

Tuesday, 4th August, 1981.

The Gilt Edged market was very quiet during the morning today. In spite of renewed falls in U.S. bonds, prices opened showing very little change. With sterling slightly improved and with short money rates tending to ease, short-dated stocks improved gently during the morning, while longs remained virtually unchanged. Following the banking figures which showed projected money supply higher than most estimates, even though any figure was regarded as highly tentative, a certain amount of selling was seen in the longer end. Prices here eventually closed up to $\frac{1}{2}$ lower. By contrary shorts having lost their early gains recovered again during the later afternoon to show rises of about $\frac{1}{8}$ on the day.

The Industrial market opened hesitant after the overnight decline on Wall Street. Prices fluctuated narrowly throughout the day without a positive trend developing and most sections closed at or around the opening levels. Stores shares were again favoured on further consideration of a broker's circular, while Oil and Property issues tended to react on profit-taking. Standard Telephone rebounded strongly after yesterday's sharp reaction on the figures, while Kaffir shares again drifted easier during the day.

Financial Times Index (3.00 p.m.) 529.0 (up 0.7)

C.N.D. Sales and Purchases NIL

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