

Thursday, 13th August 1981

The Gilt Edged market lost its recent impetus today. With the buying having apparently temporarily exhausted itself, with sterling coming back somewhat from its recent peak, and with U.S. bond prices having fallen, the market opened about $\frac{1}{8}$ easier. A little selling materialised in early dealings and longs in places eased another $\frac{1}{8}$ during the morning, with shorts fluctuating marginally. The afternoon was very quiet and prices closed about $\frac{1}{8}$ easier generally in shorts and up to $\frac{1}{4}$ lower in longs.

The Industrial market opened slightly easier following the considerable improvement during this account. Profit-taking prevailed during the day with most sectors being marked down. Prices closed around the worst levels although the undertone remained quietly optimistic. Leading "blue-chip" companies were dull. However, BOC International maintained yesterday's rise on excellent third-quarter profits. Oil shares were easier in active trade but Ultramar hardened on interim figures that exceeded market estimates. Clearing banks were better but Insurance issues weakened through lack of support. Engineers, Electricals and Builders were generally lower throughout. The property sector was well supported on renewed hopes of a cut in interest rates. Kaffirs declined in line with the million price.

Financial Times Index (3.00 p.m.) 562.0 (down 5.0)

C.N.D.

Sales and Purchases NIL

Bank

Sales and Purchases NIL