

Wednesday, 6th August 1980

The Gilt Edged market opened the period sharply easier. This followed on from an easier trend which developed in "after hours" trading when selling was seen from suggested foreign sources which, coupled with adverse press comment on the banking figures published yesterday, caused prices to open with falls ranging up to one point. Selling was immediately encountered and prices retreated by approximately a further $\frac{1}{2}$ point with stock coming on offer principally in the longer dated end of the market. Short dated bonds also fell in sympathy with longer dated stocks but the amount of stock traded was not large. Small rallies were seen during the latter part of the morning but prices failed to hold and by lunch time losses of over 2 points were seen. During the afternoon little further trade was seen but with small offering of stock prices continued to drift and with the suggestion of further foreign selling at the close prices fell to show losses of approximately $2\frac{1}{2}$ - 3 points.

The Industrial market opened lower on further consideration of the implication of yesterday's banking figures. Prices continued to drift throughout the day with a marked lack of investment support. Widespread falls were evident in most sectors with ICI, Unilever and other leading shares showing sizeable losses. Banking, Insurance and Financial issues were dull. Properties were weak on the expectation of continuing high interest rates in the near future. Among easier Engineers, both Tube Investments and Glynwed were steady following satisfactory interim results. The Electrical sector encountered profit-taking after the recent firm trend and Hoover were lower on disappointing half-yearly figures. Kaffirs eased in line with the gold price.

Financial Times Index (3.00 p.m.) 473.4 (down 7.5)

C.N.D. Purchases £9,681,000

BANK Purchases £14,411,000