

Friday, 18th May, 1979.

The Gilt Edged market was easier at the opening in all sections and prices were lower by $\frac{1}{8}$ - $\frac{1}{4}$ throughout the list. This easier tendency was thought to be mainly due to widespread newspaper comment with regard to prospects for any further reduction in inflation and the possibility of a less favourable Budget, due to the previous Government's higher than expected public expenditure commitments. Selling was fairly substantial but the weakness of the market was due more to the absence of any buyers at the lower levels and by lunchtime falls of as much as $\frac{1}{2}$ - $\frac{3}{8}$ of a point were widespread. A slightly firmer tendency was seen during the afternoon and some recovery took place in all areas of the market, which closed the week looking slightly steadier, about $\frac{1}{8}$ - $\frac{3}{8}$ below the opening levels.

At 3.30 p.m. an announcement was made of a further issue of Government stock which took the form of £800 million $11\frac{1}{2}\%$ Treasury Stock 2001-2004, at the price of $95\frac{1}{2}$, payable in full by tender on Wednesday, 23rd May.

On the final trading day of the present account, the Industrial market opened cautiously easier. The continued absence of any interest for the new account caused prices to be marked lower on a broad front and close at the lowest levels. All leading issues were weak, with the exception of Unilever, which were steady in anticipation of a large dividend payment. In the Stores sector, first day dealings in U.D.S. new shares showed a reasonable premium. Final results from Debenhams disappointed the market, and the price eased accordingly. Property and Banking issues were dull, with sellers much in evidence. Kaffirs, initially better, were easier in line with the lower bullion price.

Financial Times Index (3.00 p.m.)

521.6 (down 9.1)

C.N.D.

and

Sales and Purchases

NIL

Bank