

Friday, 4th May, 1979.

Consequent on the trend of overnight declarations in the General Election, the Gilt Edged market opened firm this morning with short-dated stocks $\frac{1}{8}$ - $\frac{1}{4}$ better and longs about $\frac{1}{2}$ higher. There was a fair two-way business at the opening and initially profit-taking got the upper hand so that shorts reverted to around overnight levels while the improvement in longs was halved. However at this level buyers again appeared in the longer end and prices improved, so that by lunchtime, although slightly below the best levels, longs were showing rises of $\frac{3}{4}$. During the afternoon shorts continued relatively static to end the day at around yesterday's closing levels. Longs continued to improve gently, and by the close were showing gains of up to 1 point.

The Industrial market opened firm on the last day of the account, on the projected Conservative overall majority in the General Election. Prices soon eased on profit-taking, but hardened again towards the close on the confirmation of a Conservative victory. Prices improved yet again after 3.30 p.m. as buyers invested for the new account on hopes of an early removal of dividend restraints. All shares with high dividend cover were in demand. Kaffirs were firm in line with the higher bullion price.

Financial Times Index (3.00 p.m.) 554.4 (up 0.9)

<u>Bank</u>	Sales	£ 10,743,000
	Purchases	NIL
	Net Sales on balance	£ 10,743,000