

Thursday, 16th September, 1982.

Having slipped by $\frac{1}{8}$ in the shorts and $\frac{1}{4}$ in the longs after hours, the Gilt-edged market opened at these lower levels. Shorts quickly fell a further $\frac{1}{8}$ but then prices remained steady awaiting the publication of the monetary statistics and the opening of New York. In the event, short prices began to drift during the late morning which caused the mediums and longs to lose a further $\frac{1}{8}$. The 1.4% rise in £M3 came as no surprise but there was disappointment at the larger than anticipated rise in Bank lending. Wall Street opened marginally easier and prices closed at their lowest levels with shorts down by $\frac{5}{8}$ and mediums and longs showing losses of up to $\frac{1}{2}$.

The Industrial market opened better in response to the overnight rise on Wall Street taking the Dow Jones Index to its highest level for a year. However, investment interest was not sustained and sellers appeared causing prices to fall during the day, closing around the worst levels. In the Stores sector, UDS improved after encouraging interim figures. Among active Engineers, GKN were unchanged, despite half-year profits higher than anticipated, as the chairman gave an adverse forecast for future prospects. Steetley were flat following disappointing interim results. Insurance issues were dull although Sedgwick Group hardened on excellent first-half figures. Building shares were slightly better following a favourable Builders' Federation report but Redland weakened on the cautious AGM statement. Oils continued to decline on fears of lower crude values. Kaffirs were firm as the bullion price increased.

	Financial Times Index (3.00 p.m.)	570.5 (down 5.7)
<u>C.N.D.</u>	Sales and Purchases	NIL
<u>BANK</u>	Sales and Purchases	NIL