

Thursday, 5th November, 1981.

In spite of the good rise in U.S. bonds the Gilt-Edged market only opened slightly firmer with rises of up to $\frac{1}{4}$. At these levels there was a certain amount of two-way business, but once again buying was not sufficient to sustain the full rise and prices generally lost about half their improvement during the morning. During the afternoon a little further buying, inspired to some extent by the reduction in Chemical Bank's prime rate from $17\frac{1}{2}\%$ to 17% , did appear and the market generally improved again, to close with shorts about $\frac{1}{4}$ better and longs showing rises of up to $\frac{3}{8}$.

The Industrial market opened steady. Most sectors improved during the day, extending the recent firm trend. Prices closed around the best levels in quiet but volatile trading conditions. Leading 'blue-chip' companies moved ahead. Glaxo were well supported on news of a marketing agreement in Germany while I.C.I. continued to attract interest on further consideration of recent figures. The Shipping sector was active with P. and O. sharply higher on speculation of a possible overseas bid approach. Other leading shares hardened in sympathy. Among Financials, Clearing Banks were in demand following bullish press comment suggesting brokers have been upgrading estimates of forthcoming profits. Electricals and Engineers encountered institutional buying. British Aerospace and Westland were particularly strong features on hopes of brighter prospects. Stores were higher on analysts' views of an improving outlook for the sector prior to Christmas. Kaffirs eased marginally in line with the gold price.

Financial Times Index (3.00 p.m.) 503.0 (up 8.5)

<u>C.N.D.</u>	Sales and Purchases		NIL
<u>BANK</u>	Sales	£	30,347,000
	Purchases		NIL
	Nett Sales on balance	£	30,347,000