

SECRET

9

PRIME MINISTER

Evening Market Report

Sterling/Dollar	opening :	2.3055
	closing :	<u>2.3133</u>
Sterling effective	opening :	73.07
	closing :	73.29

The bank took in \$23 million in the market. The effective index reached a new six month high.

In the guilts market the authorities bought £16 million. Guilts prices were a little lower.

I spoke to Gordon Pepper this evening. He is very worried about the continued upward pressure on Sterling, and thinks the Treasury should be seriously considering introducing exchange controls and/or negative interest rates on inward flows. We discussed this briefly today, but shall I ask the Treasury for a considered note?

12

Yes please
no

14 February 1980

SECRET