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Tuesday, 15th May, 1979.

The Gilt Edged market was easier at the opening in all sections and falls of  $\frac{1}{4}$  -  $\frac{1}{2}$  were widespread throughout the list. This fall was thought to be mainly due to fears of further inflationary price rises during the coming months. Selling was not heavy but buyers were conspicuous by their absence and little or no recovery was seen during the morning. In particular, the longer dated short-dated bonds, in the area of 1983, bore the main brunt of the selling. The market remained very quiet during the afternoon but recovered slightly following consideration of the contents of the Queen's speech at the opening of Parliament. In fact, the market closed the day looking slightly steadier, just above the lowest levels.

The Industrial market opened steadier following yesterday's easier tone. Prices, however, after reacting again initially, rallied strongly on investment interest and most sections closed at or around the higher levels. Brewery, Banking and Oil shares recovered after early weakness, while Insurance issues closed at the lower levels. U.D.S., initially lower following the results and rights issue announcement, recovered in later trading, while Trafalgar House and Coats Patons improved after their respective results. Kaffir shares moved ahead on the higher gold fix price, while Commercial Union reacted after the disappointing figures.

Financial Times Index (3.00 p.m.) 527.9 (up 2.5)

<u>Bank</u>	Sales	NIL
	Purchases	£ 4,921,000
	Nett Purchases on balance	£ 4,921,000