

Wednesday, 6th January 1982

With slightly more encouraging news from the U.S. bond market, and with press comment on the money figures not discouraging, prices in the Gilt-Edged market opened up to $\frac{1}{4}$ better. This higher level however attracted a few sellers of longs, and although shorts largely held their better prices, longs reverted to overnight levels. By lunchtime prices had improved marginally again, and in the afternoon with U.S. bonds again coming in better, the market continued to edge higher so that by the close shorts were up to $\frac{7}{16}$ higher, with longs showing rises of about $\frac{1}{4}$.

The Industrial market opened lower with sentiment influenced by the sharp overnight reverse on Wall Street. However, there was very little selling pressure and most sectors recovered during the day closing slightly higher on balance. Oils were dull following adverse press comment, although among secondary issues Candecca improved on news of a merger of exploration interests with Tarmac. In firm Engineers, T.W. Ward were particularly strong as the board rejected an improved offer from RTZ. Foods were quiet but Tate & Lyle and S & W Berisford hardened on institutional investment demand prior to forthcoming results. Peninsular & Oriental were better in active two-way trade or revived bid speculation. Stores and Electricals were generally easier on lack of support. Royal Bank of Scotland were firm awaiting the Monopolies Commission report while Bank of Scotland made further progress on renewed takeover suggestion. Kaffirs weakened in line with the bullion price.

Financial Times Index (3.00 p.m.) 520.0 (up 1.9)

C.N.D.

Sales		NIL
Purchases	£	880,000
Nett Purchases on balance	£	880,000

BANK

Sales	£13,702,000
Purchases	499,000
Nett Sales on balance	£13,203,000