

Thursday, 22nd July, 1982.

Following the announcement of the two new tranches of stock, The Gilt-Edged market had been slightly easier after-hours yesterday. Shorts were $\frac{1}{16}$ easier and longs up to $\frac{3}{8}$ lower with a good two-way trade developing at these levels. With the U.S. market somewhat easier overnight prices opened slightly lower again here this morning, with shorts a further $\frac{1}{16}$ - $\frac{1}{8}$ easier, and longs up to a further $\frac{3}{8}$ down. At these levels however the market attracted a fair amount of buying and quickly started to recover, a movement which continued for most of the morning. The afternoon brought quieter conditions, but the firm undertone was fully maintained. By the close of business shorts were showing rises of up to $\frac{1}{4}$ from yesterday at 3.30, mediums and many of the longs were virtually unchanged on balance over that period, while the very long-dated stocks were about $\frac{1}{4}$ easier. Medium coupon longs were showing as particularly strong features, while the parent stocks of both new tranches had recovered to around their price at the time of the issues.

The Industrial market opened easier but there was no sustained selling pressure and prices fluctuated narrowly during the day, closing slightly lower on balance in subdued trading conditions. Among leading 'blue-chip' companies, Glaxo were higher in active two-way business. Clearing Banks eased on reports that analysts have downgraded profit estimates ahead of the forthcoming interim reports. Discount House shares made further progress on persistent investment demand. Electricals were well supported with G.E.C. particularly strong, while Ferranti continued to harden on takeover speculation. Building and Property issues improved on renewed suggestion of further interest rate reductions. Kaffirs were dull as the bullion price declined.

Financial Times Index (3.00 p.m.) 572.7 (down 0.5)

<u>C.N.D.</u>	Sales		NIL
	Purchases	£	4,896,000
	Nett Purchases on balance	£	4,896,000
<u>BANK</u>	Sales	£	17,145,000
	Purchases		NIL
	Nett Sales on balance	£	17,145,000