

Monday, 13th August, 1979.

The Gilt Edged market was very quiet at the opening, although the short-dated bonds were $\frac{1}{8}$ - $\frac{1}{4}$ lower than 3.30 p.m. on the previous Friday, but this fall had largely taken place after hours following the announcement of the new Government short-dated tap stock. Business was on a small scale throughout the day but an easier tendency developed in the medium and long-dated areas of the market during the morning and some quite substantial profit-taking was seen in the recent long-dated tap stock, Treasury 11 $\frac{3}{4}$ % 2003/07, which fell from 15 $\frac{1}{4}$ to 14 $\frac{3}{4}$. Little change was seen during the afternoon, although the market did improve by $\frac{1}{16}$ - $\frac{1}{8}$ from the lowest levels and closed the day looking reasonably steady, after falls of $\frac{1}{16}$ - $\frac{1}{8}$ in the short-dated bonds and $\frac{3}{8}$ - $\frac{1}{2}$ in the long-dated issues.

The Industrial market opened marginally higher at the beginning of the new account. Prices continued to move ahead during the day on small selective buying interest and, with little or no selling, all sections closed at or around the best levels. Electrical, Engineering and Motor shares were firm, while Property and Banking issues closed unchanged on the day. Racal were a particularly firm feature on the announcement of two contracts just received from the U.S.A., while Kaffir issues drifted easier in subdued trading.

Financial Times Index (3.00 p.m.) 474.7 (up 4.7)

<u>Bank</u>	Sales	£ 2,086,000
	Purchases	£ 10,597,000
	Nett Purchases on balance	£ 8,511,000