

Wednesday, 15th May, 1980.

The Gilt Edged market was easier at the opening in all sections and this reflected some selling which had been seen after hours on the previous evening. Prices, where changed, were about $\frac{1}{8}$ lower in the medium and long-dated issues and $\frac{1}{16}$ down in the short-dated bonds. The market remained rather undecided and irregular throughout the day and business was on a small scale after the large sales by the authorities earlier in the week and the fact that a call of 30% was due on Treasury 13 $\frac{1}{2}$ % 2004-08 tomorrow. By lunchtime the short-dated bonds were looking slightly firmer but the long-dated issues were $\frac{1}{8}$ - $\frac{1}{4}$ lower throughout the list. The money supply and the bank lending figures, announced at 2.30 p.m., received an unfavourable reaction and the market lost $\frac{1}{16}$ - $\frac{1}{8}$ in all sections. This was, however, soon recovered, only to be lost again when the Prime Minister said in the House of Commons that she saw no prospect of lower interest rates while the bank lending figures were so high. As a result of this the market closed the day looking reasonably steady but at the lowest levels.

The Industrial market opened steady with very little trade in evidence. Prices generally tended easier before some slight investment support helped the market to close marginally down on the day. The Oil sector was again active. Initial profit-taking gave way to two-way trade as buyers appeared at the lower levels. Insurance shares were flat. Composites were particularly weak, affected by disappointing first quarter results from General Accident. European Ferries improved as final figures exceeded market expectations. Kaffirs were unchanged as the gold price eased.

Financial Times Index (3.00 p.m.) 438.4 (down 1.6)

<u>C.N.D.</u>	Sales	£	6,342,000
	Purchases	£	11,100,000
	Nett Purchases on balance	£	4,758,000
<u>BANK</u>	Sales		NIL
	Purchases	£	6,118,000
	Nett Purchases on balance	£	6,118,000