

Thursday, 22nd October, 1981.

With U.S. bonds continuing easier, with sterling performing only adequately, and with worries beginning to build up as to the authorities' reaction to a possible overshoot in the borrowing requirement, the Gilt Edged market has had a poor day. Stock had come into the market after hours yesterday, and as a result prices opened up to $\frac{3}{8}$ down. Shorts initially improved slightly from this level, but after this, sellers had the upper hand virtually throughout the day. Turnover continued to be small, but the market was finding buyers elusive, and prices eased for most of the day. By the close shorts were generally showing losses of up to $\frac{5}{8}$, while longs were $\frac{3}{4}$ - $\frac{7}{8}$ lower.

The Industrial market opened steady at the overnight levels. Prices, however, eased marginally during the morning as a low level of activity was evident following the Cable & Wireless offer for sale details, with all sections tending to close at the worst levels. Oil and Electrical shares were dull throughout the day, while Distillers eased on a Brokers' seminar yesterday. Hawker Siddeley, together with other defence shares, initially firm following overnight comment on the former's figures, failed to maintain the best levels, while Berc provided an isolated firm feature on possibility of a counter bid. Kaffir shares lacked a decided trend.

Financial Times Index (3.00 p.m.) 470.3 (down 6.2)

C.N.D.

and

Sales and Purchases

NIL

BANK