

Monday, 21st September, 1981.

With week-end press speculation continuing over the future of U.S. interest rates and of sterling, and with France raising her interest rates, the Gilt Edged market opened a little easier with falls of  $\frac{1}{8}$  -  $\frac{1}{4}$  throughout the list. After a little selling during the morning had driven prices down by a further  $\frac{1}{4}$  at one time, the market steadied, and rallied somewhat. There was little activity during the afternoon and prices closed where they opened,  $\frac{1}{8}$  -  $\frac{1}{4}$  down on balance. Low-coupon shorts exceptionally saw falls of about  $\frac{3}{4}$  on suggestions that they would suffer if the next Indexed Gilt should have the ownership restrictions lifted.

The Industrial market opened slightly lower on the week-end comment on last week's sharp decline. Prices, however, reacted sharply during the day on renewed fears for the pound and the threat of higher short term interest rates, with all sections closing at the worst levels. Tarmac eased after the interim results, while Fisons held steady on their first half statement. Electrical, Store and Property shares were particularly weak sections, while Kaffir issues met investment demand on the gold fix price.

Financial Times Index (3.00 p.m.) 505.4 (down 10.0)

<u>C.N.D.</u>	Sales		771,000
	Purchases	£	2,414,000
	Nett Purchases on balance	£	1,643,000
<u>BANK</u>	Sales		NIL
	Purchases	£	24,462,000
	Nett Purchases on balance	£	24,462,000