

Monday, 4th October 1982

Disappointment over the rise in the U.S. money supply caused the Gilt-edged market to open easier. Shorts opened with losses of  $\frac{3}{16}$  which quickly became  $\frac{3}{8}$  while mediums and longs fell by up to  $\frac{3}{4}$  in early trading. Selling remained persistent, but never heavy, however buyers were hard to find and prices continued to drift until losses of up to  $\frac{7}{8}$  were seen in the shorts while longs had fallen by as much as  $1\frac{1}{2}$ . This movement was disproportionate to the amount of trade and just before the close prices began to harden again. By the close shorts were down by up to  $\frac{3}{4}$  while mediums and longs were generally down  $1\frac{1}{4}$ .

The Industrial market opened lower at the beginning of a new account. Most sectors continued to decline during the day, influenced by more adverse forecasts for the economic outlook. Prices closed at the worst levels in rather subdued trading conditions. Leading "blue-chip" companies were dull with Glaxo particularly weak on renewed suggestion of marketing problems with their "Zantac" anti-ulcer drug. Stores were affected by widespread profit-taking while Freemans were flat after disappointing interim profits and bearish statement. Other Mail Order shares were marked down in sympathy. Oil issues were lower on thoughts of further crude oil price reductions. Building shares eased although Rugby Cement improved following encouraging first-half results and increased dividend. Kaffirs weakened as the bullion price fell.

Financial Times Index (3.00 p.m.) 571.0 (down 8.4)

C.N.D.

Sales	NIL
Purchases	£ 587,000
Nett Purchases on balance	£ 587,000

BANK

Sales	NIL
Purchases	£5,580,000
Nett Purchases on balance	£5,580,000