

Tuesday, 19th May, 1981.

The Gilt Edged market opened quiet and steady this morning without very much initial trading. However during the morning a certain number of buyers appeared and prices improved marginally to show rises of about $\frac{1}{8}$ by lunchtime. During the afternoon the same relatively firm trend continued, and some demand for the short tap Treasury $11\frac{1}{2}\%$ 1985 was evident. This allowed the authorities to sell a moderate amount at $27\frac{1}{16}$. Prices closed slightly below the best in shorts, but quietly firm in longs at around the lunchtime level.

The Industrial market opened slightly easier, with sentiment influenced by the overnight rise of American prime rates. Most sectors continued to fall during the day as sellers prevailed on rumours of several impending rights issues. Prices closed around the worst levels in fairly quiet trading conditions. Among lower 'blue-chip' companies, Unilever encountered profit-taking after yesterday's excellent interim figures. Fisons were in demand during initial business but reacted to finish unchanged following the annual statement. Electricals were weak on the expected Government spending cuts. Stocks particularly affected were Plessey, Racal and Ferranti. Hoover improved on speculative interest. In a dull Brewery sector, Whitbread were better on the final results and increased dividend which exceeded market estimates. Building issues remained steady although Tunnel Holdings were sharply higher on the improved bid terms from T. W. Ward. Clearing Banks, Insurance shares and Engineers were generally lower throughout. Kaffirs fluctuated with the gold price unchanged.

Financial Times Index (3.00 p.m.) 555.5 (down 6.8)

<u>C.N.D.</u>	Sales	£	29,761,000
	Purchases		NIL
	Nett Sales on balance	£	29,761,000
<u>BANK</u>	Sales	£	39,996,000
	Purchases	£	10,705,000
	Nett Sales on balance	£	29,291,000