

Wednesday, 12th May, 1982.

The Gilt-edged market opened with rises of up to $\frac{1}{4}$ - $\frac{3}{8}$ throughout the list. Buyers were encouraged by more hopeful signs of a settlement to the Falklands dispute and by the strength of sterling against the dollar. Prices continued firm throughout the morning in quiet conditions with fresh impetus coming from optimistic remarks by the Foreign Secretary which encouraged prices up a further $\frac{3}{8}$. Without much follow through the market lost $\frac{1}{8}$ of this rise but further buyers appeared towards the close who pushed prices back up to their best levels. By the close of business shorts were up by $\frac{3}{8}$, and exceptionally $\frac{5}{8}$ in some low coupon issues, and longs were generally up by $\frac{3}{4}$. Index-linked stocks gained up to $\frac{5}{8}$.

The Industrial market opened better on renewed hopes of a diplomatic settlement to the Falkland crisis and sentiment was further assisted by the brighter U.K. economic prospects. Most sectors improved during the day, closing around the best levels. Among leading 'blue-chip' companies, Glaxo continued to attract support on hopes that their anti-ulcer drug will prove acceptable to the American Drug Commission. In Textiles, Coats Patons hardened following excellent final profits, while Courtaulds encountered buyers on further consideration of recent bullish press comment. Stores were higher although F. W. Woolworth eased after disappointing first-quarter results. Insurance issues improved on thoughts of a better outlook for the sector despite the interim loss announced by Royal Insurance. Electricals and Engineers were generally firm throughout on selective institutional investment. Building and Property shares were marked up on revived hopes of lower interest rates. Kaffirs were higher in line with the increased bullion price.

Financial Times Index (3.00 p.m.) 591.4 (up 6.3)

| | | |
|---------------|-----------------------|--------------|
| <u>C.N.D.</u> | Sales | £ 33,702,000 |
| | Purchases | £ 5,076,000 |
| | Nett Sales on balance | £ 28,626,000 |
| <u>BANK</u> | Sales | £ 26,326,000 |
| | Purchases | NIL |
| | Nett Sales on balance | £ 26,326,000 |