

Tuesday, 18th August, 1981

The Gilt-edged market was quieter than yesterday but nonetheless retained its firm undertone and there was still a certain amount of initial demand for stock in the longer end. Shorts opened marginally easier but longs were steady, and the whole market improved slightly during the morning, so that by lunchtime longs were $\frac{1}{8}$ - $\frac{1}{4}$ higher, with a firm sterling rate providing a healthy backdrop. During the afternoon sterling came slightly off the best, and the news from the U.S. bond market was not very encouraging, so prices tended to ease a little and shorts ended the day showing small falls with longs generally unchanged on balance.

The Industrial market opened lower on fears that a recovery from the current economic recession may be delayed by the growing threat of a national rail strike. Some profit-taking was evident during initial business but most sectors recovered later in the day, encouraged by the bullish Unilever figures and prices closed around overnight levels. Among quietly firm "blue-chip" stocks, Unilever were sharply higher on half-year profits that easily surpassed market estimates. Electricals fluctuated in active two-way trade but were generally unchanged on balance. Clearing Banks and Insurance issues were dull through lack of support following recent bearish press comment. The Engineering sector was easier and Westland Aircraft weakened on news that several companies have grounded their Wessex helicopters after recent incidents. Kaffirs improved as the gold price hardened.

Financial Times Index (3.00 p.m.) 571.5 (down 1.4)

C.N.D.

Sales and purchases NIL

BANK

Sales £16,279,000
Purchases NIL