

Monday, 30th November, 1981.

With comment continuing to focus on the possibility of lower interest rates here and in the U.S. the Gilt-Edged market opened better this morning with shorts about  $\frac{1}{8}$  up and longs showing rises of  $\frac{1}{4}$  -  $\frac{3}{8}$ . Buyers came in during the morning and the market gradually improved up till lunchtime when longs were showing rises of around  $\frac{3}{4}$ . During the afternoon however, in spite of further early encouragement from the U.S., prices eased from the best and closed with shorts and mediums  $\frac{1}{8}$  -  $\frac{3}{8}$  up on the day, and longs showing improvements of around  $\frac{1}{2}$  on balance.

The Industrial market opened higher at the start of the second week for the current account. Initial investment demand was stimulated by hopes of a cut in interest rates and speculation of increased Government spending. However, trading conditions remained subdued and prices fluctuated during the day before closing around the best levels. Electricals improved in active two-way business. Both Plessey and GEC hardened ahead of interim results due later this week. MK Electric moved better following encouraging first-half profits. Building shares made further progress after some favourable company statements recently, while Pilkingtons were well supported on a bullish brokers' circular and prior to figures on Wednesday. Among Financials, Clearing Banks were firm, while Insurance issues remained quiet, although Eagle Star encountered buyers on renewed bid gossip. In the Paper sector, Bowater were sharply higher following week-end press comment suggesting a possible takeover approach. Breweries, Foods and Stores were generally better throughout. Kaffirs improved in line with the bullion price.

Financial Times Index (3.00 p.m.) 538.0 (up 4.6)

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|---------------|-----------------------|---|------------|
| <u>C.N.D.</u> | Sales                 | £ | 2,561,000  |
|               | Purchases             | £ | 2,409,000  |
|               | Nett Sales on balance | £ | 152,000    |
| <u>BANK</u>   | Sales                 | £ | 94,419,000 |
|               | Purchases             | £ | 21,976,000 |
|               | Nett Sales on balance | £ | 72,443,000 |