

Tuesday, 17th November, 1981.

The Gilt-Edged market opened about $\frac{1}{8}$ easier in shorts and $\frac{3}{8}$ - $\frac{1}{2}$ down in longs, partly reflecting small losses after hours yesterday, and also reflecting views that further falls in interest rates would be slower to appear. After some early selling cheap buyers appeared and by lunchtime prices were generally about $\frac{1}{8}$ - $\frac{1}{4}$ down on balance. During the afternoon with reports coming in that U.S. bonds were quite sharply lower, sellers again appeared and pushed prices down. By the close however buyers had once again come in and the market closed $\frac{1}{8}$ - $\frac{3}{16}$ down in shorts and about $\frac{1}{2}$ lower in mediums and longs.

The Industrial market opened steady following yesterday's sharp decline. Prices tended to improve marginally initially on small investment demand and, with little selling evident, all sections generally closed at the slightly higher levels. Store shares improved on overnight comment on retail sales, while Insurance issues recovered part of yesterday's reaction following Royal Insurance's disappointing results. Unilever and Tesco both met profit-taking on their respective results, with Kaffir shares rallying after early dullness on the gold fix price.

Financial Times Index (3.00 p.m.) 508.1 (up 4.4)

C.N.D. Sales and Purchases NIL

<u>BANK</u>	Sales	£	19,340,000
	Purchases	£	21,456,000
	Nett Purchases on balance	£	2,116,000