

Tuesday, 1st June, 1982.

Following the week-end's news from the South Atlantic, the Gilt Edged market opened firm this morning with demand coming in for the tranches announced on Friday. Prices opened up to $\frac{1}{2}$ better initially, but buying continued at these levels, and the market improved further with shorts showing rises of up to $\frac{5}{8}$, mediums and longs generally of up to 1 point, while the longest dated stocks were up to $1\frac{3}{8}$ better. After early dealings when the authorities were able to sell a fair amount of stock, demand eased off and prices reacted from the best levels. In the afternoon the market remained quiet and shorts closed up to about $\frac{1}{2}$ up on balance, while longs closed $\frac{1}{4}$ - $\frac{3}{8}$ below the best of the morning.

The Industrial market opened slightly better at the beginning of the last week in the current three-week account. However, no definite trend emerged and most sectors fluctuated narrowly during the day, closing around overnight levels in quiet and featureless business conditions. Electricals encountered profit-taking after the recent sharp improvement with G.E.C. and Plessey particularly affected. Building shares made further progress following favourable week-end press comment. Brewery issues remained in demand on thoughts of brighter trading prospects. First day dealings in Grand Metropolitan new shares, the result of their £125 million rights issue, ended with the price holding a 45p premium. Among steady Properties, MEPC eased on disappointing interim figures. Kaffirs were dull as the bullion price declined.

Financial Times Index (3.00 p.m.) 587.8 (up 0.5)

<u>C.N.D.</u>	Sales	£	692,000
	Purchases		NIL
	Nett Sales on balance	£	692,000
<u>BANK</u>	Sales	£	173,064,000
	Purchases		NIL
	Nett Sales on balance	£	173,064,000