

Tuesday, 8th September, 1981.

The Gilt Edged market opened up to $\frac{1}{4}$ easier this morning and fairly soon saw a little selling which caused prices to ease further. In mid-morning longs were showing losses of up to $\frac{1}{2}$. At these levels however buyers appeared and the market regained a good part of its earlier losses. Following the banking figures which showed a projected M3 increase of $1\frac{1}{4}\%$ the market initially improved again by up to a further $\frac{1}{4}$. This improvement was however very short lived, and prices quickly reverted to around their previous levels. At the close shorts were still showing small losses on the day, while longs showed small changes either side of last night's closing levels.

The Industrial market opened steady. Most sectors moved within narrow margins during the day and prices closed around overnight levels in subdued trading conditions. Electricals were initially weak on renewed fears of Government Defence spending cuts. However, news that G.E.C. have been awarded the latest torpedo development contract helped leading issues to recover. Banks and Insurance shares were slightly easier although Standard Chartered Bank hardened on interim profits that exceeded expectations. Royal Bank of Scotland reacted after the overnight announcement that a Monopolies Commission decision about their pending takeover will not be published until next January. In the Food sector, Reckitt & Colman were flat reflecting disappointment at the first-half results and statement. Among quiet Engineers, I.M.I. improved following interim figures, while Turner & Newall were firm prior to results due later this week. Kaffirs fluctuated before closing marginally better in line with the bullion price.

Financial Times Index (3.00 p.m.) 549.3 (up 1.4)

<u>C.N.D.</u>	Sales	£	388,000
	Purchases		NIL
	Nett Sales on balance	£	388,000
<u>BANK</u>	Sales	£	4,298,000
	Purchases	£	3,529,000
	Nett Sales on balance	£	769,000