

Thursday, 17th May, 1979.

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The Gilt Edged market was steady and unchanged in all sections at the opening. A slightly firmer tendency developed during early trading on the appearance of a few buyers, mostly at the long end of the market. Business was on a fairly small scale throughout the day but by lunchtime rises of  $\frac{1}{8}$  were widespread throughout the list. The money supply figures for April, announced at 2.30 p.m., were rather better than the market had anticipated and prices improved by a further  $\frac{1}{16}$  -  $\frac{1}{8}$ , to close the day looking reasonably firm, about  $\frac{1}{16}$  higher in the short-dated bonds and  $\frac{1}{4}$  above the opening levels in the long-dated issues.

The Industrial market opened steady, extending yesterday's better tone. Prices, however, failed to maintain the better levels and all sections reacted sharply on small sellers, with all sections closing at the lower levels. Store, Insurance and Tobacco issues were weak, while Kaffir shares were again in demand on the gold fix price. Shell Transport, initially higher following the interim figures, fell sharply on further consideration to close at the worst levels, while Alexander Howden were dull on possible financial rumours.

Financial Times Index (3.00 p.m.)                      529.8 (down 6.4)

<u>Bank</u>	Sales	£	29,327,000
	Purchases	£	4,885,000
	Nett Sales on balance	£	24,442,000