

Thursday, 21st January, 1982.

The Gilt Edged market opened steady this morning, but fairly soon buyers began to appear and the market resumed its gentle but persistent upward trend. There was enough demand for the authorities again to sell a certain amount of stock, and the market remained basically firm throughout the day, although suffering minor fluctuations from time to time. The slight fall in short-term rates was again a helpful factor. By the close the whole market was showing rises of around $\frac{3}{8}$.

The Industrial market opened steady. Most sectors improved on confirmation that a possible coalminers' strike has been averted and on hopes of lower interest rates. Investment demand was sustained during the day and prices increased across a broad front, closing at the best levels. Leading 'blue-chip' companies were well supported with ICI and Glaxo particularly strong. Oils were initially dull on rumours of a large rights issue by Ultramar which did not materialise and prices rallied in later trading. The Banking sector was generally better with Bank of Scotland moving ahead on revived takeover gossip. Insurance issues were firm with Commercial Union higher on bid speculation, although Eagle Star weakened following the overnight denial of a full-scale offer by Allianz of Germany. Engineers and Electricals made widespread gains on persistent institutional buying. Foods and Stores were higher throughout with rises exaggerated by a shortage of stock. Kaffirs improved in line with the bullion price.

Financial Times Index (3.00 p.m.) 555.4 (up 9.6)

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| <u>C.N.D.</u> | Sales | £ 41,665,000 |
| | Purchases | NIL |
| | Nett Sales on balance | £ 41,665,000 |
| <u>BANK</u> | Sales | £ 48,720,000 |
| | Purchases | £ 7,678,000 |
| | Nett Sales on balance | £ 41,042,000 |