

Thursday, 19th November, 1981.

The Gilt-Edged market opened the period on a firm note, encouraged by the overnight news from the United States of falling interest rates and the Federal Reserve Board's action of supplying reserves to the market. Gains of $\frac{3}{4}$ to 1 point were seen at the longer end of the market, whilst short stocks were quiet and opened $\frac{1}{8}$ firmer. Trading was not on a large scale and by mid-morning a small amount of profit-taking was seen for prices to edge off by up to $\frac{1}{4}$. The selling was soon absorbed, however, for prices to regain their best levels by lunchtime. The first news of American bond prices, however, showed an easier tendency causing the London market to ease slightly after lunch but, with the money supply figures showing an increase of 1.7%, which was in line with the market's expectations, and a steadier level of U.S. Bonds, prices improved to close at the best levels of the day.

The Industrial market opened steady. Most sectors improved during the day with sentiment helped by several encouraging company statements, lower American prime rates and money supply figures that were marginally better than expected. Prices closed near the best levels, although trading conditions were rather subdued. Leading 'blue-chip' companies were higher and Beechams made further progress after favourable press comment concerning yesterday's excellent half-year profits. Oil issues were well supported and Shell hardened following third-quarter figures that easily exceeded market estimates. Engineers encountered some buying interest on hopes of better prospects. G.K.N. were a particularly strong feature, while Metal Box moved ahead prior to next week's interim results. In a quiet Stores sector, Boots were unchanged after the first-half figures. Clearing Banks improved and Royal Bank of Scotland rose sharply on speculation of a favourable outcome to the Monopolies Commission review of bid approaches from both the Standard Chartered and Hong Kong and Shanghai Banks. Electricals, Breweries and Properties were generally better throughout. Kaffirs fluctuated narrowly in line with the bullion price.

Financial Times Index (3.00 p.m.) 511.1 (up 7.6)

<u>C.N.D.</u>	Sales	£	5,538,000
	Purchases		NIL
	Nett Sales on balance	£	5,538,000
<u>BANK</u>	Sales	£	41,963,000
	Purchases	£	853,000
	Nett Sales on balance	£	41,110,000