

Thursday, 6th May, 1982.

Hopes of an early diplomatic settlement of the Falklands dispute improved overnight and the Gilt-edged market opened with rises of up to 1 point throughout the list. The size of this rise deterred buyers and encouraged a little selling and prices slipped back by $\frac{1}{4}$ in the shorts and up to $\frac{3}{8}$ in the longs before the buyers re-emerged. These concentrated at the longer end of the market where prices quickly recovered to their better levels and in some cases pushed further ahead. Trade remained light and by the close some profit-taking had occurred. Prices finished below their best although still showing gains of up to $\frac{3}{4}$ in the shorts and up to $1\frac{1}{4}$ in the very long stocks.

The Industrial market opened sharply higher in response to increasing hopes of a diplomatic settlement to the Falklands conflict. However, business conditions were extremely thin and most sectors drifted back during the day on selective profit-taking, closing slightly better on balance. In the Stores sector, UDS were flat on disappointing final results and a halved dividend payment. Among Financials, Clearing Banks improved although Royal Bank of Scotland were easier following interim profits. Gerrard and National were better on favourable results and other Discount shares were marked up in sympathy. Food issues were firm with British Sugar better on significantly increased annual figures and dividend. Oils were marginally higher despite a gloomy AGM statement by the B.P. Chairman. Electricals hardened with "Defence" stocks being particularly strong features. Kaffirs were dull in line with the weak gold price.

Financial Times Index (3.00 p.m.) 577.7 (up 2.3)

<u>C.N.D.</u>	Sales	£	3,499,000
	Purchases	£	3,520,000
	Nett Purchases on balance	£	21,000
<u>BANK</u>	Sales	£	60,053,000
	Purchases	£	11,606,000
	Nett Sales on balance	£	48,447,000