

Tuesday, 24th November, 1981.

The Gilt-Edged market originally continued its easier trend today. After opening $\frac{1}{8}$ - $\frac{1}{4}$ down prices tended to fall away gently during the morning, in the face of a little attempted selling, and by lunchtime falls of $\frac{1}{2}$ were in evidence throughout the market. Immediately after lunch however with U.S. bonds coming in better, and with the Chase reducing its prime rate to $15\frac{3}{4}$, the market rebounded, and by the close had returned to overnight levels or in many cases $\frac{1}{8}$ above. Turnover however was no more than moderate throughout the day.

The Industrial market opened slightly easier and continued to drift lower during the day through lack of support. However, prices recovered in later business with sentiment influenced by the latest American prime rate reduction, most sectors closing around overnight levels. Electricals were initially weak but rallied strongly with GEC, Plessey and Standard Telephones helped by news of a large contract from British Telecom. The Building sector was actively traded. BPB were sharply higher following excellent interim profits, while English China Clay and Steetley attracted speculative demand on takeover suggestion. Among fluctuating Food shares, Ranks Hovis remained steady on annual results that equalled the chairman's estimate and an increased dividend. Stores were narrowly mixed but House of Fraser made further progress on bid speculation. Oils, Banking and Insurance issues were generally firm throughout. Kaffirs were marginally better in line with the gold price.

Financial Times Index (3.00 p.m.) 516.4 (down 1.4)

C.N.D. Sales NIL
Purchases

<u>BANK</u>	Sales	£	57,311,000
	Purchases	£	66,698,000
	Nett Purchases on balance	£	9,387,000