

Wednesday, 27th January 1982.

The Gilt edged market opened cautiously  $\frac{1}{4}$  below the high levels attained after hours, when rises of up to  $\frac{5}{8}$  were seen. Reaction to the 'State of the Nation' speech by President Reagan was awaited and when no selling appeared prices edged better. This encouraged a few buyers and the market soon regained the best levels and even moved ahead by a further  $\frac{1}{8}$ . Without much activity and with further progress looking unlikely a few profit-takers appeared and prices slipped again, only to recover on news that the U.S. Bond market had opened strongly. By the close shorts were showing rises of up to  $\frac{1}{2}$  from the previous 3.30 close and longs had gained up to  $\frac{7}{8}$ .

The Industrial market opened higher extending the recent firm trend. However, investment support was not sustained and prices drifted easier. Most sectors closed slightly better on balance with the undertone remaining cautiously optimistic. Leading 'Blue-chip' companies were firm although Glaxo weakened following adverse press comment. Clearing Banks were quiet but National Westminster improved ahead of forthcoming results. Union Discount were sharply higher after excellent annual profits and increased dividend. Other Discount House shares were marked up in sympathy. In the Food sector, Associated Dairies were steady on interim figures that equalled market estimates. Huntley and Palmer eased on rumours that Allied Breweries have sold their shareholding and will not make a counter bid to that of Rowntree Mackintosh. Electricals fluctuated narrowly in two-way trade. Among secondary issues, Eurotherm made significant progress following encouraging final results. Stores continued to attract demand on hopes of an improved business outlook. Kaffirs were well supported in line with the firm gold price.

Financial Times Index (3.00 p.m.) 570.7 (up 1.8)

C.N.D.

Sales	NIL
Purchases	£ 1,089,000
Nett Purchases on Balance	£ 1,089,000

BANK

Sales	£46,822,000
Purchases	£ 4,522,000
Nett Sales on balance	£42,300,000