

Monday, 30th July, 1979.

The Gilt Edged market was quiet and virtually unchanged in price from Friday's closing levels, at the opening this morning. An easier tendency, however, soon developed on Press comment following Barclays Bank and other financial forecasters predicting the possibility of higher interest rates in the immediate future. This brought in some quite substantial sellers and by midday falls were seen of as much as $\frac{1}{4}$ - $\frac{3}{8}$ in the shorts, $\frac{3}{8}$ - $\frac{1}{2}$ in the mediums and $\frac{3}{4}$ - 1 point in the long-dated issues. A few cheap buyers did appear at these lower levels and by early afternoon prices recovered by as much as $\frac{1}{8}$ - $\frac{1}{4}$. This improvement, however, was on a very small scale and the market closed the day looking barely steady, at just above the lowest levels.

The Industrial market opened easier following the week-end Press comment and the latest C.B.I. report on the possible decline of company profits. Prices continued to move lower throughout the day on routine selling and, with little or no buying interest, all sections closed at the worst levels. Banking and Property shares were dull sectors, while Oil issues, initially firm, failed to maintain the better levels. Kaffir shares declined in line with the gold fix price.

Financial Times Index (3.00 p.m.) 451.3 (down 6.9)

Bank

Sales		NIL
Purchases	£	4,188,000
Nett Purchases on balance	£	4,188,000