

Tuesday, 4th May, 1982.

Having seen how prices might react to a successful resolution of the Falklands dispute, the Gilt-edged market opened with rises of up to  $\frac{1}{2}$  point in the shorts and 1 point in the longs. This was well below the rises attained late on Friday when gains of up to 3 points were recorded on reports of a settlement. Trading remained light with a few sellers in the ascendant and prices slipped back by  $\frac{1}{4}$  in the shorts and  $\frac{1}{2}$  in the longs. A little buying developed in the shorts which recovered  $\frac{1}{8}$  but on the whole the market remained extremely quiet, awaiting further news. By the close shorts were up by  $\frac{3}{8}$  and longs by  $\frac{1}{2}$ . Index-Linked stocks remained unchanged.

The Industrial market opened lower following Friday night's sharp improvement on unfounded rumours of a settlement to the Falkland Islands situation. An escalation of the conflict over the week-end failed to create any selling pressure and selective investment demand caused most sectors to move ahead during the day, closing around the best levels in extremely thin and volatile trading conditions. Leading 'blue-chip' companies were firm with ICI and Glaxo particularly strong features on favourable press comment. Stores were higher although U.D.S. declined ahead of forthcoming results and fears of a dividend reduction. The Building and Property sectors were better on hopes of a further interest rate cut that would assist business prospects. Oil issues improved on suggestions of another petrol price rise. Electrical and Engineering shares were generally better throughout. Kaffirs were dull as the bullion price weakened.

Financial Times Index (3.00 p.m.) 585.5 (up 10.4)

C.N.D. Sales )  
Purchases)

NIL

BANK

Sales  
Purchases  
Nett Sales on balance

£ 35,408,000  
NIL  
£ 35,408,000