

EAJW 12

Monday, 10th May, 1982.

The Gilt-Edged market opened about  $\frac{1}{4}$  better, but buyers appeared at the opening, and although turnover was not large it was sufficient in current volatile conditions to send prices higher throughout the list. Rises of  $\frac{1}{2}$  in shorts and  $\frac{3}{4}$  in longs were soon in evidence, with the authorities being able to sell a certain amount of stock. At these levels however the market ran out of steam and prices remained largely unchanged for most of the day. Just before the close however shorts eased fractionally and some longs improved, to close  $\frac{3}{8}$  up and  $\frac{7}{8}$ -1 point up respectively.

The Industrial market opened higher at the start of the second week in the current account. Most sectors made further improvement during the day with selective institutional buying encouraged by a brighter U.K. economic outlook and continuing hopes for a diplomatic settlement to the Falklands crisis. Electricals remained well supported with "Defence" stocks such as GEC, Plessey and Hawker Siddeley particularly strong features. Stores were higher with British Home Stores marked up sharply following annual profits that exceeded market expectations. Breweries were firm on reports of a favourable broker's circular. Among Financials, Clearing Banks were better, while Discount companies improved on renewed hopes of a beneficial cut in interest rates. Insurance issues hardened despite underwriting losses announced recently by General Accident and forecasts of poor results to come from Commercial Union and Royals this week. Kaffirs were lower as the bullion price declined:

Financial Times Index (3.00 p.m.) 592.7 (up 9.4)

<u>C.N.D.</u>	Sales	£	43,033,000
	Purchases	£	2,491,000
	Nett Sales on balance	£	40,542,000
<u>BANK</u>	Sales	£	26,309,000
	Purchases		NIL
	Nett Sales on balance	£	26,309,000