

Monday, 16th June, 1980.

The Gilt Edged market was very firm at the opening in all sections. Prices of the short-dated bonds were showing rises of  $\frac{3}{8}$  -  $\frac{1}{2}$  a point and the long-dated issues were  $\frac{1}{4}$  -  $\frac{3}{8}$  higher. This was thought to be mainly due to more favourable week-end press comment on the possibility of lower interest rates in the not too distant future. The main feature of early trading was a very substantial demand for the Government 1994 tap stock and official supplies of this issue were exhausted at the price of  $40\frac{9}{16}$  (40% paid). Following the announcement of this news the whole market improved further and by lunchtime rises of as much as 2 points in the longer dated shorts and  $1 - 1\frac{3}{4}$  in the very long-dated issues were widespread. The market hesitated slightly during the early afternoon but the small losses were soon regained and it closed the day looking very firm at the best levels, before the announcement at 3.30 p.m. of the trade figures for May.

The Industrial market opened sharply higher following the very favourable week-end press comment. Prices moved ahead initially on renewed investment demand and, although a little profit-taking was evident around mid-morning, all sections rallied again ahead of the May trade figures, to close at the better levels. Insurance, Banking and Food shares were particularly firm sectors, while Property issues failed to maintain the best levels. Kaffir shares reacted following the easier gold fix price.

Financial Times Index (3.00 p.m.)                      466.8 (up 10.3)

BANK

Sales	£	378,193,000
Purchases	£	25,742,000
Nett Sales on balance	£	352,451,000