

Thursday, 5th July, 1979.

The gilt edged market was looking quietly firm at the opening and prices were a $\frac{1}{16}$ - $\frac{1}{8}$ higher in the short dated bonds and as much as $\frac{1}{2}$ a point above the previous night's closing levels in the long dated issues. Business was on a much smaller scale compared to the earlier part of the week but this firmer tendency continued for most of the morning. There was some slight disappointment at 12.30. p.m. when there was no announcement of any reduction in the M. L. R. but this was tempered to a slight extent by news of a temporary reduction in the rate of call for special deposits. During the afternoon a rather easier tendency developed on the appearance of a few sellers in the short dated bonds and this spread down the list to the long dated issues. As a result, the whole market ended the day looking reasonably steady but having lost all the early gains with the prices either back to, or just above, the previous night's closing levels.

The industrial market opened slightly easier extending the lower trend noted yesterday afternoon. Prices continued to drift throughout the day on selective small selling and with little or no buying interest and all sections closed at the worst levels. Oil and Banking shares were dull sectors while Kaffir issues improved in line with the higher gold fix price. G.E.C. eased after their results and statement while Scottish & Newcastle were marginally higher on the final statement.

Financial Times Index (3.00 p.m.) 467.7 (down 6.2)

F. N. D.	Sales	£29,362,000
	Purchases	£29,241,000
	Nett Sales on balance	£ 121,000