

Wednesday, 4th November, 1981.

The Gilt Edged market opened steady, and in a reasonable two-way trade, prices originally edged forward slightly. However the buying was not sufficient to sustain the momentum, and, with a fair number of investors having already committed themselves in the recent rise, prices eased back again during the morning. Even an improvement in U.S. bonds in the afternoon was not sufficient to stir the market, and prices closed slightly lower on the day in shorts, while longs were largely unchanged on balance.

The Industrial market opened steady. Most sectors made further progress during initial trading, encouraged by the B.L. pay settlement and the prospect of lower interest rates. However, the trend was not sustained and prices drifted back to close around overnight levels. In a firm Food sector, J. Sainsbury were sharply higher following record interim results which easily exceeded market estimates. Ranks Hovis encountered profit-taking after yesterday's 'dawn raid' by British Sugar. Building and Property issues continued to improve on expectations of a cut in interest rates. Banking and Insurance shares hardened on persistent institutional demand with several leading Composite and Life Insurance companies reporting shortly. Oil stocks reacted as sellers appeared following the recent rise in sector values. Tricentrol weakened on the third-quarter results which were slightly disappointing. Kaffirs were better as the bullion price increased.

Financial Times Index (3.00 p.m.) 494.0 (up 1.8)

C. N. D. Purchases £ 136,000

BANK

Sales	£	10,801,000
Purchases	£	4,053,000
Nett Sales on balance	£	6,748,000