

Thursday, 21st May, 1981.

The Gilt Edged market has been extremely quiet, but in the early stages a few buyers made an appearance and prices moved slightly upwards. By lunchtime short-dated stocks were around $\frac{1}{8}$ better while mediums and longs were showing rises of $\frac{1}{4}$. In the afternoon however, the upward movement in U.S. Federal Funds, combined with the figure announced for last year's P.S.B.R. outturn which was marginally worse than some had hoped for, brought prices down again and the market closed virtually unchanged on the day.

The Industrial market opened steady. Most sectors improved in early trading on selective investment interest but this was not sustained and prices drifted back to close just above overnight levels. Sentiment continued to be affected by fears of an impending substantial rights issue. Stores were active with Boots tending higher on favourable annual profits and increased dividend. Marks and Spencer were better on further consideration of yesterday's figures. The Oil sector was dull on suggestion of a price freeze and news that Nigeria is to cut production. Shell and Royal Dutch were lower on the disappointing first-quarter income. Burmah were weak on the proposed closure of their refinery at Ellesmere Port. Food shares were marked up following the well received interim figures from Ranks Hovis McDougall. Cadbury-Schweppes were steady on the cautious Chairman's statement. Banks and Insurance issues were depressed on revived rights issue rumours but Property stocks recovered after the recent weak trend. Kaffirs were unchanged although the gold price was easier.

Financial Times Index (3.00 p.m.) 546.6 (up 1.18)

<u>C.N.D.</u>	Sales and Purchases	NIL
<u>BANK</u>	Sales	NIL
	Purchases	£ 5,271,000
	Nett Purchases on balance	£ 5,271,000