

Monday, 20th August, 1979.

J.P.

The Gilt Edged market was easier in all sections at the opening and prices were lower by $\frac{1}{8}$ - $\frac{1}{4}$ throughout the list. Selling was not heavy but there was a complete absence of any buying capacity, which was thought to be mainly due to gloomy press comment with regard to the state of the U.K. economy and the further rise in U.S. interest rates. Selling was not heavy and prices fell slightly further during the morning and by lunchtime falls of $\frac{3}{8}$ - $\frac{1}{2}$ were widespread. At these lower levels a few cheap buyers appeared and, with the jobbers short of stock, most of the early falls were regained. After this improvement, the market remained looking reasonably steady during the early part of the afternoon, although rather nervous in front of the trade figures for July, which were due to be announced at 3.30 p.m.

The Industrial market opened easier following bearish week-end press comment regarding future economic activity. Reports of poor July trade figures due to be published today, caused the market to move lower on a broad front throughout the day with a marked lack of investment interest. I.C.I., with interim results due on Thursday, were weak on the anticipated lower profits. In a generally dull Insurance and Financial sector, Stenhouse Holdings improved after Continental Corporation, an American company, announced proposals to acquire a share stake. Kaffirs eased marginally in line with the bullion price.

Financial Times Index (3.00 p.m.) 464.3 (down 9.9)

<u>Bank</u>	Sales	£	4,647,000
	Purchases	£	40,462,000
	Nett Purchases on balance	£	35,815,000