

Thursday, 28th May, 1981.

The Gilt Edged market has had a quietly firm day with interest again largely concentrated in the longer end. Prices opened steady in the short-dated stocks and slightly better in other sections. With a little buying coming in during the morning prices in mediums and longs tended to improve so that by lunchtime rises of about $\frac{1}{4}$ were in evidence. During the afternoon news of a fall in the Chase prime rate to 20% brought in a number of further buyers and the market closed firm with mediums and longs $\frac{3}{8}$ - $\frac{1}{2}$ up on the day, and with shorts showing marginal improvement.

The Industrial market opened slightly better. However, the early investment interest was not sustained and prices drifted back to close around overnight levels. Business conditions were quiet but the undertone was firm. Among generally better 'blue-chip' companies, Courtaulds were initially higher but finished lower on balance after disappointing annual figures and a sharp decrease in the dividend payment. In the Food sector, British Sugar improved on the increased takeover terms from S. & W. Berisford. Tate and Lyle hardened on further consideration of yesterday's results. Oil issues rallied on overseas support and favourable press comment. Lasmo and British Petroleum were particular features. Clearing Banks were steady but Insurance shares weakened under light selling pressure. First dealings in the Guardian Royal Exchange rights saw them maintain a reasonable premium. Electricals and Engineers fluctuated narrowly with no definite trend emerging. Kaffirs were in demand on the strong bullion price.

Financial Times Index (3.00 p.m.) 547.1 (up 1.7)

<u>C.N.D.</u>	Sales		NIL
	Purchases	£	12,000
	Nett Purchases on balance	£	12,000
<u>BANK</u>	Sales	£	33,802,000
	Purchases	£	237,000
	Nett Sales on balance	£	33,565,000