

Monday, 14th April, 1980.

The Gilt Edged market was looking very firm at the opening and prices in the short-dated bonds were $\frac{1}{4}$ - $\frac{3}{8}$ higher and in the long-dated issues as much as $\frac{1}{2}$ a point above the previous night's closing levels. This improvement had largely been seen after hours on the previous Friday evening, following the announcement of the new Government long-dated tap stock, Treasury $13\frac{1}{2}\%$ 2004/08. As a result of favourable press comment over the week-end with regard to the possibility of lower interest rates both at home and in the U.S.A., the firmer tendency continued and, as soon as dealings had started, official supplies of Exchequer $13\frac{1}{2}\%$ Stock 1983 were exhausted. Prices of long-dated issues also made further improvement and by midday rises of 1 - $1\frac{1}{2}$ points were widespread in this area of the market. A certain amount of profit-taking was seen in the early part of the afternoon and at one time falls took place of $\frac{1}{4}$ - $\frac{3}{8}$ in the longs and $\frac{1}{8}$ - $\frac{1}{4}$ in the shorts. This, however, was short-lived and although the market did not regain the best levels, it closed the day looking extremely firm. One other major feature was a large demand for Exchequer 3% Stock 1984.

The Industrial market opened slightly higher at the beginning of the new account. Prices tended to improve throughout the day on renewed investment demand, with most sections closing at or around the best levels. Store, Insurance and Property shares were particularly firm sectors, the latter on hopes of an early reduction in M.L.R., while Oil issues fluctuated around the overnight levels. Kaffir shares lacked a decided trend on balance, while C. T. Bowring, initially sharply higher on the increased offer, failed to maintain the better level towards the close.

Financial Times Index (3.00 p.m.) 438.8 (up 3.2)

<u>BANK</u>	Sales	£	297,002,000
	Purchases	£	17,023,000
	Nett Sales on balance	£	279,979,000