

Monday, 22nd February, 1982.

The Gilt-Edged market has been firm all day with only occasional pauses in the upward movement. Encouraged by the latest U.S. money supply figures and press comment thereon, buyers came in strongly at the opening, concentrating largely on the short tap Exchequer 13<sup>1</sup>/<sub>4</sub>% 1987 A. The authorities' remaining stock was sold at 21 (20% paid), a rise of <sup>3</sup>/<sub>4</sub> from their last price. Both shorts and longs continued in demand for most of the day thereafter, although the Indexed stocks continued to be neglected and closed unchanged. By the close shorts were showing rises of up to 1 point, although the short tap closed at 21<sup>1</sup>/<sub>2</sub>, up 1<sup>1</sup>/<sub>8</sub> on the day. There was also demand for the low coupon tap Treasury 3% 1987 where the authorities sold a good amount of stock at 64<sup>7</sup>/<sub>8</sub> and finished at that price. Longs closed about 1<sup>1</sup>/<sub>2</sub> to 2 points higher on the day, although demand in this area was accentuated by shortage of stock.

The Industrial market opened slightly better at the beginning of the second week in the current account. Most sectors hardened during the day, encouraged by the possibility of a cut in American prime rates and prices closed around the best levels in rather quiet business conditions. Leading 'blue-chip' companies were firm although ICI eased as some nervous sellers appeared prior to this week's annual figures. Clearing Banks met sustained institutional demand following Friday's excellent results from Lloyds and favourable week-end press comment. National Westminster made further progress ahead of tomorrow's yearly report. Insurance shares were well supported with Eagle Star particularly strong on persistent takeover speculation. Oil issues remained dull on continuing fears of lower crude prices to counter falling demand. The Building and Property sectors improved on hopes of easier domestic interest rates. Kaffirs were weak in line with the bullion price.

Financial Times Index (3.00 p.m.) 567.6 (up 5.3)

C.N.D.

Sales	£ 54,013,000
Purchases	NIL
Nett Sales on balance	£ 54,013,000

BANK

Sales	£ 145,287,000
Purchases	NIL
Nett Sales on balance	£ 145,287,000