

Wednesday, 9th July, 1980.

The market was looking quite sharply easier at the opening on the appearance of some sellers, following a certain amount of adverse press comment on the money supply figures which had been announced on the previous day. Short-dated bonds were showing falls of  $\frac{1}{8}$  -  $\frac{3}{16}$  and the longer-dated issues were  $\frac{1}{4}$  -  $\frac{3}{8}$  lower. Light selling continued in the early part of the morning and by midday falls of  $\frac{1}{4}$  in the shorts and  $\frac{3}{8}$  in the long-dated issues were widespread. However, some quite substantial cheap buyers appeared at the lower levels and by lunchtime the market had recovered all the early losses and had improved by  $\frac{1}{8}$  -  $\frac{1}{4}$  above the opening levels. The market made further progress during the afternoon, following the announcement of the Central Government Borrowing Requirement and, although the short-dated bonds were comparatively neglected, a considerable amount of buying was seen at the longer end of the market, which closed the day showing rises of  $\frac{3}{4}$  of a point or more above the previous night's closing level, while the short-dated bonds also looked slightly firmer but only showed changes of  $\frac{1}{16}$  in either direction.

The Industrial market opened easier following the overnight comment concerning yesterday's banking figures. Prices, however, after easing initially, soon renewed the upward trend on investment interest and most sections closed the day at the slightly higher levels. Plessey provided a firm feature, still reflecting the recent excellent figures, while Paper, Insurance and Property shares rallied to close at the marginally better prices. Kaffir shares were slightly easier on the gold fix price.

Financial Times Index (3.00 p.m.) 495.2 (up 2.5)

C.N.D.

Sales		NIL
Purchases	£	498,000
Nett Purchases on balance	£	498,000

BANK

Sales	£	4,635,000
Purchases		NIL
Nett Sales on balance	£	4,635,000