

Friday, 17th July, 1981.

The Gilt Edged market opened  $\frac{1}{8}$  -  $\frac{1}{4}$  easier. Mr. Volcker's uncompromising remarks in the U.S., combined with the suggestions of increases in some outstanding wage negotiations, brought in sellers, largely in short-dated stocks, and prices eased away during the morning. By lunchtime prices were looking generally steadier but still showed losses of  $\frac{3}{8}$  -  $\frac{1}{2}$ , longs having largely fallen away in the wake of shorts. During the afternoon, following the lower bid for Treasury Bills, the market lost any improvement and closed around the lowest of the day with shorts up to  $\frac{5}{8}$  easier and longs about  $\frac{1}{2}$  down.

The Industrial market opened cautiously in subdued trading. Prices tended to move lower during the day on fears of possible short term interest rate rises and, with little or no buying developing, most sections closed easier on balance. Lloyds Bank moved sharply higher on the better than expected interim figures, while Distillers reacted on further consideration of yesterday's results. Second line Oil shares provided an isolated firm sector while Kaffir issues drifted marginally lower on the gold fix price.

Financial Times Index (3.00 p.m.) 526.0 (down 3.3)

<u>C.N.D.</u>	Sales	£	248,000
	Purchases		NIL
	Nett Sales on balance	£	248,000

<u>BANK</u>	Sales		NIL
	Purchases	£	6,209,000
	Nett Purchases on balance	£	6,209,000