

Thursday, 2nd August, 1979.

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The Gilt Edged market was looking slightly firmer at the opening and prices, where changed, were $\frac{1}{16}$ - $\frac{1}{8}$ higher. Business was on a small scale but this firmer tendency continued throughout the morning and further improvement was seen, so that by lunchtime rises of $\frac{1}{8}$ - $\frac{1}{4}$ were seen throughout the list. Short-dated bonds remained firm and reasonably active during the afternoon, although closing slightly below the best levels. Long-dated issues, however, encountered some profit-taking which was thought to be due to the fall in the sterling/dollar rate and they closed the day looking reasonably steady but more or less unchanged from the opening levels.

The Industrial market opened slightly higher, extending the better tone seen yesterday. Prices, however, after improving initially, failed to maintain the best levels in subdued trading with most sections closing at around the overnight levels. Insurance shares moved higher on balance, while Electrical, Banking and Tobacco issues eased during the day. Reed Paper improved marginally on the interim figures, while Hoover and Tricentral held steady after their respective results. Kaffir shares recovered yesterday's losses on the higher gold fix price.

Financial Times Index (3.00 p.m.) 456.6 (down 0.2)

<u>Bank</u>	Sales		NIL
	Purchases	£	2,884,000
	Nett Purchases on balance	£	2,884,000