

Wednesday, 5th May, 1982.

Increasing conflict in the South Atlantic prompted an easier start to the Gilt-edged market. A few sellers appeared and prices were marked down  $\frac{7}{16}$  in the shorts and up to  $\frac{5}{8}$  in the longs, however an attempt to reduce them further produced buyers and by midday all the losses had been recouped. During the afternoon rumours of large scale military activity caused nervousness and the market retreated to its lowest level again, but in the absence of any confirmation prices closed  $\frac{1}{8}$  above their worst with the shorts showing losses of up to  $\frac{3}{8}$  and the longs of up to  $\frac{1}{2}$ .

The Industrial market opened sharply lower after the overnight news of the sinking of a British warship in the Falkland Islands conflict. However, there was very little selling pressure and prices fluctuated narrowly during the day in subdued trading conditions, closing slightly above the worst levels. In a quiet Food sector, J. Sainsbury were unchanged following slightly disappointing annual figures and scrip issue. General Accident were flat on the unexpected interim loss and other Insurance shares were lower in sympathy. Among Shipping issues, P. and O. were better on encouraging final results and increased dividend. Building and Property stocks continued to improve on hopes of a further cut in interest rates. Electricals and Engineers were generally easier throughout. Kaffirs were dull as the gold price declined.

Financial Times Index (3.00 p.m.) 574.2 (down 10.0)

<u>C.N.D.</u>	Sales		NIL
	Purchases	£	747,000
	Nett Purchases on balance	£	747,000
<u>BANK</u>	Sales	£	2,854,000
	Purchases	£	10,549,000
	Nett Purchases on balance	£	7,695,000