

Friday, 5th March, 1982.

With U.S. bonds firm overnight and with continuing press comment on the possibility of a fall in our interest rates, the Gilt-Edged market opened firm with rises of up to  $\frac{1}{2}$  in the longer end. Buyers still came in initially at these levels and at one time during the morning shorts were up to  $\frac{1}{2}$  higher while longs were  $\frac{3}{4}$  better. By lunchtime however the market had come off the top, and although during the afternoon shorts improved slightly on the higher bid for Treasury Bills, they soon lost this again to close up to  $\frac{3}{8}$  better, with longs about  $\frac{1}{2}$  up on the day. Further interest was shown today in Index-Linked 2011 stock, both from buyers and from switchers out of fixed coupons. As a result the authorities were able to sell stock at 36 and finish at that price, starting again in a small way at  $36\frac{1}{4}$ .

The Industrial market opened slightly easier at the end of the first week for the current account. Selective investment interest caused most sectors to improve during the day and prices closed at the best levels, although business conditions were subdued. Electricals were lower in active two-way trade with Thorn-EMI weak after yesterday's disappointing analysts' meeting. In a quiet Stores sector, F. W. Woolworth were dull following bearish press comment. Among the Financials, Clearing Banks and Insurance issues encountered institutional demand. R. P. Martin hardened on excellent interim figures and other Money Brokers were marked up in sympathy. Leading 'blue-chip' companies were firm with ICI a particularly strong feature. Kaffirs declined in line with the lower gold price.

Financial Times Index (3.00 p.m.) 559.0 (up 2.3)

<u>C.N.D.</u>	Sales	£	18,445,000
	Purchases	£	558,000
	Nett Sales on balance	£	17,887,000
<u>BANK</u>	Sales	£	31,170,000
	Purchases	£	23,365,000
	Nett Sales on balance	£	7,805,000