

Friday, 20th June, 1980.

The Gilt Edged market was slightly easier at the opening and this was thought to be due to press comment on the money supply figures for May, which had been announced on the previous afternoon, and some commentators who thought that they might mean a further delay in a reduction in interest rates. At the opening, prices were about $\frac{1}{16}$ - $\frac{1}{8}$ lower but buyers appeared at these levels and the early losses were soon regained. Short-dated bonds, however, remained rather hesitant but the longer-dated issues improved during the afternoon and the market remained reasonably steady and closed the day unchanged from the opening levels in the long-dated issues, while the short-dated bonds were about $\frac{1}{4}$ easier on balance.

At 3.30 p.m. two new Government tap stocks were announced, which took the form of a further tranche of £600 million 12 $\frac{1}{4}$ % Exchequer Stock 1985 at a tender price of 98 $\frac{1}{4}$ % and £1,000 million 13% Treasury Stock 2000 at a minimum tender price of 96%.

The Industrial market opened slightly easier on the overnight press comment and the lower trend on Wall Street. Prices, however, after drifting initially in early trading, rallied strongly throughout the remainder of the day with most sectors closing at the better levels. Stores, Insurance and Electrical shares improved to close at the higher prices, while Kaffir issues moved ahead on the gold fix price. Harrison & Crosfield were marginally lower following the rights issue announcement, while Selection Trust moved further ahead, awaiting the bid terms from B.P.

Financial Times Index (3.00 p.m.) 471.9 (up 6.5)

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| <u>BANK</u> | Sales | £ | 3,809,000 |
| | Purchases | £ | 3,405,000 |
| | Nett Sales on balance | £ | 404,000 |