

Tuesday, 13th May, 1980.

The Gilt Edged market was quietly firm at the opening and, where changed, prices in the short-dated bonds improved by  $\frac{1}{16}$  -  $\frac{1}{8}$  and the medium and long-dated issues were  $\frac{1}{8}$  higher. The main feature of the morning's business was the quite considerable demand for the new Government long-dated tap stock, Exchequer 13 $\frac{1}{2}$ % 1992, and the first sales of this stock were made by the authorities at 20 $\frac{1}{16}$  (20% mid). Although there was no apparent news to encourage buyers, this firmer tendency continued throughout the morning and the Bank was able to make further sales of the long tap stock up to 20 $\frac{3}{16}$ . Other long-dated issues also improved so that by lunchtime rises of  $\frac{1}{2}$ % were seen in all sections of the market. The market continued to be quite strong during the afternoon and, although the short-dated bonds boiled over just before the close, the long-dated issues ended the day at the best levels, with rises in one or two places of as much as  $\frac{3}{4}$  -  $\frac{7}{8}$  of a point.

The Industrial market opened slightly higher, continuing the late trend of yesterday. Some investment support extended the improvement during the morning session before sellers caused prices to ease later in the day. However, most sectors still maintained better levels on balance. Oil issues were again in demand but encountered considerable profit-taking to close around overnight levels. The Stores sector was active with F. W. Woolworth weak after disappointing interim figures. U.D.S. were unchanged on the expected announcement of lower final profits. House of Fraser improved on further suggestions that Lonrho will press for a large dividend increase. In Food shares, Ranks Hovis MacDougall were dull following half yearly results. The British Sugar Board recommended shareholders to reject the offer by S. & W. Berisford. Coats Patons were firm after final figures were better than market expectations. Tube Investments were in demand following the Chairman's statement. Kaffirs were steady in line with the bullion price.

Financial Times Index (3.00 p.m.) 438.0 (up 3.8)

<u>C.N.D.</u>	Sales	£	16,580,000
	Purchases		NIL
	Nett Sales on balance	£	16,580,000
<u>BANK</u>	Sales	£	88,789,000
	Purchases	£	11,806,000
	Nett Sales on balance	£	76,983,000