

Tuesday, 22nd May, 1979.

JM

The Gilt Edged market was again slightly easier at the opening, continuing the same trend as had been seen on the previous day. Selling was not heavy but buyers were again holding off and small selling persisted in all sections of the market. Falls of about $\frac{1}{16}$ - $\frac{1}{8}$ were seen in the short-dated bonds and as much as $\frac{1}{2}$ a point in the long-dated issues by midday. A slightly firmer tendency developed during the afternoon and, although business continued on a very small scale, prices improved by $\frac{1}{8}$ - $\frac{1}{4}$ throughout the list and in fact the short-dated bonds showed, in some places, a small rise from the opening levels, while the mediums and longs closed the day about $\frac{1}{4}$ up from the lowest prices.

The Industrial market opened slightly higher, extending the technical rally seen late yesterday. Prices continued to improve initially on small investment interest but all sections failed to maintain the best levels in later trading and closed only marginally higher on balance. Oil, Store and Banking shares were firmer sectors, while Kaffir issues were again higher on the gold fix price. Thomas Tilling opened sharply lower following the rights issue announcement, while Fisons were a dull feature after the A.G.M. statement.

Financial Times Index (3.00 p.m.) 512.3 (up 1.6)

<u>Bank</u>	Sales	£ 7,019,000
	Purchases	£ 7,043,000
	Nett Purchases on balance	£ 24,000