

Friday, 18th December, 1981.

Following rises yesterday in some U.S. prime rates, which in turn made for an easier bond market, the Gilt Edged market opened up to  $\frac{3}{8}$  easier this morning. In addition confidence was not encouraged by press reaction to yesterday's Banking figures. As a result sellers were not deterred by the lower prices, and continued to press for most of the morning. During the afternoon the selling slackened and with U.S. bonds opening better, prices rallied slightly but still closed up to  $\frac{3}{4}$  lower on the day throughout the list.

The Industrial market opened steady. Most sectors were slightly better during the day on selective investment interest encouraged by a cautiously optimistic industrial review. The main feature, in otherwise very quiet trading conditions, was a 'dawn raid' by Burmah for a 15% holding in Croda, whose shares remained sharply higher as a result. Leading Electrical issues were unchanged but, among secondary companies, United Scientific moved ahead strongly following excellent annual profits and scrip issue. After yesterday's unsuccessful 'dawn raid' for Henlys, the price reacted on profit-taking. Banks and Insurances were steady but Bank of Scotland continued to make progress after recently favourable press comment and also on consideration of their 25% holding in Henlys. Among mixed Engineers, T. W. Ward improved after official clearance of the RTZ bid proposals. In the Food sector, Huntley and Palmer encountered speculative support on revived takeover gossip. Kaffirs eased in line with the lower bullion price.

Financial Times Index (3.00 p.m.) 521.4 (up 2.7)

<u>C.N.D.</u>	Sales		NIL
	Purchases	£	232,000
	Nett Purchases on balance	£	232,000
<u>BANK</u>	Sales		NIL
	Purchases	£	992,000
	Nett Purchases on balance	£	992,000