

Monday, 14th September, 1981.

Apart from opening reasonably steady the Gilt-Edged market drifted easier virtually throughout the morning on a relatively small turnover, but with sellers always slightly in the ascendant. By lunchtime shorts were showing losses of about $\frac{1}{8}$ and longs of up to $\frac{5}{8}$. Following the announcement of the Bank's market lending at 2.30 prices fell away again, with shorts, where the majority of the pressure was, falling relatively the more $\frac{7}{8}$ sharply. Sellers continued to come in and prices closed up to $\frac{7}{8}$ down in shorts and $1\frac{1}{4}$ lower in longs on the day.

The Industrial market opened the new account slightly firmer after the week-end press comment and the higher tone on Wall Street on Friday. Prices, however, failed to maintain the initial enthusiasm and, with the Bank of England's announcement on the possibility of higher short term interest rates, all sections reacted to opening levels. Electrical shares eased after early firmness following the U.S. defence cuts being less severe than expected, while Insurance issues met profit-taking after the recent rises. Shell Transport provided an isolated firm feature on switching considerations, while Kaffirs moved in line with the higher gold fix price.

Financial Times Index (3.00 p.m.) 552.0 (down 1.4)

<u>C.N.D.</u>	Sales	£	486,000
	Purchases	£	456,000
	Nett Sales on balance	£	30,000
<u>BANK</u>	Sales	£	842,000
	Purchases	£	2,605,000
	Nett Purchases on balance	£	1,763,000