

Thursday, 6th March, 1980.

The Gilt Edged market was looking quietly firm at the opening and prices were about $\frac{1}{8}$ - $\frac{1}{4}$ higher throughout the list, although some of this improvement had taken place after hours on the previous evening. This firmer tendency continued in the early part of the morning but most of the interest was concentrated in the short-dated bonds and, with the jobbers short of stock in this area of the market, prices rose further to show gains at one time of $\frac{1}{4}$ - $\frac{3}{8}$. The long end of the market was, by comparison, more or less neglected and looking barely steady at the slightly higher levels. Just before lunch the economist of a major New York bank made a forecast of a further rise in prime rates to a level of 19% - 20% and, when this was known, the short-dated bonds lost all of their early improvement and the long-dated issues were also affected and fell by $\frac{1}{8}$ - $\frac{1}{4}$. No recovery was seen during the afternoon and, although business was on a very small scale, the market closed the day rather uneasily steady, well below the higher levels which had been reached during the morning.

The Industrial market opened cautiously following the easier overnight trend on Wall Street. Prices continued to drift easier during the day on small selling and, with little or no buying interest, most sections tended to close at or around the worst levels. Brewery shares provided an isolated firm feature, while Kaffir, Banking and Electrical shares were easier on balance. Shell Transport and Plessey both improved initially on their respective results, while Siebens Oil were sharply lower on the adverse rumours on a possible oil find.

Financial Times Index (3.00 p.m.) 457.5 (down 2.9)

BANK

Sales	£	1,762,000
Purchases	£	291,000
Nett Sales on balance	£	1,471,000