

Tuesday, 12th January 1982

The Gilt-Edged market has again been extremely quiet with the confirmation of a railway strike and an easier trend in sterling adding to the uncertainties. Prices generally opened about $\frac{1}{4}$ easier, and with only a small amount of dealing throughout the day, the market changed but little, and closed $\frac{1}{8}$ - $\frac{1}{4}$ down in short-dated stocks and $\frac{1}{4}$ - $\frac{3}{8}$ lower in longs.

The Industrial market opened dull following the overnight decline on Wall Street caused by the fear of increased interest rates. Sentiment was further affected by the impending rail strike and the threat of a Coalminers' strike in support of their pay claim. However, there was very little selling pressure and most sectors rallied in later business to close above the worst levels. Electricals weakened on continuing fears of a rights issue from Thorn-EMI to accompany interim results on Thursday and Racal eased ahead of tomorrow's half-yearly report. Insurance shares were steady while Hogg Robinson improved on interim figures that exceeded expectations. In the Banking sector, both Standard Chartered and Hong Kong and Shanghai Bank were lower on further consideration of yesterday's report that their rival bids for Royal Bank of Scotland have been blocked. Royal Bank shares were unchanged. Building shares were quiet although SGB hardened following encouraging results. Turner and Newall encountered speculative demand on suggestion of a forthcoming "dawn-raid". Stores, Breweries and Foods were generally lower throughout on lack of support. Kaffirs eased despite an unchanged bullion price.

Financial Times Index (3.00 p.m.) 524.6 (down 6.0)

C.N.D.

Sales and Purchases NIL

BANK

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