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Monday, 12th October, 1981.

The Gilt Edged market was quieter today and saw a certain amount of profit-taking after its recent rise. Prices opened firm and there was sufficient demand for the authorities to sell further stock, mainly in Treasury 12% 1987. Prices were at one stage in early dealings up to $\frac{1}{2}$ better, but at this level, the market saw sellers and prices fell away again during the morning. Activity was much reduced during the afternoon and at the close short-dated stocks were showing mixed changes with a preponderance of small losses, while mediums and longs closed at or slightly above yesterday's 3.30 prices.

The Industrial market opened marginally lower following the week-end press comment. Prices, however, rallied on the firm gilt market opening but, after the sharp reaction in sterling, most sectors eased again to close at the lower levels. Electrical and Oil shares failed to maintain the better levels, while Discount house shares improved on consideration of the recent firmness of the gilt market. Kaffir shares tended marginally lower on the gold fix price.

Financial Times Index (3.00 p.m.) 493.7 (down 4.5)

<u>C.N.D.</u>	Sales	£	14,787,000
	Purchases		NIL
	Nett Sales on balance	£	14,787,000
<u>BANK</u>	Sales	£	132,341,000
	Purchases	£	43,227,000
	Nett Sales on balance	£	89,114,000