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Thursday, 9th May, 1980.

Following the Chancellor's remarks that there was not likely to be a lowering of short-term interest rates in the near future, the Gilt-edged market opened up to about $\frac{1}{4}$ easier. Short-dated stocks continued to drift for most of the morning and by lunchtime were showing losses of up to $\frac{1}{2}$. There was little further movement in this section for the rest of the day. Long dated stocks also lost further ground initially, but rallied in the late morning to be only about $\frac{1}{8}$ lower on balance at lunchtime. During the afternoon, however, prices in this area also drifted, and closed the day up to about $\frac{3}{8}$ down. The 12.30 announcement on special deposits and the clearing banks' repurchase agreement had little discernable effect on prices.

The Industrial market opened easier continuing the overnight trend, with sentiment adversely affected by the Chancellor's statement that there would be no immediate fall in United Kingdom interest rates. Prices drifted lower during the day in quiet trading conditions. After initial weakness the Oil Sector encountered some Investment support for leading issues while North Sea and on-shore based shares saw some speculative demand. Peninsular & Oriental weakened on further profit-taking following yesterday's figures. Kaffirs improved on the marginally better bullion figures.

Financial Times Index (3.00 p.m.) 436.1 (down 3.3)

<u>C.N.D.</u>	Sales	NIL
	Purchases	£2,518,000
	Nett Purchases	£2,518,000
<u>BANK</u>	Sales	NIL
	Purchases	£59,710,000
	Nett	£59,710,000