

Wednesday, 23rd September, 1981.

After its good rise of yesterday the Gilt Edged market turned round today. Predictions for U.S. interest rates having become less encouraging again, and with the U.S. bond market having fallen accordingly, sellers and profit-takers soon appeared in our market. After opening slightly easier the market fell away throughout the morning, so that by lunchtime short-dated stocks had fallen by up to  $\frac{3}{8}$ , while longs were around  $\frac{5}{8}$  easier. Activity decreased sharply in the afternoon and prices closed the day at around the lunchtime levels.

The Industrial market remained steady at the opening. Prices reacted sharply on renewed rumours of higher interest rates plus the overnight comment on further falls on Wall Street and the U.K. markets with all sections closing at the worst levels. Defence Stocks, Oil and Property shares were particularly weak features, while Kaffir issues moved lower on the gold fix price. BATS reacted sharply after the interim statement, while Alexander Howden returned after suspension following the bid announcement at the higher level, but reacted to close unchanged on the day.

Financial Times Index (3.00 p.m.) 498.7 (down 16.6)

<u>C.N.D.</u>	Sales		NIL
	Purchases	£	3,919,000
	Nett Purchases on balance	£	3,919,000

<u>BANK</u>	Sales		NIL
	Purchases	£	35,463,000
	Nett Purchases on balance	£	35,463,000