

Monday, 19th November, 1979.

The Gilt Edged market was looking very firm at the opening in all sections. This improvement was partly due to some quite aggressive buying which had been seen after hours on the previous Friday evening, following the announcement of the new Government short-dated tap stock. Prices in the short-dated bonds were at least  $\frac{3}{4}$  of a point higher and in the long-dated issues they had improved by 1 - 2 points. Most of the buying was concentrated on the high coupon issues, where the jobbers were very short of stock and by lunchtime gains of as much as 3 - 4 points were widespread from the previous night's closing levels. Some profit-taking was seen around lunchtime and prices fell by about  $\frac{1}{4}$  -  $\frac{3}{8}$  in most areas of the market. Business was on a much smaller scale during the afternoon and, although not recovering to the best levels, the market improved by about  $\frac{1}{8}$  to end the day looking very firm.

The Industrial market opened steady on the first day of the new account. Small investment interest caused prices to improve during the day and close around the best levels. Banking issues were firm following last week's increase in base rates. Suggestions that interest rates may now have reached a peak created demand for Property shares, which were better throughout. The Oil sector encountered renewed buying with Oil Exploration and Lasmø both strong on the expectation of a further bid. Among otherwise firm Electrical issues, M.K. Electric were easier on slightly disappointing interim results. Kaffirs were firm in quiet trading conditions.

Financial Times Index (3.00 p.m.) 411.6 (up 4.6)

<u>Bank</u>	Sales	£	98,252,000
	Purchases		NIL
	Nett Sales on balance	£	98,252,000