

Friday, 7th May, 1982.

The Gilt-edged market opened very quietly. The results of the local elections together with a strong U.S. Bond market were encouraging, but the lack of progress towards a negotiated settlement in the Falklands dispute was disturbing. As a result there were few changes in the market. When it was seen that prices were remaining steady and that short term interest rates were tending to ease a few buyers appeared and prices began to improve. Conditions remained quiet and shorts managed only $\frac{1}{8}$ improvement before slipping $\frac{1}{16}$ to close just better on the day. Exceptionally two of the low coupon shorts jumped by $\frac{3}{4}$ but this was due more to technical reasons than to actual demand. Longs finished the day unchanged to $\frac{1}{4}$ better in places.

The Industrial market opened steady. Most sectors improved during the day on selective investment buying but trading conditions remained thin and mainly featureless. Electricals were well supported with Defence stocks, notably GEC, Plessey and Ferranti, particularly strong. Property and Building issues hardened on renewed hopes of a cut in interest rates. Oils were initially firm after favourable press comment but failed to hold the best levels, while Tricentrol were unchanged following interim results. Among Food issues, British Sugar weakened on fears that S. and W. Berisford will sell their large shareholding instead of making a second takeover attempt. In the Tobacco sector, Rothmans were dull following the bid denial while Imperial Group rose on a bullish newspaper article. Kaffirs were better in line with the higher gold price.

Financial Times Index (3.00 p.m.) 582.2 (up 5.3)

C.N.D. Sales)
Purchases) NIL

<u>BANK</u>	Sales	£	22,494,000
	Purchases	£	14,525,000
	Nett Sales on balance	£	7,969,000