

Wednesday, 19th May, 1982.

The Gilt-Edged market opened slightly easier this morning, but with continuing worries about the situation in the South Atlantic combined with renewed caution on the prospects for U.S. interest rates, prices tended to ease in the face of light selling. Although the market rallied somewhat in mid-morning, this improvement was soon reversed and the market closed at the lowest of the day with shorts up to $\frac{3}{8}$ easier while longs were up to $\frac{3}{4}$ down. Index-Linked stocks held their ground or improved marginally, with the authorities being able to sell a small amount in the longer end.

The Industrial market opened barely steady, nervously awaiting new developments in the South Atlantic. Prices reacted sharply on belief that prospects of a peaceful settlement were becoming more remote, and with buyers unwilling to be committed most sections closed at the worst levels. Shell Transport failed to hold the initial rise despite the better than expected first quarter figures, while Blue Circle were particularly dull on a downgrading of profits estimate. Associated News provided a lone feature on the Oil strike announcement in the North Sea while Grand Metropolitan eased on fears of a rights issue. Kaffirs moved in line with the higher gold fix price.

Financial Times Index (3.00 p.m.) 561.4 (down 11.0)

<u>C.N.D.</u>	Sales	£	2,199,000
	Purchases	£	5,627,000
	Nett Purchases on balance	£	3,428,000
<u>BANK</u>	Sales	£	14,356,000
	Purchases	£	7,239,000
	Nett Sales on balance	£	7,117,000