

Wednesday, 3rd February, 1982.

With U.S. bonds coming in rather better and with sterling remaining firm, the Gilt Edged market had been firmer after hours last night. This movement was continued this morning and prices opened up to $\frac{1}{2}$ better. At this level prices hesitated, but with trading generally thin, a small amount of buying in the longer end was sufficient to push prices higher during the morning, so that by lunchtime the longs were up to 1 point better. During the afternoon this buying was not sustained, and with the U.S. market turning round yet again, prices eased, particularly in the shorts, to close about $\frac{1}{4}$ up on balance in shorts and up to $\frac{7}{8}$ higher in longs.

The Index-Linked stocks continued to recover and the 2011 stock closed at $35\frac{3}{4}$ (35% paid).

The Industrial market opened steady. Most sectors improved during the day on hopes that the recent increase in American prime rates will be a temporary measure. Prices closed around the best levels with jobbers encountering sustained investment demand. Leading "blue-chip" companies were well supported with Beecham and Glaxo particularly strong features. Fisons made further progress on hopes of a full-scale bid approach following the recent fertiliser division sale. Electricals met persistent institutional buying and Muirhead hardened on renewed takeover speculation. The Building and Property sectors were firm on consideration of possible lower interest rates. Breweries, Foods and Stores were generally better throughout on selective demand. Kaffirs eased in line with the gold price.

Financial Times Index (3.00 p.m.) 579.8 (up 8.6)

<u>C.N.D.</u>	Sales	£	3,155,000
	Purchases	£	3,891,000
	Nett Purchases on balance	£	736,000
<u>BANK</u>	Sales	£	9,651,000
	Purchases	£	5,018,000
	Nett Sales on balance	£	4,633,000