

Tuesday, 7th September, 1982.

The Gilt-edged market opened slightly better with short prices  $\frac{1}{8}$  higher than the previous close and longs showing gains of up to  $\frac{1}{4}$ . Trading remained at a low ebb but the continued absence of selling encouraged a few buyers and prices improved a further  $\frac{1}{8}$  throughout the list. A firm opening to the U.S. bond market caused a rise of  $\frac{1}{16}$  in the shorts and  $\frac{1}{8}$  in the longs but the publication of the banking statistics and the forecast of a rise of  $1\frac{1}{4}$  to  $1\frac{1}{2}$  in £M3 deterred any follow through and prices slipped back to the pre-lunch levels. Apart from the disappointment caused by the rise in £M3 the figures contained nothing to alarm the market, which closed on a quiet note with shorts showing gains of up to  $\frac{1}{4}$  and longs of up to  $\frac{3}{8}$ .

The Industrial market opened slightly higher, extending the recent firmer tone. Prices improved initially but lack of follow through caused most sections to react and generally close marginally easier on balance. Store, Food and Brewery shares registered rises on balance, while Oil issues failed to maintain the best levels. Defence stocks met profit-taking, while Banking issues continued to be dominated by the I.M.F. Conference. I.M.I. interim figures proved disappointing with other Engineering issues easing in sympathy. Kaffirs failed to maintain the best levels despite the higher levels seen on the gold fix price in recent trading.

Financial Times Index (3.00 p.m.) 591.4 (down 2.5)

|               |                           |   |            |
|---------------|---------------------------|---|------------|
| <u>C.N.D.</u> | Sales                     | £ | 4,725,000  |
|               | Purchases                 | £ | 5,018,000  |
|               | Nett Purchases on balance | £ | 293,000    |
| <u>BANK</u>   | Sales                     | £ | 17,407,000 |
|               | Purchases                 |   | NIL        |
|               | Nett Sales on balance     | £ | 17,407,000 |