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Monday, 19th July, 1982.

Following the ending of the rail strike, and the improvement in U.S. bonds on their better than feared money supply increase, the Gilt-Edged market opened very firm. Rises of about $\frac{3}{8}$ in shorts and $\frac{3}{4}$ in longs were general, and at these levels there was still considerable demand. As a result prices improved throughout the morning and by lunchtime the longer shorts were up to 1 point better with longs about $1\frac{3}{8}$ higher. The authorities were able to sell into this demand, with the improvement in the Bank's bill dealing prices helping to keep the market firm. During the afternoon, with U.S. bonds not showing any further initial improvement, shorts saw a little profit-taking and closed about $\frac{1}{8}$ below the best. Longs however closed at their lunchtime levels, although trading was a good deal quieter.

The Industrial market opened higher at the start of a new account with sentiment helped by the ending of the rail strike and also favourable interest rate trends. Most sectors continued to move ahead as jobbers encountered institutional buying and prices closed around the best levels. Among leading 'blue-chip' companies, Beechams and Glaxo improved on sustained investment support. Electricals remained in demand with Thorn-EMI particularly strong following encouraging results last week. Building and Property issues were firm on hopes of further base rate reductions. Breweries, Foods and Stores were generally better throughout. Kaffirs extended recent gains as the bullion price increased.

Financial Times Index (3.00 p.m.) 568.2 (up 11.5)

<u>C.N.D.</u>	Sales and Purchases		NIL
<u>BANK</u>	Sales	£	414,348,000
	Purchases		NIL
	Nett Sales on balance	£	414,348,000