

Friday, 2nd October, 1981.

Following the base rate increases, investors in the Gilt Edged market generally continued to adopt a policy of wait and see. As a result the market opened steady with a few of the short-dated stocks slightly easier. Longs improved  $\frac{1}{8}$  and then lost it again during the morning, while shorts saw a little selling and eased by up to about  $\frac{1}{4}$ . These levels were then held to the close in a very small turnover.

The Industrial market opened better with selective investment interest helping most sectors to move ahead. However, this trend was not sustained and some light selling pressure brought prices back to overnight levels. Oil shares hardened on further reports of Middle Eastern tension. Electrical issues improved as institutional buyers appeared but prices later declined to close lower on balance. Standard Telephones and Cables were sharply higher following news of a £150 million undersea cable contract. Among Financials, Clearing Banks were firm after yesterday's base rate increases. Arbuthnot Latham were suspended pending an announcement which it is hoped will reveal details of recent bid approaches. Akroyd and Smithers were a strong feature on suggestion of favourable trading in the currently volatile conditions. The Engineering, Food and Store sectors were narrowly mixed throughout. Kaffirs were slightly lower as the bullion price remained steady.

Financial Times Index (3.00 p.m.) 476.2 (up 1.2)

C.N.D.

and

Sales and Purchases

NIL

BANK