

Thursday, 4th March, 1982.

Encouraged by continuing press speculation on the possibility of lower interest rates, the Gilt-Edged market turned firm again today, following its quiet and steady performance yesterday. After opening about  $\frac{1}{8}$  better, prices continued to improve throughout the day under the influence of relatively small but steady buying, and although closing just below the best, short-dated stocks finished up to  $\frac{1}{2}$  better, while longs were  $\frac{3}{4}$  - 1 point up on the day. The Index-Linked stocks were somewhat more active with some switching into the 2011 stock, both from fixed interest and from other Index-Linked stocks. This enabled the authorities to sell further stock at 36.

The Industrial market opened lower following the overnight setback on Wall Street. However, there was no selling pressure and prices recovered to close slightly better on balance. Business conditions were subdued ahead of next week's important Budget. Building shares were well supported in anticipation of an improved outlook that would accompany the expected reduction of mortgage rates. Breweries were dull on consideration of a further decline in beer production. However, Grand Metropolitan hardened on the chairman's optimistic statement. Oils weakened on continuing fears of more cuts in crude oil prices and Ultramar fell after adverse press comment on future prospects following yesterday's excellent results. Electricals and Engineers fluctuated narrowly in quiet trading. Clearing Banks were firm on a favourable newspaper article and Insurance issues rose on selective investment demand. Kaffirs were lower in line with the gold price.

Financial Times Index (3.00 p.m.) 557.5 (up 2.3)

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|---------------|-----------------------|---|------------|
| <u>C.N.D.</u> | Sales                 | £ | 15,416,000 |
|               | Purchases             | £ | 1,603,000  |
|               | Nett Sales on balance | £ | 13,813,000 |
| <u>BANK</u>   | Sales                 | £ | 30,977,000 |
|               | Purchases             | £ | 11,780,000 |
|               | Nett Sales on balance | £ | 19,197,000 |