

Monday, 26th July, 1982.

The Gilt Edged market has taken a breather today after its recent rise and activity. The market opened steady, but with U.S. bonds overnight reflecting disappointment with their latest money figure, a few sellers appeared early and fairly soon shorts were showing falls of $\frac{1}{16}$ - $\frac{1}{8}$ and longs were up to $\frac{3}{8}$ lower. At these levels there was a good two-way business, and shorts improved again following the easing of the Bank's bill dealing rates. During the afternoon however with U.S. bonds again coming in lower, the market eased away and closed $\frac{1}{8}$ - $\frac{3}{16}$ down in shorts and up to $\frac{3}{4}$ lower in longs.

The Industrial market opened slightly higher on expectations of an easing of credit restrictions. Prices, however, failed to maintain the initial better tone as caution became evident with all sections reacting to close at the lower levels. Store, Hire Purchase and Motor Distributors all benefited from possible relaxing of hire purchase control, but generally the best levels were not maintained. Banking issues were firm ahead of National Westminster half yearly statement due tomorrow, while Kaffirs reacted on the lower gold fix price. Tobaccos eased after adverse week-end press comment, while Linfood improved on the better than expected final figures.

Financial Times Index (3.00 p.m.)	574.0 (down 4.2)
<u>C.N.D.</u> Sales and Purchases	NIL
<u>BANK</u> Sales	NIL
Purchases	£ 1,900,000
Nett Purchases on balance £	1,900,000