

Wednesday, 9th May, 1979.

The Gilt Edged market has been sliding away virtually throughout the day, with only small intermittent rallies. Prices opened steady but almost immediately sellers appeared, largely in the longer end, and on a slightly bigger scale than yesterday. No specific reason was adduced for the selling, other than a continued unwinding of pre-Election positions coupled with the imminence of the £30 call on Exchequer 11% 1991. Prices accordingly fell away, and by lunchtime were up to  $\frac{1}{8}$  down in the longer end. At this level the market was looking rather steadier, but the Banking figures published at 2.30 were considerably worse than the market had expected and the fall resumed thereafter. By the close shorts were generally up to  $\frac{1}{2}$  down while longs had lost up to  $1\frac{1}{4}$ .

The Industrial market opened easier continuing yesterday's trend. Sentiment was not helped by the announcement from Standard & Chartered Bank of a rights issue, raising £76 million. Prices drifted lower throughout, but closed marginally above the worst levels on 'cheap buying' interest. J. Sainsbury were dull after the announcement of disappointing final results. Profits improved, but the profit margin narrowed. Akroyd & Smithers, stock jobbers, were in demand on the announcement of interim profits of £9.2 million against a loss of £2.2 million for the same period last year. Lonrho increased its offer for Scottish Universal, and now holds more than 50% of the latter's equity. Kaffirs were narrowly mixed on a lower gold price.

Financial Times Index (3.00 p.m.) 539.5 (down 9.6)

<u>C.N.D.</u>	Sales	£	NIL
	Purchases	£	7,833,000
	Net Purchases on balance	£	7,833,000
<u>Bank</u>	Sales	£	NIL
	Purchases	£	52,594,000
	Net Purchases on balance	£	52,594,000