

Monday, 5th July, 1982.

The Gilt-Edged market turned firm today, aided in part by the fall in the U.S. money supply. After opening up to about $\frac{3}{8}$ better prices improved during the morning, with buyers continuing to come in as the levels rose. By lunchtime short-dated stocks were up to $\frac{1}{2}$ better, the authorities having sold the tap stock Treasury 12 $\frac{1}{4}$ % Convertible 1986 at 30 $\frac{1}{4}$ and finished at that price. Longs showed rises of up to $\frac{7}{8}$ over the same period. During the afternoon shorts showed little further change while longs improved slightly to close around 1 point higher on the day. Index-Linked remained largely untested and closed about $\frac{1}{8}$ up.

The Industrial market opened slightly easier on the first day of the new account with sentiment adversely affected by the beginning of another rail strike. However, there was no selling pressure and most sectors improved on hopes of a cut in domestic interest rates with prices closing at the better levels in quiet business conditions. Electricals were well supported with G.E.C. sharply higher on further consideration of last week's excellent annual results. Ferranti made further progress on revived takeover gossip, although Thorn-EMI weakened on talk of a possible rights issue. Clearing Banks hardened following encouraging week-end press comment, while, among Merchant Banks, Guinness Peat announced details of the sale of their commodities division and were re-quoted at 48p against a suspension price of 57p. Stores, Breweries and Foods were generally higher on selective investment interest. Oils remained dull on fears of further petrol price reductions. Kaffirs were marginally better in line with the gold price.

Financial Times Index (3.00 p.m.) 546.1 (up 3.1)

<u>C.N.D.</u>	Sales and Purchases		NIL
<u>BANK</u>	Sales	£	124,481,000
	Purchases		NIL
	Nett Sales on balance	£	124,481,000