

Wednesday, 4th August, 1982.

The Gilt-Edged market responded to the easier U.S. bond market and to yesterday's issue of Treasury 12% 1987 by opening up to $\frac{1}{4}$ easier. Trading was initially quiet, but prices soon began to pick up and by mid-morning, rises of $\frac{1}{16}$ in shorts on balance and $\frac{1}{8}$ in longs were widespread. This improvement was then held until the close. The feature of the day was a sudden demand for Index-Linked stocks, which exhausted official supplies of the 2006 and 2011 stocks, and enabled the authorities then to sell a reasonable amount of the 1988 and 1996 maturities. By the close the two longer stocks were showing rises of about $\frac{5}{8}$ and $\frac{7}{8}$ respectively.

The Industrial market opened lower, influenced by the overnight decline of Wall Street and on further consideration of yesterday's bearish C.B.I. report. Business conditions were rather subdued and prices closed around the worst levels. Electricals were dull, affected by widespread profit-taking, although Rank Organisation improved on speculative buying. Building and Property issues eased as hopes receded of an immediate reduction of interest rates. Among lower Engineers, Turner and Newall rallied following last night's sharp fall on fears that the company's trading position is rapidly worsening. Oils, Stores and Breweries were generally easier throughout on lack of support. Kaffirs weakened in line with the gold price.

	Financial Times Index (3.00 p.m.)		561.4 (down 4.8)
<u>C.N.D.</u>	Sales	£	902,000
	Purchases	£	2,919,000
	Nett Purchases on balance	£	2,017,000
<u>BANK</u>	Sales	£	168,077,000
	Purchases		NIL
	Nett Sales on balance	£	168,077,000