

Wednesday, 7th July, 1982.

The Gilt Edged market has returned to quiet conditions today, after the somewhat increased activity of the past two days. In spite of the continued press speculation on lower interest rates, prices opened up to $\frac{1}{4}$ easier. There was no pressure to sell, however, and prices generally tended to improve slightly during the morning to show little change in shorts at lunch with longs about $\frac{1}{8}$ down. In the afternoon, with U.S. bonds tending easier, the market reverted to its earlier levels and closed $\frac{1}{16}$ - $\frac{1}{8}$ down in shorts with longs up to $\frac{1}{4}$ easier.

The Industrial market opened marginally easier. Most sectors fluctuated narrowly during the day in very subdued business conditions and prices closed at the slightly lower levels. Electrical continued to attract support with Plessey making further progress after the Chairman's encouraging statement. Ferranti were sharply higher in anticipation of possible takeover developments. Building and Property issues were dull as hopes receded of an early reduction in domestic interest rates. Among Financials, Banks remained steady, while Insurance shares were selectively better. Eagle Star and Phoenix improved on vague bid gossip. Kaffirs weakened in line with the lower gold price.

Financial Times Index (3.00 p.m.) 553.1 (down 0.9)

C.N.D.

Sales		NIL
Purchases	£	207,000
Nett Purchases on balance	£	207,000

BANK

Sales	£	3,666,000
Purchases		NIL
Nett Sales on balance	£	3,666,000