

Tuesday, 24th August, 1982.

The Gilt-edged market opened  $\frac{1}{4}$  easier with a little stock on offer in the medium dated stocks. Prices quickly reacted downwards falling by up to  $\frac{1}{2}$  in the shorts and 1 point in the longs. Some of the less wanted stocks retreated very sharply and, at their worst were showing losses of up to  $1\frac{3}{4}$ . Buyers reappeared at the lower levels and prices soon recovered by the downward movement in short rates at which the authorities dealt with the Discount Houses and prices recovered up to another  $\frac{3}{8}$ . By the close shorts had lost a nett  $\frac{1}{4}$  on the day, while the mediums and longs closed very mixed with price movements ranging from plus  $\frac{1}{8}$  to minus  $\frac{7}{8}$ . Index-Linked bonds suffered a  $\frac{1}{2}$  point fall during the morning but, on the announcement that official supplies of the 2% 1988 stock were exhausted, they recovered to close only  $\frac{1}{4}$  down on the day.

The Industrial market opened higher in response to another overnight improvement on Wall Street. However, investment interest was minimal and widespread profit-taking caused most sectors to recede, closing at the worst levels. Chemical shares were dull following adverse press comment concerning over-capacity problems. Oil issues declined with Lasmco easing despite half-year profits better than expected. Among Financials, Exco were firm on encouraging results and Statement, while in Discount Houses, Gilletts were steady on the maintained interim dividend. Breweries, Stores and Foods were generally lower throughout the day on lack of support. Mining Financials were weak, affected by disappointing figures from De Beers but Kaffirs were in demand as the gold price increased.

Financial Times Index (3.00 p.m.) 573.2 (down 3.3)

C.N.D. Sales and Purchases

NIL

BANK

Sales

£ 112,067,000

Purchases

£ 85,932,000

Nett Sales on balance

£ 26,135,000