

Tuesday, 12th May, 1981.

The Gilt Edged market has been easier virtually throughout the day, with buyers apparently largely satisfied during the past few days. Uncertainty over U.S. interest rates combined with rises in Continental rates following the French election brought in sellers from the outset, some of which, at least, were thought to be foreign. Prices opened about $\frac{1}{8}$ down in short-dated stocks and up to $\frac{3}{8}$ down in longs. This fall was not enough to deter selling however and prices retreated gradually for much of the day. In spite of a small rally towards the close the market closed about $\frac{1}{4}$ down in shorts and up to $\frac{1}{8}$ down in longs.

The Industrial market opened sharply easier on further consideration of yesterday's bearish statement from Tube Investments, the overnight decline on Wall Street and the £55 million rights issue announcement from Cadbury-Schweppes. Prices continued to move lower on selling pressure during the morning but a marginal technical rally towards the close caused most sections to end the day above the worst levels. European Ferries reacted further after the press comment on the figures, while Cadbury-Schweppes were a weak feature on the rights issue. Oil shares remained relatively steady on balance with Stores issues reacting following yesterday's sharp gains. Commercial Union closed unchanged on the first quarter's figures, while Kaffir Shares lacked a decided trend throughout the day.

Financial Times Index (3.00 p.m.) 553.5 (down 13.4)

<u>C.N.D.</u>	Sales	£	8,920,000
	Purchases		NIL
	Nett Sales on balance	£	8,920,000
<u>BANK</u>	Sales		NIL
	Purchases	£	294,000
	Nett Purchases on balance	£	294,000