

Wednesday, 17th June, 1981.

The Gilt Edged market opened the period on a quiet note, with prices edging slightly lower on apprehension ahead of Cabinet discussions on the economy today and fears of the possibility of increased Government support for the nationalised industries. Encouragement, however, was derived from the steadier atmosphere in the U.S. Bond market and little selling was seen, for prices to return to their overnight levels by mid-morning. Little further trade was seen and prices closed the day showing little change on balance. Short-dated issues saw a small amount of stock on offer and closed showing losses of up to $\frac{1}{8}$.

The Industrial market opened easier with sentiment still influenced by rights issue rumours. There was generally a marked lack of interest and most sectors drifted lower throughout the day, closing at the worst levels. Oil issues were better although British Petroleum continued to weaken on persistent talk of a large rights issue in the near future. In a steady Food sector, Tesco moved ahead on the encouraging final results that exceeded market estimates. Clearing Banks were dull with Midland Bank flat after a bearish broker's circular and on revived suggestion of a rights issue to finance overseas acquisitions. Insurance shares reacted to profit-taking following the recently firm trend. Electricals were initially higher but fell in later business. However, Plessey remained unchanged prior to next week's figures. Kaffirs were lower in line with the bullion price.

Financial Times Index (3.00 p.m.) 545.6 (down 5.8)

<u>C.N.D.</u>	Sales	£	20,023,000
	Purchases	£	19,364,000
	Nett Sales on balance	£	659,000
<u>BANK</u>	Sales	£	3,660,000
	Purchases	£	3,662,000
	Nett Purchases on balance	£	2,000