

Tuesday, 15th September, 1981.

The Gilt Edged market continued to react to yesterday's events. A slightly easier opening largely reflected the after-hours position yesterday evening, but sellers soon appeared throughout the list and the market quickly fell away in all sections. The pressure was again relatively bigger in short-dated stocks, with dealings in longs slightly more two-way. By lunchtime falls of up to $\frac{7}{8}$ had appeared in shorts and up to $1\frac{1}{4}$ in longs. During the afternoon the market initially fell a little further but an improvement in sterling, and a firm opening in U.S. bonds, brought in a few small buyers, and the market closed marginally above the lowest levels. The undertone however remained uncertain with most investors prepared to continue to await developments.

The Industrial market opened easier, extending yesterday's very sharp reaction following the Bank of England announcement on money rates. Prices moved lower throughout the day on renewed selling and, with little or no buying interest, all sections closed at or marginally above the worst levels. Electrical shares again registered the sharpest falls, while Building and Property issues were dull on the fears of a higher mortgage rate. British Aerospace, Consolidated Gold, Willis Faber and Croda all reacted despite the results from each being better than expected. Kaffirs moved against the general trend on the higher gold fix price.

Financial Times Index (3.00 p.m.) 532.0 (down 9.9)

<u>C.N.D.</u>	Sales and Purchases	NIL
<u>BANK</u>	Sales	NIL
	Purchases	£ 21,078,000
	Nett Purchases on balance	£ 21,078,000