

Thursday, 12th June, 1980.

The Gilt Edged market was quietly firm at the opening and prices improved by  $\frac{1}{8} - \frac{3}{16}$  in all sections. Some encouragement was received by the Prime Minister's remarks concerning cuts in Local Authority spending and the market made further improvement during the morning, under the lead of the short-dated bonds, where some quite substantial buyers were seen, some of whom were thought to be from overseas. Prices in this area of the market improved by  $\frac{1}{4} - \frac{3}{8}$  and this spread down the list to the long-dated issues, which also by lunchtime showed rises of the same amount. Some hesitation was seen during the afternoon but the market improved once again just before the close and ended the day at the best levels, with rises of  $\frac{1}{4} - \frac{1}{2}\%$  throughout the list.

The Industrial market opened slightly higher on renewed anticipation of an early reduction of interest rates. Prices continued to respond to renewed buying interest in early trading and, although a little profit-taking was evident around mid-morning, all sections rallied again to close at the best levels. Banking, Insurance and Property shares were particularly firm sectors, while Oil issues recovered initial losses. Kaffir shares maintained overnight levels, while Northern Foods, Chloride and Hill Samuel all moved slightly ahead, following their respective results.

Financial Times Index (3.00 p.m.) 450.8 (up 3.9)

<u>C.N.D.</u>	Sales	£	5,191,000
	Purchases	£	5,603,000
	Nett Purchases on balance	£	412,000
<u>BANK</u>	Sales	£	29,307,000
	Purchases	£	14,158,000
	Nett Sales on balance	£	15,149,000