

Monday, 7th December 1981

The gilt-edged market has been very quiet all day, awaiting the banking figures tomorrow and the accompanying indication for the money supply. After opening steady, prices lost $\frac{1}{8}$ and then fluctuated around this level for the rest of the morning. In the afternoon, with U.S. bonds coming in easier, the market lost a little ground, to close about $\frac{1}{8}$ - $\frac{1}{4}$ down in shorts and mediums, while longs were up to $\frac{3}{8}$ lower.

The industrial market opened steady on the first day of the new three-week account. Most sectors improved during the day on institutional investment encouraged by the lower trend of interest rates and prices closed around the best levels. Electricals were well supported with GEC and Plessey moving higher on further consideration of last weeks results. Ferranti were sharply better on revived takeover suggestion while Cable and Wireless encountered buyers ahead of tomorrow's interim figures. Among firm Stores, Mothercare made progress following favourable press comment and a bullish brokers circular. However, House of Fraser continued to weaken on fears that the Monopolies Commission report due on Wednesday will not allow Lonrho to make a full-scale bid. Banking and Insurance issues were quiet although Royal Bank of Scotland remained in demand awaiting the Monopolies Commission decision concerning the rival offers by Standard Chartered Bank and Hong Kong and Shanghai Bank. Oils, Builders and Engineers were generally better on selective investment interest. Kaffirs declined in line with the easier bullion price.

Financial Times Index (3.00 p.m.) 536.4 (up 7.1)

C.N.D.

Sales)	
Purchases)	NIL

BANK

Sales	NIL
Purchases	£77,029,000
Nett Purchases on balance	£77,029,000