

Friday, 22nd May, 1981.

The Gilt Edged market continued to be beset by the uncertainty of international interest rates. After opening fairly steady prices fell away during the morning under the impact of a certain amount of selling, so that by lunchtime falls of up to  $\frac{5}{8}$  had occurred in the longer end. In the afternoon reports from the U.S. bond market brought in a few buyers of shorts which closed off the bottom but still showing losses of up to  $\frac{3}{16}$ . Long-dated stocks showed little recovery from the lunchtime levels.

The Industrial market opened easier as the rumours of a substantial rights issue finally came to fruition with Guardian Royal Exchange calling for £76 million. However, most sectors managed to recover on selective investment interest before again drifting lower towards the close of business. Among leading 'blue-chip' companies, Dunlop were in demand on revived takeover gossip and Unilever saw institutional buying following the favourable results announced recently. BOC International were dull prior to next week's figures. In the Stores sector, Boots were lower as jobbers encountered considerable selling pressure after rather bearish press comment on yesterday's final profits and future prospects. Electricals were well supported both for technical reasons and news that Defence spending cuts will be less than predicted. Clearing Banks were steady but Insurance shares weakened, affected by the rights issue from Guardian Royal whose shares were sharply lower. Breweries, Engineers and Oils were generally dull throughout. Kaffirs declined in line with the bullion price.

Financial Times Index (3.00 p.m.) 541.2 (down 3.4)

C.N.D.

and

Sales and Purchases

NIL

BANK