

Tuesday, 4th March, 1980.

The Gilt Edged market was easier at the opening in all sections and prices were lower by about  $\frac{1}{8}$  in the shorts and  $\frac{1}{4}$  in the long-dated issues. Fears of higher interest rates in all other financial centres kept most, if not all, buyers away from the market and sellers predominated throughout the morning, although they were not on a very large scale and by lunchtime falls of  $\frac{3}{8}$  -  $\frac{5}{8}$  in the short and long-dated issues were widespread. The market continued to drift slowly downwards during the afternoon and sentiment was not helped when the news came through that the Chase Manhattan Bank had raised its prime rate from  $16\frac{3}{4}\%$  to  $17\frac{1}{4}\%$ . Further falls were seen and the whole market closed the day looking barely steady,  $\frac{3}{4}$  -  $\frac{7}{8}$  down in the short-dated bonds and as much as  $1 - 1\frac{1}{8}$  points lower in the long-dated issues.

The Industrial market opened easier following the lower trend on Wall Street. Prices continued to move lower throughout the day on fears of higher interest rates and, with a lack of any buying, all sections tended to close at or around the worst levels. Property shares were sharply easier on possible interest rate rises, while Kaffirs, Building and Banking issues all moved lower during the day. Unilever, initially dull on the final figures, rallied marginally towards the close, while Oil shares closed slightly above the lower prices.

Financial Times Index (3.00 p.m.) 455.0 (down 8.5)

BANK

Sales		NIL
Purchases	£	4,919,000
Nett Purchases on balance	£	4,919,000