

Friday, 16th October, 1981.

The Gilt Edged market has again experienced some selling pressure today, and although the selling was very largely in the shorter end, price falls in this area pulled down longer stocks as well. Renewed interest rate worries and a somewhat easier trend in sterling exposed some over-bought positions and brought in stock almost from the opening. As a result prices which opened marginally easier soon fell away, and by lunchtime shorts were showing losses of up to $\frac{3}{4}$ and longs of up to $\frac{1}{2}$. During the afternoon turnover was relatively small, and shorts recovered somewhat, so that the whole market closed showing losses of $\frac{1}{2}$ on the day.

The Industrial market opened easier on the news that B.L. workers have rejected the initial pay offer and voted to support their claim by strike action if necessary. Most sectors declined during the day with a marked absence of any buying interest. Prices closed around the worst levels in fairly quiet trading conditions. The Engineering sector was dull with G.K.N. a particularly weak feature. Hawker Siddeley encountered several large sellers ahead of interim results expected next week. Lucas and Smiths Industries were flat on worries concerning the B.L. situation. Property shares fell, reflecting the uncertain trend in short-term domestic money rates. Banking and Insurance issues were mainly lower through lack of any investment support. Oils, Breweries and Stores were generally depressed throughout. Kaffirs fluctuated narrowly before closing easier on balance, in line with the bullion price.

Financial Times Index (3.00 p.m.) 463.5 (down 9.7)

C.N.D. Sales)
Purchases) NIL

BANK Sales NIL
Purchases £ 108,348,000
Nett Purchases on balance £ 108,348,000