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Tuesday, 19th August, 1980.

The Gilt Edged market was slightly easier in all sections at the opening and this was thought to be mainly due to fears of higher interest rates in the U.S.A. Prices were $\frac{1}{16}$ - $\frac{1}{8}$ down and, although business was on a very small scale throughout the morning, there were few, if any, buyers and some sellers of partly-paid stocks, in view of the fact that further calls were due on these issues within the next fortnight. As a result, by lunchtime, prices had fallen by as much as $\frac{1}{2}$ a point in the long end of the market and the short-dated bonds were $\frac{1}{16}$ - $\frac{1}{8}$ lower. Little change was seen during the afternoon but a few cheap buyers appeared at the lower levels and the market ended the day showing small rises in the short-dated bonds and $\frac{1}{8}$ - $\frac{1}{4}$ above the lowest levels in the long-dated issues.

The Industrial market opened steadily, retaining yesterday's late improvement following publication of the Trade Figures for July. Widespread profit-taking on Wall Street caused by inflation fears, did not affect London and prices moved within narrow margins to close generally unchanged in quiet trading conditions. Small selling during the morning in the Oil sector was soon absorbed as two-way business became evident. LASMO were initially weak on the slightly disappointing interim results and a continued absence of dividends. However, buyers appeared at the lower levels to cause a partial recovery. I.C. Gas were strong on speculative demand. Building, Engineering and Property issues tended better as some investment support was encountered. Ocean Transport first-half profits exceeded market estimates. The shares were marked higher as were Peninsular and Oriental in sympathy and ahead of figures due shortly. Kaffirs improved in line with the gold price.

Financial Times Index (3.00 p.m.)

487.8 (up 0.2)

C.N.D.

Sales		NIL
Purchases	£	3,210,000
Nett Purchases on balance	£	3,210,000

BANK

Sales		NIL
Purchases	£	504,000
Nett Purchases on balance	£	504,000