

Monday, 5th April, 1982.

The Gilt-Edged market reacted sharply today to the developments in the Falkland Islands dispute. After opening up to $\frac{1}{2}$ lower, the market saw substantial selling and prices were quickly and sharply lower throughout the morning, with the mid-morning news of the resignation of Foreign Office ministers adding impetus to the fall. At the lowest of the day short-dated stocks were up to $1\frac{7}{8}$ down while longs were as much as $2\frac{3}{4}$ - 3 points lower. With selling easing off somewhat during the afternoon prices closed above the worst but still showed falls of $1\frac{1}{2}$ and $2\frac{1}{2}$ points in shorts and longs respectively. Index-Linked were caught up in the general fall to close up to $1\frac{1}{4}$ points down on the day.

The Industrial market opened easier at the start of the second week of the long Easter account. Most sectors showed widespread falls during the day on selling caused by the Falkland Islands situation and subsequent Government resignations. Prices closed around the worst levels in subdued trading conditions. Among weak leading 'blue-chip' companies, Glaxo encountered profit-taking ahead of interim figures to be announced this evening. Clearing Banks, particularly Lloyds, were flat on fears concerning repayment of outstanding loans in Argentina. Property issues were lower following an adverse broker's circular and suggestion of a large rights issue within the sector. Building shares were marked down and Rugby Portland Cement eased despite encouraging final results and increased dividend. Electricals, Engineers and Stores declined across a broad front through lack of support. Kaffirs improved in line with the higher gold price.

Financial Times Index (3.00 p.m.) 555.8 (down 15.2)

<u>C.N.D.</u>	Sales		
	Purchases	£	993,000
	Nett Purchases on balance	£	993,000

<u>BANK</u>	Sales and Purchases		NIL
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