

Monday, 22nd June, 1981.

The Gilt Edged market opened higher this morning, encouraged by the continuation of improved money supply figures from the United States. Aided by a little early buying, rises of up to $\frac{1}{2}$ were soon in evidence throughout the market. At this level, however, business appeared to dry up and although virtually the best prices were maintained, no further progress was made. During the afternoon reports of an easier trend in U.S. bonds brought the short market back to close with rises of up to $\frac{3}{8}$. Longs however continued to maintain their earlier rises of up to $\frac{1}{2}$, and closed steady at this level.

The Industrial market opened steady at the start of the second week of the current account. Most sectors improved marginally during the day despite a rather bearish CBI survey of manufacturing prospects. Trading conditions were quiet and mainly featureless but the undertone was firm. Electricals were well supported with GEC particularly strong. Others in demand were Racal Electronics and Plessey prior to annual figures expected later this week. Oil issues were better and British Petroleum hardened ahead of tomorrow's first-day dealings in the new shares resulting from the £600 million rights issue. Clearing Banks remained unchanged but the Insurance sector moved higher on selective investment interest. Stores, Properties and Breweries were generally slightly better throughout. Kaffirs improved in line with the gold price.

Financial Times Index (3.00 p.m.) 543.7 (up 2.3)

<u>C.N.D.</u>	Sales	£	414,000
	Purchases	£	516,000
	Nett Purchases on balance	£	102,000
<u>BANK</u>	Sales	£	55,133,000
	Purchases	£	746,000
	Nett Sales on balance	£	54,387,000