

Monday, 11th January 1982

The Gilt-Edged market has been extremely quiet, with not enough business to establish a definite trend. Shorts in fact opened marginally easier, while longs stayed steady, and these prices remained unaltered for much of the day. During the afternoon the slightly easier trend in U.S. bonds was sufficient to put longs down $\frac{1}{8}$ at the close while shorts lost a little further ground to close with losses of up to $\frac{3}{16}$.

The Industrial market opened slightly better on the first day of the new account. However, the threat of a Coalminers' pay dispute later this week deterred investment interest and prices drifted easier, closing lower on balance. Among Financials, a report that the Monopolies Commission have vetoed both bids for Royal Bank of Scotland was the main feature. Royal Bank shares were sharply lower from 192p to 142p, while the potential buyers, Standard Chartered and Hong Kong and Shanghai both improved from 664p and 132p to 680p and 138p respectively. Bank of Scotland, the subject of recent takeover speculation, were flat in sympathy falling from 522p to 480p. Insurance issues were dull on fears of substantial claims for weather damage. Electricals fluctuated in two-way trade but no definite trend emerged. A.C.C. were suspended pending clarification of the impending boardroom changes. Oils were dull although in secondary stocks, Berkeley Exploration hardened following favourable press comment. Peninsular and Oriental continued to make progress on persistent takeover suggestion. Kaffirs were weak in line with the gold price.

Financial Times Index (3.00 p.m.) 529.7 (down 1.7)

C.N.D.

Sales and Purchases

NIL

BANK

Sales and Purchases

NIL