

Monday, 23rd August, 1982.

Following favourable week-end press comment, the Gilt-edged market opened with a rise of  $\frac{1}{2}$  point in the shorts, and in the longs 1 point on top of the  $\frac{1}{2}$  point seen after hours on Friday. At this level two-way trade developed but the market was calm compared with the hectic trading seen during the last few business days. Buying concentrated again in the very long-dated issues where prices rose a further  $\frac{1}{2}$  but at this level some profit-taking appeared and some switching shorter was generated. When U.S. bonds were seen to open easier the market slipped from its best levels and by the close gains in the shorts had been reduced to  $\frac{1}{8}$  and in the mediums to  $\frac{3}{4}$  while the longs were still showing rises of up to  $1\frac{1}{2}$  above the printed lists. Index-Linked issues lost up to  $\frac{1}{2}$  point.

The Industrial market opened higher at the beginning of the second week in the current account with sentiment influenced by another strong performance on Wall Street. However, there was very little buying interest and prices drifted back during the day, closing at the worst levels. In the Engineering sector, news of an extended summer shutdown by British Leyland to counter falling demand caused major suppliers, Lucas and Dunlop, to weaken. Among Food shares, Associated Dairies improved after an encouraging profits forecast and Linfood made further progress on speculative buying. Clearing Banks were dull, while Discount House issues continued to harden on hopes of more base rate reductions. Insurance stocks were better on recovery prospects. Breweries, Stores and Electricals were generally lower throughout on lack of support. Kaffirs were slightly higher following favourable week-end press comment but the bullion price reacted after recent strength.

Financial Times Index (3.00 p.m.) 577.5 (down 3.1)

C.N.D. Sales and Purchases NIL

<u>BANK</u>	Sales	£	53,208,000
	Purchases	£	52,196,000
	Nett Sales on balance	£	1,012,000