

Tuesday, 19th January, 1982.

A sharp overnight recovery in U.S. bonds, favourable press comment and increased optimism over current pay negotiations all combined to encourage funds into the Gilt-edged market. Longs opened with rises of $\frac{3}{4}$ and shorts improved by up to $\frac{5}{16}$. A strong demand was seen for the short tap which ran out leaving most buyers satisfied and short prices fluctuated narrowly for the rest of the day closing just below their best but still showing rises of up to $\frac{3}{8}$. Longer stocks continued to see good demand and, despite some profit-taking, improved to close with gains of up to 1 point.

The Industrial market opened higher with institutional investment continuing on hopes that the Coalminers' pay dispute will be resolved. Most sectors hardened during the day closing around the best levels. Leading blue chip companies were well supported with Glaxo and Unilever particularly strong features. Electricals rallied after recent weakness, although Racal were unchanged following last week's rather disappointing interim figures. MEPC were flat on the announcement of a £65 million rights issue and other Property shares eased in sympathy. Building issues were firm on hopes of a more favourable outlook for the sector. Insurance stocks made further progress on persistent buying interest and Eagle Star continued to rise on takeover speculation. Foods, Breweries and Engineers were generally better throughout. Kaffirs improved in line with the bullion price.

Financial Times Index (3.00 p.m.) 544.4 (up 3.7)

<u>C.N.D.</u>	Sales	£	73,556,000
	Purchases		NIL
	Nett Sales on balance	£	73,556,000
<u>BANK</u>	Sales	£	203,966,000
	Purchases	£	10,814,000
	Nett Sales on balance	£	193,152,000