

Tuesday, 15th June, 1982.

The Gilt-Edged market was caught today between two conflicting emotions - relief at the successful conclusion of the Falklands fighting and continuing depression over the outlook for U.S. interest rates. As a result the market opened up to about $\frac{1}{4}$ higher, but generally throughout the day saw a preponderance of selling. Prices therefore tended to ease with only small intermittent rallies and although closing slightly above the worst still showed falls on balance of up to $\frac{1}{4}$ in shorts and up to $\frac{5}{8}$ in longs. There was again some demand for the longer Index-Linked stocks.

The Industrial market opened higher following last night's victory in the Falkland Islands. Prices, however, failed to maintain the initial better levels as renewed fears on the Middle East situation and rumours of a liquidation of an investment trust caused most sections to react sharply and generally close at the worst levels. Electrical and Defence shares were dull, while Store, Engineering and Chemical issues were sharply easier on balance. A. Guinness results were much in line with expectations, while Kaffir shares were again lower on the gold fix price.

Financial Times Index (3.00 p.m.) 572.0 (down 6.8)

C.N.D. Sales and Purchases NIL

<u>BANK</u>	Sales	£	29,268,000
	Purchases	£	19,148,000
	Nett Sales on balance	£	10,120,000