

Monday, 26th October 1981

With short rates continuing firm, with sterling lower against the dollar, and U.S. bonds easier following their money figures, the Gilt-Edged market opened slightly easier throughout. For the rest of the morning business was very small and the market showed little change from the opening. During the afternoon, with U.S. bonds again coming in easier, a certain amount of selling developed, particularly in the shorts. This in turn affected the longs very slightly, although this sector of the market remained very inactive. By the close short dated stocks were showing falls of up to  $9\frac{1}{16}$ , at which levels rates were approaching 17%, while longs were up to  $3\frac{3}{8}$  lower.

The Industrial market opened steady on the first day of the new account. Most sectors made modest improvements during the day although trading conditions were quiet and mainly featureless. Oil issues continued to attract investment demand on hopes of a pricing agreement at this week's O.P.E.C. meeting. Shell and Ultramar were particularly strong while among secondary stocks Candecca were well supported on prospects for on-shore developments. Among firm leading "blue-chip" companies, ICI hardened prior to Thursday's announcement of interim results. Glaxo encountered buyers following recent profits news. Electricals fluctuated narrowly on two-way business but the sector was largely overshadowed by discussion concerning next week's Cable & Wireless flotation. Breweries, Foods and Stores were generally slightly better where changed. Kaffirs were easier as the bullion price declined.

Financial Times Index (3.00 p.m.)                      461.9 (unchanged)

C.N.D.

Sales	NIL
Purchases	£141,000
Nett Purchases on balance	£141,000