

Friday, 10th July, 1981.

With some rather more encouraging reports coming from the United States about the future of their interest rates, the Gilt-Edged market opened quietly firm this morning. Buyers soon appeared in all sections of the market and prices advanced quickly. The authorities were able to sell more of the short tap Treasury 11½% 1985 at 91<sup>1</sup>/<sub>8</sub> and finish at that price. The market became rather quieter in the middle of the day and prices generally came off the best levels. During the afternoon however, with U.S. bonds being reported as reasonably firm, prices advanced again to close at the best of the day. Shorts showed rises of <sup>3</sup>/<sub>8</sub> - <sup>1</sup>/<sub>2</sub> while longs were <sup>3</sup>/<sub>4</sub> - 1 point higher on balance.

The two Index-Linked stocks also improved over the day and the 2% 1996 closed at 94<sup>1</sup>/<sub>8</sub> up 1 point and the 2% 2006 at 33<sup>1</sup>/<sub>8</sub> up 1<sup>3</sup>/<sub>8</sub>.

The Industrial market opened better on the last day of the current account. Most sectors moved ahead in response to selective investment interest despite a rather gloomy economic forecast in the latest OECD survey. Prices closed around the best in quiet business conditions. The Property sector was extremely firm on news that the G.L.C. will not allow any new office development in Central London. Electricals were active with Thorn-EMI improving on annual profits that exceeded market estimates. Berc were sharply higher following the announcement that Hanson Trust has purchased a 15% share stake. G.E.C. were well supported on confirmation of a large order from British Telecom. Clearing Banks hardened prior to their interim results to be published in the near future. Insurance issues were marked up on revived hopes of overseas bid approaches. Oil shares were better although British Petroleum remained unchanged, awaiting Monday's outcome of the rights issue. Engineers, Stores and Breweries were generally firm throughout. Kaffirs hardened as the gold price continued to recover after recent weakness.

Financial Times Index (3.00 p.m.) 524.2 (up 5.2)

C.N.D. Sales and Purchases NIL

<u>BANK</u>	Sales	£	178,624,000
	Purchases	£	4,355,000
	Nett Sales on balance	£	174,269,000