

Ave

Tuesday, 20th July, 1982.

As it awaited Mr. Volcker's statement to Congress, the Gilt-Edged market retained its firm undertone today though it was not surprising that investors generally were needing a little time to digest the substantial amount of stock bought yesterday. Encouraged by the cut in the Federal Discount Rate, prices opened about $\frac{1}{4}$ better throughout and at these levels there was initially a fair two-way trade, but during the morning buyers began to get the upper hand and prices improved accordingly. After a slight easing in the middle of the day, prices returned to almost the best levels, closing up to about $\frac{5}{8}$ higher in all sections.

The Industrial market opened higher, extending yesterday's sharp improvement on renewed hopes of a further reduction in domestic and American money rates. Most sectors continued to rise during the day, closing around the best levels. Electricals were well supported with G.E.C., Racal and Thorn-EMI particularly strong while Ferranti advanced on persistent takeover gossip. Building and Property issues were firm on the prospect of lower interest rates. Clearing Banks hardened ahead of their forthcoming interim results. Stores were higher with increases exaggerated by a shortage of stock in the market. Engineers, Foods and Breweries were generally better throughout on selective investment demand. Kaffirs eased in line with the gold price.

Financial Times Index (3.00 p.m.) 578.4 (up 8.8)

<u>C.N.D.</u>	Sales	£	3,912,000
	Purchases	£	3,710,000
	Nett Sales on balance	£	202,000
<u>BANK</u>	Sales	£	27,814,000
	Purchases		NIL
	Nett Sales on balance	£	27,814,000