

Monday, 7th September, 1981.

The Gilt Edged market continued very quiet. After opening about $\frac{1}{8}$ easier prices tended to drift away during the morning in the face of a small number of sellers so that by lunchtime short-dated stocks were showing falls of up to $\frac{1}{4}$ while longs were about $\frac{1}{2}$ down. There was little change from these levels during the afternoon, although there was a small improvement shortly before the close of business, which left most stocks ending the day marginally above the lowest levels.

The Industrial market opened steady. However, sellers appeared in most sectors during the day with sentiment influenced by the week-end publication of a bearish economic survey. Prices closed around the worst levels in fairly quiet trading conditions. Among dull 'blue-chip' companies, ICI were weak on the announcement of plans for further redundancies. Following recent sharp gains, Electricals encountered widespread profit-taking. Plessey were lower on unfavourable comment after last week's figures while BICC were flat ahead of the interim report on Wednesday. Berec were strong on the week-end bid received from Hanson Trust. Berec shares moved above the offer price in anticipation of a higher counter-bid. Guthrie Corporation were the subject of firstly a 'dawn raid' and then a full-scale takeover by Permadalan Nasional, a Malaysian company, that was already a major shareholder. The offer values Guthrie at £282 million and is unconditional. Other Plantation shares improved in sympathy. Banks and Insurance issues were generally easier through lack of support. Kaffirs were mainly unchanged although the bullion price declined marginally.

Financial Times Index (3.00 p.m.) 546.8 (down 8.1)

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| <u>C.N.D.</u> | Sales and Purchases | | NIL |
| <u>BANK</u> | Sales | £ | 4,973,000 |
| | Purchases | | NIL |
| | Nett Sales on balance | £ | 4,973,000 |