

Thursday, 5th June, 1980.

The Gilt Edged market was quietly firm at the opening and prices were about  $\frac{1}{8}$  higher throughout the list. This improvement was partly due to the news after hours on the previous evening of the fall to 13% of the prime rate of a major American bank. This firmer tendency continued throughout the morning and it was thought that once again this was mainly due to foreign buying. Rises of as much as  $\frac{3}{8} - \frac{1}{2}$  a point were seen in all sections by midday. The market hesitated slightly following the announcement from the Bank of England of the cancellation of the recall of Special Deposits and that the repurchase agreement with the clearing banks will not be extended. This hesitation was, however, short lived and some slight further improvement was seen during the afternoon. The market closed the day looking firm with rises of  $\frac{1}{4} - \frac{3}{8}$  in the shorts and  $\frac{3}{8} - \frac{5}{8}$  in the long-dated issues.

The Industrial market opened slightly higher on the sharply better overnight tone on Wall Street. Prices, after improving initially on small investment, failed to maintain the best levels and most sections reacted to close around the overnight levels. Building, Food and Banking shares moved ahead on balance, while Property issues were sharply lower following the Land Securities rights issue announcement. I.C.I. were a dull feature on a broker's comments on the profits statement, while Kaffir shares recovered after the recent losses. B.P. were unchanged after the first quarter figures.

Financial Times Index (3.00 p.m.) 422.6 (down 0.4)

<u>C.N.D.</u>	Sales		NIL
	Purchases	£	1,727,000
	Nett Purchases on balance	£	1,727,000
<u>BANK</u>	Sales	£	22,287,000
	Purchases		NIL
	Nett Sales on balance	£	22,287,000