on interim profits as anticipated and a cautiously optimistic statement. Tunnel Holdings were unchanged with final results as previously forecast. In the Motor sector, Kenning Group were flat following a substantial first half loss and no interim dividend. Electricals, Engineers and Properties were generally easier throughout. In Mining Financials, RTZ were sharply higher on press comment suggesting a possible takeover. Kaffirs were dull in line with the gold price.

Financial Times Index (3.00 p.m.) 540.6 (down 4.2)

<u>C.N.D.</u>	Sales	NIL
	Purchases	£ 467,000
	Nett Purchases on balance	£ 467,000
<u>BANK</u>	Sales	NIL
	Purchases	£ 5,408,000
	Nett Purchases on balance	£ 5,408,000