

Tuesday, 11th August 1981

In spite of the fact that the Sterling/Dollar rate remained around its recently depressed level, the Gilt-Edged market has had a firm day. Turnover was not all that high, and was primarily in the longer end of the market, but buyers have been in the ascendant throughout. After opening $\frac{1}{8}$ - $\frac{1}{4}$ better in shorts and around $\frac{3}{8}$ up in longs, prices have gradually moved ahead all day, with the authorities being able to sell a certain amount of stock. By the close of business short-dated stocks were showing rises of up to $\frac{1}{2}$ and longs of up to $\frac{3}{4}$.

The Industrial market opened higher extending the overnight trend. Most sectors made widespread gains on institutional buying encouraged by reports that business prospects may be improving. Prices closed around the best levels in fairly active trading. Oil issues were particularly firm on consideration of increased petrol prices and the continuing strength of the dollar. Clearing Banks and Insurance shares were in demand and General Accident were sharply better following half-yearly profits that exceeded market estimates. However, Commercial Union eased after disappointing interim figures. The Building sector was well supported. Blue Circle and London Brick were features ahead of results expected in the near future. Taylor Woodrow remained steady on the interim statement. Engineers and Electricals were generally higher throughout. Kaffirs improved as the gold price rallied.

Financial Times Index (3.00 p.m.) 555.9 (up 12.1)

C.N.D.

Sales and Purchases NIL

BANK

Sales £87,990,000
Purchases NIL