

Thursday, 28th January 1982

The Gilt-Edged market opened slightly easier this morning, but this was little more than a reaction to the rises of yesterday, and investors' desire to await the result of the tender for the new Index-Linked stock. The market remained quiet throughout the morning with prices generally recovering a little. The announcement in the early afternoon that the allotment price of the Index-Linked stock was 90, coincided with news that U.S. bonds had opened better, and as a result prices improved throughout the market. By the close short-dated stocks were showing rises of $\frac{1}{8}$ - $\frac{1}{4}$ while longs were about $\frac{1}{4}$ - $\frac{1}{2}$ up on the day on balance. The two existing Index-Linked stocks which had been virtually unchanged during the morning improved during the afternoon to close about $\frac{1}{4}$ up on the day in both cases.

The Industrial market opened slightly easier. Most sectors were narrowly mixed during the day with no definite trend emerging and prices closed around the worst levels in rather subdued business conditions. Among Financials, Midland Bank weakened on suggestions of a large rights issue to accompany forthcoming results and problems over the Crocker National acquisition. Union Discount encountered profit-taking following recent strength. Food shares were unchanged although Fitch Lovell improved after an encouraging report and interim figures. In a quiet Paper sector, DRG were flat on news of trading irregularities by their South African subsidiary. Bass were dull following a bearish AGM statement and other Breweries were marked down in sympathy. Inchcape hardened on satisfactory half-year profits and the absence of a rights issue which had been recently rumoured. Electricals, Engineers and Stores were generally easier throughout on lack of interest. Kaffirs were marginally lower in line with the gold price.

Financial Times Index (3.00 p.m.) 566.3 (down 2.6)

C.N.D.

Sales	NIL
Purchases	NIL

BANK

Sales	£10,458,000
Purchases	630,000
Nett Sales on balance	£ 9,828,000