

Wednesday, 9th December, 1981.

Following press comment on the banking figures and concomitant views on the future of interest rates, the Gilt-Edged market opened slightly easier this morning, and with a little selling appearing during the morning prices tended to ease, so that by lunchtime losses of up to about $\frac{1}{2}$ had been registered. Following the C.G.B.R. figures in the afternoon prices came off the bottom and closed the day showing losses of about $\frac{3}{8}$ in all sections.

The Industrial market opened lower with sentiment adversely influenced by receding hopes of a further reduction of interest rates and worries concerning the Coal Miners' and Ford car workers' pay disputes. Most sectors recovered for technical reasons before weakening again towards the close in subdued trading conditions. Electricals were dull, although Cable and Wireless improved on further consideration of yesterday's interim figures. In the Stores sector, House of Fraser were initially flat in reaction to the Monopolies Commission decision not to allow Lonrho to make a full-scale bid. However, the shares later rallied to end higher on balance. GUS remained steady ahead of tomorrow's first-half results. Among quiet Foods, Huntley and Palmer encountered buyers on takeover speculation, while Unigate were well supported prior to next week's interim report. Engineering issues were marginally easier, although Avon Rubber were sharply better on their reduced losses and Westland Aircraft hardened following the annual figures. Kaffirs were weak as the gold price declined.

Financial Times Index (3.00 p.m.) 519.8 (down 1.9)

<u>C.N.D.</u>	Sales	£	7,228,000
	Purchases	£	5,103,000
	Nett Sales on balance	£	2,125,000
<u>BANK</u>	Sales	£	NIL
	Purchases	£	247,000
	Nett Purchases on balance	£	247,000