

Tuesday, 9th February 1982

The Gilt-Edged market which had been up to $\frac{1}{4}$ higher after hours yesterday, lost this improvement this morning and opened showing little change from 3.30 prices. In spite of an easier overnight U.S. bond market, prices remained steady throughout the morning, showing only minor fluctuations in very thin trading. During the afternoon U.S. bonds again came in easier and the Bank's forecast of money supply growth showed a rise of $1\frac{1}{2} - \frac{3}{4}$ which was rather higher than expected. As a result all sections of the market were marked down to show losses of up to $\frac{3}{8}$ from yesterday's close. However, these new levels failed to increase the level of activity and the market closed the day quietly at or around these lower prices.

The Industrial market opened easier following the overnight weakness on Wall Street. Most sectors fluctuated narrowly during the day but prices closed at the lowest levels with sentiment further affected by the money supply figures which were worse than anticipated. Leading Electricals were particularly weak on widespread profit-taking while among secondary issues, United Scientific improved on the annual report. Muirhead were unchanged awaiting possible takeover developments. Oil shares were steady on hopes that OPEC will reduce production in an attempt to halt the threat of further price cuts. The Building and Property sectors were dull on fears of higher interest rates. Stores, Foods and Breweries were generally lower throughout on lack of support. Kaffirs fell in line with the bullion price.

Financial Times Index (3.00 p.m.) 562.7 (down 8.0)

C.N.D.

Sales and Purchases NIL

BANK

Sales	NIL
Purchases	£34,541,000
Nett Purchases on balance	£34,541,000