

Wednesday, 21st May, 1980.

The Gilt Edged market was looking quite steady at the opening and although there was little change in price in the medium and long-dated issues, short-dated bonds were  $\frac{1}{16}$  -  $\frac{1}{8}$  higher. This improvement was thought to be mainly due to the strength of sterling. The firmer tendency continued throughout the morning and although turnover was on a small scale, buyers predominated and, with the jobbers, short of stock, prices improved further to show gains of as much as  $\frac{1}{4}$  -  $\frac{1}{2}$  a point in all sections by lunchtime. The market remained steady and quiet during the afternoon and closed the day looking reasonably steady at or around the best levels.

The Industrial market opened steady. Prices drifted lower during the day on lack of interest, with sentiment adversely affected by Government warnings of a likely rise in unemployment and the Chancellor's Statement concerning future pay settlements. The Oil sector was generally steady as some two-way trade was encountered. Shell improved on further consideration of yesterday's quarterly results. Ultramar were in demand on suggestions of an impending increase in gas prices. Bridon were weak on the Chairman's profit warning and Engineering shares were dull in sympathy. In Chemicals, B.O.C. International were steady after satisfactory interim figures. Fisons were flat following yesterday's bearish statement at the Annual General Meeting. Investment support was seen for Courtaulds and Unilever. I.C.I. were unchanged ahead of first quarter figures due tomorrow. Kaffirs were better in line with the bullion price.

Financial Times Index (3.00 p.m.) 432.0 (down 1.6)

<u>C.N.D.</u>	Sales	£	NIL
	Purchases	£	2,489,000
	Nett Purchases on balance	£	2,489,000

<u>BANK</u>	Sales and Purchases	NIL
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