

Thursday, 13th May, 1982.

The Gilt Edged market opened $\frac{1}{8}$ - $\frac{1}{4}$ easier this morning. There were no further major apparent developments in the Falklands dispute, and with the U.S. bond market slightly easier, our market gave up a little of yesterday's rise. The only exception was the Index-Linked stocks which improved slightly, and the authorities were able to sell a small amount of the 1988 stock at $97\frac{5}{8}$. For the rest of the day the market saw very small fluctuations but ended the day at around opening levels, except for some of the longer shorts, which closed up to $\frac{3}{8}$ down.

The Industrial market opened easier and prices continued to fall during the day on rumours of a military escalation in the Falkland Islands crisis. Most sectors closed around the worst levels in quiet and featureless business conditions. Oil issues were dull with Ultramar sharply lower following disappointing first-quarter results. Brewery shares declined although Vaux improved on interim profits that exceeded market estimates. Electricals weakened as leading companies encountered widespread profit-taking after recent gains. Banks and Insurances fluctuated narrowly, while Discount shares were firm on encouraging trading news from both Seccombe Marshall and King and Shaxson. Kaffirs drifted lower as the gold price eased.

Financial Times Index (3.00 p.m.) 584.5 (down 6.4)

| | | | |
|---------------|-----------------------|---|-----------|
| <u>C.N.D.</u> | Sales) | | |
| | Purchases) | | NIL |
| <u>BANK</u> | Sales | £ | 5,367,000 |
| | Purchases | | NIL |
| | Nett Sales on balance | £ | 5,367,000 |