

Thursday, 26th August, 1982.

The Gilt-edged market opened quietly, reflecting the  $\frac{1}{4}$  point losses seen after hours. Shorts drifted down to a low point at which they were  $\frac{3}{8}$  below the list price and longs, at their worst, showed losses of up to  $\frac{1}{2}$ . Prices were wide as the jobbers sought to protect themselves in front of the long week-end and little trade was done; but the continuing favourable trend in interest rates both in the domestic money markets and in Europe, encouraged buyers back into the market and shorts soon recovered to the level of the list and in some cases advanced a further  $\frac{1}{8}$ . Mediums and longs also recovered although the buying was very selective. At the close mediums were unchanged from the list prices and longs unchanged to  $\frac{3}{8}$  above the lists. Index-Linked bonds lost up to  $\frac{1}{4}$  where they changed.

The Industrial market opened better on renewed hopes of another interest rate reduction. Most sectors fluctuated within narrow margins during the day, closing at the best levels. Building shares were well supported with Blue Circle and London Brick particularly firm after yesterday's favourable interim results. Oil issues improved, with North Sea producers attracting investment demand on fears of further unrest in the Middle East. Breweries, Foods and Stores were generally better on selective buying. Kaffirs were higher as the gold price increased.

Financial Times Index (3.00 p.m.) 573.6 (up 5.2)

C.N.D.

Sales and Purchases

NIL

BANK

Sales

£ 16,391,000

Purchases

£ 16,294,000

Nett Sales on balance

£ 97,000