

Monday, 12th May, 1980.

The Gilt Edged market was quiet and reasonably steady at the opening. There was little or no change in price in the medium and long-dated issues but the short-dated bonds were showing rises of  $\frac{1}{16}$  -  $\frac{1}{8}$ , particularly in the variable and low coupon stocks. Further buying of the short-dated bonds was seen after the opening and the firmness in this area of the market spread down the list so that by midday the long-dated issues were  $\frac{1}{8}$  -  $\frac{3}{16}$  higher. After a short period of hesitation just before lunch, the market was encouraged by the news that the prime rates of two major American banks had been lowered from 17% to 16 $\frac{1}{2}$ %. This brought in a few cheap buyers during the afternoon and the market closed the day looking reasonably firm in all sections, with rises of  $\frac{1}{4}$  -  $\frac{3}{8}$  being widespread.

The Industrial market opened easier on the first day of the new three-week account. Prices drifted marginally in light trading conditions before some investment support caused the market to steady at the slightly lower levels. Among leading issues, Unilever improved after good first quarter results. Dunlop were firm on renewed speculative demand following further suggestions of an overseas interest in the company. The Oil sector was again active with most stocks better and continued buying of the volatile secondary issues. Lasmco moved to a record high level following more press comment concerning a possible takeover. British Sugar were marked higher on the announcement of bid terms from S. & W. Berisford, whose shares were weak. In a quiet Stores sector, British Home Stores were better on final results and good improvement of the dividend, while Mothercare and Harris Queensway were dull as the jobbers encountered lines of stock. Kaffirs were unchanged as the bullion price improved.

Financial Times Index (3.00 p.m.) 433.1 (down 3.4)

<u>C.N.D.</u>	Sales	£	21,072,000
	Purchases	£	9,096,000
	Nett Sales on balance	£	11,976,000
<u>BANK</u>	Sales	£	4,405,000
	Purchases		NIL
	Nett Sales on balance	£	4,405,000