

Tuesday, 12th June, 1979.

The Gilt Edged market has been very quiet, with investors reluctant to take up positions in front of the Budget. Prices generally improved slightly in the early dealings, but interest soon subsided apart from a little switching activity. Long-dated stocks remained steady for the rest of the day to close with rises of $\frac{1}{8}$ - $\frac{1}{4}$. Shorts however retreated from the higher levels and in fact generally closed with small losses on balance.

On the day of the Budget, the Industrial market opened steady. Prices were generally unchanged during the morning session with most sectors featureless in very quiet trading conditions. Slight selling caused the market to drift down towards the close. In the Brewery sector, Allied Breweries were weak following final results below market expectations, while Bass and Whitbread were dull ahead of the Price Commission report due tomorrow. Banking issues were firm on speculation regarding possible higher interest rates. In line with the bullion price, Kaffirs were lower after some profit-taking.

Financial Times Index (3.00 p.m.) 503.2 (down 0.7)

<u>Bank</u>	Sales	£ 9,062,000
	Purchases	£ 10,958,000
	Nett Purchases on balance	£ 1,896,000