

Tuesday, 21st September, 1982.

The Gilt-edged market opened firmly, encouraged by the strength of the U.S. bond market, and the lower rate of inflation forecast by the Chancellor of the Exchequer. Prices opened $\frac{5}{16}$ above the list in the shorts and $\frac{1}{2}$ in the longs, which incorporated after-hours gains of $\frac{1}{8}$ and $\frac{1}{4}$ respectively. Some demand was seen and a further $\frac{1}{8}$ was added throughout before profit-taking trimmed the rise in the shorts by $\frac{1}{16}$. Demand tended to concentrate in the long end of the market where a shortage of stock developed and, although the demand was never unduly heavy, it remained persistent throughout the day. By the close short prices had recovered to show gains of up to $\frac{7}{16}$ while mediums were up by $\frac{3}{4}$ and longs had risen by up to 1 point.

The Industrial market was initially higher and most sectors continued to improve during the day on sustained institutional investment demand, closing around the best levels. Among otherwise firm leading 'blue-chip' companies, Fisons reacted on profit-taking after yesterday's favourable results. In a strong Stores sector, F.W. Woolworth were suspended at $57\frac{1}{2}$ p pending an announcement thought to concern certain property sales. Building shares were better while Barratt Developments made further progress following the excellent annual figures. Engineering issues improved with both British Aerospace and N.E.I. higher on interim profits much as anticipated. Breweries and Electricals were generally firm on widespread buying interest. Kaffirs were marked up as the bullion price increased.

Financial Times Index (3.00 p.m.) 575.4 (up 10.5)
(Estimate only due to industrial action)

C.N.D. Sales and Purchases NIL

BANK

Sales	£123,253,000
Purchases	£ 24,281,000
Nett Sales on balance	£ 98,972,000