

Wednesday, 18th November, 1981.

Following a fall of up to 1 point in U.S. Bonds the gilt-edged market opened showing losses of up to $\frac{1}{2}$ a point. What little selling there was quickly dried up and buyers appeared which enabled prices to recover $\frac{1}{4}$ whereupon activity ceased. During the afternoon an improvement in sterling and rumours of an improving U.S. market again encouraged buyers and prices managed to edge up a further $\frac{1}{4}$ although this rise was trimmed to $\frac{1}{8}$ by the close. As a result long prices closed down $\frac{1}{8}$ on balance, while short prices managed net gains of $\frac{1}{16}$.

The Industrial market opened steady. However, most sectors weakened during the day as the hope of a cut in interest rates receded temporarily. Favourable results from Beecham initiated a marginal recovery but prices remained near the worst levels at the close of business. Leading 'blue-chip' companies were easier although Beechams improved following interim profits that were well received. Dunlop were better after comment concerning prospects for their latest radial tyre design. Among Financials, Clearing Banks were mainly unchanged but Lloyds Bank hardened on encouraging figures from Lloyds International. Money Brokers, Mercantile House and R. P. Martin encountered profit-taking, while Exco International maintained a substantial 35p premium above the offer price in first day dealings. In a dull Stores sector, W. H. Smith eased on interim results as anticipated but accompanied by a cautious statement. Boots declined ahead of tomorrow's half-year figures. Oils, Electricals and Properties were generally lower throughout on lack of support.

Financial Times Index (3.00 p.m.) 503.9 (down 4.4)

<u>C.N.D.</u>	Sales	£	4,147,000
	Purchases	£	3,950,000
	Net Sales on balance	£	197,000
<u>BANK</u>	Sales	£	30,202,000
	Purchases	£	34,824,000
	Net Purchases on balance	£	4,622,000