

Monday, 17th September, 1979.

The Gilt Edged market was easier at the opening in all sections and prices were lower by as much as $\frac{1}{8}$ - $\frac{1}{4}$ in the short-dated bonds and $\frac{1}{4}$ - $\frac{1}{2}$ in the medium and long-dated issues. This tendency was thought to be mainly due to the weakness of sterling and the lack of expectation of lower interest rates in the near future. Business was on a small scale throughout the day but sellers predominated and, in the absence of any buying, prices by lunchtime eased further to show falls of as much as $\frac{3}{8}$ - $\frac{1}{2}$ a point in the shorts and $\frac{3}{4}$ - $\frac{7}{8}$ in the long-dated issues. Little change was seen during the afternoon, although a few cheap buyers appeared just before the close, for the market to end the day about $\frac{1}{8}$ - $\frac{1}{8}$ above the lowest levels.

The Industrial market opened slightly easier on the weakness of sterling. Prices continued to move lower during the day on the possible effect of the engineering dispute and, with buying interest at a low level, all sections tended to close at the worst levels. Banking and Store shares were dull sectors on the gold fix price. Decca rallied strongly on favourable press comment following the disappointing results of last week.

Financial Times Index (3.00 p.m.)

465.5 (down 2.2)

Bank

Sales	£	10,290,000
Purchases	£	8,699,000
Nett Sales on balance	£	1,591,000