

Thursday, 24th September, 1981.

The fall in the Gilt Edged market continued today with the impetus being provided once again by a lower U.S. bond market and the weakness in sterling. Prices had eased by about  $\frac{3}{8}$  after hours yesterday and the market opened this morning showing further falls of up to  $\frac{3}{8}$ . Although there was a little buying during the morning this was well outweighed by sellers in all parts of the market, and prices showed losses of up to  $1\frac{1}{8}$  at one time. Just before lunch a small rally took place but this was soon reversed during the afternoon, when U.S. bonds started to come in easier. By the close short prices had reverted to the lowest levels, with longs closing marginally above the worst.

The Industrial market opened sharply lower on further consideration of the economic position and the possibility of higher interest rates. Prices in all sections reacted sharply with sellers continuing to come in and all sections closed at the worst levels. Electrical, Store and Food shares were particularly weak sectors, while Oil issues rallied marginally towards the close. Dunlop and Rowntree eased following their respective results, while Kaffir issues drifted lower on the gold fix price.

	Financial Times Index (3.00 p.m.)	477.4 (down 17.4)
<u>C.N.D.</u>	Sales and Purchases	NIL
<u>BANK</u>	Sales	NIL
	Purchases	£ 23,470,000
	Nett Purchases on balance	£ 23,470,000