

Tuesday, 10th June, 1980.

The Gilt Edged market was quietly firm at the opening and prices in all sections, where changed, were $\frac{1}{16}$ - $\frac{1}{8}$ higher. This firmer tendency continued throughout the morning and quite a large demand developed for the new Government 1994 tap stock and the authorities were able to sell stock for the first time at 40 $\frac{1}{8}$ (40% paid). By lunchtime rises of $\frac{1}{16}$ - $\frac{1}{8}$ in the shorts and $\frac{1}{8}$ - $\frac{3}{8}$ in the long-dated issues were widespread and the market was looking reasonably firm in advance of the banking figures for May, which were due to be announced at 2.30 p.m. When these were known, they caused quite a considerable disappointment and all the early gains were soon lost. Although the sterling/dollar rate improved before the close, a certain amount of selling was seen, particularly of the short-dated bonds, on fears that the hoped for reduction in M.L.R. had once again been postponed. The market ended the day looking barely steady, about $\frac{1}{8}$ - $\frac{1}{4}$ below the opening levels.

The Industrial market opened slightly higher on the overnight bullish press comment. Prices continued the better trend during the morning on renewed buying interest but, following the banking figures, all sections eased and closed below the best levels. Building and Property shares generally held the initial gains, while Insurance and Electrical issues failed to maintain the earlier levels. Kaffir shares reacted sharply on the gold fix price, while Grand Metropolitan and Allied Breweries both improved following their respective results.

Financial Times Index (3.00 p.m.) 439.9 (up 5.5)

<u>C.N.D.</u>	Sales	£	2,383,000
	Purchases	£	3,301,000
	Nett Purchases on balance	£	918,000
<u>BANK</u>	Sales	£	22,154,000
	Purchases	£	16,277,000
	Nett Sales on balance	£	5,877,000