

Tuesday, 5th May, 1981.

Following the sharp upward movement in U.S. Interest rates over the week-end the Gilt Edged market opened easier. An initial mark down of  $\frac{3}{8}$  in the shorts and  $\frac{7}{8}$  in the longs was not enough to deter sellers who chased the market down to levels of up to  $2\frac{1}{2}$  points below Friday's close. Selling was persistent rather than heavy, the feature being the complete absence of any buying. A half-hearted rally raised prices from the worst by  $\frac{1}{4}$  but in the absence of any follow-through the market drifted back again to close at the lowest levels of the day with losses in the shorts of up to  $1\frac{3}{4}$  and in the longs of up to  $2\frac{1}{2}$  points.

At the start of business it was announced that Finland were raising £50 million by means of a 5-year issue in the market.

The Industrial market opened sharply lower following the overnight rise of the American interest rates. Prices continued to move easier throughout the day on profit-taking and, with little or no support evident, all sections closed at or around the worst levels. Insurance, Food and Electrical issues were particularly weak features, while Oil shares remained reasonably steady on balance. Mothercare and S. Pearson improved after their respective results, with J. Hepworth drifting marginally following the interim figures. Kaffir shares moved lower on the gold fix price.

Financial Times Index (3.00 p.m.) 575.9 (down 16.0)

<u>C.N.D.</u>	Sales	£	3,087,000
	Purchases	£	157,000
	Nett Sales on balance	£	2,930,000
<u>BANK</u>	Sales		NIL
	Purchases	£	186,476,000
	Nett Purchases on balance	€	186,476,000