

Thursday, 15th October, 1981.

The Gilt Edged market opened the period on a quiet and slightly firmer note, the overnight fall on Wall Street being compensated by the firmer trend in sterling. The rally, however, was short lived, with once again a small number of sellers in the shorter dated issues appearing in a market which saw very little fresh investment demand. A firmer tendency was seen just before lunch, ahead of the money supply figures which, when published in the early afternoon, proved to be at the lower end of the scale of expectations with M3 up + 2.1%, and had little effect on prices. The market ended the day on a quiet note with losses of up to $\frac{3}{8}$ in both the short and long-dated issues.

The Industrial market opened easier, extending the recent fall. Sentiment was adversely influenced by the overnight weakness of Wall Street and the uncertain outlook for interest rates. Most sectors drifted lower during the day through lack of support rather than on any sustained selling pressure. Among mixed 'blue-chip' companies, Glaxo continued to experience profit-taking following this week's interim figures, which were initially well received. In an otherwise steady Engineering sector, Tubes were slightly better on suggestion of brighter business prospects, while their subsidiary, British Aluminium, rallied on denials that they are undergoing financial difficulties. Banks and Insurance issues fluctuated before closing marginally lower on balance. R. P. Martin, the Money Brokers, returned sharply higher after a long-term suspension; merger details have now been agreed with the Bierbaum Group of Germany. Oil shares were firm on fears of heightening tension in the Middle East, which could benefit North Sea producers. Stores were dull although Empire improved on press comment, suggesting vulnerability to a takeover approach. Kaffirs declined despite a slightly better gold price.

Financial Times Index (3.00 p.m.) 470.0 (down 2.4)

<u>C.N.D.</u>	Sales		NIL
	Purchases	£	209,000
	Nett Purchases on balance	£	209,000
<u>BANK</u>	Sales		NIL
	Purchases	£	23,485,000
	Nett Purchases on balance	£	23,485,000