

Tuesday, 8th June, 1982.

The Gilt Edged market has had a rather volatile day. Prices opened up to $\frac{1}{2}$ better in the longer end and the authorities were able to sell some more of the tranches. In spite of the Base Rate reductions however prices quickly fell away from the better levels and by lunchtime shorts were showing little change while longs were up to $\frac{1}{4}$ better on balance. Following the banking figures in the afternoon and the accompanying estimate of money supply, the market fell away again by up to a further $\frac{1}{2}$, rallied somewhat, and then eased again. The upshot of these movements was that shorts closed up to $\frac{3}{16}$ down and longs up to $\frac{1}{4}$ down from yesterday's 3.30 close.

The Industrial market opened higher following the leading banks' base rate announcements. Prices continued to improve initially but slight caution as the index nears the all time high caused most sections to react marginally and close below the best. Banks, Hire Purchase, Property and Building shares all benefited from the lower interest rates, while Kaffir issues responded to the gold fix price. Bass Charrington results proved disappointing with other Brewery issues easing in sympathy following the recent rises.

Financial Times Index (3.00 p.m.) 594.1 (up 1.5)

C.N.D.

Sales and Purchases

NIL

BANK

Sales

£ 90,243,000

Purchases

NIL

Nett Sales on balance

£ 90,243,000