

Wednesday, 24th February, 1982.

The Gilt-Edged market has still been attempting to find its correct level after the recent rise and the substantial take-up of stock from the authorities. Prices initially opened slightly easier but sellers continued to appear during the morning, in spite of the encouraging cuts in banks' base rates, and the market drifted gently away virtually throughout the day, with only minor intermittent rallies. By the close shorts had lost up to  $\frac{3}{8}$ , with the recent tap Exchequer 13 $\frac{1}{4}$ % 1987 A closing at 20 $\frac{3}{16}$ , and longs were about  $\frac{3}{4}$  lower.

The Industrial market opened lower, affected by reports that the Chancellor's forthcoming budget will be rather strict. Most sectors declined further during the day as sellers predominated despite the news of a small cut in domestic base lending rates. Prices closed around the worst levels in subdued trading conditions. Among easier 'blue-chip' companies, ICI were marked down ahead of tomorrow's annual figures. Clearing Banks were flat on fears that falling interest rates will restrict profit margins. Insurance shares were dull and Commercial Union reacted to profit-taking after yesterday's improvement on favourable results. In a weak Electrical sector, Hoover eased following the anticipated announcement of substantial losses last year and no dividend payment. Plessey drifted back prior to this week's interim statement. Builders, Engineers and Stores were generally lower throughout on lack of support. Kaffirs were marginally better in line with the gold price.

Financial Times Index (3.00 p.m.) 551.1 (down 7.9)

<u>C.N.D.</u>	Sales	£	2,056,000
	Purchases	£	3,383,000
	<b>Nett Purchases on balance</b>	<b>£</b>	<b>1,327,000</b>
<u>BANK</u>	Sales	£	2,318,000
	Purchases		NIL
	Nett Sales on balance	£	2,318,000