

Wednesday, 12th August 1981

The Gilt Edged market has continued its better trend today and the authorities were again able to sell stock. Prices opened up to $\frac{1}{4}$ higher and once again the demand was largely concentrated in the longer end. Prices in this section rose gently throughout the day aided by an improving sterling/dollar rate, although turnover was again not all that large. Shorts were more neglected but saw enough demand for prices generally to be on a rising trend. By the close of $\frac{1}{2}$ business shorts were about $\frac{1}{4}$ up while longs showed rises of $\frac{1}{2}$ - $\frac{5}{8}$.

The Industrial market opened steady maintaining the recent improvement. Institutional buyers appeared in most sectors during the day encouraged by indications of lower interest rates and hopes of an upturn in the economy. Prices ended around the best levels, helped by several bullish company reports. Leading "blue-chip" issues were well supported with BOC International moving ahead on third-quarter profits that easily exceeded expectations. Among firm Engineers, Tube Investments were sharply higher following half-year losses that were not as bad as feared and an unchanged dividend. F.W. Woolworth were dull after the anticipated interim loss. Other Stores hesitated in sympathy but improved again towards the close. Clearing Banks remained in demand and Insurance shares hardened although Commercial Union fell on further consideration of yesterday's disappointing figures. Electricals and Builders were generally higher throughout on persistent investment interest. Kaffirs were better in line with the gold price.

Financial Times Index (3.00 p.m.) 565.8 (up 10.2)

C.N.D.

Sales	NIL
Purchases	£ 1,444,000
Nett purchases on Balance	£ 1,444,000

BANK

Sales	£78,936,000
Purchases	NIL
Nett Sales on Balance	£78,936,000