

Thursday, 14th August 1980

The Gilt Edged market was easier at the opening in all sections and prices were $\frac{1}{16}$ - $\frac{1}{8}$ lower in the short dated bonds and $\frac{1}{8}$ - $\frac{1}{4}$ down in the medium and long dated issues. Business was not on a large scale but during the morning sellers predominated and further falls were seen so that by lunch time prices were about $\frac{1}{2}$ a point down in the short dated bonds and $\frac{3}{4}$ - $\frac{7}{8}$ lower in the long dated issues. The money supply figures announced at 2.30 pm had been more or less discounted and a few cheap buyers appeared at the lower levels and the whole market recovered part of the early losses. The market in fact closed the day slightly steadier with falls of only $\frac{1}{4}$ in the shorts and $\frac{1}{4}$ in the long dated issues, well above the lowest levels.

The Industrial market opened steadily but prices drifted easier on further consideration of recent bearish company statements and economic indicators. The Money supply figures were much as expected and some investment interest was seen in later trading which helped most sectors to recover and close slightly above overnight levels. Leading issues were generally firm. BOC International were unchanged on interim profits in line with market estimates. Oil shares improved on the excellent half-yearly results from Ultramar. Among Financials, Clearing Banks were steady and encountered two-way trade. Insurance Companies were better following press comment on the latest figures from Commercial Union and General Accident. UDT were sharply lower reflecting disappointment over the partial bid news. Kaffirs extended yesterday's gains as the gold price continued to move ahead.

Financial Times Index (3.00 p.m.)	475.3 (up 0.7)
<u>C.N.D.</u> Sales	£ 444,000
<u>BANK</u> Sales	£ 6,020,000
Purchases	£16,045,000
Nett Purchases on balance	£10,025,000