

Tuesday, 13th July, 1982.

With the banks' base rate reduction apparently fully discounted in the market, and with the move to lower interest rates in the U.S. stopped for the moment, the Gilt-Edged market opened slightly easier. Shorts opened about  $\frac{3}{16}$  lower and longs showed falls of up to  $\frac{1}{2}$ . There appeared to be little pressure to sell however, and business was much quieter again and reasonably two-way. As a result the market fluctuated narrowly during the day, without showing any further trend, and closed very much at the levels at which it opened. There was a small demand for Index-Linked stocks which was met by official sales.

The Industrial market opened steady as the long anticipated base rate reductions finally materialised. Business conditions remained quiet and featureless with most sectors drifting lower during the day, closing around the worst levels. Among leading 'blue-chip' companies, Glaxo and Beechams continued to encounter institutional investment on overseas prospects. Oil issues weakened in anticipation of a further decline in spot crude oil values. Clearing Banks eased following the interest rate cuts while Insurance shares were lower on the lack of any bid developments. Engineers were dull with N.E.I. particularly weak on news of the postponement of a large Far Eastern order. Kaffirs were initially lower but later recovered to end higher on balance in line with the bullion price.

Financial Times Index (3.00 p.m.) 554.7 (down 2.8)

<u>C.N.D.</u>	Sales	£	8,725,000
	Purchases	£	8,632,000
	Nett Sales on balance	£	93,000
<u>BANK</u>	Sales	£	31,705,000
	Purchases	£	31,671,000
	Nett Sales on balance	£	34,000