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In the U.S. over-the-counter market, Jaguar shares trading as American Depositary Receipts closed at \$ 13.625, up \$ 1.75.

Analysts expect Ford will make the first move, perhaps today, with an initial offer of about 900 pence (\$ 14.25) a share.

Such a proposal values Jaguar at more than # 1.6 billion (\$ 2.53 billion).

Speculation about a takeover fight has sent Jaguar shares soaring in the past six weeks.

The share price was languishing at about 400 pence before Ford's Sept. 19 announcement of its interest in a minority stake.

Ford is "in the driving seat at the moment," observed Bob Barber, an auto analyst at brokers James Capel & Co.

An aggressive Ford bid for Jaguar would put pressure on GM to make a better offer as the British company's "white knight."

Such a countermove could end Jaguar's hopes for remaining independent and British-owned.

But it is n't clear how long GM would be willing to fight Ford for Jaguar.

Because of their longstanding rivalry, GM just "wants to make sure Ford pays a huge packet for (Jaguar)," said John Lawson, an auto analyst at London's Nomura Research Institute.

People close to the GM-Jaguar talks agreed that Ford now may be able to shut out General Motors.

"It's either going to be a shootout, or there only may be one player in town," one person said.

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