

Tuesday, 31st July, 1979.

The Gilt Edged market was once again easier at the opening in all sections and prices were lower by  $\frac{1}{8}$  -  $\frac{1}{4}$  in the short-dated bonds and  $\frac{3}{8}$  -  $\frac{1}{2}$  in the long-dated issues. This tendency was thought to be mainly due to further Press comment on the possibility of higher interest rates and the likelihood of some form of curbs on bank lending. Sentiment was also not helped by the fact that sterling was quite sharply easier against the dollar. Business was on a fairly small scale throughout the day and, after the initial selling had taken place, a few cheap buyers appeared at the lower levels and by early afternoon the whole market had recovered by  $\frac{1}{8}$  -  $\frac{1}{4}$  from the lowest levels and it closed looking slightly steadier, after showing this small improvement.

The Industrial market opened steady after the recent easier trend. Prices tended to respond to small buying interest during the day with all sections moving higher throughout the trading session to close slightly below the best levels. Insurance and Food shares closed higher on balance, while Engineering and Kaffir issues closed easier on the day. Lex and Taylor Woodrow were both unchanged following their respective results.

Financial Times Index (3.00 p.m.) 453.0 (up 2.0)

<u>Bank</u>	Sales		NIL
	Purchases	£	16,415,000
	Nett Purchases on balance	£	16,415,000