

Tuesday, 9th June, 1981.

The Gilt Edged market has fluctuated throughout the day but with prices basically maintaining their upward trend throughout. After opened slightly firmer the market initially saw buyers and quickly improved to show rises of up to $\frac{1}{4}$ in shorts and $\frac{1}{2}$ in longs during the early morning's dealing. Following this improvement all sectors of the market then fluctuated around that level until the publication of the banking figures. These brought in a little buying and prices rose moderately, but there was little follow-through to create a sustained improvement. Best levels were however generally maintained and the market closed with shorts showing rises of up to about $\frac{1}{2}$ on the day, while longs were generally up to $\frac{3}{4}$ better.

The Industrial market opened steady. Most sectors made marginal gains before weakening in later business to close lower on balance. The Oil sector was active on news that British Petroleum are withdrawing their petrol subsidies and may shut down Forties field production in the North Sea. Early improvements were quickly lost as prices fell sharply throughout the sector, ending around the worst levels. Electricals were generally unchanged. However, Racal Electronics were better on completion of the Decca TV subsidiary sale to Tatung of Taiwan. Muirhead continued to attract support on takeover rumours and prior to next week's figures. Clearing Banks were higher on press comment suggesting vulnerability to overseas bids, should the Hong Kong offer for Royal Bank of Scotland be passed by the Monopolies Commission. Insurance issues were firm amid takeover speculation for several leading companies. Eagle Star were suspended pending the outcome of the tender offer by Allianz Versicherung for a further 15% stake. Metal Box were dull on further consideration of yesterday's annual figures and statement. Among quiet Breweries, Bass were easier following interim results. Kaffirs hardened although the bullion price was depressed.

Financial Times Index (3.00 p.m.) 545.6 (down 2.3)

<u>C.N.D.</u>	Sales	£	347,000
	Purchases		NIL
	Nett Sales on balance	£	347,000

<u>BANK</u>	Sales	£	9,746,000
	Purchases	£	37,506,000
	Nett Purchases on balance	£	27,760,000