

Friday, 6th August, 1982.

The Gilt-Edged market opened somewhat easier this morning, under the influence of a lower sterling/dollar rate and some press suggestions that the fall in U.S. rates was over for the moment. Prices were up to $\frac{3}{8}$ lower and saw a little further profit-taking and selling during the morning, so that at one point long-dated stocks were up to $\frac{3}{4}$ down. At this level trading became two-way and prices tended to recover marginally. With little change during the afternoon shorts closed virtually at the lowest with falls to $\frac{1}{2}$, while longs closed about $\frac{5}{8}$ down. Index-Linked which had been up to $\frac{1}{4}$ down at one time, closed virtually unchanged on the day.

The Industrial market opened easier and prices continued to fall during the day on widespread profit-taking, most sectors closing around the worst levels. In the Building sector, cement shares were flat, influenced by yesterday's decision not to increase prices. Stores were dull and Mail Order companies continued to decline as analysts downgraded profit estimates. Electricals were lower with G.E.C., Plessey and Racal particularly affected by persistent selling. Clearing Banks eased on further consideration of yesterday's disappointing interim figures from Barclays. Kaffirs weakened in line with the bullion price.

Financial Times Index (3.00 p.m.) 548.6 (down 11.1)

<u>C.N.D.</u>	Sales	£	2,130,000
	Purchases	£	5,787,000
	Nett Purchases on balance	£	3,657,000
<u>BANK</u>	Sales		NIL
	Purchases	£	5,934,000
	Nett Purchases on balance	£	5,934,000