

Wednesday, 23rd December, 1981.

In the Gilt-Edged market the addition of almost a week's accrued interest caused long dated stocks to open with rises of up to $\frac{1}{4}$. However this move deterred what few buyers there were and rather encouraged a little selling which trimmed the rises back to $\frac{1}{8}$. Short stocks which started the day with losses of up to $\frac{1}{16}$ due to the firm tone of interest rates, moved up again during the day and closed with net gains of up to $\frac{1}{16}$. Low coupon stocks were again in demand and showed rises of up to $\frac{3}{8}$. Encouraged by the performance of the shorter stocks, longs returned to their best levels and closed with gains of up to $\frac{1}{4}$.

The Industrial market opened steady on the first day of the new account. Most sectors fluctuated narrowly during the day in very quiet business conditions and prices closed around overnight levels. Electricals were slightly better, while among secondary issues, United Scientific and Farnell were sharply higher on persistent investment demand. Clearing Banks were firm on institutional support and Bank of Scotland encountered speculative buying on vague takeover gossip. Royal Bank of Scotland hardened in anticipation of the Monopolies Commission report in the New Year. Among unchanged Merchant Banks, Guinness Peat were better awaiting the expected partial bid developments. In the Food sector, Huntley and Palmer made further progress on news that Rowntree have increased their shareholding to 23.5% by way of a small 'dawn raid'. Shipping shares were active with European Ferries and P. & O. expected to benefit from increased ferry charges. Kaffirs were marginally higher in line with the gold price.

Financial Times Index (3.00 p.m.) 518.6 (down 0.2)

<u>C.N.D.</u>	Sales		NIL
	Purchases	£	2,070,000
	Nett Purchases on balance		2,070,000

<u>BANK</u>	Sales		NIL
	Purchases	£	398,000
	Nett Purchases on balance	£	398,000