

Wednesday, 7th October, 1981.

The Gilt Edged market has had a good day. After opening steady while investors took time to consider the implications of the various events of yesterday, buyers came in during the morning in all sections and prices started to move ahead throughout the market. With intermittent pauses this movement continued throughout the day, and was encouraged during the afternoon by the behaviour of the U.S. bond market. This improvement was accompanied by a good turnover. By the close of business short-dated stocks were generally up to $\frac{5}{8}$ better with Treasury $11\frac{1}{2}\%$ 1985 closing at $87\frac{7}{16}$. Longs showed rises to $\frac{7}{8}$.

The Industrial market opened steady. Most sectors improved during the day on selective investment interest and rises were again accentuated by a shortage of stock to satisfy buyers. Prices closed around the best levels with sentiment helped by thoughts that interest rates may have reached their peak. Leading 'blue-chip' companies were better as jobbers encountered sustained institutional demand. Oil issues were well supported with Tricentrol and Ultramar particularly strong features. In a quiet Building sector, Higgs and Hill were sharply better on favourable interim results. London Brick remained unchanged following news of the closure of several small brickworks. Clearing Banks improved while Insurance shares were firm, although Hambro Life declined on the interim report suggesting narrower margins. Electricals and Engineers were generally higher throughout. Kaffirs hardened in line with the bullion price.

Financial Times Index (3.00 p.m.) 487.8 (up 12.8)

<u>C.N.D.</u>	Sales	£	76,679,000
	Purchases	£	9,715,000
	Nett Sales on balance	£	66,964,000
<u>BANK</u>	Sales	£	97,252,000
	Purchases		NIL
	Nett Sales on balance	£	97,252,000