

Monday, 12th July, 1982.

The Gilt-Edged market again took its cue from the performance of U.S. bonds, and hopes that rates generally may come down. Prices opened about $\frac{1}{4}$ better in shorts and $\frac{3}{4}$ better in longs, and saw a fair amount of buying at this level. As a result official supplies of the short tap Treasury 12 $\frac{1}{4}$ % Convertible 1986 were exhausted at 30 $\frac{3}{4}$ and the market generally improved in early dealings to show rises of up to 1 $\frac{3}{8}$ in longs. At the higher levels dealing became more two-way but the market retained a firm undertone during the afternoon to close up to $\frac{3}{8}$ better in shorts, with the convertible closing at 30 $\frac{23}{32}$, and up to 1 $\frac{3}{8}$ higher in longs.

At the close of business the issue was announced of six further tranches, of £100 million each, of existing Gilt-Edged stock.

The Industrial market opened higher, anticipating a reduction in base rates this week. However, there was very little follow-through and prices closed below the best levels in subdued business conditions. Among leading 'blue-chip' companies, Glaxo continued to attract investment demand on favourable prospects. Dunlop improved on news of the sale of their remaining Malaysian rubber plantation interests for £73 million. Oil issues were dull as the OPEC meeting failed to reach agreement on pricing and production limits. Clearing Banks were unchanged, while Discount House shares were firm on hopes of interest rate cuts. Electricals were generally better although G.E.C. met renewed profit-taking after recent strength. Rank Organisation weakened following disappointing interim figures. Kaffirs hardened in line with the increased bullion price.

Financial Times Index (3.00 p.m.) 556.4 (up 3.7)

<u>C.N.D.</u>	Sales	£	7,055,000
	Purchases	£	7,055,000
<u>BANK</u>	Sales	£	54,963,000
	Purchases		NIL
	Nett Sales on balance	£	54,963,000