

Friday, 16th May, 1980.

The Gilt Edged market was slightly easier in all sections at the opening following rather unfavourable press comment concerning the money supply and bank lending figures announced on the previous day. Selling, however, was not heavy and in early trading most of the losses had been regained by midday and the market shrugged off the rise in the Retail Price Index which had, to a large extent, been discounted in advance. By lunchtime rises of  $\frac{1}{8}$  -  $\frac{1}{4}$  from the lowest levels were widespread but the market turned easier during the early part of the afternoon and some of the improvement was lost. As a result, prices ended the week looking rather irregular and showing changes of either  $\frac{1}{16}$  or  $\frac{1}{8}$  above or below the previous night's closing levels, in advance of the announcement of the trade figures at 3.30 p.m.

The Industrial market opened easier on expectations of a large increase in the Retail Price Index and the Government's stated reluctance to allow any immediate decrease of interest rates. However, there was no significant selling and prices tended to steady at the slightly lower levels in very quiet trading conditions. The Oil sector was the centre of interest once more with initial heavy profit-taking giving way to small investment support. Most shares were still lower on the day, affected by rumours of a down-grading of recoverable assets in the Ninian Field of the North Sea. This also caused I.C.I. to weaken. Ultramar improved on the agreement with the Canadian Government to purchase oil from its Quebec refinery. In a generally unchanged Electrical sector, Berc were better on final results being higher than market expectations. Kaffirs were steady in line with the bullion price.

Financial Times Index (3.00 p.m.) 437.1 (down 0.7)

C.N.D.

and

Sales and Purchases

NIL

BANK