

Tuesday, 20th May, 1980.

The Gilt Edged market was easier at the opening in all sections and prices were lower by  $\frac{1}{16}$  -  $\frac{1}{8}$  throughout the list. This easier tendency was thought to be mainly due to rather depressing newspaper comment on the industrial output figures and the future level of wage settlements. Selling was not heavy but the easier tendency continued throughout the morning and by lunchtime the short-dated bonds were  $\frac{1}{4}$  -  $\frac{3}{8}$  down and the long-dated issues  $\frac{3}{8}$  -  $\frac{1}{2}$  a point lower. The only exception was a steady demand for the short-dated variable stocks, which improved quite sharply. The market showed some slight improvement during the afternoon and the shorts recovered quite a large part of their early losses, to close about  $\frac{1}{8}$  -  $\frac{1}{4}$  below the opening levels, while the long-dated issues also improved to close about  $\frac{1}{4}$  above the lowest levels. Turnover was on a very small scale.

The Industrial market opened steady. Prices tended better before drifting slightly lower on the day through a marked lack of any significant interest. Oil issues recovered some of yesterday's losses and were generally firm throughout. However, on-shore exploration companies encountered further profit-taking. Shell and Royal Dutch first quarter results were in line with market estimates. Both shares moved higher with the sector. Lasmo saw speculative demand on renewed takeover rumours. The Electrical sector was easier with Thorn-E.M.I. weak as a large line of stock remained on offer. Among quiet Food shares, Tate and Lyle improved on support ahead of interim figures, due next week. Kaffirs were better where changed, although the gold price eased marginally.

Financial Times Index (3.00 p.m.) 433.4 (down 0.4)

<u>C.N.D.</u>	Sales	NIL
	Purchases	£ 4,797,000
	Nett Purchases on balance	£ 4,797,000

<u>BANK</u>	Sales	NIL
	Purchases	£ 5,851,000
	Nett Purchases on balance	£ 5,851,000