

Wednesday, 29th September, 1982.

Press comment and an improved U.S. bond market encouraged the Gilt-edged market to open higher. Short prices were marked up  $\frac{1}{4}$ , mediums  $\frac{1}{2}$  and longs by up to  $\frac{5}{8}$ . This rise discouraged early buying but produced some sellers and so prices were quickly reduced by  $\frac{1}{8}$  in the shorts and by  $\frac{1}{4}$  throughout the rest of the list. At this level a little buying was seen and prices slowly recovered to their better levels. The announcement that the new Exchequer  $10\frac{1}{2}\%$  1988 had been oversubscribed at a point over the minimum tender price had little impact. However, another reduction in the rates at which the authorities dealt in the money market caused an  $\frac{1}{8}$  improvement in the longs. By the close prices had edged downwards below their best but shorts still showed gains of up to  $\frac{3}{16}$ , mediums  $\frac{3}{8}$  and longs of up to  $\frac{1}{2}$ .

The Industrial market opened unchanged from overnight levels. Prices fluctuated narrowly during the day with no definite trend emerging. However, the undertone remained cautiously optimistic on hopes of an impending cut in domestic interest rates. Among leading 'blue-chip' companies, Glaxo made further progress as brokers upgraded profit estimates ahead of the forthcoming results. Engineering issues eased following adverse press comment on future prospects. In the Stores sector, House of Fraser improved on the interim report, while F. W. Woolworth hardened on speculative support, awaiting further bid developments. Building shares were quiet, although Ready Mixed Concrete weakened after lower interim profits. Kaffirs were marginally better despite an easier bullion price.

Financial Times Index (3.00 p.m.) 586.0 (down 1.6)

<u>C.N.D.</u>	Sales and Purchases		NIL
<u>BANK</u>	Sales	£	15,109,000
	Purchases		NIL
	Nett Sales on balance	£	15,109,000