

Monday, 21st June, 1982.

With the U.S. interest rate picture becoming ever more confused, and with expectations growing of an increase in prime rates, the sterling/dollar rate and the Gilt Edged market both suffered in consequence. Gilts opened up to  $\frac{3}{8}$  lower and saw spasmodic selling during the day, although turnover continued to be very light. As a result prices drifted, and although closing just above the worst, still showed losses of up to  $\frac{7}{16}$  in shorts and  $\frac{3}{4}$  in longs. The Index-Linked stocks were no longer able to resist the downward drift and closed about  $\frac{1}{4}$  lower.

The Industrial market opened easier on the first day of the new account. Sentiment was adversely affected by the sustained high level of American interest rates. Most sectors continued to decline during the day but closed just above the worst as several cheap buyers appeared. Electricals were lower although Racal remained steady ahead of tomorrow's annual figures. Among otherwise weak Stores, U.D.S. and F. W. Woolworth were better on vague bid speculation. Building and Property issues were dull on fears of rising money rates. Oil shares fell on American influences despite the prospect of higher petrol prices. Kaffirs were flat in line with the lower value of gold.

Financial Times Index (3.00 p.m.)

549.1 (down 8.9)

C.N.D.

and Sales and Purchases

NIL

BANK