

Friday, 7th March, 1980.

The Gilt Edged market was very quiet and steady at the opening although the short-dated bonds were looking slightly easier on fears of the announcement later in the day of higher prime rates by the American banks. The medium and long-dated issues were unchanged and inactive and remained so throughout the day without any alteration in price. Short-dated bonds were slightly encouraged by the news at 11 o'clock that the Bank of England had decided to extend for a further month the repurchase agreement of gilt edged securities from the London and Scottish clearing banks. This led to some easing of the short-term overnight money rates and by lunchtime the short-dated bonds had improved by about $\frac{1}{16}$. Little change was seen during the afternoon and the news that the City Bank prime rate in New York had risen from $17\frac{1}{4}\%$ - $17\frac{3}{4}\%$ had largely been discounted. The market closed the week looking steady and unchanged in the medium and long-dated issues, and $\frac{1}{16}$ either side of the opening levels in the short-dated bonds.

The Industrial market opened easier on the dull overnight performance on Wall Street. Prices continued to drift lower on the last day of the account and, with an absence of any buying interest, most sections tended to close at or around the worst levels. Oil shares continued to meet profit-taking after the recent rises, while Kaffir issues and Mining Financial shares were dull throughout the day.

Financial Times Index (3.00 p.m.) 453.7 (down 4.3)

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| <u>BANK</u> | Sales | £ | 1,502,000 |
| | Purchases | £ | 254,000 |
| | Nett Sales on balance | £ | 1,248,000 |