

Tuesday, 8th July, 1980.

The Gilt Edged market was firm at the opening in all sections and prices were $\frac{1}{8}$ higher in the short-dated bonds and $\frac{1}{4} - \frac{3}{8}$ up in the long-dated issues. This stronger tendency, which had been seen yesterday, continued throughout most of the morning but the main interest was concentrated at the long end of the market where the jobbers were short of stock, and by lunchtime rises of up to $\frac{3}{4}$ of a point were widespread in this section. Short-dated bonds, by contrast, were rather neglected and the best levels were not maintained, with prices reacting to around the opening levels. During the afternoon the money supply figures for June, which were announced at 2.30 p.m., were above most market expectations and this caused some quite heavy selling and profit-taking just before the close. As a result, the market ended the day looking barely steady, but with falls from the opening levels of about $\frac{1}{8} - \frac{3}{16}$ in the short-dated bonds and the long-dated issues falling right back to the previous night's closing levels.

The Industrial market opened higher again on renewed buying interest, aided by the better overnight tone on Wall Street. Prices, however, after improving initially, met profit-taking with most sections closing only marginally ahead on balance. Second line Oil shares remained a dull feature, while Electrical, Engineering and Building issues all failed to maintain the best levels. Rothmans International were easier following the final figures, while Kaffir shares were selectively higher on the gold fix price.

Financial Times Index (3.00 p.m.) 494.9 (down 0.1)

<u>C.N.D.</u>	Sales		NIL
	Purchases	£	1,933,000
	Nett Purchases on balance	£	1,933,000
<u>BANK</u>	Sales	£	20,635,000
	Purchases	£	12,900,000
	Nett Sales on balance	£	7,735,000