

Monday, 24th August 1981

The continuing uncertainty on U.S. rates remained the dominant influence in the Gilt-Edged market today, overshadowing the rather better news at home. After opening steady in very quiet conditions, the market tended to drift gradually lower throughout the day, although there were small rallies in short-dated stocks. Selling was only intermittent but buyers held off and prices closed at the bottom with shorts about  $\frac{1}{4}$  down and longs showing losses of up to  $\frac{5}{8}$ .

The Industrial market opened steady at the start of the last week for the current account. Most sectors fluctuated within narrow margins in extremely quiet business conditions. Prices closed at the slightly lower levels. Oil shares were sharply lower in initial trading, reflecting disappointment at the OPEC decision not to increase the price of oil. Among unchanged Brewery issues, Grand Metropolitan were dull on fears that a rights-issue may be required to finance their American hotels acquisition. In the Shipping sector, P & O were weak prior to results expected shortly. Stores, Electricals and Engineers were generally easier throughout. Kaffirs declined in line with the bullion price.

Financial Times Index (3.00 p.m.)      560.1 (down 1.4)

C.N.D.

Sales	£ 392,000
Purchases	NIL
Nett Sales on balance	£ 392,000

BANK

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Purchases	NIL
Nett Sales on balance	£2,140,000