

Friday, 23rd July, 1982.

With U.S. bonds showing a firmer tendency overnight, the Gilt-Edged market opened about $\frac{1}{4}$ better in shorts and mediums and $\frac{3}{8}$ better in longs. There was demand for both the recently issued tranches, although more for the Treasury $11\frac{1}{2}\%$ 1989, and the authorities sold stock in both cases, moving the price of the 1989 stock after the initial sale. The market continued relatively firm although business became more two-way, and at one point in the morning prices were showing rises of $\frac{1}{2} - \frac{9}{16}$ throughout. The market eased fractionally in the middle of the day and thereafter remained steady to close about $\frac{7}{16}$ better on balance in all sections.

The Industrial market opened higher with sentiment again helped by suggestion of impending interest rate reductions. Most sectors made further progress during the day, closing at the best levels. Among firm leading 'blue-chip' companies, Glaxo improved awaiting the chairman's response to recent adverse publicity. Building and Property issues continued to harden in anticipation of lower money rates. Electricals encountered sustained institutional demand with G.E.C., Plessey and Thorn-EMI particularly strong after favourable press comment. Engineers were quiet although John Brown weakened following maintained annual profits but a cautious statement. Clearing Banks were better, reflecting the satisfactory interim figures from Lloyds Bank. Merchant Banks were well supported on news that Midland have sold a major shareholding in Samuel Montagu to Aetna Life of America. Breweries, Stores and Foods were generally higher throughout. Kaffirs moved ahead in line with the increased gold price.

Financial Times Index (3.00 p.m.) 577.9 (up 4.7)

<u>C.N.D.</u>	Sales		NIL
	Purchases	£	6,797,000
	Nett Purchases on balance	£	6,797,000
<u>BANK</u>	Sales	£	174,728,000
	Purchases	£	28,745,000
	Nett Sales on balance	£	145,983,000