

Thursday, 4th February, 1982.

Following the easier trend in U.S. bonds, the Gilt-Edged market opened a little lower this morning with prices falling by up to $\frac{1}{4}$. However this trend did not last, and although trading remained very thin, a certain amount of buying did appear throughout the market and prices recovered well, to convert the early losses into gains of up to $\frac{3}{8}$ on balance during the morning. Little change occurred during the afternoon, and prices closed about $\frac{1}{4}$ up in shorts, and up to $\frac{3}{8}$ better in longs. The Index-Linked stocks saw very little trade and closed slightly down on the day, with the 2001 stock at $35\frac{1}{2}$.

The Industrial market opened slightly lower following the overnight decline on Wall Street. Prices, however, rallied on the reappearance of buying interest but lack of follow through caused most sections to react during the remainder of the day and close easier on balance. Lucas were a dull feature on the announcement of the Aerospace division redundancies with similar shares lower in sympathy, while Vaux Breweries eased on the AGM statement and hotel purchase from Grand Metropolitan. British American Tobacco met demand on the Brazilian subsidiary figures with Oil issues again a weak sector, still reflecting the on-going price war. Kaffir shares were selectively firmer on the gold fix price.

Financial Times Index (3.00 p.m.) 573.7 (down 4.3)

C.N.D. Sales and Purchases NIL

<u>BANK</u>	Sales	£	8,874,000
	Purchases	£	29,613,000
	Nett Purchases on balance	£	20,739,000