

Thursday, 12th November, 1981.

The Gilt-Edged market has had a firm day encouraged by views that rates had further to fall. With Exchequer 15% 1997 being dealt in fully paid, a certain amount of the loose stock had been placed, and with buyers coming in during the morning, of whom a number were thought to be from abroad, the market improved in all sections. On hearing that the miners' executive had rejected the board's pay offer, the market eased slightly, but in the early afternoon news that there had been further U.S. prime rate cuts to $16\frac{1}{2}$ brought in buyers, and the market advanced again. Although closing slightly below the best levels, prices were showing rises of $\frac{1}{2}$ in short-dated stocks and $\frac{7}{8}$ in longs on the day.

The Industrial market opened sharply higher on hopes of a peaceful settlement of miners' and petrol tanker drivers' pay claims. However, news that the miners have rejected the latest offer caused most sectors to react back to overnight levels. Lower American prime rates during the afternoon encouraged buyers once more and prices were improving towards the close of business. Leading 'blue-chip' companies fluctuated before ending around the best levels on persistent institutional support. In the Shipping sector, P. and O. hardened on revived takeover gossip, while British and Commonwealth were strong following encouraging half-year profits. Oil issues were slightly lower and Ultramar eased on disappointing interim results. Electricals were in demand with G.E.C., Racal and Thorn-EMI particularly firm features. Among better Food shares, Argyll rose after announcing they have sold their holding in Linfood following referral of their bid to the Monopolies Commission. Kaffirs were dull in line with the weak bullion price.

Financial Times Index (3.00 p.m.) 516.5 (up 8.3)

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| <u>C.N.D.</u> | Sales | £ | 9,144,000 |
| | Purchases | | NIL |
| | Nett Sales on balance | £ | 9,144,000 |
| <u>BANK</u> | Sales | £ | 88,916,000 |
| | Purchases | £ | 3,301,000 |
| | Nett Sales on balance | £ | 85,615,000 |