

Wednesday, 13th February, 1980.

The Gilt Edged market was looking quite firm at the opening and prices were $\frac{1}{8}$ - $\frac{1}{4}$ higher in the short-dated bonds and $\frac{1}{4}$ - $\frac{1}{2}$ a point higher in the long-dated issues. Part of these rises had taken place during after hours dealing on the previous evening. This firmer tendency continued throughout the morning and, with the jobbers short of stock, further improvement was seen so that by midday rises of as much as 1 point in the short-dated bonds and $1\frac{1}{8}$ - $1\frac{1}{2}$ points in the long-dated issues were widespread. The market received further encouragement from an announcement made at 11.00 a.m. concerning a sale and repurchase agreement of gilt edged securities between the Bank of England and the London & Scottish Clearing Banks, which it was hoped would ease the temporary acute shortage in the money markets. The market remained firm and reasonably active during the afternoon. Short-dated bonds encountered a small amount of profit-taking and closed just below the best levels but the long-dated issues remained firm and ended the day at the highest levels.

The Industrial market opened slightly higher despite the adverse industrial news. Prices moved ahead during the day on investment demand and, with a lack of any selling, all sections closed at or around the best levels. Electrical, Oil and Insurance shares were particularly firm sectors, while Kaffir issues lacked a decided trend throughout the day. Compair were slightly higher following the bid from I.C. Gas, while Birmid Qualcast were sharply higher after the final figures.

Financial Times Index (3.00 p.m.) 475.4 (up 6.1)

BANK

Sales	£	89,288,000
Purchases	£	756,000
Nett Sales on balance	£	88,532,000