

Friday, 23rd October, 1981.

Once again the main movement in Gilt Edged prices today was occasioned by dealings after hours yesterday. A certain amount of selling had taken place then, and as a result prices opened this morning $\frac{1}{8}$ - $\frac{3}{8}$ lower. For the rest of the day turnover was at a low level but prices recovered generally during the morning. Neither the Croydon election result nor the bill tender rate in the afternoon had any discernible effect on the market. By the close short-dated stocks were showing small changes from 3.30 yesterday while longs were generally $\frac{1}{8}$ down.

The Industrial market opened sharply lower following bearish press comment and on the continuing upward pressure on short-term interest rates. However, selective buyers appeared at the cheaper levels enabling prices to recover although still remaining easier on balance. Leading 'blue-chip' companies were dull and ICI weakened on nervous selling prior to next week's interim results. Oil shares hardened against the general trend as jobbers encountered investment support on the prospect of higher crude prices. Building issues showed widespread falls on the gloomy outlook for the sector. Banking and Insurance stocks were initially lower but rallied to close unchanged. Royal Bank of Scotland improved on hopes of a favourable decision by the Monopolies Commission concerning the proposed takeover by either Hong Kong Bank or Standard Chartered. Kaffirs were slightly easier in line with the bullion price.

Financial Times Index (3.00 p.m.) 460.9 (down 6.4)

<u>C.N.D.</u>	Sales	£	2,964,000
	Purchases		NIL
	Nett Sales on balance	£	2,964,000
<u>BANK</u>	Sales and Purchases		NIL