

Tuesday, 6th April, 1982.

Prices in the Gilt-Edged market continued to be dominated by the Falkland Islands position today, by its possible political effects and its impact on sterling and rates of interest. After opening up to about $\frac{3}{4}$ lower this morning, the market again saw substantial attempted selling and as a result prices fell away rapidly. Although the market steadied in the later morning, prices at lunchtime still showed losses of up to $1\frac{1}{4}$ in shorts and $2\frac{1}{2}$ in longs. Following the banking figures prices were marked up but with sellers appearing again some of the improvement was lost. Shortly before the close the market again improved and by the close shorts were showing losses of up to $\frac{7}{8}$ on the day, with mediums generally around $1\frac{1}{8}$ down and longs up to $2\frac{1}{8}$ lower on balance. Index-Linked continued to be affected by the general malaise and closed about $\frac{3}{4}$ down.

The Industrial market opened lower with sentiment still affected by the Falkland Islands crisis and suggestion of higher interest rates. Most sectors continued to fall during the day although prices closed above the worst as several buyers appeared at the cheaper levels. Among dull leading 'blue-chip' companies, Glaxo reacted on profit-taking following last night's sharp increase after excellent interim figures. The Property sector was weak, influenced by a £70 million rights issue from Hammerson whose shares were flat. Among Paper shares, Bowater were better on final profits that exceeded expectations, while British Printing made further progress after favourable press comment concerning yesterday's annual results. Electricals, Engineers and Builders were generally lower throughout. Kaffirs improved in line with the higher bullion price.

Financial Times Index (3.00 p.m.) 548.4 (down 11.5)

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| <u>C.N.D.</u> | Sales) | | |
| | Purchases) | | NIL |
| <u>BANK</u> | Sales | | NIL |
| | Purchases | £ | 41,059,000 |
| | Nett Purchases on balance | £ | 41,059,000 |